

Higher Education proposes 4.23% fee increase

The Department of Higher Education and Training has proposed an increase of 4.23% for tuition fees for the 2022 academic year, and a maximum of 6.23% for accommodation at all 26 universities.



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Briefing the media on the state of readiness for the Post School Education and Training (PSET) sector for the 2022 academic year on Tuesday, Higher Education, Science and Innovation Minister, Blade Nzimande, said fee increases are agreed upon in the sector as part of a social compact that has been in place since 2016, the only year when fees were not increased.

“Since 2016, we have worked together with the sector on inflation-linked increases to ensure that fee increases remain affordable. In this regard, for the 2022 academic year, a CPI [Consumer Price Index] increase, to a maximum of 4.23% for tuition fees and CPI+2%, to a maximum of 6.23% on accommodation fees, has been proposed,” Nzimande said.

He said the department recognises that the long-term stability and sustainability of the sector relies, to a significant degree, on tuition and residence fee income.

The department, the Minister said, is working on a fee regulatory policy framework.

He said the costs of providing university education continue to increase, and it is therefore not sustainable to consider lower than inflation fee increases.

“Fee increases are necessitated by obvious factors, including the increase in workers’ wages and staff salaries; increase in electricity and water tariffs; rising food prices; books and learning materials, and generally the rise in inflation.”

Students owe R6.1 billion

The Minister said student debt has grown.

Unaudited data show that an estimated R6.1 billion was owed by students at the start of the 2021 academic year.

Audited accumulated gross student debt, as at 31 December 2020, is R16.5 million, and this includes students who have exited university with debt.

“A survey conducted by the department in 2021 showed that an estimated 56.2% of students with debt owe less than R10,000; 32.9% owe between R10,000 and R50,000, and 10.9% owe more than R50,000. The survey also showed that National Student Financial Aid Scheme (NSFAS) students owe R5.3 billion.

“It should be noted that government has contributed R1.7 billion to NSFAS as a result of the due diligence exercise that was undertaken in 2018 towards the historic debt of registered qualifying NSFAS students.

“This was in the main targeting eligible students who were subject to the R122,000 family income threshold and NSFAS funding cap,” Nzimande said, adding that work between NSFAS and institutions is currently underway.

Comprehensive student financial aid model

Nzimande said the department is hard at work developing recommendations for a comprehensive student financial aid model for the future.

“This model will incorporate the existing funding available from the State, and exploring alternative funding sources,” the Minister said.

Nzimande reiterated the department’s concerns about students considered to be in the “missing middle”, saying there is a need for more postgraduate funding opportunities.

He said he is looking forward to receiving the report from the Ministerial Task Team appointed in 2021 to support the development of a new student financial aid policy. The report is expected in the first half of 2022.

“The Ministerial Task Team has already started engaging the banking community and progress has been made in this regard. For the current term, we are in discussions with the Banking Association of South Africa on work that needs to be done to develop a possible loan scheme for students falling outside the NSFAS funding regime.

“For missing middle students, there are also other funding opportunities available both at institution level and other sources. We urge those who are looking for financial support to contact their financial aid offices at their respective institutions,” the Minister said.

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