

The Establishment Of A National Institute For Higher Education In Mpumalanga

Report Of The Working Group

April 2002

Foreword

The apartheid-induced lack of access and opportunity to pursue higher education is most stark in Mpumalanga and the Northern Cape, which were denied the presence and benefit of higher education institutions as they did not neatly fit into the larger ideological framework of "separate but equal development". The dawning of democracy in 1994 resulted in a concerted effort by the respective provincial governments, supported by the community more generally, to stake a claim for the establishment of higher education institutions in the two provinces.

The validity of the claim has been recognised by my Ministry, which has been engaged in discussions with the two provinces over the past few years regarding the appropriate framework and mechanisms for ensuring access to higher education provision in the two provinces. These discussions were brought to a conclusion with the release of the National Plan for Higher Education in February 2001. It indicated that although it was not appropriate to establish autonomous higher education institutions given the broader institutional restructuring process, it was necessary to address the existing proliferation of higher education programmes in the two provinces by a range of public institutions, which were "uncoordinated, characterised by unhealthy competition, including overlap and duplication, and often with little relevance to provincial needs".

The National Plan therefore proposed the establishment of National Institutes for Higher Education to serve as the administrative and governance hubs for ensuring the coherent provision of higher education in response to regional needs through programme collaboration between the higher education institutions currently operating in Mpumalanga and the Northern Cape.

The Working Group report provides a conceptual framework for the establishment of a National Institute for Higher Education in Mpumalanga and identifies the issues that require further investigation to facilitate implementation. The report is an important contribution to the broader challenge of developing new institutional and organisational forms for addressing higher education provision in general.

My Department will take forward the proposals contained in the report, in conjunction with the provincial government, with a firm commitment to establish a National Institute for Higher Education in Mpumalanga in 2003.

Prof Kader Asmal, MP

Minister of Education

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Chapter 1

INTRODUCTION

- 1.1 In his foreword to the National Plan for Higher Education in February of 2001 the Minister of Education, Professor Kader Asmal, noted that 'the victory over the apartheid State in 1994 set policy makers in all spheres of public life the mammoth task of overhauling the social, political, economic and cultural institutions of South Africa to bring them in line with the imperatives of a new democratic order. The vision for the transformation of the higher education system was articulated in Education White Paper 3: A Programme for the Transformation of Higher Education (1997). Central to this vision was the establishment of a single, national co-ordinated system which would meet the learning needs of our citizens and the reconstruction and development needs of our society and economy.'

- 1.2 The National Plan goes on to note that the institutional landscape of higher education is a product of the 'geo-political imagination of apartheid planners' and that it bears little relation to the needs of South Africa in the twenty-first century. Certain areas of the country are poorly served by higher education institutions and this is a significant limitation on access to higher education for some sectors of South Africa's population.

- 1.3 Integral to the development of a single national system of higher education is the provision of higher education in Mpumalanga and the Northern Cape. Paragraph 6.3.4 of the National Plan notes that 'The Ministry is of the view that regional collaboration between institutions could play an important role in addressing claims for higher education in the two provinces that currently do not have higher education institutions'. Further, the plan states that the Ministry does not believe that new autonomous higher education institutions should be established in these provinces given the overall situation of higher education in South Africa. The National Plan goes on to state that 'The Ministry therefore intends establishing National Institutes for Higher Education in Mpumalanga and the Northern Cape which would serve as the administrative and governance hub for ensuring the coherent provision of higher education programme...' The emphasis on the 'coherent' provision of higher education programmes is particularly important given that existing offerings are 'uncoordinated, characterised by unhealthy competition, including overlap and duplication, and often with little relevance to provincial needs'.

- 1.4 In May 2001 the Minister established two Working Groups to develop a framework and implementation plan for the establishment of the National Institutes for Higher Education (NIHE). Working within the relevant legislation and the principles and goals for the transformation of the higher education system as outlined in the Education White Paper 3, the brief of the working groups was to:-

- Develop an appropriate administrative, management and governance structure
- Identify existing infrastructure within the provinces that could serve the needs of the NIHE's
- Develop a coherent range of higher education programmes that would address regional socio-economic and labour market needs
- Assess the capacity of existing higher education institutions to contribute to the development of the NIHE's

1.5 The two working groups were required to report to the Minister by the end of 2001. From June the Mpumalanga group travelled extensively across the province to consult widely and to visit existing facilities, which are used or could be used as a base from which to offer higher education programmes. Visits were made to all the campuses and centres from which higher education programmes are currently offered in the province. Discussions were also held with a wide range of stakeholders, including officials from the provincial government, representatives of further education colleges and universities and technikons currently operating in the province, staff and students at various institutions in the region, as well as interested members of the general public. The working group met regularly throughout its six-month period of operation. It corresponded with all higher education institutions in the country and several valuable submissions were received from further and higher education institutions. The provincial government also submitted a particularly useful report. Earlier studies of the possibilities of providing higher education programmes in the province were also most valuable. In its study of possible models of higher education provision that might be applicable to Mpumalanga, several members of the working group went on a study tour to examine similar situations in Scotland and Ireland.

1.6 Much has been learned about the challenges which face the NIHE . In summary these are:-

- How to offer higher education in an extensive region of relatively low population density.
- Where to base the administrative and main centre when the largest urban settlement is well off-centre.
- How best to deliver educational programmes when, in many cases, class sizes will not justify full-time contact teaching and a high proportion of the potential students are impoverished and from disadvantaged educational backgrounds.
- How to ensure consistent high quality educational programmes when a number of providers will be involved and how to do this at sites separated by hundreds of kilometres.

- How to provide a good level of student support services in several centres.
- How to deal with the issue of language. When classes are small and possibly located in more than one venue, it is difficult to offer programmes in more than one language.
- The negotiation of agreements with existing providers of higher education programmes which must include revenue sharing in order to provide for the long-term financial viability of the NIHE.
- How to be sensitive to provincial concerns in relation to higher education provision, particularly in respect of human resource development and local labour market needs, whilst also mindful of the other educational obligations of the *national* institutes of higher education.

Chapter 2

A MODEL FOR THE NATIONAL INSTITUTE OF HIGHER EDUCATION

- 2.1 The primary aim of the National Institute of Higher Education will be to provide access to higher education programmes within the province of Mpumalanga. Given that the National Institute will not be an autonomous institution, it will not be in the position to award degrees or diplomas. The task of the National Institutes will be to facilitate the provision of high quality higher education programmes that are responsive to the socio-economic needs of the province.

- 2.2 The province has no direct legislative or executive powers as far as higher education is concerned, but it does have a vital interest in the whole system of education and the general advancement of the human resources and economy of the province. Provincial authorities are concerned with the promotion and support of higher education and have been strongly supportive of the initiative to establish the NIHE. The National Institute will therefore form a vital link between provincial authorities and higher education institutions that operate in the province. The National Institute, which will have the responsibility of co-ordinating higher education activities in Mpumalanga, and ensuring that the educational programmes offered are responsive to local needs, will need to build a special relationship with provincial authorities.

- 2.3 The first task of the National Institute will be to develop collaborative agreements with existing higher education providers that operate or wish to operate in Mpumalanga. These agreements will cover the range of programmes to be offered, the modes and points of delivery of courses, the facilities and equipment necessary to deliver the programmes, and the sharing of income derived from offering the programmes. In forming such collaborative agreements with specific providers of programmes, the National Institute will have to ensure that the overall range of programmes offered in the province avoids unnecessary overlap and is responsive to local labour markets and human resource development needs.

- 2.4 It is vitally important that the programmes offered under the auspices of the NIHE are of a high standard. The NIHE will need to assume final responsibility for monitoring the quality of the educational programmes as delivered. As a matter of course, higher education providers will need to meet the quality assurance standards set by the Higher Education Quality Committee of the Council for Higher Education but courses offered at a distance from main campuses need special attention in terms of quality assurance.

- 2.5 A study of the education and training needs of the province and adjacent areas will be another important task for the NIHE. Wide consultation with potential employers and surveys of the interests of school leavers and adult learners will need to be carried out. Further, the NIHE will seek to exploit local opportunities, build up its own capacity to offer educational programmes and develop an educational niche that could attract students from across southern Africa. In the end, this is a national institute. While the primary responsibility is to serve provincial needs the NIHE should in time become a national asset.
- 2.6 A further important task for the NIHE is to extend access to higher education as widely as possible across the province. Mpumalanga is an extensive area and the mobility of many people is limited, especially in respect of adult learners. The National Institute will inevitably have an administrative hub in a main centre but it needs to offer educational programmes in more than one centre and must adopt teaching modes that facilitate this.
- 2.7 It is recommended that the National Institute gives careful consideration to developing a policy of 'work placements' or 'learnerships' for its students. Organising a six-month placement for second or third year students is not simple but it can be done. The students benefit greatly from real workplace experience and the exercise can build sound relationships between the Institute and potential employers of its students.
- 2.8 The offering of skills-based short courses, possibly in association with the further education and training sector, will be another task for the NIHE. There is a strong demand for such courses and in the short term this form of training has the greatest impact on human resources development and in preparing people for the labour market.
- 2.9 In order to achieve the essential tasks set out above, the National Institute needs in the first instance to be 'a governance and organisational hub' (NPHE) for higher education provision in the province. The NIHE will be a facilitator of educational programmes and will not be the main provider of such programmes. A small core of senior management staff will be needed to set up the collaborative agreements. Equally, a small group of experienced academic staff will act as local programme co-ordinators and will monitor the quality of the educational experience received by students. It will be the task of the higher education providers to make available staff for their programmes. In most cases these will be people already employed in existing universities and technikons although some local people may be employed from within the province to support programme offerings.
- 2.10 As far as is possible the National Institute will contract out those services and activities that are not directly part of the provision of educational programmes. Services such as cleaning and building maintenance should be offered to local contractors so creating local

job opportunities. The NIHE should stick to its core business and avoid taking on unnecessary staff.

- 2.11 The NIHE will need to provide the necessary teaching space and equipment to enable the delivery of high quality educational programmes. Learning centres will have to be established across the province according to need and financial constraints. Where possible existing buildings and facilities will be used in order to minimise costs. In all likelihood, capital expenditure will be on adapting existing buildings in order to provide specialist laboratories and workshops, interactive video teaching rooms, libraries and computer laboratories with internet access. A small core of technical and professional staff will be required to maintain the learning facilities.
- 2.12 The educational model for the NIHE as outlined above is considered to be unique. It bears some relationship to that of the University of the Highlands and Islands in the UK in that interactive learning centres with a strong ICT focus are essential building blocks of the National Institute. On the other hand, unlike the UHI, the NIHE is planned with a strong central administrative and teaching core. Further, the NIHE places considerable emphasis on high quality student support services. More than anything else, this latter feature will most distinguish the NIHE programmes from those of other distance education providers. The proposed NIHE model will facilitate programmes right across the higher education sector. Its structures should prove more flexible and quicker to react to change than those of traditional institutions. Indeed, the use of the NIHE model in other parts of South Africa is already being mooted.
- 2.13 Establishing the National Institute for Higher Education will probably require changes to the Higher Education Act, and several new policy decisions may require to be gazetted. The possible dual registration of students and the implications for the higher education funding framework will have to be considered. The funding for the National Institute will need to be part of the higher education budget and the Institute deemed eligible to receive funds from the National Student Financial Aid Scheme. These legal and financial matters are pursued in greater detail in the chapter on implementation.
- 2.14 It is recommended that degree and diploma certificates that are awarded as a result of collaborative agreements between the National Institute and a provider of HE programmes should carry the names and logos of both institutions. As far as possible a standard format for certificates should be adopted.

Chapter 3

THE PROVINCIAL CONTEXT

3.1 This chapter focuses on the demographic, socio-economic, and educational profile of the Mpumalanga province. Much of the data for this section has been drawn from published research reports [mainly the Labour Market Situational Analysis of the Human Sciences Research Council (HSRC, 2000)], as well as other provincial government documents such as the Provincial Development Strategy, and the Provincial Skills Plan.

Demographic Profile

3.2 Mpumalanga, with a total population estimated at 2.8 million in 1996, is mostly rural in character, with 60% of its population located in the rural areas. It is the third smallest province in terms of population and is the second smallest in relation to land area. The population of the province is unevenly distributed among the three regions, with 29.6% of its population residing in the Lowveld (it should be borne in mind that a large part of the Kruger National Park is in this region), 31.2% in the Eastveld and 39.2% in the Highveld. Africans form the majority (89%) of the population. There are very few Coloureds (0.7%) and Indians (0.5%), while Whites represent 9.5% of the total population in Mpumalanga.

Profile of the Labour Force

3.3 Mpumalanga is characterised by a relatively young population. More than a third of the total population (36,4%) is younger than 15 years, and half the potential labour force (49,7%) younger than 30. The province has a high unemployment rate of young people; in 1996 about two-thirds (63%) of the economically active youth (aged 15-19 years)

were unemployed, while more than half (56,5%) of those in the age group 20-24 years and 43,4% of those aged 25-29 could not find work.

3.4 Almost half (44,6%) of the province's labour force has not attended school or completed at least the primary school phase, as opposed to an average of 36% for South Africa. According to Stats SA (1998) almost a third (29,4)% of people aged 20 years or older have received no education. Of the Mpumalanga population aged 20 years or older 44,6% could be considered functionally illiterate (i.e. having not had at least six years of formal schooling) at the time of the population census in 1996. Only 14,6% of the population who were 20 years and older in 1996 had obtained Grade 12, while only 5% had a post-school qualification.

3.5 The industries in Mpumalanga provide jobs for an estimated 623 112 workers (63% of the economically active population). The chart below shows that the following four industry groups in the province provide approximately two-thirds (66%) of the total formal employment in the province:

- Community, social and personal services (28%)
- Agriculture (16,9%)
- Wholesale and retail trade, and catering and accommodation services (11,5%)
- Manufacturing (9,5%)

Interestingly, although Mpumalanga is perceived as the electricity "powerhouse" of the country, only 2,8% of the workforce is employed in the electricity, gas and water sector. Mining (9%); construction (6,7%); transport, storage and communications (4,4%); and finance, insurance, real estate and business services (3,4%) provide employment to the rest of the workforce.

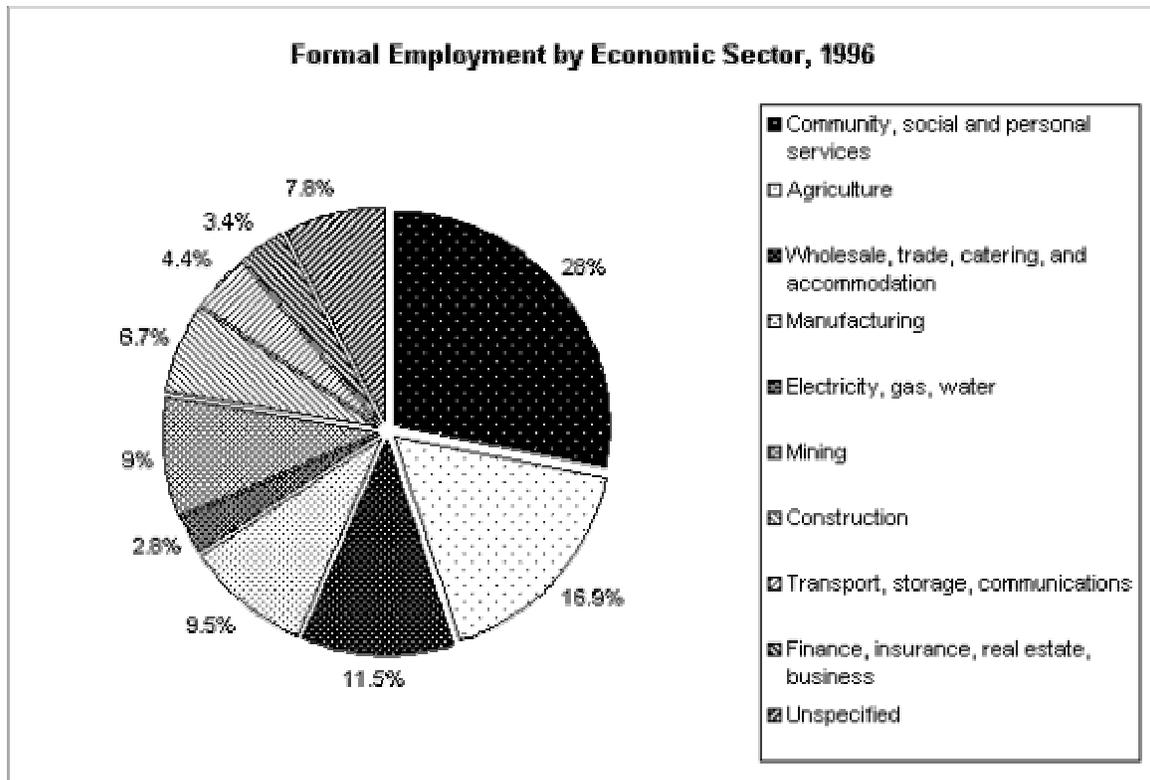


Figure 1: Profile of Labour Force by Economic Sector, 1996 (HSRC)

Profile of the Economy

3.6 Although Mpumalanga is in the process of becoming one of the more competitive provinces, it still has a largely resource-based economy, whose dominant sectors with regard to wealth creation are manufacturing, electricity, and mining. Figure 2 illustrates that the manufacturing industry is the main contributor to gross geographic product per capita (GGP). Manufacturing, electricity, and wholesale and retail trade, and catering and accommodation services play a dominant role in the economy of the province. The share of GGP contributed by the electricity sector confirms that electricity generation is a major contributor to the Mpumalanga economy. Indeed, the province's generation of electricity constitutes more than 40% of the national electricity output. As in other provinces, however, the electricity, gas and water sector is not a large provider of employment.

3.7 In terms of employment and contribution to GGP, manufacturing, community and social services, wholesale and trade, and agriculture are the main economic activities of the province. Together, these four industrial groups provide employment for 80% of Mpumalanga’s workforce and are responsible for 70% of the province’s GGP. The agricultural sector’s contribution to employment is attributable to the fact that a large proportion of the rural population is engaged in subsistence farming.

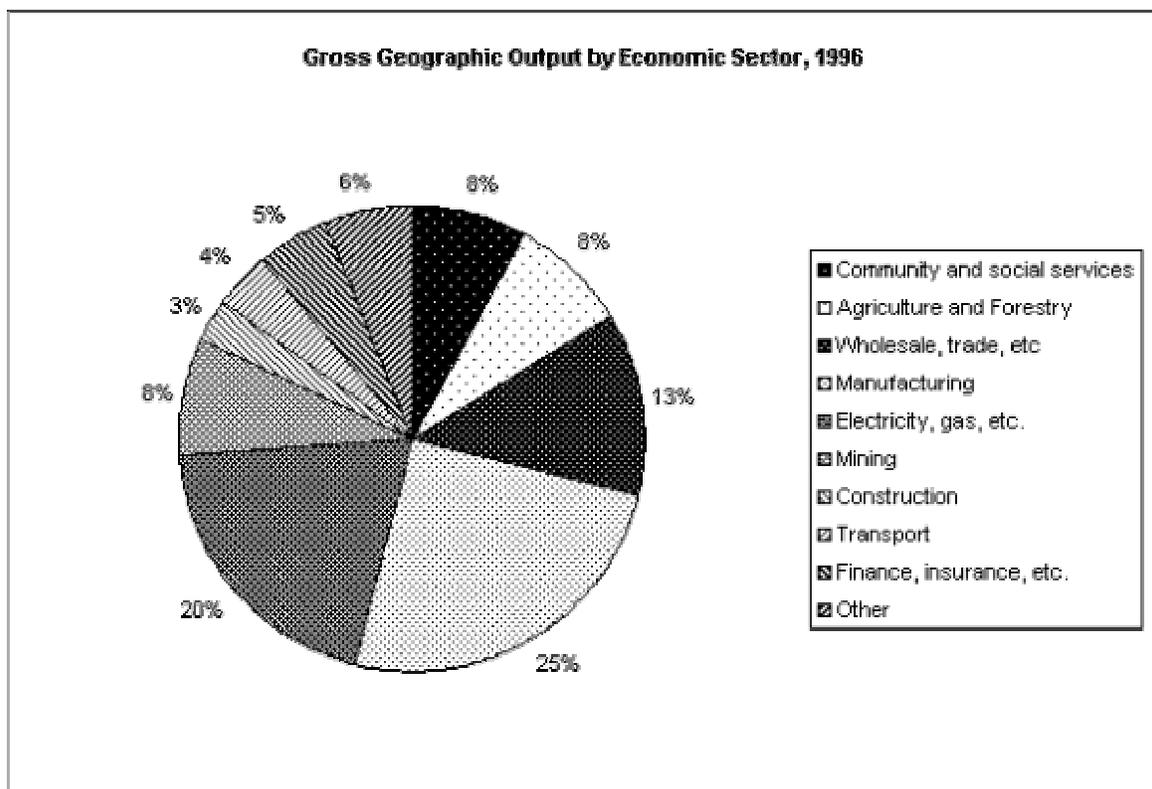


Figure 2: GGP Output by Economic Sector (HSRC)

.8 Agriculture is a key base for socio-economic growth in the wider region. Mpumalanga produces 15% of the total agricultural output of South Africa. The per capita output and output per land area in Mpumalanga is markedly higher than that in the rest of the country, with the primarily rain-fed Highveld farming area constituting one of South Africa’s main sustainable farming regions. Good opportunities exist to increase agricultural production and to add value to primary processing. There are also abundant opportunities to strengthen forestry-based enterprises, which can provide long-term

permanent employment opportunities and promote other secondary industries (HSRC, 2000).

3.9 The largest area of private sector activity is within the manufacturing sector, which also is the fastest growing economic sector in Mpumalanga. However, current manufacturing activities are essentially primary in nature, with a large proportion of the value-added potential in downstream activity not being realised in the province.

3.10 Tourism has been the world's fastest-growing economic sector over the past 25 years, with South Africa regarded as one of the world's main tourist destinations, since the country emerged in 1994 from its isolation. The Maputo Development Corridor Initiative, which has already attracted over R3 billion in investment, is focusing on tourism as a key growth sector for the Mpumalanga economy (HRSC, 2000). There are plans afoot to build a larger (international) airport to serve the growing tourism and freight markets in the region.

Output from schools

3.11 An important indicator of potential demand for higher education is the output from schools, in the form of the students who pass the final matriculation examination. The province has been one of the lower performing provinces in relation to matriculation passes with university exemption. Mpumalanga has performed poorly in the final examinations in the last five years, with on average half the students failing the examinations. Although it may too early to indicate a trend, the province - against the national trend - increased its number of candidates sitting for the matriculation examination in 2000.

Year	Candidates	Total Pass	%	Matric Exemption	%	Total Fail	%
1994	40 113	19 039	47	4 367	11	21 074	53
1996	41 731	19 739	47	4 332	10	21 992	53
1998	41 554	21 887	53	5 184	12	19 725	47
1999	38 231	18 465	48	4 188	11	19 766	52
2000	40 756	21 694	53	4 762	12	19 062	47

Further Education Provision

3.12 Mpumalanga has 13 further education and training colleges, consisting of ten technical colleges, and one college each in nursing, agriculture and teacher education. Four of the technical colleges are located in the Highveld, with the Eastveld and the Lowveld each having three colleges. The recent report of the Department of Education on the restructuring of the further education and training sector¹[1], makes a recommendation for the ten technical colleges (including the Ndebele College of Education) to merge and form three FET colleges (DoE, 2001).

3.13 The ten colleges had a combined student enrolment of 6 191 full-time equivalent students in 2000 (NBI, 2000). Almost two-thirds (62%) of these students were studying at colleges in the Highveld region. The split between students studying courses in further and higher education bands is 50:50. The majority of students in the FET band (76.8%) are enrolled in engineering studies, with the second largest programme being business studies, with 20.4% of the FTE enrolments. Within the higher education band the situation is reversed, where 76.5% of the students are registered for business studies programmes, and around 20% in engineering studies (HSRC, 2000). The agricultural college in Mpumalanga, which is located in Nelspruit, offers training in the Higher Certificate (2 years full time) and in the Diploma (with third year as experiential training) levels. The college has 211 students registered in 2001, with several coming from Southern African countries such as Swaziland, Zimbabwe and Namibia.

Higher Education Provision

3.14 There are thirteen higher education institutions that have a presence in Mpumalanga, either through satellite campuses or through study centres. There are five technikons and eight universities operating in the province, with a combined student enrolment of 18169 students in 2001, with the majority of students (95572[2]) registered for university programmes. The four largest programmes in the province are run by four institutions, namely UNISA, TSA, the Pretoria Technikon, and the University of Pretoria, who have a combined enrolment of 15563 students, which constitutes 85.7% of all students studying in Mpumalanga.

The majority of technikon enrolments are in 3-year diploma programmes in the Economic and Management Sciences, whilst for the universities they are concentrated in teacher education, except at UNISA, where the largest enrolment is in the general liberal arts degree programmes.

Higher education institutions operating in the Mpumalanga, 2001

Institution	Main Centres	Student Enrolment
Pretoria Technikon	KwaMhlanga, Nelspruit, Witbank	3076
Peninsula Technikon	Witbank	13
Technikon Northern Gauteng	Nelspruit, Middleburg	26
TSA	Middleburg, Nelspruit	4256
Vaal Triangle Technikon	Secunda	1241
MEDUNSA ^a	Witbank	
University of Natal	Nelspruit	30
Potchefstroom	Nelspruit, Secunda	905
University of Pretoria	Nelspruit, Witbank	2987
RAU ^a	Nelspruit	
Stellenbosch University	Nelspruit, Witbank	391
UNISA*	Nelspruit	5244
University of the Witwatersrand ^a	Nelspruit	

TOTAL		18169
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^a MEDUNSA, Wits and RAU did not provide student data with their submissions.

* UNISA only provided student data for the year 2000.

3[1] A New Institutional Landscape for Public Further Education and Training Colleges: Reform of South Africa's Technical Colleges. Department of Education, July 2001.

4[2] This figure does not include enrolment for programmes offered by MEDUNSA, RAU, and the University of the Witwatersrand, whose data was not available at the time of going to press.

Chapter 4

PROGRAMME PROVISION AND COLLABORATIVE AGREEMENTS.

- 4.1 The prime reason for establishing the National Institute in Mpumalanga is to provide higher education programmes of quality, and in so doing provide access to higher education to people who might otherwise not have obtained it. The first task of the Institute with respect to programme provision will be to update current records of all the courses on offer in the province (other than the distance education programmes offered by UNISA and Technikon SA), and to determine whether these should continue and under what conditions. Factors to be taken into account in making recommendations to the Minister will include the quality of the courses offered and attendant backup in terms of facilities and staff, whether there is duplication of provision and whether the course is suited to the needs of the students in the region. In all probability a high proportion of existing courses will continue as collaborative undertakings between the Institute and the current provider once certain adjustments have been made. Some existing offerings will prove to be satisfactory as they stand but it is important that the Institute ensure that its students are offered an educational experience on par with that offered to students taking the same course on the 'home' campus.
- 4.2 It is already clear that some elimination of overlap of academic offerings will be necessary but this is in line with current national higher education thinking and is occurring elsewhere in South Africa. Where two or more highly similar courses are on offer, careful negotiations with the current providers will be required to determine the best course of action. In some cases, one provider may decide to withdraw, in other cases the two providers might work together to provide a top-class programme. Possibly one of the providers might be persuaded to switch to an alternative offering. If necessary, the National Institute may have to recommend to the Minister that he withdraw permission for one of the courses to be offered in the province. Ultimately the National Institute has the responsibility of ensuring that the range of qualifications on offer in the province is appropriate to local needs, is well co-ordinated, and of high quality. Resources cannot be wasted on the unnecessary duplication of academic programmes.
- 4.3 Another important task for the newly established Institute will be to conduct research within the province and its regions to ascertain details of the demand for existing and new higher education programmes. Further work will have to be undertaken of potential students and of employers across all sectors of the economy. Further, with assistance from the Department of Education, data needs to be collected on the number of students from Mpumalanga who are registered for higher education programmes in other provinces in South Africa. This latter information may indicate the need for new courses to be offered by the National Institute. The Institute should also explore the possibility of developing an educational niche of its own by building on regional strengths or

specialities. In this way new programmes may be developed which could serve national rather than regional needs.

4.4 Once the demand for a specific qualification has been identified and some measure of potential student numbers is available, the National Institute would then negotiate a collaborative agreement with an existing provider for the offering of the programme. In the absence of a current provider, the Institute would approach several potential providers all of which should have good reputations as programme providers in the required field of study. In theory, each qualification could be delivered by a different provider but the Working Group's recommendation is that a range of qualifications within a given field of study should be offered by the same provider. Not only will this lead to efficiencies in terms of programme delivery and in the use of staff resources but it will lead to a greater continuity of study programmes as a student progresses from a first to a higher qualification. Clearly the range of programmes will evolve incrementally, in all probability starting with education programmes and those in public service management and administration.

4.5 Potential providers of a required educational programme would be asked to submit a proposal for the offering of the relevant courses over a specified time period. This period would need to be for the minimum duration of the programme plus at least two years in order to make the effort and investment of time worthwhile and to allow the course to fully establish its reputation for quality and for student numbers to build up. As suggested above, the provider institution would probably submit a proposal for a suite of related qualifications. For example, in the field of education these might range from Advanced Certificates in Education (with several specialist options), to the new Bachelor of Education, the BEd (Honours) and perhaps a Masters in Education by coursework and dissertation.

4.6 Following careful discussions with several potential programme providers a collaborative agreement would be drawn up. It would need to include:-

- A clear statement of the qualification/s to be offered and the minimum time period involved
- A full description of the aims and intended outcomes of the courses that make up the qualification along with details of curricula, forms of assessment of student progress, and details of examiners both internal and external
- A clear statement indicating how the quality of the academic offerings and attendant support services will be assured
- Details of the qualifications and relevant experience of the staff offering the courses

- The manner and extent to which course and lecturer evaluations would be used and how feedback from this exercise would link to course delivery and assessment
- A full statement in respect of modes of delivery of programmes, teaching materials to be used, and the facilities and equipment necessary for effective delivery of programmes
- A financial plan setting out anticipated income and costs. Income can be anticipated from tuition fees, sponsorship and state subsidies and will be largely dependent on student numbers. Costs will depend very much on the nature and level of the study material, mode of delivery, and the number of sites of delivery. Common items will be staff time, travel and subsistence costs, along with the costs of advertising, teaching materials, use of venues and equipment, and course administration.

4.7 Under normal circumstance a programme would not be offered if it was not expected to at least pay for itself. The exception would be when a sponsor is prepared to subvent the costs of offering a programme where student numbers are too small to produce sufficient income. Many agreements such as the one outlined above are already in existence and most of these have proved to be income earners for the institutions involved. Collaborative agreements must contain a clear statement of how surplus income is to be distributed, and how, in the event of a shortfall, the books will be balanced.

4.8 It is expected that the National Institute will provide the necessary teaching spaces, equipment and local academic support services such as library and information centres, academic development programmes and internet access. National Institute staff may also be involved in the mainstream teaching of programmes. Clearly the greater the input to the offering of education programmes, the greater the share of income the institute can expect to claim.

4.9 While the National Institute will facilitate programmes offered by existing universities and technikons, the current demand for programmes suggests that the majority of courses in the first instance are likely to be technikon based. This should be borne in mind in the early stages of development in terms of the need for facilities and in the nature of the collaborative agreements that are forged.

4.10 The National Institute is not being established to offer degree and diploma qualifications of its own and legally will not be a 'provider' of higher education programmes. However, over time, and where the expertise exists, NIHE staff could be used to offer 'short' courses certificated in the name of the National Institute. Such courses may vary in length from a few days to several months and are usually skills based. Short courses such as in public finance, may assist people to get their first job, or may be tuned to the needs of a specific group of employees. From the outset the National Institute should attempt to meet the need for short courses possibly in conjunction with Further Education and Training institutions.

- 4.11 It can be expected that the academic staff of the Institute will increasingly be involved in the presentation of courses offered by universities and technikons that are party to collaborative agreements. Ultimately the point may be reached where the National Institute possesses sufficient academic expertise to offer higher education programmes without external assistance. At that point the status of the National Institute will need to be reconsidered.
- 4.12 As part of the wider restructuring of higher education institutions in South Africa, Colleges of Education, along with Nursing and Agricultural Colleges are being absorbed into nearby Technikons and Universities. Given that the NIHE will be the only HE institution in Mpumalanga it is recommended that the facilitation of higher education programmes in the fields of teaching, nursing and agriculture become a responsibility of the NIHE. As with qualifications in other fields, the registered provider institutions will be party to a collaborative agreements with the NIHE.
- 4.13 The National Institute should also seek to facilitate research into local issues and within the local region. In the early stages of the development of the Institute there will be few staff capable of leading research teams, but this should not prevent the Institute from identifying research programmes that are responsive to local needs. The Institute should seek to form collaborative agreements with existing centres of relevant research excellence and help to provide the necessary funding. Where possible, the Institute should provide the required local research facilities and support. In this way levels of research activity will be built up within the province and the Institute's own staff will benefit from the opportunities created by local research programmes.
- 4.14 The need for 'foundation programmes' or 'bridging courses' will require careful consideration. The provision of such courses is common practice in many of the higher education institutions, the aim being to bridge the gap between inadequate schooling and tertiary level studies. Of necessity, foundation programmes are staff intensive and expensive to run. At present the funding framework does not support such programmes, many of which are dependent on donor support or the institutions' own funds. Special academic programmes must be offered by the National Institutes in order to bring poorly prepared students up to a level where they can benefit fully from tertiary education. Special funding will have to be found to pay for these programmes if the new funding framework does not support them. This may well be an area where provincial government could assist.
- 4.15 Finally, the organisational structure under which academic staff should operate within the National Institutes needs to be considered even if in the initial stages no formal structures are found to be necessary. Traditional structures in higher education institutions have depended on discipline based academic departments grouped according to common interests into administrative units known as faculties. However while the existence of academic departments has proved to be in the interests of individual disciplines, it has mitigated against change and flexibility.

The modern trend is towards the formation of 'schools', which are larger organisational structures within which academics with common interests can work. Schools can draw on a wide range of academic skills, facilitate flexible working relationships and adapt more

quickly to change. It is therefore recommended that academic staff in the Institutes be grouped into schools as the numbers build up to warrant an organisational structure. Within the schools, certain staff will be designated as programme co-ordinators. In the early stages the academic staff should report to the Vice-Principal who will be responsible for academic affairs. In later stages of development each academic school may require its own head.

Chapter 5

MODES OF DELIVERY AND QUALITY ASSURANCE OF PROGRAMMES

- 5.1 The challenges which are specific to the establishment of a National Institute in Mpumalanga can only be met by harnessing the most modern of teaching and learning concepts and technologies. Any consideration of modes of delivery must take into account several critical factors. These are:
- The National Institute is not being established in order to facilitate distance education. UNISA and Technikon SA already fulfil this role and are expected to merge and join with the distance education branch of VISTA to form the new Open Learning University of South Africa (OLUSA), an institution that will be the primary national provider of distance education. The National Institute must provide an education which includes contact teaching and a good level of learner support services. However it is worth noting that traditional 'correspondence' education is increasingly a thing of the past as distance education begins to offer local learner support. There may well be opportunities for the National Institute to work with the new institution in the provision of academic programmes.
 - The National Institute has to cater for a population that is unevenly distributed across the province and thinly spread in rural areas.
 - The population to be served has a significant proportion of its potential students who live in impoverished circumstances and are from disadvantaged educational backgrounds.
 - Only a very small proportion of the potential students have access to computers and the Internet and some do not even have electricity in their homes.
 - The issue of teaching language also presents a challenge. In some parts of the province English would clearly be the correct choice but in other areas Afrikaans might be more appropriate. It must be recognised that persons will be disadvantaged if expected to progress in higher education programmes produced in a language with which the student is not conversant and the National Institute must strive to offer learner support in such cases.
 - The numbers of students wanting to do certain courses may be too small to make traditional contact teaching economically viable. In such cases greater reliance will have to be placed on modern technology unless a sponsor can be found to cover these additional costs.
- 5.2 Modes of delivery of courses are going to vary according to several variables, and the approach of the National Institute to the delivery of educational programmes might best

be described as 'multi-mode'. Factors which will influence the mode of delivery will include class size, the type of subject material being dealt with, the level of the course, and the centres from which the provider operates, and in which the programme is being delivered. Delivery of courses will include live contact teaching, live interactive teaching via video-conferencing, videotaped lectures, printed materials, learning materials available via the electronic media and e-mail contact with lecturers and providers of support services.

In the modern era, 'contact' teaching at traditional contact institutions increasingly incorporates the use of modern technologies even when classes are quite small, and the modern student has come to expect a multi-mode approach to teaching and learning. Modern academic departments have their own web sites and most lecture materials, tutorial advice and instructions in respect of assignments are available to students at the commencement of a course. This allows a reduction in formal lecture time and turns 'lectures' into more productive discussion sessions that can focus on areas of difficulty.

- 5.3 Fundamental to overcoming the barriers of distance and time will be the availability of state of the art information and communication technology in the 'interactive learning centres', several of which will have to be developed across the province as funds permit, and as the National Institute improves access to higher education. Such centres will perform the functions of traditional libraries and hold hard copy of materials while at the same time providing electronic access to information via the internet. They will also provide computer laboratories, lecture theatres and teaching rooms which can be used for interactive links with other similarly equipped facilities elsewhere in South Africa and possibly further afield. The end result is a new kind of learning experience produced by a new kind of institution.

The interactive learning centres, linked to each other and provider institutions via ICT will enable local communities to gain access to higher education of quality regardless of physical location. Electronic links as described above have been operating in South Africa for several years and allow a lecturer in one university to simultaneously teach two classes in different locations. Clearly, each class requires local student support but this system of operation allows two institutions to share scarce, high-level human resources. This form of teaching/learning is not without its difficulties, and the staff involved have to be trained to a new form of teaching. It can however be effective and pass rates of students in both classes can be equally successful.

- 5.4 Some programmes offered by the National Institute will therefore be offered primarily by contact teaching (where numbers and location justify this approach) and others largely by electronic link up. It is quite possible that the class in Nelspruit is receiving a live lecture while a much smaller group in KwaMhlanga is simultaneously taking part via an electronic link. It will also be important for academic staff to travel around the province in order to meet students and discuss course related problems in addition to the work done by local tutors. It may well be that a lecturer who has faced a class in Nelspruit with a

link to KwaMhlanga for the first two weeks might reverse the situation for the next two weeks by moving to KwaMhlanga and teaching from there.

- 5.5 Use of the new technologies suggested above requires a new kind of teacher: the 'enabler and facilitator', the 'guide by the side' rather than the 'sage on the stage'. The move away from academic staff as purveyors of knowledge towards facilitators of learning is not new although older staff often find the change difficult to make. The new technologies however require a new kind of educational professional who embraces a new learning paradigm. The younger staff, who have been brought up in the electronic era, seem to welcome the shift in approach.
- 5.6 From a conceptual point of view the **diagram** below helps to illustrate the changing approaches in teaching – from being lecturer centred to being learner centred and from low technology towards high technology.

The multi-mode approach to the delivery of academic programmes by the National Institute will contain elements from each quadrant in the above diagram. Careful planning could result in an educational experience that offers the best of all worlds.

- 5.7 From the outset the National Institute must place strong emphasis on achieving high quality in all its endeavours. If students are to be attracted to register for programmes offered via the Institute, the programmes will have to be at least as good as can be found elsewhere in South Africa. Quality assurance must be built into all agreements with the providers of educational programmes, and careful implementation and monitoring of quality assurance policies must be part of the portfolio of a senior person such as the Vice-Principal. All higher education programmes will have to meet the requirements of the Higher Education Quality Committee and it is likely that the HEQC will introduce additional quality measures in respect of programmes that are offered at a distance from the main campus where accreditation would be granted in the first instance.
- 5.8 Collaborative agreements in respect of the offering of programmes for the National Institutes by existing providers should at the very least cover such issues as staff qualifications and experience, the development, approval and review of curricula, forms of assessment of student learning, the quality of teaching materials and the evaluation by students of courses and the staff who present them. Reporting on such issues must be on a regular basis and there must be feedback procedures that aim for continuous improvement. The importance of offering high quality educational programmes cannot be over emphasized and the formulation of appropriate policy should receive the highest priority when the Institute is first established.

Chapter 6

STUDENT SUPPORT SERVICES

- 6.1 Student support services form an integral part of the educational experience across the higher education sector and are closely correlated with academic success levels particularly where students may come from impoverished and educationally weak backgrounds. At most higher education institutions in South Africa there is an extensive range of student support services which are most developed on residential campuses. These services really do add to the quality of the educational experience of students but they are costly and for the most part, and are not subsidised by the state.
- 6.2 The extent to which support services are offered at, and by the National Institute for Higher Education cannot be predicted at this stage. Much will depend on student numbers, the number of sites from which the Institute operates, and the availability of funds to establish and operate such services. At this stage little more can be done than to indicate possible directions and priorities, and to recommend that the National Institute strive to offer its students the best possible range of services and student facilities. In choosing an institution at which to study, students are much influenced by the range and quality of support services and this factor must not be ignored in the setting up of the National Institute.
- 6.3 Student support services can be categorised as follows:
- Academic support services such as libraries, academic development centres and support programmes, foundation programmes
 - Personal support services such as offices for bursaries and loans, careers counselling, clinics, etc.
 - Student residences and attendant services and facilities
 - Facilities for the SRC and other student clubs and societies
 - Sports, recreational and cultural facilities
- 6.4 The most significant shortcoming of most of the higher education programmes currently on offer in Mpumalanga is the serious shortfall in support services. The higher education providers concerned claim that their programmes on offer in Mpumalanga are

of the same standard and quality as the courses offered on the home campus. This may be true of examination standards but is seldom the case in terms of essential support services for learners. Central to academic support is a good library and information centre that offers access to a full range of learner materials using both hard copy and electronic access. Student workspaces in a quiet environment are also important.

- 6.5 Given that increasing emphasis is being placed on the teaching/ learning interface, an Academic Development Centre with a full range of learner and teacher support programmes such as in writing skills and in portfolio development, is advisable. These support programmes should be aimed both at staff and at students. Staff need to be made fully aware of the pedagogic challenges that they face and be given the opportunity to improve their teaching skills. It is worth noting that in the United Kingdom, new entrants to lecturing in higher education institutions will soon be required to obtain a Post Graduate Certificate in Higher Education. Academic support for students can take many forms. Increasingly the teaching of skills such as writing and comprehension is being incorporated into the mainstream teaching of credit bearing courses where students are most likely to see the relevance and value of support programmes.
- 6.6 Some South African Universities have set up 'foundation or access programmes' which provide entrance to higher education programmes for students who would not normally be admitted to mainstream degree programmes. These programmes usually aim to take four years over a normal three-year curriculum and provide high levels of student support in the first two years. Such programmes are staff intensive and therefore more costly than the mainstream programmes, but many have achieved their objective of increasing access to higher education.
- 6.7 Personal support services, especially financial services, are also very important. A bursary and loans office, which also acts as an agent for the National Student Financial Aid Scheme (NSFAS), is essential to student recruiting. Many students and their families cannot afford higher education tuition fees, and without recourse to grants and loans, are unable to study. The success of the National Institute in Mpumalanga will hinge on the ability to recruit students and this depends in part on the availability of funding to support students. Apart from the NSFAS, a special effort must be made to persuade mining, industry and commerce to join with the provincial government in supporting student enrolments in the National Institute.
- 6.8 A student-counselling centre is an invaluable support service on most higher education campuses. In the first instance, the focus is on counselling in respect of careers and subject choices and most counselling centres also provide links with potential employers of graduates. Often counselling extends to personal matters that can range from study problems to more serious conditions such as severe depression and Aids counselling. Professional counselling staff are essential if a good level of student support is to be achieved. On the more established campuses, there are clinics to which students

can take their medical and psychological problems. Services of this nature are not normally warranted until residential student numbers reach several thousand.

- 6.9 Given that the National Institute must serve a widely spread population with a significant rural component, every effort must be made to provide student residences in the main centre. Study bedrooms (one per student), dining halls and support facilities such as a laundry, convenience shops and ATM's should all be provided where possible. Ideally, residences should be on campus, but this is not essential. Residential students must however have easy access to campus facilities.
- 6.10 The demand for facilities for student organisations will begin to build up as the student population increases and gets organised. In time, a Student Representative Council can be expected to come into being and indeed, the NIHE management should welcome this. It is easier to deal with elected student leaders than with a range of individuals who lay claim to various levels of support. Offices will be needed for the SRC and for approved student societies and clubs.
- 6.11 Ultimately, sports and recreational facilities need to be provided. If a residential campus is established then these facilities must be accorded a higher priority. Setting priorities needs to be done in consultation with students. Much will depend on available space and generous sponsorship.
- 6.12 Only when locations have been chosen for the main and satellite campuses will it be possible to make specific recommendations for the provision of student support services. Much will depend on what is already on the ground and reasonably accessible. Some of the sites available for use by the NIHE may facilitate the early provision of a good range of support services and would require very little in terms of capital investment. In other locations it would be a matter of starting from scratch and this is may prove to be very costly.
- 6.13 The provision of the best possible range of student support services needs to be given a high priority by the National Institute and should be part of the portfolio of the Principal or his/her deputy. From the outset, priorities need to be set for the main campus and care must be taken to ensure that the distance learning centres are not characterised by second class services.
- 6.14 In summary, the provision of the best possible range of student support services will prove to be a critical factor in the success of the National Institute. Clearly, appropriate and high quality academic programmes come first, but if these are to be fully successful,

good support services must be in place. Student support services are therefore a major factor in student recruitment and student success rates. Such services help to create an environment that is conducive to good scholarship and ultimately better graduates.

Chapter 7

GOVERNANCE, MANAGEMENT AND HUMAN RESOURCE NEEDS

- 7.1 The aim of this chapter is to set out the structures needed for the governance and management of the National Institute, and to make proposals in respect of human resource needs for the first two years. Beyond this initial period, much will depend on detailed plans that will be formulated by the first governing body of the Institute. It must be recognised that the structures and staffing proposed are something to be worked towards as the Institute gathers momentum and as work levels and responsibilities build up. Interim structures may need to be approved in order to get the National Institute functioning quickly in the short term.
- 7.2 It is recommended that the governance and internal structures of the National Institute should, as far as possible, parallel those of the universities and technikons, even though the Institute will not be established as an autonomous institution. This will make it easier for people to understand the working of the structures and facilitate conversion to an autonomous institution should this come about in the future. Most of the recommendations received from higher education institutions already operating in Mpumalanga and those from provincial government have proposed using the well-known names and structures described in the Higher Education Act of 1997, namely Council, Senate, Institutional Forum and Students Representative Council. A further body of opinion holds that the key differences between the National Institute and autonomous higher education institutions should be reflected in the names used for the governing bodies, at least in respect of bodies such as the Council and Senate.
- 7.3 It is recommended that governance of the National Institute should be vested in a Council which will include representation from a wide range of interest groups within the province and nationally. The composition of the Council should follow the existing guidelines for Councils of existing higher education institutions. This will include both internal and external members, ministerial nominees and representatives from a wide range of constituencies including commerce, industry and cultural groups. Over time, as the student body and staff numbers increase and develop their own organisational structures, there should be student and staff representation on the Council. Representation from higher education institutions with which collaborative agreements have been formed should also be considered, although this could prove difficult for the National Institute if too many such persons were on Council. The first Council will probably be small, described as an Interim Council, and consist mainly of persons nominated by the Minister of Education in consultation with a range of interest groups. Representation of provincial interests would be essential from the outset.
- 7.4 The Council would be the highest authority in the National Institute and make recommendations to the Minister on all matters of policy affecting the Institute. It would have certain delegated powers in respect of the implementation of policy and the management of the Institute, and would manage its own financial affairs within a budget proposed by the Council and approved by the Minister. Details in respect of which matters would require Ministerial approval and which would be delegated to Council (possibly for further delegation) would need careful consideration. In all probability the level of delegated powers will increase over time as the Institute demonstrates its self-governing capabilities.

- 7.5 It is recommended that the chief executive officer of the National Institute should be known as the Principal and Chief Executive. Use of the title Vice-chancellor would be inappropriate. The Principal would be responsible to the Council for the management and direction of the Institute. In the early stages, internal structures may not be necessary but as staff numbers build up and as the range of activities both academic and non-academic increases, it will become necessary to establish structures to guide the academic and management functions of the institution.
- 7.6 It is proposed that the day-to-day management of the National Institute be vested in a Management Committee chaired by the Principal and consisting of the Heads of all administrative divisions such as finance, human resources and managers of the learning centres. In the first few years, when the number of management staff is very small a Management Committee may not be necessary. However as staff numbers build up and as several learning centres are established, it will be important to have a forum in which the persons responsible for the running of the Institute can meet to inform each other about the activities of each division, to discuss issues of mutual concern and take collective decisions or advise the Principal as appropriate. This committee would have management control of all non-academic matters within approved policies and in terms of delegated authority.
- 7.7 The management of the academic affairs of a higher education institution is usually the responsibility of the senior academic body known as the Senate. Subsidiary structures are commonly known as Faculties, Schools and Departments. These titles and the attendant hierarchical structure would be inappropriate for the National Institute, which will not be a primary provider of higher education programmes. It is therefore proposed that the academic affairs of the National Institute be placed in the hands of an Academic Board. The Academic Board would be chaired by the Principal (with the Vice-Principal as deputy chair) and would advise Council on all academic matters and any other matters referred to it by Council. In all likelihood Council would delegate the finalisation of certain academic matters to the Academic Board. The Academic Board would consist of all programme co-ordinators, the Heads of support services such as the Library and the Academic Development Centre, representatives of institutions which are part of collaborative agreements and of the Council. When a student organisation such as an SRC is formed, it too should have representation on the Academic Board.
- 7.8 Proposals received from provincial authorities include the establishment of both an Institutional Forum and a Students Representative Council as outlined in the Higher Education Act. The formation of an SRC should be encouraged from the outset as it is to the advantage of the whole institution that the student body has a democratically elected body that can represent student opinion in the affairs of the Institute. From a management viewpoint it is important to have a formal point of contact with students and to know whom to deal with. The need for an Institutional Forum requires careful consideration. The Interim Council is expected to include representation of provincial government and community leaders and the formation of an Institutional Forum may not be necessary at least in the early stages of development of the National Institute.
- 7.9 The human resource needs of the National Institute can be expected to grow over time as the range and complexity of its activities expand. The proposals set out here are intended to cover the first two years of the Institute's operations. Following on the appointment of an Interim Council certain key posts would need to be advertised and filled and the first of these would clearly need to be the Principal who could then be involved in the appointment of further personnel. Several of the key posts would need to be filled at least six months (and possibly longer) before the National Institute could formally open its doors.

The Principal would need to have a strong academic and managerial background and be someone who would command respect within South African academic circles. The Principal will be negotiating with senior management from across the higher education sector and the success of the National Institute will depend much on the calibre of the person appointed to the top post. It is recommended that the person appointed be someone who could fill a deputy Vice-Chancellor post in a Technikon or University and that an equivalent remuneration package is offered. The Principal will be responsible to the Council for the direction and management of the National Institute. A Vice-Principal should also be appointed from the outset with the dual functions of deputising for the Principal when necessary, and having the line function of planning and organising educational programmes. This would include negotiations with potential programme providers, the management of academic support services and facilities and liaison with programme co-ordinators.

- 7.10 The chief administrative officer, the Registrar, should also be one of the early appointments. He/she would be responsible for all the academic administration and related student services from student recruitment, to registration, examinations, and the keeping of all academic records through to graduation. Experience of administration within a higher education institution and legal knowledge would be strong recommendations for this position.
- 7.11 Other administrative Heads, to handle functions such as Finance, Human Resources, Student Services, Information Technology and Estates would be appointed as and when necessary. Depending on the location of the Institute and especially in the formative stages, it may be possible to share the services of persons who are already employed to administer these functions in existing educational institutions. Further, senior appointments to the above positions may not be warranted in terms of work volumes in the first few years of the Institute's development. On the other hand it is vital to employ capable, experienced people able to set up systems that will stand the Institute in good stead in the long term.
- 7.12 The functions of student recruiting and marketing of the National Institute should fall under the Registrar at least in the early stages of development of the Institute. It will be vital for the aims and functions of the National Institute to be well known not only across the province but also across Southern Africa. Marketing the Institute and its educational programmes will require special attention in the setting up phases and one or two staff should be appointed specifically for this purpose.
- 7.13 In the first few years of the National Institute's operation, the existing providers, using their own academic staff, will offer academic programmes. It is however imperative that the Institute appoint its own staff to organise and provide academic support, monitor the quality of the academic experience of students and perhaps contribute directly to the teaching programmes. Given that some teaching, particularly in the smaller centres, will be at a distance from the core teaching staff, it is important that students have the opportunity to meet local staff who can guide learning activities. In the first instance it is recommended that the Institute appoint a programme co-ordinator for each major area of teaching. Early appointments are likely to be in the fields of Education, Commerce and Management, Science, Engineering and Technology (SET), and in Mining and Agriculture, as appropriate.
- 7.14 The providers of educational programmes will appoint lecturing staff according to their requirements. In some cases, especially where staff on the home campus are underemployed in

terms of student numbers, existing personnel will be used. In other cases new staff may be employed and may well be based within Mpumalanga. In both situations it may be necessary for the National Institute to provide offices and support services for staff employed by the provider institutions with which collaborative agreements have been drawn up. The relationship between these staff and the National Institute will require careful consideration and should be described in the collaborative agreements.

- 7.15 Support staff will be appointed as needs become clearer. Initially one or two secretarial and clerical positions will need to be established and, at a later stage, professional and technical staff to manage support facilities such as the library and computer laboratories. Clearly, learning centres at a distance from the administrative hub will require a small core staff to manage facilities. It is recommended that support staff be kept to a minimum and be related to the core business of providing high quality educational programmes and the requisite support services. Wherever possible functions such as cleaning, catering and general maintenance should be contracted out to local businesses.

Chapter 8

FUNDING AND COSTING

- 8.1 One of the requirements of the model adopted for the National Institute of Higher Education is that it shall become financially viable. This goal may not be achievable in the short term but should be feasible as student numbers build up over a five-year period. As the NIHE will not be a provider of higher education programmes it will not fall within the ambit of the current funding framework applied to higher education institutions but it will require a basic level of financial support similar to that enjoyed by the universities and technikons. The Working Group is aware of proposals to change the present funding formula for higher education institutions but these proposals as currently understood are not likely to affect the funding model set out below. The proposed new funding framework is expected to treat universities and technikons in the same manner, which will simplify the procedures related to revenue sharing agreements between the NIHE and provider institutions. In short, the aim is for the NIHE's to become financially viable (assuming an agreed basic level of state funding) by the end of five years.
- 8.2 This chapter firstly deals with possible sources of funding for the NIHE and the extent to which each may be used to derive its own income. An attempt is then made to provide an estimate of certain costs over the first two years of operation. Some areas of costing, such as the renting or renovating of buildings to accommodate the National Institute cannot be estimated until specific proposals in respect of location and physical needs have been made.
- 8.3 During the first few years while the National Institute is being set up it is likely that special treatment will be needed in terms of funding. This is partly because of the need to establish facilities from which the NIHE can operate and also because the funding formula is such that payments in year 'x' are based on student numbers from year 'x-2'. One of the main sources of income anticipated is the sharing of state subsidy from the provision of educational programmes, but these funds are effectively received two years after a programme has been delivered. For at least three years some special treatment in terms of funding will be required.
- 8.4 The possible sources of funding for the National Institute are as follows:
- State subsidy
 - Tuition fees
 - Own institutional income
 - Donor funding
 - National Students Financial Aid Scheme (NSFAS)
 - Provincial government support

8.5 State funding is the main source of income for South African higher education institutions and the NIHE is unlikely to prove an exception. The State currently funds higher education institutions according to a complex formula and, as noted above, proposals for a new funding framework are currently under consideration. It is proposed that the NIHE works within the principles of the national funding framework rather than request special treatment. This approach is likely to gain support both within the Ministry of Education and from the rest of the higher education sector. Despite the fact that the National Institute will not be a programme provider, and will enter into collaborative agreements with providers, the higher education sector is likely to view the National Institute as additional competition and will not take kindly to the Institute's receiving special treatment in terms of funding.

8.6 The current higher education funding framework includes funding for 'upset costs', the thinking being that there are costs to be met in terms of infrastructure, facilities and certain core staff before the first student can be admitted. It would be reasonable for the NIHE to claim upset costs on an annual basis, as is the case for other higher education institutions. In effect the Institutions are granted an initial 1000 subsidy students when their student based funding is calculated. Of these 1000 students, 600 are funded as Humanities students and 400 as Science students. In 2001 this would have resulted in an income of some R17 million. At the time of writing there is still uncertainty as to whether the concept of paying for upset costs will be included in the new funding framework. Income derived in this way is clearly a relatively higher proportion of state income in the smaller institutions than in the larger ones. However all higher education institutions have benefited from this principle for decades and it would be hard to justify not granting this benefit to the National Institute given that it will have to provide and maintain facilities, and a good range of support services.

8.7 The main component of the funding framework for higher education institutions is that based on subsidy students. The calculation of subsidy students is based on student numbers in educational programmes, the progression of students through programmes, the nature of the academic material being covered and the academic level of the programme. Whether the mode of delivery is 'contact' or 'distance' is also a significant factor in the funding framework. As noted earlier, the mode of delivery of academic programmes in the NIHE is likely to vary according to the nature of the programme and the number and location of the students involved. Only when the details of delivery mode have been worked out with the programme provider, will it be possible to deal with this issue. Given the wide range of support facilities that are proposed for the National Institute in order to deliver a high quality educational experience, a good case can be made out for the subsidy to be 'contact' based.

8.8 It is not possible at this stage to propose a formula for the division of student-derived income between the Institute and the programme providers, as the specific circumstances will vary from one programme to another. Such financial arrangements will be dependent on variables such as mode and location of delivery, the number of students, the nature of the material to be taught, the facilities and equipment needed, and the extent to which staff of the Institute contribute to the offering of the programme. Despite the potential complexity of issues to be taken into account, the type of collaborative agreement that the National Institute is expected to enter into with programme providers is not new. Numerous such agreements are currently in effect and many of them are good revenue earners for the institution that awards the qualification. There is every reason to believe that the National Institute can successfully enter into collaborative revenue sharing agreements with educational programme providers. By way of illustration, the potential income from say 25 subsidy students in a humanities or commerce programme could be:

Tuition fees per annum 25 x R10000 = R250000

a maximum of 70% of total budget. Put the other way, to operate effectively, non-staff costs will require a minimum of 30% of the budget. Over the first two years management staff are expected to build up to the following: Principal (500), Vice-Principal (400), Registrar (350), Chief Finance Officer (300), Secretary (50) and clerk (60). Initial academic staff will include three programme coordinators – equivalent to senior lecturers – (3x250). Support staff will include a technician (160), and technician's assistant (30) along with three staff dedicated to the provision of student services (2x100 + 150). With the figures in brackets above representing full staff costs to the institution in thousands of rand it is suggested that the staffing budget will build up to an annual cost of R3.21 million at current costs after two years.

- 8.14 Operating costs are difficult to estimate but the above rule of thumb would suggest a figure approaching R1.5 million per annum. On the assumption that the Institute will acquire or share existing premises and that capital expenditure in establishing the needed facilities is part of a separate budget, then R1.5 million should cover operating costs in the first year or two. The operating budget needs to cover consumables, transport, IT costs, the functioning of the learning centres and the provision of basic services such as electricity, water and the general maintenance of equipment and buildings.
- 8.15 Capital expenditure on buildings will have to be carefully worked out once decisions in respect of location and needed facilities have been made. Clearly the establishment of a new set of facilities would be extremely expensive but this should not prove necessary in Mpumalanga. It is likely that existing educational complexes can be shared, leased or taken over with the support of provincial government. Building alterations and/or additions may well be necessary in order to provide specialist facilities such as technical workshops or computer laboratories. In order to provide the basic facilities for a learning centre – essentially an information centre containing hard copy in a library format and Internet access via computer laboratories – the following costs can be expected on the assumption that existing buildings are being adapted to the Institutes needs. Two 25 seat, air-conditioned, computer laboratories (R1.0 million), two 50 seat classrooms set up for remote, interactive teaching (R0.5 million) and one small library (2000 sqm) with 100 workstations and shelving (R2.0 million). On the assumption that each National Institute operates from two centres in the first instance, and that no major construction work is required, then some R7 to R10 million over the first two years of operation will be required.
- 8.16 Estimates of capital expenditure on specialist equipment (such as for a technical workshop) cannot be made at this stage. Much will depend on the extent to which existing facilities are shared and upgraded or to which new facilities need to be established. It is anticipated that at least for the first two years arrangements can be made to share existing facilities at minimal cost.
- 8.17 Producing estimates such as those in the above paragraphs is extremely risky but they do reflect the assumptions built into the recommendations of this report. In short an operating budget of between R4 and R5 million per annum over the first two years and capital expenditure of some R10 million spread over two years i.e. an additional R5 million per annum. Clearly, funding will also be required to support the provision of academic programmes until such time as the state subsidy kicks in. The level of funding required will depend on the levels of activity but the annual total funding needs of the National Institute over the first two years should be less than the current upset funding of R17 million per annum paid by the State to higher education institutions. It is recommended that a sum of this order be set aside for each of the first two years of the Institute's operation.

8.18 Looking beyond the first two years and estimating costs is impossible. One of the prime tasks of the management team when it takes office will be to build a long term plan for the National Institute and to negotiate the plan and attendant budget with the Ministry of Education.

Chapter 9

TOWARDS AN IMPLEMENTATION FRAMEWORK FOR THE NIHE

- 9.1 The purpose of this section is to spell out a number of issues and areas that require further work, possibly in the form of a number of commissioned projects that would have to be overseen by the new management of the Institute or an interim co-ordinating structure, if the appointment of the management staff and the establishment of a governance structure is delayed, or becomes a drawn-out process. The section deals with four major areas, namely the Legal and Regulatory Framework, Academic Programmes and Student Support, Funding, Infrastructural Needs and Governance and Management.

The Legal and Regulatory Framework for the NIHE

- 9.2 **The establishment of the NIHE is not catered for in the existing legislation.** Section 20(1) of the Higher Education Act 101 of 1997 states that: 'The Minister, after consulting with the CHE... may establish a university, technikon or college.'
- 9.3 **The Department of Education needs to ensure that there is a sound legal basis upon which the NIHE is established,** in order to avoid any possible dispute about its legal. As the legislation currently stands, the Minister does not have the necessary authority to create an institution such as the NIHE.
- 9.4 In order to address this matter, **the Working Group recommends that the provisions of the Higher Education Act be amended to broaden the powers of the Minister regarding the type of higher education institutions he has the power to establish.** The essence of the amendments will be the extension of the application of the law to include the NIHE concept. Some of the changes that may have to be considered are the following:
- Definitions to include 'co-ordinate' as one of the functions of an NIHE
 - Section 20(1) to include 'Institute'
 - Section 21 to include 'Institute'
- 9.5 The Working Group is cognisant of the fact that the process of amending legislation could take many months because of the time frame of the parliamentary process. Consequently, the creation of the NIHE could be delayed by more than a year. **The Working Group therefore recommends that the Ministry's legal advisors should consider the legal framework within which the work**

of the NIHE could commence without having to wait for the amendment of the Higher Education Act.

- 9.6 One of the disadvantages with the option of amending the Act to incorporate the NIHE concept is that the whole Act is written with the view to creating a framework for a teaching institution, whereas the NIHE, as contemplated in the National Plan, is a coordinating mechanism rather than a teaching institution. The advantage of amending the Act, however, is that it places the NIHE concept within the ambit of the higher education legislative framework, thus removing any doubt about the legal status and functioning of the NIHE.

Academic Programme Provision and Student Support

- 9.7 One of the immediate tasks of the NIHE once it has been established will be to **undertake a survey of employer needs** across all employment sectors. Some of this information may already be available in the form of background studies that were undertaken for the provincial development strategy documents. Such a survey will be a useful instrument in helping the Institute develop a menu of programme offerings that would be responsive to the needs in the region.
- 9.8 Another survey that should be undertaken is on **student demand for higher education programmes**. The purpose of such a survey would be to ascertain the programmes that would be attractive to potential students, and also establish what would draw students to the NIHE as their institution of choice. The HSRC is currently undertaking a major national study on student choice behaviour, with a focus on factors that influence students' decisions regarding progression from school to higher education. The HSRC has indicated its willingness to make modifications to its survey instrument to incorporate questions that would begin to shed some light on the above issues.
- 9.9 The process of rationalising the higher education programme offerings would have to start with **an audit of programmes offered by higher education institutions in Mpumalanga**. The purpose of such an audit would be to assess whether there is a match between the needs that would have been identified above (by employers, government and students) and what higher education institutions currently operating in the province are offering. Upon its completion, a process of negotiations and discussions with the respective institutions will follow the survey, with the purpose of streamlining and rationalising the menu of programmes offered by each institution. An important principle is the one outlined in Chapter 4 on Programme Provision and Collaborative Agreements, namely that a range of qualifications within a field ought to be offered by a single provider.
- 9.10 A further task that would have to be undertaken is **an audit of higher education programmes** (in terms of shape, size, and scope) **that are being offered by the further education and training (FET) colleges**, namely the agricultural, technical, teacher, and nursing colleges. The purpose of this exercise, in the first instance, will be to determine the number of higher education students in the further education and training sector currently located in the province, the courses the students are enrolled in, and the level of study of their programmes. It would also provide an indication of the potential pool of applicants for the institute, especially given the recommendation in the Department of Education's report on the restructuring of the further education and training sector, which stipulates that the new merged colleges would be limited to providing only 10% of higher education programmes in their programme offerings.

- 9.11 Another immediate task that must be undertaken by the NIHE or an interim governance/management structure is a **dialogue with the Higher Education Quality Committee** (HEQC) in relation to the kind of support it can provide to the Institute. As quality assurance will be one of the preconditions of the agreements that will be reached with providers of programmes, the NIHE needs to embark on discussions with the HEQC to ascertain the best mechanisms for implementing and monitoring quality assurance policies within the Institute.
- 9.12 Once a final decision has been made in respect of the location of the administrative hub and learning centres of the National Institute, **careful planning of student support services will be required**. There will be some sharing of existing facilities, which may require the negotiation of agreements with other institutions. Negotiations with higher education programme providers will include the extent to which the providers and the Institute will arrange and fund student support facilities. Given that a large number of students will come from disadvantaged backgrounds, it will be incumbent on the Institute to provide academic development/ support as part of its higher education programme offerings.
- 9.13 Once the Management Structure of the NIHE has been appointed, **a strategy for marketing and publicising the Institute will have to be developed**. The marketing strategy would target various stakeholder structures like employer bodies, the NGO sector and community/civic organisations, government agencies, the churches and labour organisations. A special campaign targeted at high schools would also have to be developed and this would include an extensive advertising campaign in the local media.

Funding

- 9.14 The Minister will have to approve that the NIHE will be established as an institution funded under the higher education budget. Thereafter, **discussions should commence with the Department of Education in respect of the levels of funding and the principles of financial responsibility that will be adopted**. This report recommends that the Institute should prepare an annual budget for approval by the Minister and be authorised to operate within an approved budget. The manner in which financial responsibility and control will be exercised will require careful consideration.
- 9.15 Another issue related to funding concerns the registration of NIHE students. The proposal contained in the report is for **some form of dual registration of students between the NIHE and the provider institution**. There may have to be discussions with the Department of Education about the implications of such an arrangement in terms of funding frameworks and the

gathering of higher education statistics but it is essential for administrative and disciplinary purposes that the Institute registers students undertaking programmes that it is co-ordinating.

9.16 An important principle in the model of the NIHE is the need for them to be responsive to their locale and its needs. Consequently, the Institutes would have to develop a special relationship with the provincial authorities, even though they will be established as independent entities accountable to the Minister of Education. One of the investigations that should be undertaken is to **ascertain the possible levels of funding that could be obtained from provincial sources**, or through their assistance or intervention. Such funds could be used for special projects or other targeted activities, for example, the building of accommodation or sports facilities, or the establishment of a bursary fund.

9.17 NSFAS funding for NIHE students will be vital if the Institute is to play a role in facilitating access to higher education. As an initial step, **agreement must be reached that the students of the Institute will be eligible for NSFAS funding via the Institute**. As a matter of urgency, there needs to be discussion between the NIHE and the NSFAS to ascertain the level of funding that would be available to potential NIHE students.

Infrastructural needs

9.18 As part of its mandate the Working Group was to make recommendations as to the siting of the NIHE. It has become clear through the visits undertaken by the Working Group to all the major centres in Mpumalanga that **there is ample existing infrastructure** to serve as premises for the NIHE, where no major capital expenditure on buildings would be necessary in the short. Capital funds will be required to renovate and adapt some of the existing buildings, to provide stock for the libraries, and to set up the necessary IT infrastructure, residences and recreational facilities.

9.19 The Mpumalanga Province currently consists of three development regions.

- Eastval-Ermelo (Bethal and Secunda)
- Enkangala-Kwandebele (Middelburg, Witbank)
- Ehlanzeni (Nelspruit and surrounds)

It is proposed that a learning centre of the NIHE be established in each development region in order to facilitate access to the NIHE's programmes across the province. It is further recommended that **the main campus, which will house the administrative team, should be based in Nelspruit** in order to facilitate access to and communications with the key decision makers in the province. Although Nelspruit is not the most central town in the province, there seems to be general acceptance that the headquarters of the Institute should be in the capital city of the province. In the various consultations across the province, no significant objections were received to the idea of Nelspruit being the main base for the National Institute.

9.20 **Within Nelspruit there are three potential sites for the NIHE;** the Elijah Mango College, the Lowveld College of Agriculture, and the Pretoria Technikon campus. Bearing in mind factors such as accessibility, existing facilities, availability of management systems and IT infrastructure and the potential for expansion, the Pretoria Technikon campus has the most to offer. Any final decision in this regard will depend on a careful investigation of the costs and benefits of each site and discussions still to be held.

9.21 **The finalisation of sites for the NIHE in the other two development regions will require consultation with provincial government authorities and local representatives.** The centres must be located so as to maximise access for the local population and make the best possible use of existing and available infrastructure. The finalisation of decisions on the location of the NIHE's learning centres must be preceded by further consultations including the Mpumalanga Cabinet. Every effort must be made to maintain both political and general support for the establishment of the National Institute.

Governance, Management and Human Resources

- 9.22 Finally, in order to sustain momentum towards the establishment of the NIHE, **it is recommended that the Department of Education establish an interim mechanism or structure to facilitate work on the many tasks outlined in this chapter.** Such an Interim Structure, which would have a mix of stakeholder representation and expert membership, would be set up for a defined period, would be accountable to the Department of Education, and would hand over to the new Principal of the National Institute at the earliest opportunity.

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