



INVESTMENT TRENDS IN POST-SCHOOL EDUCATION & TRAINING IN SOUTH AFRICA: KEY FINDINGS

BACKGROUND

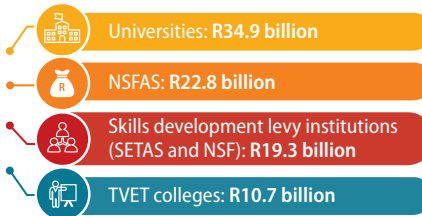
- This infographic draws on data contained in the report titled *Investment Trends in Post-School Education and Training (PSET) in South Africa* (DHET, 2018), which provides information and insights into financial flows in the PSET system.

The full report can be found at: www.dhet.gov.za

The PSET system is comprised of higher education, TVET, community colleges and the skills levy system, including SETAs. Tertiary education includes only that part that builds on secondary education and that aims at a high level of complexity and specialization (ISCED levels 5 to 8).

A TOTAL AMOUNT OF **R93.7 BILLION** WAS ALLOCATED TO PSET

THE FOLLOWING AMOUNTS WERE ALLOCATED TO PARTS OF THE PSET SYSTEM

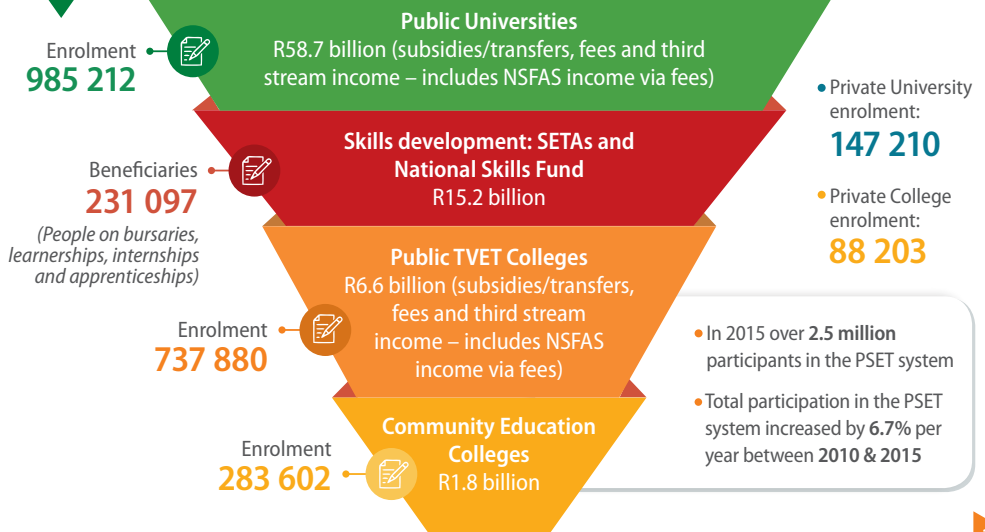


Source: National Treasury, Budget 2018

GROWTH IN GOVERNMENT EXPENDITURE ON PSET

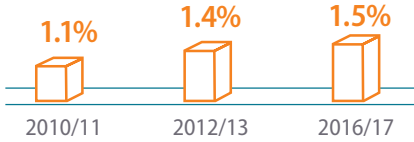


ENROLMENT IN AND FINANCING OF PSET, 2015

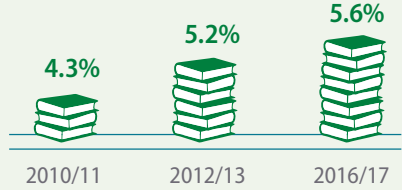


GOVERNMENT EXPENDITURE ON PSET

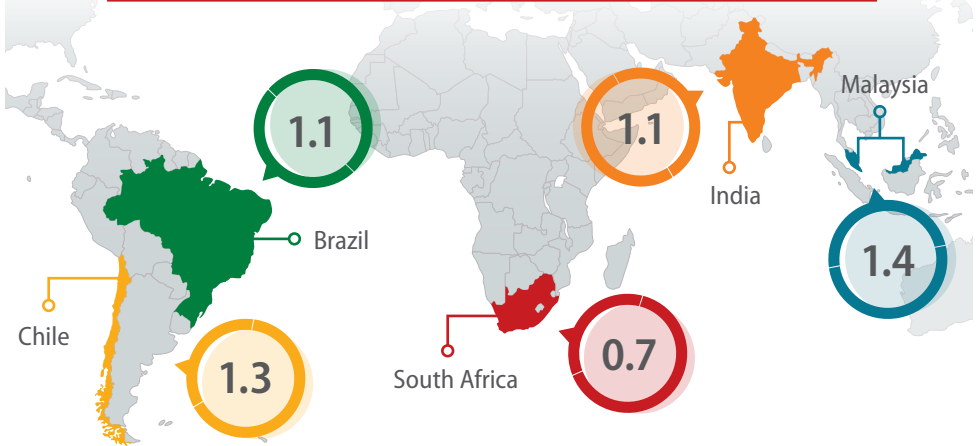
GOVERNMENT EXPENDITURE ON PSET AS % OF GDP



GOVERNMENT EXPENDITURE ON PSET AS % OF NON-INTEREST GOVERNMENT EXPENDITURE



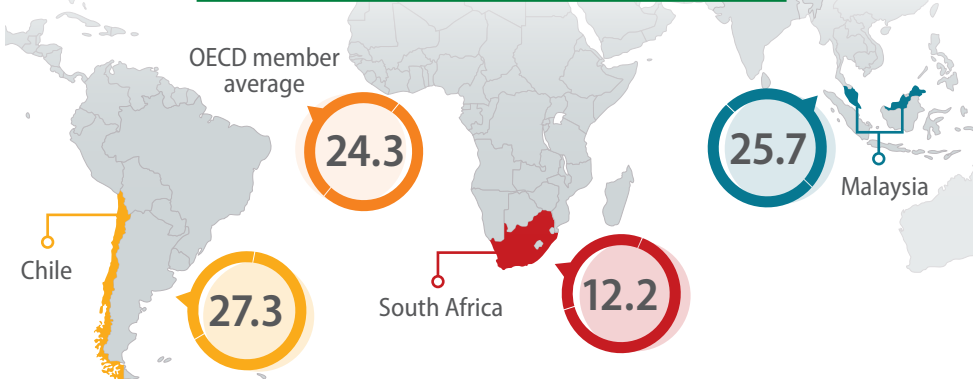
GOVERNMENT EXPENDITURE ON TERTIARY EDUCATION AS % OF GDP



(Source: UNESCO, 2017).
Estimates for most recent available year between 2013 and 2015 are used.

○ Brazil ○ Chile ○ India ○ Malaysia ○ South Africa

GOVERNMENT EXPENDITURE ON TERTIARY EDUCATION AS % OF GOVERNMENT EXPENDITURE ON ALL EDUCATION



(Source: World Development Indicators, World Bank, 2017)
Estimates for the most recent available year between 2014 and 2016 are used.

○ Chile ○ Malaysia ○ South Africa ○ OECD

FINANCING OF UNIVERSITIES, TVET AND COMMUNITY COLLEGES



UNIVERSITIES

Real spending barely kept pace with rapid growth of full time equivalent students between

2006 & 2011

and only grew moderately faster than student numbers since



TVET

There has been rapid growth in TVET expenditure between

2006/07 & 2013/14



but the rate of growth slowed substantially after 2013/2014

COMMUNITY COLLEGES

DHET allocated

R2 BILLION

to the newly established community education and training colleges

GROWTH IN NSFAS

Total NSFAS expenditure on public universities and TVET colleges experienced real growth of

17.1% per year from 2007/8 to 2016/17

FINANCING OF SETAs



SETAs

Total disbursement of the Skills Development Levy was

R15.2 BILLION

in 2015/16

Surpluses in previous years were ascribed to mandatory grants not having been claimed by employers, intended grant beneficiaries not having met the eligibility criteria for funding, and a weak implementation culture in SETAs

NSFAS EXPENDITURE IN 2016/2017

AMOUNTS OF

R10.3 BILLION & R2.1 BILLION

were allocated to students at public universities and TVET colleges, respectively, in 2016/17

In 2016/17, these total expenditure amounts were equivalent to



R45 606
per university student funded



R8 242
per TVET student funded

HOW MANY STUDENTS ARE BENEFITTING FROM NSFAS?

The number of

NSFAS



beneficiaries at universities doubled between

2007/08 & 2016/17



by 2015

23.5%

of all undergraduate students at universities were NSFAS beneficiaries



The number of NSFAS beneficiaries at

TVET

colleges increased from

12 000 (2007/8)

to more than

225 000 (2016/17)

RECENT POLICY PRONOUNCEMENTS ON NSFAS

In December 2017, a policy to phase in substantial higher education bursaries was announced.

By February 2018, NSFAS had paid more than R1.5 billion to universities to cover student registration fees, books, and other essential allowances to universities. The payment amounted to at least 13% of provisional allocation for 2018. This was to ensure that no NSFAS-qualifying student was excluded from university because of upfront fee payment.

A funding threshold of R350 000 household income per year was announced. University and TVET students who had not received/qualified for NSFAS funding, but live in households earning below this threshold and are first-time entrants (FTEN), will receive NSFAS funding support.

Source: NSFAS, February 2018



ADDITIONAL STUDENT FUNDING MADE AVAILABLE IN THE 2018/19 BUDGET OVER THE MEDIUM TERM

Additional funding allocations for bursaries for higher education formed a major focus of the 2018 Budget and will be a key driver of public funding decisions

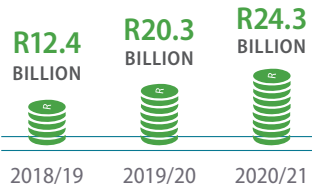


ADDITIONAL MEDIUM-TERM FUNDING ANNOUNCED IN 2018/2019 BUDGET

An additional
**R57
BILLION**

will be allocated to PSET over the medium term

The following additional amounts (in addition to amounts already allocated in the 2017 Medium Term Budget Policy Statement) were announced to fund bursaries for **higher education and training** for poor and working-class students



MAIN CONCLUSIONS

- The PSET sector contains diverse institutions, including universities, TVET colleges, Community Colleges and Sector Education and Training Institutions (SETAs).
- The large spending levels in PSET benefits more than 2.5 million participants.
- Rapid growth in funding of TVET colleges has slowed.
- Considerable additional funding was voted in 2018/19 to fund fees, accommodation and living allowances in the next three years to students at universities and TVET colleges from families with an annual income below R350 000.