**Memorandum from the Parliamentary Office**

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 715**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 17/03/2017**

**(INTERNAL QUESTION PAPER 10 OF 2017)**

**Mr M Bagraim (DA) to ask the Minister of Higher Education and Training:**

(1) Whether, with regard to his reply to question 165 on 7 March 2017, any funds were paid out to universities for damages due to protests during the 2016 academic year; if not, why not; if so, what amount was paid out to each of the applicable universities;

(2) how did his department determine what amount should be contributed by the Government to each university to fund the 2016 zero percent fee increase;

(3) did the allocations to each university for the 2016 zero percent fee increase cover the full cost of not having an increase for that year; if not, how much was the shortfall for each university?

**NW774E**

**REPLY:**

1. With reference to Question 165 on 7 March 2017 and as indicated in the reply, the only amount of funding that was budgeted for public universities to cover the costs of (a) damage caused by protesting students in the (i) 2015 and (ii) 2016 academic years was an amount of R40.496 million in 2015/16 towards damages at five historically disadvantaged universities, i.e. the Universities of Fort Hare (R8 million), Zululand (R4.5 million), Western Cape (R25.858 million), Walter Sisulu (R351 287) and Limpopo (R1.786 million). Some universities have claimed or are in the process of claiming from their insurance or have used their own funds to cover the cost of damages at their institutions.
2. The agreement reached on a “no fee increase” (0%) in October 2015 between government (represented by the President, Minister of Higher Education and Training and other Cabinet Ministers), universities (represented by the Chairs of University Councils and Vice-Chancellors) and student leaders included, that the funding required to enable the decision would be shared between institutions that could afford to contribute and government. The principle of cost sharing was initially based on an agreement that there would be a 70/30 share for government and universities respectively. Each university was requested to submit the financial implications for a zero percent fee increase in 2016 to Universities South Africa (USAf), who compiled a summary of the financial implications per institution and for the sector as a whole, and submitted it to the Department of Higher Education and Training. Further discussions were held with individual Vice-Chancellors and finance executives, taking into consideration the financial positions and constraints of individual universities across the system as indicated in their audited 2014 annual financial statements, to come to a final agreement on the contribution of government and each institution towards the shortfall in the universities’ budgets created by the decision.

The final amounts agreed upon varied from a 30% university contribution to a 0% contribution. Government contributed a total of 83% of the funds required through reprioritising funds, mostly from the Post-School Education and Training (PSET) system as well as from the fiscus. Government’s contribution of R1.935 billion consisted of funding taken from the Historically Disadvantaged Institutions Development earmarked grant (R362 million), Post Graduate Scholarships (R800 million), Technical and Vocational Education and Training college expansion (R473.38 million) and reprioritised from the fiscus by National Treasury (R300 million).

1. As indicated in (2), the agreement was that the financial implication would be shared between government and universities. Government (83%) and universities (17% on average) shared the financial implication of R2.330 billion required to implement the zero percent fee increase. The details per university are set out in the table below:



COMPILER/CONTACT PERSONS:

EXT:

DIRECTOR – GENERAL

STATUS:

DATE:

QUESTION 715 APPROVED/NOT APPROVED/AMENDED

Dr BE NZIMANDE, MP

MINISTER OF HIGHER EDUCATION AND TRAINING

STATUS:

DATE: