

NATIONAL ASSEMBLY
QUESTION FOR ORAL REPLY
QUESTION NUMBER: 68 [NO636E]
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★68. Prof B Bozzoli (DA) to ask the Minister of Finance:

Whether, given the high failure rate of students studying at universities, the Government intends to take any steps to address the unsustainable quadrupling of the country's student funding annual budget to R172 billion in 2022, which the World Bank predicts to pose a major economic risk; if not, what is the position in this regard; if so, what are the relevant details?

NO636E

REPLY:

Based on current information, the new university bursary scheme for the 2018 academic year students was adequately budgeted for based on the costing model of the Inter-Ministerial Committee on Higher Education. Reconciliation of the budget, actual expenditure and student uptake will take place after the end of the 2018/19 financial year on 31 March. Should any shortfalls arise, that will be addressed within the current fiscal framework.

Government's estimates of the costs of the system are much lower than World Bank estimates. This is because government assumes much lower growth in enrolments than the World Bank, reflecting the enrolment plans at each university.

There remains a risks that the system will require additional funding, but the World Bank figures should be seen in context. The R172 billion in 2022 (financial year 2022/23) in the World Bank report refers to the total cost of the entire Post School Education and Training System i.e. all payments to Universities, TVET colleges, Community Colleges, NSFAS and the administration of the department of Higher Education and Training (DHET) as can be seen in the World Bank report.