3

Education

Introduction

Education plays a crucial role in transforming societies and improving economies. South Africa therefore continues to prioritise spending on education to improve the lives of all South Africans and especially of the poorest. Numerous policy initiatives have been implemented to improve access to education as well as the effectiveness of the schooling system. These include:

Education plays a crucial role in transforming societies and improving the economy

- Fast-tracking provision of Grade R in schools to improve learners' literacy in the foundation phase.
- Introducing electronic and technology-based learning and teaching platforms.
- Improving school infrastructure.
- Allocating special funds to eradicate mud or "inappropriate" schools.

Through these and other initiatives, the education sector contributes to improving literacy; an increased overall skills and knowledge base; assisting the poor and marginalised to participate in the economy; and creating a sound foundation for economic growth.

There has been an increase in the percentage of children attending school, including Grade R, attaining matric and Bachelor passes and passing with 60 per cent or more in mathematics and science. However, much more still needs to be done to improve the quality of education. In particular, the sector needs urgently to:

- Increase enrolment of learners by addressing educator vacancies in schools.
- Address the shortfalls in school allocations, in some provinces, in terms of norms and standards requirements.
- Improve the delivery of school infrastructure.
- Increase investment in educator training and development.
- Address the lack of qualified Grade R teachers.
- Ensure that the large percentage of aging educators does not result in a skills shortage for the sector.

This chapter reviews expenditure and performance in the education sector from the provincial perspective. The focus is therefore on basic education. The chapter discusses the sector's current landscape, budget and expenditure trends, service delivery achievements and medium-term outlook.

Current landscape

Spending

South Africa spends 14.2 per cent of total government expenditure on basic education

In 2018/19, South Africa spent R256.9 billion, or 13.9 per cent of government's total expenditure, on Grade R-12 education. This was equivalent to 4.7 per cent of GDP. By 2022/23, spending on basic education is projected to increase slightly to 5.0 per cent of GDP and 14.2 per cent of total government expenditure. The increase in expenditure is evidence of government's commitment to continued improvement of the quality of education.

By international standards, South Africa's expenditure on basic education is relatively high. However, despite substantial investment in education, the quality is poor compared with that of other countries. To address this, government has committed to reprioritising expenditure towards areas including teacher training and development and the quality and accessibility of early learning and Grade R programmes. Other areas in critical need of improvement are better performance management systems for teachers and principals and renewed focus on the foundation phase.

Although it makes up a relatively small part of the overall budget, the prioritisation of early childhood development (ECD), and Grade R in particular, is reflected in its rising budget share over the medium term, from 1.9 per cent in 2019/20 to 2.2 per cent in 2022/23.

Table 3.1 shows the components of South African basic education and its allocated share of funding for the years 2015/16 to 2022/23. In 2019/20, primary and secondary school education, administered by the provinces, received the largest combined share (77.5 per cent) of the total education budget. Because of an increased allocation to ECD, this share is expected to decline slightly to 76.8 per cent over the 2020 MTEF.

Table 3.1 Education components and shares in provinces, 2015/16 - 2022/23

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
R million	Outcome				Preliminary outcomes	Medium-term estimates		
Education	**196 878**	**211 313**	**225 235**	**239 403**	**256 916**	**272 587**	**288 016**	**303 892**
of which								
Primary school education	82 336	89 392	96 194	103 882	111 121	116 491	122 596	129 273
Secondary school education	67 466	72 441	77 317	81 954	87 938	94 046	98 838	104 249
Early childhood development	3 289	3 757	3 872	4 298	4 794	5 673	6 264	6 708
Percentage share of total education								
Primary school education	41,8%	42,3%	42,7%	43,4%	43,3%	42,7%	42,6%	42,5%
Secondary school education	34,3%	34,3%	34,3%	34,2%	34,2%	34,5%	34,3%	34,3%
Early childhood development	1,7%	1,8%	1,7%	1,8%	1,9%	2,1%	2,2%	2,2%
GDP (R billion)	**4 127**	**4 413**	**4 721**	**5 059**	**5 414**	**5 812**	**6 249**	**6 126**
Provincial Education total as % of GDP	4,8%	4,8%	4,8%	4,7%	4,7%	4,7%	4,6%	5,0%

Source: National Treasury provincial database

Enrolment

In terms of school enrolment, South Africa is doing well, with over 96 per cent of children having access to schools and learner enrolment increasing between 2013 and 2019 from 12 489 648 to 13 041 198. The number of children with access to schools continues to increase in both public and independent schools. Previously, learner enrolment at independent schools increased faster than at public schools. Between 2015 and 2019, for example, enrolment at independent schools increased at an annual average rate of 3.3 per compared with 0.3 per cent in public schools.

Over 96 per cent of children in South Africa have access to schools

Public schools

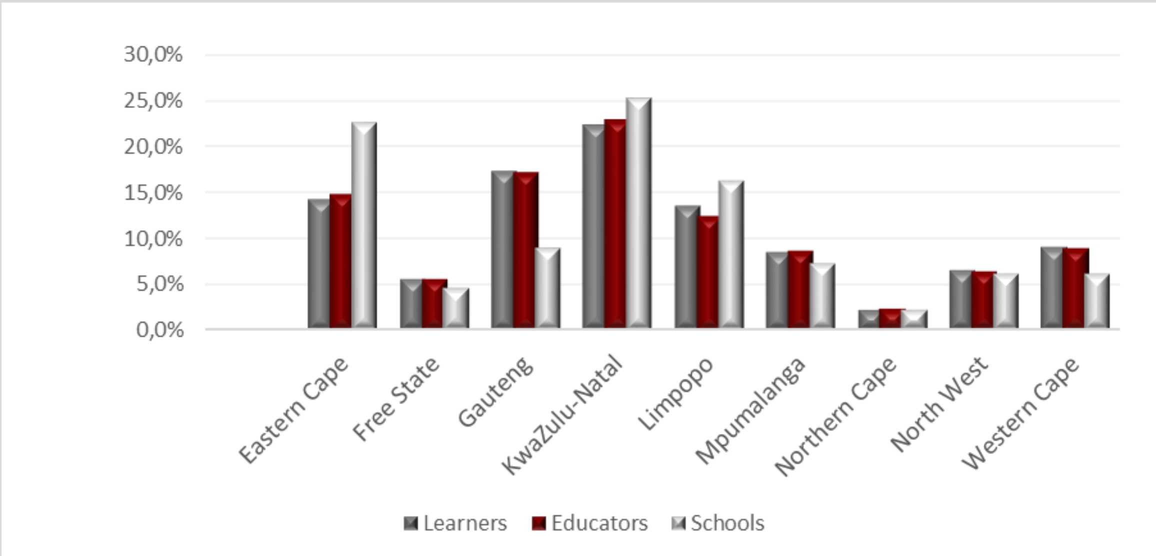
Between 2015 and 2019, public school enrolments increased moderately, at an annual average rate of 0.51 per cent. Although enrolment growth has been slow at public schools, they continue to enrol the largest proportion of the country's learners. In 2019, 12 407 755 learners in 23 076 public ordinary schools were taught by 444 857 educators: an average of 543

In 2019, 12 407 755 learners enrolled at 23 076 public ordinary schools were taught by 444 857 educators learners per school and 30.8 learners per educator. At 1 039:1 and 823:1 respectively, Gauteng and the Western Cape, which are predominantly urban provinces, have the highest learner to school ratios. The ratios for largely rural provinces such as the Eastern Cape (340:1) and Limpopo (447:1) are lower, mainly due to the larger number of small schools in these provinces.

Source: School Realities 2019, Department of Basic Education

Figure 3.1 shows the percentage distribution of learners, educators and schools by province for 2019. The largest proportion of South Africa's learners (22.4 per cent), educators (25.2 per cent) and schools (23 per cent) are in KwaZulu-Natal. The smallest proportions of learners (2.4 per cent), educators (2.4 per cent) and schools (2.5 per cent) are in the Northern Cape. This aligns with the national demographics in which Gauteng and KwaZulu-Natal account for the largest shares of the population. The figure also shows that the Eastern Cape has the lowest ratio of learners to schools, with 22.6 per cent of the country's schools but only 14.3 per cent of its learners.

Figure 3.1: Percentage distribution of learners, teachers and schools, 2019

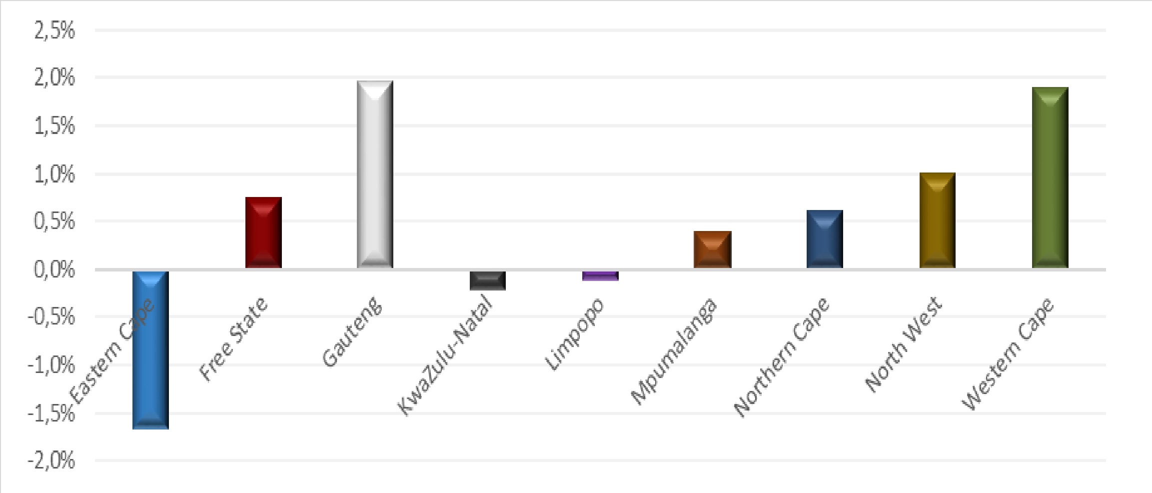


Source: School Realities 2019, Department of Basic Education

Gauteng has the fastest enrolment growth, with an annual average of 2.0 per cent between 2015 and 2019

Figure 3.2 shows provincial average enrolment trends from 2015 to 2019. Gauteng had the fastest enrolment growth, with an average of 2.0 per cent between 2015 and 2019. The Western Cape followed, with an average annual increase of just below 1.9 per cent. Enrolments in KwaZulu-Natal, Limpopo and the Eastern Cape declined by 0.3 per cent, 0.1 and 1.7 per cent respectively. This indicates an increasing burden on Gauteng and Western Cape to provide education to learners in cases where learners have relocated to these regions. Declining numbers in other provinces create problems for infrastructure planning and the allocation of educators and other resources.

Figure 3.2: Provincial public enrolment growth trends, 2015-2019



Source: School Realities 2015 - 2019, Department of Basic Education

In the foundation phase, at 50.7 per cent of the total the majority of learners enrolled in public schools are boys. However, girls make up more than 50 per cent in Grades 11 (52.1 per cent) and 12 (54.1 per cent). This suggests that there are high drop-out or repetition rates among boy learners and that the sector needs to introduce programmes that increase retention of boys in school. For girls, the purpose of providing sanitary towels in schools is to ensure that girl learners do not miss school days during their menstrual cycle.

The data shows that relatively low numbers of learners reach Matric. In 2008, 1 122 114 learners enrolled for Grade 1; by the time this cohort had reached Grade 10 in 2017, their numbers had declined to 1 052 080 and in 2019, when they were in Grade 12, only 606 208 remained in the system. The decrease of 42.4 per cent between Grades 10 and 12 indicates that learners remained in Grades 10 and 11, moved to the Technical and Vocational Education Training (TVET) sector or dropped out of school. The provinces with the highest apparent dropout rates among the 2019 cohort between Grades 10 and 12 were Limpopo, at 48.2 per cent, followed by the Eastern Cape at 45.3 per cent. The Western Cape had the lowest apparent dropout rate, at 16.4 per cent for the same cohort.

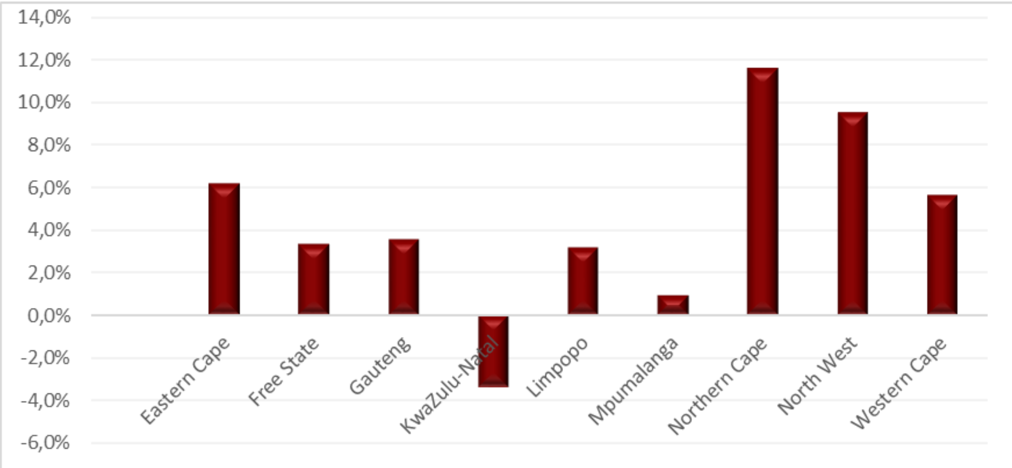
Independent schools

The number of independent schools has risen significantly over the years, increasing between 2014 and 2019 from 1 786 to 1 992. Gauteng, the province with the most, had 700 in 2015 and 742 in 2019. The growing number of independent schools can substantially be attributed to

The number of independent schools has risen significantly over the years, especially in Gauteng.

government's inability to meet the demand for schools particularly in urban areas, such as Gauteng, where the population is increasing. However, some of the growth relates to choices by middle-to-high income earners, particularly in urban areas, to enrol their children at independent schools based on a perception that the quality of education at these schools is better than in the public sector. Enrolment in independent schools increased from 566 994 in 2015 to 632 443 in 2019, an annual average growth rate of 3.3 per cent compared with the 0.3 per cent growth rate in public school enrolments in the same period. Gauteng has the largest number of learners enrolled in private schools although, off a lower numerical base, between 2015 and 2019 enrolment in independent schools in Northern Cape province increased at an annual average rate of 11.5 per cent, as Figure 3.3 shows.

Figure 3.3: Annual average growth rate: independent school enrolment, 2015-2019



Source: School realities 2015 - 2019, Department of Basic Education

In 2019, the learner to educator ratio at independent schools was considerably lower than at public schools, averaging 16:1. The smaller classes made possible by the relatively high school fees and the use of part-time teachers for certain subjects underlies such learner: educator ratios. In most of these schools, the cost of learner and teacher support materials and maintenance of infrastructure is borne by the parents and sponsors. Smaller classes enable the educators to give more attention to each learner, another advantage that these schools have over often overcrowded public schools.

Budget and expenditure trends

Averaging 40 per cent between 2015/16 and 2019/20, education is the largest single component of provincial expenditure.

Table 3.2: Provincial expenditure on education by province, 2015/16-2022/23

R million	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Outcome				Preliminary Outcome	Medium-term estimates		
Eastern Cape	28 426	30 967	32 808	35 032	37 346	37 769	39 293	40 917
Free State	11 307	11 834	12 891	13 619	14 847	15 935	16 984	17 845
Gauteng	36 297	39 410	41 414	44 724	48 068	53 593	58 467	62 583
KwaZulu-Natal	42 888	45 663	48 316	50 344	54 415	57 247	59 650	62 627
Limpopo	25 118	26 845	29 020	30 679	32 516	33 894	35 628	37 703
Mpumalanga	17 098	17 809	19 284	20 734	22 413	23 498	24 621	25 905
Northern Cape	5 101	5 512	6 006	6 456	6 911	7 222	7 530	7 884
North West	13 006	13 972	14 929	15 703	16 953	18 380	19 389	20 530
Western Cape	17 637	19 301	20 567	22 112	23 446	25 050	26 455	27 899
Total	**196 878**	**211 313**	**225 235**	**239 403**	**256 916**	**272 587**	**288 016**	**303 892**

Percentage growth (average annual)	2015/16 – 2019/20	2019/20 – 2022/23
Eastern Cape	7,1%	3,1%
Free State	7,0%	6,3%
Gauteng	7,3%	9,2%
KwaZulu-Natal	6,1%	4,8%
Limpopo	6,7%	5,1%
Mpumalanga	7,0%	4,9%
Northern Cape	7,9%	4,5%
North West	6,9%	6,6%
Western Cape	7,4%	6,0%
Total	**6,9%**	**5,8%**

Includes conditional grant expenditure
Source: National Treasury provincial database

Table 3.2 shows provincial expenditure on education by province from 2015/16 to 2022/23. The total increased over the period by R43 billion, from R196.8 billion to R256.9 billion, an average annual increase of 6.9 per cent. The increase was mainly for inflation-related and wage adjustments. Over these years, there were additional allocations for extending the National School Nutrition Programme (NSNP) to the poorest 60 per cent of primary and secondary schools; expanding the Grade R programme; improving the provision of education to learners with severe to profound intellectual disabilities (LSPID); and improving school infrastructure.

The MTEF allocation includes a new grant for learners with severe to profound intellectual disabilities (LSPID)

Provinces' budget for education, including provision for estimated inflation, is expected to grow by R46.9 billion between 2019/20 and 2022/23 to reach R303.9 billion, an average annual growth rate of 5.8 per cent. The MTEF allocation includes a conditional grant for implementing the policy of inclusive education, the purpose of which is to include LSPID learners and to increase access to and the quality of ECD.

Between 2015/16 and 2019/20, education's share of provincial budgets remained constant at an average of 40.0 per cent. Through cost-saving measures implemented by the sector and savings resulting from improved logistical and procurement arrangements, the expenditure was contained to prevent crowding out expenditure on other sectors. By 2022/23, education's share is projected to have increased slightly to 41.1 per cent, largely due to an expected increase in enrolment of new learners, particularly with the expansion of ECD.

Expenditure and budgets by programme

Table 3.3 shows provincial expenditure on education by programme for the years 2015/16 to 2022/23.

Table 3.3: Provincial expenditure on education by programme, 2015/16-2022/23

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
R million	**Outcome**				**Preliminary Outcome**	**Medium-term estimates**		
Administration	12 712	13 805	14 416	15 183	16 143	17 115	18 772	19 829
Public ordinary school	155 461	167 819	179 825	192 634	206 242	218 105	229 247	241 725
of which:								
Primary schools	*81 714*	*88 690*	*95 420*	*103 053*	*110 217*	*115 549*	*121 599*	*128 227*
Secondary schools	*67 001*	*71 960*	*76 834*	*81 431*	*87 372*	*93 406*	*98 160*	*103 538*
Other subprogrammes	*6 746*	*7 169*	*7 570*	*8 150*	*8 653*	*9 150*	*9 487*	*9 960*
Independent school subsidies	1 088	1 183	1 257	1 351	1 470	1 581	1 675	1 757
Public special school	6 169	6 798	7 403	8 233	9 211	10 446	11 750	12 523
Early childhood development	3 289	3 757	3 872	4 298	4 794	5 673	6 264	6 708
Infrastructure development	12 807	12 383	12 555	11 629	12 528	12 254	12 598	13 303
Examination and education	5 353	5 568	5 908	6 074	6 528	7 412	7 711	8 047
Total	**196 878**	**211 313**	**225 235**	**239 403**	**256 916**	**272 587**	**288 016**	**303 892**

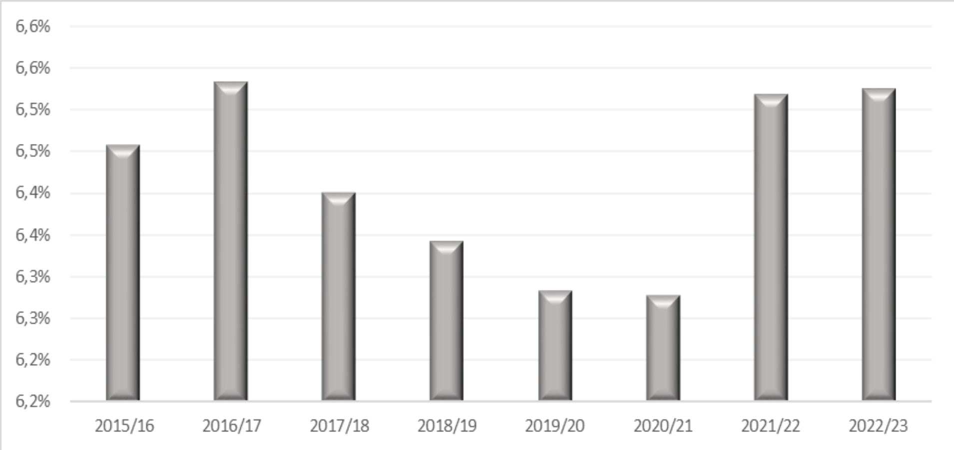
Percentage growth (average annual)	**2015/16–2019/20**	**2019/20–2020/21**	**2019/20–2022/23**
Administration	6,2%	6,0%	7,1%
Public ordinary school	7,3%	5,8%	5,4%
Independent school subsidies	7,8%	7,6%	6,1%
Public special school education	10,5%	13,4%	10,8%
Early childhood development	9,9%	18,3%	11,8%
Infrastructure development	-0,5%	-2,2%	2,0%
Examination and education related serv	5,1%	13,5%	7,2%
Total	**6,9%**	**6,1%**	**5,8%**

Source: National Treasury provincial database

Administration

Figure 3.4 shows expenditure (actual and projected) on administration as a percentage of education expenditure between 2015/16 and 2022/23.

Figure 3.4 Proportion of provincial education expenditure on administration, 2015/16-2022/23



Source: National Treasury provincial database

From 2015/16 to 2019/20, across the provinces expenditure on administration as a percentage of total education expenditure declined slightly from 6.5 per cent to 6.3 per cent. This was due to cost saving measures implemented by the sector, including reduced expenditure on travelling and catering and on improving supply chain systems. Between 2019/20 and 2022/23, as a percentage of the total this expenditure will increase slightly to reach 6.5 per cent again. Although the sector prioritises core programmes, high wage settlements make it difficult to reduce expenditure on administration.

Public ordinary school education

The largest proportion of the provincial education budget is spent on the Public Ordinary School Education Programme. This consists of public primary and secondary schools and includes the per learner allocations to schools. Expenditure on public ordinary school education is expected to grow at an annual average of 5.4 per cent over the medium term, reaching R241.7 billion by 2022/23. This growth will provide for inflation-related increases as well as the expected increase in learner enrolment.

Expenditure on public ordinary schools, the largest budget allocation, will increase by 5.4 per cent over the MTEF

Independent schools

From 2015/16 to 2019/20, expenditure on independent schools increased at an annual average of 7.8 per cent; this is higher than the annual average growth of 7.3 per cent on public ordinary schools. As discussed above, this was due to the more rapid growth rate in the number of learners in independent schools. Over the medium term, because of the sector's prioritisation of ECD and the general reduction in the amount of money available for sector and government as a whole this expenditure is expected to decrease slightly to 6.1 per cent, reaching R1.8 billion by 2023/23. This growth should be adequate to provide for the effects of inflation.

Public special schools

Between 2015/16 and 2019/20, spending on the Public Special School Education Programme increased by an annual average of 10.5 per cent. This significant rate of increase was due mainly to a conditional grant for LSPID learners as well as growth in learner numbers. Over the medium term, growth is estimated at an average annual rate of 10.8 per cent. The sector prioritises learners with special needs, including the appointment of therapists for these learners.

Early childhood development and Grade R

Provision of early childhood development continues to be a priority, with its budget allocation growing at an annual average rate of 11.8 per cent

The education sector set a target of universal Grade R enrolment by 2014. Although the target has not been achieved, there has been significant improvement, with enrolment increasing from 544 000 in 2015 to 775 820 in 2019. Between 2015/16 and 2019/20, expenditure on ECD and Grade R increased at an annual average rate of 9.9 per cent, reflecting the government's commitment to expanding the programme. At 22.0 per cent, KwaZulu-Natal had the highest rate of expenditure growth followed by Mpumalanga with 15.3 percent; the Eastern Cape had the lowest growth rate, at 1.3 per cent. Over the medium term, expenditure is projected to grow at an annual average rate of 11.8 per cent, reaching R6.7 billion in 2022/23. It is expected that new enrolments will continue to grow as schools make provision for more Grade R infrastructure and resources. Gauteng will lead in terms of expenditure growth, with an annual average growth rate of 27.5 per cent, followed by the Eastern Cape at 17.4 per cent.

Table 3.4: Expenditure and budgets by economic classification

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
R million	**Outcome**				**Preliminary Outcome**	**Medium-term estimates**		
Current payments	170 775	183 749	197 826	211 370	227 119	241 906	256 057	270 223
of which:								
Compensation of	*153 164*	*164 838*	*177 444*	*189 369*	*202 852*	*217 143*	*230 523*	*243 538*
Goods and services	*17 470*	*18 903*	*20 380*	*21 993*	*24 260*	*24 763*	*25 533*	*26 685*
Transfers and subsidies	15 285	16 543	16 839	18 396	19 700	21 152	21 887	22 946
Payments for capital asse	10 675	10 835	10 488	9 595	10 073	9 522	10 065	10 715
Payments for financial ass	144	185	82	41	23	6	7	7
Total	**196 878**	**211 313**	**225 235**	**239 403**	**256 916**	**272 587**	**288 016**	**303 892**
Percentage of provincial education expenditure								
Current payments	86,7%	87,0%	87,8%	88,3%	88,4%	88,7%	88,9%	88,9%
of which:								
Compensation of	*77,8%*	*78,0%*	*78,8%*	*79,1%*	*79,0%*	*79,7%*	*80,0%*	*80,1%*
Goods and services	*8,9%*	*8,9%*	*9,0%*	*9,2%*	*9,4%*	*9,1%*	*8,9%*	*8,8%*
Transfers and subsidies	7,8%	7,8%	7,5%	7,7%	7,7%	7,8%	7,6%	7,6%
Payments for capital	5,4%	5,1%	4,7%	4,0%	3,9%	3,5%	3,5%	3,5%
Payments for financial ass	0,1%	0,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Total	**100,0%**	**100,0%**	**100,0%**	**100,0%**	**100,0%**	**100,0%**	**100,0%**	**100,0%**

Percentage growth (average annual)	**2015/16–2019/20**	**2019/20–2020/21**	**2019/20–2022/23**
Current payments	7,4%	6,5%	6,0%
of which:			
Compensation of	*7,3%*	*7,0%*	*6,3%*
Goods and services	*8,6%*	*2,1%*	*3,2%*
Transfers and subsidies	6,5%	7,4%	5,2%
Payments for capital assets	-1,4%	-5,5%	2,1%
Payments for financial assets	-36,7%	-72,6%	-33,0%
Total	**6,9%**	**6,1%**	**5,8%**

Source: National Treasury provincial database

Table 3.4 shows the proportion of provincial expenditure on education by economic classification as well as the percentage growth for 2015/16 to 2022/23. Compensation of employees (CoE) is the main cost driver of provincial education budgets. As a proportion of total expenditure, it is projected to increase from 79.7 per cent in 2020/21 to 80.1 per cent in 2022/23.

Compensation of employees

Table 3.5 Expenditure on compensation of education employees by province, 2015/16 - 2022/23

R million	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Outcome				Preliminary Outcome	Medium-term estimates		
Eastern Cape	22 632	23 872	25 833	27 385	29 266	30 371	32 065	33 342
Free State	9 181	9 699	10 299	10 974	11 847	12 724	13 648	14 392
Gauteng	25 982	28 660	31 428	33 714	36 272	40 573	44 534	47 935
KwaZulu-Natal	34 527	37 608	40 061	42 270	45 415	48 845	50 897	53 324
Limpopo	20 722	21 744	23 183	24 726	26 268	27 050	28 511	30 216
Mpumalanga	13 212	14 247	15 307	16 458	17 584	18 712	19 646	20 690
Northern Cape	3 911	4 289	4 609	4 948	5 281	5 578	5 878	6 153
North West	9 880	10 585	11 544	12 543	13 444	14 377	15 286	16 255
Western Cape	13 117	14 134	15 179	16 352	17 475	18 912	20 057	21 232
Total	**153 164**	**164 838**	**177 444**	**189 369**	**202 852**	**217 143**	**230 523**	**243 538**
Percentage growth (average annual)		**2015/16 – 2019/20**				**2019/20 – 2022/23**		
Eastern Cape		6,6%				4,4%		
Free State		6,6%				6,7%		
Gauteng		8,7%				9,7%		
KwaZulu-Natal		7,1%				5,5%		
Limpopo		6,1%				4,8%		
Mpumalanga		7,4%				5,6%		
Northern Cape		7,8%				5,2%		
North West		8,0%				6,5%		
Western Cape		7,4%				6,7%		
Total		**7,3%**				**6,3%**		

Source: National Treasury provincial database

Growth in CoE spending over the medium term is projected to increase at an annual average rate of 6.3 per cent, lower than the rate of 7.3 between 2015/16 and 2019/20. This is because salaries are expected to increase in line with inflation until new negotiations in 2021/22.

The challenge relating to the education CoE budget is that it has been growing more slowly than wage settlements. It is therefore difficult for the sector to manage expenditure downwards and it struggles to fill vacant posts because funds are used to accommodate the shortfall from wage settlements that are higher than budgeted. Given the budgetary pressures, the sector continues to implement personnel management strategies, including reducing the number of excess teachers and substitute teachers and the amount of incapacity leave.

Goods and services

The percentage share of goods and services declines over the MTEF, mainly due to the growing wage bill

The main items under goods and services in education are learner and teacher support materials (LTSM) such as textbooks, stationery and sports equipment; the NSNP; teacher development programmes; and learner transport costs. Over the medium term, expenditure on goods and services will grow at an average annual rate of 3.2 per cent; this is 5.4 percentage points lower than the growth rate between 2015/16 and 2019/20. The higher growth rate in previous years was due to provision of additional resources to schools and, in particular, for Grade R. The introduction of efficiency strategies in procurement and logistics have been partly responsible for the lower growth in goods and services over the medium term. However, the percentage share of expenditure on goods and services remains low, declining to 8.8 per cent by 2022/23 from 9.4 per cent in 2019/20. This indicates the pressure on expenditure on goods and services, especially in relation to provision of the NSNP and LTSM, as the sector struggles to keep up with a growing wage bill and declining fiscal position. The limited budget for goods and services is also a challenge for investment in new priorities such as information and communications technology (ICT).

Transfers and subsidies

Transfers and subsidies, which are mostly payments to schools for their operations, are projected to increase at an average annual rate of 5.2 per cent over the medium term, reaching R22.9 billion in 2022/23. Between 2015/16 and 2019/20, when Quintile 3 schools were converted to no-fee schools, the average annual growth rate was 6.5 per cent. The increase in transfers and subsidies provides for the amendment of the per learner allocation.

Payments for capital assets

Between 2015/16 and 2019/20, expenditure on capital assets decreased at an average annual rate of 1.4 per cent from R10.6 billion to R10.1 billion. This was mainly due to the Education Infrastructure Grant (EIG) budget cut. Between 2019/20 and 2022/23, expenditure on capital assets increases at an average annual rate of 2.1 per cent, from R10.1 billion to R10.7 billion. This increase is minimal and the sector will therefore focus on maintaining existing infrastructure, with new construction taking place only where absolutely necessary. This will require the department to reprioritise the budget to accommodate any essential new construction within the reduced budget and to find innovative ways of addressing infrastructure delivery challenges.

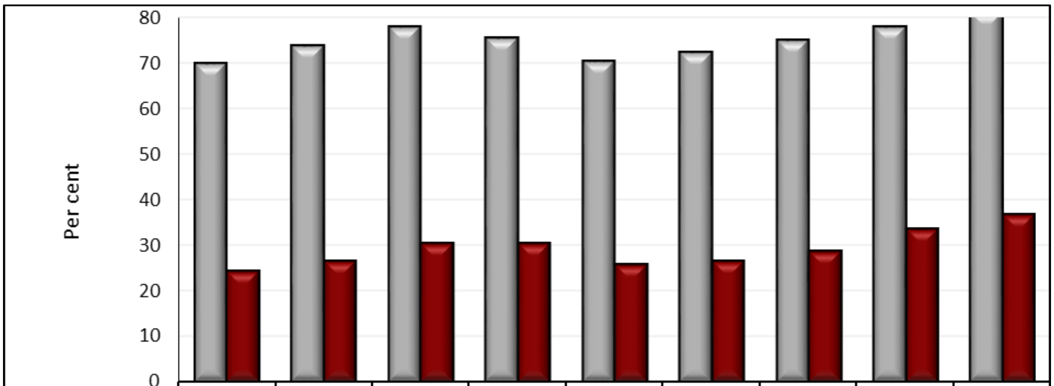
Service delivery achievements

Grade 12 performance

78.2 per cent of matric students passed matric in 2018, with 33.6 per cent obtaining Bachelor passes

In 2019, 606 207 learners were enrolled in Grade 12. Of these, 504 303 sat for the matriculation examination and 409 906 passed. The overall matriculation pass rate was 81.3 per cent, of which 36.9 per cent were Bachelor degree passes. As Figure 3.5 shows, the Free State had the highest matric pass rate, at 88.4 per cent, while Limpopo had the lowest, at 73.2 per cent. Gauteng had the largest percentage of Bachelor degree passes, at 43.7 per cent; Limpopo had the lowest percentage, at 23.5 per cent. The Bachelor degree pass rate is a key performance indicator in education as it measures the quality of the matric results. The sector is striving to improve the number of Bachelor degree passes, especially in Quintile 1 to 3 schools which are normally located in rural areas or previously disadvantaged communities.

Figure 3.5: Matric and Bachelor degree passes per province, 2011-2019



	2011	2012	2013	2014	2015	2016	2017	2018	2019
Matric pass rate	70,2	73,9	78,2	75,8	70,7	72,5	75,1	78,2	81,3
Bachelor passes	24,3	26,6	30,6	30,6	25,8	26,6	28,7	33,6	36,9

Source: National Senior Certificate Report 2011 to 2019, Department of Basic Education

Between 2011 and 2019, matric passes increased by 11.1 per cent. The 2019 matric results show the most improvement after the decline that occurred after 2015; the rate of Bachelor passes was 6.3 per cent higher than the 30.6 per cent achieved in 2013 and 3.3 per cent higher than the 2018 percentage.

The Annual National Assessments

The Annual National Assessments (ANA) were nationally standardised tests for evaluating numeracy and literacy from Grades 1 to 9. According to the 2014 results, the percentages of learners who achieved at least 50 per cent in mathematics for Grades 3, 6 and 9 were 65 per cent, 35 per cent and 3 per cent respectively. First language results for the same grades were 66 per cent, 77 per cent and 48 per cent. Although the ANA results improved over the years, there is a clear deterioration of performance as learners progress to the higher grades. It is particularly concerning that the ANA assessments have been suspended. However, the sector plans to introduce and implement a new standardised measure in the near future.

South African learners continue to perform very poorly in international benchmark assessments such as the Progress in International Reading Literacy Study (PIRLS), Trends in International Mathematics and Science Study (TIMSS) and the Southern and Eastern Africa Consortium for Monitoring Education Quality (SACMEQ). The TIMSS results released in 2015 shows South Africa's poor performance in maths and science compared to 38 other countries. The average scores obtained by the country's Grade 4 and 8 learners were the lowest for mathematics and second lowest for science. However, the results showed that South Africa was the most improved of the sample, indicating that some progress is being made.

International benchmark studies such as TIMSS indicate that South Africa is the most improved of the sample countries in terms of maths and science

Overall, the results show that the education sector still needs to invest significantly in improving literacy and numeracy. National standardised assessments provide an opportunity to ensure that interventions are directed at appropriate areas and schools. The education sector therefore urgently needs to put in place a replacement for the ANAs.

Table 3.6 Learner and teacher support materials (LTSM), 2019/20

Province	Retention and retrieval percentage	Universal coverage	Workbooks delivered
Eastern Cape	71,5%	N/A	100,0%
Free State	90,0%	85,0%	100,0%
Gauteng	92,0%	89,0%	100,0%
Kwa-Zulu Natal	95,0%	83,0%	100,0%
Limpopo	91,1%	95,0%	100,0%
Mpumalanga	92,0%	95,0%	100,0%
Northern Cape	92,0%	98,0%	100,0%
North West	97,0%	97,0%	100,0%
Western Cape	91,4%	92,5%	100,0%

Over the years, the sector has made strides in improving the delivery of textbooks and other support material to schools on time and of the right quality and quantity; the goal is to provide learning and support materials to every school learner. As the table 3.6 shows, all required workbooks were delivered to all schools in 2019/20 and the sector has been reporting fewer incidences of late delivery or non-delivery of learning materials. This achievement is critical, given that good quality LTSM is essential for effective education. With an overall average of 91.8 per cent, universal coverage for every child in every classroom has varied between provinces. In 2019/20, Free State, Gauteng and KwaZulu-Natal had the lowest percentages at 85 per cent, 89 per cent and 83 per cent respectively. Work continues to ensure universal coverage in all provinces.

As part of its plan to improve provision of LTSM, the sector has had to address the loss of textbooks and workbooks already in schools. Provincial education departments have allocated more funding to new LTSM requirements and less to replacing lost material; as a result, they have been able to extend their reach to schools with inadequate LTSM. The greatest challenge in tracking progress in retention and retrieval is the lack of reporting and capturing of information accurately and in a timely way by schools.

As Table 3.6 shows, in 2019/20 eight provinces reported retrieval and retention rates of above 90 per cent for textbooks and workbooks. At 71.5 per cent, Eastern Cape reported the lowest retention and retrieval rate. This information about coverage, retrieval and retention is reported in the Department of Education's SA-SAM database.

National School Nutrition Programme (NSNP)

Table 3.7: NSNP Grant budgets and expenditure per province, 2019/20

R thousand	Total available	Expenditure	% spent	Number of schools served	Average number of learners served
Eastern Cape	1 281 510	1 280 039	99,89%	5 055	1 624 696
Free State	408 148	406 531	99,60%	937	592 581
Gauteng	849 075	794 077	93,52%	1 167	1 146 152
KwaZulu-Natal	1 638 181	1 628 447	99,41%	5 312	2 292 620
Limpopo	1 306 917	1 287 854	98,54%	3 723	1 655 069
Mpumalanga	703 563	686 695	97,60%	1 597	910 978
Northern Cape	189 224	190 617	100,74%	471	137 386
North West	482 427	481 354	99,78%	1 334	728 656
Western Cape	385 202	375 515	97,49%	1 010	484 771
Total payments	**7 244 247**	**7 131 129**	**98,40%**	**20 606**	**9 572 909**

Source: Conditional Grants quarter 4 report

The NSNP has made a profound contribution to the sector's goal of universal access to quality education. The programme addresses hunger and malnutrition and has reduced absenteeism and improved learner participation in class. In 2019/20, the sector spent the R7.1 billion NSNP grant on providing meals for 9 572 909 learners in 20 606 schools. At 2 292 620 learners in 5 312 schools, KwaZulu-Natal had the highest number of learners on the programme, spending R1.6 billion in 2019/20.

Medium-term outlook

Improving the quality of Grade R

As noted above, the sector has made strides in ensuring universal access to Grade R; this is illustrated by the significant increase in Grade R enrolment numbers since its inception. Extending effective ECD, and Grade R in particular, as a foundation for learning is the primary objective. The focus over the medium term will be on improving the quality of teaching and learning in this grade, intensifying training of Grade R teachers through focusing on content and on the skills needed to identify barriers to learning at the earliest possible stage. Funding has been prioritised to provide Grade R teaching with the necessary infrastructure, equipment and resources.

Addressing school infrastructure backlogs

With some provinces still facing critical challenges of infrastructure that does not meet the minimum norms and standards, providing adequate school infrastructure continues to be a priority for the sector. At the same time, the growing number of learners is creating increased demand for additional schools and classrooms. As budgets are declining because of the country's weak economic performance, through budget reprioritisation the sector will focus on maintaining existing infrastructure and constructing additional classrooms where these are urgently required. Funding to address inappropriate and unsafe schools will come from the Department of Basic Education's indirect Infrastructure Backlogs Grant; this is allocated R6.1 million over the MTEF and provides for R2.8 billion to eradicate pit latrines in 717 schools.

Teacher training and development

Given the close link between teacher content knowledge and school learners' performance, the importance of training and development, including continued development and support of teachers, cannot be over-emphasised. As is evident in the increased number of teachers with a degree or diploma, much has been done by the sector to support teacher development while the number of teachers with only a matric or lower qualification has decreased significantly. Through the Funza Lushaka bursary scheme, the sector plans to ensure a continuous supply of appropriately trained and qualified teachers, particularly in priority subjects such as mathematics, science and technology, including robotics.

Advancing inclusive education

As a signatory to the United Nations Convention on the Rights of Persons with Disabilities (CRPD), South Africa is obliged to ensure an inclusive education system at all levels. This means that all children of school-going age who face barriers to learning and who are disabled must be able to access inclusive, good quality, free primary and secondary education on an equal basis with other young people in the communities in which they live. Consequently, the sector is prioritising training on a screening, identification, assessment and support (SIAS) policy to help early detection of learning barriers. The plan provides for increasing the number of full service schools.

As part of the drive towards inclusive education, the sector will also focus on providing good quality education to LSPID learners. The LSPID grant makes provision for the appointment of LSPID outreach teams that provide special care centres with training on the LSPID learning programme. This will continue to be a priority over the medium term.

Conclusion

With the sector continuing to make up the single largest percentage of government expenditure, government is committed to improving the quality of basic education. Increased investment over the years has contributed to this improvement, especially in relation to meeting the goal of universal access to education. There have also been major achievements in making Grade R universally accessible, although in some instances infrastructure problems have hampered progress. Prioritising provision for learners with special needs is another indication of government's commitment to equity of access to and quality of education.

Despite these improvements, South Africa's performance on international standards is of concern and needs to be given special attention. The ANA was a valuable tool for measuring progress towards achieving learning outcomes; the current absence of such a tool makes it difficult for the sector to identify areas of weakness that need to be addressed to achieve international levels of performance.

Teachers are the most important resource in the provision of good quality education. The aim of government's commitment to providing teachers with appropriate and adequate training and development and with the resources that they need is to create a positive working environment and to encourage teachers to be partners in providing good quality education for the country's learners.

Over the next three years, expenditure will continue to grow in real terms although at a slower rate than in the recent past. Reduced spending over the medium term will affect national, provincial and local government. While this will involve difficult choices, pro-poor expenditure in areas such as education, health and social services will be protected and the reductions, while substantial, will be small relative to total government spending. Improvements in service delivery will come through efficiency gains and reduction of wasteful expenditure.