

Finally: How the South African government plans to fund free education

Tuesday 6 March 2018, by [TSHWANE Tebogo](#) (Date first published: 21 February 2018).

The fully subsidised government bursaries, administered through NFSAS, will cover the full cost of study which includes tuition fees, prescribed study materials, meals and a contribution to accommodation and/or travel allowances.

A month after university registrations opened, Treasury has finally answered the big question regarding how government will fund free higher education - as expected it comes with significant cuts in government expenditure.

In his maiden budget speech Finance Minister Malusi Gigaba announced that an additional R57-billion over the next three years had been allocated to fund free education for students who come from poor or working-class families with a combined income of R350 000. This is on top of the R10-billion which was provisionally allocated in the 2017 budget.

Allocations for fully subsidised higher education and training for poor and working-class students amount to R12.4-billion in 2018, R20.3-billion in 2019 and R24.3-billion in 2020.

In line with the sentiments of #feesmustfall protesters who in 2015 sparked a nationwide revolt against high university fees as a barrier for deserving poor students, Gigaba said the policy would ensure access to higher education and training for all South Africans who qualify "based on merit, not class position".

"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.

Free tertiary education under the revised National Student Financial Aid Scheme's (NFSAS) combined household income threshold of R350 000 will be phased in over the next three years only applying to qualifying first-year students in 2018.

According to the budget statement "more than 340 000 students at universities and over 420 000 full-time equivalent students at TVET colleges will be funded through this new bursary scheme in 2018".

The fully subsidised government bursaries will be administered through NFSAS and are expected to cover the full cost of study which includes tuition fees, prescribed study materials, meals and a contribution to accommodation and/or travel allowances.

But the policy does not come without costs. In making the relevant expenditure cuts to make up the money to fund fee-free education Gigaba stressed that they had to make difficult decisions that would have the "least impact on the poor and growth".

Cuts in existing government spending have been made across the board from national to local level. Allocations to programmes which were cut include the Special Defence Account, Incarceration, Air Defence and Trade and Industry: Incentive Development and Administration.

Transfers to several public entities such as the Sanral, Sars, Prasa and four water boards were also reduced. Cuts were also made to large provincial conditional grants such as those for school infrastructure backlogs, education infrastructure, human settlements development and provincial roads maintenance.

Local government grants were not spared with similar reductions made to the municipal infrastructure grant, the integrated national electrification programme grant, the urban settlements development grant and the public transport network grant.

The statement acknowledged that the cuts would “delay the completion of a number of infrastructure projects”.

Meanwhile returning university students who currently have NFSAS agreements in place under the previous R122 000 household income threshold will have those converted to bursaries “under the same conditions as when they first received the financial support”. This also comes into effect from the 2018 academic year onwards.

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