

**COMPARISON OF PUBLIC INVESTMENT
BETWEEN THE KWAZULU-NATAL
PROVINCE AND THE EASTERN CAPE
PROVINCE**

**EXTRACTED FROM THE PROVINCIAL
BUDGETS AND EXPENDITURE REVIEW**

2003/04 – 2009/10

National Treasury

September 2007

OVERALL STATEMENTS

A recent media report indicated that Treasury latest review of provincial budgets and expenditure shows that the Eastern Cape, Mpumalanga and Limpopo are catching up on social service and infrastructure spending.

In education, it states that KZN and the EC carry the biggest schooling burdens with 2.6 million and 21 million of the nations 12 million school-goers. They also carry the biggest share of no-fee policy that exempts the poorest 40% of children from any contribution.

In terms of roads, KZN's expenditure will increase by a fifth over the next three years, and EC repaired a record 351km of roads last year, and from a high base, sees a 3% annual increase in spending up to 2010. (*Sunday Times, Sept 9, 2007, Business Times, p3.*)

EDUCATION

The learner school ratio in the predominantly rural provinces like Eastern Cape and the Free State tends to be lower than the ratio in more urban provinces like Gauteng due to the sparse distribution of population in these rural provinces.

Table 2.3 Public ordinary school statistics by province, 2006

	Number			Ratio	
	Learners	Educators	Schools	Learner : Educator	Learner : School
Eastern Cape	2 136 189	64 166	5 929	33	360
Free State	570 083	22 721	1 752	29	382
Gauteng	1 617 124	47 990	1 880	34	660
KwaZulu-Natal	2 662 202	81 171	5 661	33	471
Limpopo	1 902 279	58 962	4 243	33	446
Mpumalanga	922 623	26 746	1 749	36	526
Northern Cape	206 135	6 543	421	32	494
North West	894 249	30 388	2 115	29	423
Western Cape	949 092	30 499	1 454	31	653
Total	11 962 176	367 188	25 194	33	475
Percentage of national total					
Eastern Cape	17,9%	17,5%	23,5%		
Free State	5,6%	6,2%	7,0%		
Gauteng	13,6%	13,1%	7,5%		
KwaZulu-Natal	22,3%	22,1%	22,4%		
Limpopo	15,9%	15,6%	16,8%		
Mpumalanga	7,7%	7,3%	6,9%		
Northern Cape	1,7%	1,8%	1,7%		
North West	7,5%	8,3%	8,4%		
Western Cape	7,9%	8,3%	5,8%		
Total	100,0%	100,0%	100,0%		

Source: *Schools Realities in 2006, National Department of Education*

The Eastern Cape is the only province where the learner: education ratio in independent schools (39:1) is higher than in public ordinary schools (33:1 in 2006).

Table 2.4 Independent school statistics by province, 2006

	Number			Ratio	
	Learners	Educators	Schools	Learner : Educator	Learner : School
Eastern Cape	29 805	758	106	39	281
Free State	16 263	765	69	21	236
Gauteng	152 996	9 630	366	16	418
KwaZulu-Natal	47 206	2 789	176	17	268
Limpopo	28 928	1 333	97	22	298
Mpumalanga	21 285	975	99	22	215
Northern Cape	2 846	137	15	21	190
North West	11 007	677	43	16	256
Western Cape	29 734	2 343	127	13	234
Total	340 860	19 407	1 058	18	310
Percentage of national total					
Eastern Cape	8,8%	3,9%	9,7%		
Free State	4,8%	3,9%	6,3%		
Gauteng	45,0%	49,6%	33,3%		
KwaZulu-Natal	13,9%	14,4%	16,0%		
Limpopo	8,5%	6,9%	8,8%		
Mpumalanga	6,3%	5,0%	9,0%		
Northern Cape	0,8%	0,7%	1,4%		
North West	3,2%	3,5%	3,9%		
Western Cape	8,7%	12,1%	11,6%		
Total	100,0%	100,0%	100,0%		

Source: Schools Realities in 2006, National Department of Education

High enrollment is observed in the engineering field a area in which SA is experiencing acute skills shortage

Table 2.5 Learners enrolled in new curriculum programmes at FET colleges, 2007

	Actual college enrolment					Total
	Engineering	Business	Tourism hospitality	information technology	Agriculture	
Eastern Cape	1 322	1 032	229	191	27	2 801
Free State	612	599	146	116	61	1 536
Gauteng	3 315	2 280	542	537	–	6 674
KwaZulu-Natal	1 723	819	280	373	174	3 369
Limpopo	1 923	826	251	225	96	3 320
Mpumalanga	1 186	514	31	124	46	1 901
Northern Cape	556	590	75	105	–	1 366
North West	267	273	39	129	–	708
Western Cape	1 569	1 034	379	219	21	3 222
Total	12 513	7 967	1 972	2 021	424	24 857
Percentage of national total						
Eastern Cape	10,5%	13,0%	11,6%	9,5%	6,4%	11,3%
Free State	4,9%	7,5%	7,4%	5,8%	14,4%	6,2%
Gauteng	25,5%	28,6%	27,5%	26,8%	0,0%	26,8%
KwaZulu-Natal	13,8%	10,3%	14,2%	18,5%	41,0%	13,5%
Limpopo	15,4%	10,4%	12,7%	11,1%	22,4%	13,3%
Mpumalanga	9,5%	6,5%	1,6%	6,1%	10,8%	7,6%
Northern Cape	4,8%	7,4%	3,8%	5,2%	0,0%	5,5%
North West	2,1%	3,4%	2,0%	6,4%	0,0%	2,8%
Western Cape	12,5%	13,0%	19,2%	10,8%	5,0%	12,9%
Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

Source: National Department of Education

In KZN the education budget is one of the fastest growing budgets, but the province has always had a lower per capita than the national average, the declining share indicates it would take longer to reach the national average. North West and KZN education shares dropped by 12.5 per cent and 6 per cent over the seven year period.

Table 2.6 Provincial education expenditure¹, 2003/04 – 2009/10

R million	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
	Outcome			Preliminary outcome	Medium-term estimates		
Eastern Cape	10 308	10 654	11 523	12 873	14 726	16 616	17 661
Free State	4 087	4 400	4 916	5 346	5 692	6 331	7 013
Gauteng	9 539	9 835	10 405	11 623	14 543	15 967	17 131
KwaZulu-Natal	12 022	13 033	15 030	16 234	18 577	20 385	22 533
Limpopo	6 264	9 610	10 362	11 367	11 948	13 636	15 022
Mpumalanga	4 629	4 871	5 780	6 273	7 956	8 601	9 373
Northern Cape	1 305	1 397	1 563	1 643	2 267	2 535	2 771
North West	4 896	5 179	5 951	6 686	5 324	5 936	6 462
Western Cape	5 305	5 691	6 449	6 920	7 585	8 497	9 341
Total	60 255	64 670	71 981	78 963	88 710	98 505	107 327
Percentage growth (average annual)	2003/04 – 2006/07			2007/08 – 2009/10			
Eastern Cape	7,7%			9,5%			
Free State	9,4%			11,0%			
Gauteng	6,8%			8,5%			
KwaZulu-Natal	10,5%			10,1%			
Limpopo	11,2%			12,1%			
Mpumalanga	11,5%			8,5%			
Northern Cape	8,0%			10,6%			
North West	10,9%			10,2%			
Western Cape	9,3%			10,2%			
Total	9,4%			10,0%			

1. Includes National School Nutrition Programme.

Source: National Treasury provincial database

Table 2.7 Education expenditure as a percentage of total provincial expenditure, 2003/04 – 2009/10

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
	Outcome			Preliminary outcome	Medium-term estimates		
Eastern Cape	47,5%	49,3%	48,7%	47,8%	47,5%	47,6%	47,7%
Free State	45,8%	45,3%	46,0%	43,5%	42,8%	42,1%	41,9%
Gauteng	40,2%	39,7%	38,4%	33,4%	36,1%	35,5%	36,5%
KwaZulu-Natal	47,2%	46,5%	45,1%	43,9%	42,7%	41,6%	41,2%
Limpopo	50,0%	51,3%	49,6%	47,6%	47,2%	47,6%	47,3%
Mpumalanga	50,2%	48,6%	49,8%	49,4%	49,1%	48,3%	47,9%
Northern Cape	41,6%	42,1%	39,6%	36,0%	40,0%	39,9%	39,4%
North West	48,1%	45,6%	45,3%	44,5%	36,9%	35,3%	35,6%
Western Cape	40,3%	38,9%	38,5%	36,7%	37,1%	35,5%	37,3%
Total	45,7%	45,6%	44,7%	42,5%	42,2%	41,9%	41,8%

Source: National Treasury provincial database

Table 2.10 Learner:educator ratios in public ordinary schools, 2004 – 2006

	Public schools including SGB			Public schools excluding SGB		
	2004	2005	2006	2004	2005	2006
Eastern Cape	34	33	33	33	35	35
Free State	30	29	30	31	31	31
Gauteng	34	32	34	37	37	39
KwaZulu-Natal	36	34	33	37	37	35
Limpopo	36	34	33	36	36	34
Mpumalanga	36	34	35	37	36	36
Northern Cape	34	32	32	30	34	31
North West	30	31	29	38	32	34
Western Cape	38	32	31	36	37	37
Total	35	33	33	35	35	35

Source: Schools Realities in 2006, National Department of Education

No-fee schools

In 2007, government adopted the policy of no-fee schools. The aim of this policy is to give effect to the constitutional imperative of the "... right to a basic education ..." It is a policy and budgetary response to the need to make education truly inclusive by removing fees as a barrier. To implement the no-fee schools policy, schools are ranked into five categories (each quintile representing 20 per cent) and the schools in the lowest 40 per cent are deemed poor and allow learners to enrol without paying fees. In return, government funds the schools' expenses that used to be funded from fees. The table below shows that 55,2 per cent of public schools covering 41,8 per cent of learners, are classified as no-fee schools.

An adequacy benchmark of R554 per learner is the minimum allocation that has to be made to no-fee schools by provincial departments while they are encouraged to allocate the target amount of R738 per learner, where possible.

Western Cape and Gauteng are allocating quintile 1 schools the target allocation of R738 per learner (Gauteng allocates R738 to quintile 2 schools as well), while Mpumalanga exceeds the target allocation for quintile 1, with an allocation of R829 per learner. The table shows the number of schools and learners benefiting from the no-fee school policy per province.

	Number of learners	% of learners exempted from school fees	Number of no fee schools	% of schools not charging fees	Per learner allocation Q1	Per learner allocation Q2	Total spent (Rand thousand)
Eastern Cape	1 224 711	57,3%	3 825	64,6%	554	554	678 490
Free State	296 184	44,5%	1 304	74,4%	721	595	202 761
Gauteng	377 274	23,3%	432	23,0%	738	738	276 460
KwaZulu-Natal	1 173 503	44,1%	3 341	59,1%	629	560	703 604
Limpopo	1 015 524	53,4%	2 557	60,3%	579	579	587 968
Mpumalanga	404 431	43,9%	963	56,2%	829	648	72 063
Northern Cape	102 244	49,1%	335	79,6%	557	555	56 877
North West	267 042	29,9%	728	34,4%	658	658	349 194
Western Cape	132 560	14,0%	407	28,0%	738	677	93 361
Total/Average	4 955 473	41,8%	13 912	55,2%	667	618	3 022 798

Source: National Department of Education

Table 2.11 Number of schools and classrooms built, 2003/04 – 2006/07

	2003/04		2004/05		2005/06		2006/07	
	New schools completed	Number of classrooms	New schools completed	Number of classrooms	New schools completed	Number of classrooms	New schools completed	Number of classrooms
Eastern Cape	141	1 390	–	599	29	63	16	47
Free State	9	653	2	95	7	17	–	15
Gauteng	18	588	26	779	5	61	13	50
KwaZulu-Natal	–	690	–	287	–	1 772	3	1 106
Limpopo	1	1 624	–	768	14	1 637	–	1 143
Mpumalanga	–	695	–	393	4	384	–	269
Northern Cape	–	–	21	337	24	654	29	56
North West	1	46	–	10	–	27	3	60
Western Cape	6	217	11	697	16	607	6	166
Total	176	6 263	60	3 965	101	5 222	70	2 901

Source: National Department of Education

Table 2.16 shows the gap in funding per learner has been narrowing over time.

Table 2.16 Per learner allocations per province, 2003/04 – 2009/10

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
		Outcome		Preliminary outcome	Medium-term estimates		
Eastern Cape	4 670	4 955	5 222	6 058	7 007	7 906	8 412
Free State	6 671	6 372	7 349	7 771	8 294	9 224	10 217
Gauteng	6 740	6 792	6 184	7 039	7 861	8 630	9 280
KwaZulu-Natal	4 320	4 795	5 526	6 003	6 698	7 349	8 124
Limpopo	4 549	5 075	5 435	5 902	6 777	7 736	8 521
Mpumalanga	4 951	5 211	6 323	6 688	7 215	7 800	8 500
Northern Cape	6 458	6 685	7 440	7 838	8 661	9 684	10 589
North West	5 495	5 733	7 034	7 490	6 750	7 571	8 241
Western Cape	6 644	6 814	6 580	7 270	7 851	8 681	9 543
National average	5 311	5 603	6 344	6 895	7 461	8 287	9 045

There is a significant increase in the number of physical science standard grade passes from 73,667 in 2005 to 81,151 in 2006. The increase can mostly be attributed to the Eastern Cape, Free State, Limpopo and Mpumalanga where the numbers passing standard grade science increased by over 1000 in each province.

In terms of the child nutrition programme, recent surveys indicate that KZN spends R0.90 which is the lowest in terms of per day per learner as compared to R1.17 by the EC per day per learner.

HEALTH

The year on year growth, 2005/06-2006/07, was 18.2% for EC and 10.2% for KZN.

Table 3.3 Provincial health expenditure as at 31 March 2007

	Adjusted budget	Preliminary outcome	Preliminary outcome as % of adjusted budget	Over(-) / under	% over(-) / under adjusted budget	% share of health to total provincial expendit	% share of health to total social services	2005/06 audited outcome	Year-on-year growth 2005/06-2006/07
R million									
Eastern Cape	7 337	7 257	98,9%	80	1,1	28,8%	34,8%	6 137	18,2%
Free State	3 389	3 481	102,7%	-92	-2,7	28,2%	37,5%	3 130	10,6%
Gauteng	10 748	11 115	103,4%	-368	-3,4	32,1%	46,8%	9 990	11,3%
KwaZulu-Natal	11 819	11 664	98,7%	155	1,3	31,5%	40,4%	10 582	10,2%
Limpopo	5 554	5 632	105,0%	-278	-5,0	24,4%	33,2%	4 798	21,6%
Mpumalanga	3 032	3 013	99,4%	19	0,6	24,0%	31,9%	2 672	12,8%
Northern Cape	1 318	1 407	106,9%	-91	-6,9	30,8%	43,1%	1 101	27,8%
North West	3 616	3 479	96,2%	137	3,8	23,2%	33,0%	2 974	17,0%
Western Cape	6 476	6 420	99,1%	57	0,9	34,0%	45,7%	5 733	12,0%
Total	53 269	53 648	100,7%	-379	-0,7%	28,9%	39,0%	47 116	13,9%

Source: National Treasury provincial database

Table 3.5 Provincial health expenditure and budget trends, 2003/04 – 2009/10

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
	Outcome			Preliminary outcome	Medium-term estimates		
R million							
Eastern Cape	5 101	5 192	6 137	7 257	8 143	8 953	9 368
Free State	2 509	2 601	3 130	3 481	3 843	4 081	4 547
Gauteng	8 139	8 587	9 990	11 115	12 052	12 782	14 219
KwaZulu-Natal	8 060	8 970	10 582	11 664	13 413	14 384	15 780
Limpopo	3 832	4 174	4 798	5 832	6 086	6 914	7 718
Mpumalanga	1 958	2 258	2 672	3 013	3 595	4 132	4 662
Northern Cape	820	840	1 101	1 407	1 480	1 641	1 851
North West	2 211	2 597	2 974	3 479	3 755	4 170	4 639
Western Cape	4 557	5 179	5 733	6 420	7 095	7 942	8 412
Total	36 987	40 599	47 116	53 648	59 252	64 939	71 182
Percentage growth (average annual)			2003/04 – 2006/07			2007/08 – 2009/10	
Eastern Cape			12,5%			7,2%	
Free State			11,3%			11,7%	
Gauteng			10,9%			8,8%	
KwaZulu-Natal			13,1%			8,5%	
Limpopo			17,1%			12,5%	
Mpumalanga			15,4%			13,9%	
Northern Cape			19,7%			12,6%	
North West			16,3%			11,2%	
Western Cape			12,1%			8,9%	
Total			13,2%			9,6%	

Source: National Treasury provincial database

Doctors in EC and nurses in MP and KZN appear to have a high workload.

Table 3.8 Primary health care work load per province, 2006/07

	Doctor clinical work load PHC	Nurse clinical work load PHC
Eastern Cape	45	29
Free State	15	34
Gauteng	30	29
KwaZulu-Natal	23	39
Limpopo	18	24
Mpumalanga	24	41
Northern Cape	18	34
North West	12	32
Western Cape	23	31
Average	23	33

A doctor in Eastern Cape sees 45 patients per day.

Source: District health information systems and provincial reporting

Table 3.14 Primary health care visits per province, 2006/07

	PHC total headcount	Expenditure per PHC headcount	Utilisation rate- PHC	Utilisation rate for under 5 year olds - PHC	Supervision rate
Eastern Cape	15 437 641	63	2,4	4,0	78,0%
Free State	7 868 691	89	3,0	4,1	64,0%
Gauteng	14 961 820	108	2,2	3,3	65,0%
KwaZulu-Natal	18 703 020	72	2,2	4,1	100,0%
Limpopo	14 063 129	208	2,7	5,6	100,0%
Mpumalanga	6 923 114	72	2,4	4,1	40,0%
Northern Cape	8 029 057	89	2,3	4,1	73,0%
North West	2 267 522	65	3,0	4,0	45,0%
Western Cape	13 128 182	69	3,7	4,8	34,0%
<i>Target 2006/07</i>	-	78	3,5	5,0	100,0%
Total	101 200 176	91	2,5	4,3	66,6%

Source: District health information systems and provincial reporting.

Table 3.15 shows that despite the rise in spending there are some health districts with a per capita expenditure of less than R200 per year in 2006/07 compared to the national average of R256.

Table 3.15 Health districts with expenditure of less than R 200 per capita per annum

District	District Council	Province	Primary health care expenditure per capita
Metseding	DC46	Gauteng	149
Siyanda	DC8	Northern Cape	150
Great Sekhukhune	DC47	Limpopo	181
Amajuba	DC25	KwaZulu-Natal	175
Gert Sibande	DC30	Mpumalanga	180
Ehlanzeni	DC32	Mpumalanga	197
Lejweleputswa	DC18	Free State	189
Capricorn	DC35	Limpopo	194
Uthukela	DC23	KwaZulu-Natal	195
Nkangala	DC31	Mpumalanga	195
Sedibeng	DC42	Gauteng	196
O.R.Tambo	DC15	Eastern Cape	199
National average			256

Source: Health Systems Trust

Table 3.19 Per capita health funding trends per province, 2003/04 – 2009/10

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Real annual growth 2003/04–2009/10
	Outcome			Preliminary outcome	Medium-term estimates			
Rand								
Eastern Cape	851	827	955	1 142	1 290	1 407	1 458	4.6%
Free State	1 009	1 133	1 238	1 307	1 395	1 543	1 713	3.5%
Gauteng	1 218	1 264	1 496	1 605	1 681	1 785	1 951	3.5%
KwaZulu-Natal	967	1 029	1 211	1 386	1 506	1 602	1 746	5.6%
Limpopo	728	803	915	1 036	1 195	1 344	1 488	7.8%
Mpumalanga	715	798	944	1 086	1 162	1 325	1 483	8.0%
Northern Cape	1 144	1 103	1 415	1 792	1 571	1 752	1 960	4.6%
North West	685	772	878	1 041	1 226	1 351	1 490	9.9%
Western Cape	1 340	1 505	1 670	1 786	1 933	2 146	2 265	4.3%
Average	969	1 028	1 191	1 347	1 440	1 582	1 727	5.3%

Expenditure and budgets for provincial departments of health expressed per capita of uninsured population

Source: National Treasury provincial database and Statistics South Africa