

Every child is a National Asset

BELA BILL FINANCIAL IMPLICATIONS

A PRESENTATION TO THE STANDING COMMITTEE ON EDUCATION



basic education
Department:
Basic Education
REPUBLIC OF SOUTH AFRICA



Read to Lead
A Reading Nation is a Leading Nation

OUTLINE

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- Reasons for additional funding
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PURPOSE

To present the financial implications of the BELA Bill to the Standing Committee on Education

INTRODUCTION

- The BELA Bill seeks to amend section 3(1) of the SASA to provide that school attendance is compulsory from Grade R and no longer only from Grade 1.
- Provisioning of Grade R is currently not part of the compulsory basic education mandate, and it is managed within the broader context of Early Childhood Development (ECD) as regulated by the Education White Paper 5 of 2001.
- This has an impact on the mandate in terms of function and funding of Grade R
- The implementation of this amendment will have an effect on the provisioning of Grade R in terms of both staffing and infrastructure provision.

SOCIO-ECONOMIC IMPACT ASSESSMENT SYSTEM

- Departments are expected to complete a **Socio-Economic Impact Assessment System** (SEIAS) report before a legislation can be submitted for approval.
- The Presidency has approved the **SEIAS** on the BELA Bill which in the main include required infrastructure and staffing needs to schools that must introduce grade R for the first time.
- The approval is an indication of government's commitment to funding the implementation of the legislation when approved.

REASONS FOR ADDITIONAL FUNDING

- Currently, provinces provide the Grade R classes based on the available resources in programme 4
- There is currently a significant gap in remuneration between the Grade R educators/practitioners and the educators in the mainstream
- Once Grade R becomes compulsory, schools will have to accommodate all learners that apply for admission, and this is expected to increase the number of enrolments.
- There are currently primary schools that do not have Grade R classes, which also have to introduce the classes.
- The equalisation of the conditions of service will have financial implications.
- Secondly, it is expected that the enrolment of Grade R learners will increase and so will the need to appoint additional educators.
- The costing of staffing needs therefore should take into account both the implication of the equalisation of conditions of service and the potential increase in enrolment leading to the need to employ additional educators.

STAFFING

- Grade R is currently funded as part of Programme 4, which includes all Early Childhood Development mandates.
- The general practice in the sector is that Grade R is funded at 70% of the funding provided for mainstream education.
- This limited funding is also reflected in the conditions of service of Grade R educators/practitioners and in particular their remuneration.
- Their conditions of service, including their appointments, are primarily not legislated by the Employment of Educators, 1994.
- Currently, the majority of Grade R teachers/practitioners are paid a monthly stipend. This applies to both those that are qualified as educators and those with lower qualifications or practitioner certificates.

COSTING ELEMENTS

- The funding of educator remuneration varies across provinces, and it is mainly in three forms: (1) Payment of stipends; (2) Combination of payment of stipends to practitioners and full salaries (3) Payment of full salaries.
- The calculation of the deficit resulting from the equalisation of conditions of service will therefore take into account the current remuneration context in each PED and also assuming that all Grade R educators are suitably qualified.
- The calculation of the need for additional educators will be based on the estimated number of additional learners that will have to be admitted at schools.
- While the current learner to educator ratios for Grade R averages around 1:29, the estimated cost for additional educators will assume a ratio of 1:40, which is the current norm for primary schools.

ESTIMATES

Table 1 below shows the current provisioning of Grade R in PEDs. About 6 177 educators are currently employed on full salary with 19 767 on varying amounts of stipend. It is the latter group that will be subject to equalisation of remuneration.

Province	No. of schools with Grade R class	No. of schools without Grade R	No. of Grade R classes	No of permanent teachers	No of Grade R practitioners
Eastern Cape	3 101	156	5 247	255	4 992
Free State	697	30	1 523	0	1 523
Gauteng	1 377	7	3 782	0	3 782
KwaZulu-Natal	3 982	214	5 176	1 281	3 895
Limpopo	2 308	84	3 392	2 249	1 143
Mpumalanga	1 057	78	2 542	969	1 573
North West	991	31	1 326	1 326	0
Northern Cape	371	10	695	8	687
Western Cape	896		2 261	89	2 172
Total	14 780	610	25 944	6 177	19 767

ADDITIONAL LEARNERS & EDUCATORS

Province	Estimated Number of Grade R Learners (95% of Grade 1) (A)	Number of Grade R Learners in public schools 1 (B)	Additional Learners (C)= (A)-(B)	Learner Educator Ratio (D)	Additional educators including to cover the current deficit E=(C)/(D)
Eastern Cape	145 443	112 828	32 615	40	815
Free State	57 173	38 889	18 284	40	457
Gauteng	185 922	105 544	80 378	40	2 009
Kwa-Zulu Natal	220 429	178 420	42 009	40	1 050
Limpopo	132 268	119 863	12 405	40	310
Mpumalanga	86 742	64 103	22 639	40	566
Norther Cape	26 286	20 470	5 816	40	145
North West	67 257	50 914	16 343	40	409
Western Cape	101 081	69 153	31 928	40	798
South Africa	1 022 600	760 184	262 416	40	6 560

ADDITIONAL LEARNERS & EDUCATORS

Province	Additional Learners	Additional educators required	Total Cost to Employer (Additional Teachers) R'000
Eastern Cape	32 615	815	R334 323
Free State	18 284	457	R187 420
Gauteng	80 378	2 009	R823 916
Kwa-Zulu Natal	42 009	1 050	R430 620
Limpopo	12 405	310	R127 154
Mpumalanga	22 639	566	R232 059
Norther Cape	5 816	145	R59 613
North West	16 343	409	R167 526
Western Cape	31 928	798	R327 279
South Africa	262 416	6 560	R2 689 910

TOTAL COST

Province	Total Cost to Employer (Additional Teachers) R'000	Total Cost to Employer (Equalisation of Conditions of Service-Remuneration) R'000	Total Cost R'000
Eastern Cape	R334 323	R441 229	R775 552
Free State	R187 420	R165 533	R352 953
Gauteng	R823 916	R409 128	R1 233 044
Kwa-Zulu Natal	R430 620	R353 434	R784 054
Limpopo	R127 154	R99 048	R226 202
Mpumalanga	R232 059	R234 201	R466 260
Norther Cape	R59 613	R68 259	R127 872
North West	R167 526	R0	R167 526
Western Cape	R327 279	R306 662	R633 941
South Africa	R2 689 910	R2 077 495	R4 767 405

INFRASTRUCTURE

There are four means through which Grade R classrooms are provided:

- i. Mobile classrooms
 - ii. Ordinary classrooms converted into Grade R
 - iii. New standalone Grade R classrooms
 - iv. New or Replacement schools provided with Grade R classrooms
- The Grade R programme is funded through the Education Infrastructure Grant and the Equitable.
 - The Accelerated School Infrastructure Delivery Initiative, funded through the Schools Infrastructure Backlogs Grant also contributes as Grade R classrooms are provided in primary schools that are replaced.
 - The MTEF also contributes to infrastructure funding.
 - A total of 7 888 schools still need to be provided with Grade R classrooms.
 - An amount of R12 billion is required to address the shortfall.

INFRASTRUCTURE ESTIMATE

Province Name	Total number of schools	TOTAL SCHOOLS OFFERING GRADE R	Total School with Grade R	TOTAL schools without Grade R Classes	Schools provided by other means	MTEF Plans	Balance	Budget require
Eastern Cape	5291	4245	1125	3120	498	256	2366	R3,727,519,432
Free State	1084	725	486	239	20	170	49	R77,197,148.00
Gauteng	2074	1392	729	663	549	45	69	R108,706,188.00
KwaZulu Natal	5803	4114	1725	2389	285	219	1885	R2,969,727,020
Limpopo	3834	2338	209	2129	0	75	2054	R3,235,978,408
Mpumalanga	1719	1165	828	337	43	60	234	R368,655,768.00
North West	1471	1007	497	510	24	91	395	R622,303,540.00
Northern Cape	544	435	165	270	34	21	215	R338,722,180.00
Western Cape	1457	1050	295	755	102	32	621	R978,355,692.00
Total	23277	16471	6059	10412	1555	969	7888	R12,427,165,37

NATIONAL TREASURY

The National Treasury (NT) has received the invitation to address the committee.

Section 35 of PFMA on unfunded mandates provides that the department which submits the draft legislation, should provide the financial implications (*S 35. Unfunded mandates.—Draft national legislation that assigns an additional function or power to, or imposes any other obligation on, a provincial government, must, in a memorandum that must be introduced in Parliament with that legislation, give a projection of the financial implications of that function, power or obligation to the province*).

RECOMMENDATION

For the Standing Committee on Education to note and discuss the financial implications of the BELA Bill

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