

**Minister Pandor's speech introducing the
Department of Higher Education and Training's 2018
Budget Vote**

National Assembly

17 May 2018

14.00

Chairperson

Ministers and Deputy Ministers

Deputy Minister of Higher Education and Training, Mr Buti
Manamela

Chairperson of the Portfolio Committee on Higher
Education and Training

SETA CEO's

Heads of our entities, student leaders and scholars

Honourable Members

Director-General and Staff of the Department

Heads of our Post-School Organisations and Institutions

Honoured Guests

My special guests

Ladies and Gentlemen

Comrades and Friends

Good afternoon

Introduction

The past three years have been characterised by events that will have a fundamental impact on the post-school education and training sector. I wish to signal three features of society that I regard as a challenge to action for the sector.

The first is the #feesmustfall and decolonisation of higher education protests. The second, is the continuing urgent imperative for the production of skilled human resources, able to play a role in knowledge creation in different spheres of human endeavour and to contribute to inclusive economic growth. This means also creating opportunities for enterprise development that can intensify job creation, and produce innovative products and services for domestic and international markets.

The third feature is the world's increasing focus on the Fourth Industrial Revolution and its implications for business and education and other sectors. We're in the age of the pervasive influence of emerging technologies and artificial intelligence and need responsive skills and development research focus and investment to benefit fully. I intend to create a multi-stakeholder task team to advise us on how we should take up opportunities of the 4th Industrial Revolution.

The budget

The 2018 budget marks the beginning of a 'new dawn' for post-school education and training. It's a decisive response to calls for free education. It honours the call by the Congress of the People that the doors of learning and culture shall be opened. This is the promise President Mandela and Mama Albertina Sisulu wanted to see realised and we are pleased that this year we honour them through allocating the most significant increases to post-school education since the dawn of democracy

Through this funding we signal that universities and colleges are expected to make a radical contribution to South Africa's development. University subsidies increase by 30%. NSFAS funding increases by 100%. TVET colleges increase by 45%. Community colleges and skills development levies grow more modestly.

The budget is R89,9 billion and its major components are: university transfers R38,6 billion; NSFAS R20,5 billion; skills development R16,9 billion; TVET colleges R10,7 billion; and CET colleges R2,3 billion.

For the first time we will have fully subsidised bursary funding for poor and working class students in public universities and colleges.

Funding university students

As Honourable members know, first-time entry students from families with an income up to R350,000 per annum are eligible to apply for the new DHET bursary. The scheme will be phased in over five years. The bursary

conditions will include academic performance requirements as well as future community service. Very significantly government has converted NSFAS loans of returning students to grants.

Honourable Members will be aware we have had teething problems with the administration of this new scheme. I wish to assure Honourable Members that we are working closely with NSFAS to iron these out.

We will also continue with the pilot of a public-private partnership initiative known as the Ikusasa Student Financial Aid Programme that is being offered in 12 universities and one TVET college this year and is supporting over 5,000 students.

TVET colleges

In the TVET colleges, students in all years of study will benefit from the scheme. Our intention is to ensure that colleges become institutions of choice for millions of young people. The bursary allocation for colleges is R5.2

billion this year and over 458,000 college students will benefit. We have begun to attract many more young people into technical and vocational colleges and we will soon have more artisans, more technicians, and more technologists. In line with responding to new technology demands, we are modernising our colleges and to ensure they contribute to employment creation and enterprise development in South Africa.

I'm particularly excited at the recently announced centres of specialisation in TVET colleges. We will introduce the project in 26 colleges, offering 13 critical trades and occupations that are in short supply, for our infrastructure and Phakisa projects. This is a two-year pilot that we will use to identify more colleges and significantly expand the specialised college model. We have received committed industry support and partnerships for this project and we hope to build on this. The National Skills Fund has committed R150 million to this project.

We also welcome the completion of the new college campus at Thabazimbi in Limpopo Province. Two more

colleges at Bambanani and Nkandla in Kwa-Zulu Natal will be completed soon. There will be dedicated attention to infrastructure development and maintenance this year. Our infrastructure management system will train 250 college personnel to develop and implement maintenance projects.

The introduction of the three-stream school model by the DBE has created an opportunity to increase technical skills. We are working together to try and rationalise the number of diverse qualifications in the TVET sector. I would like to acknowledge 12 pupils in the gallery from three schools in Gugulethu: I.D Mkhize Senior Secondary school, Fezeka Secondary School, and the Intsukumo Secondary school. I encourage you to set your sights on a TVET education.

Community colleges

One of the most significant and pleasing statistics I'm able to share with you today is a significant decrease in the percentage of over 20 year olds with no education at all.

There has been significant progress between 1996, when 19% of the population were without education, and now, when fewer than 5% of adults are, thanks not least to our Kha Ri Gude Literacy Programme.

This is why we are prioritising piloting community colleges aimed at increasing educational access for those adults who didn't finish school. Nine Community Education and Training Colleges around the country are in operation and developing experience on what should be offered and how to reach people wishing to continue their education. I hope to draw on past experience of workers colleges in South Africa as we develop programmes to offer.

The DHET is putting significant effort into developing a national policy for lecturer development and support for community colleges. This year R2,5 billion has been set aside for community education and training colleges.

Skills and artisan development

Honourable members, I am pleased to report that audited national artisan production numbers rose during 2015, 2016 and 2017, increasing the numbers by 50% from 14 389 to 21 188 in 2017. We believe, the country will meet the National Development Plan's target of 30,000 newly qualified artisans per year by 2030.

The DHET has released the National Artisan Development Strategy for public comment. Its goal is to energise artisan development.

The consultation process with social partners on the National Skills Development Plan is ongoing. Once this is concluded we will propose legislative changes so that the National Skills Development Plan can come into force in April 2020.

In 2017 the National Skills Fund (NSF) provided R886 million for 8,000 undergraduate students pursuing different qualifications in scarce skills such as accountancy. It also provided R254 million for 3,500 Honours, Masters, Doctoral, and Postdoctoral fellows.

The NSF also hosts the annual Mandela Day Career Development initiative. This is a legacy programme that selects 67 learners annually from a different province in honour of the former President Nelson Mandela. It increases the number of high achieving students in scarce skills disciplines.

Funding universities

Honourable Speaker, our universities have experienced difficult challenges in recent years because several have massively increased enrolments. This was unavoidable as government and universities had to contribute to overcoming the inequities of the past.

This, however, put the universities under strain. Institutions able to attract students from better off homes offset the decline in subsidy per enrolled student by increasing fees.

I'm pleased that the additional government subsidy that will be phased in over the next five years will enable a

systemic correction of the situation and lead to relief of at least some of the pressures experienced by our universities in recent years. Government has planned to increase subsidies from 0.68% of GDP to 1% of GDP over five years. The additional allocation for university subsidies amounts to R2.5 billion in 2018 and R11.3 billion over the MTEF.

To complement the subsidy increase to institutions, DHET staff will work with all stakeholders to develop a regulatory framework for setting fees across the university system. This should be finalised and ready for implementation next year. The new framework will build on advice from the Council on Higher Education, and will ensure that annual university fee adjustments are justified, and that fees remain affordable.

Our Historically Disadvantaged Institutions will also receive a support grant of R2.5 billion over a five-year period.

The R934 million University Capacity Development Programme (UCDP) starts this year. It's a comprehensive transformative programme that is designed to support academic and management staff at universities, promote student success, and enable curriculum and programme development and transformation in national priority areas. The grant is being allocated to universities to enable them to implement approved university capacity development plans as well as inter-sectoral collaborative projects.

There are a number of important partnership programmes funded under the UCDP.

The United States - South Africa (US-SA) Doctoral programme is one example. This programme includes a network of 12 US universities and 18 South African universities that will work together to implement 12 doctoral programmes to enable 100 existing academic staff to complete their doctoral qualifications. Funding of R57,2 million has been allocated to this programme.

The Entrepreneurship Development in Higher Education (EDHE) Programme, which we launched last year, is aimed at coordinating the development of an entrepreneurship platform within the university education sector in South Africa. We have allocated R17.9 million to strengthen the programme over the period 2017/18 to 2019/20. The goals of the entrepreneurship programme are three pronged: the development of student entrepreneurship; entrepreneurship in academia; and entrepreneurial universities.

The University Capacity Development Programme grant also supports decolonisation initiatives. Decolonisation means different things to different people, but it's possibly primarily a curriculum and an institutional culture issue. Stellenbosch University is, it is reported, decolonising ten programmes, including medicine and law. Johannesburg University has a foundation course on Africa that all students are required to pass. For my part, I commend these efforts but I agree with former Minister of Higher Education and Training Minister Blade Nzimande when he said in 2015 that:

“Building African universities does not mean creating universities that are globally disengaged. They should be globally engaged, but not only by being consumers of global knowledge. They should be producers of knowledge as well, knowledge that is of relevance locally, continentally, in the South and globally.”

I also agree with young leaders in our universities who condemn the continuing vestiges of patriarchy, sexism and inadequate attention to the safety of all students, more especially female students, workers, and staff. Abuse of LGBT staff and students is prevalent and must be stopped. We will work closely with university and colleges to develop policies and programmes that will help end this scourge in our institutions.

Government is concerned about the governance failures we have seen in some universities recently. I’m especially worried about the role of our governance structures in creating these failures.

The Guidelines for Good Governance Practice for Councils of South African universities were approved and published at the end of 2017. They provide a framework for effective university governance and set out the capacity needed by councils.

I'm grateful to those who volunteer their services to serve in our councils. But I'm dismayed at those who see such service as an opportunity to secure tenders and procurement contracts, to gather endless honoraria through unnecessary meetings.

This year, universities will for the first time report on a set of governance indicators. This data will be the starting point for evaluating governance in the sector.

Chairperson, Honourable Members, I am pleased at the recent appointments of Professor Phakeng at UCT and Professor Muthwa at NMU as Vice Chancellors. I'm sure they will blaze a path that many other women will follow in the future. I also welcome the appointment of Professor Marwala at UJ.

Our work also includes deepening our international engagement. South Africa is chairing BRICS this year, and we will oversee a number of international activities leading up to the July summit, including hosting the BRICS Think Tanks Council and Academic Forum meetings. BRICS Education Ministers established the BRICS Network through which 60 institutions - 12 from each of the five BRICS countries - engage in a variety of educational and research initiatives across a number of thematic areas. The DHET will be hosting the BRICS Network University conference and the 6th BRICS Education Ministers Meeting in July 2018 in Cape Town.

In closing

In closing, I wish to stress that fully subsidized bursaries for students from poor and working class backgrounds is a huge opportunity for all South African universities and colleges to be at the forefront of change and empowerment. Our universities and TVET colleges, can ensure we overcome the legacy of the past and create a

much more equal, empowered, and productive society in the future. Together we will move South Africa forward through the provision of quality and affordable post-school education and training.

Honourable Chairperson, I'd like to thank all the staff of our institutions for their contributions. I'm particularly grateful to those employers who open up their workplaces for training, to those NGOs and those in the private sector who contribute to our post-school institutions across the country, whether through bursaries, donations and endowments, practical placements, or practical assistance.

I'm also grateful to Deputy Minister Buti Manamela, the staff of the DHET led by Director-General, Gwebinkundla Qonde, and to the Ministry staff.

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