

Pre-budget speech 2020 media statement: Equal Education members are seeing and feeling the very real effects of funding shortages in our schooling system

26 February 2020

Education is critical to the socio-economic transformation that we want to see in South Africa. On numerous occasions, government has affirmed the importance of the right to education - including Finance Minister Tito Mboweni in his maiden budget speech. However, in the same breath, government has presented budgets over the past three years that slash funding for school infrastructure and the Department of Basic Education, and reflect almost no growth in overall education funding.

Provincial education budgets have been tightened to the point where some provinces are not even able to allocate the minimum per learner funding to schools, as prescribed by national guidelines:

2017 per learner funding allocations by provinces: which provinces are underfunding schools?			
2017 Rands	Quintile 1-3 (no fee schools)	Quintile 4	Quintile 5
Minimum threshold	R1 243	R623	R215
	Actual funding provided		
Eastern Cape	R1 177	R590	R204
Free State	R1 243	R623	R240
Gauteng	R1 243	R623	R623
KwaZulu-Natal	R955	R522	R179
Limpopo	R1 241	R621	R205
Mpumalanga	R1 059	R530	R183
Northern Cape	R1 177	R736	R346
North West	R1 243	R623	R215
Western Cape	R1 234	R993	R369

Source: [Department of Basic Education](#)

As learners, parents and community members, we refuse to accept this. We are seeing and feeling the very real effects of funding shortages in our schools, where learners die due to collapsing infrastructure, where learners' long and treacherous journeys to school leave them vulnerable to crime and unable to concentrate in class, and where psychosocial support is minimal and violence interrupts teaching and learning and threatens learners' lives.

We know that South Africa's economy is struggling and that we are facing severe budgetary constraints, but the financial difficulties we are now confronted with, have largely been brought about by a

government which is supposed to be the custodian of the national purse. It is now up to this government to make the difficult decisions necessary to ensure that education and other social priorities are adequately funded.

It is time for government to clean up its house. While we are being told that there is no money for our schools, precious public funds are being squandered in the following ways:

R120.6 billion in irregular expenditure

In the 2018/19 financial year¹, irregular expenditure² by government departments - where money is spent without the proper rules being followed - totalled a whopping R62.6 billion, an increase of around R11 billion from the previous financial year.³ In addition, State-Owned Entities (SOEs) reported record levels of irregular expenditure of R57 billion.⁴ **Together, this is equal to more than half of South Africa's entire education budget.**

KwaZulu-Natal (KZN) alone was responsible for irregular expenditure of R12 billion, the highest of all the provinces, and more than that of the national government.⁵

What are the consequences when a province manifestly mishandles its budget in this manner? Equalisers (high-school learner members of EE) in KZN have seen the KZN Department of Education (KZNDoe) bemoan a lack of funds as the reason for not providing State-subsidised scholar transport for their schools.

Equaliser Ntombi Mngomezulu, who is in Grade 12, explains how a lack of scholar transport affected her education before EE secured transport for her school: *"It meant I had to miss my first class which is at 7:30am. My teachers are very strict, in a way that I won't be allowed in class if I am late. Our principal has a tendency of only letting us into the school premises during break time, if we are late."* In terms of how lack of access to scholar transport affected other learners, Ntombi says: *"A lot of learners missed school because of the lack of scholar transport, especially during rainy days. It was and still is hard for matric pupils to attend morning classes, girls are always at risk of being raped when travelling to and from school."*

R4.16 billion lost to fruitless and wasteful expenditure

¹The Auditor General (AG) report for the 2019/20 financial year is not yet available.

² Spending that was incurred without complying with applicable legislation. This may be caused by procedures not being followed.

³ Page 12.

<https://www.agsa.co.za/Portals/0/Reports/2018-19%20PFMA%20GR/PFMA%202018-19%20Citizen%20Report%20FINAL4%20Web.pdf?ver=2019-11-21-104607-390>

⁴ Page 33.

<https://www.agsa.co.za/Portals/0/Reports/PFMA/201819/GR/PFMA%202018-19%20Citizen%20Report.pdf>

⁵ Page 20.

<https://www.agsa.co.za/Portals/0/Reports/2018-19%20PFMA%20GR/PFMA%202018-19%20Citizen%20Report%20FINAL4%20Web.pdf?ver=2019-11-21-104607-390>

Fruitless and wasteful expenditure amounted to R849 million for the 2018/19 financial year alone. Since the 2014/15 financial year, government has lost R4.16 billion to fruitless and wasteful expenditure.⁶ **This amount, lost to essentially pointless expenses, exceeds the projected budget for the national Accelerated School Infrastructure Delivery Initiative (ASIDI) for the next three years.**⁷ ASIDI is government's programme intended to rapidly address the worst-off schools in terms of infrastructure backlogs.

The 2018/19 Auditor General's (AG) report notes that government officials are not being adequately held accountable for the poor handling of taxpayers' money. The AG found that non-compliance with legislation was rife and that only a few national, provincial and public entities investigated irregular expenditure.⁸ Among others, uncompetitive and unfair procurement processes, delays in paying creditors, and government contracts that were awarded to employees and family members of employees without declarations of interest, have contributed to these figures.

R20 billion bailout to South African Airways (SAA)

Time and again we have criticised National Treasury's choice to bail out SOEs rather than prioritise social needs such as basic education and health care, among others. Learners have had to pay the price for years of looting and maladministration within some of these entities. South African Airways (SAA) in particular, has not turned a profit since 2011, and has received around R20 billion in bailouts over the last three years.⁹ **This amount is almost double that of the budget that went towards the Education Infrastructure Grant (EIG) in the 2019/20 financial year.**

R138 billion of support to Eskom

Over the next three years, government has made available provisional support to Eskom of R49 billion in 2019/20, R56 billion in 2020/21 and R33 billion in 2021/22.¹⁰ **The total - a staggering R138 billion - is equal to almost four times the Eastern Cape's entire education budget.**¹¹

The **cost** of State capture

⁶ The AG defines fruitless and wasteful expenditure as pointless spending that could have been avoided. This can be simple things such as not paying suppliers in time and incurring interest.

⁷ National Treasury. 2019. Medium Term Budget Policy Statement.

⁸ Page 12.

<https://www.agsa.co.za/Portals/0/Reports/2018-19%20PFMA%20GR/PFMA%202018-19%20Citizen%20Report%20FINAL4%20Web.pdf?ver=2019-11-21-104607-390>

⁹ National Treasury. 2019. Medium Term Budget Policy Statement; National Treasury. 2018. Medium Term Budget Policy Statement; National Treasury. 2017. Medium Term Budget Policy Statement.

¹⁰ National Treasury. 2019. Medium Term Budget Policy Statement.

¹¹ Mabuyane, L. 2019. Eastern Cape 2019/20 Provincial Budget Speech. Available at: <http://www.treasury.gov.za/documents/provincial%20budget/2019/1.%20Provincial%20Budget%20Speeches/Eastern%20Cape%20-%20Budget%20Speech%20-%2005%20March%202019.pdf>

The ‘unseen’ but profound impact that State capture and corruption have had on the realisation of peoples’ constitutional rights cannot be underestimated. Public funds lost to corruption have been at the cost of effective service delivery, and to the detriment of learners. A [joint submission](#) to the Zondo Commission of Inquiry by EE, the Equal Education Law Centre (EELC) and SECTION27, illustrates how corruption in school procurement processes has an impact on various education needs, such as school infrastructure, provision of textbooks and the school nutrition programme.

We found that allegations of corruption had been levelled against a number of senior officials in the Eastern Cape in relation to a **R1 billion** school nutrition programme in the province. It is unclear whether the allegations were fully investigated.

Another case of apparent corruption involves the abuse of power by a public official in extracting money from a school infrastructure implementing agent (IA). In 2019, it was [reported](#) that the former MEC of Education in Limpopo, had allegedly been paid over **R1 million** by an IA for “...constituency work and various political work at the branch level.” The IA had been contracted to provide toilets to schools in Limpopo through ASIDI. **It is stated that these funds, which were improperly diverted to the former MEC, could have built proper toilets for at least 17 schools in Limpopo.**

Conclusion

We have only highlighted a few examples to illustrate how money that could have been used to improve education and other social services, has been squandered with little to no accountability from those responsible.

As we head into the season of the State of the Province Addresses (SOPAs) and Budget Vote speeches, we will continue to call on national and provincial governments to hold those responsible for mismanagement and corruption accountable, to address irregular and wasteful expenditure and to adequately fund education to ensure that our schools are spaces where learners can thrive. The times we are in are too desperate to allow the callous disregard for our basic rights to continue.

[END]

Please quote the authors of this analysis:

Malin Steinsland (Equal Education Researcher) malin@equaleducation.org.za

Roné McFarlane (Equal Education Co-Head of Research) rone@equaleducation.org.za

Hopolang Selebalo (Equal Education Co-Head of Research) hopolang@equaleducation.org.za

To arrange an interview:

Jay-Dee Cyster (Equal Education Communications Officer) jay-dee@equaleducation.org.za 082 924 1352

***NOTE:** The researchers are only available for media interviews from 1pm today.