**Memorandum from the Parliamentary Office**

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 967**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 5/05/2017**

**(INTERNAL QUESTION PAPER 15 OF 2017)**

**Mr A P van der Westhuizen (DA) to ask the Minister of Higher Education and Training:**

(1) Is the current funding model for public technical and vocational education and training (TVET) colleges providing for the additional costs incurred by rural colleges with multiple campuses; if not, why not; if so, what are the relevant details;

(2) is the current funding model for public TVET colleges implemented in full; if not, (a) what are the relevant details and (b) by what date will it be fully implemented;

(3) does his department intend to adjust the funding model for TVET colleges in the near future; if so, what (a) is the envisaged timeline for the introduction of a revised funding model and (b) are the further relevant details?

**NW1095E**

**REPLY:**

1. The current funding model does not explicitly provide for any additional costs of rural colleges. In terms of the current National Norms and Standards for Funding Technical and Vocational Education and Training (NNSF TVET) colleges, the Department of Higher Education and Training provides funding to TVET colleges based on formula funding for ministerial approved programmes, where the formula takes into account a range of service delivery issues, including the types of programmes being offered (National Certificate (Vocational) and NATED Report 191 programmes as approved in a national register), Full-Time Equivalent (FTE) students, cost of delivery including staff, capital infrastructure requirements and the ability of colleges to utilise resources efficiently.

The formula funding works as follows:

* The Department sets a national funding base rate, in rand terms, describing the cost of delivering a basic TVET college programme;
* The Department also sets a funding weight for each programme eligible for formula funding, i.e. Ministerial approved programmes, where this weight indicates how much more than the funding base rate it costs to deliver a particular programme;
* An assumed fee level, representing the cost that college fees can be expected to cover, is assigned to each programme and the individual students per programme are multiplied by the programme duration in order to obtain the full-time equivalent students;
* An applied total funding weight is calculated for each programme in each college, representing public funding to be received for each full-time equivalent student. This weight takes into account expected fees. The weight is multiplied by the full-time equivalent students to obtain the programme weight of each programme; and
* The sum of all programme weights, the college programme weight, is multiplied by the funding base rate in order to obtain a college allocation.

It must be noted that the previous TVET college allocations were calculated through the NNSF TVET within the specific provincial budget allocations as determined through the equitable share formula applied by the National Treasury. These provincial allocations formed part of the provincial equitable share and was published in the Provincial Budget Statements.

With these functions now being a national competence, it has a direct impact on the TVET college allocations as a national budget must be applied opposed to the previous provincial budgets as determined by National Treasury. Unless more voted funds are made available, the inherited allocations per college will remain.

It is our intention to consider the rural context when additional funds become available.

1. The current funding model for public TVET colleges is implemented in full.
2. The Department appointed a Ministerial Committee to review the funding model and propose the new funding framework for TVET and Community Education and Training (CET) colleges, which will be used to revise the current funding model. The final recommendation report was received in April 2017. The new funding model is envisaged to be finalised and implemented in April 2018 after going through all the due processes of public comments and concurrence by the Minister of Finance.

COMPILER/CONTACT PERSONS:

EXT:

DIRECTOR – GENERAL

STATUS:

DATE:

QUESTION 967 APPROVED/NOT APPROVED/AMENDED

Dr BE NZIMANDE, MP

MINISTER OF HIGHER EDUCATION AND TRAINING

STATUS:

DATE: