

WHAT DOES THE 2015/2016 MEDIUM TERM BUDGET PROMISE FOR LEARNERS IN THE EASTERN CAPE?

REFLECTIONS ON THE 2015 BUDGET SPEECH BY THE MEC FOR FINANCE, THE HONOURABLE SAKHUMZI SOMYO

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There have been some encouraging developments in the education sector over the past few years. In the Eastern Cape, in particular improvements in certain aspects of one of the most significant conditional grants- the School Nutrition Programme (SNP) - is certainly worth acknowledging. Accounting for 36% (R 1 billion) of the total budget for all seven conditional grants in the 2015/2016 financial year- it is second only to the Education Infrastructure Grant (R 1.7 billion). Anecdotal evidence indicates that the SNP has become a more streamlined, better-governed ghost of its former, centralised version. In many cases- schools that experienced severe interruptions in regular delivery of food to learners now experience this to a lesser degree if it all and enjoy a greater degree of control over the quality of food served to learners. In addition, the Estimates of Provincial Revenue and Expenditure released on the 6th March 2015 indicate that expenditure performance on the Education Infrastructure Grant has improved from previous years.

Furthermore, the provincial Department of Education seems to have transitioned away from a pattern of recurring year-on-year audit disclaimers from the Auditor-General's office. The Public Service Accountability Monitor (PSAM) welcomes and acknowledges the veritable improvements in financial management in a department that in 2015 accounts for 45% of the entire provincial allocation at R 29.4 billion. There is a very real need, therefore, to ensure that no regression occurs and that the gains in financial and programme management become a sustained response to years of warnings and recommendations from, amongst others, the Auditor General. It is encouraging to note that as a result of improved infrastructure planning in Education (and Health) guided by Provincial Treasury, the province was able to secure an additional R 243 million for the financial year ending in March 2016.

REFLECTIONS ON THE 2015 BUDGET:

Having highlighted some of the positive changes- it is useful to consider what the medium term is likely to hold for education in the Eastern Cape. The prioritisation of education nationally and provincially has not changed and is not set to change given continued inequality and poor education outcomes. Researchers Servaas van der Berg and Eldridge Moses aptly asked in 2012 why significant fiscal outputs (in education and health, for example) have not resulted in the desired outcomes. In thinking about public social spending they remind us that;

*"The true goal of welfare spending is not simply to transfer resources but rather to ensure that the desired outcomes are achieved. The primary challenge facing South African fiscal policy makers is to strengthen the links between fiscal resource shifts and social outcomes. Spending in a way that does not ensure outcomes is both ineffective and fiscally unsustainable. **The large number of people who are being failed by the education and health system today will not be able to contribute as***

ably to the fiscus as the modest number of those who have received a good quality education.... “ (van der Berg and Moses, 2012: 138 (emphasis added))

In his Budget Speech, the MEC outlined Provincial Treasury’s intention to continue to prioritise fiscal sustainability given “the narrowing fiscal envelope” and the rising demands for service delivery. Furthermore, the MEC stated the requirement that all departments review programme and respective budgets through four lenses; “*relevance, effectiveness, efficiency and sustainability*”. Director-General Lungisa Fuzile in his foreword to the National Treasury’s Overview Estimates of National Revenue states that “(E)ffectiveness and efficiency is our guiding mantra”- an encouraging statement were it not for the continued commitment to “reprioritise” government budgets in response to challenging financial circumstances.

Now more than ever it is important for us all to train a beady eye on prioritisation (and ‘reprioritisation’) of public funds to ensure that these address the most pertinent of needs. Of particular interest in this brief reflection are budget allocations for the School Nutrition Programme (SNP), Scholar Transport Programme, Early Childhood Development and Infrastructure.

THE SCHOOL NUTRITION PROGRAMME AND QUINTILE FUNDING

As already mentioned, the SNP comprises a significant proportion of Education’s conditional grant funding. The Eastern Cape MEC for Finance announced in his 2015 Budget Speech that the Department of Education has “*increased the funding norm to R 1 059.00 per learner for quintiles 1, 2 and 3, R 530.00 for quintile 4 and R 189.00 for quintile 5*”. The SNP does not, however, cater for learners in quintiles 4 and 5. This has reportedly had grave consequence for vulnerable learners attending quintile 4 and 5 schools in various provinces.

In a submission to the Standing Committee on Appropriations on the Medium Term Budget Statements, the PSAM and Equal Education advocated for a review of the quintile system given its exclusion of otherwise deserving learners in quintiles 4 and 5. We are especially pleased to note that at the national level, Minister Nene has noted for consideration the proposal that National Treasury

“in consultation with the Department of Basic Education, should assess the effectiveness of the quintile system, with particular emphasis on ensuring that qualifying beneficiaries for programmes such as the school nutrition programme are adequately catered for.”

Until then, however, it is imperative that the best possible means are taken to ensure that learners currently in this gap are assisted through more effective use of available resources and- where possible- adhoc extension of the SNP where savings have been realised (as is the case in some schools). The MEC does, however, outline that there is a need to “*explore a qualitative model to improve the provision of school nutrition*”, a statement that the MEC for Education will hopefully elaborate on.

SCHOOL INFRASTRUCTURE: NORMS AND STANDARDS AND EDUCATION INFRASTRUCTURE GRANT

Despite the National Minister of Finance outlining in his Budget Speech last month that;

“The Education infrastructure grant of R29.6 billion over the medium term will enable all schools to meet minimum norms and standards for school infrastructure by 2016”.

neither the Premier in his State of the Province Address nor the MEC for Finance addressed this pertinent issue. This is especially concerning given the dire infrastructure needs in hundreds of

Eastern Cape schools. The Minister's statement in itself is positive if incredibly ambitious but as there is no elaboration on performance and expenditure to date since the gazetting of the regulations for minimum norms and standards for school infrastructure, it is somewhat enigmatic.

National Treasury outlined that provinces will ensure the building and maintenance of schools according to the norms and standards between 2015/2016 and 2017/2018 "*through the education infrastructure grant to provinces*". While nominal decreases at the national level for this grant are evident, the Eastern Cape grant has seen increased allocations owing to improved spending.

The PSAM is, however, distressed at the failure to address the question of whether or not- and how- the norms and standards will be funded by the deadline of March 2017 set by the Minister of Finance as this will have significant implications for the provincial fiscus given the likelihood of the need to supplement the grant with equitable share funds.

SCHOLAR TRANSPORT PROGRAMME

Disappointingly, despite the MEC's articulation of scholar transport enhancement as a priority for 2015/2016- there is no mention of actual budget allocations for this programme in his speech. Lack of adequate funding and poor prioritisation of such an important social programme was also the subject of the aforementioned submission made by the PSAM and Equal Education on the MTBPS.

Encouragingly, an Annexure to the Minister of Finance's Budget Review tabled in Parliament reveals that National Treasury has taken note of the recommendation by civil society to "*consider the formulation and development of a conditional grant for the provision of scholar transport*". This is a reassuring recognition of the importance of finding a solution to the currently unacceptable scholar transport provisioning in South Africa. Until this proposal becomes a reality in terms of budgetary allocations to provinces, however, hundreds of learners in the Eastern Cape will continue to face unreliable and often unsafe means of getting to school.

EARLY CHILDHOOD DEVELOPMENT

The province failed to meet the national deadline for the universalisation of Early Childhood Development (ECD) by 2014. The deadline has been shifted by several years to 2019.

While current policy discussions, research and planning for a nation-wide review of provisioning in the ECD phase indicate that that change is afoot- ECD continues to be under-resourced in the Eastern Cape. The 2015 Estimates of Provincial Revenue and Expenditure indicate that while the province has increased its funding for ECD; this is still 10% below the national funding norm. The programme budget sees an overall increase of 11.9% in nominal terms despite minimal nominal growth over the medium term that is unlikely to meet the demands of a historically under-prioritised sector. It is encouraging, however, that the MEC listed the enhancement of ECD interventions as a leading priority to address socio-economic ills that "mainly manifest themselves in the classroom". This articulation will hopefully one day be met with fiscal capacity. In the medium term, however, access to quality ECD services in the province will continue to be a challenge for many young learners.

The MEC has outlined the available resources and past performance in key programme areas. It is now up to the MEC for Education and executive of the Department of Education in the Eastern Cape to account for performance in their department. What lies in store for thousands of learners in the Eastern Cape who- while being ostensibly prioritised in fiscal terms remain largely within a system that teaches many of them poorly and deprives many of them of safe transport and learning spaces?

ENDS

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