

# FISCAL CONSTRAINTS AND EDUCATION IN SOUTH AFRICA



**national treasury**

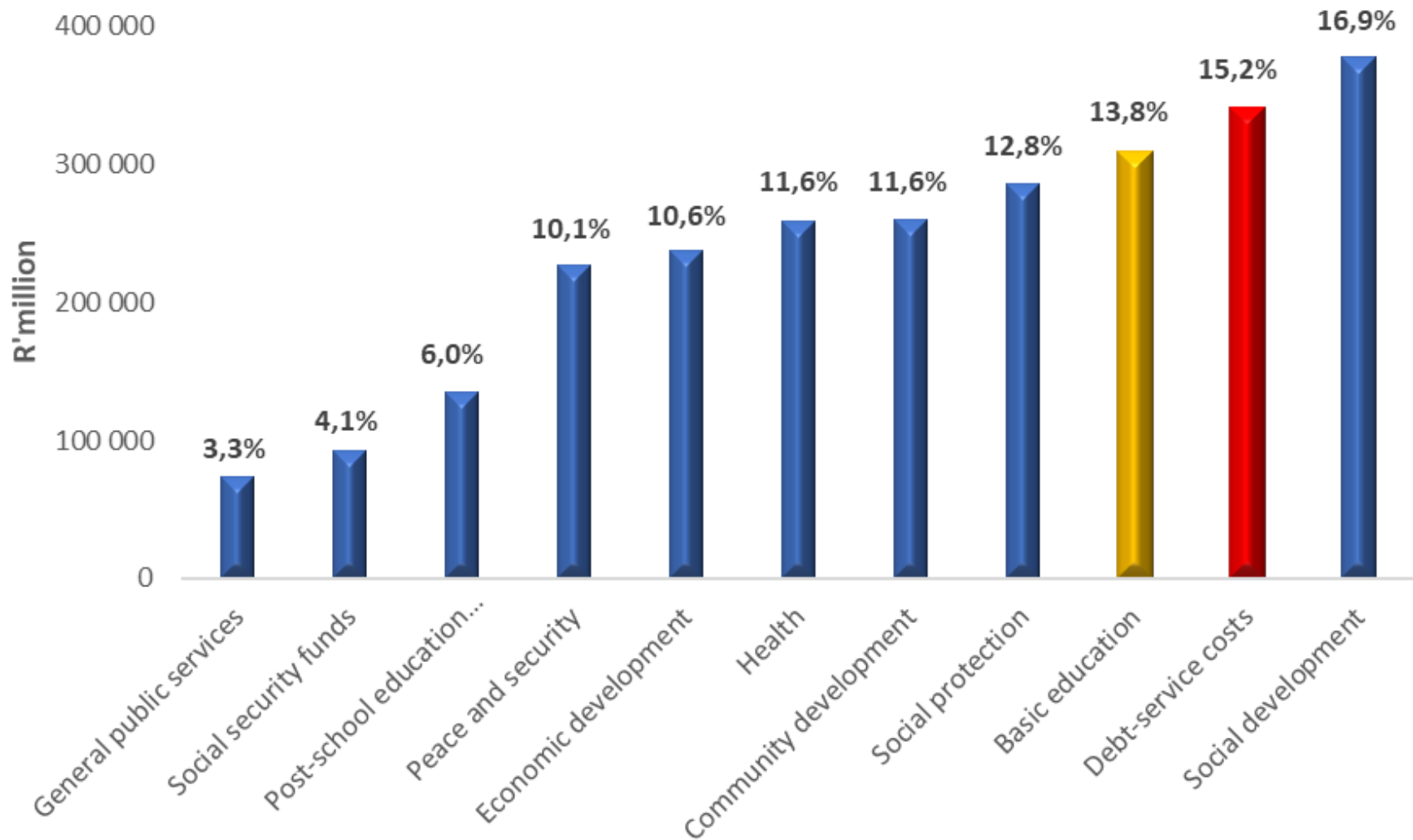
Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



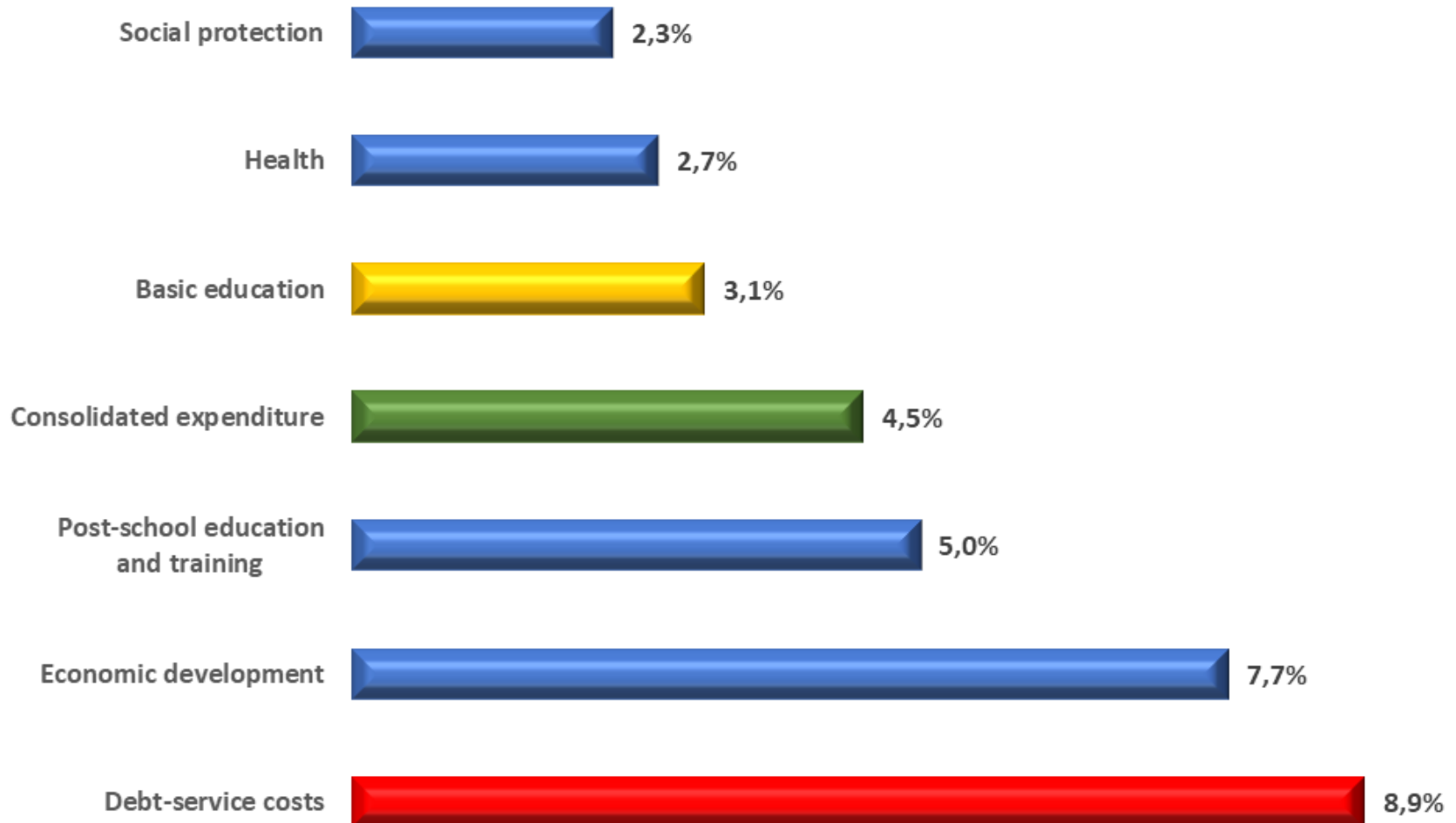
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## Consolidated Government Expenditure 2022/23



## Average Annual Growth 2022/23-2025/26



# Basic Education Expenditure Estimates

R million	2022/23	2023/24	2024/25	2025/26	Percentage of total MTEF allocation	Average annual MTEF growth
	Revised estimate	Medium-term estimates				
<b>Basic education</b>	<b>301 970</b>	<b>309 464</b>	<b>316 591</b>	<b>331 279</b>	<b>100,0%</b>	<b>3,1%</b>
<i>of which:</i>						
Compensation of employees	223 656	231 482	239 793	250 254	75,4%	3,8%
<i>of which:</i>						
Provincial compensation of employees	222 925	230 758	239 041	249 471	75,1%	3,8%
Goods and services	35 093	33 986	33 161	34 828	10,7%	-0,3%
<i>of which:</i>					0,0%	
Property payments	5 792	5 652	5 618	6 005	1,8%	1,2%
Workbooks and LTSM <sup>1</sup>	6 433	5 857	6 588	6 886	2,0%	2,3%
National school nutrition programme	8 508	9 279	9 778	10 293	3,1%	6,6%
Training and development	744	556	492	520	0,2%	
Transfers and subsidies	31 212	31 104	29 056	31 145	9,5%	-0,1%
<i>of which:</i>					0,0%	
Subsidies to schools <sup>2</sup>	27 400	27 553	25 422	27 356	8,4%	-0,1%
School infrastructure <sup>3</sup>	14 439	15 587	15 636	16 309	5,0%	4,1%
Early childhood development	9 133	9 671	10 271	10 969	3,2%	6,3%
<i>of which:</i>						
Early childhood development grant	1 193	1 242	1 885	2 341	0,6%	25,2%
<b>Total</b>	<b>301 970</b>	<b>309 464</b>	<b>316 591</b>	<b>331 279</b>	<b>100,0%</b>	<b>3,1%</b>

# FURTHER FISCAL CONSTRAINTS in 2023/24

- Weak performance of economy (loadshedding, transport logistics)
- Shortfalls in revenue collection
- Funding performance in debt markets poorer than anticipated
- Higher than projected wage agreement

2023/24 Spending plans exceed projected revenue

## Options:

1. Increase Revenue – Increase Taxes
2. Borrow more
3. Reduce Spending – cost-containment measures; freeze new appointments; no additional funds for new wage costs

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SUN 28 SEP 2014







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## STATE RUNS OUT OF MONEY

Treasury outlines dramatic measures to curb spending, freeze new jobs and projects as tax revenue dives

By [www.bbc.com/news/uk-politics-25312345](#)

• The National Treasury is proposing a raft of measures to cut a swathe of government spending, freezing of "super-redundant" staff, and a raft of other measures to curb costs as tax revenue falls.

The measures include a freeze on all departmental appointments, a cap on salaries and a cut in expenditure on staff from last year's public sector "wages freeze".

The Treasury is also proposing to cut the number of staff in the public sector by 10% over the next three years, and to freeze the number of staff in the public sector by 10% over the next three years.

The measures will be implemented in a phased manner, with the most significant cuts being made in the public sector.



### Joburg's high-rise squatter hellholes

City to seek legal clarity on evictions



### Battle to suspend principal sex pest

• A top-level school has gone to court to suspend a principal who is accused of sexually abusing a pupil. The school is seeking a court order to suspend the principal from his duties until a full investigation is completed. The school is also seeking a court order to suspend the principal from his duties until a full investigation is completed.

# IMPLICATIONS FOR BASIC EDUCATION

## Can't do *Everything Everywhere All At Once*

- No Additional Funds – PYEI extension unlikely
- Prioritisation – Make Informed Choices
- Do more of what works, focus on what's needed and where it's needed
- More Efficient use of Teachers
- More Efficient use of Resources, e.g. no duplication and use existing resources
- Phase in priority interventions – what must be fixed first before additional resources will add value
- Phase out low priority/ low return programmes
- Partnerships/ Collaborations – also within government

# Thank You