



EDUCATION PORTFOLIO COMMITTEE 2022/23 BUDGET REPORT

Committee Details	
NAME OF COMMITTEE	EDUCATION PORTFOLIO COMMITTEE VOTE 5
TABLING DATE	06 May 2022
CHAIRPERSON	HON. S SONJICA

REPORT OF THE EDUCATION COMMITTEE ON THE CONSIDERATION OF THE BUDGET AND APP 2022/23 FOR THE DEPARTMENT OF EDUCATION

1. INTRODUCTION

Hon Chairperson and Hon Members of the House, the purpose of this report is to present what has transpired during the budget process of Vote 5, Department of Education.

2. SUBMISSION OF INFORMATION AND USEFULNESS THEREOF

The Departmental draft APP for 2022/2023 and draft budget were submitted to the Committee on the 29th of March 2022. This allowed a period of 6 days for the Committee to analyse the documents and receive a briefing on them. The 2022/23 budget for the Department of Education increased from R53, 184 040 billion in 2021/22 to R57, 480 788 billion in 2022/23. The overall budget increased by R4.297 billion which is equivalent to 8.08% and is above the inflationary adjustments. The contributing factors are Budget Pressures funding, Presidential Youth Employment Initiatives (PYEI) funding, Department of Social Development (DSD) function shift, additional grant funding and inflationary increase.

3. BUDGET CONSIDERATION PROCESSES

The Education Portfolio Committee was not able to hold its Annual Stakeholders meeting in December 2021/ January 2022 however a Portfolio Committee Budget meeting was held on the 5th of April 2022. It was then followed by a Budget Hearing with Finance Portfolio Committee on the 7th of April 2022.

4. ANALYSIS OF THE DRAFT APP AND DRAFT BUDGET

In their analysis of the draft APP and the draft Budget the Committee noted the largest share of the Department's budget (82%) is utilized for the compensation of employees. The acceptable benchmark for the compensation of employees to the total budget is 80%. The Department exceeds this for the 2022/23 financial year and over the MTEF by 2% (this is inclusive of Conditional Grants and PYEI). The

situation worsens when conditional grants are removed from total budget. The Department is only left with approximately 9% for operational expenditure.

- The low transfers to schools is of a concern to the Committee meaning as it leads to an intergovernmental cash flow crisis where schools cannot pay local municipalities their domestic accounts fully thus impacting on teaching and learning, the core service delivery area of the Department.
- Of great concern to the members in this 2022/23 Budget, is the inability to increase the norms and standards to the Nationally suggested rate.
- The Department's focus over the MTEF will be on:
 - Youth better prepared for further learning and world of work
 - A competent cohort of educators with the requisite skills for curriculum delivery and assessment in a changing world
 - Improved reading for meaning, numeracy and digital skills
 - A safe, secure school environment for teaching and learning.
 - Collaborative and responsive infrastructure planning and implementation.
- The National School Nutrition Programme(NSNP) grant increased by R121.175 million to accommodate inflationary costs. This important grant is utilised for the provision of nutrition to learners from disadvantaged backgrounds.
- The Committee noted the Early Childhood Development Grant (ECD) that was implemented due to the function shift from DSD to Department of Basic Education (DBE).
- The Department reported to have adopted the following principles during the budget process focussing on obtaining value for money by:
 - Termination of employee exits on time to prevent overpayments;
 - Recover debts from employees timeously;
 - Revenue enhancing strategies e.g. parking and housing rentals;
 - Placement of educators in correct posts /correct PPN;
 - Identify non-core service delivery and redirect them to enhance core service delivery;
 - Central procurement especially on Furniture, Security etc;

- Approved database of Service Providers for services required e.g. Forensic, Maintenance and
- Standard Prices for common products or services procured.
- The Committee also notes the following:
 - The increase of the National School Nutrition Programme (NSNP) and the Maths Science Technology (MST) grants. The Committee believes that if the Department of Education continues to slowly spend on this grant, it will miss the opportunity of becoming a Mathematics Province, as outline in the Departmental priorities.
 - The increase of Compensation of Employees which reflects a growth of 6.6% in 2022/23.
 - The ICT strategy in reducing unnecessary costs.
 - The unaffordability of filling certain educator posts. However, the Committee is encouraged by the Departments implementation of a turnaround strategy to manage personnel costs and thus address these budget cuts.

5. CONCERNS

The Committee noted the following in respect of the 2022/23 Budget:

- The Funza Lushaka bursary target which has been reduced.
- Percentage of women school principals which is below 50%.
- Failure of some schools in paying their domestic accounts.
- The Department slow inconsistent spending pattern for the MST and Learners with Profound Disabilities Grant (LPD) grants.
- No budget for modernization of school infrastructure in the 2022/23 budget.
- The Department strategy in dealing with surplus educators.
- The Compensation of Employees (COE) which is 91% and above the acceptable benchmark of 80%.
- No capacitation of non-viable schools resulting in their closure.
- Norms and standards between independent schools and public ordinary schools.
- The Departments application App which is not functional.

- The Committee noted with concern that the per capita per learner norm and standards is still far below the National recommendation rate.

6. RESOLUTIONS IN RELATION TO THE APP AND BUDGET PRESENTATION

6.1 Resolution 1 of 2022 – Early Childhood Development (ECD) Function Shift

Noting

the ECD function shift from the Department of Social Development to the Department of Basic Education ,

the Committee resolved

that the Department should present

- i) a detailed project management plan of the transition of the ECD.
- ii) A list of ECD institutions supported by the Department with the allocated funding

6.2 Resolution 2 of 2022 - Surplus Educators

Noting

the ineffectiveness of the Department in handling the issue of surplus educators,

the Committee resolved

that the Department should present a detailed management plan on how to handle surplus educators.

6.3 Resolution 3 of 2022 – Maths Science and Technology (MST) & Learners with Profound Disabilities (LPD) grants

Noting

that the Department is showing the slow inconsistent expenditure of the MST and LPD grants,

the Committee resolved

that the Department should present the expenditure strategy for MST and LPD grants detailing quarterly expenditure.

6.4 Resolution 4 of 2022 (Infrastructure spending)

Noting

That the Department of education is engaging on a number of infrastructure projects that require a close monitoring thereof.

The Committee resolved

That the Department should provide a plan on the infrastructure spending with a list of infrastructural programmes planned for the financial year.

6.5 Resolution 5 of 2022 – Non-filling of vacant funded posts

Noting

The general reduction in the budgets for compensation of employees and further noting that there is a challenge with filling of vacant posts even if funded.

Resolves

That the Department engages Treasury to ensure that the funded posts are filled.

7. ADOPTION OF THE 2022/23 BUDGET

After the Committee noted the above concerns on the 2022/23 Budget, the Committee supported the Budget as follows:

- African National Congress (ANC) supported
- Inkatha Freedom Party (IFP) supported
- Minority Parties supported
- Democratic Alliance (DA) supported the budget but reserves their right to vote differently on individual programmes.

In closing, I would like to express my appreciation to the MEC, Hon K.I Mshengu, the Head of Department Mr G N Ngcobo and all the officials for Department of Education for doing their best to improve the state of education in our province. Many thanks also go to Members of the Portfolio Committee for positive contributions towards issues pertaining education. In addition, my appreciation to the support staff of the Committee for their valuable input to both the Budget and the APP.



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CHAIRPERSON OF EDUCATION PC
HON S SONJICA

13 April 2022

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DATE