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## UCT to increase tuition fees by 8% in 2018

The University of Cape Town has released tuition and accommodation fee increases for 2018. Please feel free to source quotes from the statement below from **UCT Vice-Chancellor, Dr Max Price**.



# From the VC's Desk

## Tuition, residence and catering increases for 2018

22 December 2017

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Dear colleagues and students

I am writing to inform you of the decision taken by Council, at its meeting of 9 December 2017, to approve a tuition increase of 8%, an accommodation increase of 10% for residences, and a 12% increase for residence meal options for 2018 at the University of Cape Town (UCT). I have delayed writing to you in the hope that we might have received greater clarity from the Department of Higher Education and Training (DHET) on the implications of the president's statement on funding and fees. Unfortunately, there is still considerable uncertainty on whether and how the policy announced by the president will be introduced.

The decision to increase tuition and residence fees at UCT was not taken lightly, especially in the current atmosphere on university campuses across South Africa. It was taken after consulting with the representatives of the Students' Representative Council and with the support of the University Finance Committee. This letter provides the background to this decision and an explanation of how the tuition fee increase relates to the many inclusive services provided by UCT, as well as the financial assistance that is available to a wide range of students to minimise the impact of the increase on their pockets.

### **Free services provided by UCT**

UCT's fees may appear to be high relative to some other universities in the country. But in making comparisons, one should be aware that, unlike most other universities, UCT's tuition fee is all-inclusive. This means that, unlike most other universities, we do not charge additional fees for services like access to the internet, WiFi, libraries, computer centres, Jammie Shuttle, laboratory materials, facilities for students with disabilities, and other facilities.

UCT also provides free laptops for first-year students who are funded by the National Student Financial Aid Scheme (NSFAS) and do not have their own. The revenue generated from higher fees also funds extended and enhanced curricula, with specialist support for students who struggle to adapt to the demanding pace and standards of the UCT environment. Other services and facilities that raise the standard at UCT include 24/7 study spaces managed by UCT Libraries, social learning spaces across UCT's campuses, WiFi coverage across all campuses and residences, lecture theatres refitted for optimum use of technology and the capacity to record lectures so that students can review these in their own time. We are proud of our commitment to good employment practices, which ensure that the lowest-paid employees are paid salaries well above the minimums and norms in the comparable commercial sectors (such as cleaning, catering, security, grounds maintenance and bus transport).

**Students on financial assistance will not be affected by the increase**

As in previous years, UCT strives to ensure that no South African undergraduate student who is admitted on academic grounds will be prevented from attending UCT for financial reasons. Everyone who is eligible, within the parameters set by NSFAS, will qualify for NSFAS funding, which UCT tops up if it is not adequate. For students from households above the NSFAS income threshold, but below family incomes of R600 000 per annum, UCT will continue, as in the past, to make available financial aid, mostly in the form of loans (what we call the Gap funding model). It appears likely that the DHET will cover the 8% increase also for students in the Gap group. Taking this into account, the UCT financial aid packages will increase by the amount required to ensure that the out-of-pocket costs by NSFAS and Gap students do not increase. Living allowances for those living outside the UCT residence system will also increase.

We fund this additional financial aid from a combination of NSFAS, our own additional revenue generated from the fee increase, the philanthropy of alumni and foundations, and corporations providing bursaries.

Depending on clarification from the DHET, the net effect of this is that students from these income brackets will be paying the same in 2018 as they were in

2015, which amounts to a decrease in real terms (accounting for inflation in this period) of about 20%.

### **Why these increases are necessary for 2018**

The factors that determined the 8% increase were a higher education price index increase of about 7.7%, combined with an expected increase in subsidy from the state of only 4–5% – hence a need for other sources of revenue to increase slightly above inflation to try to maintain our existing expenditure base. The residence increases are higher to cover the costs of expanding the residence capacity. The costs of catering in catered residences have increased significantly as a result of insourcing, which has increased the costs of labour. The costs of insourcing have also had an impact on the cleaning and security costs of all residences. The adjustments to fees have been complemented by some cost cutting and revenue generation from other sources.

The increases are very much in line with the increases at other universities as indicated in [the statement from Universities South Africa](#).

Once again, I remind you that households with incomes below R600 000 per year will largely be protected from the increase.

There remains little clarity at this stage on how the president's announcement on free education for first-time entering South African undergraduates with household incomes below R350 000 will be implemented and whether it will be possible to do so before the necessary systems have been developed.

We will communicate with students as soon as we have clearer guidelines from NSFAS and the DHET.

Sincerely

Dr Max Price

Vice-Chancellor

***ENDS***

**Issued by: UCT Communication and Marketing Department**

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