1. INTRODUCTION

Universities South Africa (USAf), the representative body of universities in South Africa, congratulates the nation for exercising its democratic right to vote on 29 May, and for doing so peacefully and in an orderly fashion. USAf also congratulates all leaders of political parties engaged in forming a Government of National Unity. We look forward to five years of good governance allowing the higher education sector to thrive, under an administration safeguarding the rule of law, policy stability, peace and the wellbeing of its citizenry.

We take this opportunity to present higher education matters deserving priority attention in the new administration’s agenda, as education is the soul of our future as citizens and the country. These matters have serious implications on the smooth functioning and long-term sustainability of the universities, and on the future of our youth.

Higher education in South Africa faces a number of significant challenges. Principal among these are: (i) the declining State subsidies which place financial sustainability of universities precariously at a significant risk; (ii) mismanagement of the National Student Financial Aid Scheme (NSFAS), which has serious ramifications for the stability of the higher education sector, growing student debt and the diminishing prospects of providing equitable study opportunities for our youth; and (iii) the poor state or even neglect of funding for postgraduate studies.

1.1. ADEQUATE FUNDING AND SUSTAINABILITY OF THE HIGHER EDUCATION SECTOR

Higher education funding has declined over the years. In recent years, the block grant subsidies, which fund the day-to-day operations of universities including learning materials and personnel, have dropped below inflation. Worse even, in 2024, the state subsidy has declined in absolute terms. If the state subsidy continues to grow at a rate slower than the rising student enrolment, the higher education system will experience serious sustainability problems, given the important link between funding and enrolment growth. The second main source of funding for universities is student fees, the so-called ‘second stream’. More than 60% of enrolled undergraduates are funded by the State through the National Student Financial Aid Scheme (NSFAS). To curb government expenditure on NSFAS, the Department of Higher Education and Training (DHET) has imposed caps on student accommodation costs and tuition fee increases.
In 2023 alone, the difference between the NSFAS accommodation cap and universities’ set accommodation fees was more than R600 million. This discrepancy remains unpaid. Furthermore, because of the inadequate meal allowance given NSFAS-funded students per day, Sol Plaatje University has resorted to providing their NSFAS funded students in residences with an additional meal per day at the university’s own cost. Meanwhile, the Ministry of Higher Education and Training, Science and Technology is proposing Fee Regulations -- essentially guidelines on tuition fee increases -- based on inadequately informed research and international benchmarks not aligned to South Africa’s higher education context. In yet another measure to make up for the NSFAS shortfalls, the DHET has repurposed and rerouted funds that were meant for higher education infrastructure to NSFAS. Such a move worsens the crisis rather than contribute to a solution. The net effect of these exercises has been the transfer of the unsustainability of the NSFAS model to universities.

Should the above trends continue, universities in South Africa face significant financial pressure and risk their financial sustainability over the medium term and even their existence over time. For instance, enrolment numbers will need to reduce; operational expenses will have to be cut, with serious implications on infrastructure maintenance and growth. These will result in staff losses in institutions, and, ultimately, a decline in the quality of programme offerings. We must add that this would be occurring at a time when demand for higher education in South Africa far outstrips supply. It would be in direct contradiction to National Development Plan targets for 2030, and projections articulated in the Science Technology and Innovation Decadal Plan, 2022 to 2032.

We therefore urge the seventh administration to invest in higher education and ensure that our institutions of higher learning are equipped to contribute to the socio-economic development of our country.

1.2. A WELL-FUNCTIONING NSFAS

The failure of NSFAS to operate effectively and efficiently robs many deserving young people of an opportunity to acquire higher education and make a tangible contribution to the betterment of our society. Many NSFAS recipients are first-time university students in their families. Thus, they bring hope of changing lives for their families, many of which sacrifice to get their children into higher education.

The failures of NSFAS are well documented. In 2023/24, NSFAS’s performance deficiencies triggered student frustrations and protest insinuations, which, alongside governance failures, led to the appointment of an administrator to lead the organisation.

Rather than trying out different untested policies to sustain an unsustainable model of NSFAS -- thus negatively impacting the sustainability of the higher education sector -- USAf encourages the new administration to consider implementing the recommendations of the Report of the Ministerial Task Team on student funding policy titled, 'Student financial aid in the post-school system'. South Africa needs a caring government. We urge the seventh administration to ensure that state funds allocated to the NSFAS are properly, efficiently and effectively administered. A functional, comprehensive and sustainable student funding model is a fundamental prerequisite for sustainable higher education.

1.3. POSTGRADUATE, AND RESEARCH AND INNOVATION FUNDING

Successful economies invest in postgraduate studies, research and innovation. After all, South Africa aspires to migrate from a resource-based to knowledge-based economy and
would do so successfully only if it invests in knowledge skills. Funding for postgraduate studies is a major barrier to many young people wishing to pursue studies beyond the basic degree. The limited funding provided by the National Research Foundation (NRF) has been stagnant. The NRF’s necessary decision to provide full funding for the financially needy, well-performing students has further reduced the number of funded students in this regard.

For a system that still suffers the legacy of apartheid, whose professoriate remains predominantly white and male, strategies to invest in post-graduate and early career researchers become a transformation imperative. The need to nurture and harness talent is the bedrock of successful economies. South Africa cannot afford to lose its talent to other countries due to inadequate investment in these critical areas. A similar trend of stagnation of the Higher Education Research and Innovation funding expenditure has been observed in the latest (2021/22 Research and Development Survey). These levels of investment contradict the Science Technology and Innovation Decadal Plan 2022-2032. We urge the seventh administration to increase funding for postgraduate studies; earlier career researchers, and research and innovation. The future of a knowledge-based economy lies in such strategic investment.

2. CONCLUSION

Over the years, USAf has invested time and resources in building relationships with stakeholders in the Legislature, the Executive as well as in policy implementing circles of government. While we appreciate that critical decision-making positions may soon be occupied by new incumbents, we, as USAf, are ready to meet and greet the new office holders and to induct them on what our public institutions of higher learning need, to succeed. Most importantly, we look forward to a fruitful working relationship with the seventh administration for growth and sustainability of our higher education system and overall benefit to our country.

If the higher education sector is to continue playing a catalytic role for social mobility in future generations, we need to invest in our universities now, rather than later.

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