



**MINISTER  
EDUCATION  
REPUBLIC OF SOUTH AFRICA**

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Prof E M Tyobeka  
Vice-Chancellor  
Tshwane University of Technology  
Private Bag X680  
**PRETORIA**  
0001

By fax: 012 382 5422

Dear Prof Tyobeka

**MINISTERIAL STATEMENT ON HIGHER EDUCATION FUNDING: 2009/10**

I am attaching a copy of the latest version of the Ministerial Statement on Higher Education Funding. This is the fifth Ministerial Statement on Higher Education Funding. The first four were published in 2004, 2005, 2006 and 2007.

The funding framework requires the Minister of Education to issue an annual statement which deals with at least the following:

- ♦ the division of the MTEF allocation for higher education into the different categories of grants;
- ♦ the ways in which the subcategories of the block grant will be distributed to institutions;
- ♦ the ways in which specific subcategories of the earmarked grant will be distributed to institutions;
- ♦ the data used for the calculation of funding.

The first four Ministerial Statements covered three-year rolling MTEF periods. This Statement deals only with the financial year 2009/10, for the reasons given below:

- (1) Final recommendations have still to be put to me on the ways in which teaching development and research development grants should be calculated and distributed from 2010/11. I have received reports from the two task teams which I appointed in 2007, and I will be submitting these reports, plus my preliminary conclusions, to the CHE for advice.
- (2) These reports recommend that the current mechanisms for distributing teaching and research development grants should be discontinued and that


new procedures should be introduced. The dropping of these mechanisms will require amendments to be made to the funding framework policy which was published in a Government Gazette in 2003. Before I amend this Government Gazette, I will have to ask the CHE for advice and will have to obtain the agreement of the Minister of Finance.

This Ministerial Statement for 2009/10 will enable your university to calculate, for the purposes of your institutional budget, what your 2009 block grant subsidy is likely to be. If you need any advice on how to make these calculations, please contact Ms Jean Skene. Her contact details are:

e-mail: [skene.j@doe.gov.za](mailto:skene.j@doe.gov.za)  
Tel: 012 312 5099  
Cell phone: 083 271 0074

I would ask that you take particular note of paragraphs 4.2.1, 4.2.2, 5.2.1 and 5.2.2 which deal with teaching and research development grants. If you believe that your institution will, because of its output shortfalls, qualify for a teaching development grant and/or a research development grant, then you must submit proposals on the use of these funds to the Deputy Director General: Higher Education by **15 November 2008**.

Yours sincerely

  
GNM Pandor, MP  
Minister of Education  
Date: 27/09/2008

# MINISTRY OF EDUCATION

## MINISTERIAL STATEMENT ON HIGHER EDUCATION FUNDING: 2009/10

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16 SEPTEMBER 2008

## 1 INTRODUCTION

- 1.1 This Interim Ministerial Statement on Higher Education Funding deals only with government funding available for 2009/10, and with the mechanisms which will be used to distribute these funds.
- 1.2 The Statement has this limited focus because final decisions have still to be taken on new ways of distributing teaching development grants, research development grants, and multi-campus factor grants. Any new mechanisms for distributing teaching and research development grants will, furthermore, require amendments to the funding framework policy which was published in a Government Gazette in 2003.
- 1.3 A further Ministerial Statement will be issued when these processes have been concluded.

## 2 ALLOCATION OF MTEF BUDGET FOR 2009/10

- 2.1 Table 1 below shows how the Minister has divided the Medium Term Expenditure Framework (MTEF) allocation for higher education for 2009/10:

**Table 1**

<b>PROVISIONAL DISTRIBUTION OF MTEF FUNDS FOR 2009/10: Rands MILLIONS</b>		
<b>Block grants</b>	<b>12 813</b>	<b>100%</b>
Teaching inputs	8 180	63.8%
Institutional factors	852	6.6%
Teaching outputs	2 044	16.0%
Research outputs	1 673	13.1%
Former Vista campuses	0	0.0%
Veterinary Sciences	84	0.6%
<b>Earmarked grants</b>	<b>3 786</b>	<b>100%</b>
NSFAS (including Funza Lushaka bursaries)	1 782	47.1%
Interest & redemption on loans	58	1.5%
Improving infrastructure & output efficiencies	1 462	38.6%
Clinical training of health professionals	300	7.9%
National Institutes	35	0.9%
African Institute for Mathematical Studies	3	0.1%
Foundation programmes	146	3.9%
<b>TOTAL</b>	<b>16 599</b>	

- 2.2 The main points which should be noted about this table are these:

- ♦ These are provisional amounts which could change when the final higher education budget is approved by Parliament.
- ♦ The table includes the block grant adjustment which the National Treasury made in January 2008 as well as the inflation adjustments made in February 2008.
- ♦ The 2009/10 funds for improving infrastructure and output efficiencies have already been distributed to institutions.

- ♦ The 2009/10 funds for clinical training have also been distributed to institutions.
- ♦ Provision continues to be made in the block grant totals for additional funding for veterinary science at the University of Pretoria.
- ♦ The provision of block and earmarked funds for the development of the former Vista campuses ended in 2008/09.
- ♦ A total of R3 million is added to the foundation grant total for 2009/10. This is to provide for new foundation programmes at an institution which did not receive an allocation for 2008/09.

### 3 TEACHING INPUT GRANTS

- 3.1 The 2008/09 teaching funding grid will apply again in 2009/10 (see Tables 2 and 3 of the *Ministerial Statement on Higher Education Funding: 2007/08 to 2009/10*).
- 3.2 The planned totals of teaching input units allocated to each institution are those contained in Table 10 of the annexure to the *Ministerial Statement on Student Enrolment Planning (October 2007)*. The share which each institution will have of the approved 2009/10 total of teaching input units is set out in Table 12 of the annexure to the *Statement on Student Enrolment Planning*. These approved shares are repeated in Table 2 below:

**Table 2**

APPROVED INSTITUTIONAL SHARES OF TEACHING INPUT UNIT TOTAL: 2009/10	
Cape Peninsula University of Technology	4.66%
University of Cape Town	5.32%
Central University of Technology	1.59%
Durban University of Technology	3.71%
University of Fort Hare	1.24%
University of Free State	4.46%
University of Johannesburg	6.82%
University of KwaZulu-Natal	7.86%
University of Limpopo	3.48%
Mangosuthu Technikon	1.27%
Nelson Mandela Metropolitan University	3.82%
North West University	5.47%
University of Pretoria	9.14%
Rhodes University	1.22%
University of South Africa	9.26%
University of Stellenbosch	5.11%
Tshwane University of Technology	7.85%
Vaal University of Technology	2.58%
University of Venda	1.41%
Walter Sisulu University	3.26%
University of the Western Cape	3.01%
University of the Witwatersrand	6.15%
University of Zululand	1.55%
<b>Total teaching input units (thousands)</b>	<b>940.0</b>

#### 4 TEACHING OUTPUT GRANTS

- 4.1 Teaching output grants for 2009/10 will be distributed in the same way as the 2008/09 grants. Details of how these calculations will be made, and how the funds will be distributed, can be seen in paragraphs 8.2 to 8.4 of the *Ministerial Statement on Higher Education Funding: 2007/08-2009/10*.
- 4.2 Paragraph 8.6 of the *Ministerial Statement on Higher Education Funding: 2007/08-2009/10* made these points about the calculation of teaching output grants for 2009/10:
- 4.2.1 Each institution, which believes that its HEMIS data for 2007 will show that its actual teaching output totals are less than its normative totals, will be invited to submit to the Department of Education a proposal on how it would use the funds generated by these teaching output shortfalls.
- 4.2.2 During November 2008, calculations will be made of the Rand values of the teaching development grants generated for 2009/10 by institutional shortfalls. The Minister will, at that stage, consider only the proposals submitted by institutions which have teaching output shortfalls. If the Minister approves a proposal, the institution will be allocated, as an earmarked amount, a sum equal to the teaching development grant which it generated.
- 4.3 The Minister has confirmed that teaching development grants for 2009/10 will be distributed in the ways outlined in paragraph 4.2 above.

#### 5 RESEARCH OUTPUT GRANTS

- 5.1 Research output grants for 2009/10 will be distributed in the same way as the 2008/09 grants. Details of how these calculations will be made, and how the funds will be distributed, can be seen in paragraphs 9.2 to 9.4 of the *Ministerial Statement on Higher Education Funding: 2007/08-2009/10*.
- 5.2 Paragraph 9.6 of the *Ministerial Statement on Higher Education Funding: 2007/08-2009/10* made these points about the calculation of research output grants for 2009/10:
- 5.2.1 Each institution, which believes that its HEMIS data for 2007 will show that its actual research output totals are less than its normative totals, will be invited to submit to the Department of Education a proposal on how it would use the funds generated by these teaching output shortfalls.
- 5.2.2 During November 2008, calculations will be made of the Rand values of the research development grants generated for 2009/10 by institutional shortfalls. The Minister will, at that stage, consider only the proposals submitted by institutions which have teaching output shortfalls. If the Minister approves a proposal, the institution will be allocated, as an earmarked amount, a sum equal to the research development grant which it generated.

- 5.3 The Minister has confirmed that research development grants for 2009/10 will be distributed in the ways outlined in paragraph 5.2 above.

## 6 INSTITUTIONAL FACTOR GRANTS

- 6.1 Institutional factor grants (size and disadvantage) for 2009/10 will be distributed in the same way as the 2008/09 grants. Details of how these calculations will be made, and how the funds will be distributed, can be seen in paragraphs 10.3 and 10.4 of the *Ministerial Statement on Higher Education Funding: 2007/08-2009/10*.
- 6.2 The multi-campus factor for 2009/10 will be treated in the same way as it was for 2008/09. Details can be seen in paragraphs 10.2 of the *Ministerial Statement on Higher Education Funding: 2007/08-2009/10*. Table 3 below sets out the additional teaching input totals for size and disadvantage which will be allocated to merged institutions in 2009/10:

**Table 3**

<b>ADDITIONAL TEACHING UNITS FOR SIZE AND DISADVANTAGE: MERGED INSTITUTIONS ONLY</b>	
Cape Peninsula University of Technology	6516
University of Johannesburg	5319
University of KwaZulu-Natal	2890
University of Limpopo	6742
Nelson Mandela Metropolitan University	5124
North West University	3499
University of South Africa	2448
Tshwane University of Technology	8833
Walter Sisulu University	6268

## 7 DATA FOR BLOCK GRANT CALCULATIONS FOR 2009/10

- 7.1 Table 4 below sets out the data which can be used together with Table 1, if an institution wishes to make preliminary calculations of its likely block grant totals for the 2009/10 financial year.

**Table 4**

<b>ACTUAL AND PROJECTED FUNDING DATA</b>		
	<b>Actual 2008/09</b>	<b>Estimated for 2009/10</b>
<b>Teaching input units</b>	805 000	940 000
<b>Institutional factors:</b>	89 000	90 000
<b>Teaching output units:</b>		
Normative total	132 000	135 000
Total of actual units produced	110 000	113 000
Sum of institutional shortfalls between normative and actual totals	25 200	25 700
<b>Research output units:</b>		
Normative total	17 200	17 200
Total of actual units produced	15 200	15 200
Sum of institutional shortfalls between normative and actual totals	3 600	3 600