SUBMISSIONS TO THE SELECT AND STANDING COMMITTEES ON APPROPRIATIONS ON THE DIVISION OF REVENUE AMENDMENT BILL [B33-2023]

Prepared by SECTION27 (14 November 2023)

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Introduction (can also add an executive summary of our recommendations above)

Our country finds itself in a weak economic context that the most marginalised in the country bear. There have been rising reports of children starving to death in parts of the country due to increasing social vulnerability and likely food insecurity, painful reports of parents taking theirs and their children's lives in a bid to escape the harsh implications of poverty, and underpaid and overworked nurses reportedly "pooling funds to buy patients bread." In these times, we must advance budget policies that protect South Africans from this suffering.

As such, SECTION27 welcomes the opportunity to make submissions on the 2023/24 Division of Revenue Amendment Bill (DoRB) to the Standing and Select Committees on Appropriations. We are a public interest law centre working on advancing the right to basic education (section 29(1) of the Constitution) and the right to access health care services (Section 27 of the Constitution) in the country. Our submission seeks to advance the power of this Bill in protecting these rights and ensuring that the most impoverished learners and health care users have these rights protected in these harsh economic realities.

The Medium Term Budget Policy Statement (MTBPS) and DoRB find the country in the context of an underfunded education and health care system. On the 15th of September 2023, our government began implementing cost containment measures in a bid to maintain fiscal sustainability. This included hiring freezes across all departments and encouraging the postponement of capital projects. Although the government has long been criticised for implementing austerity, these cost-cutting measures are the most drastic yet. Most recently, we raised concerns about the health care allocation in the 2023/24 main budget earlier this year, ignoring the rising number of uninsured people and the increasing cost of living that has impacted the sector. Similarly, the basic education funding was eroded by Consumer Price Inflation (CPI), projected at 4.9% at the time. The MTBPS worsens this by proposing harsh nominal budget cuts to these areas, further reducing the resources available to provide quality public services and infringing on the constitutional rights of all, particularly the most marginalised communities in the country.

To redress these impacts on the most impoverished people in the country, Parliament must insist on transparent and participatory human rights impact assessments in budget policymaking, which ensure that any revenue-raising mechanisms do not increase inequality and undermine people's rights to access quality basic education and healthcare services. Moreover, we agree with National Treasury on how underspending in health care and education must be urgently addressed to ensure that the resources allocated translate into quality health and education in the country. However, reducing funding towards poor-performing areas 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 17 November 2023.

Gender-Responsive Budgeting

The impact of reducing the investment in quality public services impacts all people in this country. However, these impacts are not gender-neutral. In our country, womxn-led households are 40% poorer than ones led by men, and this gender imbalance is more pronounced when one considers that "48% of the womxn-led households support extended family members compared to 23% of their male counterparts". Furthermore, young Black womxn have been reported as "the face of unemployment" in the country: in 2022, 47% of South African women were recorded as economically inactive compared with 35.6% of men. Much of the work available to women is also precarious, and they are underpaid and work in difficult conditions. Our country's triple challenge of unemployment, poverty and inequality is gendered. As such, any policy decisions that entrench these may worsen gender inequity in the country.

Parliament must exert the power of fiscal policy to alleviate socioeconomic disparities that hinder the realisation of gender equity in the country. We need a budget, MTBPS and budget legislation that proactively considers the effect of budget decisions on gender norms. The proposed budget cuts have gendered impacts. Our unequal gender norms place the burden of care on women, and as such, cuts to healthcare and education programmes result in womxn filling this gap through our unpaid care work. Moreover, bolstering fiscal policy's gender responsiveness could be a powerful intervention to liberate womxn who are compelled to stay in abusive relationships out of financial insecurity.

SECTION27 reiterates our call for a Gender Responsive Budget. Such budgeting would reflect on the effects of fiscal policy interventions in entrenching gender and racial inequality in South Africa and prioritise tackling underspending and corruption as a means to do so. We 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) in the February 2023 Budget and to recommend public workshopping of GRB guidelines so that we can all shape a genuinely gender-responsive budget.

Provincial Equitable Share

The provincial equitable share (PES) - which funds the provinces' core functions, including basic education and health care - sees a 3.1% increase of R17.6 billion to support the 2023/24 wage agreement in the health and education sectors. This increase in the PES is welcomed, considering the context of budget cuts in the public sector. Moreover, while this increase is a real-term cut of 1.7%, it is somewhat of an improvement from the 2022 Division of Revenue Bill's proposed real cut of 3.2%.

Although we welcome funding towards compensating teachers, nurses and community health and education practitioners (which we will explore in the Compensation for Employees section), the DoRB is characterised by austerity measures, including falling PES allocations, which limit the resources available for provinces to provide quality education and health services. This allocation is far below the CPI of 5.6% revised for the remainder of the 2023/24 financial year. The original R567,5-billion allocated in the Division of Revenue Bill was already a 1.2% nominal cut, translating into a 3.2% real-term cut using the projected inflation rate (4.9%).

In our submission on the Division of Revenue Bill this year, we welcomed reversals of the cuts to the PES. Undoing this progress is a form of blatant austerity in funding to the provinces, and further intervention is necessary to ensure the quality of provincial service delivery is maintained.

Basic Education Implications of Real-Term Reduction to PES

Real-term reductions to the PES have far-reaching threats to quality basic education. The allocation to schools for 2023 - funded by the PES - increased by 4.3% from R1 536 per learner in Q1 - 3 schools to R1 602. CPI eroded the value of this funding, resulting in a real-term cut of 2.4%, and it is the schoolchildren in no-fee schools shouldering these cuts. The Eastern Cape Department of Education has cited budget constraints as the reason for delays in the delivery of stationery and textbooks. There are reports of schools making photocopies of their available textbooks to ensure learners access textbook content.

Moreover, schools are reportedly utilising other funds, like those allocated to school nutrition, to mask the school funding shortfall. Furthermore, dwindling PES may mean less funding for scholar transport, likely worsening education attainment in the provinces. Ahead of the MTBPS, KwaZulu-Natal (KZN) reduced the scholar transport budget by nearly R200 million despite a waiting list of schools needing transport. According to the KZN provincial education department, 1 148 schools require R1.8-billion to ensure all their qualifying learners receive scholar transport. The socio-economic conditions in the provinces and the human rights to quality basic education are not adequately considered, as evidenced by the reduced investment in the capacity of the provinces to provide services to realise these rights.

Compensation for employees

Our Submission on the Division of Revenue Bill 2022 lamented the trend of falling allocations to compensate teachers and nurses. A report by the Public Economy Project found that the number of people employed in public basic education per learner and in public health care per health care user fell between 2012 and 2019. Approximately 18 750 fewer education personnel were employed in 2021 compared to 2012, and about 20 300 fewer workers were employed in the public health care system over the same period. This headcount reduction has increased the burdens on already overstretched education and health care workers.

The DoRB has made upward adjustments primarily to fund the public sector wage bill. The PES has been allocated R17.6 billion to achieve this, and there have been transfers from other programmes, including school infrastructure and health programmes. However, the MTBPS acknowledges that this allocation may need to be revised to adequately staff these sectors, reflecting on potentially weaker education and health outcomes.

Currently, South Africa's public health care and education systems are deeply understaffed and characterised by unfilled vacancies due to budget constraints. Although the 2023/24 main budget had proposed a measly 1.5% nominal increase to the public sector wage bill, President Cyril Ramaphosa approved a 3.8% increase. However, the cost containment measures stipulated by Treasury have encouraged hiring freezes for the rest of the 2023/24 financial year and no further allocations towards personnel expenditure. This is despite the Department of Health's *2030 Human Resources for Health Strategy* quantifying 96,586 additional health workers required to bolster the healthcare of all provinces to the same standard as the third-ranked province by 2025. This requires an additional cost of nearly R40 billion.

Chris Hani Baragwanath Hospital - the largest hospital in Africa and the third largest hospital globally - faces significant staff shortages, cancelling almost 900 surgeries in 2022. The underpaid and overworked Chris Hani Baragwanath Hospital nurses have reported "pooling funds to buy patients bread." 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". However, budget measures that impede public health care's ability to address staff shortages exacerbate the likelihood of errors by overstretched staff, worsening the medico-legal claims bill for health departments.

This trend extends to basic education. For years, Treasury has merely acknowledged that these budget cuts threaten education outcomes through larger class sizes and higher teacher-learner ratios. Still, there needs to be an outline of how Treasury intends to work with education departments to protect learners from this threat. Many schools in the country are overcrowded, even the Minister of Basic Education describing this as a "national problem". The MTBPS argues that the wage bill is caused by higher than average compensation levels rather than rising headcount, which means that these allocations are not likely to solve the classroom overcrowding issue. The MTBPS also cites pay progression, pension contributions, overtime, and allowances as the most significant drivers of the wage bill.

The public sector wage bill has been controversial in the country over the past few years. Regardless of the politics, it is crucial that the government engages and responds to advance rights to basic education and health care rather than exacerbating the socio-economic strife of unemployment, poverty and inequality in the country. A well-staffed health and education system is a powerful mechanism to achieve this, and it is about time that budget policy reflects this.

Furthermore, conversations and decisions on the public sector wage bill must also be gender-responsive. When we discuss the public sector wage bill, we must consider how 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. Over 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. In 2021, 70% of educators in South Africa were womxn, while most management positions continue to be male-dominated (61% of principals were men). 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

At first glance, the 2% increase in health care from R259.2 billion tabled in the Main Budget this year to the R264.5 billion proposed in this MTBPS is favourable, considering the rising demand for public health services in the country. However, we interpret the Main Budget's allocation as an
underestimation of the resources required to equip health facilities in the provinces to provide quality services and how under-resourced and underfunded those facilities are. The MTBPS Budget Review acknowledged that much of the gains in the allocation to health care investment will be eroded by inflation revised at 5.6% (for the 2023/24 fiscal year) and rising demand for public health services.

Effectively, health care investment has been cut by 2.7% in real terms. Already, the 2023/24 Budget tabled in February this year saw a 4.9% real-term cut to health care, and this MTBPS expenditure will only further constrain the resources available to provide quality health care services to the estimated 84% of people in the country who are not on medical aid and rely on the public health sector.

National Treasury has pointed to poor spending performance as motivation for many of the nominal spending cuts in health care. Although underspending is a severe concern in the country, which only worsens the realisation of the right to access health care, taking resources away without investment in capacity building, consequence management and other interventions to reduce underspending means that it is the ordinary South African who is punished with worsening health care services rather than overcome the underspending issue.

We are particularly concerned about the proposed nominal cuts to HIV/AIDS funding, TB funding and the Health Infrastructure Revitalisation Grant. We implore Parliament to consider the impact of underfunding critical health programmes in the face of rising demand for these programmes, the effect on the constitutional rights of vulnerable persons, and the broader economic impact of an under-capacitated health care system, particularly as we endeavour to overcome backlogs caused by the COVID-19 pandemic. Our country has so much to offer, but it is difficult to realise this potential when faced with complex and pressing public health challenges that are worsened by socio-economic realities that include poverty, malnutrition, and some of the highest rates of HIV and TB globally.

We recommend that healthcare allocations to the provinces are at least CPI inflation-linked and account for growing public healthcare users to maintain the real value. We also call on the government to illustrate how the country will meet its health goals (including the 95-95-95 HIV/AIDS health care provisioning targets) with these constraints to available resources to achieve this.

District Health Programmes Grant: HIV/AIDS Funding

UNAIDS credits HIV/AIDS funding for saving millions of lives as well as strengthening the public health systems of affected countries. As a nation, we can attest to this, considering the gains that have been made in overcoming the devastation of this epidemic over the past decade. In previous submissions, SECTION27 welcomed allocations towards HIV/AIDS funding and the commitment to addressing the accumulated backlogs in antiretroviral treatment. A UNAIDS study found that increased investment towards ending the HIV endemic can prevent millions of new cases until 2030, especially in the worst-hit areas, which include our country. With higher HIV funding, the report found that new infections could be reduced by 65% in South Africa. An estimated 0,4% of the population is newly infected each year. Under a fully-funded HIV response, an additional 1,35 million new HIV infections could be prevented between 2022 and 2030. Additionally, GDP is estimated to be up to 2.8 per cent higher in 2030 if HIV funding targets are met. The International Labour Organisation also found that the higher the level of HIV, the lower the level of economic performance measured through lost rate of growth in GDP, level of income inequality and poverty headcount ratio (the proportion of the population living under US $1 and $2 per day).

Thus, we are concerned about the proposed cut of R1 Billion to HIV/AIDS funding, a 4% cut from the Main Budget's R23.9 billion to R22.9 billion for the 2023/24 financial year. A budget cut this pronounced may regress our progress to ensure that 6 million people are on ART by the end of this financial year. We are further concerned that this goes against a priority action in the National Strategic Plan for HIV, TB and STIs for 2023-2023 (NSP), which states that baseline allocations for HIV, TB and STIs must be protected. If they are altered in the MTEF, this must be

"...supported by economic evidence and analysis, including costing studies, investment cases, budget impact assessments and budget reprioritisation exercises" (page 94).

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. While countries like Botswana, Eswatini, Rwanda, Tanzania and Zimbabwe have already achieved these targets, our country needs to do more to ensure we are on track to achieving these. Research indicates that progress towards the first UNAIDS target, 95% of HIV-positive individuals diagnosed by 2025, is good, with "most provinces at around 93%". Moreover, most provinces are progressing toward achieving the third target: 95% of ART patients are virally suppressed. Unfortunately, we are struggling to provide ART to 95% of people diagnosed at 75%, with the poorest performance being Limpopo at 62%.

As SECTION27, we are pleased to hear that the cost of ART and bedaquiline for the country has reduced, allowing us to experience savings financially on the treatment of HIV and drug-resistant TB. However, we recommend that rather than returning these funds to 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. Investment could be made in robust health information systems, improved treatment literacy and providing comprehensive support to people on ART to bolster ART retention. Researchers from the University of Witwatersrand have proposed extending support to target medication-related issues, psychosocial support and socioeconomic support as a powerful intervention to strengthen ART retention.

Investment in HIV/AIDS also has implications for our country's progress towards overcoming gender inequities. Unequal gender norms have resulted in a disproportionate risk and prevalence of HIV/AIDS that is gendered. Budget policy decisions must foreground gender equality. There is sufficient research to support financing responses to HIV/AIDS is a powerful intervention in alleviating gender inequality in the country with a report by Impact Economist finding that if our country meets the targets for fully financing the HIV response in South Africa, women aged 15-19 would account for almost 15% of the reduction in new HIV infections by 2030, despite making up less than 5% of the total population. The report reiterates that increased HIV investments today would contribute to more expansive and sustained economic gains, ultimately freeing up financial resources to address other critical health priorities. In the interest of gender equity, the economy and access to quality health care services, our country needs to bolster investment in HIV/AIDS. Budget cuts cannot be at the expense of achieving this critical goal.

Not only do budget cuts constrain the ability of the health system to provide quality healthcare, but they also reduce capacity to bolster spending quality. SECTION27 has advocated for overcoming the chronic underspending in our country that threatens the realisation of health rights for all. 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. Additionally, access to pre-exposure prophylaxis (medications preventing HIV) is meant to be expanded as a measure to prevent new HIV infections, particularly in vulnerable populations, which will likely require substantial additional investment. Any savings achieved by the lower cost of HIV/AIDS medications should be redirected towards investment in capacity building, as well as the other initiatives to address the HIV epidemic in South Africa (as outlined in the NSP), to ensure that funds allocated towards this fight translate into improved access to health services.

District Health Programmes Grant: Oncology

In our Submission on the Division of Revenue Bill in March this year, we welcomed the Gauteng Treasury allocation of R784 million to finance radiation oncology and surgery backlogs in Gauteng. Notably, Gauteng would outsource radiation oncology services for patients on the waiting list to ensure prompt access to urgent health care services and fast-track the procurement of outstanding radiation oncology machinery and equipment in the province. Unfortunately, it has taken the Gauteng Department of Health seven months to advertise a tender for the outsourcing of these services. This after making undertakings first in a meeting with Gauteng Treasury and SECTION27 in March 2023 to undergo an expedited tender process and then again at a further meeting in June 2023. On each occasion undertakings to have patients in machines for treatment within two months of the meeting were made and on each occasion these undertakings were not met. The sudden and urgent advertising of the outsourcing of radiation oncology services in October 2023 is indicative of fiscal dumping and has led to the advertising of a tender that does not meet the demands of the patients. This will likely affect the outcome of the treatment that patients receive.

During this seven month period we have learned that the Gauteng Department of Health receives an allocation of the National Tertiary Services Grant which includes funding for radiation oncology services. We also learned that the Gauteng Department of Health underspends on this grant to the amount of R500 million every year. The current tender advertised for the outsourcing of radiation oncology services seeks to relieve some of the pressure from the public sector that is due to resource constraints however, instead of extending the tender to cover all the patients on the backlog list, the Gauteng Department of Health has decided to cover only patients suffering from breast cancer and prostate cancer, to the exclusion of gynaecological cancers and stomach cancer. This decision was taken despite market research conducted by the Gauteng Treasury for the benefit of the Gauteng Department of Health which indicates that the funding available is sufficient to cover all 3000 patients on the radiation oncology backlog list.

This year's Division of Revenue Amendment Bill does not adjust oncology funding, which is welcomed in the context of extreme budget cuts towards health programmes. However, as the MTBPS notes, much of the investments in health care programmes are eroded by rising inflation. This problem is compounded when funding is made available to respond to certain needs and is not spent.

Health Facility Revitalisation Grant

The Health Facility Revitalisation Grant has seen a cut of R440 million, with reductions being felt by all provinces. Notably, each province experienced the same percentage decrease in this grant (6.17%), suggesting that the decision on where to cut was made centrally rather than based on each province's spending.

This downward adjustment to health infrastructure funding follows the 2.7% allocation to this grant in the February 2023/24 Budget - below the CPI inflation projected to be 4.9% for 2023/24, resulting in an actual decrease of 1.8%. Healthcare facilities have had less funding than last year to deliver health services to more people. Since then, the MTBPS has revised the CPI projection to 5.6%. The Division of Revenue Amendment Bill proposes 6% nominal cuts to this grant to each province. Moreover, the cost containment measures implemented by the government encourage the postponement of infrastructure projects. Our country is dealing with an under-resourced health infrastructure response, with the Department of Health having quantified a "current national infrastructure backlog" at R200 billion by the end of last year and requiring an investment of R7.9 billion to resolve.

With the intended move to National Health Insurance and investment in the health system that it requires, the impact of climate change on health infrastructure, an acknowledged backlog in health infrastructure, and frequent reports of infrastructure problems at health facilities, now is not the time to cut back on health facility infrastructure.

SECTION27 calls on the government to prioritise overcoming infrastructure backlogs in health care provision to improve access to quality health services in the provinces. We are further concerned that constraining infrastructure resources may threaten this grant's spending quality and, by extension, the realisation of the right to access health care. Health users in provinces like the Eastern Cape are punished with a health system that has "collapsed" when their health departments forfeit this grant to underspending and to corruption that plagues the complex health system. Investment in both the quantum and quality of this grant is crucial in alleviating the health burdens carried by the most underserved communities.

National Health Insurance Grant: Mental Health

The National Health Insurance (NHI) direct grant funds mental health care services, which was not mentioned in the MTBPS. No further adjustments have been made to the grant in DoRB. In our submission in March regarding this grant, we raised concerns regarding the proposed allocation towards mental health services increasing by 3.8% from last year's R158-million to R164-million - below CPI inflation - and contracting health practitioners receiving increased a nominal increase of 2.5% from R277-million to R284-million. Not protecting mental health resource investment from inflation does not reflect the urgency to address the mental health service provision crisis in the country, where only 75% of people living with mental health illnesses are unable to access treatment.

On October 29, 2023, the Gauteng Province indicated that the department is implementing several interventions to increase resources for mental health. These interventions include mental health specialised professionals and rehabilitation services to improve the province's access to and availability of mental health services. We welcome this decision but believe such initiatives require funding for effective implementation. The Life Esidimeni tragedy serves as a continuous reminder of why funding for adequate mental health services is crucial and underscores the consequences of funding cuts.

Basic Education Expenditure

Far too many learners attend schools built from inappropriate materials, are unsafe, overcrowded, and lack adequate water and sanitation, all of which jeopardise the realisation of their right to a basic education. While the country has made significant progress in advancing this right, the budget cuts proposed by the MTBPS and the DoRB threaten further progress by reducing schools' resources. The MTBPS offers an overall adjustment of R10 billion to consolidated basic education expenditure, from the R309 billion proposed in the 2023/24 Budget in February to R319.7 billion. This 3.1% nominal increase equates to a real-term reduction in basic education funding of 1.4% once 5.6% CPI inflation is factored in.

There are also significant budget cuts proposed to essential programmes, including the HIV/AIDS Life Skills Grant (11.5% decrease from R241.7 million to R213.9 million) and Maths, Science and Technology Grant (11.5% cut from R443.0 million to R383.2 million). Although we recognise that we exist in a global economic system underpinned by difficult trade-offs, eroding investment in the education of learners will likely have adverse consequences in the decades to come. In this challenging economic climate, the power of fiscal policy must be wielded to protect the rights to basic education for those who are most vulnerable.

National School Nutrition Programme (NSNP)

In the Main Budget tabled in February this year, the NSNP received an above-inflation increase of 9.2% this 2023/24 financial year, from R8.5 billion in 2022/2023 to R9.3 billion. In our submission on the Division of Revenue Bill, we recommended that the NSNP be linked to the food inflation rate as escalating food prices - reportedly 12.0% this year - were eroding the programme's value. This was particularly important as many parents have struggled with the financial impact of escalating food prices, exacerbating the country's food insecurity threat. Even before any cost-cutting measures were announced, schools in parts of the country were reporting their struggle to provide adequate, quality meals to learners. The Department of Basic Education corroborated this, citing the rise in demand for the NSNP owing to rising unemployment and food insecurity as a significant pressure on the resources available to provide meals to learners. This year, the Western Cape Education Department allocated additional funding to supplement rising demand and rising food prices, a response poorer provinces in the country are unlikely to be able to match, especially in the face of these proposed budget cuts.

Although we are relieved that the NSNP has not experienced the budget cuts other education and social spending programmes have, we continue to raise concerns that if food prices increase at a similar rate over the MTEF, the NSNP will not be adequately funded to carry the cost of meals to all qualifying learners. Additionally, we note the Competition Commission's findings in September 2023 that while upstream commodity prices have decreased, this has not resulted in significant price drops in producer and retailer prices, and food inflation remains unacceptably high. Food prices generally remain high due to the cumulative effects of inflation over the past three years. Despite recent deflation on some products, the cost of essential foods has not meaningfully decreased, as retailers and producers have been slow to lower prices.

The cost of living crisis has resulted in reports of children starving to death in parts of the country, increasing social vulnerability and likely food insecurity. Particularly in the Eastern Cape, child malnutrition has been dubbed a disaster, and the breakdown in the NSNP is only worsening this. For many learners in the country, these school meals are the only full nutritious meals they receive daily. The number of children dependent on this programme has reportedly increased following the COVID-19 pandemic and weakening economic climate that has exacerbated unemployment and haemorrhaged household incomes. The 2020 COVID-19 suspension of the NSNP and the resultant hunger led to a High Court judgment stating that the NSNP is an essential component of the immediately realisable children's rights to basic education and nutrition.

The South African Human Rights Commission's Report (SAHRC) on Child Malnutrition and the Right to Food has further highlighted the plight of children's hunger in the Eastern Cape. In 2021 - 2022, more than 1000 children had been diagnosed with severe acute malnutrition in the province. One hundred twenty of them had died. The report also found that 27% of children in the province are stunted. The report states that the effect of child malnutrition in the province:
"...not only impacts [children's] physical and cognitive development but also perpetuates a vicious cycle of poverty and compromised prospects."

The SAHRC stated that the state of child hunger in the province should be declared a national disaster and that the government desperately needs to intervene. One of the suggestions in the report was to extend the NSNP to early childhood development centres (ECD centres). SECTION27 supports this recommendation and suggests that the NSNP be extended to weekends and school holidays. Schools are a crucial access point for providing food to children, and expanding the NSNP would be a meaningful measure to address hunger and starvation in the country. This will require additional funding, coordination, and oversight. Still, the price is undoubtedly worth it - particularly in light of the grave violation of children's rights, the risk of increased death, and the negative economic impacts on both the individual children as well as the country's future, current economic growth and sustainability. As recommended by the SAHRC, coordination between the Department of Basic Education and the Department of Social Development (DSD), particularly in light of unspent funds by the DSD in some provinces, would be a potential avenue for extending the NSNP to weekends and holidays as well as ECD centres.

We also note that substantial distribution failures and under-resourcing have already left indigent learners in parts of the country hungry. This year, thousands of learners in KZN were hungry for weeks as a service provider failed to deliver food to over 5,000 schools in the province. Reports of a similar crisis in the Eastern Cape were received by the SAHRC, which were attributed to delays in allocating funds, causing learners not to receive meals for nearly a month. In this context, it is clear that we need robust monitoring of the NSNP, effective consequence management for corrupt and inefficient implementing agents, and improved provincial and school capacity to deliver quality, nutritious meals for all learners. Thus, monitoring efforts need to improve the quality of spend for this programme, and it is vital that an MTBPS centres realisation of human rights and complies with the constitutional obligation to give paramount importance to the best interests of children in every matter concerning them when making budget decisions.

Education Infrastructure Grant (EIG)

In our Submission earlier this year, we welcomed the positive investment in education infrastructure, as the EIG increased by 11% in 2023/24 to R13,8 billion, well above the 4,9% CPI. We also recommended addressing underspending of this grant in some provinces, which has resulted in the reallocation of this funding to other provinces with better capacity to spend.

We are concerned that the increased allocations to the provinces have been reversed in the Division of Revenue Amendment Bill, leaving many schools without the means to address poor school sanitation and infrastructureAs reported by the Department of Basic Education, 728 schools across the country, predominantly in the Eastern Cape, still make use of pit toilets only. Moreover, many of the schools we work with in Limpopo have reported that they are in a severely dilapidated state. One of our client schools in Giyani was damaged by a storm in 2012. To date, the school is still awaiting repairs and renovations. The damage to the infrastructure has resulted in a hazardous physical school environment, classroom overcrowding and the suspension of teaching and learning during rainy seasons. This is one of many similarly situated schools in the province.

In the context of extreme weather events, which are only increasing in occurrence, already vulnerable and neglected schools in underserved communities, such as Giyani, are only more susceptible to further damage, making the infrastructure at these schools even more dangerous and unconducive to effective teaching and learning. In September 2023, the Western Cape Department of Education reported that 249 schools had been affected by a severe storm which struck the province. Over 150 schools reported infrastructure damage caused by the storm, ranging from minor to severe. The reduction in the allocation to the EIG in this context is primarily concerning because most provinces rely entirely on the EIG for constructing, upgrading, repairing and rehabilitating public school infrastructure. While we recognise that more than the quantum of spend alone will be needed to address infrastructure concerns in the provinces, reducing the quantum of spend of the EIG affects the quality of spend as less funding is available to eradicate unsafe infrastructure.

School Infrastructure Backlog Grant (SIBG)

Although SECTION27 has raised concerns regarding the poor spending performance of the SIBG, we equally recognise the importance of adequately funding the eradication of pit latrines. The Division of Revenue Amendment Bill proposes a reduction to the SIBG of R260 million - a 12.4% cut from March's allocation of R2.1 billion. The Bill attributes this cut to fiscal consolidation without exploring how projects will be completed in time nor how the realisation of the right to basic education will be affected, which we find concerning.

Moreover, the quality of spending of the SIBG is an area of concern in the country. In our submission in March, we raised this, reflecting that the SIBG aims to fund the building of 30 new schools, provide water to 50 schools and provide safe sanitation to 450 schools over the medium term. However, at the time, DBE had reported only building eight new schools, providing sanitation to only 128 schools, and water to 18 schools by the end of the 2023 financial year. Furthermore, the Explanatory Memorandum To The Division Of Revenue Amendment Bill notes the Rollover of SIBG funds. We would like further clarity on whether this rollover reflects the poor capacity to spend the funding within the allocated time frame.

Violence in Schools and GBV

Considering our work in schools encountering alarming reports of violence, particularly sexual violence in schools, we must reiterate our call for the DoRB to address governmental initiatives to curb this phenomenon in schools. We call for greater budget allocation and quality of spending for psychosocial assistance to survivors, investigation into matters, and to capacitate educators and relevant officials on their rights and obligations pertaining to sexual violence.

Our society's high rates of violence permeate into schools, particularly those in some of the most impoverished communities. Over the past few years, there has been an alarming rise in death tolls and violent attacks on learners and teachers. Moreover, the South African Democratic Teachers' Union (SADTU) has expressed concern over the prevalence of sexual assault and harassment of pupils by teachers this year.

Conclusion

The United Nations Committee on Economic, Social and Cultural Rights (CESCR) has 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 Amendment Bill to proactively alleviate the hardships that people in our country are facing. Without doing so, we risk tabling a Bill that worsens the living crisis and stunts the realisation of constitutionally guaranteed rights in the country. Amendments to the Division of Revenue Bill are an opportunity for the state to rectify and redress cuts to health care and basic education that threaten the provinces' ability to provide and protect these Constitutional Rights and realise the vision of the NDP in time.

As such, we continue to call for human rights impact assessments (HRIA) to be undertaken to inform and precede proposed budget cuts to enable the government to foreground human rights for the most marginalised health care users and schoolchildren by ensuring the quality of provision of public services to the provinces during these harsh economic conditions.

Furthermore, we call on Parliament to continue 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.