

Source of funding	Features	Main benefits	Main downsides	Amount of funding	Key issues
Government	Reallocation of budget or increase in tax.	Targets the wealthy. Decommmodification.	Subsidy benefits rich students.	Up to budget allocation	Trade offs against other social spending
Community service	Graduates work in public service for a year.	Solidarity; service under-resourced areas.	Admin and placement costs	Less than R5.5bn	May not contribute to funding.
Fees restructure	Progressive fees dependent on income.	Rich students pay more; poor students pay less.	Relies on existing over representation of rich students	Cross-subsidisation	Performing poverty
Income contingent loans	Repay loans after earning threshold.	All students guaranteed finance.	Debt; black tax.	Constrained by repayment rate	Level of repayment threshold
Graduate tax	Graduates pay higher tax on income	Enrollment not linked to fees	Black tax invisible; May be abused.	1% or 2% additional tax above R300 000	Tax current graduates
Corporate	Incentives for investment, e.g. tax, BBEEE	Private sector contributes.	Unreliable; education planning in line with labour market	Unlikely a lot. 2015 private donations < R2bn.	Private sector interests