



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MINISTER OF HIGHER EDUCATION AND TRAINING'S BUDGET VOTE SPEECH

IN PARLIAMENT, CAPE TOWN

24 APRIL 2012

Speaker/House Chairperson

Cabinet Colleagues

Chair of Portfolio Committee and Honourable MPs

DG and Staff of the Department

**Heads and Executives of all our Portfolio Organisations and
Institutions**

My mother and my family

Honoured Guests

Ladies, Gentlemen and Comrades

INTRODUCTION

In this, the centenary year of the African National Congress, job creation has become one of the key priorities for our government, and education and training are a critical component of this priority as reflected in the President's State of the Nation Address and the budget allocations for the 2012 MTEF period. Education now constitutes more than 21 per cent of Government's total allocated expenditure for the 2012/13 financial year. Of this, my Department receives R41.1 billion, of which R9.6 billion are skills levies that go to the Sector Education and Training Authorities and the National Skills Fund (NSF). The Department's budget (excluding levies) increases from R28.2 billion in 2011/12 to R31.5 billion for 2012/13. This is an increase of R3.3 billion (11.7%) on the 2011/12 allocation.

Universities will this year receive R20.9 billion while R4.8 billion is allocated to the Further Education and Training Colleges (FET) Conditional Grant. The National Student Financial Aid Scheme (NSFAS) will receive R5 billion during the 2012/13 financial year for loans and bursaries in the University and FET Sectors. The rest of the budget allocation is shared between our statutory bodies and normal operating expenses of our Department.¹

Government remains committed to the progressive introduction of free education for the poor up to undergraduate level. This has already been introduced in FET colleges. I have now established a Working Group to conduct a study to determine the actual cost of introducing fee-free university education for the poor. The Working Group will report by the end of June 2012 on the costs and options to implement this commitment.

GREEN PAPER

In January this year, I released a Green Paper on Post School Education and Training, which sets out a vision for a single, coherent, differentiated and articulated post-school education and training system. This system aims to expand access to post-school

¹ These are the South African Qualifications Authority (SAQA), the Council on Higher Education, the Quality Council for Trades and Occupations, the Higher Education Aids (HEAIDS) project, and Indlela.

opportunities, overcome inequalities in education, and achieve high levels of excellence and innovation. It will also result in closer cooperation between universities, colleges and levy-grant institutions and between these institutions and the labour market. This paper has been released for consultation and submissions from stakeholders and the public will be accepted until the end of April 2012, which falls on Monday next week. Let me call upon all our stakeholders to engage with the Green Paper in earnest. It embodies a very bold and ambitious plan, but if we all pull together we will indeed build a post-school system to address the needs of our youth and adults. After considering the comments, we will develop a White Paper.

TEACHER EDUCATION

The basis of any good education system is the quality of its teachers and we continue to strengthen teacher education. We have ring-fenced R450 million for the 2012/13 to 2013/14 funding cycle to expand university infrastructure capacity for teacher education and this will continue in the next funding cycle. There has been significant growth in full-time equivalent (FTE) enrolments in initial teacher education programmes from 35 937 in 2009 to 41 292 in 2010, a 15% increase.

Likewise the number of new teachers that graduated increased from 6 976 in 2009 to 7 973 in 2010, an increase of just under 1 000, or 14%. Particular attention is being paid to the development of Foundation Phase teachers, especially African language mother-tongue speakers.

In order to expand our capacity to produce new teachers, we will open the former Ndebele College Campus in Mpumalanga for foundation phase teacher education in 2013. We also plan to open one former teacher training college each in Kwa-Zulu Natal and the Eastern Cape.

In line with our growth vision for the FET College sector, lecturer development will be a strong focus this year. I will gazette a qualifications policy for FET college lecturers and work to ensure that a range of suitable qualification offerings are made available for FET college lecturers.

An amount of R499 million has been allocated to all universities for teaching development grants to assist in improving graduate outputs and R194 million for foundation programmes to improve the success rates of students from disadvantaged educational backgrounds. In the coming financial year programmes will also be initiated to support the academic and professional development of lecturers in universities. In addition, R177 million for research development has been allocated to 15 of the 23 universities to develop research capability of university staff, especially for those institutions with low numbers of staff with Masters and Doctorate degrees.

UNIVERSITIES

The Ministerial Committee for the Review of the Funding of Universities has received submissions from a broad range of stakeholders, including 22 of our 23 universities. I have also requested the committee to canvass the views of labour organisations, ordinary university staff and students. Given the diverse views expressed in the submissions, and the extensive research and modeling required to enable credible proposals, I have agreed to give the committee until 31 August 2012 to submit its report so that we can change the funding framework by April 2013.

The review of student accommodation by Prof Rensburg has highlighted an enormous shortage of student residences and the rundown condition of much of what exists. This must be tackled as a matter of priority. For the period 2012/13 to 2013/14 R 850 million has been specifically earmarked for universities to build and refurbish student residences, with the bulk (86 %) of this being allocated to historically black institutions. As this funding is insufficient, my department has been engaging with the Public Investment Corporation and the Development Bank of Southern Africa (DBSA) to provide more substantial funding for student accommodation.²

² The DBSA has committed to capacity building to ensure that universities develop the necessary expertise to manage and operate their student residences. The Department will also develop a regulatory framework and policies on university accommodation, including giving priority on accommodation to first year and NSFAS students. I will also regulate for standards and quality on privately owned student residences to ensure that these are livable and learning communities.

Over the next two years, R3.8 billion has been earmarked for universities' overall infrastructure development, prioritising historically disadvantaged institutions. Of the R3.8 billion infrastructure allocation, an amount of R1.6 billion has been set aside specifically for historically disadvantaged institutions.

On the academic front, my department is committed to increasing the production of graduates in Engineering, the Natural Sciences, Human and Animal Health Sciences and Teacher Education in line with my performance agreement with the President. We are engaging with Higher Education South Africa (HESA) and the Deans of relevant faculties to accelerate especially black and women graduate output in these areas. As a consequence of the study on the humanities and social sciences that I had commissioned Prof Ari Sitas and Dr Sarah Mosoetsa to undertake, and to ensure that these important disciplines are not neglected, I will soon establish a National Institute of Humanities and Social Sciences.

Last year I mentioned my intention to establish an advisory panel on African languages. I am happy to report that such a panel now exists and has started its work. It is chaired by Prof Pitika Ntuli and includes leading African language scholars.

In order to assist in tackling the problems faced by students wanting to enroll at a university, I intend to establish a National Information and Application System (NIAS). This will centralise applications, so that students will not have to apply to multiple universities, each with its own application fees. The new system will also centralise NSFAS applications. I have appointed a Project Steering committee to advise me on this issue.

I have received reports from the two task teams I appointed to investigate appropriate models for new universities in Mpumalanga and the Northern Cape. The project team has recommended sites to be seats of these universities. I plan to announce the seat of learning of each new institution in approximately 3 months' time, once the full assessments have been done and after consulting with relevant stakeholders. I remain committed that the first intake of these two new universities will be at the start of the academic year 2014.

Work is also underway to establish Medunsa as a separate, self-standing university of health sciences. Beyond this, we are looking at other opportunities for expanding the training of medical doctors and other health professionals, including animal health professionals. I have therefore asked some of the universities to urgently provide me with concrete plans to expand in this regard.

My department has been holding discussions with various professional councils with a view to producing sufficient graduates and providing them with work experience and support to ensure that they become registered professionals. We want to eliminate all forms of gate-keeping in the production of professionals.

Whilst many of our universities are stable and effective, some of our former bantustan universities are weak and need considerable effort and resources to strengthen them. I have had to place some of them under administration with a view to strengthening their governance and management, and consequently their academic capabilities.

Within the next few weeks, I will be announcing members of the Ministerial Oversight Committee on Transformation, and its terms of reference in taking forward the recommendations of the Sudien Report.

NATIONAL STUDENT FINANCIAL AID SCHEME (NSFAS)

I am pleased that the National Student Financial Aid Scheme (NSFAS) Board now has a full complement of members and is beginning to turn around the entity to ensure that it is more responsive to the students it supports. The Board has adopted a student-centric model and it plans to build relationships with students even before they enroll at higher education institutions. We have allocated some R98m to NSFAS to develop state of the art ICT infrastructure and systems.

NSFAS Loans and bursaries to poor students have been expanded substantially over the last three years, and funds made available to students grew from R2.375 billion in 2008 to R6 billion in 2011. NSF funds have been made available for special purposes such as R50-million for post-graduate scholarships, R63-million for students with

disabilities, R350 million for poor continuing students who were unable to register due to outstanding debt and insufficient funding in 2012.

FURTHER EDUCATION AND TRAINING COLLEGES

Over the past two years, enrolments in FET Colleges have been rising dramatically. In 2011 we had projected a headcount enrolment of 359 000 in all programmes, but the actual headcount enrolment reached 437 060, exceeding our projections by 24%. This year we are expecting a further increase to 550 000 enrolments. Over the 3-year MTEF period starting in 2012/13, R15-billion has been set aside to ensure increasing enrolments in FET colleges as we build them to become institutions of choice.

As stated in our Green Paper, we aim to have 4 million enrolments in FET Colleges and other non-university post-school institutions by 2030, so it is gratifying to see this expansion and interest in our Colleges and the willingness of the colleges to grasp the challenge.

A number of things have contributed to growing demand for a college education among the youth. One of the principal reasons is the bursary amounting to 100% of fees for all those with a family income of under R 122 000 per annum³. In 2011, 165 273 students were awarded bursaries. Another reason is that the Career Advice campaign we launched together with SAQA and the SABC has started to have an effect. The radio campaign, in all 9 African languages and including Afrikaans, is estimated to have reached over 2 million listeners. The programme is also supported by a print media campaign in the regional newspapers.

Earlier this month, the President announced an amount of R2, 5bn over the next 3 years from levy funds for infrastructure, machinery and programmes in FET Colleges. We are completing an infrastructure audit; where infrastructure is in a state of disrepair it will be refurbished as part of the FET College Campus Refurbishment Programme. We have

³ 50% of these students also receive subsidies for accommodation (or transport if the student does not live on campus).

determined that in the short-term there is a need to build 12 new campuses⁴ attached to the existing FET Colleges. The Department has entered into negotiations with the Public Investment Corporation with a view to sourcing further funding for college infrastructure.

From my commitment during 2011/12 financial year to improve conditions of services of the FET College staff, we have now successfully concluded a Collective Agreement for employees represented in the General Public Service Sectoral Bargaining Council. Through this agreement we have also brought about parity in salaries between employees previously employed by the State and those historically employed by Colleges. In addition, an extra R166-m has been set aside over the MTEF period to continue to improve conditions of service of FET college staff and to ensure the sector attracts high level professionals.

We have also developed a comprehensive strategy to ensure the smooth transfer of FET colleges from provincial to national competence once the FET Colleges Amendment Bill is signed by the President. We will soon undertake a review of the funding norms for FET colleges to ensure adequate resourcing of the sector. We need a national funding model that is effective and responsive to our national goals as well as the individual needs of colleges.

In this financial year the department will implement a performance agreement system for FET College principals to ensure greater accountability and the delivery of high-quality college programmes in line with our economic development priorities. We will also ensure that all vacant management staff posts are filled with greater urgency.

One area that has been identified as the weakest link in FET colleges is their financial management and human resource management capacity. As part of building this capacity, we are to ensure that every college has a chief financial officer, as well as

⁴ College campuses are planned for the following sites (name of college in brackets): Graaf Reinet (Eastcape Midlands); Lusikisiki (Ingwe); Aliwal North (Ikhala); Sterkspruit (Ikhala); Nkandla (Mthashana); Muden (Umgungundlovu); Msinga (Mthashana); Sisonke (Esayidi); Umkhanyakude (Mthashana); Balfour (Gert Sibande); Thabazimbi (Waterberg); Giyani (Vhembe)

ensuring that colleges have qualified human resource practitioners. With regard to the financial officers, the SA Institute of Chartered Accountants has agreed to provide us with accountants for a period of two years to assist in setting up effective accounting and financial management systems in all colleges.

My Department has found that 6 of the 8 Eastern Cape FET colleges are dysfunctional. In response, we have commissioned JET Educational Services to undertake a college-by-college turnaround strategy.

Of central importance to the improvement of the colleges is the revision of their programmes. We have just concluded a review of the National Certificate (Vocational). As I mentioned last year, the NATED curriculum is outdated and requires updating. I am happy to report that Umalusi and the Quality Council for Trades and Occupations (QCTO) have started a revision of the N3 curriculum and the QCTO has undertaken to revise the N4-N6 curriculum.

During the course of this year I will introduce legislation to, among other things, establish a South African Institute for Vocational and Continuing Education which will provide professional support to the colleges and possibly also the SETAs.

ADULT EDUCATION AND TRAINING

The Green Paper proposes to absorb the public adult learning centres into a new institutional type, provisionally known as Community Education and Training Centres (CETCs). These centres will offer far more than the current adult learning centres, including vocational or work-oriented programmes, and will provide opportunities for a significant proportion of post-school youth and adults, especially targeting those with less than grade 9. I have appointed a Ministerial Task Team to conceptualise the development and implementation of CETCs and expect a report by the end of April.

One of the offerings in the CETCs would have to be the National Senior Certificate for Adults (NASCA) which has now been gazetted for public comments.

THE NATIONAL QUALIFICATIONS FRAMEWORK (NQF)

My department has now received comments on the proposed qualifications sub-frameworks developed by the three Quality Councils. I will consider public comments received and determine the sub-frameworks after considering SAQA's advice. I have asked SAQA and the Quality Councils to give focused attention to ensuring that all qualifications are part of an articulated system of post-school education, with no qualifications that lead to a dead-end.

Furthermore, I have established a Ministerial Task Team on the recognition of prior learning aimed at developing a national strategy for its wide-scale implementation.

SKILLS DEVELOPMENT AND LEVY GRANT INSTITUTIONS

In July 2011 the National Skills Accord was signed by all the NEDLAC partners. Government, business and labour made commitments to expand the numbers of apprenticeships, learnerships and internships. A central role in this regard is to be played by the state-owned enterprises, with government departments and agencies as well as municipalities expected to increase their intake of various types of trainees. All major government infrastructure programmes will be expected to take on trainees. Through this Accord we want to turn every workplace into a training space!

Artisan training has been proceeding apace. According to data from SETAs, 24 378 artisan learners entered the system in 2011/12, an increase of 861 over 2010/11. We believe that the actual figure for the country is somewhat higher than this as not all companies who take on artisan learners register them with SETAs. My Department is currently developing a detailed national artisan learner database that will give accurate figures by end of July. The number who actually qualified as artisans during the 2011/12 year was 13 368, an increase of 1 390 (or approximately 12%) over the previous year. We already exceeded the target of 10 000 per annum last year.

We have taken a number of measures to strengthen governance and management of the SETAs. These are starting to take effect in improving their performance, although there is still some way to go before they fulfil their potential. Last year I appointed a task

team to study the SETAs and to make recommendations on improving their performance, and I will receive its report by the end of this month. We will require of SETAs to open offices in all the 50 FET colleges so that they are accessible.

I'd like to acknowledge the important contributions to skills development by many of the SETAs in line with NSDS III. Administrators in two SETAs are making good progress in rectifying their problems. In one of them, the Services SETA, based on the Auditor General's report and several forensic investigations, the Administrator opened a case of theft and corruption against the former CEO and some of his staff with the Hawks in May 2011. I must express my disappointment with the time it has taken for this case to be prosecuted and would like to call on the relevant state agencies to act with the requisite haste in finalising this matter.

Consistent with its mandate, outlined in NSDS III, the National Skills Fund (NSF) plays a vital role in us achieving the developmental objectives of the country. The NSF has increased its disbursements by 148% in the 2011/12 financial year compared to the previous year. The fund is addressing structural inefficiencies and weaknesses in its operation and I am confidently expecting it to increase its disbursement rate even more significantly in the coming financial and to appreciably reduce its surplus.

Our data systems on skills profile and needs are not up to standard if we are to plan properly. For this reason, I have commissioned the Human Sciences Research Council to lead a research programme to lay the basis for a credible skills planning mechanism to achieve the national priority of a skilled and capable workforce.

CONCLUSION

Let me take this opportunity to thank the President and Cabinet colleagues for their support, our DG, my Special Advisor, and senior staff in the department, and all of Team DHET for their hard work. I also wish to thank my family for their support and understanding.
