

**NATIONAL ASSEMBLY  
QUESTION FOR WRITTEN REPLY  
QUESTION NUMBER: 933 [NW1013E]  
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**933. Mr D J Maynier (DA) to ask the Minister of Finance:**

With regard to the funds allocated for the purpose of fee-free higher education and training for students from households with income less than R350 000, (a) is the additional R57 billion allocated funding sufficient, (b) what are the assumptions used for costing free-fee higher education and (c) what is the breakdown of (i) what was used as the intake rate/enrolment rate, (ii) the time assumed for completing a qualification, (iii) cost per student and (iv) of the cost per student per (aa) university student and (bb) technical and vocational education and training college students for each financial year during the period 2018-19 up to 2020-21?

NW1013E

**REPLY:**

- (a) The additional R57 billion allocated to the post-school education and training sector in the 2018 Budget was not only for the phasing of fee-free higher education and training for students from households with an income of less than R350 000; the additional allocation also covers increasing subsidies to universities and Technical and Vocational Education and Training (TVET) colleges. This funding requirement was calculated based on certain assumptions about, amongst others, the rising full cost of study over the years and the number of students from households with an income of less than R350 000 that enrol in public universities and TVET colleges.

The National Treasury will use the actual data collected by Department of Higher Education and Training in the 2018 academic year on university, TVET college, and National Student Financial Aid Scheme applications, to verify the assumptions used. This actual data is expected later in the year. The question of whether the additional funding allocated is sufficient can therefore only be accurately addressed once this actual data has been collated and analysed.

- (b) Assumptions used for costing the phasing-in of fee-free higher education and training over the next five years are the following:
- The estimated number of university first-time entrants in the 2018 academic year is 208 308. The number of TVET college full-time equivalent students is estimated at 338 437 in the 2018 academic year.
  - 40 per cent of the undergraduate university population and all (100 per cent) the full-time equivalent students at TVET colleges fall within the R350 000 household income threshold.

- The average full cost of study at public universities is estimated at R76 000 for the 2018 academic year. The average full cost of study at public TVET colleges for the 2018 academic year is estimated at R69 000 for the National Certificate Vocational (NVC) qualification, and R66 000 for the Report 191/NATED qualification.

(c) (i) The total intake of university first-time entrants in the 2018 academic year is estimated at 208 308 students, of which the 40 per cent qualifying in their first year of study in 2018 is 83 323. The assumed annual enrolment rate for first-time entrants at universities is 3.5 per cent over the 2018 medium term expenditure framework period (2018/19 – 2020/21).

At TVET colleges, the estimated intake of qualifying full-time equivalent (FTE) students in the 2018 academic year is 338 437. The assumed annual enrolment rate for FTE students at TVET colleges is 1.9 per cent over the 2018 medium term expenditure framework period (2018/19 – 2020/21).

(ii) The new students that will benefit from this new bursary scheme as from the 2018 academic year will be funded for n+1 years to complete their undergraduate qualification; meaning that a single additional year to the regulation period of a qualification will be funded. Important to note however, is that the returning National Student Financial Aid Scheme (NSFAS) students in 2018 will still be funded for n+2 years, in line with their agreements for NSFAS loans and bursaries signed in previous years under the general NSFAS rules.

(iii) An average cost per student was used, pending actual data to be collected from the 2018 student cohort later in the year. The average full cost of study at public universities is estimated at R76 000 for the 2018 academic year. The average full cost of study at public TVET colleges for the 2018 academic year is estimated at R69 000 for the National Certificate Vocational (NVC) qualification, and R66 000 for the Report 191/NATED qualification.

(iv) (aa) and (bb)

The actual breakdown of the cost per student for the 2018 academic year is not yet available. Determination of the actual full cost of study per student contains a number of factors. The actual costs of tuition vary according to specific fields of study and programmes that students register for (e.g. engineering, art, medicine, history); and vary according to the specific institution attended. Actual costs for the qualifying students that will stay in private accredited accommodation versus those that receive a travel allowance will differ significantly. The prescribed learning materials also vary in line with the actual courses taken. For example, a student that enrolls for a fine art qualification may require paint/brushes/canvasses, while a graphics design student may require a laptop with a specific software package. Work is underway by the Department of Higher Education and Training, universities, TVET colleges, and National Student Financial Aid Scheme, to collect and verify these actual costs.