

## **Budget Vote Speech by the Minister of Higher Education and Training, Blade Nzimande, MP, to the National Assembly, Cape Town**

8 May 2013

Honourable Speaker / House Chairperson,  
Cabinet Colleagues and Deputy Ministers,  
Chairperson of the Portfolio Committee,  
Honourable Members of Parliament,  
Director-General and Staff of the department,  
Heads and Executives of all our Post-School Organisations and Institutions,  
My family,  
Honoured guests,  
My special guests  
Ladies and gentlemen and comrades.

### **Introduction**

This year 2013 marks the 60<sup>th</sup> Anniversary of the Bantu Education Act which introduced and systematised a racist system of education aimed at severely restricting the educational opportunities of blacks in this country. Most of our government's efforts with regard to education since 1994 have been aimed at overcoming this burdensome legacy together with the entire oppressive inheritance of colonialism and apartheid.

Great progress has been made over the past 19 years in expanding access and success in post school education and training, but much still needs to be done. We must not forget the past, not because we want to use it as an excuse for our weaknesses or failures, but because it keeps at the forefront of our thoughts the redress that is still necessary in order to overcome the legacy.

Education at all levels remains a top priority of the South African government. The Department of Higher Education and Training (DHET) is responsible for post school education and training in universities, colleges and adult education centres. We have been steadily building a single, coherent, differentiated and highly articulated post-school education and training system.

This will contribute to overcoming the structural challenges facing our society by expanding access to education and training opportunities and increasing equity, as well as achieving high levels of excellence and innovation.

For the 2013 Medium Term Expenditure Framework (MTEF) the department's budget (excluding direct charges) increases at an annual average rate of 7.8 per cent over the 3 years, from R31.6 billion in 2012/13 to R39.5 billion in 2015/16. The amount of R34.3 billion for 2013/14 is an increase of R2.7 billion (or 8.6 per cent) on the 2012/13 allocation, excluding funds from the skills levy.

The skills levy, which is channelled through the Sector Education and Training Authorities

(SETAs) and the National Skills Fund (NSF), is expected to increase at an annual average rate of 9.1 per cent over the 3 years from R11.4 billion in 2012/13 to R14.8 billion in 2015/16.

Approximately a million young people leave school every year, and should be absorbed into post school education or directly into the workforce if they are not to be unemployed. As you know, 3.5 million between the ages of 15 and 24 in the 1st quarter of 2013, were not absorbed into employment, education or training and many adults also find themselves in a similar predicament.

One of the highest priorities of my department is to ensure that the large numbers of these youth are given post-school education and training opportunities that will improve their employability. Policies to achieve our objectives will be set out in a White Paper on Post-School Education and Training which I expect to be ready in the next few months.

### **Colleges**

Our top priority is to expand and improve the quality of further education and training colleges, soon to be renamed Technical and Vocational Education and Training (TVET) colleges. Our message to South Africans that Further Education and Training (FET) Colleges should be institutions of choice is starting to bear fruit.

For the 2012 academic year we set a target of 550 000 student headcount enrolments. However, a total of 657 690 was achieved representing an increase of 54% over the preceding year (2011). Over the 2013 MTEF period, we have allocated R17.4 billion to ensure that FET College enrolments continue on this expansion trajectory. This includes investment in FET College infrastructure in order to turn college campuses into learning, ICT, sports, entertainment and business incubation centres.

In 2012 we provided financial assistance through the National Student Financial Aid Scheme (NSFAS) to 187 497 FET College students, exceeding our projection of 180 826 students for that year. To cater for the expansion in student enrolments in FET Colleges, we have set aside R6.3 billion over the 2013 MTEF period, beginning with R1.988 billion in 2013 and culminating in R2.2 billion in 2015. This will enable us to ensure greater access to education and training opportunities for 702 430 poor and academically capable young people over the MTEF period.

Currently, post-school education and training institutions are unevenly distributed across the country, with rural areas being particularly poorly served. In order to correct this spatial distribution, the President last year announced the availability of R2.5 billion for infrastructure expansion and refurbishment. Last year I committed to establishing 12 new campuses.

I am now pleased to report that construction of these campuses will start this year and the first student intake in the new campuses will be in 2014. In addition we are significantly upgrading two existing campuses. This represents the first phase of our FET College infrastructure expansion and should cater for up to 28 000 additional students next year. We have to progressively invest in building more FET College campuses and satellites.

The R2.5 billion for capacity building and programme expansion has been allocated to FET Colleges to focus on expansion of enrolments (R2 billion), building institutional capacity (R365.5 million), and upgrading of equipment (R192 million). The strategic significance of this investment cannot be overemphasised, as it will assist the colleges to better respond to their expanded mandate.

Building the institutional capacity of the colleges is essential and we are drawing on the expertise in professional councils to assist us. During 2012, we developed an FET College Turnaround Strategy which focused on building college capacity in management, governance and leadership, financial management, human resource management, teaching and learning, as well as student support services.

With the assistance of the South African Institute of Chartered Accountants (SAICA), we have appointed 48 Chartered Accountants as Chief Financial Officers at FET Colleges with the remaining two colleges to receive their appointments shortly.

Also in partnership with SAICA, the department has appointed 20 Human Resources Specialists to support clusters of colleges to set up Human Resource systems, procedures and policies to ensure smooth and effective human resource management and development in each college.

We have also agreed to a partnership with the Engineering Council of South Africa (ECSA) to improve the FET curriculum, make it more relevant to the world of work and facilitate articulation into higher education.

In addition, the DHET is developing an FET College-based Mathematics and Science Foundation Programmes that will enable young people to take up university studies in the engineering, science and technology fields. We expect this programme to be piloted from next year.

During the 2013/14 financial year we will ensure that each college has structures that enable a learning institution to function optimally. This includes the filling of all vacant senior management posts, appointment of college councils and election of student leadership. These measures aim to create management, governance and leadership stability in FET Colleges.

An analysis of the current funding framework for FET Colleges and Public Adult Learning Centres has brought me to the conclusion that the framework is inconsistent with the vision of an integrated yet differentiated post-school education and training system. To remedy this anomaly, I shall set up a Ministerial Committee to advise me on how best to fund the TVET System (FET Colleges) and envisaged Community Colleges, both from the fiscus and levy funds.

At the beginning of this year, I published a notice in the Government Gazette which effectively transfers authority over FET College management staff from the Provincial Departments of Education to the Department of Higher Education and Training with effect

from 1 April 2013.

To finalise the migration process, during the course of 2013/14 parties in the Education Labour Relations Council (ELRC), General Public Service Sector Bargaining Council (GPSSBC) and Further Education and Training Colleges Bargaining Unit (FETCBU) will negotiate to finalise the Collective Agreements that will guide and manage the transfer of lecturers and support staff from the employ of the Colleges to the DHET.

### **Adult education and training**

Census 2011 provides a sobering reminder of the need to pay attention to Adult Education and Training. The Census indicates that there are potentially 18 million adult learners that the education system should address. 8.6% of these are the target of the KhaRi Gude literacy campaign, while the rest is the focus of the post-school system. The current Public Adult Learning Centres are woefully inadequate, reaching only 300 000 learners.

The Further Education and Training Colleges Amendment Act, No. 1 of 2013 provides for the creation of a new institutional type, to be known as Community Education and Training (CET) Colleges. The present Public Adult Learning Centres will in time be absorbed into the CET Colleges, additional facilities and staff will be provided and the offerings will be extended to provide vocational or community oriented programmes.

I have published for public comment the report of a task team which made recommendations for the community colleges. During the course of this financial year, the DHET will identify selected centres to pilot the first Community Colleges in 2015.

### **Universities**

I am pleased to report that there has been a 12% growth in the university enrolments from 837 779 in 2009 to 938 200 in 2011 which is in line with the aim to increase the total enrolments to 1.62 million by 2030 as envisaged by the National Development Plan. Overall the number of university graduates for this period has also increased by 11%.

The numbers of post graduates increased at a higher rate than the overall graduation rate which is important because it is on post-graduates that we depend for our future academics, researchers and other leaders in knowledge-intensive professions. Research Masters graduates increased by 26% and Doctoral graduates increased by 15% from 1 373 in 2009 to 1 576 in 2011.

In my view though, this is quite insufficient to meet our needs and it is not really comparable to other leading developing countries, let alone developed ones. We need to aim at making it the norm for academics to have doctorates and we need to make a special effort to significantly expand the number of South Africans with higher degrees.

To this end, my department is exploring ways to accomplish this, including sending students to study at overseas universities where appropriate. Parenthetically, I should mention here my irritation at seeing universities awarding professorships to individuals who have virtually

no previous academic experience and sometimes no higher degrees. I really wish that they would stop this, unless we want to lower standards.

Linked to the expansion of the university system is the establishment of the two new universities in Mpumalanga and the Northern Cape. Much preparatory work has been done and I now expect to establish the two institutions as legal entities in the next month. R2.1 billion has been earmarked for the development of the universities over the next three years.

Both universities will open their doors in 2014 in selected academic programmes, using existing buildings. We will be having architectural competitions for the design of the main facilities and launching these sites for construction from September this year.

Progress has also been made in separating the Medunsa campus from the University of Limpopo and establishing a new university incorporating that campus. This will be a comprehensive university of health and allied sciences, including veterinarian science and dentistry. In the next few weeks I will publish my intention to establish this new university and invite public comments.

At the beginning of this year I successfully established a Central Application Clearing House (CACH) mechanism as a first phase towards the establishment of the Central Application System (CAS). The Deputy Minister will further elaborate on this in the closing address.

Last November I received a report from the Working Group on fee-free university education and I am studying its recommendations. I am preparing a submission to Cabinet to implement the African National Congress (ANC) Manguang Conference resolution to phase in fee-free education.

With regard to funding more broadly, I have received a comprehensive report from the Ministerial Committee on the Review of Funding of Universities which will be published soon. We will model the various recommendations and develop a revised funding framework before the end of this financial year.

The framework must ensure an effectively funded and strengthened university sector. Our aim is to ensure that all institutions, particularly those that service the poor, are able to offer quality higher education.

Teaching and learning are at the heart of our university system. An amount of R575 million has been allocated to all universities for teaching development grants to assist in improving graduate outputs and R205 million for foundation programmes to improve the success rates of students from disadvantaged educational backgrounds.

A teaching development policy framework will be implemented. 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 all 23 universities to develop the research capabilities of university staff, especially for those institutions with low numbers of staff with Masters and Doctorate

degrees.

I am concerned about the allegations of “sex for marks” practices at our higher institutions which mainly affects our female students. I will be asking the Oversight Committee on the Transformation of South African Universities to investigate these allegations and provide me with recommendations.

My department has continued to prioritise the expansion and strengthening of teacher education for all education sub-sectors, including pre-schooling, schooling and post-schooling. Additional resources have resulted in an increase from just under 6 000 new teacher graduates in 2008 to 10 361 in 2011, an increase of 73% in the number of new teachers that graduate annually.

We expect to exceed 14 000 new teacher graduates by 2015.

Plans are progressing to open new teacher education college campuses under the jurisdiction of existing universities. The Siyabuswa Teacher Education campus was launched earlier this year. It is being managed as part of the University of Johannesburg but will later be transferred to the new university in Mpumalanga.

Processes to establish new teacher education campuses in KwaZulu-Natal, Eastern Cape and Limpopo province are continuing. A Policy on the Professional Qualifications for Lecturers in Technical and Vocational Education and Training has been finalised and will be gazetted within the next month. This policy will for the first time establish a coherent set of qualifications for college lecturers.

I have extended the infrastructure grant to universities from two to three years, increasing the R3.8 billion to R6 billion over the period 2012/13 to 2014/15, including amounts aimed at overcoming backlogs in historically disadvantaged institutions. Through co-funding, institutions will contribute a further R2 billion over this period to bring the total investment in university infrastructure to R8 billion.

I have gazetted for comment a draft Policy on Student Housing in Public Universities. This Policy will require universities to improve student housing in many areas such as governance, maintenance, admission for first years and also set minimum standards for a proper living and learning environment for students across the sector.

For the period 2012/13 to 2014/15 I have allocated R1.652 billion for universities to build and refurbish student residences, with 86% of this funding allocated to historically disadvantaged institutions and campuses. While this funding is significant, it is insufficient to cover the need for student housing in the system. We have engaged with the Public Investment Corporation (PIC) and Development Bank of Southern Africa (DBSA) to make available additional funding for student accommodation.

Work on the establishment of a National Institute of Humanities and Social Sciences is progressing well and I expect it to be up and running by the end of this year. The work of my Advisory Panel on African languages is at an advanced stage. The panel is expected to

submit its report on strengthening the study of African languages and developing them as languages of scholarship in line with the Constitutional requirement that their status be elevated and their use promoted.

Although our public university system as a whole is relatively stable I have been compelled to take action in some institutions to ensure their integrity and proper functioning in the face of corruption or maladministration. This has included putting universities under Administration. I refuse to be intimidated by those who say this violates university autonomy but ignore the need for universities to be publicly accountable.

### **National Student Financial Scheme (NSFAS)**

The National Student Financial Aid Scheme (NSFAS) is our primary tool to ensure access for poor students to post-school education. Since 1991, It has assisted 1.4 million students and many NSFAS alumni now play important roles in our economy and society.

The Board and staff of NSFAS continue to implement the recommendations of the Ministerial Review Committee report of 2010 and have made significant progress in the turnaround process to enable the entity to deliver on its mandate.

The Department's allocation to NSFAS for 2013/14 amounts to R5.769 billion. This includes R3.693 billion for loans and bursaries to universities and R1.988 billion for bursaries for Further Education and Training (FET) Colleges.

### **Linking education and the labour market**

One of our priorities is linking the education and training institutions and the labour market. This is because workplace training is generally more effective if on-the-job training is combined with theoretical study and also because practical experience during training (or in some cases immediately afterwards) increases a student's chances of finding employment.

The DHET has now established a dedicated Unit on "Work Integrated Learning Partnerships and Innovation".

The Unit engages with employers in both the private and public sector as well as with SETAs in order to promote and institutionalize work integrated learning. Government departments and agencies at national, provincial and local levels are now starting to step up their intake of young people for apprenticeships, learnerships and internships as are state owned companies which have a pivotal role to play in this regard.

The private sector has great potential to step up training opportunities and some companies are already doing excellent work in this regard. We have declared this year as The Year of the Artisan.

Our new SETA Grant Regulations came into operation on 1 April 2013 and require SETAs to target funding towards structured workplace learning and experience, promoting partnerships between education and training institutions and employers. This will assist to

institutionalise this very important work within the post school education and training system.

For the first time in its history, the NSF has reached a stage where its annual disbursements are on par with annual income. In addition, all of the Fund's R7 billion historic reserves have been earmarked for specific skills development projects of national priority.

Most of the expenditure has been for improving infrastructure and programmes for expanding capacity and improving quality in the production of skills in engineering, medical and veterinary sciences, renewable energy, various trades and rural development.

### **Conclusion**

My sincere gratitude goes to the President and Cabinet colleagues for their support, our Director-General, my Special Advisor, senior staff in the department and all of Team DHET including our institutions and public entities for their efforts to ensure that we realise our vision of a South Africa in which we have a differentiated and fully inclusive post-school system that allows all South Africans to access and succeed in relevant post-school education and training.

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8 May 2013

## **Higher Education and Training Budget Vote Speech 2013/14 by Deputy Minister Mduzisi Manana**

8 May 2013

Honourable Speaker

Honourable Minister of Higher Education and Training, Dr Blade Nzimande

Honourable Ministers and Deputy Ministers present

Chairperson of the Portfolio Committee Adv Malale and Honourable Members of Parliament...

Director-General and the entire staff component of the department

SETA Chairpersons and CEOs

Heads and Executives of all our Portfolio Organisations and Institutions

National Coordinator of the ANCYL National Task Team, Cde Magasela Mzobe

My family in the public gallery

Distinguished guest

Ladies, gentlemen and comrades.

### **Introduction**

Honourable Speaker, over the past year we have been on a journey of discovery- discovery of our nation's capacity to rise to many challenges of our times. The road we have travelled is full of pitfalls that not only evidence where we come from but also how we have carried out our mandate as elected servants of the people. On each stone there is a small acknowledgement next to each achievement which reads "only those who know where we come from, and where we are going, can know how much we have achieved.

This acknowledgement comes from the people whose dream of access to quality higher education was always deferred in pre-1994 South Africa.

Honourable Speaker, This is the fourth budget speech of the Ministry of Higher Education and Training to the fourth Democratic Parliament of post-1994 South Africa. It is indeed an honour and privilege for me to deliver my first budget speech as the Deputy Minister of Higher Education and Training wherein I will share some insight on some of the key areas that form part of my delegations.

Honourable Speaker,

We fully agree with the National Development Plan to "accelerate efforts in integrating issues of disability into all facets of society and ensure equitable service provision for persons with disabilities" and to eradicate the physical, information and communication barriers, which may prevent persons with disabilities from participating fully in the learning experience.

This year, I took the initiative of visiting selected high schools for persons with special needs to encourage them to enter the post-school education and training system under the theme "disability is no barrier to learning", guided by the understanding that inclusivity is one of

the underpinning principles of the South African education system.

Honourable Speaker, I am happy to report that we have since set aside or ring-fenced funding for building capacity within our institutions to accommodate the needs of all persons with disabilities. We have also set aside student financial aid to fully support disabled learners to overcome the barriers facing them.

To get our Sectoral Education and Training Authority's (SETA) involved, a partnership between the Wholesale and Retail SETA and the South African Disability Development Trust ensued which saw 404 disabled people being trained in five provinces namely the Eastern Cape, Gauteng, Free State, KwaZulu-Natal and the Western Cape. The purpose of this intervention was to introduce disabled people to the wholesale and retail environment, equip them with workplace skills and increase their employability.

I am happy to report that several host employers have since opened up their workplaces for the 404 disabled people to acquire workplace skills... One of the beneficiaries of this programme is my special guest today, Mr Sizakele Mdladla, who is wheelchair bound and hails from Khayelitsha, who gave a testimony during one of the graduation ceremonies of how this programme have since changed his life.

Honourable Speaker,

Appreciating that our higher education and training institutions are not exempt from the risk of HIV, we felt that there is a definite responsibility and role for us to fulfil in the mitigation of HIV and AIDS and TB in order to improve access and build a strong skilled human resource for national development. The Higher Education HIV/AIDS Programme (HEAIDS) is a dedicated national facility to develop and support the HIV mitigation programmes at South Africa's public Higher Education Institutions (HEIs).

We applaud HEAIDS for driving the "First Things First" programme and the tremendous work that they have been doing in our universities and universities of technology in the past few years. In 2013 I directed HEAIDS under the leadership of its Director Dr Ramneek Ahluwalia (who is in the public gallery) to extend the HIV/AIDS testing and TB screening programme to FET colleges as the students in this sector are more susceptible to the pandemic.

This was to further align the Programme to the 2012 to 2016 National Strategic Plan for HIV, STIs and TB which emphasises on the effective practical implementation of a comprehensive response at all our institutions. I'm happy to inform the people of South Africa that in February this year, I launched the First Things First programme in the FET sector at the Mnambithi FET college in Ladysmith.

Just last week, we visited the Gert Sibande FET college as part of our First Things First HIV/AIDS and TB Counselling and testing roll out plan. We will also be visiting the Goldfields FET College in the Free State in August this year on a similar mission.

Honourable Speaker,

The Minister of Higher Education and Training launched 2013 as the Year of the Artisan at an auspicious event at the Tembisa Campus of the Ekurhuleni West FET College in Gauteng. The launch signalled the beginning of an artisan development advocacy programme that is being rolled out across the country led by my office as mandated by the Minister.

The advocacy programme is being rolled out under the theme “It’s cool to be an Artisan” and is already finding considerable resonance among many South Africans and is being supported by large numbers of persons mainly our high school learners. Each event also links a local secondary school to a local FET College and in this regard we are working very closely with our SETAs so that they facilitate workplace training for our students. We have further directed our FET colleges to host Open Days for high schools in order to promote their programme offerings.

We call on all South Africans to heed to our call and join us as we promote artisan development in our country. This, Honourable Members, is really to elevate the status of artisans and further build a strong skills base in South Africa in our final attempt to improve the employment prospects of our young people.

Honourable Speaker, honourable members,

This year I launched World Skills South Africa or what we refer to as the South African chapter of the world Olympics on skills. The Minister of Higher Education and Training strongly felt that for a developmental state like South Africa, it makes more sense to organise sessions of this nature where international perspectives specifically on skills development are shared given the need for the country to thrive as a global partner and competitor. International best practices and benchmarks are the critical elements for a progressive economic system.

Two of my special guests in the public gallery today are Mr Thulani Mzayidume (a past participant in mechatronics at the 41st World Skills Competition in London, United Kingdom in 2011) and Mr Marvin Lottering (who will be participating in dry walling and plastering at the 42nd World Skills Competition in Leipzig, Germany next month. I must commend both SETA and Services SETA for the good work as we see these skills competitions as a great way of harnessing our energy for the Year of the Artisan.

Honourable Speaker,

When we launched the “Apply Now!” campaign last year the aim was to create awareness of career options and application procedures to be followed for Post-School Education and Training. The intention was to reduce the long queues and some of the chaos that generally take place at most of our universities at the beginning of each academic year. I am pleased to report that we reached out to Grade 9 to 12 learners in all of the 6000 public high schools and distributed 600,000 booklets throughout South Africa in 2012.

I also visited selected universities at the beginning of the year, namely: the University of Venda, the University of Johannesburg, the University of Fort Hare and the University of Zululand to monitor the impact of the Apply Now campaign and I am pleased to report that

the registration and late application processes ran smoothly. During this academic year, we had minimal walk-ins, less long queues, no reported student protest linked to the registration process and no stampedes whatsoever.

For 2013, we have updated the “Apply Now!” booklet and will distribute it in June to all high schools in the country. We will continue to reach out to as many learners as possible during this current year. As the final phase of the Apply Now! campaign, we want to focus on raising awareness about the Central Applications Clearing House facility.

This facility was successfully implemented at the beginning of this year as a precursor of the Central Application System. The service managed to advise prospective students of the various educational opportunities within the post-school system and helped direct them to available spaces in the system.

Honourable Speaker,

I am happy to announce that the department will be developing and testing the IT system for the Central Applications Service during this financial year, and will pilot the system for phased implementation from 2015.

Honourable Members... We are on course.

Let me take this opportunity and extend my gratitude of thanks to the President of the Republic, His Excellency, JG Zuma for his continued guidance and support.

To the Minister of Higher Education and Training, Dr Nzimande, ngibonga kakhulu ukungixhasa nokusekela kuwowonke umsebenzi engiwenzayo.

To my cabinet colleagues... Thank you very much for your support and teamwork.

To members of the portfolio committee, your constructive role in playing your oversight function is most commendable.

To the management and staff of the department under the stewardship of the Director-General, continue to be patriotic South Africans as you have demonstrated in the past year in our final quest to bring quality service to our people.

To my movement, the oldest liberation movement in Africa... I couldn't have served my people to the best of my ability under any other ticket than the African National Congress.

To my family and friends (my mother in particular, MEC Manana who is sitting in the gallery)... Thank you for affording me the space to execute my duties and the support you have given me since I heeded to the public call of service and duty.

My sincere gratitude to all the personnel in my office for their dedication, commitment and willingness to work beyond the call of duty.

Honourable Speaker,

Let me reiterate what I have said above, now that we have achieved so much, we must claim our rightful place among the achievers in terms of deliverables. The task at hand remains a daunting one but the prize is big. Forging change is not easy. We have to confront established ways of thinking and working. We must continue to gain the momentum to fight for a truly educated and skilled workforce in our country.

Thank you.

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