**Memorandum from the Parliamentary Office**

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 3983**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 16/11/2015**

**(INTERNAL QUESTION PAPER 49 OF 2015)**

**Prof B Bozzoli (DA) to ask the Minister of Higher Education and Training:**

1. Is he aware of any universities which are at risk of being unable to pay their debts between now and the end of the 2016-17 financial year; if not, what is the position in this regard; if so, in respect of each specified university, (a) why is this the case, (b) what is the projected budget deficit in the (i) 2015-16 and (ii) 2016-17 financial years and (c) what steps will he take to prevent any possible liquidations from happening;
2. has (a) he or (b) his predecessors ever provided bailouts to universities; if so, (i) when, (ii) to which institutions and (iii) what amounts were paid in each case;
3. does he expect that it will be necessary to provide bailouts to any universities in the (a) 2015-16 and (b) 2016-17 financial years; if so, (i) why, (ii) to which institutions, (iii) when and (iv) what amount will each bailout be?

**NW4851E**

**REPLY:**

1. Yes.
2. In November 2015, the University of Fort Hare (UFH) informed the Department that it has continued to experience financial strain and requested approval to utilise R35 million of its earmarked infrastructure grant to enable short-term relief. Approval was granted and the University must reimburse this amount from its subsidy in April 2016. This will not negatively impact on the progress of projects.
3. Operating deficits are projected for UFH in the 2015/16 and 2016/17 financial years.
4. The University was requested to provide a turnaround strategy to manage the cash flow constraints and bring it onto a sound financial footing.
5. The Department does not provide bailouts to universities. The Annual Ministerial Statement on University Funding deals with the funding instruments to steer the university sector, and is issued in accordance with the requirements of the Higher Education Act, 1997 (Act 101 of 1997 as amended) and the funding framework for universities (Government Gazette, No 25824 of 9 December 2003). All universities are funded as explained in this statement.
6. No. As indicated, the allocation of the total funding available to universities is articulated in the approved Annual Ministerial Statement on University Funding. The 2014 statement for the 2015/16 and 2016/17 financial years is available on the Departmental website.

Compiler/contact persons:

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DIRECTOR – GENERAL

STATUS:

DATE:

REPLY TO QUESTION 3983 APPROVED/NOT APPROVED/AMENDED

Dr BE NZIMANDE, MP

MINISTER OF HIGHER EDUCATION AND TRAINING

STATUS:

DATE: