



# INVESTMENT TRENDS IN POST-SCHOOL EDUCATION & TRAINING IN SOUTH AFRICA: KEY FINDINGS

## BACKGROUND

- This infographic draws on data contained in the report titled *Investment Trends in Post-School Education and Training (PSET) in South Africa* (DHET, 2018), which provides information and insights into financial flows in the PSET system.

The full report can be found at: [www.dhet.gov.za](http://www.dhet.gov.za)

The PSET system is comprised of higher education, TVET, community colleges and the skills levy system, including SETAs. Tertiary education includes only that part that builds on secondary education and that aims at a high level of complexity and specialization (ISCED levels 5 to 8).

A TOTAL AMOUNT OF **R93.7 BILLION** WAS ALLOCATED TO PSET

THE FOLLOWING AMOUNTS WERE ALLOCATED TO PARTS OF THE PSET SYSTEM

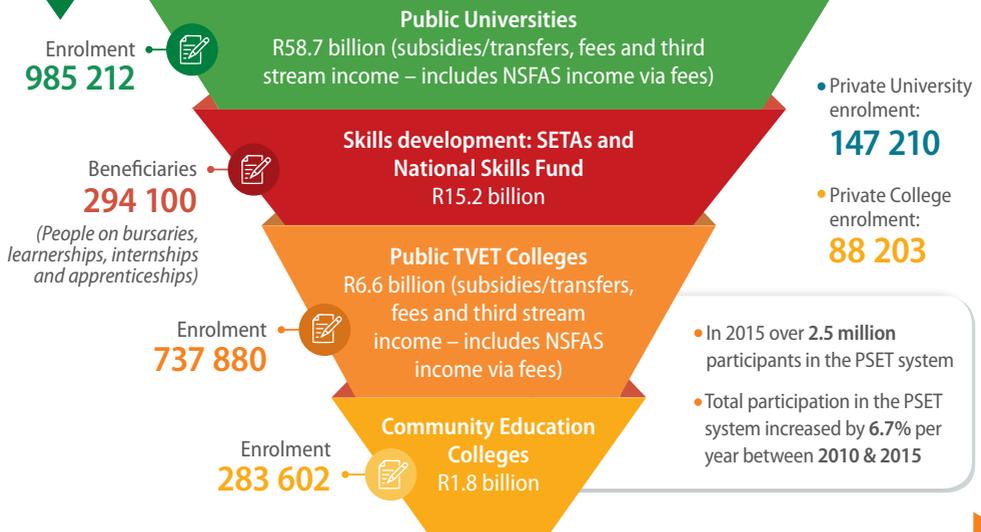
Source: National Treasury, Budget 2018



## GROWTH IN GOVERNMENT EXPENDITURE ON PSET



## ENROLMENT IN AND FINANCING OF PSET, 2015

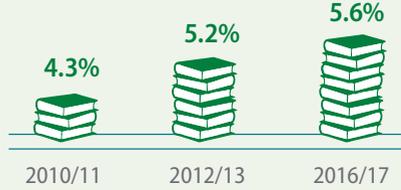


## GOVERNMENT EXPENDITURE ON PSET

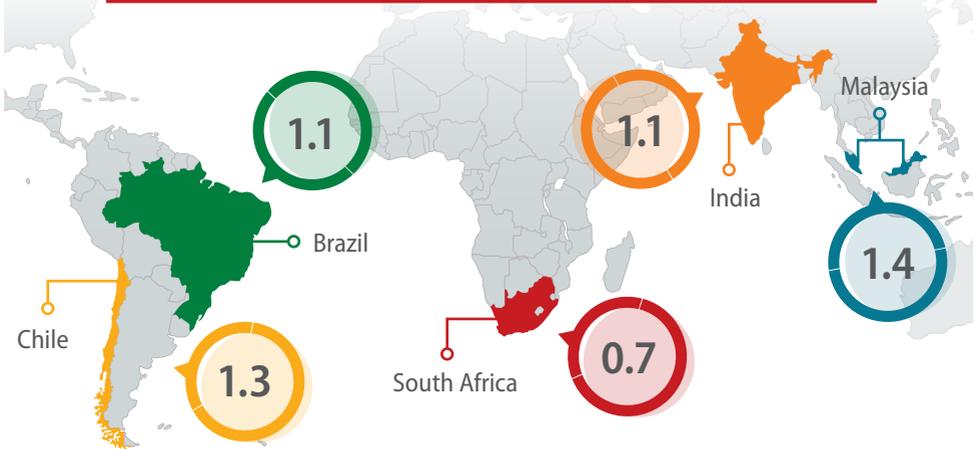
### GOVERNMENT EXPENDITURE ON PSET AS % OF GDP



### GOVERNMENT EXPENDITURE ON PSET AS % OF NON-INTEREST GOVERNMENT EXPENDITURE



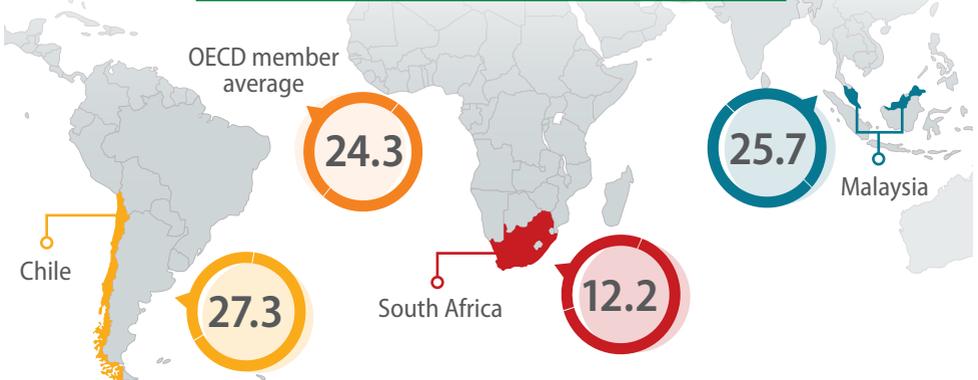
## GOVERNMENT EXPENDITURE ON TERTIARY EDUCATION AS % OF GDP



(Source: UNESCO, 2017).  
Estimates for most recent available year between 2013 and 2015 are used.

● Brazil ● Chile ● India ● Malaysia ● South Africa

## GOVERNMENT EXPENDITURE ON TERTIARY EDUCATION AS % OF GOVERNMENT EXPENDITURE ON ALL EDUCATION



(Source: World Development Indicators, World Bank, 2017)  
Estimates for the most recent available year between 2014 and 2016 are used.

● Chile ● Malaysia ● South Africa ● OECD

## FINANCING OF UNIVERSITIES, TVET AND COMMUNITY COLLEGES



### UNIVERSITIES

Real spending barely kept pace with rapid growth of full time equivalent students between

**2006 & 2011**

and only grew moderately faster than student numbers since then



### TVET

There has been rapid growth in TVET expenditure between

**2006/07 & 2013/14**



but the rate of growth slowed substantially after 2013/2014

### COMMUNITY COLLEGES

**R2 BILLION**

was allocated to the newly established community education and training colleges in 2016/17

### GROWTH IN NSFAS

Total NSFAS expenditure on public universities and TVET colleges experienced real growth of

**17.1%** per year from 2007/8 to 2016/17

## FINANCING OF SETAs



### SETAs

Total disbursement of the Skills Development Levy was

**R15.2 BILLION**

in 2015/16

Surpluses in previous years were ascribed to mandatory grants not having been claimed by employers, intended grant beneficiaries not having met the eligibility criteria for funding, and a weak implementation culture in SETAs

## NSFAS EXPENDITURE IN 2016/2017

AMOUNTS OF

**R10.3 BILLION & R2.1 BILLION**

were allocated to students at public universities and TVET colleges, respectively, in 2016/17

In 2016/17, these total expenditure amounts were equivalent to



**R45 606**  
per university  
student funded



**R8 242**  
per TVET  
student funded

## HOW MANY STUDENTS ARE BENEFITTING FROM NSFAS?

The number of

**NSFAS**



beneficiaries at universities doubled between

**2007/08 & 2016/17**



by 2015

**23.5%**

of all undergraduate students at universities were NSFAS beneficiaries



The number of NSFAS beneficiaries at

**TVET**

colleges increased from

**12 000** (2007/8)

to more than

**225 000** (2016/17)

## RECENT POLICY PRONOUNCEMENTS ON NSFAS

A policy to phase in bursaries for a substantially larger number of TVET College and University students was announced in December 2017.

By February 2018, NSFAS had paid more than R1.5 billion to universities to cover student registration fees, books, and other essential allowances to universities. The payment amounted to at least 13% of provisional allocation for 2018. This was to ensure that no NSFAS-qualifying student was excluded from university because of upfront fee payment.

A funding threshold of R350 000 household income per year was announced. University and TVET students who had not received/qualified for NSFAS funding, but live in households earning below this threshold and are first-time entrants (FTEN), will receive NSFAS funding support.

Source: NSFAS, February 2018



## ADDITIONAL STUDENT FUNDING MADE AVAILABLE IN THE 2018/19 BUDGET OVER THE MEDIUM TERM

Additional funding allocations for bursaries for higher education formed a major focus of the 2018 Budget and will be a key driver of public funding decisions

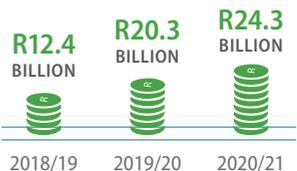


Additional medium-term funding announced in  
**2018/2019 BUDGET**

An additional  
**R57  
BILLION**

will be allocated to PSET over the medium term

The following additional amounts (in addition to amounts already allocated in the 2017 Medium Term Budget Policy Statement) were announced to fund bursaries for **higher education and training** for poor and working-class students



## MAIN CONCLUSIONS

- The considerable increase in budgetary allocations to PSET for the next three years to fund fees, accommodation and living allowances for poor and working class students at universities and TVET colleges will improve education access.
- However, despite rising spending on tertiary education as a percentage of GDP and of government's budget, tertiary spending is still low in comparison with comparator countries.
- The budgetary evidence suggests an intent to intensify investment in intermediate skills as reflected in the R10.5 billion allocation to the TVET sector this year, compared to only R7.5 billion last year.
- However, given tight fiscal constraints facing government combined with the unprecedented expansion of bursary funding, it is unlikely that other funding of TVET colleges will again increase as rapidly as before 2013/14, whilst even the modest recent growth of spending per full time equivalent university student may slow.