



**14 December 2017**

## **UNIVERSITIES ANNOUNCE AN INFLATION-LINKED ADJUSTMENT TO 2018 TUITION-RELATED INCOME**

Universities SA (USAf) is pleased that the 2017 academic year has successfully come to an end at all 26 public universities and that examinations have been held and completed. Preparations for the 2018 academic year are well underway and the institutions are excitedly awaiting the arrival of new students for whom participation in a higher education will be a new life adventure and of returning students who will continue with their studies.

The issue of fee-free education has yet to be settled and like the rest of the nation, the universities are anxiously waiting to hear the outcome of the deliberations of the Inter-Ministerial Committee that has been appointed for this purpose by the Presidency.

Needless to say, the universities cannot wait perpetually for the outcomes of that process. The 2018 academic year is literally upon us and they face the challenge of operating as institutions on the 1<sup>st</sup> of January. This means that they have to draw up realistic budgets that will allow them to function at a decent level.

Discussions have been held with the Department of Higher Education and Training and with Minister Hlengiwe B Mkhize about the need for the state, in the absence of any clarity on its approach on the fees issue in the medium- to long-term, to put in place an effective subsidy dispensation for an inflationary income adjustment for two groups of students:

- those students who qualify for NSFAS loans and
- those students who are in families where the total family income is above the NSFAS threshold of R122,000 and below R600,000 per annum.

In other words, USAf, through the 26 vice-chancellors, made representations to the Minister to repeat the dispensation that was in place in 2017 for the 2018 academic year. USAf is pleased to say that that discussion was very constructive and the Minister agreed to make a formal announcement about the decision of the national government in this regard.

As USAf has previously explained, the higher education price index (HEPI) runs at about 1.7% above the consumer price index (CPI) because of the particular nature of the basket of expenditures that constitute their budgets. And so, the vast majority of the 26 universities have come together to determine that the inflationary income adjustment increase for 2018 will be set at 8%.

It must be emphasised that this provides for nothing more than an inflation-adjusted budget. It will allow the universities to hold their operations at current levels without having, at this stage, to resort to drastic cuts and retrenchments.

We continue to look out anxiously for a statement to be issued by Minister Mkhize.

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