



**MINISTER
EDUCATION
REPUBLIC OF SOUTH AFRICA**

Private Bag X603, PRETORIA, 0001, South Africa, Sol Plaatje House, 123 Schoeman Street, PRETORIA, 0002. Tel.: +27 12 312 5501, Fax: +27 12 323 5989
Private Bag X9034, CAPE TOWN, 8000, South Africa, 120 Plain Street, Cape Town, 8001. Tel.: +27 21 465 7350, Fax: +27 21 461 4788, <http://www.education.gov.za>

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

Dear Prof Tyobeka

By fax: 012 382 5422

INFRASTRUCTURE AND EFFICIENCY FUNDING : 2010/11 to 2012/13

In my December 2007 funding letters I included a table containing the MTEF allocations for higher education for 2008/09 to 2010/11. I said in the letter that the 2010/11 infrastructure and efficiency allocation of R1 462 million was a provisional amount, whose use had still to be confirmed by the National Treasury. This was in addition to an allocation of R800 million in new funds in the 2010/11 financial year, which remained unallocated. I indicated further that I would, during 2008, inform Vice Chancellors of the use of the R800 million and the procedures which would be used to distribute the R1 462 million.

In January 2008 the Treasury advised the Department that the R800 million in new funds for 2010/11 is to be added to the 2010/11 block grant allocation. The figures for 2010/11 contained in the December 2007 MTEF table have therefore been adjusted, by increasing the block grant total from R14 127 million to R14 927 million.

New infrastructure and efficiency funding stream

I am pleased to inform you that I have decided to use the R1 462 million for 2010/11 for further infrastructure and efficiency improvements. I have also decided, subject to the approval of the National Treasury, to allocate these funds as part of a new funding cycle covering 2010/11 and 2011/12.

My decisions take account of the ASGISA views that SA's economic growth rates are constrained by shortages of high skilled labour, and that higher education must increase its production of scarce and critical skills in areas such as engineering, life and physical sciences, teacher education and health sciences.

I have decided that any new infrastructure and efficiency funds which become available in 2010/11 and 2011/12 will be used for the following purposes (these are listed in alphabetical and not priority order):

- 1 architecture and the built environment;
- 2 engineering in universities;
- 3 engineering in universities of technology and comprehensive universities;
- 4 health sciences;
- 5 life and physical sciences;
- 6 student housing;
- 7 teacher training.

If the National Treasury approves the totals involved, then the funds available will be distributed between the seven broad categories in the ways set out in the table below.

DISTRIBUTION OF GOVERNMENT INFRASTRUCTURE AND EFFICIENCY FUNDS: 2010/11 AND 2011/12				
Categories placed in alphabetical, not priority order	Proportion of government funding allocation	Government funds made available: Rands millions		
		2010/11	2011/12	Total
[1] Architecture and the built environment	3%	44	51	95
(a) capacity and output of undergraduate programmes				
[2] Engineering in universities	10%	146	170	316
(a) capacity and output of undergraduate programmes				
[3] Engineering in universities of technology and comprehensive universities	17%	249	289	538
(a) capacity and output of undergraduate programmes				
(b) additional staffing, teaching equipment and other physical infrastructure				
[4] Health sciences	15%	219	255	474
(a) renewal of physical space holdings				
(b) New teaching equipment				
(c) Development of clinical training facilities				
[5] Life and physical sciences	20%	292	340	632
(a) capacity and output of undergraduate programmes, teaching equipment and other physical infrastructure				
(b) masters & doctoral programmes, including research infrastructure	15%			
	5%			
[6] Student housing	20%	292	340	632
(a) Renewal of existing residences, and provision of additional residence places				
[7] Teacher training	15%	219	255	474
(a) renewal of physical space holdings				
(b) New teaching equipment and furnishings				
(c) Additional staff				
TOTAL	100%	1462	1700	3162

Funding guidelines

The following guidelines will be used when funds are allocated to infrastructure and efficiency projects:

- (a) Each institution will be expected to contribute funds from its own resources to each approved project.
- (b) Institutions with strong balance sheets will be expected to contribute up to 50% of the cost of approved projects from their own resources. The contributions of other institutions will fall in the range 10% to 40%, depending on the Department's assessment of their financial situations.
- (c) The average "own contribution" for the higher education system for the 2010/11 to 2011/12 round of infrastructure and efficiency funding will be set as 27% of the total. The target for government allocations plus the own resources of institutions will, as a consequence, be R4 300 million.
- (d) At least 35% of the overall government total of R3 162 million will be allocated to historically disadvantaged universities, including new institutions formed through the merger of disadvantaged institutions with historically advantaged institutions

Allocation process for 2010/11 and 2011/12

The process for allocating these funds will follow these successive steps:

- ♦ Institutions are invited to submit, by 30 November 2008, requests for infrastructure and efficiency funding for 2010/11 and 2011/12. These requests must be submitted within the categories and subcategories included in the table above, and must include preliminary indications of costs, of what financial contributions the institution itself could make to the projects, and what the expected outcomes would be of each project.
- ♦ These requests for funding will be analysed by the Department, and where necessary discussed with institutions. The Department will submit its recommendations on the allocation of new infrastructure and efficiency funds to me by 31 March 2009.

Concluding notes

Institutions should, when submitting applications for funds, use the formats and guidelines which were employed during the 2007/08 to 2009/10 cycle of infrastructure and efficiency funding.

Your applications must be submitted to Prof Ian Bunting, who will co-ordinate their assessment by the Department. His contact details are set out below:

e-mail: labunting@telkomsa.net
bunting.i@doe.gov.za
Cape Town office: 021 532 3081
Pretoria office: 012 312 5276
Cell phone: 083 441 9721

You should contact Prof Bunting if you have any queries about the application process or your proposed use of these funds. The Department is willing to meet any institution that requires assistance with the preparation of its applications.

Yours sincerely



GNM Pandor, MP

Minister of Education

Date: 20-08-2008