



STATISTICAL RELEASE  
P9103.1

Financial statistics of  
higher education institutions

2015

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Please note that the Government Finance Statistics Manual (GFSM) 2001 classification methodology has been revised to GFSM 2014.

With effect from the next P9103.1 statistical release for 2016 the following shall take place:

- a. Cash receipts from operating activities, cash payments for operating activities, non-financial assets and financing activities will be classified according to the GFSM 2014 with effect from the 2016 financial year.
- b. Tables A will remain the same. However, the disaggregated tables will have more detailed information in terms of the GFSM 2014.

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## Key findings

**The net change in the stock of cash from higher education institutions amounted to a cash surplus of R820 million for the 2015 financial year.**

Cash receipts from operating activities amounted to R63 106 million and cash payments for operating activities amounted to R54 119 million, resulting in a net cash inflow from operating activities of R8 987 million for the 2015 financial year ending 31 December 2015. Purchases of non-financial assets amounted to R7 193 million for the 2015 financial year. Sales of non-financial assets amounted to R244 million for the 2015 financial year, resulting in a net cash outflow from investments in non-financial assets of R6 949 million. The net acquisition of financial assets other than cash amounted to R2 339 million for the 2015 financial year. The net incurrence of liabilities amounted to R1 121 million, resulting in net cash outflow from financing activities of R1 218 million for the 2015 financial year. The net change in the stock of cash for higher education institutions amounted to a cash surplus of R820 million (see Table A, p. 4).

In contrast to national and provincial departments, which keep their accounts on a cash basis of recording, the accounts of higher education institutions are kept on an accrual basis of recording, i.e. revenues and expenses are recorded in the period to which the transactions relate, and surpluses, deficits, assets and liabilities resulting from these transactions are carried over to the next financial year. However, the figures in this statistical release have been converted from an accrual basis of recording to a cash basis of recording.

**Cash receipts from operating activities, the contribution of cash payments for operating activities and purchases of non-financial assets by economic classification**

Cash receipts from operating activities increased by R4 916 million, from R58 190 million in 2014 to R63 106 million in 2015. This increase was due to increases in other receipts (include tuition fees) and grants received from the Department of Higher Education and Training (DHET).

The largest contributor to total cash receipts from operating activities for the 2015 financial year was other receipts (R36 224 million), followed by grants (R26 882 million) (see Table A, p.4).

The increase of R3 446 million in other receipts, from R32 778 million in 2014 to R36 224 million in 2015, was mainly due to increases in sales of goods and services and tuition fees by the University of South Africa, the University of Pretoria and the University of the Witwatersrand.

The increase of R1 470 million in grants received, from R25 412 million in 2014 to R26 882 million in 2015, was mainly due to an increase in transfer payments from the Department of Higher Education and Training to the University of the Witwatersrand, Sol Plaatje University and the inclusion of Sefako Makgatho Health Sciences University for the first time.

Cash payments for operating activities increased by R4 455 million, from R49 664 million in 2014 to R54 119 million in 2015.

The largest contributor to total cash payments for operating activities for the 2015 financial year was compensation of employees (R31 394 million), followed by purchases of goods and services (R19 228 million), other payments (R3 143 million) and interest (R355 million).

Regarding compensation of employees, the increase of R3 843 million from R27 551 million in 2014 to R31 394 million in 2015 was mainly due to an increase in remuneration paid to employees by the University of South Africa, the North-West University and the inclusion of Sefako Makgatho Health Sciences University for the first time.

The increase of R433 million in purchases of goods and services, from R18 795 million in 2014 to R19 228 million in 2015, was mainly due to an increase in purchases of goods and services by the University of KwaZulu-Natal, the University of Pretoria and the inclusion of Sefako Makgatho Health Sciences University for the first time.

The increase of R170 million in other payments, from R2 973 million in 2014 to R3 143 million in 2015, was mainly due to increases in transfers to households (bursaries) by the University of South Africa, the University of Cape Town and the University of the Witwatersrand.

The increase of R10 million in interest paid, from R345 million in 2014 to R355 million in 2015, was mainly due to an increase in long-term loans finance cost paid by the University of Fort Hare, the University of the Western Cape and the University of the Witwatersrand.

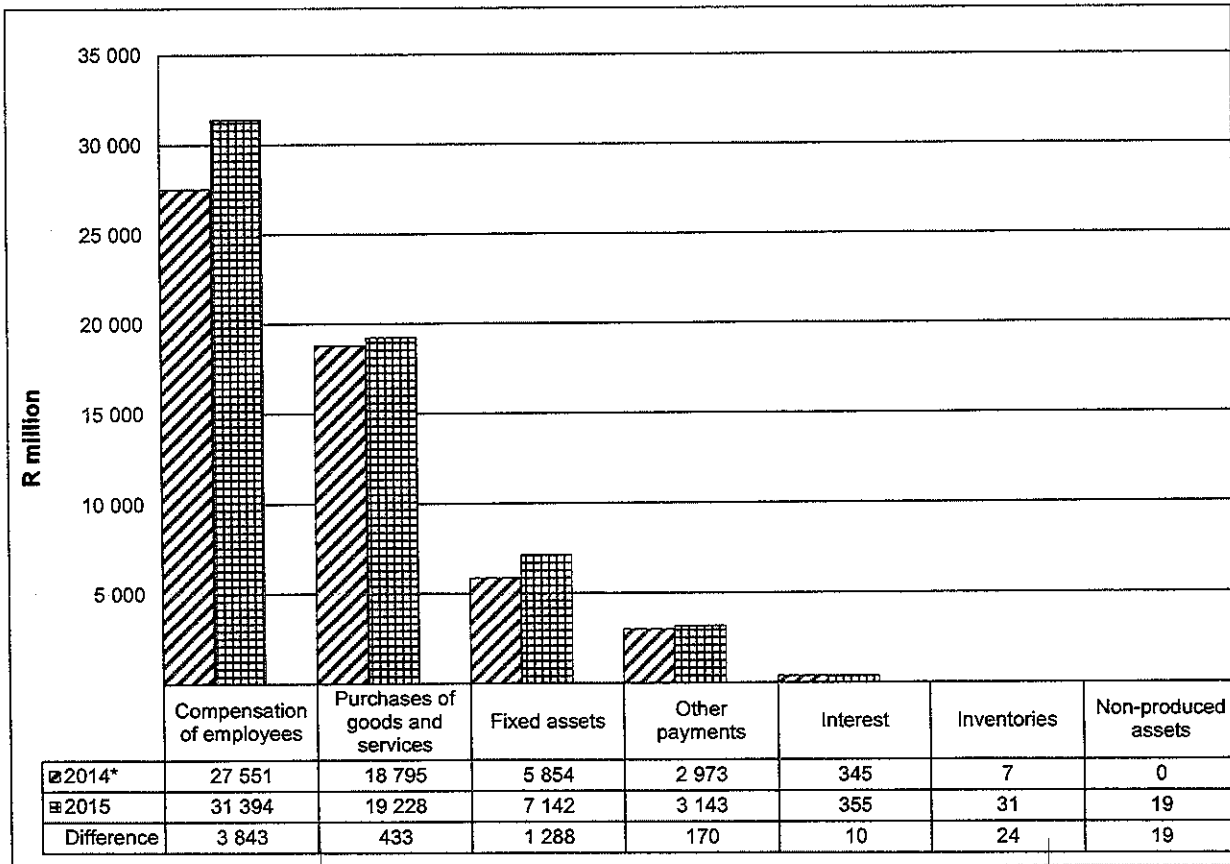
**Table A – Economic classification of statement of sources and uses of cash of higher education institutions for the 2014 and 2015 financial years (summary)<sup>1</sup>**

| GFS<br>2001<br>codes | Economic classification of sources and uses of cash                              | 2014*          | 2015   | Change<br>between<br>2014 and<br>2015 |           |
|----------------------|--|----------------|--------|---------------------------------------|-----------|
|                      |  |                |        |                                       | R million |
|                      | <b>Cash flows from operating activities:</b>                                     |                |        |                                       |           |
|                      | Cash receipts from operating activities  | a              | 58 190 | 63 106                                | 4 916     |
| 11                   | Taxes  |                | 0      | 0                                     | 0         |
| 12                   | Social contributions   |                | 0      | 0                                     | 0         |
| 13                   | Grants   |                | 25 412 | 26 882                                | 1 470     |
| 14                   | Other receipts <sup>2</sup>  |                | 32 778 | 36 224                                | 3 446     |
|                      | Cash payments for operating activities   | b              | 49 664 | 54 119                                | 4 455     |
| 21                   | Compensation of employees  |                | 27 551 | 31 394                                | 3 843     |
| 22                   | Purchases of goods and services <sup>3</sup>                                     |                | 18 795 | 19 228                                | 433       |
| 24                   | Interest   |                | 345    | 355                                   | 10        |
| 25                   | Subsidies  |                | 0      | 0                                     | 0         |
| 26                   | Grants   |                | 0      | 0                                     | 0         |
| 27                   | Social benefits  |                | 0      | 0                                     | 0         |
| 28                   | Other payments   |                | 2 973  | 3 143                                 | 170       |
|                      | <i>Net cash flow from operating activities: (outflow)/ inflow</i>                | <b>(a-b)=c</b> | 8 526  | 8 987                                 | 461       |
|                      | <b>Cash flows from investments in non-financial assets:</b>                      |                |        |                                       |           |
|                      | Purchases of non-financial assets <sup>4</sup>                                   | d              | 5 861  | 7 193                                 | 1 332     |
| 611                  | Fixed assets   |                | 5 854  | 7 142                                 | 1 288     |
| 612                  | Inventories  |                | 7      | 31                                    | 24        |
| 613                  | Valuables  |                | 0      | 0                                     | 0         |
| 614                  | Non-produced assets  |                | 0      | 19                                    | 19        |
|                      | Sales of non-financial assets  | e              | 72     | 244                                   | 172       |
| 311                  | Fixed assets   |                | 72     | 243                                   | 171       |
| 312                  | Inventories  |                | 0      | 0                                     | 0         |
| 313                  | Valuables  |                | 0      | 0                                     | 0         |
| 314                  | Non-produced assets  |                | 0      | 1                                     | 1         |
|                      | <i>Net cash flow from investments in non-financial assets: (outflow)/ inflow</i> | <b>(e-d)=f</b> | -5 789 | -6 949                                |           |
|                      | <b>CASH SURPLUS/ (DEFICIT)</b>   | <b>(c+f)=g</b> | 2 737  | 2 038                                 |           |
|                      | <b>Cash flows from financing activities:</b>                                     |                |        |                                       |           |
|                      | Net acquisition of financial assets other than cash: cash outflow/ (inflow)      | h              | 2 013  | 2 339                                 |           |
| 321                  | Domestic   |                | 2 108  | 1 763                                 |           |
| 322                  | Foreign  |                | -95    | 576                                   |           |
|                      | Net incurrence of liabilities: cash (outflow)/ inflow                            | i              | 302    | 1 121                                 |           |
| 331                  | Domestic   |                | 302    | 1 121                                 |           |
| 332                  | Foreign  |                | 0      | 0                                     |           |
|                      | <i>Net cash flow from financing activities: (outflow)/ inflow</i>                | <b>(i-h)=j</b> | -1 711 | -1 218                                |           |
| 99999                | <b>NET CHANGE IN THE STOCK OF CASH</b>   | <b>(g+j)=k</b> | 1 026  | 820                                   |           |

\* Revised

<sup>1</sup> The sum of the data may not necessarily add up to totals due to rounding-off of figures.<sup>2</sup> Other receipts include tuition fees for 2014 (R19 837 million) and 2015 (R21 529 million).<sup>3</sup> Included in the purchases of goods and services are the amounts for research undertaken by higher education institutions which were to the value of R3 922 million in 2015.<sup>4</sup> See Table B and Figure 2 for the split of purchases of non-financial assets

**Figure 1 – Economic classification of cash payments for operating activities and purchases of non-financial assets for the 2014 and 2015 financial years**



\* Revised.

Figure 1 shows the economic classification of cash payments for operating activities and purchases of non-financial assets for the 2014 and 2015 financial years. The largest contributors were compensation of employees (R31 394 million) and purchases of goods and services (R19 228 million).

**Table B – Economic classification of cash payments for purchases of non-financial assets of higher education institutions for the 2014 and 2015 financial years <sup>1</sup>**

| GFS<br>2001<br>codes | Cash payments for purchases of non-financial assets |                    | 2014*        | 2015         | Change<br>between<br>2014 and<br>2015 |
|----------------------|---|--------------------|--------------|--------------|---------------------------------------|
|                      |   |                    | R million    |              |                                       |
|                      | <b>Purchases of non-financial assets:</b>           | <b>(m+q+r+s)=l</b> | <b>5 861</b> | <b>7 193</b> | <b>1 332</b>                          |
| <b>611</b>           | <b>Fixed assets:</b>                                | <b>(n+o+p)=m</b>   | <b>5 854</b> | <b>7 142</b> | <b>1 288</b>                          |
| <b>6111</b>          | <b>Buildings and structures:</b>                    | <b>n</b>           | <b>3 634</b> | <b>4 620</b> | <b>986</b>                            |
| 61111                | Dwellings   |                    | 115          | 98           | -17                                   |
| 61112                | Non-residential buildings                           |                    | 3 519        | 4 522        | 1 003                                 |
| 61113                | Other structures                                    |                    | 0            | 0            | 0                                     |
| <b>6112</b>          | <b>Machinery and equipment:</b>                     | <b>o</b>           | <b>2 137</b> | <b>2 471</b> | <b>334</b>                            |
| 61121                | Transport equipment                                 |                    | 75           | 75           | 0                                     |
| 61122                | Computer equipment                                  |                    | 471          | 523          | 52                                    |
| 61124                | Furniture   |                    | 902          | 888          | -14                                   |
| 61125                | Other machinery and equipment                       |                    | 464          | 723          | 259                                   |
| 61126                | Books   |                    | 225          | 263          | 38                                    |
| <b>6113</b>          | <b>Other fixed assets:</b>                          | <b>p</b>           | <b>84</b>    | <b>52</b>    | <b>-32</b>                            |
| <b>61132</b>         | Intangible assets                                   |                    | 84           | 52           | -32                                   |
| <b>612</b>           | <b>Inventories</b>                                  | <b>q</b>           | <b>7</b>     | <b>31</b>    | <b>24</b>                             |
| <b>613</b>           | <b>Valuables</b>                                    | <b>r</b>           | <b>0</b>     | <b>0</b>     | <b>0</b>                              |
| <b>614</b>           | <b>Non-produced assets</b>                          | <b>s</b>           | <b>0</b>     | <b>19</b>    | <b>19</b>                             |

\* Revised.

<sup>1</sup> The sum of the data may not necessarily add up to totals due to rounding-off of figures.

The largest contributor to purchases of non-financial assets was buildings and structures (R4 620 million), followed by machinery and equipment (R2 471 million), other fixed assets (R52 million), inventories (R31 million) and non-produced assets (R19 million) for the 2015 financial year.

Purchases of non-financial assets increased by R1 332 million, from R5 861 million in 2014 to R7 193 million in 2015, mainly due to capital expenditure on non-residential buildings by Sol Plaatje University and costs incurred by the University of the Witwatersrand on behalf of the Department of Higher Education and Training for the construction of the University of Mpumalanga and Sol Plaatje University. The other main contributor to the increase was capital expenditure on other machinery and equipment by Stellenbosch University.

**Figure 2 - Economic classification of cash payments for purchases of non-financial assets for the 2015 financial year**

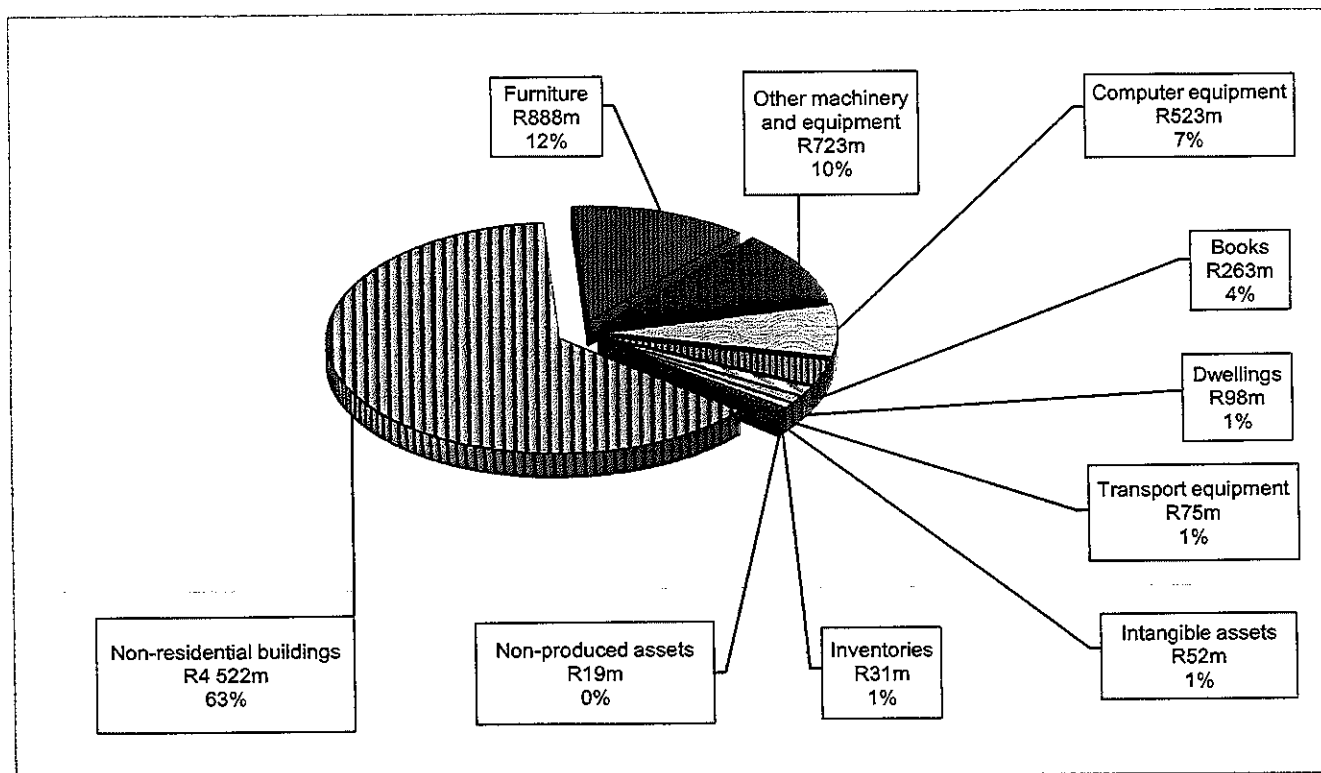


Figure 2 above depicts the economic classification of payments for purchases of non-financial assets for the 2015 financial year. The largest contributor was non-residential buildings (R4 522 million or 63%), followed by furniture (R888 million or 12%) and other machinery and equipment (R723 million or 10%).

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**Annexure A: Information on disaggregated tables available on the Stats SA website:  
<http://www.statssa.gov.za/?s=P9103.1&sitem=publications>**

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## Explanatory notes

### Introduction

This statistical release provides economic and functional classifications of financial transactions of higher education institutions for the 2015 financial year. Higher education institutions consist of 20 universities and 6 universities of technology for the 2015 financial year (see explanatory note, pp. 9 to 10, for the list of higher education institutions used in this publication).

Higher education institutions refers to any institution that provides higher education on a full-time, part-time or distance basis and which is (a) merged, established or deemed to be established as a public higher education institution under the Higher Education Act, 1997 (Act No. 101 of 1997); (b) declared as a public higher education institution under this Act; or (c) registered or [conditionally] provisionally registered as a private higher education institution.

### Methodology

Government finance statistics are used to (i) analyse and evaluate the outcomes of fiscal policy decisions, (ii) determine the impact on the economy, and (iii) compare national and international outcomes. The GFS reporting framework was developed specifically for public-sector input to other macroeconomic datasets.

The publication does not include other economic flows (e.g. revaluations). Separating all these "other economic flows" is viewed as not useful for fiscal analysis, on the basis that revaluations and changes in volume do not represent fiscal policy decisions directly within the control of government.

Statistics South Africa (Stats SA) receives financial statements of higher education institutions annually from the Department of Higher Education and Training. However, the figures in this statistical release have been converted from an accrual basis of recording to a cash basis of recording. Financial statements were received for all 26 higher education institutions. The information is processed from audited financial statements of the higher education institutions.

### Purpose of this statistical release

This statistical release provides financial statistics of cash transactions of higher education institutions. Cash payments converted from an accrual basis to a cash basis of recording for operating activities and purchases of non-financial assets for the 2015 financial year were classified economically and functionally.

The cash payment transactions of the following higher education institutions were classified economically and functionally.

### Scope of the financial statistics of higher education institutions

#### Universities

- 1) Cape Town
- 2) Fort Hare
- 3) Free State
- 4) Johannesburg
- 5) KwaZulu-Natal
- 6) Limpopo
- 7) Mpumalanga
- 8) Nelson Mandela Metropolitan
- 9) North-West
- 10) Pretoria
- 11) Rhodes
- 12) Sefako Makgatho Health Sciences

- 13) Sol Plaatje
- 14) South Africa (Unisa)
- 15) Stellenbosch
- 16) Venda
- 17) Walter Sisulu
- 18) Western Cape
- 19) Witwatersrand
- 20) Zululand

#### **Universities of Technology**

- 21) Cape Peninsula
- 22) Central
- 23) Durban
- 24) Mangosuthu
- 25) Tshwane
- 26) Vaal

#### **Classification**

##### **Economic classification**

Cash payments for operating activities and purchases of non-financial assets in this statistical release are classified economically according to the standard classification of the 2001 GFS manual of the International Monetary Fund (IMF).

##### **Economic classification**

Economic classification is in general a measure of the nature and economic effect of government operations on the economy of the country.

**Cash receipts and cash payments for operating activities and purchases of non-financial assets, sale of non-financial assets, net acquisition of financial assets other than cash and net incurrence of liabilities were classified economically as follows:**

- **Cash receipts from operating activities**
  - Taxes
  - Social contributions
  - Grants
  - Other receipts
- **Cash payments for operating activities**
  - Compensation of employees
  - Purchases of goods and services (excluding capitalised goods and services)
  - Interest
  - Subsidies
  - Grants
  - Social benefits
  - Other payments
- **Purchases of non-financial assets (including capitalised goods and services)**
  - Fixed assets
  - Inventories
  - Valuables
  - Non-produced assets

|   |  |
|---|--|
| <b>Liability</b>  | A present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.   |
| <b>Machinery and equipment</b>                            | Machinery and equipment include motor vehicles, ships, aircraft, equipment and furniture. Military expenditure on machinery and equipment which could be used for civilian purposes is included.   |
| <b>Miscellaneous and unidentified revenue</b>             | Miscellaneous and unidentified revenue are all revenues that do not fit into any other category or any revenues for which adequate information is not available to permit their classification elsewhere.  |
| <b>Non-financial public corporations</b>                  | Government owned and/or controlled units, which sell industrial or commercial goods and services to the public on a large scale.   |
| <b>Non-produced assets</b>                                | Non-produced assets consist of tangible assets, natural occurring assets over which ownership is enforced. Natural occurring assets include land, subsoil assets and other naturally occurring assets.   |
| <b>Non-profit institutions serving households (NPISH)</b> | Non-profit institutions which are mainly engaged in non-market production and serve households.  |
| <b>Non-residential buildings</b>                          | All buildings other than dwellings. Examples of types of buildings included in this category are office buildings, schools, hospitals, buildings for public entertainment, warehouse and industrial buildings, commercial buildings, hotels and restaurants.   |
| <b>Other economic flows</b>                               | Changes in the volume or value of assets or liabilities that do not result from transactions.  |
| <b>Other fixed assets</b>                                 | Consist of cultivated assets and intangible fixed assets.  |
| <b>Other structures</b>                                   | All structures other than buildings. Included are the following: highways, streets, roads, bridges, elevated highways, tunnels, railways, subways, airfield runways, sewers, waterways, harbours, dams, other waterworks, shafts, tunnels, other structures associated with mining subsoil assets, communication lines, power lines, pipelines, outdoor sport and recreation facilities. |
| <b>Social benefits</b>                                    | Social benefits are transfers in cash or in kind to protect the entire population or specific segment of it against certain social risks.  |
| <b>Social contributions</b>                               | Social contributions are actual receipts from either employers on behalf of their employees or from employees, self-employed, or non-employed persons on their own behalf that secure entitlement to social benefits for their contributors, their dependents or their survivors.  |
| <b>Subsidies</b>  | Subsidies are current unrequited payments that government units pay to enterprises on the basis of levels of their production activities or the quantities or values of the goods and services that they produce, sell, export or import. Subsidies may be designed to influence levels of production, prices at which outputs are sold, or the remuneration of the enterprises.         |

|                                   |  |
|-----------------------------------|--|
| <b>Tax revenue</b>                | Tax revenue forms the dominant share of revenue for many government units and is composed of compulsory transfers to the general government sector.  |
| <b>Transport equipment</b>        | Transport equipment consists of equipment for moving people and objects, including motor vehicles, trailers and semitrailers, ships, railway locomotives and rolling stock, aircraft, motorcycles, and bicycles. |
| <b>Universities</b>               | Universities mean any university established, deemed to be established or declared as a university under the Higher Education Act, 1997 (Act No. 101 of 1997).   |
| <b>Universities of technology</b> | Means any university of technology established, deemed to be established or declared as a university of technology under the Higher Education Act, 1997 (Act No. 101 of 1997).                                   |
| <b>Valuables</b>                  | Valuables are produced goods of considerable value acquired and held primarily as a store of value and not used primarily for purposes of production or consumption.   |
| <b>Value added tax</b>            | A tax on goods or services collected in stages by enterprises but which is ultimately charged in full to the final purchasers.   |

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