



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

## **MINISTER OF HIGHER EDUCATION AND TRAINING**

### **Budget Speech, National Assembly, 2015**

Honourable Speaker

Cabinet Colleagues and Deputy Ministers

Deputy Minister of Higher Education and Training Honourable  
MduduziManana

Chairperson of the Portfolio Committee on Higher Education and  
Training

Honourable Members of Parliament

Director-General and Staff of the Department

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

My Wife, Phumelele

Honoured Guests

My Special Guests.....

Ladies and Gentlemen and Comrades

### **INTRODUCTION**

The agenda for the transformation of our education system was shaped by decades of struggles, including the struggle of people's education for people's power. This agenda was translated into government policies by the ANC government as from 1994. On this 60<sup>th</sup> Anniversary of the Freedom Charter we can say that much has been done to open the

doors of learning and culture. For example, black and women students are now in the majority in our universities, and NSFAS has supported more than 1,5 million poor students. Another important sign that we have been making progress is the fall in drop-out rates. In 2005 the first-year dropout rate was 25.1% but in 2012 it had propped to 19.1% - a significant difference.

However, we still have a long way to go and transformation efforts must continue uncompromisingly.

Despite the significance of symbols such as names and statues, we must not conflate these with more fundamental matters of transformation. There remains an urgent need to radically change the demographics of our professoriate; transform the curriculum and research agendas; cultivate greater awareness of Africa; eliminate racism, sexism and all other forms of unjust discrimination; improve academic success rates; and expand student support. Some institutions have made substantial progress in transforming themselves, but others have lagged behind. Focused attention by all of us is required on this matter.

This year I will pay close attention to accelerated transformation in our universities, including setting concrete targets and transformation indicators. I urge the Portfolio Committee to do the same. Later this year, I am convening the second higher education Summit as part of this focus. I am also resourcing the Transformation Oversight Committee to assist us in this regard.

## **FURTHER SPECIFIC INTERVENTIONS ON UNIVERSITIES**

The South African university system has a good academic reputation and over 70 000 foreign students come to study here. Most of these are from SADC and other African countries. According to a study by the Centre for Development and Enterprise, only 5% of graduates are unemployed.

Although we don't encourage our universities to chase international rankings that may not reflect South Africa's development needs, it is still gratifying to note that in the recent QS university rankings by subject, seven of the country's universities cumulatively appear 15 times among the top 100 globally across the disciplines. Nonetheless it is also true that some of our historically disadvantaged institutions still perform substantially below par.

The violence against foreign nationals has caused harm to our country. It is essential that foreign students and staff feel safe in our institutions. I have written to all Vice Chancellors to ask them to be vigilant in this regard.

### **Increasing and Expanding Access to University Education**

The university education system is expected to grow from a headcount enrolment of 983 698 students in 2013 to 1.1million in 2019. We confidently expect to achieve the target of 1.6 million students by 2030 as per the National Development Plan and White Paper.

On the basis of the report my Committee on the Review of university funding, I established up a technical team to draft a revised funding framework. I have already accepted some of the recommendations including the implementation of a Historically Disadvantaged Institutions Development Grant of R2.050 billion over the next five-year period. This

should enable these institutions to become financially stable and improve the quality of their governance, teaching, learning and research.

We are also investigating the cost drivers in higher education to better understand the reasons for fee increases.

### **New Universities**

The Sefako Makgatho Health Sciences University (SMU), opened in January 2015 with more than 5 000 students when it incorporated the Medunsa Campus of the University of Limpopo, it was officially launched by President Zuma on 14 April 2015. 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.

### **Increasing Student Success by Improving the Quality of Teaching and Learning**

One of the highest priorities in the post-school, system is improving the quality of teaching and learning. My Department is supporting universities through a number of programmes. These include:

- The expansion of foundation provisioning programmes to assist under-prepared students
- Teaching and learning development.
- Investing in university infrastructure with most of the funding going to historically disadvantaged institutions.
- Disability and maintenance audits to improve accessibility for student and staff with disabilities.

Last year I committed to focus on developing educators at all levels. This year, my Department will implement a programme to strengthen universities' capacity to produce quality teachers for all sub-sectors including: early childhood development; primary education; college education and training; and special needs education.

### **Academic Staffing**

As committed in 2014, I recently approved the *Staffing South Africa's Universities Framework* (SSAUF) – a comprehensive approach to building capacity and developing future generations of academics and to increase the number of highly capable black and women academic at all levels.

### **Budget**

For the 2015 Medium Term Expenditure Framework, the budget of the Department of Higher Education and Training, DHET, (excluding direct charges), projects increases over three years at an annual average rate of 5.9%, from R39 billion in 2014/15 to R46.3 billion in 2017/18. The amount of R41.8 billion for 2015/16 is an increase of R2.8 billion (or 7.3%) on the 2014/15 allocation, excluding direct charges.

Direct charges, which represent the skills levies for Sector Education and Training Authorities (SETAs) and the National Skills Fund (NSF), are expected to increase at an annual average rate of 9.5% from R13.2 billion in 2014/15 to R17.4 billion in 2017/18. The total estimated direct charges for 2015/16 amount to R14.7 billion.

## **Strategic Disability Policy Framework**

Disabled people have not been fairly treated in our country. In December 2014, I appointed a Ministerial Committee to develop a Strategic Disability Policy Framework that will strengthen the implementation and monitoring of disability policies across the PSET system.

## **COLLEGES**

### **Adult Education and Training**

In the previous Budget Vote of the Department, I committed to expand adult education and establish 9 Community Education and Training Colleges. Nine Community Colleges Administrative Centres were established in all provinces on 1 April 2015 allowing for the merger of existing public adult learning centres into Community Colleges. These colleges will be a new type of institution catering initially mainly for those who do not qualify for admission to TVET colleges or universities. The community colleges will prepare students for the labour market or for self-employment as well as offering the National and General Senior Certificates for Adults. Pilot community colleges will be established in 2016 although the exact number has not yet been determined. Thereafter the colleges will be progressively rolled out in all provinces.

Since 1994 adult education has been located at a directorate level in both national and provincial departments. Yet we estimate that there are 18 million South Africans who need adult education and training. This is larger than our schooling, university and TVET colleges systems combined. I will therefore establish a branch on adult education and

community colleges in the department, headed by a Deputy Director General.

### **Technical and Vocational Education and Training Colleges**

TVET college enrolments have more than doubled over the past five years and will continue to increase, targeting 725 000 headcount enrolments this year, an increase of just over 39,000 on 2014. The pace of growth will now be reduced to focus on quality improvements, including:

- reviewing the policy for the National Certificate (Vocational) and other programmes;
- lecturer development, and improving student academic success
- college improvement plans
- capacity building initiatives for student representative councils.

Last year I committed to building new college campuses and establishing a foundation programme in Maths and science. A comprehensive proposal on the foundation programme is now complete. Construction work at three of the twelve planned new TVET college campuses is underway and later this year we will take delivery of the Thabazimbi campus. I also committed to the transfer of all TVET colleges and Adult Education staff into my department, and indeed this happened on 1 April 2015.

We continue to make steady progress in catching up on the NCV certification backlog. 496 544 certificates have been issued since 2012, with 103 195 certificates still being processed. The students affected by the problem do have **statements** of results so this does not hold back from further study or employment as they can get a letter from the

Department that confirms that they comply with the requirements for the certificate.

### **National Student Financial Aid Scheme**

Since its inception as the Tertiary Education Fund of South Africa (TEFSA), NSFAS has awarded approximately R50 billion in loans and bursaries to about 1.5 million students.

For the 2015/16 financial year, the NSFAS budget from the Department comprises R4.094 billion for university study loans, R2.205 billion for technical and vocational training college bursaries, and R148.878 million for administration costs. This is supplemented by recovered funds and donor allocations, which further increases the total budget of NSFAS to R9.5 billion for the allocation of 205 000 university student loans and bursaries and 200 000 TVET college bursaries. Sadly, we have found evidence of corruption in the application of NSFAS loans and bursaries within the system. By the end of May 2015 a forensic investigation will have commenced to determine the depth of corrupt practices in the administration of NSFAS.

I have invited three university and eight TVET students who have benefited from NSFAS to be with us today and I welcome them warmly.

### **LINKING EDUCATION AND THE LABOUR MARKET**

The alignment of education to the labour market remains essential to skills development. Work placement of learners in colleges has increased over the past few years. While this is not a compulsory part of the qualification, we believe it has a significant benefit for students and

improves their chances of employment. Experience in other countries shows that it can also benefit employers.

The Department has developed an online registration system for students seeking Work Integrated Learning or work-based learning opportunities and for employers who wish to provide training opportunities for students. This system will go live by 1 October 2015.

We have been centrally involved in skills development for and through the country's Strategic Integrated Projects. In my previous budget speech I committed to publish and launch a *Skills for SIPs* report. Today we are releasing a progress report on what has been done on this score.

### **Artisan Development**

The Department has been working hard on re-establishing the artisan system and we have increased the production of artisans. The Deputy Minister will elaborate on this.

### **Sector Education and Training Authorities**

When the SETAs were established, there was insufficient regulation and each SETA operated in isolation. Over the past five years I have sought to improve this situation, but more is needed. I am now in the process of reviewing our skills development system following a study of reports and strategic policy documents as well as various departmental policies. I will shortly be publishing proposals on the new SETA landscape for consultation.

Last year I made a commitment that all TVET colleges would have SETA offices to facilitate the link between colleges and workplaces, and 43 such offices have now been established.

I am of the view that the main focus of the SETAs must be training at the workplace, including facilitation of partnerships between educational institutions and employers. In order to do this, SETAs must become skills experts in their sectors and collect reliable data that contributes to national skills planning. .

### **National Plan for Post-School Education and Training**

Based on its White Paper, the DHET has started the process of developing a new National Plan for Post School Education and Training which will consolidate DHET programmes into a single coordinated and integrated framework. This will guide the work of the Department over the next fifteen-in the period to 2030. We intend finalizing this by March 2017.

### **Policy and Legislation**

This financial year I will introduce the Higher Education Amendment Bill, 2015 to Parliament, as well as amendments to the Skills Development Act. These amendments also aim to strike an appropriate balance between institutional autonomy and public accountability of universities.

Over the past year, various draft policies and reports aimed at accelerating transformation have been published for public comment. These include the Social Inclusion Policy Framework, Recognition of Prior Learning policy, and the South African Qualifications Authority (SAQA) Principles on Articulation.

## **Conclusion**

I would like to conclude by thanking all the staff of our institutions for the efforts. I would also like to thank employers that are opening their workplaces to for training. I am grateful to the Deputy Minister, Mr Mduzuzi 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.