



USAF STATEMENT ON THE OUTCOME OF THE CONSULTATIVE MEETING BETWEEN THE MINISTER OF HIGHER EDUCATION AND TRAINING, DR BE NZIMANDE, AND THE BOARDS OF USAF AND UCCF.

12 August 2016

Following a consultative meeting that took place between the Minister of Higher Education and Training, Universities SA (USAF) and the University Council Chairs Forum (UCCF), the three entities arrived at a set of common understandings on the crisis in which the university sector finds itself. All three parties to the meeting agreed that universities and the post-school education and training more generally, have been chronically underfunded for close on two decades, and that this challenge was exacerbated by the severe underfunding of the historically disadvantaged institutions during the apartheid era. This systemic underfunding was compensated for by the disproportionate increase in student fees to the point that they are now unaffordable to many who are offered places in the various institutions.

The three parties recognised the importance of the universities to enable economic growth, to address the prevailing structural poverty and deep socioeconomic inequality. The universities enable social mobility for many from poverty-stricken backgrounds, and in doing so create the potential for transformative socially inclusive ripple effects across society.

“We recognise that government has greatly increased the resources allocated to NSFAS which is targeted at the chronically poor in our society. This is a notable achievement, even though there will be students in this category for whom there aren’t sufficient resources allocated to NSFAS. However, there are still many students, commonly known as the ‘missing middle’, who find themselves outside the NSFAS net and are unable to sustain themselves at universities. It is imperative that we collectively find a solution to address their financial crisis for 2017,” says Professor Adam Habib, Chair of the USAF Board.

Based on their principal mandates to ensure high quality university education and financially sustainable institutions, the vice-chancellors and chairs of council made it clear to the meeting that universities require a minimum increase of 8% increase in their annual income for 2017. This income could come from a variety of sources including the state subsidy, student fees and a complex array of other private sources of funding. An income increase of below 8% is likely to compromise the financial health of as many as 17 universities in the sector in 2017.

All three parties agreed on an establishment of a multi-stakeholder forum that includes National Treasury, DHET, the private sector represented by its associations, UCCF, USAf, relevant student formations and faith-based organisations, with a view of arriving at a joint approach on how to fully fund an increase of 8%. It was proposed that this forum provide a report by the end of August 2016.

The discussion at the meeting was forthright but constructive and collegial. There was a unanimous view that all stakeholders should consider this to be a national challenge.

USAf is a representative association of all 26 public universities in South Africa.

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