



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

BUDGET VOTE SPEECH BY DEPUTY MINISTER DR MIMMY GONDWE DURING THE DEBATE ON VOTE 17: HIGHER EDUCATION AND TRAINING (M46), NATIONAL ASSEMBLY, PARLIAMENT OF SOUTH AFRICA, 26 MAY 2026.

Honourable House Chairperson,

Honourable Members,

Today, youth unemployment, among those aged 15 to 24 years of age, stands at a staggering 60.9%. This is not merely an economic crisis. It is a national crisis and a ticking time bomb that should keep us all awake at night. And unless we act with urgency, it also risks becoming a generational crisis.

This is why the work of the PSET sector matters so profoundly. The work of the PSET sector is not only about institutions, qualifications, or enrolment statistics. It is about whether young people are able to leave our institutions with employable skills,

with pathways into employment, with entrepreneurial capabilities, and with hope for a more promising future.

Honourable Members, CET Colleges occupy a unique and indispensable space within the PSET sector because they sit right at the very intersection of lifelong learning, community empowerment, and economic inclusion.

Just recently, we mobilised R5 million towards infrastructure improvements at Emlandeleni Learning Centre in Ndwedwe, KwaZulu-Natal. We have also secured R90 million towards infrastructure and teaching and learning for the benefit of our nine CET Colleges across the country.

Honourable Members this month, we launched the National Literacy for Empowerment Campaign in the Eastern Cape in partnership, with amongst others, the National House of Traditional and Khoisan Leaders, SALGA, and Old Mutual. What makes this Campaign distinctive and powerful is that it recognises that literacy is not just about reading and writing. The Campaign seeks to empower the 3,8 million adults, in our

country, that are functionally illiterate with comprehensive literacy skills including digital literacy, workplace literacy and entrepreneurial literacy. And our CET Colleges are at the forefront of this important Campaign.

Chairperson, South Africa spends billions and billions of rands on skills development. However, if the truth be told the current skills development regime is failing to produce the employment outcomes our economy and young people urgently require.

What we need is for the private sector and industry to become central drivers of skills development because they are better placed than anyone else to understand the needs and demands of the labour market. The time has also come to replace SETAs with a system that allows industry and the private sector to procure their skills development needs directly from accredited training institutions and providers. This system, House Chairperson, can be funded via tax write offs and the benefit of such a system is that it provides industry and the private sector with an even more direct interest in ensuring that their skills development needs and demands are delivered on time, to

standard and on budget. And the overall impact and effect of this system is that it elevates the quality of skills right across the economy.

Chairperson, when I last appeared before this August House, I reported that we were at the tail end of securing strategic partnerships with the private sector aimed at strengthening pathways to employment for students in our TVETs and CET Colleges. Today, I am pleased to report that significant progress has been made in this regard. To date, we have concluded MOUs with Old Mutual, Microsoft, Google, and Takealot, with three additional partnerships in the pipeline and two further international partnerships under discussion.

Honourable Members through our partnership with Google, 10,000 scholarships valued at approximately \$20 (R330) each will be rolled out to support flexible online training in high-demand fields such as Cybersecurity, Data Analytics and Digital Marketing.

Chairperson, as I am addressing this House, Takealot is actively recruiting students from our TVET and CET Colleges for workplace learning opportunities, logistics support programmes, and entrepreneurial pathways linked to the digital economy.

I recently had the privilege of engaging students at a Student Entrepreneurship Indaba hosted by SAUS at the University of Venda. One of the clearest messages emerging from this Indaba is that our students want to work for themselves and want to earn while they learn.

Last week we facilitated engagements between Takealot and SAUS and Takealot is currently working towards providing 500 students with income-earning opportunities while they are still learning. These are the kinds of scalable and outcomes-driven interventions our young people urgently require.

Chairperson, students from disadvantaged backgrounds and students falling within the missing middle cohort must be supported through a student funding model that is both responsive and efficient. However, that student funding model

cannot be NSFAS. There is no longer a need for NSFAS. NSFAS has repeatedly failed, and it is time to replace it with a student funding model which sees our higher education institutions, themselves, select students and assess their financial needs and then apply directly to National Treasury for the necessary disbursements to fund tuition and cost of living allowances.

Honourable Members, such a student funding model will also place greater emphasis on STEM education, your occupations in high demand, and the scarce skills required by the present and future economy.

Ultimately, House Chairperson and Honourable Members, the true measure of the success of the PSET sector, cannot simply be about how many young people enter into our institutions. But whether those young people, leave our institutions with the skills and training that is needed and demanded by our economy.

I thank you. Ke a leboga.