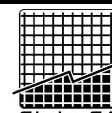


**Financial statistics of universities,  
universities of technology and  
technikons  
2004**

**Embargoed until:  
15 September 2005  
11:00**



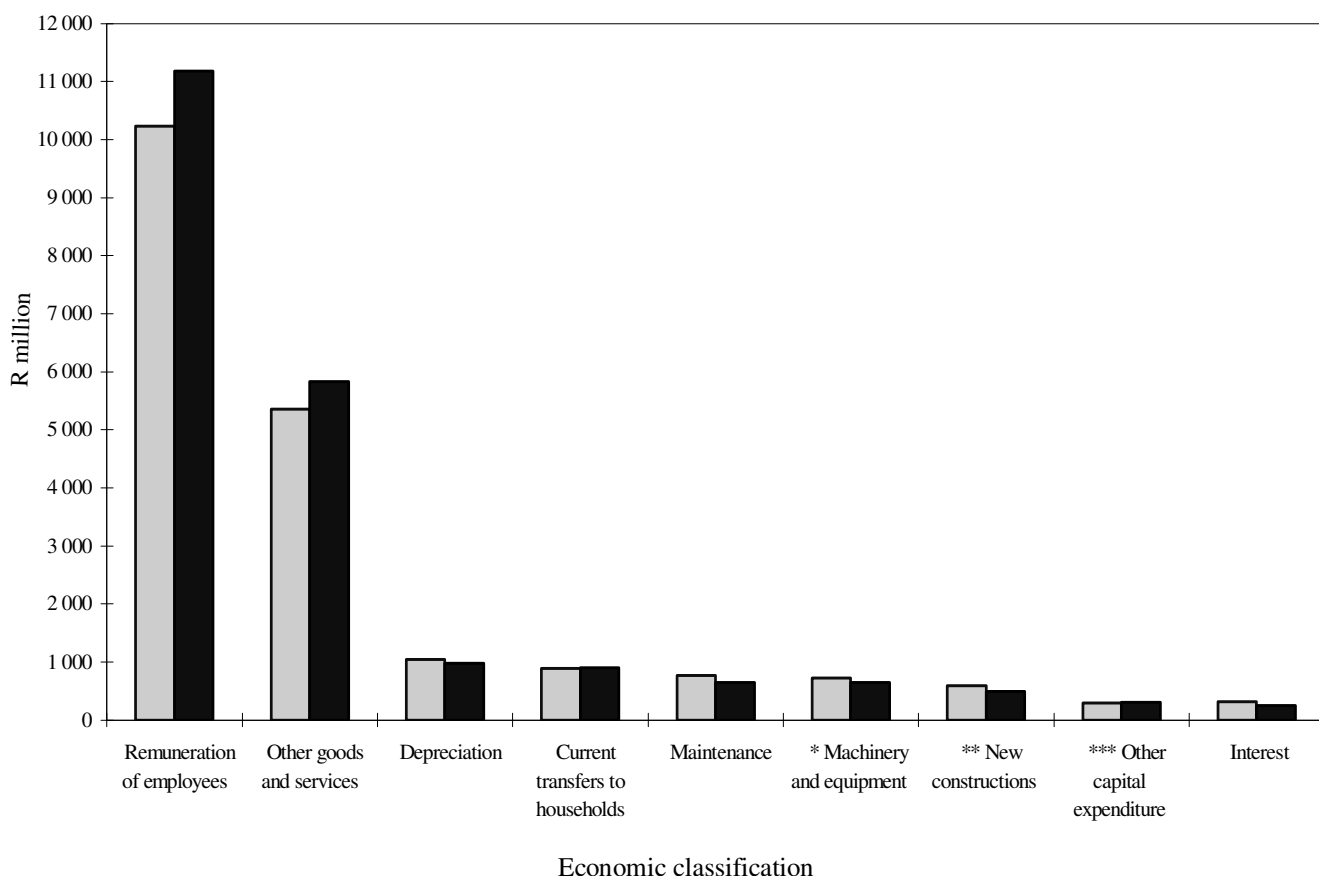
**TOTAL EXPENDITURE BY UNIVERSITIES, UNIVERSITIES OF TECHNOLOGY AND TECHNIKONS AMOUNTED TO R21 253,3 MILLION IN 2004**

*Total expenditure by South African universities, universities of technology and technikons amounted to R21 253,3 million in the 2004 financial year (ending on 31 December 2004). This reflected an increase of 5,0% compared with the R20 244,0 million of the 2003 financial year. Universities spent R16 517,5 million (77,7%), while universities of technology and technikons spent R4 735,8 million (22,3%) of the total expenditure in 2004.*

**Overall findings**

The largest contributor to the R21 253,3 million expenditure for 2004 was remuneration of employees (R11 183,0 million or 52,6%), followed by other goods and services for current activities (R5 833,4 million or 27,4%), depreciation (R983,0 million or 4,6%), current transfers to households (R909,6 million or 4,3%), maintenance (R646,3 million or 3,0%), machinery and equipment (R644,0 million or 3,0%), new constructions (R495,2 million or 2,3%), other capital expenditure (R307,0 million or 1,4%) and interest (R252,0 million or 1,2%) (see Figure 1, p. 1 and Table 1, p. 4, columns 8 and 11).

**Figure 1 - Total expenditure by universities, universities of technology and technikons for the financial years ended 31 December 2003 and 2004 according to type of expenditure**



Source: Stats SA

□ 2003 ■ 2004

- \* Machinery and equipment include vehicles, computers, furniture and other machinery and equipment.
- \*\* New constructions include residential buildings, non-residential buildings and other constructions.
- \*\*\* Other capital expenditure includes purchases of land and existing buildings as well as books.

**PJ Lehohla**  
**Statistician-General**

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**Notes**

<b>Forthcoming issues</b>	<b>Issue</b>	<b>Expected release date</b>
	Financial statistics of universities, universities of technology and technikons for the financial year ended 31 December 2005	15 September 2006
<b>Purpose of the survey</b>	This statistical release provides expenditure information of universities, universities of technology and technikons for the financial years ended 31 December 2003 and 2004.	

**Table 1 - Total expenditure by universities, universities of technology and technikons for the financial years ended 31 December 2003 and 2004 according to type of expenditure**

Type of expenditure	Universities		Annual percentage change <sup>1/</sup>	Universities of technology and technikons		Annual percentage change <sup>1/</sup>	Total <sup>2/</sup>		Annual percentage change <sup>1/</sup>	Percentage of total expenditure	
	2003	2004		2003	2004		2003	2004		2003	2004
	1	2	3	4	5	6	7	8	9	10	11
	R '000	R '000		R '000	R '000		R '000	R '000			
<b>1. Current expenditure</b>											
1.1 Goods and services	13 619 470	14 534 415	6,7	3 789 251	4 111 240	8,5	17 408 721	18 645 655	7,1	86,0	87,7
1.1.1 Remuneration of employees	7 813 745	8 454 983	8,2	2 416 028	2 728 016	12,9	10 229 773	11 182 999	9,3	50,5	52,6
1.1.2 Maintenance	590 950	508 224	-14,0	184 360	138 055	-25,1	775 310	646 279	-16,6	3,8	3,0
1.1.3 Depreciation	840 994	756 090	-10,1	207 694	226 891	9,2	1 048 688	982 981	-6,3	5,2	4,6
1.1.4 Other	4 373 781 *	4 815 118	10,1	981 169 *	1 018 278	3,8	5 354 950 *	5 833 396	8,9	26,5	27,4
1.2 Interest	203 404	162 604	-20,1	118 553	89 373	-24,6	321 957	251 977	-21,7	1,6	1,2
1.2.1 Private sector	188 191	161 086	-14,4	115 548	86 175	-25,4	303 739	247 261	-18,6	1,5	1,2
1.2.2 National government	15 213	1 518	-90,0	3 005	3 198	6,4	18 218	4 716	-74,1	0,1	0,0
1.3 Current transfers to households	722 369 *	723 814	0,2	163 651 *	185 749	13,5	886 020 *	909 563	2,7	4,4	4,3
<b>Total current expenditure a</b>	<b>14 545 243</b>	<b>15 420 833</b>	<b>6,0</b>	<b>4 071 455</b>	<b>4 386 362</b>	<b>7,7</b>	<b>18 616 698</b>	<b>19 807 195</b>	<b>6,4</b>	<b>92,0</b>	<b>93,2</b>
<b>2. Capital expenditure</b>											
2.1 New constructions	493 589	350 153	-29,1	100 065	145 012	44,9	593 654	495 165	-16,6	2,9	2,3
2.1.1 Residential buildings	81 440	80 237	-1,5	32 955	29 649	-10,0	114 395	109 886	-3,9	0,6	0,5
2.1.2 Non-residential buildings	388 481	248 563	-36,0	65 054	108 327	66,5	453 535	356 890	-21,3	2,2	1,7
2.1.3 Other constructions	23 668	21 353	-9,8	2 056	7 036	242,2	25 724	28 389	10,4	0,1	0,1
2.2 Land and existing buildings	31 512	23 783	-24,5	-	-	0,0	31 512	23 783	-24,5	0,2	0,1
2.3 Machinery and equipment	564 431	474 386	-16,0	167 249	169 583	1,4	731 680	643 969	-12,0	3,6	3,0
2.3.1 Vehicles	32 538	29 907	-8,1	9 613	6 206	-35,4	42 151	36 113	-14,3	0,2	0,2
2.3.2 Computer equipment	218 980	188 228	-14,0	81 470	74 711	-8,3	300 450	262 939	-12,5	1,5	1,2
2.3.3 Furniture	131 901	94 560	-28,3	31 576	39 748	25,9	163 477	134 308	-17,8	0,8	0,6
2.3.4 Other machinery and equipment	181 012	161 691	-10,7	44 590	48 918	9,7	225 602	210 609	-6,6	1,1	1,0
2.4 Books	247 995	248 330	0,1	22 449	34 837	55,2	270 444	283 167	4,7	1,3	1,3
<b>Total capital expenditure b</b>	<b>1 337 527</b>	<b>1 096 652</b>	<b>-18,0</b>	<b>289 763</b>	<b>349 432</b>	<b>20,6</b>	<b>1 627 290</b>	<b>1 446 084</b>	<b>-11,1</b>	<b>8,0</b>	<b>6,8</b>
<b>Total expenditure by universities, universities of technology and technikons (c=a+b)</b>	<b>15 882 770</b>	<b>16 517 485</b>	<b>4,0</b>	<b>4 361 218</b>	<b>4 735 794</b>	<b>8,6</b>	<b>20 243 988</b>	<b>21 253 279</b>	<b>5,0</b>	<b>100,0</b>	<b>100,0</b>

<sup>1/</sup> The annual percentage change is the change in the type of expenditure of the current year compared with the same type of expenditure in the previous year, expressed as a percentage.

<sup>2/</sup> Included in the total expenditure are the amounts estimated for research undertaken by universities, universities of technology and technikons to the value of R1 023 000 million in 2003 and R1 554 000 in 2004.

<sup>3/</sup> The Statement of Changes in Funds contains direct additions to and subtractions from equity that are not reflected in the Income Statement or are apparent elsewhere in the Financial Statements. Therefore figures have an influence on the funds available as shown in the Balance Sheet.

\* Revised since the previous publication (see note 7, page 7).

## Explanatory notes

### Introduction

1. This statistical release provides expenditure information of universities, universities of technology and technikons for the 2003 and 2004 financial years, which ends on 31 December of each year.

### Scope of the expenditure information of universities, universities of technology and technikons

2. The expenditure details of the following universities, universities of technology and technikons are included in the tables:

#### Universities

- Medical University of South Africa (Medunsa)
- North West University
- Rand Afrikaans University (RAU)
- Rhodes University
- Stellenbosch University
- University of Cape Town
- University of Fort Hare
- University of the Free State
- University of KwaZulu-Natal
- University of the North
- University of Port Elizabeth
- University of Pretoria
- University of South Africa
- University of Transkei
- University of Venda
- University of the Western Cape
- University of the Witwatersrand (Wits)
- University of Zululand

#### Universities of Technology

- Central University of Technology, Free State
- Durban Institute of Technology
- Tshwane University of Technology
- Vaal University of Technology

#### Technikons

- Border Technikon
- Cape Technikon
- Eastern Cape Technikon
- Mangosuthu Technikon
- Peninsula Technikon
- Port Elizabeth Technikon
- Technikon Witwatersrand

### Restructuring of higher education landscape

3. In November 2003, the Cabinet approved proposals for the restructuring of the institutional landscape through mergers and incorporations. The following mergers were approved as from 1 January 2004:

- Pretoria Technikon, Technikon Northern Gauteng and North West Technikon (merged to form Tshwane University of Technology)
- University of South Africa, Technikon South Africa and Vista University Distance Education Campus (merged to form University of South Africa)
- University of Natal and University of Durban-Westville (merged to form University of KwaZulu-Natal)
- University of Potchefstroom for Christian Higher Education and University of North West (merged to form North West University).

In addition to the mergers listed above, the following incorporations also took place in January 2004:

- Mamelodi campus of Vista University into Pretoria University
- Bloemfontein campus of Vista University into the University of the Free State
- Welkom campus of Vista University into the Technikon Free State (Central University of Technology, Free State)
- Port Elizabeth campus of Vista University into the University of Port Elizabeth (Nelson Mandela Metropolitan University)
- East Rand and Soweto campuses of Vista University into Rand Afrikaans University (University of Johannesburg)
- Sebokeng campus of Vista University into North West University
- Dental Faculty of the University of Stellenbosch into the University of the Western Cape
- East London campus of Rhodes University into the University of Fort Hare.

It should be noted that the mergers indicated below have taken place in January 2005. Therefore, the ongoing restructuring process will result in 23 higher education institutions for the 2005 reporting period.

- University of the North and Medical University of South Africa (merged to form University of Limpopo)
- University of Port Elizabeth and Port Elizabeth Technikon (merged to form Nelson Mandela Metropolitan University)
- Rand Afrikaans University and Technikon Witwatersrand (merged to form University of Johannesburg)
- Cape Technikon and Peninsula Technikon (merged to form Cape Peninsula University of Technology)
- University of Transkei, Border Technikon and the Eastern Cape Technikon (merged to form Walter Sisulu University for Technology and Science, Eastern Cape\_with effect from July 2005).

## Methodology

4. Statistics South Africa receives financial statements of universities, universities of technology and technikons annually from the Department of Education. Universities, universities of technology and technikons keep their accounts on an accrual basis in accordance with Generally Accepted Accounting Practice (GAAP),

i.e. payments are recorded in the period to which the transactions relate and surpluses, deficits, assets and liabilities are carried over to the next financial year. Financial statements were received for all 29 institutions as set out on page 5.

Missing or incomplete information was supplemented through telephonic liaison with the relevant universities, universities of technology and technikons as far as possible.

5. The tables contain only the consolidated information of all the accounts and funds of the universities, universities of technology and technikons. Stats SA does not receive separate information for hostels and trust funds, in order to exclude the information from the tables.
6. The expenditure on land and buildings by government departments (as a direct liability against their votes) on behalf of certain universities, universities of technology and technikons is not included in the tables.

### Revision of 2003 figures

7. Grants for research and bursaries to students, financed by other general government institutions are included as income in the accounts of universities, universities of technology and technikons. Consequently, the item current transfers to households in the tables include these funds as well as bursaries granted to students from the 'higher education institutions' own funds. In previous years, current transfers to households existed mainly of bursaries to students from the higher education institution's own funds. The items current transfers to households and other goods and services in table 1 are adjusted accordingly for the 2003 financial year.

Due to the merging of certain institutions and the incorporations of campuses of institutions into others as well as the establishment of universities of technology, the information for 2004 (except for the grand totals) in table 1 is not strictly comparable with previous publications.

### Classification

#### 8. Economic classification

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

- **Current expenditure**

Goods and services:

Remuneration of employees (excludes capitalised remuneration)

Other goods and services

Maintenance

Depreciation

Other

Interest

Current transfers to households

- **Capital expenditure** (includes capitalised remuneration)



- New constructions
  - Residential buildings
  - Non-residential buildings
  - Other constructions
- Land and existing buildings
- Machinery and equipment
  - Vehicles
  - Computer equipment
  - Furniture
  - Other
- Books

**Related publications**

9. Stats SA also publishes statistical releases on the expenditure of the other levels of the general government:

- P9101.1 : *Annual actual and expected capital expenditure of the public sector*
- P9102 : *Financial statistics of extra-budgetary accounts and funds*
- P9114 : *Financial Census of municipalities*
- P9119 : *Consolidated expenditure by the General Government sector*
- P9119.2 : *National government expenditure*
- P9120 : *Provincial government expenditure*

**Symbols and abbreviations**

10. GAAP Generally Accepted Accounting Practice  
 SNA System of National Accounts 1993  
 Stats SA Statistics South Africa  
 - Nil or not applicable

## Glossary

<b>Books</b>	Includes library books and periodicals.
<b>Economic classification</b>	Economic classification is a measure of the nature and economic effect of government operations on the economy of the country. For example, when supplying nonmarket goods and services to the community, a government unit may produce the goods and services itself and distribute them, purchase them from a third party and distribute them, or transfer cash to households so they can purchase the goods and services directly. The economic classification identifies the types of expense incurred for these activities.
<b>Households</b>	Households may be defined as individuals or a small group of persons who share the same living accommodation (bursaries to students is regarded as current transfers to households).
<b>Machinery and equipment</b>	Machinery and equipment are divided into vehicles, computer equipment, furniture and other machinery and equipment.
<b>Non-residential buildings</b>	Non-residential buildings include clinics, hospitals, offices and office blocks, warehouses, laboratories, workshops and lecture halls.
<b>Other constructions</b>	Other constructions include sport fields, roads and fences.
<b>Other goods and services</b>	Other goods and services include purchases of all other goods and services, except remuneration of employees, for current activities. In accordance with the recommendations of the 1993 System of National Accounts (SNA) these kinds of expenditure exclude capital expenditure relating to office, school, and household furniture and equipment.
<b>Remuneration of employees</b>	Remuneration of employees primarily includes salaries, wages, service and other bonuses, allowances (including car allowances), retirement benefits, contributions to medical, insurance and pension funds, compensation in respect of examinations and housing subsidies.
<b>Residential buildings</b>	Residential buildings are buildings that are used entirely or primarily as residences and include student houses, flats, hostels and nursing homes.
<b>Subsidies</b>	Subsidies are current unrequited payments that general government pays to enterprises on the basis of the quantities or values of the goods and services, which they produce, sell or import.
<b>Technikons, universities of technology and universities</b>	Those institutions deemed to be established or declared as technikons, universities of technology or universities in terms of the Higher Education Act, 1997 (as amended).

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*Produced by Stats SA*

*Financial statistics of universities, universities of technology and technikons, 2004*