

R57bn for free tertiary education

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21 Feb 2018

Government has been forced to hold back on some of its capital projects and reduce spending on goods and services in order to find R57-billion to fund free tertiary education.



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Finance Minister Malusi Gigaba made the announcement in Parliament on Wednesday when he tabled the national budget for 2018.

Gigaba said an additional amount of R57-billion has been allocated to the department of higher education and training to provide free university education, which has raised such spending to R67-billion from the adjusted allocations announced in the medium-term budget policy statement in October last year.

Gigaba was forced to scramble for new money to fund free tertiary education following a surprise announcement to that effect by then-president Jacob Zuma in December last year.

The announcement, while welcomed by many following violent #FeesMustFall protests at universities, was largely criticised as populist because it came at a time when Zuma was under siege at the ANC national conference and no prior costing had been done.

Gigaba told the National Assembly that the Treasury was forced to find creative ways of finding the R57-billion amid a dwindling tax revenue base, including cutting spending some capital projects.

This would see government procurement on goods and services reduced by a whopping R16.5-billion and transfers to provinces and municipalities cut by R27.4-billion.

"The largest reallocation of resources towards government's priorities was on higher education and training, amounting to additional funding of R57-billion over the medium term," said Gigaba.

"As a result, this is the fastest-growing spending category, with an annual average growth of 13.7%." Gigaba said the "fee-free higher education" was aimed at new first-year students from poor and working-class families, with a combined family income of under R350,000 per annum.

The free tertiary education would be rolled out in the subsequent years to cover all years of study.

Returning students who had received financial support from the National Student Financial Aid Scheme would see their loans converted into bursaries.

"This is an important step forward in breaking the cycle of poverty and confronting youth unemployment, as labour statistics show that unemployment is lowest for tertiary graduates," said Gigaba.

Turning to primary and high school education, Gigaba said R3.8-billion had been set aside in the next three years to replace 82 "inappropriate and unsafe schools" and to provide water to 325 school and sanitation to a further 286 schools.

The schools nutrition would also continue to be in place at a cost R21.7-billion over the medium term, providing meals to 9 million poor children at 19,800 schools.

Source: The Times

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