
Statistical release

P9103.1

Financial statistics of higher education institutions 2010

**Embargoed until:
13 October 2011
09:00**

Enquiries:

Francois Engelbrecht
+27(12) 310 8431

Forthcoming issue:

Financial statistics of
higher education
institutions, 2011

Expected release date

16 October 2012

Contents	Page
Key findings	2
Tables	
Table A Economic classification of statement of sources and uses of cash of higher education institutions for the 2009 and 2010 financial years (Summary).....	4
Table B Economic classification of cash payments for purchases of non-financial assets of higher education institutions for the 2009 and 2010 financial years.....	6
Notes	8
Explanatory notes	9
Glossary	13
General information	16

Key findings

Net change in the stock of cash from higher education institutions amounted to a cash deficit of R85 million for the 2010 financial year

Cash receipts from operating activities amounted to R40 959 million and cash payments for operating activities amounted to R33 690 million, resulting in a net cash inflow from operating activities of R7 269 million for the financial year ended 31 December 2010. Purchases of non-financial assets amounted to R4 960 million for the 2010 financial year. Sales of non-financial assets amounted to R101 million for the 2010 financial year, resulting in a net cash outflow from investments in non-financial assets of R4 859 million. The net acquisition of financial assets other than cash amounted to R2 614 million for the 2010 financial year. The net incurrence of liabilities amounted to R119 million, resulting in a net cash outflow from financing activities of R2 495 million for the 2010 financial year. The total net change in the stock of cash from higher education institutions amounted to a cash deficit of R85 million for the 2010 financial year (see Table A, p.4).

Economic classification of cash payments for operating activities and purchases of non-financial assets of higher education institutions

Economic classification of expenditure is in general a measure of the nature and economic effect of government operations on the economy of a country. Seven main economically classified cash payments for operating activity categories exist and these are: compensation of employees; purchases of goods and services; interest; subsidies; grants; social benefits; and other payments.

In contrast to national departments, which keep their accounts on a cash basis of recording, the accounts of higher education institutions are kept on an accrual basis of recording, i.e. the payments are recorded in the period to which the transactions relate and surpluses, deficits, assets and liabilities resulting from these transactions are carried over to the next fiscal year. However, the figures in this statistical release have been converted from an accrual basis of recording to a cash basis of recording.

Purchases of non-financial assets include cash payments for fixed assets (buildings and structures, machinery and equipment and other fixed assets), inventories, valuables and non-produced assets (land, subsoil assets, other naturally occurring assets and intangible non-produced assets).

The contribution of cash receipts from operating activities, and the contribution of cash payments for operating activities and purchases of non-financial assets economically classified

The largest contributor to total cash receipts from operating activities for the 2010 financial year was other receipts (R23 485 million), followed by grants (R17 473 million) and taxes (R1 million) (see Table A, p.4).

Cash receipts from operating activities increased by R4 067 million from R36 892 million in 2009 to R40 959 million in 2010, mainly due to the increase in other receipts.

The increase of R2 249 million in other receipts from R21 236 million in 2009 to R23 485 million in 2010 was mainly due to the increase in the sales of goods and services by the University of South Africa, the University of Pretoria and Tshwane University of Technology.

Grants received increased by R1 832 million from R15 641 million in 2009 to R17 473 million in 2010 mainly due to the increase in transfers from the Department of Higher Education and Training to the University of South Africa, Stellenbosch University and the University of Pretoria.

The decrease of R14 million in cash receipts of taxes from R15 million in 2009 to R1 million in 2010 was mainly due to the decrease in foreign exchange gains received by Stellenbosch University, the University of Johannesburg and the University of Pretoria.

Cash payments for operating activities increased by R3 416 million from R30 274 million in 2009 to R33 690 million in 2010, mainly due to the increase in compensation of employees.

The largest contributor to the total cash payments for operating activities (economically classified) for the 2010 financial year was compensation of employees (R18 848 million), followed by purchases of goods and services (R12 388 million), other payments (R2 018 million) and interest (R436 million).

The increase of R1 888 million in compensation of employees from R16 960 million in 2009 to R18 848 million in 2010 was mainly due to increased cash payments by the University of South Africa, Tshwane University of Technology and Stellenbosch University.

The increase of R852 million in purchases of goods and services from R11 536 million in 2009 to R12 388 million in 2010 was mainly due to increased cash payments by Stellenbosch University, the Walter Sisulu University and the University of South Africa.

The increase of R621 million in other payments from R1 397 million in 2009 to R2 018 million in 2010 was mainly due to the increase in cash payments by the University of Pretoria, the University of KwaZulu-Natal and Stellenbosch University.

The increase of R54 million in interest paid from R382 million in 2009 to R436 million in 2010 was mainly due to increased interest payments by the University of Pretoria, the University of the Western Cape and the Cape Peninsula University of Technology.

The largest contributor to purchases of non-financial assets was buildings and structures (R3 272 million), followed by machinery and equipment (R1 548 million), other fixed assets (R76 million), inventories (R61 million), valuables (R2 million) and non-produced assets (R1 million) for the 2010 financial year (see Table B, p.6).

Table A – Economic classification of statement of sources and uses of cash of higher education institutions for the 2009 and 2010 financial years (Summary) ¹

GFS'01 codes	Economic classification of sources and uses of cash	2009	2010	Change between 2009 and 2010
		R million	R million	R million
	Cash flows from operating activities:			
	Cash receipts from operating activities a	36 892	40 959	4 067
11	Taxes	15	1	-14
12	Social contributions	0	0	0
13	Grants	15 641*	17 473	1 832
14	Other receipts	21 236*	23 485	2 249
	Cash payments for operating activities b	30 274	33 690	3 416
21	Compensation of employees	16 960	18 848	1 888
22	Purchases of goods and services	11 536*	12 388	852
24	Interest	382	436	54
25	Subsidies	0	0	0
26	Grants	0	0	0
27	Social benefits	0	0	0
28	Other payments	1 397*	2 018	621
	<i>Net cash flow from operating activities: (outflow)/ inflow (a-b)=c</i>	6 618	7 269	651
	Cash flows from investments in non-financial assets:			
	Purchases of non-financial assets d	3 683	4 960	1 277
611	Fixed assets	3 642	4 895	1 253
612	Inventories	21	61	40
613	Valuables	7	2	-5
614	Non-produced assets	14	1	-13
	Sales of non-financial assets e	60	101	41
311	Fixed assets	60	100	40
312	Inventories	0	0	0
313	Valuables	0	0	0
314	Non-produced assets	0	1	1
	<i>Net cash flow from investments in non-financial assets: (outflow)/ inflow (e-d)=f</i>	-3 623	-4 859	
	CASH SURPLUS/ (DEFICIT) (c+f)=g	2 995	2 410	
	Cash flows from financing activities:			
	Net acquisition of financial assets other than cash: cash outflow/ (inflow) h	2 209	2 614	
321	Domestic	2 005	2 764	
322	Foreign	205	-150	
	Net incurrence of liabilities: cash (outflow)/ inflow i	186	119	
331	Domestic	186	119	
332	Foreign	0	0	
	<i>Net cash flow from financing activities: (outflow)/ inflow (i-h)=j</i>	-2 023	-2 495	
99999	NET CHANGE IN THE STOCK OF CASH (g+j)=k	972	-85	

¹ The sum of the data may not necessarily add up to totals due to rounding-off of figures.

² Included in the total cash payments for operating activities are the amounts for research undertaken by higher education institutions which was to the value of R2 443 million in 2011.

* Revised since the previous publication.

Figure 1 – Economic classification of the cash payments for operating activities and purchases of non-financial assets for the 2009 and 2010 financial years

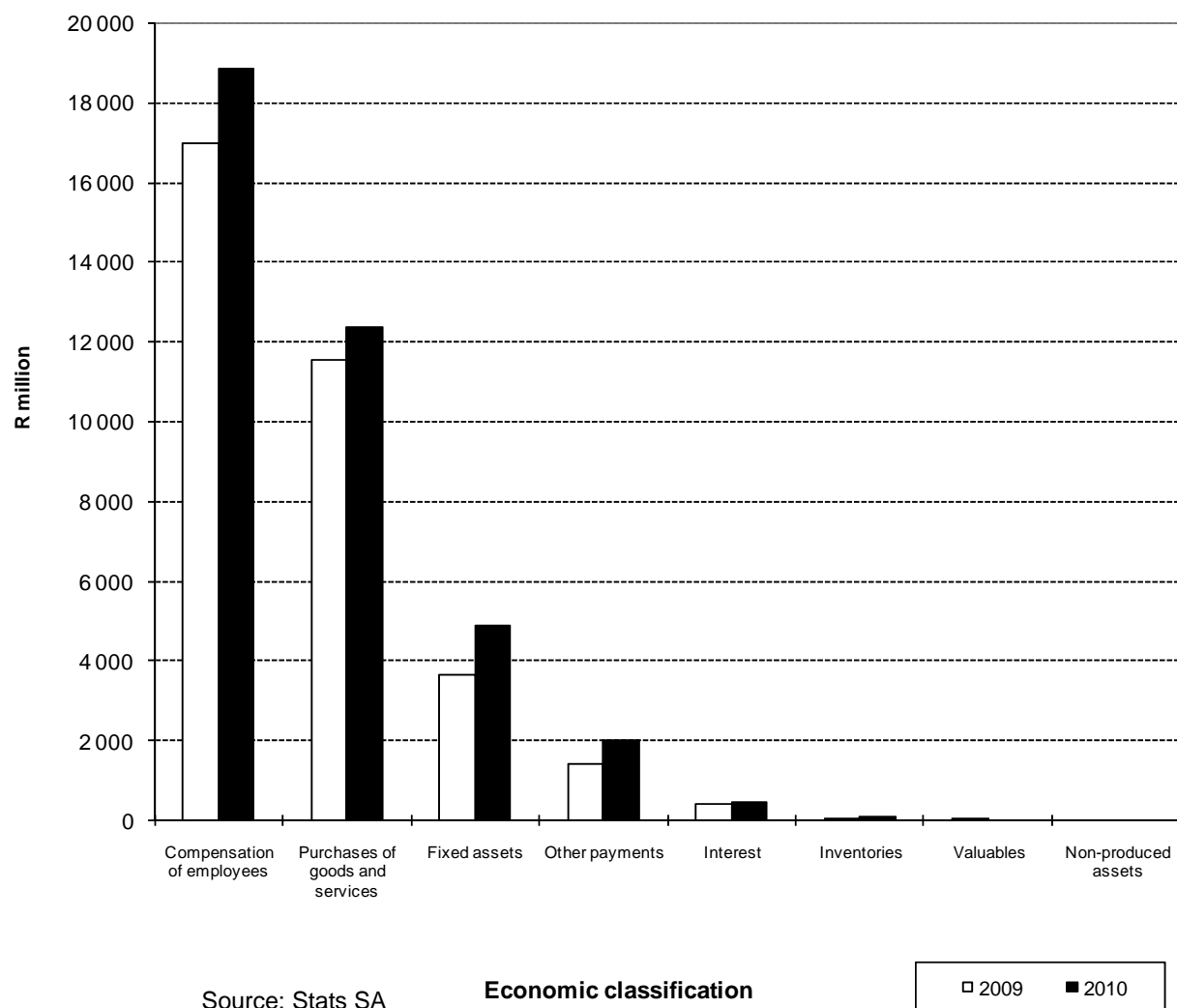
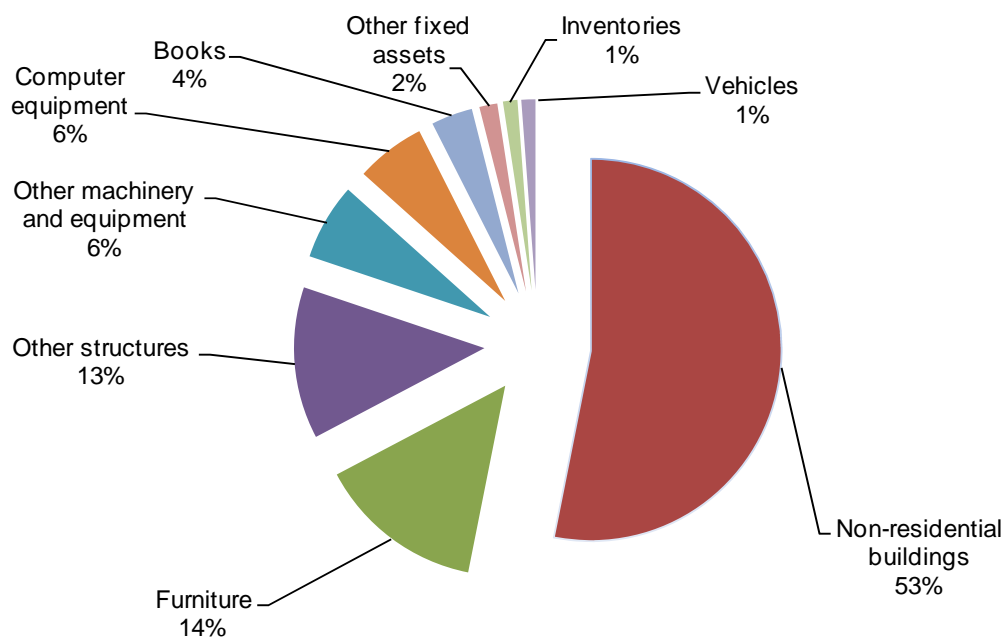


Table B – Economic classification of cash payments for purchases of non-financial assets of higher education institutions for the 2009 and 2010 financial years

GFS'01 codes	Cash payments for purchases of non-financial assets	2009	2010	Change between 2009 and 2010
		R million ¹	R million ¹	R million ¹
	Purchases of non-financial assets: (m + q + r + s) = l	3 683	4 960	1 277
611	Fixed assets: (n + o + p) = m	3 642	4 895	1 253
6111	Buildings and structures: n	2 177	3 272	1 095
61111	Residential buildings	39	0	-39
61112	Non-residential buildings	1 964	2 633	669
61113	Other structures	174	639	465
6112	Machinery and equipment: o	1 369	1 548	179
61121	Vehicles	44	59	15
61122	Computer equipment	364	293	-71
61124	Furniture	615	701	86
61125	Other machinery and equipment	184	321	137
61126	Books	162	174	12
6113	Other fixed assets: p	95	76	-19
61132	Intangible assets	95	76	-19
612	Inventories q	21	61	40
613	Valuables r	7	2	-5
614	Non-produced assets s	14	1	-13

¹ The sum of the data may not necessarily add up to totals due to rounding-off of figures.

Figure 2 – Economic classification of cash payments for purchases of non-financial assets for the 2010 financial year



Source: Stats SA

Notes

Forthcoming issues	Issue	Expected release date
	Financial statistics of higher education institutions, 2011	16 October 2012
Purpose of this statistical release	This statistical release provides financial statistics of cash transactions of higher education institutions. Cash payments converted from accrual basis of recording for operating activities and purchases of non-financial assets for the 2010 financial year were classified economically and functionally.	
Expected changes in next issue	No changes are expected.	

PJ Lehohla
Statistician-General

Explanatory notes

Introduction

1. This statistical release provides information on cash transactions of higher education institutions for the 2010 financial year, which ended on 31 December 2010, and revised figures for the 2009 financial year.

Scope of the financial statistics of higher education institutions

2. The cash payment transactions of the following higher education institutions have been classified economically and functionally:

Universities

- 1) Nelson Mandela Metropolitan University
- 2) North-West University
- 3) Rhodes University
- 4) Stellenbosch University
- 5) University of Cape Town
- 6) University of Fort Hare
- 7) University of the Free State
- 8) University of Johannesburg
- 9) University of KwaZulu-Natal
- 10) University of Limpopo
- 11) University of Pretoria
- 12) University of South Africa
- 13) University of Venda
- 14) University of the Western Cape
- 15) University of the Witwatersrand
- 16) University of Zululand
- 17) Walter Sisulu University

Universities of Technology

- 18) Cape Peninsula University of Technology
- 19) Central University of Technology, Free State
- 20) Durban University of Technology
- 21) Mangosuthu University of Technology
- 22) Tshwane University of Technology
- 23) Vaal University of Technology

National Plan for Higher Education

3. In February 2001, the Cabinet recommended the establishment of the National Institutes for Higher Education as an innovative feature of the new higher education institutional landscape.

The National Institutes for Higher Education constitute a new organisational entity, established in terms of the recommendations set out in the National Plan on Higher Education. The mandate is to facilitate the provision of higher education programmes in Mpumalanga and the Northern Cape provinces.

The National Institutes for Higher Education are not established as autonomous institutions that can provide higher education qualifications in their own name, but to provide higher education programmes through collaborative agreements with existing higher education institutions.

In other words, the model of the National Institutes for Higher Education is that of a new organisational form, which will facilitate and co-ordinate the provision of programmes in Northern Cape and Mpumalanga by existing higher education institutions.

Methodology

4. Statistics South Africa receives financial statements of higher education institutions annually from the Department of Higher Education and Training. However, the figures in this statistical release have been converted from an accrual basis of recording to a cash basis of recording. Financial statements were received for all 23 higher education institutions.

Missing or incomplete information was supplemented through telephonic communication with the relevant higher education institutions as far as possible.

Stats SA receives consolidated information of all the higher education institutions, including information on hostels and trust funds. Therefore, information on hostels and trust funds cannot be excluded from the tables.

The expenditure on land and buildings by government departments (as a direct liability against their votes) on behalf of certain higher education institutions is not included in the tables.

Comparability with the previous year

5. This statistical release includes changes in Rand value from the previous year (2009) for the categories of cash flows from operating activities and cash flows from investments in non-financial assets. This statistical release is comparable with the previous year.

Classification

6. Economic classification

Transactions in this statistical release are classified economically according to the standard classifications of the 2001 Manual on Government Finance Statistics (GFS) of the International Monetary Fund.

Economic classification is in general a measure of the nature and economic effect of government operations on the economy of the country.

Cash receipts and cash payments for operating activities and purchases of non-financial assets, sale of non-financial assets, net acquisition of financial assets other than cash and net incurrence of liabilities were classified economically as follows:

- **Cash receipts from operating activities**

Taxes
Social contributions
Grants
Other receipts

- **Cash payments for operating activities**

Compensation of employees (excluding capitalised remuneration)
Purchases of goods and services
Interest
Subsidies
Grants
Social benefits
Other payments

- **Purchases of non-financial assets (including capitalised remuneration)**

Fixed assets
Inventories
Valuables
Non-produced assets

- **Sales of non-financial assets**

Fixed assets
Inventories
Valuables
Non-produced assets

- **Net acquisition of financial assets other than cash**

Domestic
Foreign

- **Net incurrence of liabilities**

Domestic
Foreign

Related publications

Statistics South Africa also publishes information on the transactions of the following levels of the general government in statistical releases:

P9101	<i>Capital expenditure by the public sector;</i>
P0441	<i>Gross domestic product;</i>
P9114	<i>Financial census of municipalities;</i>
P9119.3	<i>Financial statistics of national government;</i>
P9119.4	<i>Financial statistics of consolidated general government;</i>
P9121	<i>Financial statistics of provincial government.</i>

Symbols and abbreviations

GFS	Government Finance Statistics, 2001
IMF	International Monetary Fund
n.e.c.	Not elsewhere classified
NPISH	Non-profit institutions serving households
R&D	Research and development
RDP	Reconstruction and Development Programme
SA	South Africa
SARS	South African Revenue Service
SCOA	Standard Chart of Accounts
SITA	State Information Technology Agency
SNA	System of National Accounts, 1993
Stats SA	Statistics South Africa

Revisions

Revisions are due to certain transactions which were reclassified owing to better information becoming available from annual reports.

Glossary

Accrual basis of recording	Accrual basis of recording means that flows are recorded at the time economic value is created, transformed, exchanged, transferred, or extinguished.
Books	Include library books and periodicals.
Cash basis of recording	Cash basis of recording means that transactions are captured when cash is received or when a cash payment is made.
Change in Rand value	Change in Rand value is the difference between the amount of a specific item for the current year and the previous year expressed as a nominal value of the two years.
Collective services	Collective services refer to the services provided collectively to the community and are particularly applicable to services such as general administration, public order and safety and economic services.
Compensation of employees	Compensation of employees is the total remuneration, in cash, payable to a government employee in return for work done during the accounting period, except for work connected with own account capital formation. It includes both wages and salaries and social contributions.
Cultivated assets	Consist of animals and plants that are used repeatedly or continuously for more than one year to produce other goods or services.
Economic classification	A measure of the nature and economic effect of government operations on the economy of the country.
Extra-budgetary accounts and funds	Accounts and funds of national and provincial governments not included in normal budget totals and which do not operate through normal budgetary procedures of national and provincial government e.g. trading accounts and general government accounts.
Financial assets	Financial assets consist of financial claims, monetary gold and Special Drawing Rights (SDRs) allocated by the International Monetary Fund (IMF).
Fixed assets	Fixed assets are produced assets that are used repeatedly or continuously in production processes for more than one year. Fixed assets are further classified as buildings and structures, machinery and equipment, and other fixed assets.
Functional classification	Functional classification of cash payments for operating activities and non-financial assets measures the purpose for which transactions are undertaken. It is generally used to measure the allocation of resources by government in order to promote various services and objectives rendered to the community.
GFS Manual (2001)	The manual describes a specialised macroeconomic statistical system (Government Finance Statistics system) designed to support fiscal analysis.
Government consumption expenditure	Expenditure on all goods and services, which are used (without further transformation in the production) by the government units for the direct satisfaction of individual needs or wants or the collective needs of members of the community.

Grants	Grants are non-compulsory current or capital transfers received by a government unit from either another government unit or an international organisation.
Higher education	All learning programmes leading to qualifications higher than grade 12 or its equivalent in terms of the National Qualifications Framework as contemplated in the South African Qualification Authority Act, 1995 (Act No. 58 of 1995).
Higher education institutions	(Section 1 of Act No.63, 2002). Any institution that provides higher education on a full-time, part-time or distance basis and which is (a) merged, established or deemed to be established as a public higher education institution under this Act; (b) declared as a public higher education institution under this Act; or (c) registered or [conditionally] provisionally registered as a private higher education institution.
Households	A household may be defined as an individual living alone or as a small group of persons sharing the same living accommodation.
Individual services	Individual services refer to services rendered to individuals or a small group of persons. This category applies particularly to community and social services, for example education, health and welfare.
Intangible fixed assets	Consist of mineral exploration; computer software; entertainment, literary and artistic originals; and miscellaneous other intangible fixed assets. To qualify as a fixed asset, the item must be intended for use in production for more than one year and its use must be restricted to the units that have established ownership rights over it or to units licensed by the owner.
Inventories	Inventories are goods and services held by producers for sale, use in production, or other use at a later date.
Liabilities	A present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.
Machinery and equipment	Machinery and equipment includes motor vehicles, ships, aircraft, equipment and furniture. Military expenditure on machinery and equipment which could be used for civilian purposes is included.
Non-financial assets	Non-financial assets consist of fixed assets, inventories, valuables and non-produced assets.
Non-financial public corporations	Non-financial public corporations are government owned and/or controlled units, which sell industrial or commercial goods and services to the public on a large scale.
Non-produced assets	Non-produced assets are assets needed for production that have not themselves been produced, such as land, subsoil assets, and certain intangible assets.
Non-profit institutions serving households (NPISH)	Non-profit institutions which are mainly engaged in non-market production and serve households.

Non-residential buildings	All buildings other than dwellings. Examples of types of buildings included in this category are office buildings, schools, prisons, hospitals, buildings for public entertainment, warehouse and industrial buildings, commercial buildings, hotels and restaurants.
Other fixed assets	Consist of cultivated assets and intangible fixed assets.
Other structures	This fixed asset consists of all structures other than buildings. Included are the following: highways, streets, roads, bridges, elevated highways, tunnels, railways, subways, airfield runways, sewers, waterways, harbours, dams, other waterworks, shafts, tunnels, other structures associated with mining subsoil assets, communication lines, power lines, pipelines, outdoor sport and recreation facilities.
Residential buildings	All buildings that are used entirely or primarily as residences and include flats, hostels and nursing homes.
Social benefits	Social benefits are transfers in cash or in kind to protect the entire population or a specific segment of it against certain social risks.
Social contributions	Social contributions are actual receipts from either employers on behalf of their employees or from employees, self-employed or non-employed persons on their own behalf that secure entitlement to social benefits for their contributors, their dependents or their survivors.
Subsidies	Current unrequited payments that government units make to enterprises on the basis of levels of their production activities or the quantities or values of the goods and services that they produce, sell, export or import. Subsidies may be designed to influence levels of production, prices at which outputs are sold, or the remuneration of the enterprises.
Subsidies on production	Subsidies on production are payments which resident enterprises may receive as a consequence of engaging in production.
Subsidies on products	Current unrequited payments that government units make to enterprises on the basis of quantities or values of the goods and services that they produce, sell, export or import.
Transfers	A transaction is a transfer in which one institutional unit provides a good, service or asset to another unit without receiving from the latter any good, service or asset in return as a direct counterpart.
Universities of technology	Means any technikon or university of technology established, deemed to be established or declared as a technikon or university of technology under the Higher Education Act, 1997 (Act No. 101 of 1997).
Universities	Universities mean any university established, deemed to be established or declared as a university under the Higher Education Act, 1997 (Act No. 101 of 1997).
Valuables	Valuables are produced goods of considerable value acquired and held primarily as a store of value and not used primarily for purposes of production or consumption.
Wages and salaries	Wages and salaries include primarily basic wages, salaries, services and other bonuses, allowances (including car allowances), overtime payments and housing subsidies.

General information

Stats SA publishes approximately 300 different releases each year. It is not economically viable to produce them in more than one of South Africa's eleven official languages. Since the releases are used extensively, not only locally but also by international economic and social-scientific communities, Stats SA releases are published in English only.

Stats SA has copyright on this publication. Users may apply the information as they wish, provided that they acknowledge Stats SA as the source of the basic data wherever they process, apply, utilise, publish or distribute the data; and also that they specify that the relevant application and analyses (where applicable) result from their own processing of the data.

Advance release calendar

An advance release calendar is disseminated on www.statssa.gov.za

Stats SA products

A complete set of Stats SA publications is available at the Stats SA Library and the following libraries:

National Library of South Africa, Pretoria Division
National Library of South Africa, Cape Town Division
Natal Society Library, Pietermaritzburg
Library of Parliament, Cape Town
Bloemfontein Public Library
Johannesburg Public Library
Eastern Cape Library Services, King William's Town
Central Regional Library, Polokwane
Central Reference Library, Nelspruit
Central Reference Collection, Kimberley
Central Reference Library, Mmabatho

Stats SA also provides a subscription service.

Electronic services

A large range of data is available via on-line services, diskette and computer printouts. For more details about our electronic data services, contact 012 310 8600 / 8390 / 8351 / 4892 / 8496 / 8095.

You can visit us on the Internet at: www.statssa.gov.za

Enquiries

Telephone number: 012 310 8600 / 8095 / 8390 / 0174 / 4892 / 8496 (user information services)

012 310 8977 / 2926 (technical enquiries)
012 310 8161 (orders)
012 310 4883 / 4885 / 8018 (library)

Fax number: 012 321 6741 (technical enquiries)

Email address: Info@statssa.gov.za (user information services)
ElizabethMa@statssa.gov.za (technical enquiries)
BusisiweSi@statssa.gov.za (technical enquiries)
Distribution@statssa.gov.za (orders)

Postal address: Private Bag X44, Pretoria, 0001

Produced by Stats SA