**Memorandum from the Parliamentary Office**

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 1626**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 09/06/2017**

**(INTERNAL QUESTION PAPER 21 OF 2017)**

**Ms H Bucwa (DA) to ask the Minister of Higher Education and Training:**

Whether the planned increase in direct subsidies to universities over the 2017-18 to 2019-20 medium term is commensurate with the rate of higher education inflation that was proposed by Universities South Africa and accepted by his department; if not, why not; if so, what are the relevant details?

**NW1832E**

**REPLY:**

The planned increase in direct subsidies to universities over the 2017/18 to 2019/20 medium term is not commensurate with the rate of higher education inflation that was proposed by Universities South Africa. Even though the Department acknowledges that the Higher Education Price Index (HEPI) is greater than the Consumer Price Index (CPI), it can only allocate as much funding to universities as approved in the Medium Term Expenditure Framework (MTEF) budget.

The total university budget allocations from the Department as approved through the MTEF process increases by 5.8% from 2017/18 to 2018/19, of which the National Student Financial Aid Scheme (NSFAS) funding increases by 4.8%, the block grant for the daily operational costs of universities increases by 6.3%, and earmarked funds to steer the university sector in areas such as infrastructure and clinical training and development of new universities, increases by 5.6%.

From 2018/19 to 2019/20, National Treasury’s allocation in the category for university subsidies (excluding NSFAS) increases by 5.6%. This category includes both the block grant and all types of earmarked grants, but excludes the NSFAS transfer.

COMPILER/CONTACT PERSONS:

EXT:

DIRECTOR – GENERAL

STATUS:

DATE:

QUESTION 1626 APPROVED/NOT APPROVED/AMENDED

Dr BE NZIMANDE, MP

MINISTER OF HIGHER EDUCATION AND TRAINING

STATUS:

DATE: