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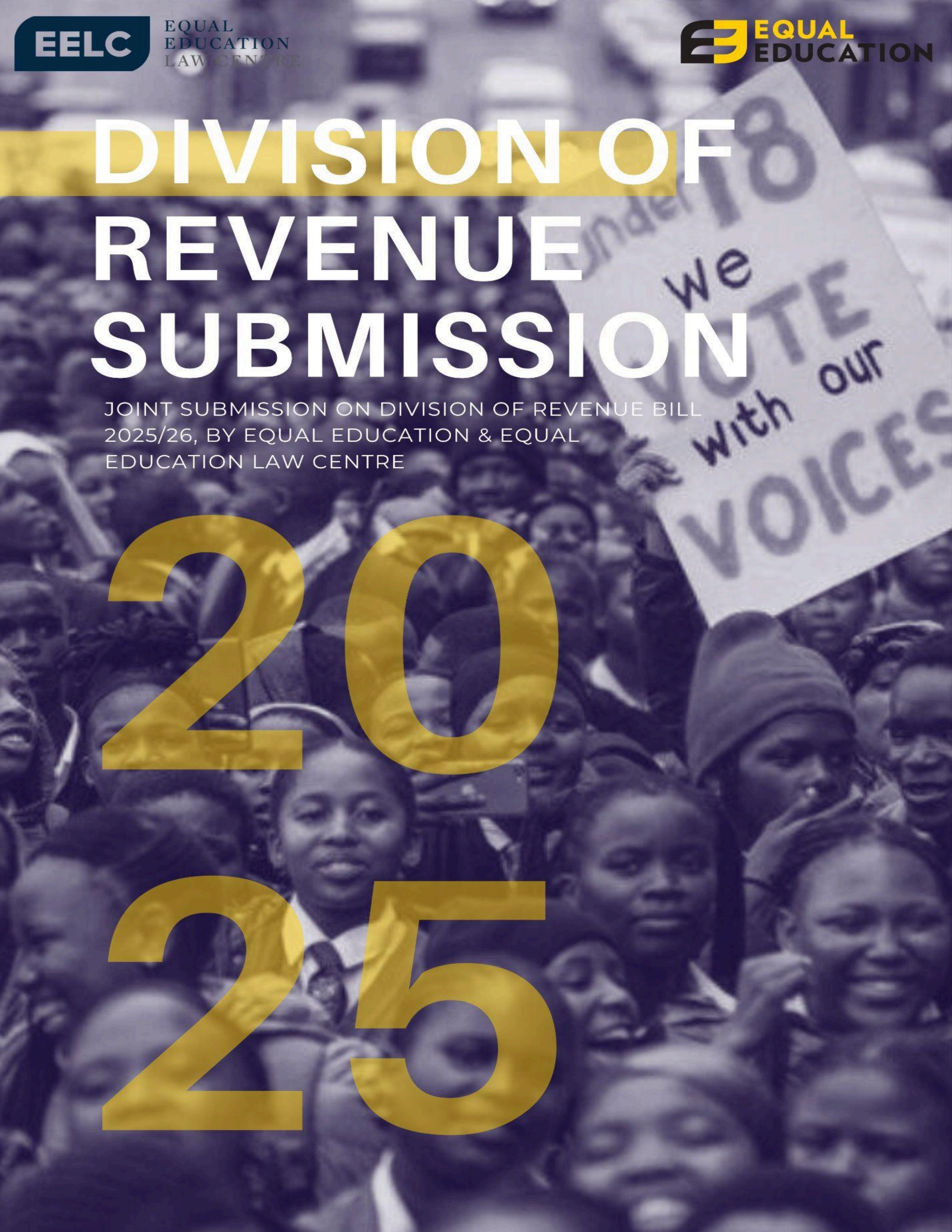
EQUAL EDUCATION

DIVISION OF REVENUE SUBMISSION

JOINT SUBMISSION ON DIVISION OF REVENUE BILL 2025/26, BY EQUAL EDUCATION & EQUAL EDUCATION LAW CENTRE

2025



JOINT SUBMISSION TO THE SELECT AND STANDING COMMITTEES ON APPROPRIATIONS

2025/26 DIVISION OF REVENUE BILL (B7-2025)

25 JUNE 2025

SUBMITTED BY:

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I. INTRODUCTION

1. Equal Education (EE) is a youth-led mass democratic movement of learners, post-school youth, parents, teachers and community members who use mobilisation and public action, supported by careful research, to empower young activists and ensure equality in South African education. Our campaigns are informed by the experiences of EE members across five provinces and by policy analysis. At EE, we build an understanding of the education system while drawing attention to problems facing school communities and learners.

2. The Equal Education Law Centre (EELC) is a public interest law centre specialising in education law - specifically community lawyering, movement lawyering and legal research and advocacy. EELC works closely with EE in pursuit of their mutual goals of an equal education system and quality education for all.

3. EE and EELC welcome the opportunity to make submissions on the 2025/26 Division of Revenue Bill (B7-2025) to the Standing and Select Committees on Appropriations ("the Committees"). Our submission seeks to highlight the social impact of the state budget, primarily focusing on the basic education and early childhood development (ECD) sectors.

II. THE DUTY OF PARLIAMENT TO AMEND OR REVISE THE BUDGET

4. Parliament's constitutional mandate to oversee the national budget has remained unfulfilled for nearly three decades. While the Constitution grants legislators substantial powers to amend money Bills, these powers have been systematically underutilised, creating a democratic deficit where public participation in fiscal decision-making has been effectively sidelined.

5. The consequences of this oversight vacuum are now starkly visible: legally mandated programs remain unfunded, constitutional rights have been compromised through budget constraints, and Treasury effectively overrides legislative decisions through fiscal policy. This represents more than a procedural concern—it constitutes a fundamental breakdown in democratic governance and the separation of powers between the Executive and the Legislature.

6. With South Africa's first coalition government now in place, Parliament faces both an unprecedented opportunity and a constitutional obligation. The established practice of treating budgets as foregone conclusions has left our legislative framework for fiscal oversight largely untested and incomplete. If Parliament determines this budget is unlawful in any respect, it must navigate this untested terrain carefully but decisively. The absence of established tried and tested procedures does not diminish Parliament's constitutional duty to intervene when budgetary provisions potentially violate legal mandates.

7. This heightened awareness of legislative fiscal authority coincides with increased public understanding of their own role in holding the legislature accountable. Just as Parliament is awakening to its oversight responsibilities, civil society and the public are increasingly positioned to ensure that these constitutional mechanisms function as intended.

8. To this end, our submission will foreground the commitments made by each member of this committee through their respective political party manifestos. We will highlight specific promises your parties made regarding, *inter alia,* education funding, infrastructure development, early learning, equitable resource distribution, and fiscal accountability. These manifesto commitments represent public pledges that voters relied upon—promises that now you will be measured by and must be measured against the budget before you.

POLITICAL PARTY MANIFESTO PROMISES		
Party	**Members**	**Promises**
BOSA BUILD ONE SA		BOSA claimed it would strategically focus on primary schools: *"The first stages of education are the most crucial and predict whether a child will succeed in life. If we fail to address the root causes of stumbling blocks in early education, there's very little that can be done to rectify a child's progress later on."*
ANC	TI Legwase MG Dhlamini F Mokwele SL Sithole BA Radebe S Ndhlovu	The ANC promised to improve the quality of education and ensure universal access to quality ECD by 2030.
UDM		The UDM promised to fix school infrastructure, make additional funding available to ensure that every school has enough learning and teaching support materials.
DA	JHP Britz JM Adriaanse D Ryder PJ Swart	The DA promised to build more schools through the Rapid School Build programme model, enhance access to basic education for learners with disabilities, improve school governance and learners' literacy and numeracy skills. They promised to improve access to, and the quality of, the Grade R year. Improve child nutrition and health, including by increasing the value of the child support grant to the food poverty line**.**

	K Ceza AM Siwisa	The EFF promised to improve safety and psycho-social support in schools by ensuring counselling, career guidance, security and fencing, among other interventions. They promised to build more schools and classrooms to reduce the teacher-to-pupil ratio to 1:30 for high schools, and 1:25 for primary schools; and improve school infrastructure by providing extensive facilities at each school. The EFF promised to ensure inclusion of children with disabilities; provide learner and teacher support and development to improve school quality and performance; and free and compulsory ECD for children aged 3 and older.
	JS Majola SM Mokoena	MK promised to increase the operational budget for education in line with learner enrolment; meet the minimum Norms and Standards for Infrastructure within five years; ensure needed school infrastructure and facilities as part of a mass state-led infrastructure build; free and compulsory education from kindergarten to post-tertiary; and three meals a day at early education centres and schools.

III. MEANINGFUL PUBLIC PARTICIPATION

9. The Money Bills Act requires public consultation on the expenditure and revenue proposals in the national budget. In the matter of *Mogale*,[1] the Constitutional Court affirmed the necessity of public consultation in the preparation of legislation, stating that:

> *"Affected persons must be afforded the opportunity to meaningfully participate in the legislative process. Public participation acts as a safeguard to prevent the interests of the marginalised being ignored or misrepresented."*[2]

10. In setting out the requirements for meaningful consultation, the Court stated:

> *"This Court has repeatedly emphasised that, regardless of the process Parliament chooses to adopt, it must ensure that "a reasonable opportunity is offered to members of the public and all interested parties to know about the issues and to have an adequate say". A reasonable opportunity to participate in legislative affairs "**must be an opportunity capable of influencing the decision to be taken**". **It is unreasonable if the content of a public hearing could not possibly affect Parliament's deliberations on the legislation**… This does not mean that the legislature must accommodate all demands arising in the public participation process, even if they are compelling. The public involvement process must give the public a meaningful opportunity to influence Parliament, and Parliament must take account of the public's views. **Even if the lawmaker ultimately does not change its mind, it must approach the public involvement process with a willingness to do so**."*[3]

11. Whether a legislature has acted reasonably in discharging its duty to facilitate public involvement will also depend on several factors, including the nature of the legislation concerned; the importance of the legislation; and the intensity of the impact on the public.[4]

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[1] *Mogale and Others v Speaker of the National Assembly and Others 2023 (6) SA 58 (CC).*
[2] Ibid para 3.
[3] Ibid para 35.
[4] *Doctors for Life International v Speaker of the National Assembly and Others 2006 (6) SA 416 (CC)*, para 128

12. In past budget processes, despite formal solicitation of written and oral submissions, it was evident that the possibility of consultations influencing lawmakers' decisions and Money Bills had been ruled out in advance, regardless of how compelling the arguments presented were. This was demonstrated by the consistent pattern of budget approval without amendment. When the outcome is determined, consultation is merely performative rather than substantive and contradicts the requirements of *meaningful* public participation. Lawmakers further revealed their abdication of responsibility when they repeatedly demanded that the individuals making submissions identify which existing programs to defund—brazenly outsourcing their duties to the public they claimed to be consulting.

13. We are encouraged to hear that committees this year have committed to holding public hearings. This represents a significant step forward that deserves recognition. However, essential to this progress is ensuring that participants understand the budget they are commenting on. Budget documents are complex and technical, making meaningful engagement difficult for many citizens. We would like to know how the committees intend to address this accessibility gap to ensure participation is informed and effective.

14. While acknowledging positive developments, we recommend additional steps to transform budget consultations from procedural exercises to meaningful democratic engagement:
    a. **Early-stage engagement**: Establish pre-budget consultations during the formulation phase when public input can genuinely influence decisions.
    b. **Budget accessibility**: Develop accessible materials that highlight the impacts of the national budget and are understandable before consultation sessions.
    c. **Accountability mechanisms**: Create formal channels explaining how public input influenced final decisions, closing the participation feedback loop.
    d. **Inclusive participation**: Conduct specific consultations with groups most affected by budget decisions, including youth, rural communities, and historically marginalised populations. Provide these targeted groups with sufficient notice on public participation processes and provide translation services during these processes, to foster meaningful participation. Allow members of the public to demand explanations and justifications for budget decisions and performance of legislators.

15. We encourage examining international models like Malawi's 2025 youth pre-budget consultation, where the Finance Minister personally engaged with 100 youth representatives from all districts. This process yielded concrete proposals including Youth Innovation Grants, education reforms, and youth enterprise incentives that were incorporated into budget planning.

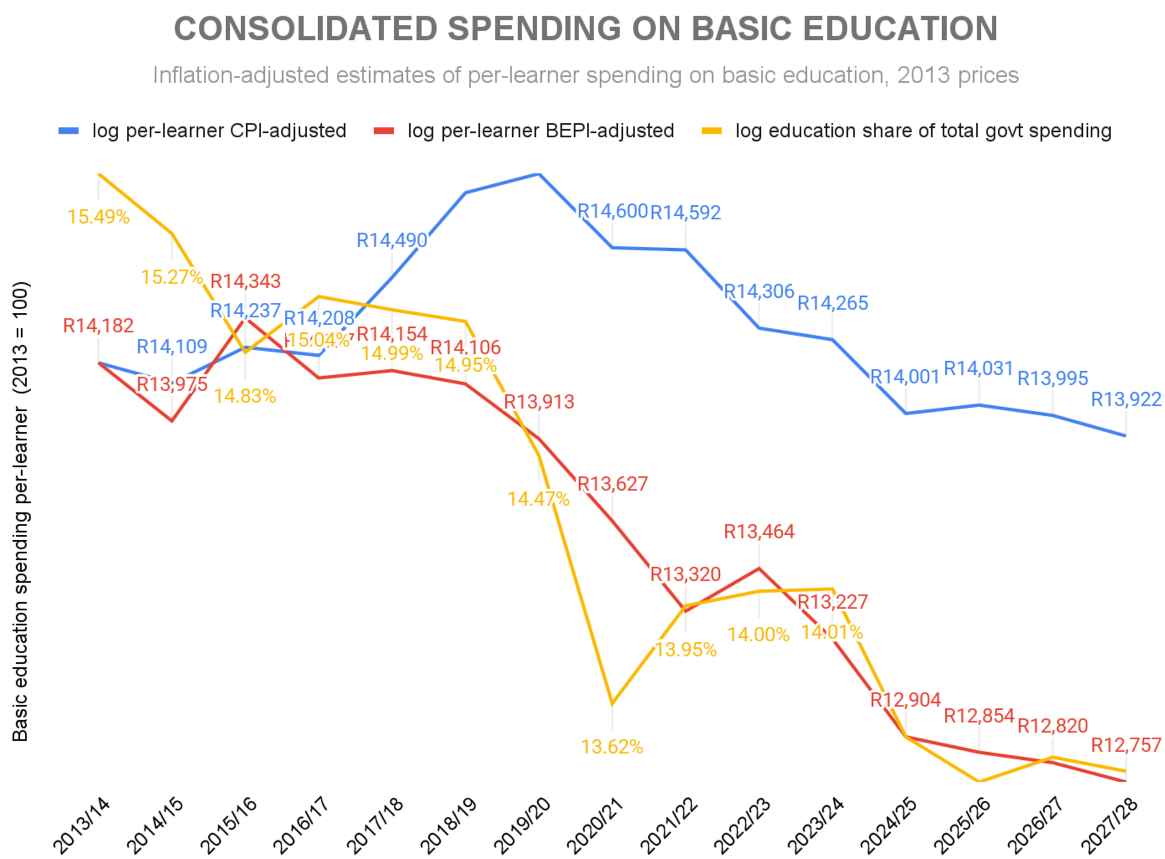
IV. CONSOLIDATED BASIC EDUCATION SPENDING

16. While nominal spending on basic education is set to increase by 6.67% this year and at an average rate of 5.65% over the Medium-Term Expenditure Framework (MTEF), this figure does not accurately reflect how resources are allocated to the basic education sector. A more precise measure of real spending per learner, adjusted for inflation in the education sector specifically, reveals the opposite trend: education spending is decreasing dramatically. This year will mark the lowest level of spending per-learner since at least 2013.

17. Relative to the budget that was tabled (and then withdrawn) in March, the overall level of spending has decreased. Of significant concern is that a specific provisional allocation to protect frontline posts has been reduced by R9.5 billion in this year's May budget, relative to March. This is deeply irresponsible at a time when education spending is under immense pressure.

18. We draw on a model published by Spaull, Lilenstein, and Carel[5] which adjusts per-learner spending using a sector-specific inflation estimate that accounts for the real cost of basic education (BEPI). This inflation measure is more realistic than Consumer Price Index (CPI) adjustments alone, as it incorporates the rising cost of the sector's largest input: teacher salaries. Unlike CPI, which tracks general price increases across all sectors, this approach better captures the actual cost drivers in basic education, ensuring a more accurate reflection of spending power. When factoring in this education-specific inflation measure, alongside projected learner enrolment growth and the formalisation of compulsory Grade R, it becomes evident that per-learner spending in real terms will decline to its lowest level since at least the 2013/14 financial year. This indicates a persistent and long-term decline in education funding per learner, despite headline increases in overall budget allocations.

[5] Spaull, N., Lilenstein, A., & Carel, D. (2020). The Race Between Teacher Wages and the Budget: The case of South Africa 2008-2018. Research on Socioeconomic Policy (RESEP). Stellenbosch University. Stellenbosch.



19. The above graph illustrates this trend by comparing inflation-adjusted estimates of per-learner spending using both the CPI and the Basic Education Price Index (BEPI). The CPI-adjusted spending measure suggests a less severe decline in per-learner spending, as it does not fully capture the rising cost of teacher wages, which make up the largest share of basic education expenditure. However, the BEPI-adjusted measure reveals a more dramatic reduction in real per-learner spending, showing that once the true costs of maintaining educational standards are considered, government allocations are insufficient.

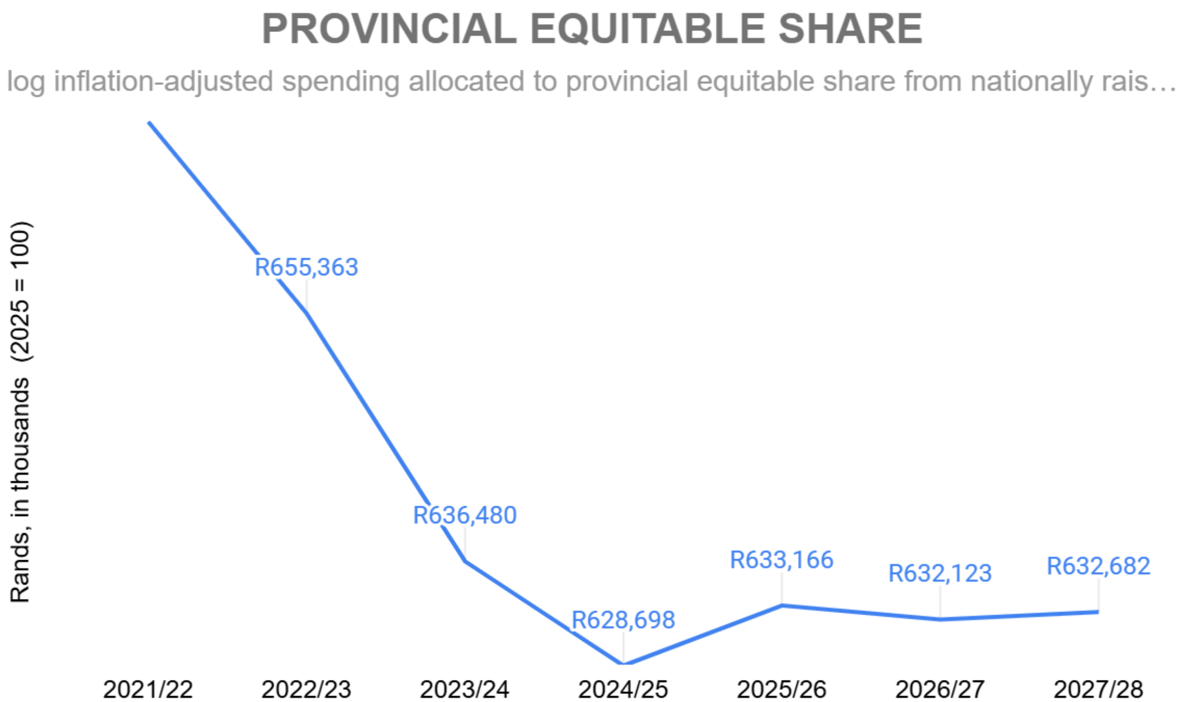
20. A rudimentary analysis of this information may imply that rising teacher salaries are the main driver of declining real per-learner spending. However, those empathetic to the realities of public education understand that teacher salaries are not commensurate with their critical importance to society, nor reflective of their growing workloads.

21. The actual issue is not the cost of teacher wages, but rather a deliberate policy choice to deprioritise education spending. This is evident when examining the third (yellow) line in the graph, which tracks consolidated basic education expenditure as a share of total government spending. Its steady decline, mirroring the drop in BEPI-adjusted per-learner spending, makes it clear that the erosion of education funding is not a result of growing public sector wages, but rather a reflection of shifting government priorities.

22. The consequences of this decade-long erosion of real education spending are already evident in the day-to-day realities of the education system. Post-reductions and hiring freezes have left schools with critical staff shortages, resulting in extreme learner-teacher ratios that compromise the quality of education. Overcrowded classrooms are no longer an exception but the norm, particularly in urban no-fee schools where infrastructure expansion has not kept pace with rising enrolments. School buildings, sanitation facilities, and learning spaces are deteriorating, with funding for maintenance and infrastructure upgrades both delayed and entirely inadequate. The effects extend beyond physical infrastructure; the erosion of education spending has led to a reduction in the provision of essential resources such as textbooks, stationery, and school furniture, all of which directly impact teaching and learning conditions. Many schools are also struggling to cover essential operational costs, including municipal service payments and basic upkeep, coercing them to divert already insufficient funds away from core educational activities.

23. The decline in per-learner spending has significant long-term implications for the future of South Africa. These cuts have created a social debt through the underdevelopment of children—a burden that society will bear for generations. With youth unemployment at crisis levels, the continued underfunding of basic education limits the country's ability to equip young people with the skills and knowledge needed to participate in the economy. The deterioration of school conditions contributes to declining educational outcomes, which in turn reinforce cycles of poverty and inequality. If this trend persists, South Africa will deepen existing structural inequalities and jeopardise the constitutional right to quality basic education, placing future generations at an even greater disadvantage.

V. PROVINCIAL EQUITABLE SHARE



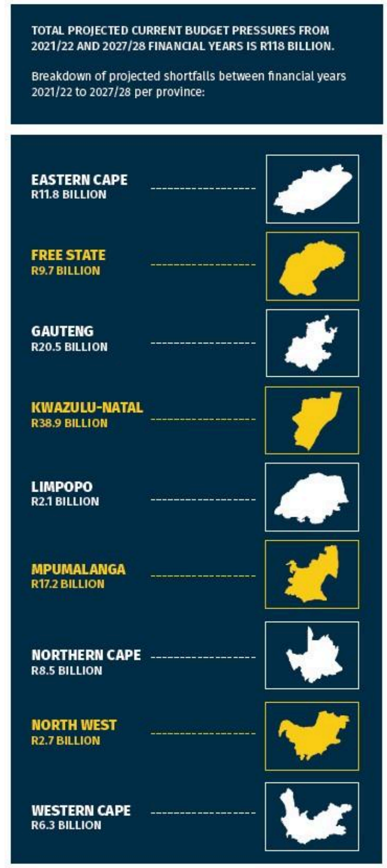
24. The equitable share formula is the state's effort to divide revenue in such a way that meets the requirements listed in Section 214 of the Constitution. Section 214(2)) requires that the division of revenue across government spheres must be equitable and the legislation that provides for this division must take into account "economic disparities within and among the provinces", and must ensure "provinces are able to provide basic services and perform functions allocated to them" and meet "obligations of provinces in terms of national legislation."

25. Arguably, if the 2025 Division of Revenue Bill does therefore not provide for a determination of what is equitable, or does not enable a division of revenue that takes into account current economic disparities between provinces, then the legislation itself would be unconstitutional and invalid. This is discussed below.

OVERVIEW

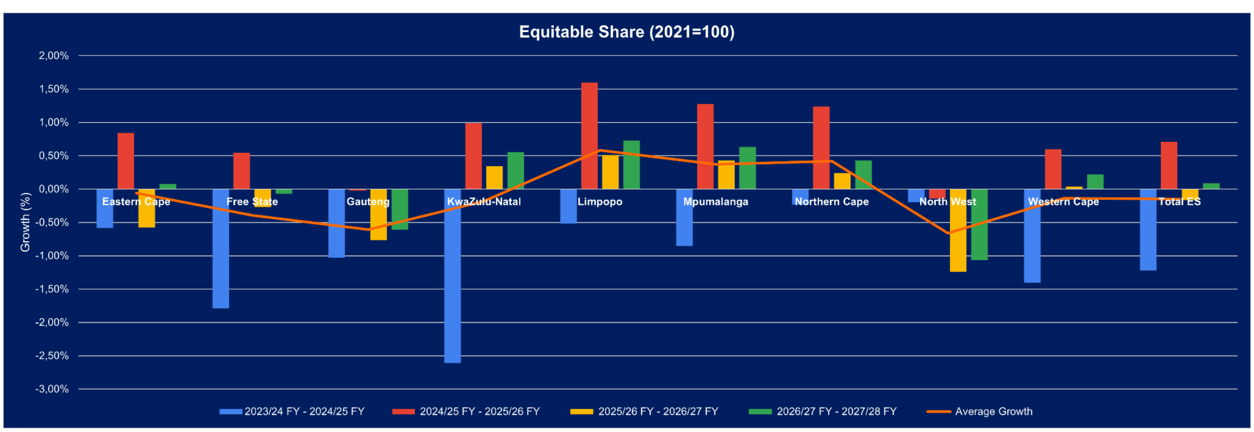
26. Provincial governments form the backbone of service delivery in South Africa and are critically dependent on national transfers for approximately 97% of their funding. The Equitable Share constitutes the majority of these transfers. With severely limited revenue-raising abilities and

borrowing powers, provinces have minimal financial autonomy to meet their constitutional and legislative mandates.



27. Despite providing essential education and healthcare funding, the Equitable Share has remained stagnant during years of austerity. While we acknowledge the slight real increase in the 2025/26 allocation, this modest improvement fails to compensate for years of severe underfunding. The education component (48% of the Equitable Share) particularly requires significant increases to address a rapidly growing learner population projected to increase 20% between 2011-2028, with half already realised by 2023. Additionally, the legally mandated inclusion of Grade R requires accommodating approximately 200,000 additional learners in 2025.

28. The education funding crisis has created devastating consequences for provinces. For example, last year Gauteng reported facing impossible choices between employing teachers or funding critical services like scholar transport, early childhood development services, school nutrition, and learning materials. KwaZulu-Natal reported an inability to fund 11,092 teaching positions.



29. Provinces are increasingly unable to meet the per-learner targets that make up schools' budgets, often because the amount of money they receive does not allow them to.[6] This means that no-fee schools that rely almost solely on per-learner funding struggle to meet basic needs like buying textbooks, furniture, cleaning supplies, and doing necessary maintenance. District and Circuit offices, tasked with providing support and oversight of schools to ensure proper school governance and financial management, are understaffed, which exacerbates the poor management of the little funding that schools do receive.

30.

FORMULA REVIEW

31. After starting a review in 2016 and many years of advocacy from civil society organisations and independent institutions, Treasury has acknowledged completing the education component formula review with proposed reforms to better weight learners from poorer backgrounds.[7]

32. Despite numerous requests, however, Treasury is yet to avail the updated formula to the public. This formula would detail the relative weights assigned to learners from poorer backgrounds and those with special needs. Availing this data for public scrutiny before the finalisation of the updated component would allow for democratic input and oversight over its intended effects.

33. However, implementation has been deferred to 2026 due to Statistics South Africa's inability to provide updated Income and Expenditure Survey data "at the required level."[8] This data gap directly results from years of budget cuts to Statistics SA, which has not collected poverty statistics since 2015. As Statistician-General Risenga Maluleke noted in September 2024:

> "*The organisation has a 21% vacancy rate but is under a hiring freeze. . . We were not funded for the Income and Expenditure Survey, which helps us to calculate poverty. That*

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[6] Chanee, A. (2023). Resource Constraints, Schools and a Provincial Perspective on PYEI (RESEP)

[7] For example, in the 20 November 2024 briefing with the NCoP, the director of the PBO, Dr Janjties, reportedly "concluded that there is an urgent need to review the equitable share formula because the formula used to allocate resources through DORA is outdated and in dire need of review." See the meeting report at https://pmg.org.za/committee-meeting/39919/.

[8] In the 2025 Budget, Treasury stated: "*The review of the education component has been finalised and endorsed by the Department of Basic Education. Proposed reforms include incorporating learners with special needs into enrolment numbers and restructuring the enrolment subcomponent to differentiate among learners. This redesign assigns greater weight to learners from poorer backgrounds compared to those who are better off. However, implementation of these reforms has been deferred to the 2026 MTEF period due to the unavailability of updated Income and Expenditure Survey data from Statistics South Africa at the level required to revise the quintile table used for categorising learners.*"

is why our poverty numbers were last issued in 2015... As it is now, for almost a decade, this country has not counted poverty. We could say poverty is rising, or we could say it is declining, we did not know."

34. We are, however, encouraged to see a very slight increase in the budget for Statistics South Africa, but urge the Appropriations Committee to scrutinise the adequacy of this budget, so as not to perpetuate the systemic data collection challenges that have hindered evidence-based policymaking and accurate socioeconomic planning.

35. The continued use of the current flawed formula will have a substantial impact on provinces and learners. The current Provincial Equitable Share (PES) formula perpetuates historical inequities in education funding through several structural flaws. The education component, while purportedly designed to ensure fair distribution of nationally-raised revenue, fails to adequately account for historical disadvantage and varying provincial needs.

36. The formula's primary shortcoming lies in its reliance on learner population estimates without sufficient weighting for poverty levels, rural factors, and other resource backlogs. This approach is particularly disadvantageous for provinces with high levels of poverty and historical underdevelopment, such as the Eastern Cape and Limpopo. These provinces require significantly more resources per learner, yet the current formula does not adequately compensate for these additional needs.

37. In addition to historical backlog deficits, the PES formula fails to account for regional cost variations. Rural provinces face higher per-learner expenses due to their demographic and geographic realities. Schools in these areas must operate with smaller student populations spread across vast territories, yet they bear the same fixed operational costs as larger schools. This creates inequities in the formula, as maintaining a school for fewer learners significantly increases the per-capita expenditure without corresponding adjustments in the funding formula.

38. A result of this has been the excessive closure of schools in rural provinces. Education departments have closed down thousands of schools across the country in an attempt to 'rationalise' services and achieve economies of scale. This exacerbates the underdevelopment of

rural areas and drives up urban in-migration, increasing the costs of scholar transport and overcrowding.

39. In addition, rural provinces face a scarce supply of skills, established businesses, and network infrastructure. This drives up the costs of important resources that are vital for a quality and inclusive education, including infrastructure, furniture, maintenance, food, scholar transport, internet, and specialist services.

40. Notably, when reporting on the review of the Equitable Share formula, Treasury said:

> "Provinces needed to be afforded a degree of certainty about their allocations over a three-year period to enable them to plan and budget effectively. The formula had to be designed for the long term, and be capable of ensuring equitable allocations even under difficult circumstances, without needing to amend the formula. ***The allocation formula had to be cognisant of the legally prescribed functional responsibilities of provinces***."

41. It is unclear, and doubtful, whether the number of Grade R learners that are currently not in the education system were in fact counted and considered in the 2025 Equitable Share formula. If they have not been, the formula is in fact **not** cognisant of the legally prescribed functional responsibilities of provinces.

VI. EXPENDITURE PRESSURES OUTSIDE OF CONDITIONAL GRANTS

GRADE R: AN UNFUNDED MANDATE

42. An unfunded mandate occurs when legislation or policy establishes a legal obligation for a sphere of government to deliver specific services without allocating the requisite financial resources to fulfil this obligation. In essence, it is a breach of the principle "finance follows function." The Financial and Fiscal Commission (FFC) has defined unfunded mandates as situations in which "no funding is provided despite the legal obligation to fulfil the function." This creates what the FFC characterises as a "disjuncture between policy objectives, plans, budgets, and implementation," resulting in a widening fiscal imbalance. Unfunded mandates are

particularly problematic in South Africa, where provincial departments are often responsible for implementing national policy directives but remain almost entirely dependent on national transfer.

43. Much legal research and legislation on unfunded mandates specifically pertain to local government rather than provincial governments. This is not because provincial governments cannot receive unfunded mandates. The Public Finance Management Act notes that unfunded mandates apply to legislation that assigns an additional function or power to, or imposes any other obligation on, a provincial government. It is, however, unusual for provincial governments to have unfunded mandates rather than underfunded mandates. This is because, as Visser notes:

    "*There a few limitations on national Parliament to impose mandates. Yet, **it would make little sense** as provinces do not have their own sources of revenue which could fund additional functions. With 97% of their income derived national transfers, there is little incentive for the national government to burden them with additional tasks, the payment for which would come in any event from the national pockets.*"[9]

44. The case of compulsory Grade R implementation through the Basic Education Laws Amendment (BELA) Act exemplifies this challenge.

45. When Parliament passes legislation with financial implications, the Public Finance Management Act requires a costing of the legislation. While the Department of Basic Education did conduct this costing exercise for the BELA Act, the requisite funding has not subsequently been allocated even though the Act is in force. This legislative gap creates a situation where National Treasury effectively intervenes in legislative priorities established by Parliament, overstepping its role and undermining the separation of powers. When Treasury decides not to fund a legislative mandate like compulsory Grade R, it is essentially overriding duly enacted legislation and substituting its own "policy" priorities for those established through the legislative process. Treasury itself has specifically called Grade R an unfunded mandate.

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[9] Steytler, N., De Visser, J. and Williams, R. 2011. Unfunded Mandates: directing subnational governments. Community Law Centre. University of Western Cape.

46. Evidence of implementation challenges has already emerged in provincial education departments. The Western Cape Education Department reported 4,365 unplaced Grade R learners at the beginning of 2024 and has explicitly acknowledged insufficient capacity to fulfil this statutory obligation. This has resulted in learners being redirected from no-fee public schools to fee-paying independent institutions, effectively transferring the state's financial responsibility to households—a situation that raises serious constitutional concerns regarding the right to basic education.

47. Unfunded mandates are not inherently unlawful in and of themselves. However, basic education is an immediately realisable right. When Grade R was included in the definition of basic education, not only did it establish a mandatory obligation for parents to enrol their children in Grade R and for government to provide access to free, equitable and free public Grade R, it also created a corresponding and immediately realisable right that children have to Grade R *now.*

48. The DBE's own costing for the implementation of BELA in 2023 showed that around R17 billion of additional funding would be needed just for the implementation of universal Grade R. Treasury has refused to fund this, and indicated in the media briefing during the 2025 budget lock-in that it expects provincial education departments to "use what they currently have" for Grade R in 2025, and that it will meet with them and the DBE to discuss funding needs for 2026. Essentially, it is expecting PEDs to comply with an obligation costing R17 billion without having the funding to do so.

49. A report of provincial budgetary pressures presented to the NCOP in October 2024, detailed budgetary pressures related to the implementation of the BELA Act to amount to R7.3 billion in 2024/25, R13 billion in 2025/26, R13.9 billion in 2026/27, and R18.2 billion in 2027/28. These shortfalls have not been allocated for.

50. The constitutional and governance implications of unfunded mandates extend far beyond fiscal considerations. This practice creates several significant problems.

51. First, there are substantial political and governance consequences when Parliament and Treasury fail to align legislative mandates with necessary funding. This represents an abdication of

constitutional responsibilities that undermines Parliament's oversight role and its duty to meet the requirements established in the Division of Revenue Act (DORA) and the Constitution.

52. Second, unfunded mandates severely strain intergovernmental relations. When provincial departments are legally obligated to implement national policy directives without corresponding resources, it creates tension between spheres of government rather than the cooperative governance envisioned in our constitutional framework. This dysfunction is particularly evident when provincial education departments must choose between competing constitutional obligations with insufficient resources to fulfil them all.

53. Third, the disconnect between legislation and implementation generates public mistrust and confusion. Parents are told Grade R is now compulsory and part of basic education, yet many cannot access this service for their children. This inconsistency damages public confidence in government institutions and creates uncertainty about educational rights and responsibilities.

54. Finally, and perhaps most concerning, is how unfunded mandates contribute to weakening the rule of law. When legislation like the BELA Act is passed but effectively rendered unimplementable through funding decisions, it creates a precedent where laws can be nullified through budgetary processes rather than proper legislative amendment. This practice undermines the integrity of our legal system and constitutional democracy. The government cannot pick and choose which laws it wishes to implement while hiding behind claims that funding decisions are merely policy choices. **Almost every political party that the members of this committee represent promised to prioritise early learning, literacy, and numeracy.**

TEACHER CUTS, DEPARTMENT VACANCIES AND INEQUITABLE POST ALLOCATIONS

55. South Africa's education system is in crisis, as overcrowded classrooms and severe teacher shortages threaten the quality of learning. Provincial education departments are struggling to maintain the prescribed learner-educator ratios, yet instead of increasing the number of teachers, some provinces are cutting posts due to budget constraints. This year alone, the Western Cape Education Department reduced its basket of posts by 2,407 teachers, while the KwaZulu-Natal Education Department has warned that financial pressures could put 19,000

teacher posts at risk. These cuts make it impossible to provide quality education, and unless the Division of Revenue Act increases the budget allocated to provinces and ring-fences education spending, overcrowding will worsen, and learning conditions will continue to deteriorate.

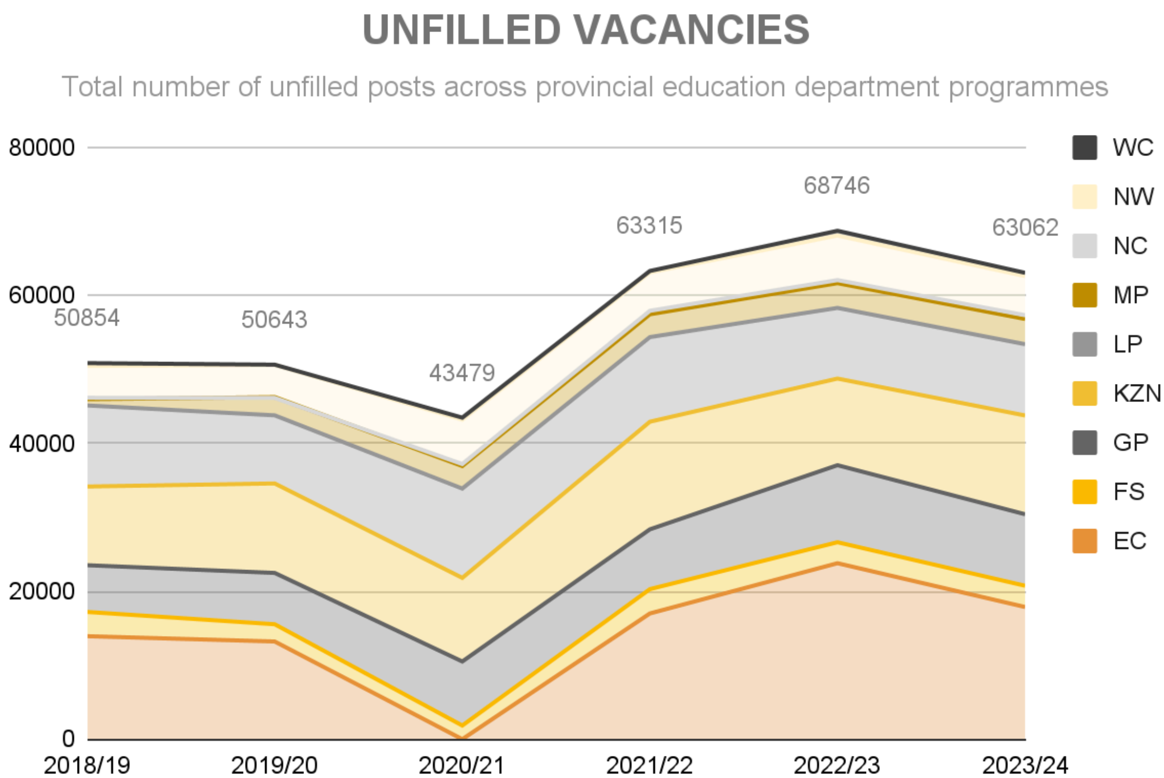
56. According to provincial education department audits, the total number of employees (including office workers, administrators, and security guards) increased from 520,488 to 540,070 between 2018 and 2023, or by a total of 3.8%. The corresponding increase in learners was 4.3% – from approximately 12.8 million to 13.4 million. Before even discounting for teacher posts only, this reveals a disturbing trend where the education system is not able to keep up with growing learner enrolment.

57. The crisis is further deepened by the failure to replace retiring teachers. A large proportion of South Africa's teaching workforce is approaching retirement age, yet new teachers are not being hired at the pace required to match enrolment growth. The proposed retirement incentive allocation, intended to encourage older teachers to leave the system, could exacerbate the problem if not paired with immediate and adequate replacements. Without dedicated funding for recruitment, this will create a devastating shortfall of educators, particularly in under-resourced schools, where teaching capacity is already stretched to its limits.

58. At the heart of this crisis is an unequal and insufficient funding model that channels greater resources toward already privileged schools. The nationally determined post-provisioning norms often result in higher per-learner spending in Quintile 4 and 5 schools compared to no-fee schools, as the formula does not adequately account for redress. Provincial education departments are only required to allocate up to 5% of teaching posts for redress purposes—far below what is necessary to support disadvantaged schools. As a result, schools serving poorer communities remain chronically underfunded, with large class sizes and inadequate support for learners.

59. Additionally, the system fails to incentivise experienced educators to work in no-fee schools. More qualified teachers, who command higher salaries, tend to concentrate in Quintile 4 and 5 schools, while no-fee schools struggle to attract and retain experienced educators. This perverse

outcome means that wealthier schools benefit from both better-qualified teachers and greater salary expenditure, while no-fee schools are left with less-experienced teachers and worse learning conditions.



Source: Provincial Education Department Annual Reports

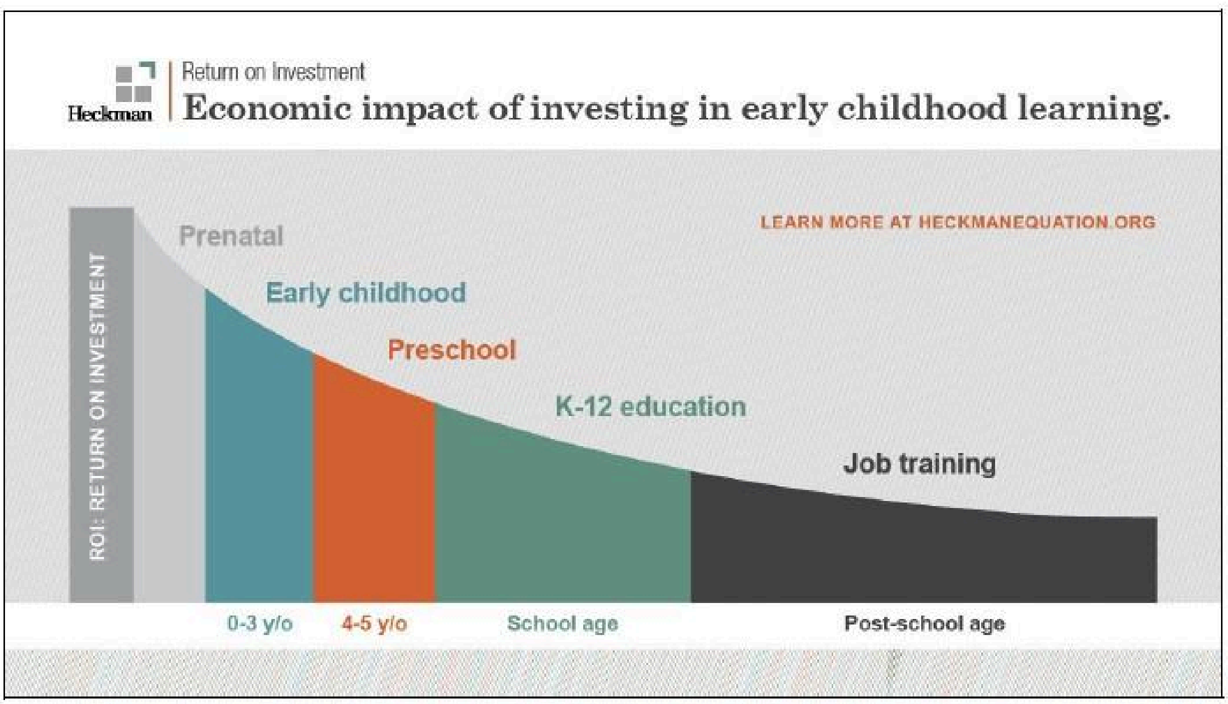
60. The situation has worsened under austerity. As provincial education departments face mounting financial pressures, they are increasingly leaving teacher vacancies unfilled—or cutting posts outright. The total number of unfilled posts in provincial education departments increased from 50,854 in 2018/19 to 63,062 in 2023/24. This disproportionately impacts no-fee schools, where class sizes now frequently exceed sixty learners, while wealthier schools maintain significantly lower learner-educator ratios.

61. This crisis is entirely preventable. Funding to provinces needs to increase to reduce learner educator ratios and ensure that teacher posts are funded, filled, and equitably distributed. Without urgent intervention, the cycle of overcrowding, declining teaching quality, and

deepening inequality will continue to undermine public education. Parliament must also recommend revisions to post-provisioning norms to ensure that disadvantaged schools receive a greater share of teaching posts. Finally, Treasury must work with provincial education departments to strengthen their budgeting processes to prevent hiring freezes and unfilled vacancies from being used to cover other financial shortfalls. The continued failure to invest in teachers today will only deepen the crisis for generations to come.

EARLY CHILDHOOD DEVELOPMENT

62. Early childhood development is pivotal for individual and societal well-being. The period from conception to age six represents a critical window for brain development, laying the foundation for all future learning, health outcomes, and social functioning. Quality early learning opportunities, combined with adequate nutrition, healthcare, and nurturing care during this phase, are scientifically proven to significantly improve educational outcomes, reduce inequality, and yield substantial socio-economic returns. Conversely, without access to ECD services, learning and developmental deficits arise and are likely to result in significant disadvantages throughout a child's life.



Economic Impact of Investing in Early Childhood Learning. Source: Heckman JJ. The Heckman Brochure. Available from: https://heckmanequation.org/resource/the-heckman-curve/

63. A return on investment (ROI) between 5 to 7% is considered to be a good return. If the ROI exceeds 10%, it is considered a strong return. Comprehensive, high-quality, birth-to-five, programs have a 13% return on investment, in essence, paying for themselves over time (Heckman Curve). In addition, according to Ilifa Labantwana's Acceleration Plan for ECD Funding, investment in ECD could transform South Africa by closing the school readiness gap and improving returns on basic education spending.

The Right to ECD

64. The right to early childhood development is recognised through an interpretation of various constitutional rights, including the rights to education (s29), equality (s9), dignity (s10), life (s11), children's rights (s28) and cultural life (s31). International law, which must inform constitutional interpretation, explicitly recognises children's right to "physical, mental, spiritual, moral, emotional, psychological, social and cultural development and development of their personality and talents."[10]

65. This comprehensive right is given domestic effect through Section 91 of the Children's Act. The state has repeatedly affirmed this right through policy developments. The National Integrated ECD Policy of 2015 explicitly recognises the right to early childhood development, including pre-Grade R learning, as an existing right that the state has a duty to fulfil. This recognition was reinforced by the 2022 function shift of ECD from the Department of Social Development to Basic Education, intended to create an integrated model ensuring universal access to quality early learning.

Does the Budget Give Effect to the Right to ECD?

66. The tabled Budget makes a provisional allocation of an approximately R9.9 billion increase (over the MTEF period) for the National ECD Subsidy. If allocated, this would allow for an increase in

[10] The right to life, survival and development under Article 6, plus Articles 18, 23, 27, 29 and 32 of the United Nations Convention on the Rights of the Child (UNCRC); Article 5 plus Articles 11(2)(a), 13(2), 15(1), 20(1), and 21(1) of the African Charter on the Rights and Welfare of the Child (ACRWC)

subsidy coverage of 700 000 additional children at ECD programmes, and a restoration of the subsidy to its 2019 value (R24 at present value), having been frozen at R17 since then.

67. This provisional allocation is certainly welcome and long overdue, especially in a sector which has largely been neglected despite its crucial function as both an implementer of children's Constitutional rights and an enabler of economic participation. We submit, however, that two key points of context must inform the Committee's appraisal of this provisional allocation, and oversight over its implementation.

68. First, the restoration of the subsidy's 2019 value, while both sorely needed and an urgent legal obligation, is still vastly insufficient. Recent modelling by Ilifa Labantwana highlights that the lowest possible subsidy amount, which could support the barest fulfilment of a child's ECD needs, would be approximately R38 in 2025 and R49 by 2030.[11] Even this amount, which would itself likely be inadequate in protecting all children's early childhood development rights, is double the value to which Treasury's provisional allocation would increase the subsidy.

69. The erosion of the subsidy's value by more than a quarter since 2019 constitutes an unjustified infringement of the international legal requirement of non-retrogression, to which the Government of South Africa is bound as a state party to the International Covenant on Economic, Social and Cultural Rights (ICESCR). The retrogression is also aggravated, as this real-term reduction in social spending targets young children, whose best interests are of paramount consideration under Section 28(2) of the Constitution and Article 3 of the United Nations Convention on the Rights of the Child (UNCRC). The R9.9 billion provisional allocation should be seen as an important move towards remedying this specific infringement. It does not, however, constitute substantial progress towards the fulfilment of children's ECD rights, which were desperately underfunded in 2019 and remain so presently. We submit that this Committee should continue to insist on adequate funding for ECD, a position from which the tabled Budget remains extremely distant.

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[11] Ilifa Labantwana, Stellenbosch University, 'Cost, Compliance and User Fees in the Early Childhood Care and Education Sector in South Africa' (2024) available at https://datadrive2030.co.za/wp-content/uploads/2024/07/Ilifa-Cost-Compliance-and-User-Fees-in-the-Early-Childhood-Care-and-Education-Sector-in-South-Africa-FINAL.pdf.

70. Second, as this is a provisional allocation, the potential passage of the tabled Budget would not in itself guarantee that the crucial funding will, in fact, be made available. Prior engagements with Treasury have provided little clarity on the conditions of fulfilment - if any - which would be attached to the provisional allocation, or the timelines thereof. We submit that the Committee's oversight role will be especially crucial in the context of this provisional allocation, both in establishing clarity on fulfilment conditions and in ensuring the funding is not lost in political negotiations which may follow passage or amendment of the tabled Budget.

SCHOLAR TRANSPORT

71. South African households spend *about 16% of total household expenditure on transport* (Statistics South Africa, 2017), a financial burden that often comes at the expense of other essential needs (Lucas, 2010). Research by the Road Accident Fund has raised concern regarding road accidents involving children - RAF reported that approximately four children die every day due to road incidents. The five-year average for road fatalities among school-going children aged 5 to 19 in South Africa is 1,288. 60% of child victims were pedestrians, while 36% were passengers. This trend highlights the particular vulnerability of children walking on South African roads.

72. It is in this context that scholar transport emerges as not only a critical issue but a critical intervention. In 2020, 19% of learners used public subsidised transport, not necessarily meaning Scholar Transport provided by the State (National Household Travel Survey). The 2022 General Household Survey reported that the percentage of learners benefitting from scholar transport has ranged from 1.8 to 2.8%. In a 2024 presentation to Parliament, the Department of Transport noted that there has been some improvement in the performance of the scholar transport programme, with 557,000 learners transported in 2019 to 706,000 in 2023.

Table 14: Percentage of learners benefitting from Scholar Transport

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Province										
Western Cape	4.8	3.4	3.7	4.6	4.1	4.8	4.9	5.5	4.7	3.8
Eastern Cape	3.3	1.2	1.8	1.5	2.1	3.3	3.6	4.0	3.9	1.2
Northern Cape	4.4	4.0	5.2	4.8	4.0	5.5	3.8	4.9	6.2	2.3
Free State	0.9	0.9	2.3	1.9	0.8	1.2	1.9	1.5	1.6	1.8
KwaZulu-Natal	0.9	0.6	0.9	1.0	0.8	0.8	1.0	1.3	1.7	1.3
North West	1.8	1.5	1.0	1.9	1.0	3.1	1.7	1.9	1.8	3.3
Gauteng	2.0	3.4	1.7	1.6	1.6	2.4	2.6	3.1	3.1	2.2
Mpumalanga	4.1	2.2	4.0	3.1	4.9	3.8	4.3	3.6	4.1	3.2
Limpopo	0.4	0.6	0.8	0.8	0.4	0.9	1.2	1.6	1.4	0.8
National	**2.2**	**1.8**	**1.9**	**1.9**	**1.8**	**2.4**	**2.5**	**2.8**	**2.8**	**2.0**

Source: *Statistics South Africa, General Household Survey (GHS), own calculations*

Source: General Household Survey 2022

73. But, despite this policy, walking is still the primary method used by scholars to reach their schools (63%), and this is also true for disabled scholars (63.8%) (National Household Travel Survey, 2022). Rural provinces are particularly impacted, with schools scattered more sparsely over larger areas of land. For example, in KwaZulu-Natal, 1.9 million learners walked to school in 2020, with 152,000 learners walking for over one hour to school and 712,500 for up to 30 minutes. Concerningly, even for learners who do not walk, from 2013 to 2020, travel times increased across all modes of transport except for learners who drove to their educational institutions - train users travelled for an average of 91 minutes, bus travellers 59 minutes and taxi users 51 minutes.

74. Scholar transport, like other programmes in the sector, has been hampered by ever-decreasing education budgets. Its total expenditure of R4.9 billion is funded by provincial Treasuries, with no support from national departments or National Treasury. The Department of Transport has admitted that underfunding impedes the ability of provinces to fully implement the policy and meet the needs of all learners who qualify. Provinces like Gauteng have said that in the face of impending budget cuts, they plan to scale back on the provision of scholar transport - this means either leaving learners unsupported or placing them in schools closer to their homes, which are often already far above capacity and bursting at the seams. In a matter before the Makhanda High Court, the Eastern Cape Department of Transport has said they are facing a projected budget shortfall of R449 million in the 2024/25 financial year and, therefore, could no longer afford the service and would revise its scholar transport policy (Ellis, Daily Maverick 2024).

75. The Department of Transport reported that it hoped to secure dedicated funding for the programme by engaging National Treasury on the feasibility of creating a conditional grant, but

in light of National Treasury's deprioritisation of education budgets, this has been unsuccessful.

76. The inadequacies of scholar transport have profound impacts on learners' educational experiences and overall well-being. Long travel times, often involving walking long distances, contribute to fatigue, reduced concentration in class, and increased absenteeism. This is particularly concerning for young learners and girls, who face heightened safety risks, especially when travelling in the early morning or late afternoon darkness. These learners are vulnerable to various forms of harassment, assault, and even abduction. The fear and stress associated with unsafe journeys can lead to decreased school attendance and performance, ultimately affecting their educational outcomes and prospects. Moreover, the time and energy expended on travel often leaves learners with less time for homework, extracurricular activities, and rest, further compromising their educational and personal development. These challenges disproportionately affect learners from low-income families and rural areas, exacerbating existing educational inequalities and hindering social mobility

LEARNER ADMISSIONS

77. For several years, provincial education departments have been failing to admit all learners into school on time. Last year, at least 28,371 learners were unplaced a week into the school year. This annual crisis is driven and exacerbated by poor planning and under-resourcing of schools in both urban and rural areas. The education budget needs to be responsive and forward-looking to ensure that learners' rights to education are protected.

78. Unfortunately, the opposite is true. Not only has the DBE's Special Intervention to Prevent Overcrowding in Schools been put on hold due to cost-containment measures imposed by National Treasury, but school infrastructure spending through conditional grants is also set to decrease in real terms over the MTEF. Rather than decreasing costs, this has steered provincial education departments towards unsustainable, stop-gap solutions that will increase costs in the long run.

79. The Gauteng Department of Education, in March this year, was reported to have a total of 647 schools out of 2072, categorized as high admission pressure schools, and has resorted to

building mobile satellite schools to accommodate unplaced learners. These schools are built from unsustainable materials that cannot withstand the traffic that they are forced to accommodate. Unfortunately, they do not serve as an emergency temporary solution. A growing number of these schools get built and replaced at the expense of decent and proper school infrastructure that can accommodate learner growth in the medium-long term.

80. To break this cycle of crisis management, the government must make forward-looking investments in school infrastructure and capacity. Withholding critical spending on educators and school infrastructure only compounds the problem, driving up future costs and leaving more learners without access to education. Without decisive action, the annual admissions crisis will escalate into a full-blown disaster, where thousands of learners are permanently excluded from schooling. Proactive investment in well-planned, permanent school infrastructure will not only safeguard learners' rights but also prevent the mounting financial and social costs of last-minute, inadequate solutions.

SCHOOL FURNITURE

81. The chronic shortage of school furniture in South Africa is a glaring failure of government planning and investment in education. According to the Minister of Basic Education, there is a national shortfall of two million desks and chairs in schools. Despite the urgent need, provincial education departments are not receiving sufficient funding to address the crisis. As a result, countless learners are forced to sit on floors, share desks, or make do with broken furniture—severely impacting their ability to concentrate, engage, and learn effectively. A lack of proper furniture undermines not only learners' rights to education but also their dignity.

82. Equal Education visited 17 schools in KwaZulu-Natal and Limpopo provinces at the beginning of this year. All but one of these schools reported having leaking roofs, broken windows, doors, tables and chairs. It is not uncommon for learners in classes with leaking roofs to have to miss school on rainy days, since the environment cannot support teaching and learning. Broken windows also severely affect young learners' health and ability to concentrate in class, particularly in winter.[12]

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[12] Limpopo schools: Seipone, Kgolokgotla Ledwaba, Tlakale Mashashane, Matshipi, Botsikana,
KwaZulu-Natal Schools: Langazela High, Ndlelanhle Secondary, Maceba Secondary, Skhumbuzweni Secondary,

83. In the absence of adequate government funding, private corporations with questionable motives have stepped in to fill the gap in some schools. Companies like Hollywood Bets and McDonald's have distributed school furniture and learning materials branded with their logos—effectively turning classrooms into advertising spaces. These businesses exploit the crisis for marketing purposes, promoting gambling and unhealthy food habits to children while distracting from the structural failure of the state to meet its obligations. The reliance on corporate donations with perverse incentives creates a moral hazard where marketing gimmicks are used to patch over the need for systemic reform and sustainable investment.

84. Addressing the furniture crisis requires more than temporary fixes and corporate handouts. The government must commit to long-term, sustainable planning that ensures every learner has access to proper school infrastructure, including desks and chairs. Instead of reacting to shortages year after year, education budgets must be designed to prevent these crises in the first place. Failing to act now will only deepen inequality in education and entrench a system where learners' fundamental rights depend on the interests of private companies rather than the state's commitment to public education.

COMPULSORY DONATIONS

85. For several years, EELC's walk-in law clinic has seen an increase in the prevalence of public schools - including 'no-fee' schools - unlawfully excluding learners who do not make additional cash or in-kind payments to their schools, which are, in law, supposed to be voluntary. These are often referred to by schools as' compulsory donations,' 'initiation' or 'admission' fees, or even as 'stationery contributions' which are clearly far greater than an ordinary stationery list.

86. While we have, in most instances, successfully intervened for our clients to secure their children's admission and participation in schools, the steady increase in the number of these matters is deeply concerning.

Ubongumenzi Secondary, Mgazi Full-service, Hlubi High, Ekucabangeni Secondary (no reported furniture issues), Zicole Secondary, Mathukulula Secondary, Ngwane High, Nhlalakahle Secondary.

87. We submit that the increasing prevalence of 'compulsory donations' is not simply a function of non-compliance by schools, but an indication of the broader funding crisis to which we have repeatedly called attention. In the present context, schools are being expected to fulfil learners' basic education rights without the funding required to do so. It is a shameful and inevitable consequence that some schools will turn to unscrupulous - and, as in this case, illegal - avenues to attempt to meet their shortfall. The effect is that parents and learners across the country are increasingly being burdened by the Government's persistent underfunding of basic education, not only through a decline in service delivery and availability but also through coercive and exploitative practices such as 'compulsory donations'.

88. We bring this to the Committee's attention to highlight the systemic and often surreptitious consequences of years of underfunding, as well as inequitable funding. These "compulsory donations" represent a hidden cost shift from government to vulnerable families.

TEXTBOOKS

89. The procurement and distribution of Learner and Teacher Support Materials (LTSM), including textbooks, are a concurrent function of provincial education departments and some individual schools, who receive direct transfers for this as part of their non-personnel, non-capital allocation under the National Norms and Standards for School Funding. Persistent budget cuts and mismanagement have led to chronic textbook shortages, leaving thousands of learners without the materials they need to learn.

90. The courts have affirmed that access to textbooks is an essential component of the right to basic education. A landmark judgement in *Basic Education for All and Others vs Minister of Basic Education and Others* effectively held that as long as there is even one learner without all the prescribed textbooks, the state is in breach of its constitutional obligations.

91. Poor budgeting and underfunding are directly undermining learners' rights. A 2019 sample of 120 schools in KwaZulu-Natal found that only 55% provided full textbook coverage per their legal obligations.[13] That KwaZulu-Natal's non-personnel non-capital allocation to schools remains at

[13] Devendranath, S. (2019). A Study into Factors Influencing the Provision of Sufficient Textbooks to Schools: A Case Study of KwaZulu-Natal Department of Education. Masters Research Project, Department of Business Studies, Mancosa.

the same level in 2024 as it was in 2019 means that this dire situation is likely to have worsened. Learners frequently complain of having to share outdated or damaged books and even go without them entirely. Similar textbook shortages have been reported across multiple provinces, particularly in the Eastern Cape and Limpopo, where procurement failures and delayed deliveries have become chronic issues.

92. Ensuring that every learner receives a textbook per subject requires urgent action that can be addressed through the Division of Revenue Bill. The Bill can prescribe that education departments ring-fence funding for LTSM, strengthen procurement oversight, and ensure full compliance with the legal standard set by the courts.

CORRUPTION AND FINANCIAL MISMANAGEMENT

93. Budget cuts in the education sector have far-reaching consequences beyond immediate service delivery failures; they also create conditions that incentivise corruption and financial mismanagement. When provincial education departments face reduced allocations, they are often forced to accumulate accruals. This practice distorts financial planning, forcing departments to prioritise short-term cost-cutting over long-term sustainability. Late payments to service providers, particularly in critical areas like school nutrition, infrastructure, and learner transport, create ripple effects that undermine contractor performance and open avenues for corrupt practices.

94. Provincial education departments' annual reports are interspersed with numerous examples of contractors withdrawing due to late or non-payment caused by budget cuts. Sometimes, this leads to emergency procurement processes where officials can justify deviations from normal procurement rules. This increases opportunities for patronage and kickbacks.

95. According to the 2025 Budget Review, "accruals and payables, where an invoice has not yet been received or paid, increased sharply from R28.4 billion in 2022/23 to R37.1 billion in 2023/24. This increase in unpaid obligations [was] particularly pronounced in the health and education sectors, driven by rising service delivery demands due to population growth and the impact of higher sectoral inflation. These pressures highlight the need for improved cash flow management." Instead of merely tightening controls on spending, there needs to be a recognition that chronic

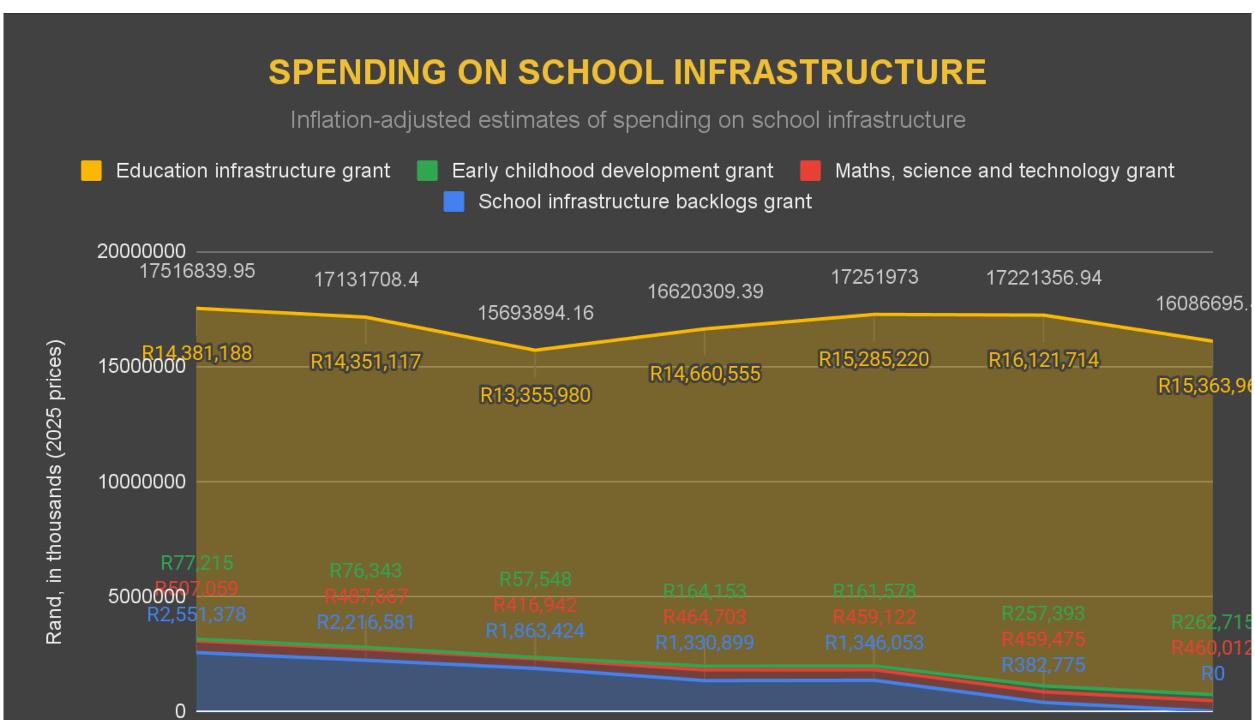
underfunding exacerbates financial mismanagement. Austerity does not eliminate corruption; rather, it creates new incentives for illicit financial flows. Addressing corruption in education requires not just stricter oversight but adequate, predictable funding that allows for proper planning, transparent procurement, and accountability at all levels of government.

VII. CONDITIONAL GRANTS

SCHOOL INFRASTRUCTURE

96. The Norms and Standards for School Infrastructure are binding norms which stipulate the minimum resources required for a school to be a school. Failure to adequately fund school infrastructure grants that are dedicated to eradicating school infrastructure backlogs thus constitute another unfunded mandate that infringes against the right to basic education.

97. Unfortunately, the Division of Revenue Bill still allocates far too little funding to meet the minimum funding requirements needed for provincial education departments to provide adequate and appropriate school infrastructure in schools. The DBE's 2023 assessment estimated that R42.4 billion per year is needed to eradicate school infrastructure backlogs by 2030 – an estimate that does not account for inflation. Real expenditure on school infrastructure that targets backlogs through the Education Infrastructure Grant and the School Infrastructure Backlogs Grant will amount to a maximum of R16.6 billion this year before being eroded to R15.4 billion in 2027. A significant proportion of this funding will be directed towards Gauteng and Western Cape who, while undoubtedly in need of new schools, do not experience the overwhelming backlogs of poorer rural provinces.



98. In addition to these concerns, we attach an Annexure that documents the dire state of school infrastructure at schools that we visited in the Eastern Cape in January this year.

Pit Latrine Deadline

"In 2018, the Department of Basic Education promised to eradicate pit toilets and provide decent sanitation facilities in all public schools by 2022. It's now 2025, and the DBE has missed all the previous deadlines and there is also a huge possibility that we'd miss this one too. But I hoped that those days were behind us. I know firsthand the impact that poor sanitation has on one's education. The discomfort, the embarrassment, and the constant worry about health and safety - it's a burden no learner has to bear" - Equal Education Community Leader.

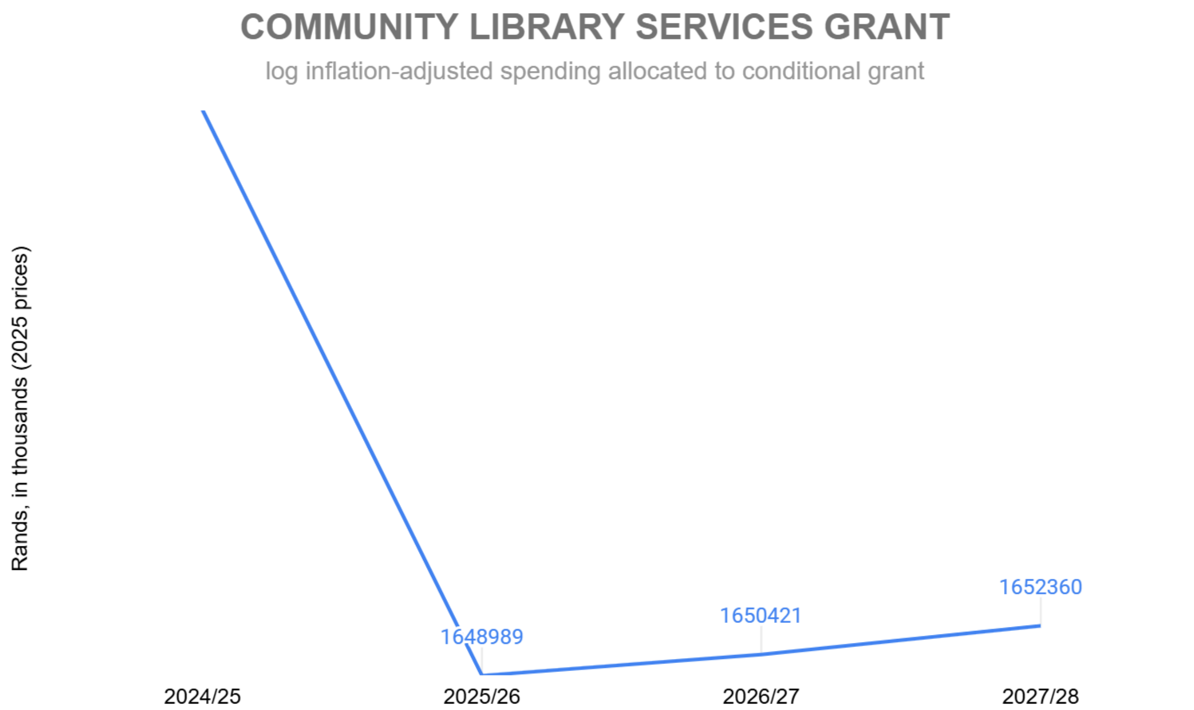
99. At the time of writing, all indications are that the DBE will miss yet another one of its self-imposed deadlines to eradicate all plain-pit latrines in schools. We have grown to understand that these deadlines are meaningless without the commensurate budgeting to ensure their fulfilment

Merger of SIBG into EIG

100. The merger of the School Infrastructure Backlogs Grant (SIBG) with the EIG raises serious concerns about accountability and delivery. While the SIBG's performance under national administration was indeed poor, with targets of 30 new schools and 100 water facilities resulting in just one new school and no water facilities, the rationale for merging the grant into the provincially administered EIG needs to be properly assessed.

101. Provinces have demonstrated similar challenges with infrastructure delivery, including poor project management, inadequate contractor performance, and widespread irregular expenditure. The merger, therefore, demands stricter oversight mechanisms and robust consequence management frameworks to prevent the perpetuation of these implementation challenges under provincial administration. Without such safeguards, the same issues that plagued national implementation risk being reproduced at the provincial level, further delaying critical infrastructure delivery.

Closure of Community Library Services Grant



102. The phasing out of the community library services grant into the provincial equitable share threatens to exacerbate existing educational inequalities. The grant's objective was to transform urban and rural community library infrastructure, facilities and services, primarily targeting previously disadvantaged, rural and township,

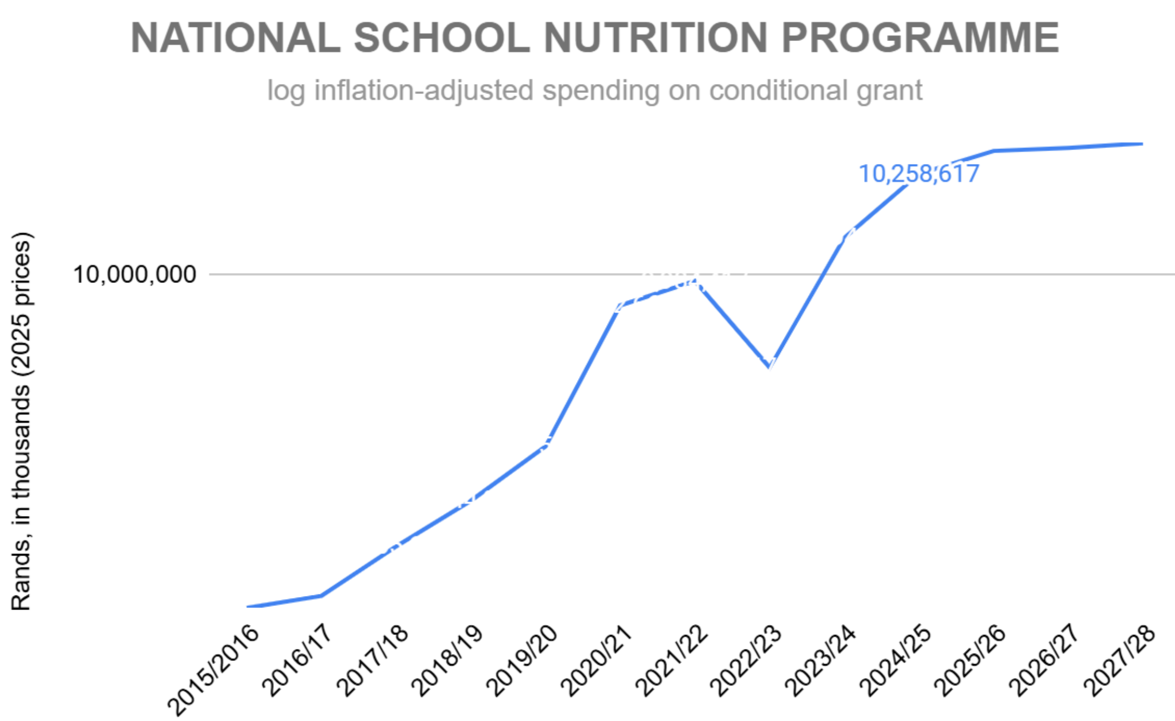
103. communities. With 74% of schools currently lacking library facilities, and the amended norms and standards now defining library access to include "school community libraries," the absence of ring-fenced funding makes it highly unlikely that new libraries will be built.

104. Provincial education departments, facing numerous spending pressures, are unlikely to prioritise library construction without dedicated funding. This effectively abandons the transformation agenda that the original grant sought to advance, particularly in previously disadvantaged communities where the need for library services remains acute.

105. Furthermore, in many instances, community libraries are serviced and maintained by municipalities through a Service-Level-Agreement with provinces. In these instances, conditional grant funding is ostensibly more effective in ensuring that municipalities are paid for these

services, relative to the disbursal of funds through the PES. In the context where an overwhelming number of municipalities are at risk of bankruptcy, failing to secure funding for libraries to be built, stocked, and maintained is extremely dangerous.

NATIONAL SCHOOL NUTRITION PROGRAMME



106. Maintaining funding to the National School Nutrition Programme (NSNP) is a welcome reflection of the government's commitment to addressing food insecurity among learners. Looking ahead, we consider it useful to draw on insights from Mariana Mazzucato's article in The New Statesman, which highlights opportunities to utilise school meals as a strategic investment in economic development.

107. International experience demonstrates how school meal programmes can be leveraged for broader developmental outcomes. In Brazil, the National School Feeding Program mandates that 30% of procurement funds be directed to local family farmers, fostering sustainable agriculture. Sweden aligns school food procurement with its climate and industrial policies, demonstrating that public investment in meals can drive innovation and sustainability. South Africa could follow

suit, ensuring that NSNP funding stimulates local food production, supports small-scale farmers, and integrates nutrition education into the curriculum.

108. Public procurement plays a crucial role in shaping markets and driving sustainable practices. Instead of prioritising only cost efficiency, procurement policies should include requirements for nutritional value, environmental sustainability, and local economic development. Aligning the NSNP grant to small-scale land redistribution efforts in rural communities could enhance the long-term impact of the NSNP, while also stimulating rural economies and avoiding further school closures.

109. Budget constraints are often cited as barriers to expanding school meal programmes, yet the economic benefits far outweigh the costs. Well-nourished children have better educational outcomes, reducing long-term public spending on healthcare and social services. If approached as a mission-oriented investment, the NSNP could catalyse economic growth, create jobs, contribute to land redistribution efforts, and build resilience in South Africa’s food system.

VIII. CONCLUSION & RECOMMENDATIONS

110. The 2025/26 Division of Revenue Bill fails to adequately fulfil the constitutional obligation to provide equitable funding for basic education across South Africa. Despite nominal increases in allocations, real per-learner spending continues to decline when adjusted for education-specific inflation, reaching its lowest level since 2013. This trend, coupled with unfunded mandates like compulsory Grade R and persistent infrastructure backlogs, threatens to deepen educational inequality and compromise the right to quality education.

111. The implementation of a coalition government presents Parliament with an unprecedented opportunity to exercise its constitutional oversight role in fiscal matters. We urge committee members to honour their party manifesto commitments on education by taking decisive action to amend this bill and ensure adequate funding for this critical sector. Without significant intervention, the continued underfunding of education will create an insurmountable social debt through the underdevelopment of children—a burden that South African society will bear for generations.

112. We therefore recommend:

ON PARLIAMENTARY OVERSIGHT & PUBLIC PARTICIPATION

a. Parliament should exercise its constitutional mandate to amend money bills, particularly when budgetary provisions potentially violate legal mandates or constitutional rights.
b. Establish pre-budget consultations during the formulation phase when public input can genuinely influence decisions.
c. Develop accessible budget materials that highlight impacts and are understandable before public hearings.
d. Create formal feedback mechanisms explaining how public input influenced final decisions.
e. Conduct targeted consultations with groups most affected by budget decisions, including youth and historically marginalised communities.

ON THE EQUITABLE DISTRIBUTION OF REVENUE TO PROVINCES

f. Increase the Provincial Equitable Share to reverse the persistent decline in real education funding.
g. Expedite the implementation of the revised education component formula that better weights learners from poorer backgrounds.
h. Publish the updated formula details to enable public comment.
i. Closely scrutinise the adequacy of funding to Statistics South Africa to ensure timely collection of Income and Expenditure Survey data needed for evidence-based policy decisions.

ON EXPENDITURE PRESSURES & UNFUNDED MANDATES

j. Provide dedicated funding for the implementation of compulsory Grade R as mandated by the BELA Act.
k. Ensure provincial education budgets can adequately address critical teacher shortages and reduce classroom overcrowding.
l. Establish a conditional grant for scholar transport to ensure safe access to education for all learners.
m. Allocate targeted funding to address the national furniture shortage of two million desks and chairs.

n. Fund the filling of critical vacancies in provincial education departments to improve service delivery.
o. Ring-fence funding for textbooks and learning materials to prevent shortages.

ON CONDITIONAL GRANTS

p. Significantly increase infrastructure funding to meet the DBE's estimated requirement of R42.4 billion per year to eliminate backlogs by 2030.
q. Establish strict oversight mechanisms for infrastructure projects under the merged School Infrastructure Backlogs Grant and Education Infrastructure Grant.
r. Create a dedicated funding stream for the elimination of pit latrines in schools.
s. Protect library funding by establishing accountability mechanisms for provinces following the phasing out of the Community Library Services Grant.
t. Expand the National School Nutrition Programme and align procurement with broader developmental goals, including supporting small-scale farmers and local food production.
u. Confirm and implement the provisional allocation of R9.9 billion for the National ECD Subsidy with clear timeframes.

ANNEXURE A:

REPORT ON SCHOOL INFRASTRUCTURE CHALLENGES IN THE EASTERN CAPE

Prepared for Equal Education and Equal Education Law Centre's Submission to the Standing Committee on Appropriations on the Division of Revenue Bill
1 April 2025

Introduction

This report presents findings from January school visits conducted at thirteen sites across various districts in the Eastern Cape. The purpose of these visits was to assess the state of school infrastructure, including access to essential facilities such as classrooms, toilets, electricity, and furniture. The findings highlight critical challenges that require urgent government intervention and greater investment in school infrastructure to ensure conducive learning environments for all learners.

Summary of Findings

The visits revealed widespread infrastructure deficits across multiple schools, ranging from incomplete construction projects to lack of electricity and overcrowded classrooms. Issues identified include:

- Schools operating in temporary or borrowed spaces with no permanent buildings.
- Unfinished infrastructure projects due to contractor payment disputes.
- Severe furniture shortages leading to an unconducive learning environment.
- Lack of basic sanitation and electricity, impacting daily school operations.
- Vandalism and security risks to school infrastructure and equipment.

School-Specific Challenges

1. *Schools with No Permanent Infrastructure*

- **Dimbaza Central**: The school currently occupies a block in another school with no building of its own. Although the Department of Education identified a site for construction and promised to commence building in 2024, no progress has been made. The school also faces severe furniture shortages.
- **Imiqhayi**: The school requires a new building to accommodate learners effectively.

- **Qonce High**: All classrooms and toilets at the school are not dignified nor in a state to be utilised by human beings.

2. *Schools with Incomplete Infrastructure Projects*

- **Archie Velile**: The school has a completed permanent structure for school sanitation, but plumbing remains unfinished, leaving them dependent on mobile toilets. Additionally, the school has five vacant teaching posts and faces shortages in textbooks and furniture.

- **Kuyasa**: The contractor, Silive, left the site without completing the project, citing non-payment, which the department disputes.

3. *Schools with Overcrowding and Furniture Shortages*

- **Vukile Tshwete**: Due to overcrowding, the school has repurposed its laboratories and library for classroom space, yet overcrowding persists. Four teaching posts remain unadvertised, affecting core subjects such as English, Mathematics, Accounting, and Agriculture.

- **Forbes Grant and Charles Morgan**: The school has not received furniture from the Department of Education for five years, despite repeated requisitions. Most classrooms lack electricity, leaving only the admin block with power. Despite large enrolment numbers and insufficient resources to accommodate all learners, these schools are being merged.

- **Qonce High:** The school relies on donations from local businesses and individuals for furniture, the Department of Education has never delivered any furniture even after requisitions.

4. *Schools Without Electricity*

- **Forbes Grant and Charles Morgan:** Most classrooms do not have electricity.

- **Qonce High**: The entire school, including its admin block, has no electricity, forcing them to rely on nearby schools for printing and administrative tasks. Learners take exams and study in an environment unfit for learning. The Department of Education pressures the school over declining matric results without addressing the severe infrastructure deficiencies.

5. *Schools Lacking Security*

- **ZK Matthews**: The school has no cleaners or security staff. The scholar patrol functions within a limited capacity but cannot fully safeguard the premises. The increasing enrollment, from 97 learners in 2022 to 177 learners in 2025, exacerbates the strain on resources.

- **Forbes Grant and Charles Morgan**: The school is frequently vandalised due to the absence of security personnel, putting learners and teachers at risk.

- **Qonce High:** The school, teachers, and learners are highly vulnerable to crime and vandalism, which has repeatedly affected the school.

6. *Other Challenges Identified*

- **Luzuko Primary**: The Department of Education plans to redeploy four teachers, which could lead to overcrowding and negatively impact learning.

- **Zanempucuko**: The school relies on development donations to address funding gaps, yet some learners hesitate to attend due to financial constraints.

Recommendations

Based on these findings, the following urgent interventions are recommended:

1. **Increase budget allocation for school infrastructure**: The government must prioritise the construction of new school buildings and completion of abandoned projects.
2. **Address contractor payment disputes**: Clear and transparent mechanisms should be established to ensure contractors are paid on time, avoiding disruptions. Non-performing contractors and implementing agents should be held accountable for their failures.
3. **Urgently supply furniture and learning materials**: Schools have been waiting years for basic furniture, severely affecting the quality of education.
4. **Ensure adequate electricity supply**: Schools without power should be prioritised for immediate electrification.
5. **Fill vacant teaching posts**: The government should accelerate the hiring process to address shortages in critical subjects.
6. **Improve security measures**: More funding should be allocated to hire security personnel and prevent vandalism and crime in schools.
7. **Strengthen oversight and accountability**: The Department of Education should regularly monitor infrastructure projects to prevent delays and ensure timely delivery.

Conclusion

The state of school infrastructure in the Eastern Cape remains dire, with learners and teachers subjected to unsafe and unconducive environments. Without urgent intervention, these conditions will continue to impact the quality of education and learners' future prospects. This submission calls on Parliament to ensure that the Division of Revenue Bill prioritises adequate funding for school infrastructure, particularly in under-resourced provinces like the Eastern Cape.