



Minister of Higher Education and Training

Budget Vote Speech, National Assembly, 16 May 2017

“Advancing Higher Education and Training in the year of OR Tambo”

Honourable Speaker

Cabinet Colleagues and Deputy Ministers

Deputy Minister of Higher Education & Training, Mr. Mduduzi Manana

Chairperson of the Portfolio Committee on Higher Education and Training

Members of Parliament

Director-General and Staff of the Department

Heads of our Post-School Organisations and Institutions

Honoured Guests

My special guests, including my wife Phumelele

Ladies and Gentlemen

Comrades and Friends

I rise to address this House in this the year of O. R Tambo, who was deeply passionate about education, and understood that education is a key driver for development. Oliver Tambo was a maths and science teacher who firmly believed that a liberated South Africa would require a well-educated populace to govern the new democratic state.

Despite the turbulence in our higher education system over the last 18 months, I am pleased that 2017 has seen a relatively stable start. Let me thank all our institutions, including staff, students and workers, for their laudable efforts in this regard.

We also deliver this budget vote shortly after the conclusion of the World Economic Forum for Africa, which was held in Durban on 3 – 5 May 2017, whose key theme was the 4th Industrial Revolution.

The 4th Industrial Revolution refers to the pervasiveness of digital technologies that are fusing the physical, digital and biological worlds, and affecting everything about our existence, in particular economies and industries. This revolution is changing the way in which we live, work and relate to one another.

The reality of this 4th Industrial Revolution presents both a big opportunity and simultaneously a threat to African continental development. Whilst it is an opportunity to fastrack economic development, it can also be a platform for the further reproduction of unequal global economic development. Whilst engaging with this reality, we at the same time have to develop skills for the industrialization of the African continent. This forces us to ponder therefore on what kind of institutions do we require in our post-school system, and in particular, what kind of TVET colleges do we need. Key among the skills we need to produce are those that will enable people to be critical, agile, and adaptable to rapid technological changes. These questions must be at the heart of our transformation agenda.

Indeed a lot has been achieved since the establishment of our department in 2009. Among such achievements are:

- The establishment of three new universities, including a dedicated university of health sciences
- Developed the vision and policy of the PSET system, as contained in the White Paper
- Strengthened and incorporating the TVET colleges into the PSET system, including migrating their staff into the our department and relevant supporting legislation
- Approved massive infrastructure developments across the system
- Improved access, participation and throughput rates
- A TVET college Turn Around Strategy, including significant increase in enrolments in the TVET Colleges.

However one of the biggest challenges for this fifth parliament is the need to provide financial resources in order to build a vibrant TVET college sector capable of absorbing millions of our unemployed youth and provide much needed skills for our economy. In fact, failure to adequately resource our TVET colleges may as well be the single biggest undoing in growing and developing an inclusive economy in our country.

It is also important to note that we still eagerly await the report of the Presidential Commission of Inquiry into Higher Education and Training that is looking into the feasibility of fee-free higher education and training for the poor and working class.

We look forward to the recommendations of that report, including government's response to these, so as to bring much needed certainty on this matter. As we await the final outcome, we are simultaneously finalizing the National plan for PSET, which will be completed by the end of this financial year.

STUDENT FUNDING FOR POST-SCHOOL EDUCATION AND TRAINING SECTOR

Since its inception as the Tertiary Education Fund of South Africa (TEFSA) in 1991, NSFAS has awarded about R72 billion in loans and bursaries.

Despite the cynicism of our critics, more than two million students studying at South Africa's public universities and Technical and Vocational Education and Training (TVET) Colleges have been funded by the National Student Financial Aid Scheme (NSFAS).

A total of 194 353 University students have thus far been supported in the 2017 academic year, with 78 413 covering first time entrances and 115 940 returning students. Similarly, 123 332 TVET college students have already received support this year. NSFAS is one of the most significant success stories in the history of a democratic South Africa.

We are also acutely aware of the administrative challenges facing NSFAS and we are working together with the board to address these as a matter of urgency.

I also wish to categorically state that there is absolutely no intention to privatize or hand over NSFAS to the banks. For as long as I am Minister no such will happen, contrary to some malicious rumours in this regard. I call upon all stakeholders to engage meaningfully with the discussion document for funding the "missing middle", that has been released for public comment.

While significant additional amounts of funding have been injected into NSFAS, there is still insufficient funding to support all students who require financial aid and who meet the requisite academic requirements at universities.

We are also piloting a scheme for the missing middle which is not yet a final product. And we invite all stakeholders to engage with this. We appreciate the contribution of the private sector in this pilot, which donated a total of R138 million, and committed to supporting these students until they finish irrespective of whether government accepts this model or not.

I want to reiterate that government remains committed to finding the resources to support students from poor, working class and “missing middle” families in their quest to access higher education and training, and better their lives.

TVET COLLEGES

As already mentioned, the TVET sub-system remains the cornerstone of our PSET system. Over the last few years we have started construction of 3 new TVET college campuses as part of programme of 12 new TVET college campuses

We have also made major strides in turning around these institutions:

- Developing a foundation programme for implementation in 2018/19, targeting 5 000 students
- Supporting 10 Universities, through a European Union grant, to build capacity to train TVET college lecturers
- Progress has been made to reform the NATED qualifications into occupational qualifications and in so doing updating the qualifications to ensure labour market relevance
- A review of the NCV policy has been undertaken

Also in the coming year we will strengthen the sector by developing and revising legislative and other frameworks. We will also standardize the structures of governance across institutions. This year we will fix the dysfunction of the examinations system, and clear the certification backlog. Of the National Certification (Vocational) backlog of 236 821 that we inherited; only 84 remain unissued, and this will be cleared by June 2017. The backlog for the Nated courses is also being addressed. We also intend pursuing transformation of college curricula.

One of the biggest interventions we intend to make this year is that of implementing a TVET Connectivity Project through the South African National Research Network (SANReN). Through this project all the 267 colleges campuses will operate on the same ICT network environment as Universities.

PILOTING THE CONCEPT OF COMMUNITY COLLEGES

Government's educational interventions, including through the Kha Ri Gude Literacy Programme and other post-school interventions, have led to the decrease in percentage of the population above 20 years with no education from 19% in 1996 to 5 percent in 2015. Graduates from our higher education institutions reached 1 183 097 for the period 2009 – 2015.

In 2017/18, the priority is on piloting the concept of Community Colleges, aimed at increasing educational access to those South African who never finished school, in collaboration with the recently established National Forum for Community Colleges.

UNIVERSITY EDUCATION

While access and funding remain important, we need to improve participation rates by black students. We need to build capacity comprehensively to transform the institutional culture and curriculum, in line with the calls for 'decolonisation' of our universities. This requires us to produce a new kind of an academic.

It is for this reason that the department has approved, and will implement what we call the University Capacity Development Program (UCDP) from the beginning of the 2018 academic year, which will prioritise historically disadvantaged universities. This programme will allocate R900 million in the first year, increasing nominally in subsequent years, to enable the implementation of capacity development activities in universities that are focused on **student success, staff development and curriculum transformation**. This will include the recruitment and training of new academics that are indispensable in the transformation of curricula in our universities.

In order to address the paucity of black South African academics in our institutions, which manifests in 66% (in 2015) of all university professors still being white (23 years into our democracy), I will be setting up a Ministerial Task Team to investigate the obstacles into the

production of black South African academics and how to address those. The Task Team will be chaired by the former Deputy Vice-Chancellor of UNISA, Prof David Mosoma.

Other recent achievements in this regard include:

- R200m invested in The Teaching and Learning Capacity Development Programme (TLDCIP) through a partnership with the European Union
- a R20 million partnership with the United Kingdom's Royal Academy of Engineering (RAEng) on a programme to strengthen engineering education in South Africa
- A partnership with the NSF and NRF enabled the establishment of 6 research chairs focused on aspects of post-school education and training
- The establishment of the Entrepreneurship Development in Higher Education (EDHE) programme focusing on: student entrepreneurship; academic programme development; and, entrepreneurial universities
- A new policy on the recognition of creative outputs and innovations produced by public universities
- Substantial progress made towards the development of the Central Application Service (CAS) has been achieved. A policy on the CAS was published for public comment in 2016, followed by extensive consultation. This will be finalised this year, and systems procured for testing in 2018/19
- The establishment of the BRICS Network University

We have also committed to dealing decisively with the challenges faced by historically disadvantaged institutions (HDIs) and to ensure that all our universities are in a position to deliver high quality education.

To this end, we have established the Historically Disadvantaged Institutions Development Grant (HDI-DG) whose overall purpose is to enable HDIs to develop themselves towards fully realising their potential as universities.

Funding of approximately R2.5 billion over a five-year period has been earmarked for this programme. After five-years, the impact of the funding will be assessed.

INNOVATION & ENTREPRENEURSHIP DEVELOPMENT

South Africa is faced with high unemployment, specifically among our youth. Higher Education Institutions (HEIs) and their graduates represent a valuable resource to address this problem, while also being an instrument to achieve sustainable economic growth.

The University sector is in the process of developing a platform that aims to create economic opportunities for graduates, while at the same time becoming more entrepreneurial as institutions to generate a growing third-stream income.

Positioning innovation and entrepreneurship development at a strategic level in universities is a priority, and we are in the process of establishing three Communities of Practice (CoPs), in collaboration with Universities South Africa and other stakeholders, focusing on Academia, Student Entrepreneurship and Entrepreneurial Universities.

INFRASTRUCTURE PROGRAMME

One critical element of ensuring access to quality higher education and training, and success in the system is investment in infrastructure to ensure quality teaching, learning and researching spaces, equipment and teaching resources, and conducive student living and learning environments.

Over the period 2016/17 and 2017/18, we will have injected major new investments for infrastructure development at universities amounting to R6.964 billion. Of this:

- R2.1 billion will be for student housing development
- R1.475 billion will go to universities to refurbish and update current infrastructure and to deal with backlog maintenance
- R2 billion is for building Sol Plaatje University and the University of Mpumalanga
- R600 million is earmarked for Sefako Makgatho Health Sciences University to enable its development as a new university
- R248.9 million is for infrastructure projects at Historically Disadvantaged Institutions linked to their individual development plans, and
- R300 million is for priority projects to be identified by universities, and which may include improving disability access, well-founded laboratories, security upgrades or infrastructure and communication technology developments.

STUDENT HOUSING

The Department's student housing infrastructure programme (SHIP) is a major priority for our department. The Ministerial Task Team on Student Housing report which I received in 2010 highlighted major challenges in this area, including maintenance and the need to build approximately 200 000 new beds for universities alone. We need accommodation for TVET colleges as well.

We are making steady progress in our joint work with the Department of Public Works to identify underutilized government buildings to be converted into student accommodation. Given the large shortages in this area, our universities and colleges will still have to rely on privately owned student accommodation facilities. I however intend undertaking research to establish ownership patterns in this sector in order to ensure that there is meaningful participation by all South Africans, especially black African owners and participation of youth and women, including co-operatives.

Government continues to fund publicly owned student housing. At the new Sefako Makgatho Health Sciences University in GaRankuwa, we have for instance allocated R1.2 billion over the next four years for infrastructure development. Part of this funding will provide decent housing for the students. We have already started with the first 2 000 beds. From next year, students who are now bussed daily to accommodation 50km away in the Pretoria CBD, will be properly housed on campus.

SKILLS DEVELOPMENT

At the center of building an expanded, effective and integrated post-school system is our skills development system – tasked among other things with developing partnerships between educational institutions and employers.

I have re-established SETAs from 1 April 2018 until 31 March 2020, and also extended the National Skills Development Strategy (NSDS III) for the same period. Whilst the re-establishment of the SETAs does not imply appointing the same individuals into their boards, this will allow the process of extensive consultation, legislative changes and change management in anticipation of the new system to be ushered in on 1 April 2020.

Since the establishment of our department, many interventions have been made in the skills development system, aimed at improving efficiencies, including artisan training that our Deputy Minister will elaborate upon.

NATIONAL SKILLS FUND

The NSF has continued to support key developmental projects, while also funding other national priority projects in the areas of the ocean economy, growth of the TVET sector, bursaries for scarce and critical skills, as well as artisan development.

Some of the notable funding areas include:

- R2.5 billion towards construction of new TVET college campuses and the refurbishment of two existing campuses
- R2 billion committed to DHET projects over the MTEF period, aimed at building the capacity of the PSET system. The majority of the funding is allocated to the development of the TVET college sub system and includes training of lecturers, strengthening governance and management in the TVET system. Funding is also focused on building capacity for management of artisan development
- Support to approximately 15 000 students per annum in scarce and critical skills through a partnership with NSFAS and NRF, with a commitment totalling R2.3 billion over the MTEF period

REVIEWED HUMAN RESOURCES DEVELOPMENT STRATEGY

The Human Resource Development Strategy of South Africa (2010 – 2030) was approved by Cabinet in 2010. Since then, government has launched the National Development Plan and the Medium Term Strategic Framework 14 outcomes.

But in the light of new government plans and strategies, a review of the HRD strategy soon became necessary. The reviewed strategy addresses the HRD imperatives to support the economic and social development priorities of the country. I wish to thank the Deputy President, Mr Cyril Ramaphosa for his sterling leadership role of the HRD Council.

CONCLUSION

I would like to conclude by thanking all the staff of our institutions for their efforts. I would also like to thank employers that are opening up their workplaces for training. I am grateful to the Deputy Minister, Mr Mduduzi Manana, the staff of the Department of Higher Education and Training led by the Director-General, Mr Gwebs Qonde, my personal staff in the Ministry and our public entities.

Finally, my sincere gratitude also goes to the President and my Cabinet colleagues for their support. I would also like to thank my wife and my family for the continuous support they give me. Together we will move South Africa forward through the provision of quality and affordable post-school education and training.

I thank you.