



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

BUDGET SPEECH, NATIONAL ASSEMBLY, 2014

Honourable Speaker

Cabinet Colleagues and Deputy Ministers

Our Deputy Minister Mduzuzi Manana

Chairperson of the Portfolio Committee and Honourable Members of Parliament

Director-General and Staff of the Department

Heads and Executives of all our Post-School Organisations and Institutions

My Family

Honoured Guests

My Special Guest(s)

Ladies and Gentlemen and Comrades

INTRODUCTION

20 Years ago the democratically elected government led by the African National Congress, set out on a new path, to dislodge and destroy the structures of the apartheid regime, and embark on the tasks of building a new and better South Africa. We inherited a racially divided, patriarchal and highly unequal education system that, I should remind this house, some members of the opposition were complicit in promoting and sustaining.

Our policy interventions have thus been aimed at transforming the education system to overcome the legacy of apartheid and colonialism and to confront racial, gender, class and other forms of inequality.

As stated by President Zuma in his State of the Nation Address on 17 June 2014, we have now entered the second phase of our transition from apartheid to a national

democratic society. This requires radical socio-economic transformation to push back the triple challenges of poverty, inequality and unemployment. The President stated that this government will continue to invest in education and skills as that is the key to economic growth and development. Education remains, as the President stated, 'an apex priority for this government.'

Since the establishment of the Department of Higher Education and Training (DHET) we have made important advances. We have expanded enrolments in all post school institutions, especially for blacks and other previously disadvantaged people. The expansion has been most pronounced in the Technical and Vocational Education and Training (TVET) colleges (formerly known as FET colleges) where headcount enrolments have increased by over 130%. We have also established three new universities and have created the new National Institute of Humanities and Social Sciences. The National Student Financial Aid Scheme (NSFAS) has expanded to include students in TVET colleges and the amount disbursed annually has grown rapidly, by approximately 270% since 2008.

A turnaround strategy in the colleges is in place and is improving the quality of learning and management. In the university sector, we are prioritising the development of infrastructure for the historically disadvantaged institutions, support for teaching and learning and the production of the next generation of academics.

We have emphasised bridging the gap between theory and practice in vocational and professional education through increased workplace learning wherever possible, and all employers have to come to the party. Particular attention has been given to artisan development, and our Deputy Minister will give details on this. The Sector Education and Training Authorities (SETAs) have been brought closer to the colleges and universities and are working to build partnerships between themselves, educational institutions and employers. We have also been investing in the establishment of a skills planning mechanism that will ensure that we are able to predict the demand for skills and adjust our supply pipeline to deal with these demands.

In consultation with the wide range of stakeholders, we developed the White Paper for Post-School Education and Training which I released in January. This is a comprehensive strategy for transforming the post-school system and most of the new initiatives over the past five years are in alignment with it. We are currently developing a comprehensive national plan to implement the White Paper. We have thus built a strong foundation for further advances.

For the 2014 Medium Term Expenditure Framework, the Department's budget (excluding direct charges) increases at an annual average rate of 6.8%, from R34.3 billion in 2013/14 to R42 billion in 2016/17. The amount of R36.9 billion for 2014/15 is an increase of R2.5 billion (or 7.4%) on the 2013/14 allocation, excluding funds from the skills levy. The skills levy, which is channelled through the Sector Education and Training Authorities (SETAs) and the National Skills Fund (NSF), is expected to increase at an annual average rate of 9.5% from R12.3 billion in 2013/14 to R16.1 billion in 2016/17.

POLICY AND LEGISLATION

Our White Paper provides a solid policy framework for our work going forward and all higher education and training legislation must be aligned with it. Consequently all legislation pertaining to higher education and training will be reviewed. Amendments to at least the Higher Education Act, 1997; Skills Development Act; National Qualifications Framework Act, 2008 and the Continuing Education and Training Act, 2006 are envisaged. During the next five years we will concentrate on amendments to legislation and their implementation to enhance the current system.

SOCIAL INCLUSION

My Department will develop, in consultation with the Transformation Oversight Committee, a social inclusion policy framework for public comment. The intention of this policy framework is to ensure that all post-school institutions implement policies to overcome unfair discrimination of all kinds as required by the Constitution. Incidences of racism and sexism – including gender-based violence such as rape and sex-for-marks – have been reported in the media over the past year. These and

all other demeaning practices must be routed out of our system and we expect all institutions to assist in doing this.

Of particular concern to me is the persistence of authoritarian and semi militaristic initiation practices at some universities that border on being racist and serve to make many students to feel excluded and marginalised. This appears to have been the case at North West University (NWU) for the past 20 years. Furthermore, it is amazing that after two decades of democracy, unofficial (but still real) quotas still exist to limit the numbers of black students in university residences. The Council of NWU and the new Vice-Chancellor have assured me that such practices will stop. We will be monitoring them carefully and I hope that other stakeholders will assist us in this regard.

Racist or exclusionary practices have often been defended on the basis of tradition and culture. While they may have been acceptable under apartheid, I want to emphasise that we no longer have Afrikaans or Zulu or Tswana universities. All our universities are South African universities and must serve all the people of this country. No university can be complacent in this regard as discriminatory practices take many forms, including some that are quite subtle but harmful just the same.

The Department will develop a disability policy framework for the post-school sector. The framework will set norms and standards for the treatment of students and staff with disabilities in all aspects of university or college life, including academic life, culture, sport and accommodation.

COLLEGES

Our top priority is to expand the Technical and Vocational Education and Training (TVET) colleges while improving their quality. Our turnaround strategy to improve the functioning of colleges is starting to bear fruit and will continue.

As I mentioned earlier, TVET enrolments have more than doubled over the past four years. Over the 2014/15 to 2016/17 period, we have allocated R18.5 billion and this increases to R25.2 billion if we include the NSFAS TVET bursary allocation, to ensure that TVET college enrolments continue this expansion. To correct this distribution, R2.5 billion has been committed by the Department towards the refurbishment of two existing TVET college campuses and the building of twelve new

campuses, all in underserved rural areas. Construction at 3 campus sites are about to commence.

With the help of the South African Institute for Chartered Accountants (SAICA), my Department has continued to deploy qualified Support Chief Financial Officers to all TVET colleges. We are also ensuring the appointment suitably qualified Human Resource Managers and Student Support Practitioners. As part of an exercise to improve the financial controls, compliance and service delivery environments of TVET colleges, the office of the Auditor-General will take over the audits of colleges over a 3 year period with the first tranche of 15 colleges in the 2013/14 financial year.

All TVET college Principals and Deputy Principals have successfully been transferred to my Department from the Provincial Education Departments with effect from 1 April 2013. I have also appointed Councils to all colleges. With regard to the process of shifting responsibility for the colleges to the national government, Collective Agreements on the transfer of lecturers and support staff have been finalised in the Education Labour Relations Council (ELRC), General Public Service Sector Bargaining Council (GPSSBC) and Further Education and Training Colleges Bargaining Unit (FETCBU).

In line with our White Paper, we will conduct a review of the entire gamut of vocational qualifications. We expect this will be done with the collaboration of the Department of Basic Education so as to develop an array of qualifications that are nationally coherent and fit for purpose. In the immediate future, we will look at making improvements to the existing qualifications.

In addressing the challenges of those students who need to improve their Mathematics and Science marks before entering particular programmes at college or university level, we are developing a TVET college-based Mathematics and Science Foundation Programme at a higher certificate level.

ADULT EDUCATION AND TRAINING

South Africa has millions of youth who leave school with a senior certificate or less who cannot access opportunities for further education and we also have millions of adults who wish to study further. Currently our Public Adult Learning Centres serve approximately 300 000 individuals, which is woefully inadequate.

Our provision must be extended and deepened to include vocational and community-development programmes. The Further Education and Training Colleges Amendment Act, No. 1 of 2013 provides for the creation of a new institutional type, to be known as Community Education and Training colleges. These will be branded as Community Colleges and will be established by grouping together clusters of adult learning centres and strengthening their infrastructure, staffing and programmes. A draft national policy on community colleges will soon be gazetted and I urge all stakeholders to interact with it and give feedback.

UNIVERSITIES

Over the next five years it is my intention to consolidate the work done since 2009 to ensure that the higher education system is effectively integrated into the post school education and training system.

In line with the vision outlined in our White Paper, the university education system will continue to expand. It is expected to grow from a headcount enrolment of 953 373 students in 2012 to approximately 1.1 million students in 2019. This is well on the way to achieving our target of 1.6 million students in public universities by 2030.

Aside from expanding enrolments, we also need to focus on quality and student success. Our universities will focus on improving their graduate production from 165 995 graduates in 2012 to approximately 217 000 in 2019. The growth rate in graduates is thus expected to be significantly higher than the growth rate in enrolments.

To support better efficiency and success, we are expanding foundation programmes for prepared school leavers . We are also increasing investment in teaching and learning development. In the current financial year, R609 million has been allocated to Teaching Development Grants to strengthen teaching and improve learning

outcomes. The Council on Higher Education is implementing a Quality Enhancement Project that will complement our initiatives.

As mentioned earlier, I have established three new universities over the past year. The University of Mpumalanga (UMP) and Sol Plaatje University (SPU) were established in the latter part of 2013 and opened their doors to their first cohort of students earlier this year. Each University has a ten to fifteen year development plan to ensure that it grows and develops to become a sustainable and successful institution. Over the next three-year period, R3.158 billion will be allocated to infrastructure development of the two universities.

The third new university, the Sefako Makgatho Health Sciences University (SMU) was legally established in May this year. I will formally incorporate the Medunsa Campus of the University of Limpopo into SMU later this year. SMU will have its first intake of approximately 5 000 students in the 2015 academic year. As a comprehensive health and allied sciences university, it is the first of its kind in South Africa and will offer a broad range of programmes from higher certificates to PhDs, embracing medicine and broader health and allied sciences professional programmes as well as related programmes in medical law, health sciences education, humanities and bio-engineering.

I recently published the *Policy for the Provision of Distance Education in South African Universities in the Context of an Integrated Post-School System*, which will contribute significantly towards the expansion of higher education. The use of innovative technologies and the use of open education resources are two areas that will receive attention.

The Department has maintained a strong focus on strengthening the production of school teachers over the last five years. In 2013, approximately 14 700 new teachers graduated compared to 6 885 in 2009, an increase of 113% in new teachers per annum. In the next five years we will expand the focus from basic education teachers to include the production of teachers for the whole system including early childhood development, TVET colleges, the planned community colleges and teaching at our

public universities. Our projections are that public universities will produce in excess of 23 000 new teachers annually by 2020.

We are also working to address the shortage of academics and improve their qualifications. Our aim is to ensure that we increase the number of university academics with PhDs from 39% in 2012 to 47% in 2019, and at the same time ensuring that they develop their teaching capability and their productivity in research and innovation. In addition we want to attract young capable people, especially talented young black and women scholars, into the academic profession and provide support for them to develop careers as academics. R180 million in Research Development Grants to universities are mainly being channelled mainly towards the development of junior and emerging academic staff through Masters, Doctoral, post-doctoral programmes.

The growth of the higher education system needs to be supported by quality infrastructure. Over the MTEF period of 2012/13 to 2014/15, R6 billion was allocated towards infrastructure projects across the existing 23 universities which includes R210 million for the Sefako Makgatho Health Sciences University and excludes the R3.158 billion to the two new universities. R2.3 billion has been committed towards infrastructure projects for the current financial year.

Investment in student housing has been one of the areas prioritised with R1.6 billion of the R6 billion allocated to student housing development; R1.4 billion of this is ring-fenced for historically disadvantaged institutions. This amount together with the R700 million contribution from different universities will provide at least 9 000 new beds for the system, mostly at historically disadvantaged institutions and campuses.

The Ministerial Report on the Review of the Funding of Universities was launched at the end of February 2014 and a new . The Department is modelling the impact of the recommendations and developing a new draft funding framework that will be released for comment and consultation in the latter part of next year.

NATIONAL STUDENT FINANCIAL SCHEME (NSFAS)

Access to quality higher education for the poor is an essential aspect of the transformation of our country. The National Student Financial Aid Scheme (NSFAS) remains the cornerstone of our commitment to support poor and working class

students to gain the benefits of a higher education. From 1991 to 2013, NSFAS assisted over 1.4 million students and will be assisting a further 430 000 students in this academic year. The Department's allocation to NSFAS for 2014/15 amounts to R6.139 billion. This includes R3.914 billion for loans and bursaries to universities, R2.107 billion for bursaries for Technical and Vocational Continuing Education and Training (TVET) colleges and R116.2 million for administration. This is supplemented further by R2.416 billion made available through NSFAS recoveries, the National Skills Fund (NSF) scarce skills bursaries, through Sector Education and Training Authorities (SETA) bursaries and from bursaries such as the Department of Basic Education's Funza Lushaka programme, bringing the total funding available for loans and bursaries for the 2014 academic year to R8.850 billion. This compares to R2.4 billion in 2008.

LINKING EDUCATION AND THE LABOUR MARKET

The Department places great emphasis on linking education and the workplace. This will include the development of a clear strategy to turn every workplace into a training space. We are now finalising Workplace-Based Learning Programme Regulations, with the purpose of making it easier for SETAs to fund the workplace-based learning. The Department is also working with the Department of Trade and Industry, to develop an implementation guide on the Skills Development Component of the reviewed Broad-Based Black Economic Empowerment (BBBEE) codes to be implemented. Through this we hope to incentivise employers to participate in providing placement for learners.

SETA offices are now being opened in rural areas and townships as well as in TVET colleges to bring them closer to the people they are supposed to serve. By the end of this financial year, all TVET colleges will have a SETA office.

The introduction of the new Grant Regulations on 1 April 2013 has seen increased focus by SETAs on workplace-based learning programmes. In this financial year we will continue to closely monitor their implementation.

The Department is embarking in a process of reviewing the current SETA landscape and this process will be completed by 31 March 2016. The White Paper directs that SETAs' roles be streamlined to focus on obtaining accurate data about workplace

skills needs, as well as facilitating cooperation between education and training institutions and workplaces.

Since the launch of the Strategic Integrated Projects of the Presidential Infrastructure Co-ordinating Commission (PICC), my Department has been working to determine the skills needed to build and maintain the massive new infrastructure plans of government. The Department will be launching a report on the anticipated skills shortages for the Strategic Integrated Projects (SIPs) in September 2014 indicating progress made and future plans.

Consistent with its mandate, the National Skills Fund will continue to play a vital catalytic role in SA achieving its developmental objectives. This includes providing special bursaries to help universities build their capacity to produce particular scarce skills, including in medicine, veterinary sciences and engineering. Government aims to play a catalytic role in renewable energy. To this end, the NSF has allocated R105 million for the Cape Peninsula University of Technology to establishing the South African Renewable Training Energy Centre (SARETC), the first of its kind in the country and continent.

CONCLUSION

I'd like to conclude by thanking all the teaching and management staff of our institutions for the efforts they continue to make to the education and training of our youth and adults. I am grateful to our Deputy Minister, Mr Mduduzi Manana, the entire staff of the DHET led by the Director General, Mr Gwebs Qonde, to my personal staff in the Ministry and to our public entities. Finally, my sincere gratitude also goes to the President and my Cabinet colleagues for their support over the past five years. Together we will move South Africa forward, through the provision of quality and affordable post-school education and training.