



**EQUAL EDUCATION SUBMISSION TO THE STANDING AND SELECT COMMITTEES ON APPROPRIATIONS  
REGARDING THE 2020 DIVISION OF REVENUE AMENDMENT BILL**

**SUBMITTED BY:**

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## Overview

Equal Education welcomes the opportunity to make its submission on the 2020 Medium Term Budget Policy Statement (MTBPS) and Division of Revenue Amendment Bill to the Standing and Select Committees on Appropriations. Our submission is structured as follows:

1. In **Part 1**, we provide an overview and background of Equal Education;
2. In **Part 2**, we show that, prior to 2020, there was a historic deprioritisation of basic education funding;
3. In **Part 3**, we highlight government's decision to cut funding to basic education in the 2020 Supplementary budget.
4. In **Part 4**, we highlight the continuation of regressive funding measures in the 2020 MTBPS
5. In **Part 5**, we make recommendations to the Committee

### Part 1: Background

Equal Education (EE) is a movement of learners, post-school youth, parents and community members who strive for quality and equality in the South African education system. EE engages in a broad range of activities including campaigns rooted in public action and mobilisation, supported by rigorous research and policy analysis. Where necessary, we use legal processes to advance our campaigns and hold government accountable.

EE's core membership base is high school learners, known as 'Equalisers'. Our members are based in five provinces: Eastern Cape, Limpopo, KwaZulu-Natal, Western Cape and Gauteng.

Every year EE makes submissions on the Division of Revenue Bill (DoRB), because we recognise the important role that resource allocation plays in securing socio-economic rights, including learners' right to quality education.

### Part 2 : The Department of Basic Education's shrinking budget

Over the past five years there has been a de-prioritisation of basic education funding by National Treasury. For example, every year since the 2016/17 financial year has seen less funding allocated to the Department of Basic Education (DBE) in real terms than the year before. When the 2020/21 budget was tabled by Minister Tito Mboweni in February this year, the DBE's budget decreased by one percentage point in real terms.

While it appears that more funds are being allocated to the DBE budget annually – **in nominal terms** – these funds do not accommodate the rising cost of basic services such as the provision of safe and adequate school infrastructure.

## Department of Basic Education (DBE) budget

Rand in millions	2016/17	2017/18	2018/19	2019/20	2020/21
Nominal adjusted	22 413	22 993	23 669	24 504	25 328
Annual % change	5,3%	2,6%	2,9%	3,5%	4,5%
Real	26 702	26 163	25 748	25 582	25 328
Annual % change	-0,9%	-2,0%	-1,6%	-0,6%	-1,0%

*Source: Adjusted Estimates of National Expenditure<sup>1</sup>*

Furthermore, February’s budget revealed cuts across various education priorities over the next three years, including cuts to school infrastructure grants, the National School Nutrition Programme (NSNP) and the Second Chance Programme that supports learners to pass their matric exams.<sup>2</sup>

On the NSNP, the 2020 Estimates of National Expenditure (ENE) state that:

*“[r]eductions approved by Cabinet on the grant amounting to R123.1 million over the medium term **will not affect the current provision of meals to learners in quintile 1 to quintile 3 schools.** However, the programme’s extension to include breakfast and provide meals to selected learners in quintile 4 and quintile 5 schools will be slower.”<sup>3</sup>*

The emergence of the Covid-19 pandemic affected the provision of school meals, with the programme being suspended for a long period during lockdown. Once all learners went back to school, the DBE and Provincial Education Departments (PEDs) adopted a rotational system, for learners to attend school safely, meaning that learners do not attend school every day. A [North Gauteng High Court judgment](#), in a court case brought forward by EE and the governing bodies of two SGBs (represented by Equal Education Law Centre and SECTION27), ruled that learners who qualify for meals, whether at home or at school must be fed. This means that food parcels have become an option schools use to ensure learners receive meals - and this comes at a cost. It is therefore unfortunate the NSNP has not been provided with additional funds considering the impact of the pandemic.

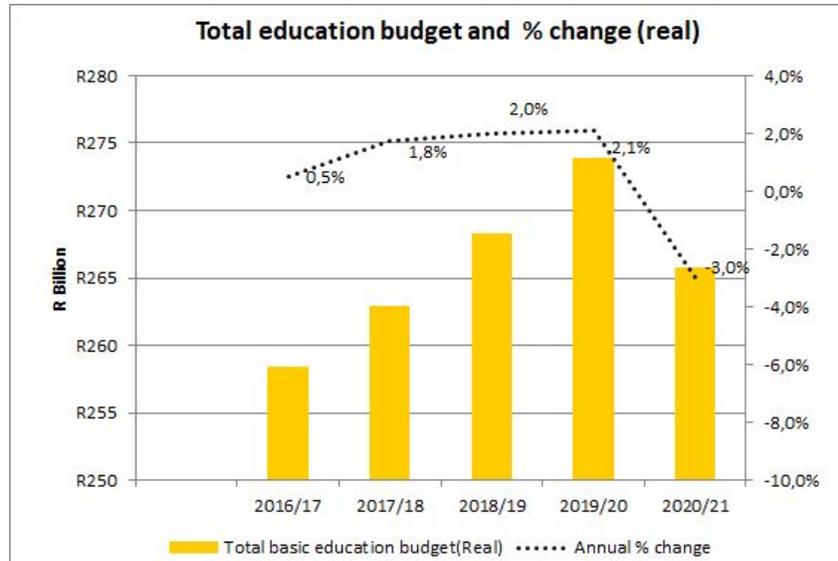
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<sup>1</sup> Adjusted Estimates of National Expenditure (2016-2019) and Estimates of National Expenditure (2020). Available at: <http://www.treasury.gov.za/documents/mtbps/2016/adjustments/Vote%2014%20Basic%20Education.pdf>; <http://www.treasury.gov.za/documents/mtbps/2017/aene/Vote%2014%20Basic%20Education.pdf>; <http://www.treasury.gov.za/documents/mtbps/2018/aene/Vote%2014%20Basic%20Education.pdf>; <http://www.treasury.gov.za/documents/mtbps/2019/aene/Vote%2014%20Basic%20Education.pdf>; <http://www.treasury.gov.za/documents/national%20budget/2020/review/FullBR.pdf><http://www.treasury.gov.za/documents/national%20budget/2020/ene/Vote%2016%20Basic%20Education.pdf>

<sup>2</sup> National Treasury, 2020 Estimates of National Expenditure (Vote 16): Available at:

<http://www.treasury.gov.za/documents/national%20budget/2020/ene/Vote%2016%20Basic%20Education.pdf>

<sup>3</sup> Ibid pg 224



Source: 2017, 2018, 2019, 2020 MTBPS & Budget Review<sup>4</sup> (own calculations)

As illustrated in the graph above, the 2020/21 February budget revealed, for the first time in recent years, a decrease in the total basic education budget in real terms. This means that the entire pot of money available for national and provincial education departments, was reduced. While we have consistently raised the alarm bells about the slow growth of the education budget over the past couple of years, we had not yet seen an actual decrease. This decrease was not projected in the 2019 Medium Term Budget Policy Statement (MTBPS).

### Part 3 : The June 2020 Supplementary Budget

On June 24 2020 Finance Minister Tito Mboweni tabled a Supplementary budget for the 2020/21 financial year. This budget was an extraordinary measure which sought to make provision for the Covid-19 pandemic and to fund the government's response.

The pandemic has wreaked havoc across the globe, including South Africa, impacting all sectors of our society. Now more than ever, we need to see the equitable distribution of public funds to the most vulnerable in our society, including children, workers in the informal sector, women and the unemployed, amongst others.

Despite this, the Supplementary Budget marked a decisive and unprecedented escalation of budget cuts to social spending, including for basic education. As a result of not being deemed a 'front line department', the education sector did not receive any additional funding, instead seeing a net cut of

<sup>4</sup> National Treasury, Medium Term Budget Policy Statement (2017-2019) and Budget Review (2020); Available at: <http://www.treasury.gov.za/documents/mtbps/2017/mtbps/FullMTBPS.pdf>; <http://www.treasury.gov.za/documents/mtbps/2018/mtbps/FullMTBPS.pdf>; <http://www.treasury.gov.za/documents/mtbps/2019/mtbps/FullMTBPS.pdf>; <http://www.treasury.gov.za/documents/national%20budget/2020/review/FullBR.pdf> <http://www.treasury.gov.za/documents/national%20budget/2020/ene/Vote%2016%20Basic%20Education.pdf>

R2.1 billion. The Supplementary Budget also required basic education to finance its own Covid-19 costs through “reprioritisations”. Therefore, despite basic education facing new and burdensome challenges, it was forced to function with far less funding than had been anticipated for the 2020/21 financial year.

Some key cuts include:

- R2.1 billion was cut from the National Department of Basic Education’s budget. Some funding that was previously allocated to longer-term projects like support for maths, science and technology and for learners with profound intellectual disabilities, were also cut.
- A net total of R1.7 billion was cut from school infrastructure grants alone, and a further R4.4 billion was reallocated from these grants to cover Covid-19 expenditure needs.
- No new funds were allocated to the National School Nutrition Programme. R50 million was reprioritised within the programme to fund emergency hygiene measures.

**As a result of the Supplementary Budget, EE is extremely concerned about the outlook for basic education now and in the long-term.**

In the long term we are concerned the impact these cuts will have on basic education, and in particular school infrastructure. The DBE itself, in a [presentation](#) to the Standing Committee on Appropriations stated that the Supplementary Budget cuts would have a “*devastating effect*” on school infrastructure and that “*The eradication of backlogs related to the Minimum Uniform Norms and Standards for Public Schools for School Infrastructure will be delayed.*”

It is astonishing that, in a moment which has highlighted the painful consequences of government's failure to provide schools with adequate infrastructure and basic services such as clean water and safe toilets, school infrastructure funding has been further reduced.

*“Budget cuts are totally wrong because as much as Covid-19 is affecting the health department, it is also affecting the department of education. Because of having to cover all the social distancing that is happening in schools, means that we have to have more infrastructure because we have less learners in classes. So it is totally wrong and I feel that is compromising education.”*

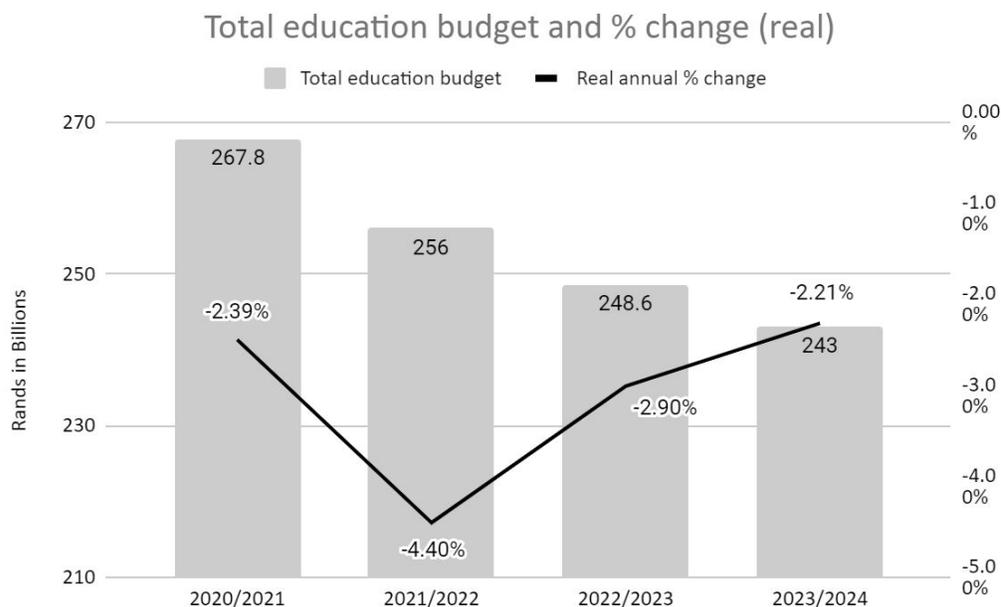
– Yolanda Magugu, Charlotte Maxeke Secondary School, Grade 12, Equal Education member.

Despite the severe cuts announced in the 2020 Supplementary Budget and the tangible impact these had on learners' right to basic education, there was a hope that these were once off emergency measures which would **not** be replicated over the medium term.

#### **Part 4: The 2020 MTBPS**

The 2020 Medium Term Budget Policy Statement was tabled on 28 October 2020. By and large it saw the same regressive funding trends and deprioritisation of social spending that was seen in the Supplementary Budget. Most devastating for the basic education sector is that the cuts made in the Supplementary Budget have not been reversed and instead extended over the medium term. This means that government will reduce basic education funding every year for the next three years, leading

to less money being spent per learner and a decline in real term funding. This decline in real term funding is illustrated in the graph below:



*Source: Medium Term Budget Policy Statement 2020 (own calculations)<sup>5</sup>*

In addition to this, the MTBPS also highlighted that:

- The R2.2 billion cut made to the education infrastructure grant (EIG) in the Supplementary Budget was not reversed.
- R475 million has been rolled over from 2019/20 financial year towards the national School Infrastructure Backlogs Grant (SIBG) in order to provide sanitation in Limpopo and KwaZulu-Natal. However money was cut elsewhere in the same budget, including funding for the Eastern Cape, resulting in the national grant increasing by only R139 million.
- The budget cuts, made in the Supplementary Budget to programmes aimed at improving maths, science and technology in schools and preventing HIV and AIDS, amounting to R128 million, were not reversed.
- No new money was given to the National School Nutrition Programme (NSNP).

<sup>5</sup> page 37. Figures Converted to 2020 rands, available at: <http://www.treasury.gov.za/documents/mtbps/2020/mtbps/FullMTBPS.pdf>

EE questions government's decision to once again prioritise bailing out State Owned Enterprises (SOEs) over essential social spending. Despite the impact of the Covid-19 pandemic on lives and livelihoods, the 2020 MTBPS allocates R10.5 billion to rescuing South African Airways (SAA). This money has been taken directly from different departmental budgets with R276 million taken directly from the Department of Basic Education's budget. Put into perspective, the R10.5 billion bailout is almost equal to South Africa's entire school infrastructure budget for this year.

*"It makes me sad that the Minister cut the [education] budget, for SAA. We have been fighting for infrastructure for a long time and this budget cut will give the department [DBE] an excuse to further delay and say that they don't have money. They could have taken the money and built classrooms and toilets that are safe."*

– Mahlaba Matloa, Kgolokgothla Ledwaba Secondary School, Grade 10, Equal Education member

**These regressive funding decisions will have severe consequences for the education sector and confirm our fears for basic education over the medium term.**

With the continuation of decreased funding over the next three years we may see a reversal of the progress made in the delivery of school infrastructure. Already the EIG has seen [1 938 essential school construction projects](#) stopped or delayed due to these cuts, including maintenance projects. Not only will the realisation of the Norms and Standards for School Infrastructure be delayed, we could also see a deterioration of school infrastructure gains. This will be in violation of learners' right to safe and dignified school environment.

With regards to the NSNP we are concerned that the programme is not being sufficiently funded, to meet the growing crisis of hunger facing learners due to the pandemic. Even more worrying is the DBE's [assertion](#) that the NSNP will struggle with funding in November and December, this year.

#### **Part 5: Recommendations to the Committee**

The right to basic education is immediately realisable by law, and the basic education sector serves millions of children every day. However, despite facing demonstrable funding shortfalls before the Covid-19 crisis, basic education has not been provided with new funds to cope with pandemic. These funding decisions are symptomatic of government's commitment to austerity budgeting despite a massive socio-economic crisis. Cuts to education funding will have an impact on the right to basic education and equality for learners across the country for years to come.

We call on the joint Appropriations Committees to:

1. Ensure that the basic education sectoral budget increases in line with inflation;
2. Ensure that National Treasury reverses budget cuts to the EIG to enable the realisation of the Norms and Standards for School Infrastructure;

3. Ensure that the National School Nutrition Programme is provided with additional funding needed to feed learners who qualify for it – while schools are open and in cases where learners are not in classrooms every day; and
4. Request that National Treasury classify the Department of Basic Education as a frontline department in the fight against Covid-19.