



KWAZULU-NATAL PROVINCE

TREASURY
REPUBLIC OF SOUTH AFRICA

ADDRESS BY MEC FOR FINANCE – MRS N. DUBE-NCUBE

30 MARCH 2021

FOURTH ADJUSTMENTS APPROPRIATION BILL, 2021



MS. NOMUSA DUBE-NCUBE

MEC: FINANCE

**Madam Speaker
Honourable Members of the Legislature
Colleagues in the Executive
Fellow citizens**

INTRODUCTION

“Education is not the learning of facts, but the training of minds to think.”

These are the words of Albert Einstein who is credited, the world over, for his tremendous contributions towards the development of the theory of quantum mechanics.

We make this statement, Honourable Members, to contextualize the importance we attach to the provision of quality education in this province.

We are relying on our education system to help us find solutions to our socio-economic challenges.

Madam Speaker, the fact that we are tabling the Fourth Adjustments Appropriation Bill, 2021, within a period of 5 days, is a clear demonstration of our determination to ensure that education in this province is accessed by our children.

Today, we are collectively sustaining efforts aimed at ensuring the production of scarce skills that are required by the critical sectors of the economy such as engineering, science and technology, accounting, information technology, agriculture, health and social services.

Honourable Members, most of you will recall that when we started this term of office in 2019, we took a position that our education has to be relevant to the needs of our economy.

In view of challenges created by the outbreak of COVID-19, we have even went further and stated that our education should now be judged by the extent to which it makes an individual self-sufficient and able to maintain sustainable livelihoods on leaving school.

This type of education should also provide local children with a firm base for the acquisition of knowledge, skills and positive attitudes for personal growth.

We want our education system to make each learner capable of sustaining themselves independently using their skill to survive. It is the

technical skills that will grow the economy of our province and enable us to compete with best in the world.

Madam Speaker, it is very discouraging for young people to exert themselves through twelve years of their life only to end up frustrated without any purpose in life due to inability to get meaningful skills to earn a living.

We are heartened by the fact that members of the executive council, under the leadership of the Premier Sihle Zikalala, are working together to turn around the situation.

Honourable Members, the fact that the Premier and MEC for Education are in Harry Gwala District today to officially open Pholela High School says a lot about our commitment.

This government has invested R220 million to build this state of the art school which boasts the school admin block, activity block, media centre, 8 special needs classrooms & therapy.

The new facilities also have HoD office, computer lab, 3 multi-purpose centre, 2 therapy suites, guardhouse, equipment storage, 4 ablution blocks, 23 classrooms for 350 learner capacity, 4 hostel blocks, 2 consulting dispensary with sickbays, reception, male & female game rooms, 1 bus garage, and accommodation for 200 learners with 50 learners per dormitory.

We commend the collaboration of Provincial Treasury, Department of Education, Department of Public Works, Municipalities and other stakeholders in the rollout of this education infrastructure.

We are making such an investment as government because we are fully aware that the provision of such education depends on the availability of physical infrastructure, basic services such as water, sanitation and electricity, housing, roads and health services.

All of these needs are being strengthened to support the schooling system.

As you all know, the provincial budget in the province provides substantial additional funding not only for the education sector but also for the supporting sectors.

COMMUNITY SUPPORT FOR EDUCATION

Madam Speaker, the support that honourable members are showing in support of the Department of Education needs to be sustained.

In addition to allocating state resources towards education, our major focus for the year should be the creation of a support base of all community leaders and civil society to rally behind School Governing Bodies, teachers and learners for the improvement of quality of education and outcomes.

Building on the work of Honourable Members of this house, the idea should be to make education everybody's concern in order to ensure that the teachers are in school, in class, on time and teaching.

Similarly, that learners are always in class on time learning and doing school work and respecting teachers and parental figures.

FOURTH ADJUSTMENT APPROPRIATION BILL, 2021

Madam Speaker, at this stage, allow me to express my sincere gratitude to your office and the honourable members in this house.

We thank you for setting aside time to process this Fourth Adjustment Appropriation Bill, 2021.

Equally, I wish to register my appreciation to the Finance Minister Tito Mboweni.

The support you have extended to me and the team led by Acting Head of Department Neli Shezi is immeasurable.

I can state without a shadow of doubt that in this province we have reached a stage wherein we all accept that the education of our children is sacrosanct and nothing should be allowed to disturb it.

Honourable Members, the Province of KwaZulu-Natal is required, in terms of a Government Notice, to table an amended Adjustments Appropriation Bill for 2020/21 referred to as the Fourth Adjustments Appropriation Bill, 2021.

On the eve of the tabling of the Third Adjustments Appropriation Bill in the Provincial Legislature on 25 March 2021, National Treasury notified

the province telephonically that the Minister of Finance has agreed to issue a Government Gazette to allocate R413.630 million to the province for the Education Infrastructure grant.

Government Gazette No. 44 334 was published by National Treasury (signed by the Minister of Finance) on 26 March 2020. This Gazette, is attached for ease of reference, and was published in terms of the Division of Revenue Act, 2020 (Act No. 4 of 2020), and provide information on adjustments to existing allocations to provinces in the 2020/21 financial year.

This is necessitated by the need to convert funds in terms of Section 21 of the Division of Revenue Act, 2020, as amended, and the need to re-allocate the converted funds to four provinces, as approved in terms of Section 20 of the Division of Revenue Act, 2020, as amended.

The notice affects the School Infrastructure Backlogs grant and the Education Infrastructure grant. The Schools Infrastructure Backlogs grant was to be used by DBE to implement the Emergency Water programme in response to the Covid-19 pandemic. There were a number of challenges with this implementation programme, though, and the funds remain unspent under DBE. In total, R628 million of these unspent funds was indicated to be reallocated to four provinces.

- a) As such, in compliance with Section 21 of the Division of Revenue Act, 2020, as amended, the national Department of Basic Education converts R628 million from the School Infrastructure Backlogs grant to the Education Infrastructure grant.
- b) In compliance with Section 20 of DORA, 2020, the National Department of Basic Education allocates funds to four provinces with KwaZulu-Natal receiving the lion's share of R413.630 million, followed by Northern Cape with R103.500 million, Eastern Cape with R60.320 million and Free State with R50.550 million.

The Gazette therefore update information that was published in the Division of Revenue Amendment Act, 2020.

When the Third Adjustments Budget was prepared, the Department of Education was showing spending pressures of R977.414 million. The internal reprioritization of R370 million and the further allocation of R420 million to the department meant that the department would still be left with spending pressures of R187.414 million. This additional EIG allocation is allocated to the Department of Education's infrastructure budget. However, R187.414 million is moved from the funds that were allocated to their infrastructure budget in the Third Adjustments Budget to offset pressure against *Compensation of employees*, but the balance of R232.586 million remains within the infrastructure budget.

The attached Fourth Adjustments Appropriation Bill, 2021 highlights the effects of these changes on Vote 5: Education (in grey shading) in the Schedule to the Bill.

While these allocations have been made rather late in the financial year by the national Department of Basic Education, however, they are as a result of the engagements held by the provincial department of Education and the Provincial Treasury with the National Department of Basic Education and National Treasury on the pressures faced by Education as a result of the budget cuts. The Third Adjustment Budget attempted to alleviate these pressures in Education, however, they were not addressed entirely. Therefore this allocation is welcomed.

I therefore table in this House the Fourth Adjustments Appropriation Bill, 2021 with its explanatory memorandum and the associated schedule.

Thank You.