Higher Education budget cuts will be to our long-lasting detriment

By Prof Belinda Bozzoli MP - DA Shadow Minister of Higher Education, Science and Technology

Those of you who are wondering where the R500 billion is that the President promised us a while ago to fund the fight against Covid -19, listen to this.

This is a destructive budget, and its destructiveness is not easy to discern. Let me try to reveal it.

The budget for this Department has been "adjusted" by two amounts: one so-called *"suspension"* of funds totalling R6.734 billion; and one reduction in skills levy income of R8.122 billion.

So, this means that out of a budget of R86 billion, the Department will be giving up R14.856 billion, or 16% of its normal expenditure.

The Department has tried to make this amount look smaller by calling nearly R5 billion of it a *"suspension"* of funds rather than a cut. This is completely disingenuous. They call it a *"suspension"* because the money will stay in the Department or its entities but be forcibly used for Covid-related expenses. The Department won't be able to use it for its normal expenditure and will have to reduce activities or services in certain fields to pay for Covid expenses.

This is not the case in other Departments which deal with the large-scale provision of services, such as Health or Social Development. Those Departments will get more money because of Covid, taken from Departments such as this one.

So, the multi-billion-rand costs of mounting an entire higher education programme for nearly 2 million students during the epidemic are to be borne by the Department itself. Costs such as provision of IT equipment, online teaching programmes, PPE and many others are to come out of normal items.

To pay for this the University subsidy has been cut by a substantial amount of R2.5 billion. This subsidy is used to pay for staff salaries, running costs, student costs and research expenses. A proportionately similar cut – R312 million – has been made in TVET running costs.

So serious are these cuts that Vice-Chancellors are meeting urgently to discuss the future sustainability of Universities.

New infrastructure, including the building of new student accommodation for TVETS, has been cut by a massive R1.1 billion.

And the NSFAS budget, which my colleague will talk about later, has been reduced by R2.5 billion.

You won't see most of these amounts reflected in the bottom line of the Department because they are cleverly hidden there as Covid costs. Nevertheless, the cuts are real, and they are happening already.

The biggest cut of all is in the skills levy, which funds the entire SETA landscape and all that goes with it. This R8.1 billion cut arises because the Minister has granted a skills levy holiday to businesses during this difficult time.

That was a good idea from the point of view of businesses, many of which are closing down because of the unnecessarily harsh shutdown we have suffered. But its implications for postschool education are enormous. 42% of the SETAS income will not come in this year.

Even if we assume there is superfluous expenditure in the SETA sector, it is obvious that this will seriously affect the training of thousands of people in critical skills needed for the economy. Courses may well have to be stopped, and students are likely to be left in limbo. Some small training providers might go out of business.

So, there is huge destruction under way in this Department, brought on by Covid-19, but mainly hidden from view.

This destruction is mainly the fault of the ANC government, which has been so busy stealing money that there is none left for a crisis such as this one. More prudent and honest countries are able to pull together emergency funding. This government has failed to do so.

Much of the President's R500 billion is a mirage. It is pulled from places like Higher Education, Basic Education, Housing and Science and Technology, to their long-lasting detriment. In the end the President will claim to have found the money, but we will know where it comes from.

We oppose this budget.