

22 October 2026

Equal Education post-MTBPS media statement: Empty promises as bleak picture for education funding continues

Finance Minister Enoch Godongwana's jubilation when tabling the 2026 Medium Term Budget Policy Statement (MTBPS) stands in stark contradiction to the plight of young people, especially those in the education system. Behind the picture that the Minister paints about better macroeconomic stability and higher-than expected revenue collection, lay a host of precarious reprioritisations and urgent needs that the adjustments budget remains silent on. In short:

- The MTBPS provides scarce relief to the millions of learners in the education system in desperate need of more teachers, classrooms, basic facilities, and safe environments.
- The MTBPS issued cuts to important areas of higher education, particularly the Student Housing Infrastructure Programme.
- The MTBPS made no mention of any plans to cover the R15 billion shortfall faced by the National Students Financial Aid Scheme (NSFAS).
- The MTBPS provides no positive outlook for the future of flagship public employment programmes, like the Basic Education Employment Initiative (BEEI), which remains unfunded for 2027.
- The MTBPS does not sufficiently correct for Treasury's February blunder, when it tabled a budget based on a low inflation expectation, three days before US-Israel's attack on Iran.

Basic Education: Ongoing deprioritisation, unfulfilled obligations

Total public spending on basic education, as a proportion of all government spending, will continue to decrease from 15.01% in 2015/16 to 13.26% by 2029/30.

Per-learner expenditure on basic education is expected to decline from R26,668 last year to R26,345 in 2029/30, after adjusting for CPI inflation and rough estimates of learner enrolment. But this figure does not account for the enrolment pressures of compulsory Grade R pupils. The reality is that less money is being allocated to education budgets that are already under immense pressure to fulfil constitutional obligations.

Adjustments between programmes: Robbing Peter to pay Paul

The government's main strategy in this MTBPS appears to have been to try to identify spending inefficiencies and then redeploy these savings elsewhere. While we applaud efforts to instill greater accountability in the manner education departments spend their money, we caution that these do not appear to be strictly tied to improving our education system and other urgently required public services.

Savings gained from voluntary retirement packages could be used to increase the number of teaching posts in under-resourced and overcrowded schools. But educator headcounts have not increased in accordance with learner population growth. With the education wage bill expected to remain stagnant in real terms over the next three years, we are being primed to expect classroom overcrowding to continue.

The mid-year cuts to the education infrastructure grant are particularly instructive. R735 million in unspent funds from the Western Cape's Rapid School Programme have been reappropriated to future years. The ostensible reason for this is that the Western Cape Education Department does not have the resources to fund additional teacher posts and other current expenditure items that will be required by these new schools. This is unconscionable for a province that faces extreme enrolment pressures and consistently fails to admit learners into schools on time.

We welcome additional allocations to the Education Infrastructure Grant for the Eastern Cape (R50 million), KwaZulu-Natal (R148 million), Limpopo (R65 million), and the Northern Cape (R45 million) to provide in-year relief to schools affected by disasters. It is unfortunate that these allocations will not help to remedy the disaster of *existing* infrastructure backlogs, which are estimated to cost R140 billion to fix. Real allocations to the Education Infrastructure Grant continue to decrease over the medium term.

All other conditional grants remain unadjusted, despite inflation being higher than expected. This confirms that the overwhelming majority of ringfenced funds have decreased in real terms since last year.

The additional in-year net allocation of R6.4 billion to the Provincial Equitable Share (PES), while welcome, is unlikely to support all of the spending pressures caused by Treasury's inflation blunder, especially in a context where provinces have already been struggling to fund constitutional rights.

Crisis in Higher Education and Training: Structural Underfunding Threatens the Future of Students

The crisis of underfunding in schools is sharply reflected in South Africa's higher education and training system. The system is trapped in a critical bottleneck, where record-breaking matric pass-rates collide directly with severe budget cuts. Decades of chronic underfunding and recent aggressive fiscal consolidation have impoverished our public universities and TVET colleges, leaving thousands of vulnerable students uncertain about their futures. After factoring in updated learner enrolment targets and a R462 million in-year decrease to its overall budget, the DHET's total budget per-student declines from R93,119 in 2022/23 to R82,537 in 2026/27.

Reduced operational subsidies have forced higher education institutions to operate and rely on understaffed, manual registration systems and severely underfunded support structures, prolonging registration processes and leaving vulnerable students without access to student services relating to psychosocial support, basic healthcare and nutrition provisioning and specialised disability support.

The Department of Higher Education and Training's (DHET's) annual target related to the number of eligible university students obtaining financial aid from the National Student Financial Aid Scheme (NSFAS) per year, for the 2026/27 financial year, was initially set at a total of 485 519 university students but by the end of the first half of the financial year (end of September 2026), 586 575 university students had obtained NSFAS funding, equating to just over an additional 100 000 university students in the system deemed eligible for funding.

DHET has announced a R15 billion NSFAS funding shortfall for this academic year, including R10,49 billion in unresolved tuition fees, as well as a projected R33 billion shortfall by 2029. Past budget cuts to NSFAS have left thousands of vulnerable students stranded without allowances or tuition coverage midway through the academic year each year, resulting in forced dropouts and severe mental distress for marginalised young people.

The failure of the government to subsidise historical debt has forced higher education institutions to withhold official results and qualification certificates, directly trapping thousands of qualified, impoverished graduates in cycles of unemployment because they are unable to produce proof of their qualifications to prospective employers.

Cuts and termination of dedicated state data funding have shifted an unsustainable multi-million-rand financial burden onto institutions and forced the discontinuation of monthly data allowances for students. This has effectively locked impoverished distance students out of their own online lecture halls, leaving them unable to download study materials or complete continuous online assessments.

This adjustment budget is silent on these urgent matters, affecting thousands of vulnerable students.

The reprioritisation of unspent Student Housing Infrastructure Programme (SHIP) funds to the value of R306 million, under the University Infrastructure and Efficiency Grant (UIEG) elsewhere in this budget adjustments period does not aid existing students in the systems who are already experiencing overcrowded lecture halls, deteriorating laboratory facilities, unsafe campuses and a chronic shortage of affordable, dignified and safe student accommodation.

The 2026 MTBPS reductions to Community Education and Training (CET) allocations compound existing fiscal pressures, impairing colleges' ability to develop infrastructure and sustain inclusive academic and vocational opportunities for marginalised youth and adults.

Conclusion

Ultimately, the MTBPS failed to leverage its windfall tax revenues to prioritise its constitutional obligations to fulfill socio-economic rights, including the right to education. This is especially tragic when unemployment stands at 43.8% and nearly ten million young people are not in employment, education or training.

This MTBPS claimed to have achieved large expenditure savings, but as a detailed analysis would suggest, many of these are unsubstantiated. ‘Savings’ that are attributed to early retirement, school infrastructure reprioritisations, and cutting of infrastructure spending for student housing are actually debts incurred against a bleaker future. If we are not investing sufficiently and appropriately in education now, we will inherit a society in continued polycrisis tomorrow.

Demands

We will approach Parliament to amend this 2026 Adjustments Budget so that it reverses the devastating trends in the sector by addressing the following critical points:

Increased funding to the Provincial Equitable Share to support critical spending on Basic Education

We demand substantial increases to provinces to protect the right to basic education. Where relevant, these funds should be ringfenced to:

- Expand frontline educator posts
- Fully fund universal Grade R, as a compulsory component of basic education
- Provide scholar transport to protect learner’s rights to access and attend school
- Fund expanded psychosocial support services to prevent and mitigate against violence in schools

Increased funding to Conditional Grants, including but not limited to:

- The Education Infrastructure Grant (EIG), which must be able to meet government’s obligations to provide all schools with facilities that conform to the Norms and Standards for School Infrastructure.
- National School Nutrition Programme (NSNP), as a critical component of the fight against child hunger and malnutrition. Present allocations are not sufficient to provide all learners with balanced and nutritious meals.
- Early Childhood Development (ECD) Subsidy and Infrastructure Grants, to make the universalisation of early childhood care and education equitable and realisable

Reform of the Provincial Equitable Share (PES) formula

We demand that the education component of the provincial equitable share formula is reformed to better account for resource-disparities faced by learners in different provinces.

Increased Operational Subsidies for Modernised Administration and Comprehensive Student Support Services

We demand a substantial increase in direct operational subsidies to universities, TVET colleges and CET colleges to dramatically improve administrative, technical, and student support service efficiency; this includes enabling institutions to transition from archaic manual registration systems to seamless online platforms, and properly funding vital student wellness services such as psychosocial support, disability support, and on-campus healthcare facilities.

Immediate Coverage of the Current NSFAS R15 Billion Shortfall and Forward-Planning for the R33 Billion Deficit

We call on the government to immediately cover the current NSFAS shortfall and systematically budget for the anticipated R33 billion shortfall projected by 2029 over the current Medium-Term Expenditure Framework (MTEF).

Immediate Clearance of Historical Student Debt

We demand a comprehensive, state-funded plan to completely clear historical student debt across all public institutions so that graduates and continuing students can access their academic certificates and official results to apply for employment and postgraduate opportunities.

Expanded Allocations for the University Infrastructure and Efficiency Grant (UIEG) and TVET Infrastructure and Efficiency Grant (TIEG)

We demand significantly increased allocations for the University Infrastructure Efficiency Grant (UIEG) and the TVET Infrastructure Efficiency Grant (TIEG) to aggressively boost infrastructure development and routine maintenance across the sector, to address overcrowding on campuses and ensure affordable, quality and safe student accommodation for all students.

Reinstatement and Expansion of Allowances for Online Distance Learning (ODL) Students

We demand an urgent review of the NSFAS funding model for distance-learning institutions, such as the University of South Africa (UNISA). The state must fully fund reliable digital access by permanently budgeting for monthly connectivity data allowances and significantly increasing the insufficient R316.70 monthly incidental allowance for distance learning students.

Reinstatement of the Basic Education Employment Initiative

We demand that funding for the Basic Education Employment Initiative is reinstated in this adjustments budget so that the programme can be rolled out at the beginning of the 2027 academic year. We additionally call for future budgets to include multi-year funding for the BEEI to operate sustainably and optimally.

This 2026 MTBPS serves as the ultimate test of whether the government is truly committed to protecting essential public services and productive investment. We reject the framing of this budget as one that primes our country for growth, when it so shamefully neglects the future of our country.

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