

Budget 2011: A HESA response

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Higher Education South Africa (HESA) welcomes many of the aspects of the 2011/12 budget announcement, especially their far-reaching implications for the post-school education system including university education in the medium term.

While the increase in state subsidy to the universities – from R17,5 billion last year to R19,4 for 2011/2012 – is in line with expectations, there are other elements within the budget that are noteworthy.

At the outset though, a cautionary note needs to be sounded. In both the State of the Nation address and the Budget speech the focus has firmly, and correctly, been fixed on job creation. As Minister Gordhan pointed out “we cannot view the fact that 42 per cent of young people between the ages of 18 and 29 are unemployed as merely a statistic. Young men and women ... may not have jobs, but have skills in life. They possess the awareness and the ability to learn...”.

Indeed the youth of our country have the desire and the ability to learn. The problem is that they are not currently in learning channels, argues Prof Ihron Rensburg, the Chair of HESA. “Obviously the government isn’t talking about job creation simply at the unskilled level. Anything that requires greater knowledge and skill levels will require some form of post-school education. However, in the case of our universities, we have seen the very high student demand for the limited places available. Given our country’s dire need for highly- to very highly skilled people, we must urgently increase the available places in the post-school college and training sectors.

“So job creation inevitably comes back to post-school education opportunities, whether that be in the form of universities, colleges or SETAs,” says Rensburg. “The almost R4 billion allocated to the National Student Financial Aid will certainly increase access for deserving students. This will allow many more students to enter various forms of higher education.

There are however, important positive developments for the university sector such as the R1,6 billion set aside for infrastructure development, the increase in funding for teacher education, and the R300 million, over the next three years, for the establishment of higher education institutes. All these are crucial and long overdue, and must be enhanced in the years ahead.

From the perspective of HESA's own work, the R21 million set aside over the next three years for the Higher Education HIV (HEAIDS) Programme and the decision to review VAT treatment for institutions conducting research and student accommodation are also welcomed.

Perhaps the most encouraging outcomes for universities are commitments stated for the medium term – a review of the funding framework policy, the establishment of a national university applications service, the implementing of the recommendations emanating from the review of the National Student Financial Aid Scheme and the provision of institutional support for student leadership, councils and institutional forums.

“The most promising aspect of the budget, for higher education at least, is the acute awareness shown by Minister Gordhan that this sector is multi-faceted and complex,” says Rensburg. “As such, there is clear evidence of a sophisticated tweaking of different budget lines in order to allow this crucial sector to prosper – if not immediately – then in the coming few years. For that, all the partners that make up higher education should be grateful”.

About Higher Education South Africa

Higher Education South Africa (HESA) is the leadership body that represents the 23 public universities. Led by the Vice-Chancellors of our universities, HESA acts to support and advance the higher education sector in South Africa.

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