SUBMISSIONS TO THE SELECT AND STANDING COMMITTEES ON APPROPRIATIONS ON THE DIVISION OF REVENUE BILL [B 4—2024]

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Prepared by SECTION27 (8 March 2024)

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Introduction

South Africa continues to weather a harsh economic climate that will be borne by the most marginalised people in our society. In November 2023, the South African Human Rights Commission published a report highlighting the prevalence of Severe Acute Malnutrition (SAM) and malnutrition-related deaths among children in the Eastern Cape. Last month, reports of a ceiling collapse at a school in Gauteng that injured eighteen learners. Unemployment remains high where qualified doctors, teachers and nurses are not absorbed into adequately staffing public health facilities and schools while simultaneously those dependent on these facilities receive poorer quality services from understaffed facilities. In a context as such, it is crucial to wield policy, legislation and funding to alleviate the suffering experienced by the people in this country.

While the Division of Revenue Bill of 2024/25 is characterised by less severe budget cuts to conditional grants to public services, it is still an austere budget that will likely constrain resources available for public facilities like schools and hospitals to provide constitutionally protected rights. We recognise that difficult fiscal choices must be made, even in the context of weak economic performance. However, constitutional rights to basic education and health care for all in our country must be protected.

As such, we welcome the opportunity to make submissions on the 2024/25 Division of Revenue Bill (DoRB) to the Standing and Select Committees on Appropriations. SECTION27 is a public interest law organisation working on advancing human rights in the country, and as such, our submission seeks to propose recommendations to advance the power the DoRB has to protect the right to basic education (contained in Section 29 of the Constitution) and the right to access health care services (Section 27 of the Constitution) in these challenging times and the long term.

In this weak economic climate, we continue to call on Parliament to insist on transparent and participatory **human rights impact assessments** to ensure the realisation of people's rights to access quality basic education and healthcare services. Furthermore, we continue to call for **urgent addressing of underspending** in provincial health and education departments to ensure that the resources allocated translate into quality health and education in the country. We reject the approach of reducing funding towards crucial programmes - notably the health infrastructure - which only punishes the learners and health care users. We recommend investing this funding into capacity building, consequence management for service providers who do not fulfil the contract and bolstering monitoring systems to improve education and health outcomes in the country through quality spending.

In addition to these written submissions, SECTION27 requests permission to make oral presentations before Parliament on 13 March 2024.

Gender-Responsive Budgeting (GRB)

Life for womxn in South Africa is challenging. Due to unequal gender and racial norms in our society, womxn take up most of the unpaid care work. Globally, womxn perform 2.6 times more unpaid care and domestic work than their male counterparts. Moreover, poverty is gendered: womxn-led households in the country are 40% poorer than ones led by men. This is more pronounced in rural areas where womxn face an even greater lack of access to resources and prosperity - compounding the immense poverty many of these womxn are exposed to. In these areas, 74.8% of womxn-led households fall below the upper-bound poverty line. Unemployment is also gendered and racialised in our country where unemployment among Black womxn is higher than the national average and other population groups reflecting a feminisation of unemployment in the country.

In previous submissions, we have called for fiscal policy and legislation to consider this gender inequality in pursuing budget decisions - a gender-responsive budget (GRB). Fiscal policy can be a powerful tool in alleviating these gender inequities like resourcing interventions such as the child support grant (of which the majority of recipients are womxn) and HIV/AIDS life skills investment (in a country where young Black womxn are disproportionately represented in HIV statistics). However, the pursuit of fiscal consolidation characterised by real cuts to public services like basic education and health care will likely only worsen these inequalities. When budgets for these sectors are cut, womxn mask the impact of these austere measures as “shock absorbers” with their unpaid care work, which may also impact the time poverty they face - a major contributor to poverty in womxn-led households.

The 2023/24 Budget announced significant progress in advancing Gender Responsive Budgeting (GRB) and looked forward to this year’s budget and Division of Revenue Bill for the first iteration of GRB in our fiscal policy. However, we are disappointed to see that GRB has been pushed back further to the MTBPS later this year. This means yet another budget passing budget decisions and legislation without consideration for their impact on the quality of life for womxn in this country. As such, we reiterate our call for urgent implementation of Gender Responsive Budgeting and call on Parliament to compel the National Treasury to provide updates regarding its commitment to leading an interdepartmental steering committee and working with stakeholders to develop a roadmap and tools to facilitate gender-responsive budgeting (GRB). Moreover, we recommend public workshopping of GRB guidelines and tagging so that the womxn in this country can better shape the National Budget - creating a genuinely gender-responsive budget.

We continue to advocate for budget allocations towards basic education and health care as a mechanism to redress gender inequities in our country. A well-resourced, adequately staffed public health care and school system would redress the socio-economic hardship womxn face and free their time to participate meaningfully in the formal economy and their communities. Furthermore, the gendered reliance on public services means that each million that is not used to deliver public services also worsens gender inequality in the country. Therefore, we call for greater investment in building provincial capacity to deliver public services and to effect meaningful consequence management for under-utilised budgets. Attracting and retaining excellent public servants in local and provincial health governments is crucial in bolstering the capacity to spend budgets efficiently, thereby ensuring that intended beneficiaries receive better quality education and health care services. Lastly, we call on Parliament and the National Treasury to apply a gendered lens to decisions on the public sector wage bill and to consider that over 90% of nurses in the country are womxn, 80% of those employed in the public sector are Black womxn and that 70% of teachers are womxn. The public sector has a shortage of nurses and teachers, and South Africa has a critical unemployment challenge, particularly among womxn - a gender-responsive budget can be a powerful bridge to solving this complex challenge.

Provincial Equitable Share

The Provincial Equitable Share (PES) increased from last year's R585 billion in 2023/24 to R600.5 billion reflecting a 2.6% increase this year. This is below the CPI inflation rate forecasted at 4.7% for the 2024/25 period. Once we account for inflation, we see that the PES is being reduced to R558.8 billion (6.9% real cut). We are concerned about this erosion of the PES as it funds the provinces' core functions including basic education and health care and below-inflation allocations only limit the available resources to perform these core functions effectively. This continues a trend of disinvestment in public service allocations where inflation erodes the value of these investments.

In our submission on the Division of Revenue Amendment Bill last year, we critiqued this downward spending trend of the PES as a form of blatant austerity in funding to the provinces, noting that it would impact the quality of provincial service delivery. As such, we continue to call for allocations to the provinces to align with CPI, population growth and the increased number of people relying on public services.

Research suggests that the impact of this erosion in the value of the PES may be more pronounced in women-headed households and especially in provinces with a higher population living in rural communities. Thus, disinvestment in the PES is not gender responsive and may worsen gender inequality in the provinces.

We recommend the reversal of the trend to disinvest in the PES. Rather, the PES should be increased at least in line with CPI inflation and the growing number of public service users so that its value is not eroded.

Conditional Grants

Overall, allocations on conditional grants to the provinces increased from last year's R121.3 billion to R129 billion this 2024/25 year, a 6.3% increase which is above the 4.7% CPI for the period. We welcome above inflation increases to conditional grants as they fund essential programmes like school nutrition, infrastructure and HIV/AIDS treatment and education meaning that provinces are better equipped to realise the rights to basic education and access to health care for all.

This submission will explore the conditional grants in greater detail in the education and health sections but overall, we welcome reversals of cost containment measures towards the Education Infrastructure Grant (EIG) and the HIV and AIDS (Life Skills Education). However, for the EIG, the investment is still below the 2023/24 allocation before the cost containment measures. We also welcome inflation-linked increases to the National School Nutrition Programme Grant and District Health Programmes Grant while critiquing nominal cuts to the Health Facilities Revitalisation Grant (Health Infrastructure), School Infrastructure Backlog Grants, proposed cuts to the HIV and AIDS funding component of the District Health Programmes Grant and the real cuts to the Learners with Profound Intellectual Disabilities grant. Budget cuts to underperforming programmes without actual investment to fight underspending means that the marginalised learners and healthcare users who most rely on these programmes and interventions will be further disenfranchised.

Similar to the PES, adequately funding education and health care conditional grants is an opportunity to advance a gender-responsive budget, thereby redressing gender inequity and lessening the burden of socio-economic challenges the most marginalised womxn in the country face. For example, HIV/AIDS has a disproportionate risk and prevalence in girls and womxn in South Africa. Reversing the cost containment budget cut from last year and allocating an additional increase of 16.8% to the HIV/AIDS Life Skills Education this year could empower girl learners with the knowledge to navigate a society where gender and racial disparities rooted in structural and contextual inequalities are important factors in the prevalence of the HIV/AIDS epidemic.

However, below-par funding to conditional grants will likely entrench gender inequity in our society. The 2.5% increase to the learners with profound intellectual disabilities grant is below the 4.7% CPI eroding the investment to support marginalised learners. As we stated in our submission last year, real cuts to this grant only entrench the hardships that these learners face. A budget process that assesses systemic inequalities through the lens of macro-fiscal policy is crucial in a country with such high levels of inequality. We call for a budget that reflects how people of different gender, race, sexual orientation, education, income, age and other identity factors, experience the budget. We call for a budget that foregrounds human rights.

If there are real cuts to be made to social spending areas, the Budget and Division of Revenue Bill should reflect more robustly on how provinces will protect womxn and other marginalised groups from reduced investment in programmes meant to support them, and how these allocations will not perpetuate the inequalities that hold our nation back.

We recommend that conditional grants to provinces increase at least in line with CPI inflation and the growing number of public service users so that their real value is not eroded. We recommend the reversal of budget cuts and investment in tackling underspending.

Personnel Funding/ Public Sector Wage Bill

Ahead of the Budget Speech this year, the public health care system was rocked by protests by unemployed newly qualified doctors. During the same period, a group of 167 Gauteng nurses lamented the debilitating state of being unemployed long after completing their board exams. According to a report by RESEP, approximately 20 000 people with tertiary training in education reported being unemployed, and half of them were previously employed as teachers. The unemployment statistics of our country are deeply concerning. However, it is more alarming considering the unemployed qualified doctors, nurses and teachers in the context of a deeply understaffed public health care and education system. The failure to adequately staff health facilities and schools is attributed to budget constraints. Rather than alleviating this issue, the budget allocations towards staffing this year are more likely to worsen this crisis.

The budget has allocated a 3.2% increase to the compensation of basic education personnel to R241.9 billion from the previous year's R235.3 billion. This below-inflation allocation translates into a 2.2% real cut and is unlikely to increase the number of teachers in our understaffed public school system. For years, the National Treasury has merely acknowledged that these budget allocations threaten education outcomes through larger class sizes and higher teacher-learner ratios. Still, there needs to be an outline of how the National Treasury intends to work with education departments to protect learners from this threat.

Worse, we are seeing some of the lowest replacement rates of retiring teachers because of fiscal austerity. Unfortunately, the 2024/25 Budget is unlikely to rectify this when we consider the R397.9 million cut to the Funza Lushaka bursary. A budget that increases barriers to education attainment may regress gains that progressive education policies have achieved for some people in this country.

Sadly, this extends to health care staffing. Unfortunately for these nurses, doctors, and community health care workers, the 2024/25 Budget towards their compensation is only R174.6 billion, a 2.5% increase from last year's R171 billion. Accounting for inflation translates to a 2.5% real cut to the public health wage bill. Funding will likely decrease staff headcount and not even cover inflation-linked wage increases. Without further urgent intervention, nursing and health professional posts are likely to remain vacant.

It is the overworked staff who are faced with masking the impact of these austere budget measures on the 84% of people in this country who rely on public health care. In our submission last year, we reflected on Chris Hani Baragwanath Hospital's significant staff shortages, which resulted in almost 900 surgeries being cancelled in 2022. The underpaid and overworked Chris Hani Baragwanath Hospital nurses have reported "pooling funds to buy patients bread." We also reflected on how doctors at Nelson Mandela Bay's Livingstone Tertiary Hospitals have attributed budget shortages to "suboptimal, undignified patient care" and forecast higher medico-legal claims, which the National Treasury described as a "sub-national risk". In a budget literacy workshop that SECTION27 hosted in Queenstown and Alice in the Eastern Cape earlier this year, clinic committees reflected on worsening healthcare quality as nurse posts remain unfilled, resulting in overworked staff expected to provide care for an increasing number of healthcare users.

A truly Gender-Responsive Budgeting is one that recognises the gendered and racial (and other identity markers) implications of the public wage bill. Healthcare and education workforces are a critical driver of inclusive economic growth and a means to create decent work for women, especially in rural and underserved communities. In 2021, about 70% of educators in South Africa were womxn, while most management positions continue to be male-dominated (61% of principals were men). Furthermore, 90% of nurses in our public health system are womxn, and in our society of unequal gendered norms, it is also womxn who carry the care work burden in the home. Without factoring in gender equity implications, investment in bolstering public sector capacity will likely be interpreted as an under-appreciation of womxn's labour in making a fragile public sector and society work.

Health Care Expenditure

South Africa's public health care system provides access to health care right to the uninsured population - about 84% of the country's population. While there are steps and policies towards advancing universal health coverage and access to quality health care for all, under-staffed health facilities, delays in health care delivery, and infrastructure backlogs are barriers to achieving this. Fiscal policy and budget allocations to health care are powerful interventions to overcome these barriers.

Furthermore, rising poverty and having one of the highest rates of unemployment and inequality in the world are socio-economic burdens that extend to our public health system. A well-resourced public health care system can respond and prevent manifestations of these challenges like our HIV/AIDS incident, violence and increasing disease burden. However, over the past few years, we have observed a downward trend of investment in our public health care system. Most pronounced were last year's cost containment measures where nominal cuts were made to HIV/AIDS funding, TB funding and the Health Infrastructure Revitalisation Grant. However, even before these measures were put in place, real health care spending was reduced in the 2023/24 budget by 4.9% in real terms.

On the surface, one would think that this year's proposed health care spending is slightly better, characterised by some reversals to the cost containment measures and seeing an overall health care investment increase of 1.7%, from 2023/24's R267.3-billion to this year's R271.9 billion. However, this is a disinvestment in public health care as this increase will be consumed by rising prices. Once adjusted for 4.7% inflation, this translated to a 2.9% real cut. This means that while spending per health care user increased nominally from R5 180 in 2023/24 to 2024/25's R5 243; the real spend per health care user has been cut by R173 from 2023/24's R5 180 to 2024/25's R5 007. Our public health care system has fewer resources to provide access to quality health care to the 51.9 million public health care users.

In times of poor economic performance, difficult policy choices and trade-offs arise. However, budget cuts without meaningful consideration of their impact on the constitutional right to access healthcare risks exacerbating the hardships faced in our country.

Health Facility Revitalisation Grant

We are deeply concerned about the proposed nominal cut to this grant. The Health Facility Revitalisation Grant serves to construct, maintain, and rehabilitate these facilities to better facilitate the delivery of health services. In a country where clinics and health facilities are overcrowded and characterised by massive infrastructure backlogs, we are alarmed to see a further R1.2-billion nominal budget cut towards the Health Facility Infrastructure Grant, and R1.2-billion per year cut over the Medium-Term.

This cut is made worse when remembering that it follows last year's cost containment measures which cut this funding by 5.2%. In a bid to curb the provincial government's underspending on this grant, it is the public healthcare user who will be punished, as her local clinic has less funding to repair dilapidated or destroyed infrastructure.

Vote 18: Health explains that this budget cut was made possible by "historical underspending" and infrastructure projects being placed on longer-term completion timeframes. While we support the National Treasury's position that underspending adversely affects the realisation of the right to access health care, we reject the approach of attempting to overcome chronic and historical underspending through budget cuts. This approach will likely not improve spending rates and will only punish health care users in the country. We reiterate that the government, including the National Treasury, has a duty to provide proper oversight and ensure transparent, cost-effective and accountable public procurement. Intervening by reducing the quantum of spend only reflects a failure by the state to provide proper oversight and ensure transparent, cost-effective and accountable public procurement.

National Health Insurance Grant: Mental Health

In an op-ed last year, Deputy President Paul Mashatile reflected on the mental health crisis in our country. South Africa ranked low on mental health, according to a 2022 World Mental Health Report and he attributed this to the socio-economic challenges that worsen mental health: high levels of violence, poverty, unemployment and inequality. Notably, he lamented the measly budget allocations to mental health and related community-based services and how most mental health specialists are in the private sector serving the few who are not priced out of private health services. Although refreshing to see a government official of that level reflect on the state of mental health services in our country, fiscal policy that does not support these positions will only entrench these issues. This op-ed should be interpreted as a call to do better - improving public mental health services and staffing.

The Division of Revenue Bill this year reflects how far behind we are in realising this. Mental health services are allocated R164 million this year - 0.06% of the total health budget. Concerningly, this amount is the same allocation for 2023 - meaning that mental health investment is being eroded by inflation. In real terms, this translates to a cut of 4.7%. Furthermore, contracting health practitioners proposed funding allocation is R263 million - a nominal cut of 8% from 2023/24's R284 million. Such austere mental health funding does not reflect the urgency to address a crisis where 75% of people living with mental health illnesses are unable to access treatment.

A report by the Wits/Medical Research Council Developmental Pathways for Health Research Unit found that the Northern Cape showed the highest rates of both probable depression and anxiety. However, the province was not allocated an increase - let alone an inflationary adjustment - for this year. The province receives only R3 million a year for mental health services and R21 million to contract mental health professionals for forensic and primary health care mental health services - no inflationary adjustments. The province receives the lowest mental health services allocation in the country.

If we are to adequately address mental health challenges in the country and improve the quality of life for people in the country, our government needs to reflect a meaningful commitment to achieving this - and our budget allocations and legislation need to support this. We continue to recommend that Parliament direct the Treasury to ensure that the mental health services component of the NHI grant, at the very least, keeps up with the costs of inflation, to address the gaping treatment gap and the increasing demands of mental health services on the healthcare system. However, we need a concerted investment drive to improve the availability of mental health services in the provinces, enabling policies, increased investment in human resources, and adequate infrastructure for mental health service delivery in South Africa.

District Health Programmes Grant: HIV and AIDS funding

Our submission last year expressed deep concern regarding the budget cut of R1 billion to HIV funding as part of cost containment measures as it translated to a 4% nominal cut from the Main Budget's R23.9 billion to R22.9 billion for the 2023/24 financial year. A budget cut threatened to delay our progress to ensuring that 6 million people are on Antiretroviral Treatment (ART) by the end of this financial year. However, the government stated that they were able to achieve this saving through procuring ART at a lower cost - to which we argued that rather than returning these funds to the National Treasury, these savings need to be redirected towards strengthening our health system's ability to scale up ART coverage and the treatment of TB to allow more people with HIV to live fuller lives and overcome this epidemic. The investment could be made in robust health information systems, improved treatment literacy and providing comprehensive support to people on ART to bolster ART retention.

We are alarmed to see that in the 2024/25 Budget, there is a proposed R1.3-billion cut to the comprehensive HIV/AIDS component of the district health programmes per year over the MTEF period. This is further worrying considering the reasons for these cuts being underspending and the uptake of ART running significantly below target. We have raised concern about the underspending of this grant - notably for the 2022/23 fiscal year, the Gauteng health department underspent R1.6 billion of its district health services budget, which includes HIV/AIDS treatment services. In a country with such a high prevalence and risk of HIV infection, we find the response to underspending budget cuts to be inappropriate and overlooking human rights and lived experience. Moreover, accepting the lower uptake instead of directing savings to interventions to scale ART uptake and retention is a budget decision that does not foreground the right to access quality health services in the country.

South Africa has committed to the 95-95-95 targets to diagnose 95% of all HIV-positive individuals, provide antiretroviral therapy (ART) for 95% of those diagnosed and achieve viral suppression for 95% of those treated by 2025. These are not unachievable targets. In fact, other countries like Botswana, Eswatini, Rwanda, Tanzania and Zimbabwe have already achieved these targets.

South Africa has come a long way from the days of HIV denial and stigma that worsened the quality of life for people living with the virus. A free public ART programme has been a remarkable step that has lengthened the life expectancy of those affected by HIV. Financing interventions to increase testing, curb infection and scale up treatment has translated into life expectancy improving by nine years from its low point in the early 2000s and pronounced reductions in infant and child mortality rates. While the response to the HIV epidemic has improved, the epidemic has still not ended. We can and must do better to win this battle to eliminate the social and economic burden this epidemic has placed on our communities.

UNAIDS credits HIV funding for saving millions of lives as well as strengthening the public health systems of affected countries, notably our own. However, UNAIDS notes that increased investment is still needed to end the HIV epidemic. Under a fully funded HIV response, South Africa would be able to reduce new infections by 65% by 2030, meaning an additional 1,35 million new HIV infections could be prevented. Additional funding could allow the state to expand access to preventative drugs like pre-exposure prophylaxis (PrEP) and potentially, the HIV jab currently being trialled.

The National Treasury notes that the lower-than-expected uptake is gendered: poor health-seeking behaviour, particularly among men. This must be urgently addressed, and savings invested in interventions that address this is a more appropriate budget decision. Moreover, while lower uptake of ART may be attributed to poor health-seeking behaviour among men, the unequal gender relations in our society have resulted in girls and young womxn in the country – particularly those in rural and underserved communities – bearing the greatest HIV risk and burden. The decision to cut HIV funding overlooks crucial gender considerations and may worsen inequality in our country. At the current funding level, 1 300 girls and womxn between the ages of 15 and 24 are newly infected with HIV every week.

Socio-economic factors such as brutal cycles of poverty and sexual abuse worsen this risk; as does gender inequality which increases infection rates while also weakening the ability of womxn to cope with HIV. We have previously highlighted that this inequality further worsens the barriers young womxn face to negotiate safe sex. The prevalence of sexual violence also exacerbates the risk of HIV transmission.

Oncology

In our Submission on the Division of Revenue Bill in March last year, we welcomed the Gauteng Treasury allocation of R784 million to finance the outsourcing of radiation oncology services and surgery backlogs in Gauteng. Notably, Gauteng would outsource radiation oncology services for approximately 3 000 patients on the backlog list. The allocation is intended to ensure prompt access to urgent health care services and fast-track the procurement of outstanding radiation oncology machinery and equipment in the province.

It is with concern that we note that, after a year since the allocation of these ring-fenced funds, the Gauteng Department of Health (GDoH) has failed to appoint a service provider who will provide outsourced radiation oncology services. It has been three years since the compilation of the list of backlog patients, some of whom had been awaiting radiation oncology services for years prior. Yet, these patients are no closer to obtaining this life-saving service despite the ring-fencing of funds specifically intended for them.

A further purpose of the funding allocated for the outsourcing of radiation oncology services was to alleviate the burden on the Gauteng health care system and to allow it time to replenish its equipment supply and deal with its extreme shortage of radiation oncology staff. However, these challenges are not being addressed and our concern is that once the ring-fenced funding for this temporary fix is depleted the Gauteng health system will return to slow and ineffective treatment of cancer. We have noted a migration of radiation oncology staff from Gauteng to public health facilities in other provinces, the drain seemingly being motivated by the misalignment of the application of the occupation-specific dispensation for therapeutic, diagnostic and other related allied health professionals. Radiation oncology staff in other provinces are seemingly offered higher remuneration and promotion prospects for the same work at the same level. Additionally, tenders for the procurement of radiation oncology equipment have been cancelled and reissued and are taking years to conclude.

The oncology crisis in Gauteng is a manifestation of a multitude of factors including staffing, equipment and addressing backlogs. These issues can be resolved by investment in ensuring that the remuneration of oncology staff is uniform across the provinces and that provinces are held accountable for the use of funds made available to them for the realisation of urgent access to health care services.

Basic Education Expenditure

Although allocations towards Basic Education have historically been larger than other spending areas, the poor performance of schools in marginalised communities continues and is attributed to - among other factors - historic and ongoing underfunding of these schools. Many learners in the country continue to attend schools plagued with inappropriate and crumbling infrastructure, unsafe pit latrines and massive teacher shortages. These problems are worsened by historic, chronic underspending, creating additional barriers to the provision of quality basic education. However, this underspending does not justify reducing basic education budgets as it is the most disadvantaged learners who will suffer from underfunded school systems.

Regarding the quantum of spend, consolidated Basic Education spending has received a 3.4% increase from 2023/24's R313.7 billion (following further spending reductions owing to cost containment measures) to R324.5 billion. This translates to R24 223 per learner per annum, an R803 increase from last year's R23 420 in nominal terms. However, if we factor in the effect of a projected CPI inflation of 4.7% for the 2024/25 period, we may see an actual investment in basic education of about R309.2 billion instead and actual spending per learner of about R23 135. This will result in fewer resources for South African public schools to adequately fund, for example, the provision of scholar transport, stationery, and learning materials.

Investment in basic education is a crucial tool that can lift families out of poverty, enrich the quality of life, and translate to economic participation as an economic predictor of labour market outcomes. However, our country's public education system has not necessarily been able to achieve this adequately enough. We need to urgently overcome the barriers to quality education for all and fiscal policy - quantum and quality of spend - are powerful tools we can wield to advance this.

Education Infrastructure Grant (EIG)

Thirty years post-Apartheid, overcrowded classrooms, deteriorating school infrastructure and unsafe plain pit latrines continue to prevail throughout the country. There have been reports of learners being squeezed into a classroom with up to 70 other pupils, which could be resolved with sufficient school infrastructure that promotes conducive learning rather than worsening overcrowding. As SECTION27, we work with schools in provinces like Limpopo which face severe infrastructure challenges. These schools have reported that their infrastructure is severely dilapidated and that the Department of Basic Education (DBE) has, for years, promised to commence construction of new infrastructure or the refurbishment of existing infrastructure, to no avail. Despite the now overdue deadlines in terms of the Regulations Relating to Minimum Uniform Norms and Standards for Public School Infrastructure, some of these schools still have infrastructure which is unsafe for learners, including mud buildings, many of which have now deteriorated, and are in urgent need of repairs and maintenance.

The DBE's Education Facility Management Report from August 2023 reveals that we have a long way to go to ensure that school infrastructure is up to standard. Over 3 932 schools still have undignified and life-threatening pit toilets on school premises. Of these 728 nationally rely only on pit toilets. According to the DBE, all 728 of these schools are to be found across the Eastern Cape, KwaZulu-Natal and Limpopo. Furthermore, nationally, 74.2% of all schools are without a library and 82,6% of schools are without a laboratory for science, technology and life sciences.

The Education Infrastructure Grant (EIG) – which provinces rely on for school infrastructure needs – received a funding allocation of R13.7 billion from last year's R12.3 billion. Although this 11.4% increase may appear positive as it is well above inflation, this allocation is effectively a reversal of last year's 11.5% nominal cut to the EIG. Worse, Cabinet has approved a R611-million cut to this grant over the medium term. The Health Budget Vote has recognised that this cut "will result in projects that are still in the planning phase being delayed so that those currently being implemented can be completed." We express concern that these budget cuts constrain funding available to *urgently* eradicate unsafe pit latrines in schools, build, maintain and repair school infrastructure and resolve the stressful conditions of overcrowding that adversely impact the quality of teaching and learning. To eradicate overcrowding, we need adequate investment in safe and sufficient classrooms.

Investment in the provision of safe and adequate school infrastructure is made even more urgent considering climate change and the rise in temperatures which may adversely affect educational attainment. The increasing frequency of extreme weather events impacts education attainment as we have seen in floods disrupting education and destroying school infrastructure, causing water damage to classrooms and destroying crucial furniture, books and stationery. One of our client schools in Limpopo has struggled with poor and unsafe infrastructure since 2012. Its infrastructure is severely dilapidated, which has made the school more susceptible to extensive damage from storms. Continued extreme weather events only make the infrastructure at these schools even more dangerous and unconducive to effective learning.

We continue to advocate for urgent intervention in overcoming underspending in education programmes - pronounced in education infrastructure projects. In our submissions last year, we raised concerns regarding underspending in the provinces, notably, the Eastern Cape and Mpumalanga provincial departments forfeiting more than R400 million of this grant due to underspending despite a massive infrastructure backlog. These funds could have been spent on eradicating mud schools and plain pit latrines where over 800 schools still use pit latrines (2023) requiring urgent intervention. However, learners in these schools should not be double punished for their provinces' underspending. Rather, we call for the prioritisation of training and capacity-building initiatives to build local and provincial government's ability to efficiently plan and procure school infrastructure. We also call for consequence management for implementing agents who perform poorly or fail to deliver timeously.

School Infrastructure Backlog Grant (SIBG)

Cabinet has approved a R1.2 billion cut to the school infrastructure backlog grant (SIBG) over the medium term. The SIBG is an indirect grant that serves to eradicate school infrastructure backlogs, like replacing classrooms constructed with inappropriate materials and removing unsafe plain pit latrines. Although there has been much debate on the efficacy of the SIBG, considering its low spending rates, cuts to this grant without an alternative form of intervention will only perpetuate the backlog of inadequate infrastructure and hinder learners' rights to quality basic education.

The SIBG was intended to be a temporary intervention; in the long run, provinces need to have the capacity, technical skills and institutional memory to develop and maintain their infrastructure. We urge Parliament to consider the Financial and Fiscal Commission's recommendation that the National Treasury and departments consider indirect grants, like the SIBG, only as a measure of last resort while continuing to build capacity in provinces and municipalities, a position supported by the National Treasury. Reducing the SIBG's budget without investing in capacity building and fighting underspending will likely only entrench the barrier that infrastructure plays in education attainment in under-resourced schools.

Considering the worsening climate crisis and its impact on marginalised schools, we also call for greater consideration, and prioritisation, of climate-resilient school infrastructure projects when addressing school infrastructure through the SIBG. While this includes building classrooms with climate-resilient materials, it extends to water and sanitation projects, as climate change will affect water security and quality at schools. We have written on how water-borne bacteria causing infections thrive in warmer temperatures - plain pit latrines at these schools are not only unsafe but are inadequate in the context of climate change. For schools to be climate resilient, the government must invest in equipping these with adequate sanitation and eradicating plain pit latrines.

National School Nutrition Programme (NSNP)

We welcome that the budgetary increase in the NSNP of 5.6% is above the estimated food inflation rate of about 4.7% in 2024 - according to the National Treasury's forecasts. However, we are cautious considering actual food inflation has tended to be well above CPI inflation. Though inflation has been easing in recent months, food inflation in December 2023 was recorded at 8.5%. Nevertheless, a food-inflation-linked allocation to the NSNP will hopefully allow the current level of provisioning of the NSNP continue.

The NSNP is generally a well-performing programme and has been crucial in working towards the realisation of the right to basic education and children's right to adequate nutrition - both of which are immediately realisable rights. However, while the NSNP in its current form fills an important gap in learner's access to food, it is not without issues that could not be ameliorated by a bigger investment into the programme.

In terms of the current level of funding, schools still struggle to make adequate provision for the NSNP. The Eastern Cape Department of Education (ECDoE) reported to the South African Human Rights Commission that one of the major issues with the NSNP was inadequate funding, making it difficult for schools to provide an adequate meal to learners each school day. An additional issue has been the practice of not counting undocumented learners in terms of the allocations given to schools, meaning that in practice schools receive less than the per-learner allocated amount, gravely compromising the provision of NSNP.

The ECDoE also stated that there is a lack of a strong monitoring and evaluation system, which is crucial particularly in light of last year's failures to provide the NSNP in schools in the Eastern Cape and KwaZulu-Natal. We note with concern the KwaZulu-Natal Department of Education's decision not to renew the contracts of at least 27 employees working on the programme. Without a sufficient transitional period and oversight, institutional knowledge regarding the workings of the programme in KwaZulu-Natal may be lost and the programme may be disrupted. The KwaZulu-Natal Department must ensure continuity in the provision of the NSNP and to ensure it is not disrupted.

Finally, we reiterate our support for the South African Human Rights Commission's recommendations for the NSNP to be extended to serve children below the primary school level and for the Department of Basic Education, in collaboration with the Department of Social Development, to consider extending the NSNP to distribute food to learners on weekends and school holidays. Child hunger remains a devastating problem nationally and in the Eastern Cape in particular. For many children, the NSNP provides the only nutritious meal they will receive in a day. The NSNP can be leveraged as a starting point to ensure all poor children in South Africa receive this meal throughout the year.

HIV/AIDS Life Skills Grant

Last year’s cost containment measures tabled a massive nominal budget cut of 11.5% to the HIV/AIDS Life Skills Grant from R241.7 million to R213.9 million. We expressed concern as this grant funds sexual education - including on HIV - in a country considered the epicentre of the HIV epidemic. Young people - particularly young girls and womxn - are most at risk of HIV infection. In 2019, adolescent girls and young womxn accounted for approximately 35% of all new HIV infections in the country and such a drastic reduction in funding may exacerbate this risk, which also has gender equity implications.

Thus, we welcome the 16% increase in the grant from last year’s R213.9 million to R249.7 million in 2024/25. This reflects both a reversal of last year’s austere cuts to this programme as well as an upward adjustment which is welcomed. HIV education is a powerful tool to reduce this risk and to support the health sector’s testing and treatment of HIV. Just last month, the Gauteng Department of Health issued a public warning on “risky sexual behaviour” resulting in increasing transmission of sexually transmitted infections (STIs) and HIV infection in the province. An analysis by UNAIDS found that providing sexual education in schools and training teachers to deliver this curriculum is significant in overcoming this risky behaviour and is associated with decreased numbers of sexual partners, lower frequency of intercourse, and increased condom use.

Furthermore, in a study published in 2022, the authors concluded that Comprehensive Sex Education (CSE) in schools reduced HIV transmission in girl learners. The study further concluded that girl learners who attended CSE over twelve months had “reduced adjusted odds of being HIV-positive” and were informed of their sexual and reproductive health rights and the accessibility of condoms. Girls who were not in school but attended CSE were confident of their access to condoms and there was an increase in the likelihood of undergoing HIV testing.

The importance of HIV/Aids training must be enhanced to ensure that learners are provided with the training to minimise HIV/Aids transmission and access to sexual and reproductive healthcare investing in HIV/AIDS life skills education is a powerful intervention in achieving this.

Conclusion

By foregrounding human rights, funding to the provinces, conditional grants and fiscal policy all around could be a powerful lifeline for millions of people in this country. We see this with the allocations to the HIV/AIDS Life Skills Grant and School Nutrition Programme allocations among others. However, overall, the government has proposed allocations to the PES and education and health conditional grants that may aggravate the hardships with which people in this country are grappling.

As such, we continue to call for participatory human rights impact assessments to be applied as a measure to protect the most marginalised learners and people in this country. Moreover, we continue to call on Parliament to amplify the call to the public sector to address gender inequality through gender-responsive budgeting and, as such, wield fiscal policy to overcome our country's legacy as the most unequal society globally.

Rather than punish learners and health care users in poor-performing provinces plagued by underspending, funding must be directed towards investments in capacity building to resolve underspending in the provinces. Budget cuts owing to underperformance without intervention to fix this only threaten the realisation of the Constitutional rights of the intended beneficiaries.

We also remind the Cabinet that the United Nations Committee on Economic, Social and Cultural Rights (CESCR) had expressed concern in 2018 that the austerity measures introduced in our Budget could further exacerbate inequality and restrain the redistributive capacity of our fiscal policy. They further recommended that South Africa increase the level of funding in social security, health and education, review its fiscal policy and re-examine its growth model to move towards a more inclusive development pathway. It is crucial for the underserved people in this country that our government heeds this call. Although improving our country's financial performance is critical - particularly in times of weakening economic outlook - it is crucial that we wield the power of the Division of Revenue Bill to proactively alleviate the hardships that people in our country are facing.