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UNIVERSITY OF NATAL - DURBAN CAMPUS

(1) Finance is the most crucial issue for tertiary education. Not only must some way be found to ensure that institutions are adequately subsidised to perform their functions, but, perhaps even more importantly, a national scheme MUST be established urgently to provide financial assistance for the large number of students who do not have the financial resources to pay for their own education. Such a scheme must operate on the basis of need only and should be available to all needy students who have demonstrated the potential to succeed. It is not a function of tertiary institutions to provide financial assistance, thereby diverting already scarce resources away from other areas. The provision of a loan scheme must be the responsibility of the national government. Governance of tertiary institutions should be by councils which reflect the needs of the community (recognising that tertiary education is not parochial) but balanced by consideration of the broad needs of academia or technical fields as appropriate.



\* Financial sustainability : All institutions in the tertiary sector are finding it impossible to run their operations with the funding presently available to them. The most pressing concern is the number of students who are totally without financial support. In any system where education is not free, this is a problem. In South Africa, trying to overcome a history of deprivation, it is exacerbated.

At the University of Natal, the projected deficit for the 1995 budget year is R26 million. This takes into account R17,3 million for financial aid for students and is arrived at by recommending a 5% increase in student fees. This increase is not undertaken lightly, nor will it be received lightly. If fees are not increased, the deficit will increase (in a situation in which it is already so substantial that it could certainly not be sustained beyond 1995) and the financial aid budget will itself become a victim of the loss of revenue which would result.

It should be noted that the budget assumes certain pay levels. If these are not accepted by the staff, there will be further pressure on the financial aid allocation in the budget.



## TECHNIKON NATAL

2. The reference in the fourth paragraph under Noted refers to universities under severe financial pressure etc. No mention is made of technikons who, as fairly young institutions, do not necessarily have the problem of replacing obsolete equipment but rather are faced with an inability to get equipment at all.



## **FINANCIAL SUSTAINABILITY**

Prioritising of expenditure in relation to the Human Resource needs of the economy, would ensure better application of available funding. Tertiary institutions should have systems and procedures in place that identify such priorities, and measure their effectiveness in addressing these needs.

Medium and long term fiscal planning should be based on a well defined academic plan, that has resulted from extensive market research. Without an academic development plan, the institution operates aimlessly and financial allocation is done on an ad-hoc short term basis. This results in dissention and conflict amongst the departments and individuals within the institution.

The institutions could develop such plans in broad consultation with industry, government and the personnel within it.

Government could insist upon such planning, and define the guidelines and control measures to ensure adequate long range planning and execution.



## SUBSIDY CUTS

The continuing decline of government subsidy - an extreme one in real terms threatens to reduce our and other institutions of higher learning to little more than "bush colleges". We cannot function to provide the education and training countenanced by the RDP if we have no funds. Apart from donations (which are not easy to acquire in the current economic climate) our monies come from government and from student fees. Raising the latter is a problem (see 3 below) so the money must come from the former.

## STUDENT FEES

The Technikon must be financially accessible to students. At the same time it needs money to operate. Raising fees to compensate for subsidy cutbacks is a sure way to create a crisis on campus. Some form of government bursary/loan system is urgently needed to resolve this impasse. There are great expectations on the part of students that the new government will come to the rescue of needy students.