



**COMMISSION OF INQUIRY INTO HIGHER
EDUCATION AND TRAINING**

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1. Recording typed verbatim. Incorrect tenses and grammar as used by parties not rectified.
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PROCEEDINGS ON 23 SEPTEMBER 2016

CHAIRPERSON: Particular welcome and we hope you will all find that this is a productive experience. We are only hoping that your input will be constructive, as I'm sure it will be, and you're invited to proceed when you're ready. Is this Department of Basic Educations [indistinct 0:00:22.9]? 5

MR ZULU: That is correct judge, yes.

CHAIRPERSON: Please proceed at your leisure. Will the Spokesperson for the department please tell us his or her name and will you please identify the names of your delegation? 10

MS KUHBEKA: Thank you very much your honour and thank you for the opportunity to come and make our inputs to this forum. My name is Palesa Kuhbeka and I'm leading the delegation. I'm a Deputy Director General in the Department of Basic Education. On my left, immediate left, is Dr Martin Gustafsson, who is a resident researcher in our department, and he will be making the presentation on our behalf. Next to him is Mrs Priscilla Okubanja who is our Director, responsible for national assessments and the national senior certificate, and at the far end is our birthday girl that I hope will give us a very easy ride today in this forum, Dr Jenny Joshua who's a Director in the office of the Director General of Basic Education, and to my right I've got Mr Elijah Mhlanga, who's head of communications in the DBE. Thank you very much. I will immediately handover to Dr Gustafsson to lead the presentation. 15 20

CHAIRPERSON: Yes, Dr Gustafsson go ahead at your own pace. 25

You have access to the screen in front of us, I think, yes, and I think you're able to alter its content as it suits you.

DR GUSTAFSSON: Thank you. Thank you your honour.

CHAIRPERSON: I'm the Chairman of the Commission. I'm not here in a judicial capacity. 5

DR GUSTAFSSON: Chair. Thank you Chair. Right, then good morning everyone. Yeah, we have, we have an hour and I was told – we've been told that we should present for about 45 minutes and then leave 15 minutes for discussion but we were also told that we should expect questions of clarity during the presentation and we're happy with that. 10

CHAIRPERSON: Please, the hour is only an estimate and don't feel yourself constrained by it.

DR GUSTAFSSON: Okay.

CHAIRPERSON: Right. 15

DR GUSTAFSSON: But I will – I think we can keep within the hour and, please, I mean, my colleagues should please add or, yeah, correct me on anything if you think that's necessary. I...[intervenes]

CHAIRPERSON: Yes, they're welcome to speak if they wish.

DR GUSTAFSSON: Yeah. 20

CHAIRPERSON: Yes.

DR GUSTAFSSON: Okay, thank you. Right, so we've put together a presentation which we hope covers issues that are of particular concern to this Commissioner. We've focusing a lot on issues of quality in basic education and what the trend is for that, because 25

we're aware that that is clearly a constraint in the higher education sector. We'll say a bit about the national senior certificate, commonly known as the matric and yeah, and right at the end some – We're obviously – Higher education is not our speciality but we have some inputs and thoughts in that regard. So, I mean, to just introduce – I mean in that second line low base. I mean it's very – We acknowledge and government acknowledges that the quality of schooling in South Africa is way below what it should be, and that's widely known and yeah, we make no secret of that, but what's really important is what is happening. What is the trend and in the slides that are coming I'll argue that there's a lot of solid evidence that the quality of schooling is moving in the right direction and that its moving approximately as fast as one could expect it to move. I mean one of the inconvenient truths of any schooling system is that achieving quality across the entire system, as opposed to just one or two schools, takes time because one is sitting with, you know, particular cohorts of teachers and so on, and this is not just a South African reality. It's a reality everywhere, and then we'll also talk about issues such as repetition, dropping out, user fees and some thoughts on how the two sectors could learn from each other. Right, this low level of performance. What is that about? Well, about 60% of youths now complete 12 years of education successfully in South Africa. Now that's not the pass rate. The pas – The widely publicised pass rate is passes over those who are in Grade 12, who participate in the examinations but, in a sense, a more important

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statistic is how many youths get to – get the matric, and that has risen to about 60%. So about 40% of youths go through life, currently, with no matric. In fact, often with no qualification at all. Now that is often seen as a key challenge for schooling and we'd like to improve that statistic but it's also important to acknowledge that this is fairly normal for a middle income country, for about 60% of youths to complete 12 years of education. So it's not as if we're exceptional. Even in the United States about 10% of youths do not complete 12 years of education.

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CHAIRPERSON: So what is that you were criticising? What is it that you were implicitly criticising earlier? Is it the standard of the education that they reach when they complete the school?

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DR GUSTAFSSON: Chair, the next two bullets, I think, deal with what we see as the key problem. In that second bullet only 21% of youths achieve school level results that allow them entry into a university, what is commonly known as the bachelors level pass or the diploma level pass. It's 21% if you count both the bachelors and diploma level passes and almost the same, about 19%, if you count only bachelors. So only 20 – about 20% of youths are deemed ready for university. That is a problem. What is odd about South Africa is that you should have 60% of youths completing 12 years of education but only about 20% of youths being ready for university. So the gap – That gap between the 60% and the 20% is really what is the problem. More of the 60% should be achieving those diploma and bachelors level passes, which would then make them officially

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ready for university studies, and this explain...[intervenes]

COMMISSIONER ALLIE: Sorry doctor, however, if we go back, because if we use this particular standard as the – as your determinant then we already start running into trouble. From experience it would show that the reason why you don't have matriculants with bachelors or diploma is that the teachers themselves say: "You must do standard grade. You do standard grade." So at that level already you are then preventing children from getting university entrance certificates. So I think in the mix we need to, we need to put that down as part of the mix and then determine why it is so and what is being done about that.

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DR GUSTAFSSON: Thank you. I mean we did do away with standard grade and higher grade distinctions or differences in – with the 2008 examinations. So – but, yes, certainly, I mean, to some degree teachers do dissuade students, learners from taking combinations which will make them ready for university but, I mean, a lot of the research suggests that the bigger problem is just, fundamentally, the quality of schooling. That it's not as if teachers are blocking able learners. The problem is that learners reach grade 12 and are, far too often, just not ready to get the results that would allow them into university.

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FEMALE SPEAKER 1: Just to interrupt you on that. In this 60%, 21, is it university entrance only, 21% or is it potentially TVET and other vocations?

DR GUSTAFSSON: The 21% is university. So more – Okay, but

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the difference between that 60% and 21% would partially be accounted for by people who would be allowed into say TVET colleges and other forms of post-school education and training. So 21% refers to those who are ready for university and that is low.

CHAIRPERSON: You say it's a bit low. What does that mean?

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DR GUSTAFSSON: Well, it's very low. The – As I mentioned earlier, it's unusual for a country – for a developing country to push so many learners through to Grade – to 12 years of schooling and then yet have so many that are not ready for university studies. I mean, roughly, I mean one would want that 20% figure to be 30%, 40%, then we'd be in a much healthier and normal type of situation, and then the last bullet on this slide is – refers back to this point of the quality of schooling. I mean at the Grade 9 level, for instance, the – that should actually be 'trends in international maths and science study,' TIMS. TIMS is an international testing program that we participate in. It allows us to compare ourselves across time and to other countries and we – it's widely known that we've been sitting at the bottom of those rankings. Of course those are not all the countries in the world. It's about 50 countries, and 50 countries that take education particularly seriously, that's why they participate in these testing programmes. We are about two years schooling behind Botswana. If you look at Grade 9 mathematics and physical science and you, you know, you look at what one would expect every year, in terms of addition of value to ones schooling, we're about two years behind Botswana. That's how poor our quality is in

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Grade 9.

CHAIRPERSON: In a nutshell, why should we be?

DR GUSTAFSSON: This is something that many researchers have rather different opinions on. My own opinion, and to some extent this is what is reflected in the Department's plans and reports, is that we do not have enough accountability. Many count – for example, Botswana, has examinations well below Grade 12. We're unusual in the sense that, in at least in the African context, in that we don't have examinations below Grade 12 and many neighbouring countries do. In Grade 7, Grade 10, Grade 9 [indistinct, 0:13:19.7] introduced...[intervenes]

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COMMISSIONER ALLIE: ' You mean national examinations?

DR GUSTAFSSON: I'm talking about national examinations. We've gone part of the way there through the introduction of the annual national assessments but that's still not a national examination. So that accountability – and we believe that the annual national assessments have assisted in taking us in the right direction because these types of programmes help to reinforce the idea that's what really important is what learners learn.

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COMMISSIONER ALLIE: But, Doctor, well let's put it back in DBE's – let's put it back to you and ask you set norms and standards for the provinces in terms of various aspects. So why is it that we don't have national examinations or why haven't we perhaps started, and if we have how far are we in getting there in terms of national, because it would seem, from what you are presenting to us, that that

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is an important aspect going forward.

DR GUSTAFSSON: I think that's a very valid question, why we haven't introduced examinations. I mean it's interesting that in the original white papers, back in the 90's, one of the things that government planned was examinations at, I think, the Grade 9 level and – but there, I mean, there are various factors that lie behind our not having introduced exams and it's possible that we will introduce exams. I mean, this is on the table in terms of the discussions around the way forward for assessments and the annual national assessments. It may happen. It has not happened, partly, I think, because of dynamics with teacher unions. Teacher unions are very powerful in South Africa, as you know, and unions have not been terribly interested in examinations and assessments, yeah.

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MS KUHBEKA: If-. Oh, sorry.

FEMALE SPEAKER 2: Perhaps on this-. Oh, sorry.

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MS KUHBEKA: No, just to add to that, Martin is correct that it is on the cards but why we took it out, at the time we believed that many children through that when they have the – what used to be called the junior certificate, they believed they were ready to go out and work and our agenda was to keep children in the system as long as possible and we wanted the exit to be at – you know, after 12 years of education. We realise now that what we took away is the accountability that Martin is talking about and it is something that we looking into, but the annual national assessments were meant to ensure that, at all the levels, there is an exam that children take so

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that we can assess where they are.

CHAIRPERSON: If you take out maths and science, what then is the position in relation to the students who are reaching the end of their education? How far above, or how far below, are they what they – are they in relation to what they should be achieving? 5

DR GUSTAFSSON: Chair, generally, the results in subjects such as maths and science are taken as a gage of what is happening generally in schooling. We don't have – We don't participate in any language testing, international language testing at the secondary level. We do at the primary level, and there, essentially, language follows mathematics and science, or maybe it's the reverse. These subjects are very dependent on each other so even if one only looks at one or two subjects, generally does one get a fairly good idea of where the general level of literacy, numeracy and so on is. 10

CHAIRPERSON: Is biology taken up in science or is it regarded...[intervenes] 15

DR GUSTAFSSON: Biology is a separate subject and it's – but, TIMS, for example, includes some life sciences questions, biology questions, but in the official curriculum it's a separate subject and it's still called life sciences right? 20

MS KUHBEKA: That's right.

DR GUSTAFSSON: Yes.

FEMALE SPEAKER 2: Just on that, I think the narrative from universities has been that when they justifying their low, maybe outputs on graduations, they talk about the readiness of a child at an 25

entrance level. So with the slide that is in front of us can you just assist. Is it the status quo that the kids are not ready when they come in for university? Even if you talking about the 21. What is the state of readiness for them?

DR GUSTAFSSON: If I may, I'll deal with that in a subsequent slide, but that's an important question. I mean what does that 21% mean? How ready are they really for university as opposed to being just officially ready?

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CHAIRPERSON: Well, tied up with that is if we are two years beyond, sorry, below Botswana at the final stage of basic education, does that mean that we are putting students into universities who are also two years below Botswana?

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DR GUSTAFSSON: Well, we need to keep in mind that the Grade 9 tests are run for all learners, whereas by Grade 12 learners will have selected – better maths learners would have selected mathematics, for instance. So the situation would be not – would not be quite as bad in Grade 12 but certainly, you know, it's widely recognised that learners are way behind where they should be, even at the Grade 12 level, in terms of quality of outcomes and skills competencies.

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CHAIRPERSON: Does one need a mathematics pass in matric in order to get into university?

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DR GUSTAFSSON: No.

CHAIRPERSON: No, it's changed since my day. Yes, thank you.

DR GUSTAFSSON: Okay, so let me talk a little bit then about the improvements that we've seen, because what I've just outlined is the

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low base that we've had in recent years, but a critical question is are things better and if so are they – are things improving to the extent that one would like them to improve? We have done quite a lot of work on this and we have – our conclusion is that we've seen substantial increases in recent years in the number of learners leaving Grade 12 with university level competencies. We've focused particularly on maths and physical science, but it's unlikely that those two subjects are just moving on their own. They almost certainly reflect a general improvement. So, just to give you some numbers, the number of learners achieving a 60% in mathematics, and this 60% mark is a mark that is sometimes used by universities for – as an entrance requirement for particular programmes. That number has increased from 26,000 to 34,000 over the 2008 to 2015 period and the second bullet essentially indicates that most of that increase is due to an increase, an improvement amongst black African learners. So – and, moreover, this improvement amongst black African learners has been occurring in historically black African schools. So largely township, rural schools and the spread of well performing learners has widened. There are more schools now with better performing learners and this is an important trend. As I'll show in the next slide, it's a bit tricky sometimes to determine exactly what's going on and to interpret the statistics accurately. Third bullet there is that despite the low level of performance, even in 2011, in TIMS, the improvement over the 2002 to 2011 period has been substantial. I mean just – the 0.07 standard deviations is a

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measure that's – that type of measure is commonly used to look at improvements over time in these types of testing systems and 0.08 is about the best any country has done, and that would be Brazil, over a longer period of time, in improving skills in a subject such as mathematics. So we have Grade 12 – Our analysis of the Grade 12 results points to larger numbers of learners, students with university ready competencies and this is supported by the international TIMS data.

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CHAIRPERSON: There's obviously a great deal of pressure on educators to produce results and there's also a great deal of international comparison which requires numbers to be driven up. Can you give us an assurance that our numbers are not inflated by adjustment of marks or inflation of marks?

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DR GUSTAFSSON: Let me deal with that in the – I think it's the next – Yeah, this slide, and this just provides some idea of how cautious one needs to be with these figures. So, I mean, in that top slide...[intervenes]

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FEMALE SPEAKER 2: Sorry, just before you leave the previous slide. Just on these improvements, is the reintroduction of the national exams before matriculation, is it part of the improvements that are intended or are we dealing with that later?

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DR GUSTAFSSON: Certainly more assessment is the intention. There's no doubt about that. The exact form that it will take is what is being discussed currently by various stakeholders, including teacher unions. So this is essentially how do we put ANA, the

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Annual National Assessments and any other types of assessments back on track.

CHAIRPERSON: Is there any unanimity?

DR GUSTAFSSON: The – As far as I know there is – this is still being negotiated. Yes.

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CHAIRPERSON: And unions?

DR GUSTAFSSON: With unions, yes. The position of the department is absolutely that we want assessments back. Some of those proposals include examinations at the primary level and looking more broadly at assessments and linking assessments to school improvement because one of the criticisms, valid criticisms that we made about the Annual National Assessments is that it wasn't sufficiently, clearly linked to what people must do as a result of those assessments. What must the school principle do, for instance?

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MS KUHBEKA: And let me just add that in terms of those assessments at lower grades, before Grade 12, as Martin was saying, there is in principal agreement even with the unions in terms of the fact that these assessments are going to be back on the table. What we dealing with now has to do with the nature and the frequency of those assessments. I think we just at that level and very soon there will be those assessments back on the table.

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COMMISSIONER KHUMALO: Sorry, just on that, just this doesn't mean that it's an exit in that if they've passed those assessments then it's an exit, JC like you were making an example ma'am,

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earlier?

MS KUHBEKA: no.

COMMISSIONER KHUMALO: It doesn't have that effect?

MS KUHBEKA: It's not an exit. It's a systemic – It's going to be both a systemic and a diagnostic assessment. A systemic assessment I think will fall into what Martin has been saying in terms of all the skills and competencies that are expected by that time. Now and if we saying that at the Grade 9 level this is what we seeing, so we would be able to assess our system at a Grade 3, 6 and 9 levels and see whether we actually – where we should be in comparison to other nations, even before we go into the international assessments. So that's going to be the value of that and, of course, in terms of preparing our learners to ensure that the skills that – and competencies we require them to have at the FET level, that they actually attain it before they get into Grade 10, we would be doing diagnostic assessments which leads and feeds back into teaching and learning to assist and just to prepare them more adequately. So it's those two areas that we looking at currently, but I think, in terms of the GETC, as Mrs Cthwebeka[?] said, it's part of what the department may be considering in the long term, but currently the diagnostic and systemic assessments will be back on track very soon.

CHAIRPERSON: I seem to recall having heard, in the last two weeks, that unions I think in the Cape, were protesting about annual assessments and saying they should be abolished.

DR GUSTAFSSON: I think that is in relation to Western Capes own provincial testing system. They've run a testing system for over 10 years and certain union elements would like even those tests to be stopped but it's – I'm very – highly unlikely. Right, okay, so then, yeah, if I may just refer to a graph. I know graphs aren't always that popular but the – I mean here we see from 2008 to 2015 the number of mathematics high level passes, and when I say high level passes I mean passes at a 60% mark level, and physical science, and here are the numbers. So we looking at about, you know, I think it's – yeah, yeah, so we're looking at, yeah, about 35 000 near the top, and, I mean, the South African Institute for Race Relations compared that point to that point and in their bulletin earlier this year said that there's a disaster in basic education because the number of higher level achievers in mathematics is shrinking and, partly as a response to their analysis, the DBE has looking into this and this relates to this earlier point about are standards changing, and what we've – essentially we followed an approach where we looked at – we took as an anchor, as a reference point a number of high performing schools with stable enrolment patterns, racial composition patterns over the years, and we tried – and we made the assumption that those schools are probably not deteriorated hugely in recent years, and then we then compared everyone else to those schools to see whether they were moving closer. This is a method that is fairly often used in trying to clarify what's happening in examination results and what we get is then the results – after the

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adjustments we get the results you see in the bottom right graph, and they kind of make more sense. Firstly, I mean, it would be very strange for mathematics and physical science to moving in opposite directions given that these are closely related subjects. We also found that, for example, rich white and Indian learners – well, learners from rich households, their results were declining as well and that just didn't seem correct, and so, yeah, I mean, what is clearly happening here is that, essentially, mathematics became more demanding over the year, physical science became a little less demanding over the years. So one needs to look at the published examination results quite carefully. One needs to take these kinds of things into account and we need to do a better job at...[intervenes]

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CHAIRPERSON: I'm sorry, but I find this is extremely misleading because I have no line which tells me about the increase in the number of learners or the decrease in the number of learners. So if you have a steep increase in the number of learners then these results are utterly unimpressive. If you had a steep decline they would be very impressive indeed, but unless you can know what the increase in the number of learners is, the numbers on the side, the number of learners achieving 60 or more means very little. It may be 20% in one situation in 50% in another.

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DR GUSTAFSSON: Absolutely, I mean, it is important to know what is the total...

CHAIRPERSON: Yes.

DR GUSTAFSSON: Pool of learners and the total pool of learners –

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the enrolled learners has been increasing but what's crucial is that the population has remained more or less constant over that period. So a larger proportion of the population, however they get there, whether they get into Grade 12, complete Grade 12, fall out in Grade 11, a larger proportion of the youth population is achieving these levels, and that's what's important in terms of equity in the population, but also in terms of what goes into universities. So there is...[intervenes]

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CHAIRPERSON: Sorry, I'm not understanding you. You have a popu – You have a take up of students each year. So, for example, in 2008 you may have had 100,000 and then 2,000, 910,000 and so on and so on. Now surely you can only measure this – these two graphs in relation to the number of students. If your students have increased threefold in that period, then these results are awful. If they've remained stable, then they present a different picture.

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DR GUSTAFSSON: The enrolment figures have increased slightly and – but I would argue that, I mean, it's still valid, and certainly in terms of looking at this from the university angle, it's valid to see how many, the actual number of high level achievers that are coming out of the system. You know, we have the numbers of Grade 12 learners and the number of participants in each of the subjects, that's all there, and that has been changed – it goes up and down a bit. It's remained roughly stable but, even more importantly, the population of youths has remained roughly stable. So one is not look – I mean if our population were increasing at a rapid rate at

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around that age then perhaps this would not be impressive, but essentially the denominator, in terms of the population, has remained constant. So I think from those two perspectives, in terms of just the opportunities given to youths, we believe these trends are important, and in terms of what then universities can do with what comes out of the schooling system is also positive.

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COMMISSIONER KHUMALO: Yes, on that, I wanted to check if, then, given your introductory notes earlier, that there are more schools and there's wider – Is it measurable, the enrolment?

DR GUSTAFSSON: Is the enrolment measurable?

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COMMISSIONER KHUMALO: Yes.

DR GUSTAFSSON: Oh, absolutely, yes. I mean, those are widely published. So, in – certainly, enrolment in Grade 12 is important. Participation in each of these subjects is important. Not everyone participates in mathematics and physical science. So, I mean, there various denominators one could use and those denominators, essentially, have remained constant. So, yeah, but I think what's important is to also note this – these conclusions in the light of what we've seen in the international TIMS testing program. You know, if its only one piece of evidence that one is putting forward for an improvement, I think, you know, there's more justification for questions but if several different studies and data sources are pointing to the same trend then I think the – we do stand on fairly firm ground.

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CHAIRPERSON: But these are based purely on numbers and I

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don't know how you can-. I can't see how you can compare anything which is based purely on numbers. If you'd compared Brazil the numbers would be entirely different and I just don't see how you can say that because in 2008 there were 17,500 60% plus physical science graduates, that – the position has improved in 2015, because you have got 25,000, unless you know how many people passed through the system in 2009, 2009, etcetera, and up to 2015. Supposing you had 20,000 in 2008 and 40,000 in 2015.

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DR GUSTAFSSON: Well, I mean, it would be fairly easy to produce those percentages.

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CHAIRPERSON: Yeah, I know, but this doesn't mean anything unless I know what those percentages are.

DR GUSTAFSSON: Okay, I mean, if one took these figures as a percentage of the youth population, one would see virtually the same trends. So – but I take your point.

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CHAIRPERSON: Sorry, I'm not interested in the youth population. I'm interested in the number of people who are subject to this scrutiny. Some – A large percentage of the youth population are not at school.

DR GUSTAFSSON: Yes, but if more youths are achieving these university ready levels we believe that is a positive trend, but, I mean, there are many ways of presenting these statistics. One could – In the report that we've got, which is in the public domain, and has been reviewed by a number of prominent researches, we don't – I don't think that the – the enrolment figures

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are there but – and you could calculate the percentages. I'm certain that you would see an improvement if you put, as your denominator, the Grade 12 enrolments as well. I mean I haven't – I can't remember having done that and I wouldn't – it's one way of looking at it. I wouldn't say it's the only way one should be looking at this. 5

FEMALE SPEAKE 4: Martin, are you able, maybe, to, at a later stage, to just quantify those figures and then make them available to the commission in a manner that the judge is requesting?

DR GUSTAFSSON: Absolutely, yes.

MS KUHBEKA: I just want to find...[intervenues] 10

COMMISSIONER ALLIE: You see, doctor-. Sorry. You see doctor, the only – it needs to make sense to the person to be able to digest what you are trying to say with this graft, graph, and what you – you were showing certain trends and those trends might not show what you actually mean, and hence the confusion as to what is going on, and you keep – you seem to be saying that it can be used in many ways. So you've used it in a certain way, I'm not sure what you're trying to tell us here. So hence the Chairperson asking it, out of its own, doesn't mean anything and therefore some clarification around that particular issue might help us indeed. 15 20

DR GUSTAFSSON: No, certainly, we could do that. I mean, I'm very aware that – Yeah, I mean, one needs to be very, very careful about the way one presents statistics. This is the first time we've had this response. I mean, we have presented this a lot but your response is, you know, completely valid. If it doesn't make sense I 25

think we need to, we need to make it clearer.

CHAIRPERSON: Do you understand what I'm saying? If you had 10,000 students in 2008 and you've got 40,000 in 2015, then the position is very different from – this graph represents a very different position from what it would've been if you had 10,000 in 2008 and 20,000 students in 2015.

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MS KUHBEKA: Yeah, maybe just to say that possibly the graph looks a little bit complicated, hence the misunderstanding, but we could provide you with simple figures in terms of the trends, you know, across – you know, from a number of years, maybe four years, five years back, giving you the numbers of candidates enrolled for each of those subjects, maybe mathematics and physics, because that's on the table. giving you the percentage achievement at those different levels and then you can see the trends in terms of the improvements that Martin is talk about.

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CHAIRPERSON: Well, all one needs is a – on this graph is a line which shows the number of persons within the testing area during that period.

DR GUSTAFSSON: Yeah, that would be easy to do, yes.

CHAIRPERSON: So if you have a dotted – Well, some sort of dotted red line which shows the levels...

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MS KUHBEKA: Yes, we...[intervenes]

CHAIRPERSON: Then one can say: "Yes, well this is – this shows a clear improvement," or you can say: "This has remained the same," as the case may be. Anyway.

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DR GUSTAFSSON: Yes, yes, no, yeah. This does partly come back to an issue that a lot of people are concerned about, which is how many weaker learners do we have in Grade 12, and that will come through when one looks at the denominator being say all mathematics learners. 5

CHAIRPERSON: Well, is the percentage of weaker learners greater now than it was in 2008?

DR GUSTAFSSON: It's – it depends – it could actually worsen between one year and the next if more weaker learners have been promoted from Grade 11 into Grade 12. So these – but, you know, we can provide those figures. Okay, let me go on to the next slide. 10

CHAIRPERSON: Yes, thank you. I'm just drawing to your attention because I find difficulty with graphs if I can't read them truly.

COMMISSIONER KHUMALO: Sorry doctor, before you proceed, doctor, sorry. So, just for clarity, what have you done here? Have you used the same number in 2008 and applied it throughout 2015, because I understood you said the numbers haven't really changed so dramatically, or have you averaged out the numbers from 2008 to 2015 for this graph – for these graphs? 15

DR GUSTAFSSON: These are the actual numbers of learners achieving a 60 level in each of the years. 20

COMMISSIONER KHUMALO: I think I'm talking in respect of the total enrolments, the total student body from which you get the 60%.

DR GUSTAFSSON: Okay, the 60%. Well, the 60% is learners or the population who get the national senior certificate. So that's at a 25

much lower level of achievement. Most of those learners don't get anywhere near 60% in maths and physical science. This is the 60%...[intervenes]

COMMISSIONER KHUMALO: I think that we talking across purposes. What I'm trying to find out is in 2008 the numbers that you used, do use them throughout to 2015 or do you average out the numbers? Am I making sense?

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DR GUSTAFSSON: There's no averaging across time. For each year, I mean, for example here, this is – that point there, the 30 – 42,000 approximately, that is the num – the actual number in 2008 who achieved 60% or more in mathematics in the public education system, and then again in 2009.

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COMMISSIONER KHUMALO: Out of how many though that's what I'm trying to...[intervenes]

DR GUSTAFSSON: Out of how many?

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COMMISSIONER KHUMALO: Yes.

DR GUSTAFSSON: Well, I think that's the Chair's concern that...[intervenes]

COMMISSIONER KHUMALO: Yes, and that's what I'm asking. That when you did that exercise did you use the same number of students throughout to 2015?

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DR GUSTAFSSON: No, no, the student numbers change from year to year, yes, but that's not reflected here, as the Chair was pointing out. Yeah, no, one would have to use the actual enrolments for each of those years.

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CHAIRPERSON: On the face of it – catastrophic fall in 2009 in respect of physical science and in 2011 in respect of maths.

DR GUSTAFSSON: Yes. Are you referring to this top graph?

CHAIRPERSON: Yes, the top graph.

DR GUSTAFSSON: Yeah, yes, I mean, I think this is what I'm trying to clarify and this is the kind of argument that the South African Institute for Race Relations has been making. They've been using these raw numbers to conclude, yeah, for instance, that there was this dramatic drop in mathematics high level performance but, Chair, I mean, as you point out, what's happening here? I mean, why does one see these up and down jumps per year? Even when we do the standardisation and we use that anchor group of schools, you can see in the second graph there's quite a lot of movement up and down. For example, a lot of movement down between 20013 and 2014. Now that is due to the overall numbers of learners fluctuating and that in turn depends on the kinds of promotion ratios that have applied from Grade 11 into Grade 12, but also even things that happened 12, 13 years ago in terms of the entry of learners into Grade 1. So age criteria change, and we know they changed around about 2002, that then has a knock on effect in the – through all the rest of the grades.

COMMISSIONER KHUMALO: And perhaps when you provide the data requested by Commissioner Khumalo, can you probably indicate, separately, the numbers of black African achievers in a separate...[intervenes]

DR GUSTAFSSON: Yes.

COMMISSIONER KHUMALO: So we can see how those numbers, yeah, behave. Thank you.

DR GUSTAFSSON: Yeah, because that's one of the things we focused a lot on in our analysis, is the racial breakdown. Okay, the – I'm not moving on to issues around the national senior certificate process and, yeah, I mean the evidence is not absolutely clear around the quality of the average learner coming in to university.

There have been a few studies but we probably don't know enough to be absolutely firm in our conclusions. However, I mean there is a widespread perception, which I'm sure you've come across, that the quality of learners coming into universities from Grade 12 has been on the decline, in particular in subjects such as mathematics. So that perception is there and the second bullet here...[intervenes]

CHAIRPERSON: That, to some extent, is born out by the fact that the universities have introduced bridging programmes.

DR GUSTAFSSON: Correct, yes.

FEMALE SPEAKER 1: Sorry, this decline, is it from a certain period?

DR GUSTAFSSON: Well, the perception that there is a decline has been growing over time. There was – There were particular concerns when the new examinations were introduced in 2008. So in 2009 universities saw these learners coming in from the new examination system and there've been a couple of studies of this opinions of lecturers and so on, but it's generally a perception that

has probably strengthened over time, but we don't have enough, really, hard evidence on this. The second bullet here is basically, yeah, pointing out that it's not impossible, at all, to have improvements in the average outcome of the schooling system and a decline in the average competencies of your students at university, depending on how quickly the higher education system is expanding. I mean, you – this is a point I'm sure you've been dealing with, and a key, I suppose a key message we want to put through in our presentation is that ev – despite this perceived decline in the lecture theatre at universities, the evidence is quite clear that at schools, on average, there is an improvement and that this is good overall for education, meaning that a large part of the problem at universities is a result of this rapid expansion which has brought in learners who would otherwise not have been at university. I'm not trying to get away from the fact that there's clearly a quality problem in basic education, and that's something we have to deal with, but this decline that is seen in the lecture theatre is – we don't believe is a decline in the actual quality of our learners at school.

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COMMISSIONER ALLIE: Doctor, you might deal with it later in your slides; you see, the message put out there is that the quality is terrible in basic education. Now in some of your slides you go into an evaluation of your national certificate examinations in comparison with other countries and how you fare. However, the same has not been done in respect of universities. So universities just come out blank and say: "It's the schooling system," and I've been saying:

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“You can’t say it is only the schooling system.” Somewhere you’ve also got to acknowledge that perhaps you comparing apples with oranges for that matter. Now in your slides further on you come to the question of what are the type of questions do you ask children at school and what are the type of questions you ask a university student. So if those two are not linked to each other how can you then compare them? So it – I know you deal with it later on and perhaps then we can then interrogate the quality and whether we criticising it fairly in respect of that.

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CHAIRPERSON: I have a more fundamental problem. I think it’s probably correct to say that there has been quite a strong influence from previously disadvantaged communities into former model C schools. Is that correct?

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DR GUSTAFSSON: Yes, there’s been a movement, especially in the 90s and early 2000s, yes.

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CHAIRPERSON: And that would particularly apply in the urban areas.

DR GUSTAFSSON: Correct, yes.

CHAIRPERSON: Now your levels that you talk about here are levels over the whole system. Isn’t there a skewing – wouldn’t there be a skewing if you were to test the urban areas as against the rural areas? Would you find the same perception of improvement in the rural areas as I assume you would have in the urban areas because of the melding of the school systems? Has that not been done?

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DR GUSTAFSSON: No, no, we’ve looked at that and, I mean, what

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is interesting and quite pleasing is that much of the improvement that we've observed, for instance this improvement over – from 11,000 to 19,000 high level mathematics performers amongst black African learners. Much of that is happening – Much of that improvement is happening in rural areas. Often very specific areas. Limpopo, for example, is quite good, despite all the problems that that schooling system experiences. Specific districts in deep rural Eastern Cape have seen considerable improvements which we believe points to, on the one hand, interventions that focus on specific education districts, but also leadership in the educator bureaucracy. So it's – I mean, the evidence points very clearly to the fact that it's quite possible to produce – bring about improvements in very difficult circumstances in rural areas where learners often don't have everything they should have.

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MS KUHBEKA: Perhaps if I could add to that. In the international assessments that we participate in the improvements have been more marked in the rural areas than in the urban areas. So there definitely are improvements that are happening in the rural areas. It's provinces like your KwaZulu Natal, Limpopo and the Eastern Cape where we seeing the improvements.

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CHAIRPERSON: Thank you.

COMMISSIONER KHUMALO: Sorry doctor, the reasons for that? That you get more improvements in rural areas, is it because they begin from a lower base?

DR GUSTAFSSON: That's part of the explanation. There have

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also been substantial improvements in urban townships but in a way what really strikes one when one looks at the trends, and we have maps that we published as the DBE, what's quite striking is that there are specific rural areas where one does see progress and, I mean, it's important to remember also that the great majority of our high level achievers in say mathematics – certainly the great majority of the black African high level achievers are coming from historically black African schools, not from suburban, historically white or historically Indian schools. You know, just because of the demographics of the country and the size of rural areas and townships. Okay...[intervenes]

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CHAIRPERSON: That doesn't suggest that there's a problem with the teaching.

DR GUSTAFSSON: Well, we...[intervenes]

CHAIRPERSON: Is there unevenness in the quality of the teaching?

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DR GUSTAFSSON: There's huge unevenness, which is why the DBE has – is paying so much attention to issues such as accountability, because we believe that a lot of the – a lot of schools aren't producing at the potential to the degree that they could.

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CHAIRPERSON: I see. Thank you.

DR GUSTAFSSON: Alright, then what can we say about the NSC? Well, we have a few slides dealing with the fact that the new examination system introduced in 2008 was the result of a lot of consultation. Higher Education South Africa was very much involved

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in that. There were international benchmarking exercises and, as I mentioned earlier, there has been some, not enough, but there's been some analysis by some universities of the quality of their own students. Okay, I think I'll – I don't think I want to go into any details here but there's some information here on yeah, who we benchmarked against, which subject – Well, the fact that it was specific subjects. Yeah and, I mean, higher education institutions themselves, not just HESA, have played a large role in curriculum reforms going way back to 1995. A particularly important higher education structure in this regard is the dean's forums for the education faculties at universities. Yeah, and...[intervenes]

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COMMISSIONER ALLIE: When you speak about this, this is what I was alluding to just now. When you speak about participation of higher education institutions, what contribution do they make and what is it about because, well, let's leave it there. What is it about? What do they – What – How do they contribute to you improving in any way results in basic education?

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DR GUSTAFSSON: Much of the collaboration focuses on curriculum, the standard set in examinations. What we should probably do more of is examination of what learners actually have, what skills they actually have. I mean I think we need to acknowledge that we don't have sufficient research in that area. Much of the focus is simply on just examining – examination papers, for example, seeing whether they are covering relevant topics at the required standard.

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COMMISSIONER ALLIE: But isn't ANA there to assist and guide in relation to that particular subject?

DR GUSTAFSSON: Yes, I mean, ANA has been used in the – you know, since 2011 when it was first implemented on a large scale, has been used extensively to guide planning but also to guide individual schools. For example, the Grade 9 mathematics ANA is crucial in helping learners to decide whether they take mathematics or mathematical literacy, and a lot of the malfunction in schools is perhaps not so much teachers blocking learners from pursuing higher goals but not knowing which learners should pursue higher goals because assessment has just been not – has not been strong enough to distinguish, you know, the maths wizz kids from those who are not.

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CHAIRPERSON: If I might just intrude. When I was school I remember that I was subjected to an assessment which told me where my particular skills lay; whether they were in persuasion or in numeracy or whatever it was, and there was a specific program which provided guidance, whether you call it vocational guidance or not, I don't know. Do you still have that sort of program so that a student writing what used to be Standard 9 now going on to matric, has an idea: "I should be going into something where my skills would be best erected into this field or that field."

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DR GUSTAFSSON: I should emphasise that – I mean, although we've been saying that there's not enough assessment and accountability linked to that, there is a lot of schools based and

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classroom based assessment, a huge amount of it and better performing schools would use those assessments to help guide learners into the correct subjects, post-Grade 9, when they have to make that critical subject choice.

CHAIRPERSON: It seems to be both a psychological and an intellectual analysis. Is that what takes place?

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MS KUHBEKA: Perhaps if I may add there. You are right. We used to have those assessments but they were always in the better provisioned departments of education. So they were not common across and it's an area of need in many of the more rural provinces because they never had. Where we – in provinces such as Gauteng and Western Cape that inherited, you know, your departments that served the more privileged groups, those assessments are still done in many of the schools but it is an area of lack in the system and we recognise that.

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CHAIRPERSON: Alright, thank you. Mine was in Natal as a matter of fact.

COMMISSIONER ALLIE: Sorry, Ms Palesa, the issue of vocational guidance comes up every time when discussing the quality of people coming through the system and going into employment. Does DBE have a record of the number of vocational guidance teachers in the country and I suppose you will have, as you put it, your previously advantaged schools would have them – are more interested in the previously disadvantaged schools, whether we still have them or we can't afford or they not there at all.

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MS KUHBEKA: Yes, the provisioning is unequal. Let me put it that way, but we cannot sit here and say they are not there because we do have them but one other challenge that we face in the system is using teachers because they're available for subjects that they probably are not qualified for or to carry out responsibilities that they are not qualified for, particularly in your more disadvantaged areas.

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CHAIRPERSON: Well, that's not a new phenomenon. My wife, who was qualified in music, taught mathematics. So – and not very well I don't think.

COMMISSIONER ALLIE: Thank you.

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DR GUSTAFSSON: Alright. Yeah, I mean, here we have a slide on referring to one of the few studies that we do have which looked at whether the 2009 intake was weaker than the 2008 intake in universities and their conclusion, based on I think a sample of 10 engineering lecturers at the University of Pretoria, was that the input had weakened in certain areas. I mean, in particular with regard to the more technical aspects of mathematics. On the other hand they were impressed that students were more exploratory, more confident. So clearly, I mean, the competencies exist on many different levels but, I mean, what has been noted is this perception that on the technical side mathematics has seemed to be weaken a bit between 2008 and 2009 and a lot of attention has been focused on tightening up mathematics and that's partly why we see that decline in the raw figures for high level achievers. The examinations have become more demanding over the years as people have

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realised that there's certain topics that should be added or strengthened in the examinations, and here are some details around the international benchmarking. There was a major exercise in 2011. I'm not going to go into all of these details but on the whole the benchmarking exercises have found that the – our question papers in these subjects have been quite rigorous and well-focused and on a par with what you find in developed countries. There are areas where, you know, the conclusion was that things need to be strengthened and that is then taken up by the examiners involved. So, I mean, overall it – there does not seem to be a fundamental problem around the quality of the examination papers. I mean, again, the problem lies with the quality of learning and teaching in all the grades leading up to Grade 12 and the competencies of learners; their ability to basically pass those thresholders and to deal successfully with the examinations.

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COMMISSIONER ALLIE: Well, doctor, here comes the conundrum; in the sense of you have assessed that your examination papers are of a level equivalent to certain international standards. The problem has – is your learning and teaching. Now which comes first, the chicken or the egg? I would say that your teaching comes first in terms of how you present a particular subject to a learner. Now if the teacher hasn't grasped what skill a child needs in order to pass an examination paper then we've got a problem. So – and I don't know, is it a political problem in the sense of when you ask teachers to go for further learning and teaching skills then they say: "No,"

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well, my experience has been, in the past that your unions would have a problem because they believe you haven't diagnosed the problem correctly, and that's where we stay just as now you are sitting with the problem with your ANA because the unions believe you haven't diagnosed the problem properly. How do we get out of that conundrum?

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DR GUSTAFSSON: Well, I think one gets – We are moving in the right direction with respect to that conundrum. You know, I think that, you know, even the – you know, all our unions have, I think, increasingly accepted that, for example, testing and accountability are necessary. It's the part of any standard and effective schooling system and, I mean, essentially we – I mean a key question is what has brought about the improvements that the data say we have seen, and essentially the department emphasises three things and those are three things that we need to pay close attention to and make sure that they protected and continue. The one is annual national assessments. We believe that a lot of the improvement that we've seen in recent years is simply due to better accountability, better standardisation in schools, greater ability of the school principle to see what's actually going on in the classroom because it's not a test set by the teacher anymore, but a test set externally and to some extent marked and moderated externally. So that's one. Number two, the curriculum. The – you know, whilst one can criticise the current curriculum, the CAPS, the curriculum and Assessment Policy Statement, it has generally been welcomed. It

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has a lot more detail. It's a lot more useful to teachers and schools than what we had say 15 years ago, and we believe that that has contributed to a better focus in schools, and thirdly, we believe that we need to continue to focus on getting materials and texts into schools. The – For example, the TIMS results or the TIMS data don't only have test results, they also have information on access to books for instance and that has improved markedly between – over the last 15 years, and the work – national workbooks initiative, for instance, has brought a lot of materials into classrooms that weren't there before and that allows for more effective teachers and for learners, in a sense, to survive a context where perhaps teachers aren't as prepared as they should be.

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MALE SPEAKER 3: Excuse me, can I just, Chairperson, these international benchmarks, well I'm not sure, perhaps you can clarify why they seem to be based more in the UK than anywhere else in the world, but the question I have revolves around costs, the cost of education. If you do these international benchmarking tests, I'd like to find out if the department has used the national benchmarking tests that we have that are used for entrance into universities, in order for us to see if we cannot, I mean, minimise the costs of this problem that we have about dropout rates, you know, all those kinds of things that we have on your first and second level?

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DR GUSTAFSSON: Yes, I mean, there's a lot of research which confirms that the problem in basic education is not really underspending. By international standards our spending per learner

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is high. Even our levels of enrolment are quite high and that means that as a percentage of GDP, our spending on basic education is high and that raises all sorts of questions around the effectiveness of the schooling system which still, despite improvements, produces poor results, way poorer than we should as a middle income country, and of course, I mean the high cost is driven largely by teacher salaries and the structure of those salaries and, I mean, what's also noteworthy about South Africa is how expensive primary schooling is. In a lot of other countries, you know, primary schooling is a bit less expensive than secondary schooling but because of the way our teacher salaries work, essentially, each primary school learner costs almost the same as every secondary school learner.

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MALE SPEAKER 3: I'm more interested in the national benchmarking tests.

DR GUSTAFSSON: Okay, do you want to take that?

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MS KUHBEKA: Yeah, if I may take that. I just want – I don't have the reference now but it's something we can give you later but I do know that there were studies that were done to actually evaluate whether the NBT, which is the National Benchmarking Test, is a better predictor of success at university than the NSC and I think the studies have found that the NSC is equally a good predictor of good performance or success at university. So we have done – that comparison has been done by a number of researches, but also you asked about why we particular going mainly to the UK. I think it was about looking for systems that are kind of similar because if you

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need to benchmark you have to look for systems and subjects and content, in terms of the curriculum, that is a little bit similar. So you could find areas of comparison, because if you go to the US and some of the other places you'll find that there isn't much to compare. So we had to compare internationally to see how we compare with the rest of the world but also look for systems that are comparable to the South African system and also in terms of the content of the curriculum and the different levels in terms of university entrance requirements, and I think that is where we went the UK, New South Wales and most of those, but to say that we not just looking at overseas countries, we also looking at Africa as well, Kenya and some of the other countries in Africa.

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MALE SPEAKER 3: Mathematics was a universal language.

MS KUHBEKA: Maybe let me just say something about mathematics. Yes, it is a universal language but if I may just give you a little bit of a background. You'd recall that when we had the higher grade and the standard grade, there were content in the higher grade that wasn't in the standard grade and therefore a section of our candidates were not exposed to that content. Now from there, with the introduction of the NSC and the curriculum and assessment policy statements, you find that all the candidates are actually exposed to every bit of mathematics and I think that was one of the things we wanted to also benchmark. You know, to find out whether in this countries, they had mathematics that all candidates took that had the same content as ours and it will

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surprise you to find that there's a lot of our content in the current maths we do that most of the candidates in the UK do not do, unless if you going to do a higher level maths and you going for medicine or whatever, but in this country all our candidates are actually exposed to that high level maths, which actually is something that we should be seeing as positive because our candidates who do mathematics have to do the whole array of mathematics that is in there, you know, not just a portion of it as they used to do in – when we had the standard grade and the higher grade. So the level of mathematics has improved. It is a universal language but there are variations when you go to different countries because they have different level mathematics for different groups of candidates, depending on what field of education – what field you want to progress with, you know, in higher education.

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COMMISSIONER KHUMALO: Just on that note, are we able though to give, maybe at a determinable time, an assurance that we could have a university ready child in – maybe in the 21% or any other scale, that does not need any bridging which is what Prof is referring to that it's a cost to university if the child needs to be further readied at varsity.

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MS KUHBEKA: Maybe before we say yes or no I just want to make a comment as one of the members they said – sorry, I forgot your name sir, about the fact that we've done this analysis, evaluation, benchmarking, whatever, with basic education but we haven't really done it with higher education. I think there's been a lot of changes

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and improvement in terms of the fact that our curriculum is now more outcomes based and even the nature and style of learning and teaching in basic education following international trends. I'm not sure whether we have, as a country, looked at the alignment in terms of that strategy direction between basic and higher education and we would begin to feel that if the nature and style in basic education is misaligned with the nature and style of learning and teaching and curriculum impartation in higher education, certainly that is part of what is causing the misalignment. So it is not about the fact that the skills are not there or the content or curriculum is watered down, because if you look at the content now, it's actually at a higher level than it was previously and so what we should be looking at is how now higher education needs to come to the party to bring into alignment the nature and style of teaching in terms of the outcomes based and what basic education is looking at so that we are aligned. So that bridging mainly, you'll find that most of the – if you look at the research that was even done in terms of the predictor of success rate in university, you would find, after the bridging, those candidates did even better or, you know, as good as the others. So it was about the way and the style and that. So that is what is causing that. So I would want to believe that the 21% or the 20%, which is the lower based now, that we feel quality for university entrance, are indeed qualified and have the skills and the requisite skills and knowledge to be able to go on to university education, and it's not different from what we had previously when you had your

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higher grade and you standard grade, you know, before the change in the curriculum. We would like to see the 60%, as Martin says. We still not there yet but this 20% that we take out and say they are ready, are actually ready. They have those skills and knowledge. Maybe just to add a little bit more in terms of what higher education is doing in relation to the support they giving to basic education. You'd find that part of the writing of the curriculum, higher education and university practitioners were part of those teams that wrote and endorsed the curriculum in the first instance. So I want to believe that they actually looked at the skills that are required as per prerequisite for university education, and when it comes to the question papers and the moderation, half of the Umalusi panels of external moderators are made up of university lecturers and so certainly they're looking at the nature and the skills in those papers as well as what is expected, you know, for somebody who is going into university. So I'd want to believe that yes, in terms of what has been put in the curriculum and the assessment, it is there to prepare the learners but there is a break in terms of that alignment and I think, as a country, we need to look at that. Thank you.

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CHAIRPERSON: So what is being done to assure that that break is healed or corrected?

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MR ZULU: Doctor, just before you conclude. I just wanted to ask – over here. I wanted to ask, you said the Department of Basic Education has done away with the distinction between higher grade and standard grade. What is the distinction between maths literacy

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and ordinary maths? Is that not a change of – Is that an actual change of substance as opposed to form?

MS KUHBEKA: Mathematical literacy is a different subject. It's just like you have your life sciences and you have your physical sciences. So these are two different subjects. The intention of mathematics, as I said, its higher level maths, to be able to give you the skills and competencies you require for any technical, you know, degrees that require those kinds of mathematical competencies. Your mathematical literacy, as a subject, is to give you a basic abilities in, you know – mathematical abilities that allows you, as a person, you know, to survive in the age and, you know, in the 21st century. So to be able to do your banking and your mortgages and all kinds of things. So that is the trend internationally. In fact, internationally they have more than two types of mathematics. They have maybe five or six types. We have narrowed ours down to only two. So I think we still much better off. So the mathematical literacy is not a watered down mathematics. It's a subject. It's a different subject on its own and it's not intended to be compared to mathematics as a subject.

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MR ZULU: Thank you.

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MRS OKUBANJO: Can I just answer the question with the collaboration with what we doing with higher education? We have – We collaborating and we've got standard – a standard forum where we look at a range of things from the curriculum that goes into teacher development, the curriculum that we provide for our learners

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in the basic education sector and what, you know, what they expect. So that is work that's ongoing and we meet quarterly and they are part of our teacher development and curriculum management committee. So those issues are issues that are ongoing and we working with them, but I also want to answer a question that was asked about where do you start? You know, we've benchmarked the exams and maybe – and the issues about teaching in the classroom. When we look at systems that perform well, internationally, we know that one of the things that characterises them is high expectation for their learners and therefore we, ourselves, ascribe to that, or subscribe to that. We set very high standards for our learners because we believe that's what we should do and that's what successful systems do but these things go together. So we don't just set the high standards, we do all of the things that Martin has referred to. We've looked at how we provide guidance throughout CAPS, our curriculum and assessment policies. We've looked at the provision of textbooks, so that these things run concurrently. So we make the expectations very clear and we support at school level, but we don't want to water down the expectations that we have of the learners in the country.

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COMMISSIONER ALLIE: Has there been a study on – because nowadays you have a different system from back then where you had teacher training colleges with your universities but what I'm getting to, do we have a study on the success rates or the quality of the teachers coming out of these universities and colleges, in terms

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of methodologies, in terms of pedagogics, because I'll put it to universities who have blamed you for the dropout rates and so forth. I've said: "Well, what about yourselves?" Now they've indicated to this commission that they've now started programmes to improve lecturers themselves because we all know you might have a PhD but you can't present the subject to the next person. You have it for yourself. So I'm just asking, has there been any studies, to your knowledge as – from DBE, with regards to that particular subject?

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DR GUSTAFSSON: There has been some interesting work. I mean, one has to also acknowledge that teacher training at universities has not received a good press over the years. It's often perceived to be inadequate and a few studies of the methods used haven't been altogether positive, they've said that there's not enough focus on very specific skills that one needs in the classroom, in particular the skill of just teaching how to read. Many teachers leave university and they have not really been trained on how to teach young children to read, but, I mean, there's also some interesting work which – drawing from the [indistinct 1:27:29.3] data, which shows that younger teachers perform better in tests than older teachers. Suggesting that we are seeing younger teachers which – who have skills that older teachers did not have. So in that respect things are moving, it seems, in the right direction. I'd like move on to the slides dealing with the more economic issues of fees and dropping out and so on because I think we've – we have covered the NSC to a fairly large degree, quality of school...[intervenes]

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COMMISSIONER KHUMALO: Sorry, can I just make a request as well? I see in the presentation we've delved a lot on the 21%, the university readiness, I don't if maybe at a later stage we can be spoken about the readiness for TVET's and any other vocation, technical work and what the curriculum in those speak to? 5

DR GUSTAFSSON: Okay, yeah, let me deal with that directly now. Yeah, the – In a sense the 40% who complete Grade 12 but aren't ready for university, the 40% of youths, are in a sense the youths that one would draw from for other types of institutions, for example TVET colleges. Of course, I mean, TVET colleges should ideally be drawing from Grade 9. That is the, officially, the level of those TVET colleges and it's a bit tragic that the system works in such a way that learners are repeating the same level of education in a different institution. Yeah, and so amongst those 40% who get Grade 12 but aren't ready for university, you know, the usual problems can be seen. They are often not ready for whatever other type of institution they move on to, yeah. 10 15

COMMISSIONER KHUMALO: My enquiry mostly is does the curriculum encourage the mentality that it's not only university that is like your mainstream career. Do we have career education that actually seems to suggest that there's an alternative post-matric? 20

DR GUSTAFSSON: In that regard the expansion in the TVET sector has created more opportunities and has shifted the mindset a bit but as many government documents point out, including the higher education review from a few years – the green paper, we sit a 25

very serious problem of inadequate alternatives to university education and university education still being reified as this thing that everyone should be aiming for with few alternatives being made clear.

CHAIRPERSON: Well, is there any-.

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COMMISSIONER KHUMALO: Another person can respond maybe just on that.

DR GUSTAFSSON: There is – There's a current initiative under way to create more space for vocational training within existing schools. It's called a Three Stream Model and one should remember that within the curriculum, the school curriculum, there are a lot of technical subjects. However, if one looks at who is taking those subjects, it's still very much male, it's still very much white. So the – that shift has not happened and is clearly – it's a challenge that we are dealing with and the learners who take technical subjects in Grade 12 should be from a greater variety of backgrounds and those subjects should be offered in a greater variety of schools and that is the kind of thing that this Three Stream Model is dealing with.

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CHAIRPERSON: But at the Grade 9 stage does anybody ever come from the TVETs to explain the opportunities that there are in the TVETs? Are schools kept informed? Do teachers know what's available so that children with a particular propensities can then be either directed or encouraged to make use of the TVET system or is it a hit and miss affair?

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DR GUSTAFSSON: It's almost, Chair, it's almost a deliberate, you know, lack of trying to recruit Grade 9's. TVET colleges, themselves, have an incentive to take in Grade 12 graduates only, because it's easier to deal with those students and it's also easier to assess which specific programmes each of those students is suitable for because they have a report card. In Grade 9 we don't have an examination, we don't have a qualification which allowed FET – TVET colleges quite – to assess each individual learner in the same way they can assess Grade 12 learners. So it's a – It is – It's a complex issue and hardly any learners move from Grade 9 into TVET colleges. There are a few, and they may, but the tendency is for, I think it's close to half of TVET students already have a matric when they move into TVET.

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MS KUHBEKA: If I can just talk a little about the Three Stream Model that Martin has referred to. It looks at three areas and we introducing it as an option to academic – to the academic stream, and we looking at vocational, technical and occupational streams and 26 subjects have been – the curriculum has been developed for 26 subjects but we piloting in 2017. So we aren't able to go into much detail at the moment but it is recognising that not all our children want to go to university.

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DR GUSTAFSSON: Okay, so let me skip some slides that deal with matters that we've, to a large extent, already dealt with. Standards in Grade 12 papers, yeah, this is – Yeah, okay, increasing cognitive demands, we've dealt with these issues, and that's – there you have

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some details on the examination administration system and generally it's well regarded, despite problems here and there with leaks and so on. Overall it's considered a rigorous system. Okay, yeah, alright, some ideas on university – what is referred to in South Africa as throughput. Just some reflections, you know, from our perspective in basic education, I mean we also have a three – throughput program in the sense that, you know, 30% of our youths don't even entre Grade 12. We have a lot of repetition as well. So these are things that definitely not unique to post-school education and one thing that I find quite interesting is this notion that throughput in higher education is problematically low, I mean, there various figures but about 50% of those who enter universities actually get to graduate and that does sound highly problematic but I think what has been missing in the higher education debates is some kind of sense of so what should it be and what happens in other countries? I mean, the throughput rate in the United States, for example, is around 50%. In Brazil it's fairly similar. So poor throughput at universities seems to be a fairly – seems to occur in a lot of countries and perhaps should influence the way one thinks about dropping out. I mean is dropping out always a failure? You know, if you've had two years at university and now you don't get your degree and you lose – you leave, is that necessarily a failure? I think what we need is better research on what happens to those students. It's difficult to believe that there's no value added in their two years of university. So the 50% who do not get to graduate,

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what actually happens to them, and...[intervenes]

COMMISSIONER KHUMALO: Just – Sorry to interrupt you. I think on that, in this context of us sitting here, dropping out means if an investment is made, a subsidy is paid for the child or there's free education given to the child and there's no output after that, is that – what you are saying it can still not be failure in that context?

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DR GUSTAFSSON: I think, both in higher education and in basic education, one has to ask oneself what does one mean by output? Certainly a qualification is a very concrete and important output but say a learner who drops out at Grade 11, alright, and we know for instance, in Western Cape, a lot of the learners drop out in Grades 10, 11. Do they have no output at all? Well, they have, you know, 11 years of schooling. It's not as if they're totally lost. I mean in a province like Western Cape a lot of learners leaving Grades 10 and 11 get jobs and, similarly, I think one can ask what – you know, somebody who leaves after two years of university, they do have some kind of output in the form of education and experience, and how does that assist them in the labour market. So it just seems a better approach to – than to just say: "Anyone who doesn't graduate is automatically a failure and it's automatically a waste of resources."

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I think one needs to understand the situation.

COMMISSIONER KHUMALO: I see in your conclusion you've emphasised poor results are not the same thing as no improvement. Do we consider that in higher education as well?

DR GUSTAFSSON: Yeah, I mean, that is said in

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relate...[intervenes]

COMMISSIONER KHUMALO: Context of fees.

DR GUSTAFSSON: Yeah, it's – That statement is said in relation to schooling. Partly to put this point through that yes, we acknowledge that the quality of schooling is bad but that doesn't mean it's stagnant. The key thing is that it is moving in the right direction. Of course in higher education we are not able to see really, in any systematic way, what the trend is with regard to the quality of students. I mean, and very few countries can do that successfully. Brazil is the only country that has a standardised test at universities. They're the only country that have managed to implement something like that. So they can actually tell how good universities are – different universities are at producing graduates who can write reports, who can, you know, do basic mathematical operations and so on. I mean, otherwise, you know, it's a fairly opaque area. Alright, yeah, and this slide is then a – goes to the specific issue of fees and I think when we, in basic education, have been looking at what's happening in higher education in the last couple of years, it's – there's some déjà vu, because those of us who've been in the sector for a long time experienced something rather similar just after 2000, there was a strong movement in South Africa but it was also a global movement against school fees and we had to grapple with a balancing act that is in some ways similar to the balancing act that higher education is dealing with now and, I mean, perhaps the key thing that got us through this was fairly wide consultation but also a

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lot of analysis. We had a number of economists working on this. We did look at – We brought together different data. We looked at household income. We looked at fees being paid according to household data. I mean household data do – the Stats SA's household data does also provide a picture of higher education spending. So all of the – Generally, the problem in South Africa I would say, is not that there's not enough data, there's not enough use of the data and one – to go through a process such as higher education's current process, one needs very, very rigorous analysis and that helped us when we brought about our new no fee school policy, our exceptions policies. So essentially we sit now with a system that has about three fifths of schools having no fees because they're declared no fee schools. We're aware that that is sometimes violated because if provinces don't finance schools as they should, schools may charge or ask for contributions, but there's a very thin dividing line between contributions and compulsory fees. So we know from our household data that many poor households who should not be paying fees, are in fact contributing money to the school. So, yeah, I mean these points would be familiar to you. I mean nation building and inclusive institutions. We sit with a highly public schooling system, which means that much of the inequality in schooling exists within a public system as opposed to what happens in many other developing countries, where the rich basically go to private education. So you have a fairly equal public system but only because the middle class is outside of that public system and the –

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yeah, I mean it was a strong drive to keep the public sector quite inclusive but the cost of that is – one does see inequality within that system and, yeah. One – Yeah, the second last bullet is important as well. Of course, a key challenge throughout was to make funding systems as simple as possible. There were some very complicated proposals that, in theory, looked good but if parents don't understand this, if school principals don't understand this then it's very difficult to implement. So sometimes one has to sacrifice kind of equity or rigor in terms of something that's just simple, that people can apply and the final bullet, we've – I think we've done some relatively good monitoring over the years of what is happening, who's – which schools are charging what fees, how does that influence overall spending in schools, how does that, you know – how unequal is the schooling system currently compared to what happened in the last years of apartheid, and it is a lot more equal, a lot more equal in financial terms now than it was then, but there is still inequality because, as you would know, many, for instance, suburban schools are collecting fees from relatively rich parents, but in those schools there's an exception system whereby poor learners, on the basis of their evidence of low income, can be excepted from the fees. So, in effect, rich parents are cross-subsidising poorer parents in suburban schools but not only suburban schools. I mean a lot of township schools charge fees as well because they are amongst the group of schools that have not been declared as no fee schools.

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COMMISSIONER KHUMALO: Just on that, I see we've covered – I

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don't know if you can just go to slide 37 and the conclusion.

DR GUSTAFSSON: Page 37 is this one?

COMMISSIONER KHUMALO: The last one *ne*.

MS KUHBEKA: It's the last one.

DR GUSTAFSSON: Oh, the conclusion.'

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COMMISSIONER KHUMALO: Yes, I wasn't sure, because during the discussion we attributed a lot to the first point that you saying to accountability. So is there something, maybe in conclusion, that we can tighten up as an assurance in the effectiveness and the accountability because I suspect that's what was raised earlier as prime in whatever is not happening?

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DR GUSTAFSSON: Well, I would reiterate then that accountability, in the form of assessments, is important. We have to get ANA right, otherwise we run the risk of losing – the gains being stalled that we've seen. You know, just because we've seen gains in the last 10 years doesn't mean that we're necessarily going to see a continuation of those. We have to protect certain elements of the school system and one is assessments, the annual national assessments but there are some other accountability mechanisms as well. For example, the performance management system for teachers, still – the IQMS is important and should probably receive more attention and then there are school level accountability mechanisms relating to the school principal, who becomes a school principal, at what point do you actually get removed as a school principal? These are things that – accountability mechanisms which

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we think we need to focus very strongly on, especially now in the climate of budget constraints and you would know about the budget constraints at the higher education level but at the primary – sorry, at the basic education level we – a lot of attention is currently going to dealing with very, very serious budget shortfalls and that places – that creates a whole lot of risks for the system that we have to deal with.

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FEMALE SPEAKER 1: Just one question doctor, over here, doctor? Sorry, doctor, does the department make allocations specifically for teacher training?

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DR GUSTAFSSON: For in service teacher training, yes. Well, the provincial departments do most of the spending. The national department does invest some money in – especially in development of materials and so on and there've been a number of – I mean coming back to the earlier question around evaluations of teacher training, there have been some important evaluations of in-service training and there are – there's a lot of room for improvement.

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FEMALE SPEAKER 1: And is priority given to the sciences and mathematics as opposed to the humanities, given the problems in the mathematics field?

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DR GUSTAFSSON: They are prioritised but there's training across the entire curriculum. I mean partly because of the interdependence of subjects. If language doesn't work well then one is not going to get improvements in other subjects, for instance.

MRS OKUBANJO: But we do allocate funds for – at initial teacher

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training as well through a program that's called [indistinct 1:49:00.7] and for that we give money to prioritised areas and maths and science would be one of them and teaching in the foundation phase another, as well as English.

COMMISSIONER ALLIE: My – Just to perhaps call on your provincial experience, Dr Gustafsson, my recollection in the last 90s was that when this was introduced the teachers weren't really – So the money is there but there's a lot of the teachers that weren't really interested in going for these particular in-service training sessions. What is the situation now?

DR GUSTAFSSON: Well, I mean, officially, the unions are very strong on the need for professional development but I think, as you mentioned earlier, they will then also come with a complaint that what is on offer is not exactly what they want and, I mean, here one is – one is probably dealing with a legacy of perhaps too much centralism in teacher training and in this assumption that, you know, provincial department can know exactly what the needs are of every teacher. I mean teachers are professionals, I mean they need to be expected to develop themselves as well, and I think an important shift that needs to be strengthened further is the shift in the 2011 teacher development policies towards what are called professional learning communities and this is an international trend, to try and create incentives for teachers to get their own professional development going and work – and to create professional groups. One way one does that, of course, is by just having more overall

accountability in the system. If you're aware that there are going to be consequences if your learners don't perform, then there's a stronger incentive for you, as a teacher, to, you know, brush over your mathematics skills or, you know, just prepare yourself better.

COMMISSIONER ALLIE: But do you have the participation rates in respect, *vis a vis*, the money that is spent on this particular aspect? Does DBE have those statistics?

MRS OKUBANJO: Thank you. We certainly we do have the statistics and we can make them available per province and one of the ways in which we've tried to encourage teachers to participate is through working with the South African Council for Educators, SACE, and the programmes that they go through are accredited and teachers get points for going through teacher development programmes and those points are the things that we look at when teachers apply for promotions, but we also – because we need the teacher unions to buy-in, we also have – we've set money aside where we have collaboration with teacher unions on training, and teacher unions themselves can train, train all teachers or train their own teachers, their own members, but we fund that and, again, it's got to be on accredit programmes and we agree, because through the integrated teacher development framework that Martin alluded to, we have, you know, we have an analysis of where we have challenges, the areas that we want to strengthen training in and therefore teacher unions have to look at that and what is necessary for us to provide the money, but we provide money for that as well

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and it's through accredited programmes that get points – that teachers get points for.

COMMISSIONER ALLIE: But are you able, just off the cuff, to give a percentage of participation rates nationally?

MRS OKUBANJO: Unfortunately not at the moment but we can make that available because we've got the data. 5

COMMISSIONER ALLIE: Thank you.

COMMISSIONER KHUMALO: So is the suggestion that it's not a question of lack of funding for those programmes, it's the uptake?

MRS OKUBANJO: Yes, certainly. There's no lack of funding and the uptake, if I may say so, hasn't been that bad either because of the incentives that we providing, because teachers know they've got to get points. If they get points they stand a better chance of getting promotion posts and therefore they do make themselves available, and teacher union themselves want to be seen as being constructive and they have led – they've even set up their own institutes for teacher development and we have assisted by providing money for the training that happens in those institutes. 10 15

MR ZULU: Thank you. Sorry, as I understand, some of the problems that are faced by the schools or by the Department of Basic Education relates to the uneven distribution of resources in the past. I want to know what the department is doing to ensure that – in addressing those issues that – will they ensure that resources are evenly distributed and the schools that did not benefiting now? 20

DR GUSTAFSSON: Partly because of all of the focus on fees and 25

government spending in the early 2000s, there is, even now, a strong focus on tracking equity in terms of spending and there's a lot of clear evidence that overall spending is pro-poor – is public spending is pro-poor. You know, about 5% more per poor child than per rich child. Now whether that is sufficiently pro-poor is debateable and then, of course, a lot of the inequalities created because the rich bring their own funds into the system but we don't believe – but because of the overall spending levels and because of the pro-poorness of the public spending, we don't believe that spending equity is a major hurdle to educational outcomes currently, although, in the current budget climate, we are worried.

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FEMALE SPEAKER 5: Sorry, can I ask another question also related to funding? I think a key point you've made is that only 20% of the students are actually going to university. So I want to take us back to the other side of the spectrum, which is to early childhood development. A lot of research has suggested that it's actually – the problem starts before Grade R, triple nought, double nought and – before Grade 1; triple nought, double nought and Grade R, and I wanted to ask, in relation to your fee free schools, have you also got fee free ECD provision or is there nothing actually provided in those areas?

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DR GUSTAFSSON: I should emphasise that the 20% is 20% of youths are university ready, not students, because not everyone gets to Grade 12, yeah.

FEMALE SPEAKER 5: And that relates also to university, you know

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that about 20% of youths are going into university. So that relates to the participation rate at university level.

DR GUSTAFSSON: In relation to preschool, Grade R and what happens below Grade R, there's a – there has been a strong increase in the emphasis on this area in the national development plan, Grade R enrolments have increased in schools and that has often freed up within households to put younger children into crèche's and so on. So Stats SA's household data shows fairly remarkable increases in the enrolment of, you know, children down to the age three, over the last eight or so years. In terms of spending, if Grade 1 is no fee then Grade R is also no fee. So, yeah, very similar funding systems apply to both in schools. Outside of schools, of course, there's the – there are public subsidies but now through the Department of Basic Education. That's through social development. Chair, yeah, I think we are reaching the end of our presentation. I mean, there – One thing I have skipped is the value of the matric in the labour market but perhaps we don't need to go into that in a lot of depth. There is clear research that the matric does bring about income returns and, as one would expect, a qualification is always going to help you in the labour market, even without post-school training and education. If you can go to an employer with a piece of paper that has some meaning for the employer, you obviously stand a much better chance than if you simply come with your school report from Grade 10, for instance. So that's what those slides are basically about, but I think, from our

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side, we have made the points that we wanted to make but we happy to respond to any further questions and it would be – we would like to provide the information that you've requested within a week. Would that be-?

CHAIRPERSON: Take your time. [indistinct 1:59:22.8].

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DR GUSTAFSSON: Alright.

CHAIRPERSON: Just [indistinct 1:59:26.9] is the cut off.

DR GUSTAFSSON: Okay, if we don't have a deadline things – Okay, maybe two weeks. We'll try – We'll set our deadline at two weeks.

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CHAIRPERSON: We don't wish to put pressure on your unnecessarily.

COMMISSIONER KHUMALO: Just a last question from me doctor. Is there a market difference in curricula between public school curricula and private school?

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DR GUSTAFSSON: By law the curriculum has to be the same. So independent schools have to use the public curriculum. Of course the way they interpret it can be different but there's a national curriculum that applies to everyone.

COMMISSIONER KHUMALO: So you wouldn't say that a matriculant from a private school stands a better chance at entering university, for example, than one from a public school, based on your evidence?

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DR GUSTAFSSON: Well, on the whole those learners do stand a better chance for a number of reasons. I mean, partly because they

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tend to be from a more privileged sector of society. So they have fewer obstacles in their education, generally, and also because, I mean to some degree, I mean, the argument that independent schools do, you know, a pretty good job is valid. They don't deal with some of the pressures – yeah, labour relations pressures, for instance, that the public sector has to deal with.

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COMMISSIONER ALLIE: Perhaps the fairer question would be what is the difference between your IEB examination and your NSC?

DR GUSTAFSSON: Do you want to take that?

MS KUHBEKA: Yes. Not markedly different. I want to indicate that the same Umalusi that externally moderates and approves the NSC papers from the DBE is the same group of moderators that moderate and approve the IEB papers. Now one of the things that Umalusi tries to do is to ensure that there is comparability of standards, you know, across all assessment bodies, that's IEB and DBE. So our papers or comparable in terms of the content and in terms of the skills as well as the difficulty level. Now I want to indicate that the cognitive level that is expected in each of those papers is set in the curriculum and assessment policy statement and every assessment body must comply with those. So – and the fact that you have the same quality assurer trying to standardise this then it indicates that they are standardised. In fact, in some cases you will find IEB, because of the low number of candidates in certain subjects, are unable to set papers for those subjects and those papers are actually bought from the DBE.

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CHAIRPERSON: Is there anything further you wish to add Professor, Dr Gustafsson?

DR GUSTAFSSON: No, thank you. Thank you Chair.

CHAIRPERSON: Well then we'll take the tea adjournment and thank you to you for the amount of work and interest that has gone into the preparation. 5

PROCEEDINGS ADJOURNS

PROCEEDINGS RESUME

MR ZULU: Thank you Chair. Our next presenters are from the Central University of Technology. I request that they should place themselves on record. Thank you. 10

CHAIRPERSON: Who's the spokesperson?

MR BALIA: I am, Chair.

CHAIRPERSON: So you put your name on record and those of your associates.

MR BALIA: My name is Daryl Balia and my associates, to my left Ms Nombulelo Bogatsu, who's the manager for the fees and financial aid at CUT, and on my right is Dr Antoni Szubarga, the deputy director for data management services at the Central University of Technology, Free State. 15

COMMISSIONER ALLIE: Sorry, can you just repeat the last name? 20

MR BALIA: Dr Antoni Szubarga.

CHAIRPERSON: Not as in Dr Zhivago?

MR BALIA: No, no, that was a long time ago. He's a bit younger I think.

CHAIRPERSON: Yes, thank you very much. Would you like to go 25

ahead with your presentation?

MR BALIA: Thank you very much, Chair. We're very honoured to be here to share our few insights with you this...[intervenes]

MR ZULU: Sorry, this one is the CPUT one?

MR BALIA: And it's not actually the first time that CPUT is confused with CUT. We have to endure this on an ongoing basis. Yes, we just wish to also offer an apology at this point. Our senior managers are currently in the midst of negotiations with students. Actually they were yesterday afternoon but on our way here this morning we heard that the students were entering the lecture rooms and, you know, getting students to leave and join them. So CUT, from what we heard, this morning, is a somewhat lock down situation. It was fairly calm actually until this morning I think, but they were unable – they had intended to be here but I got a call yesterday to say that I would have to do this.

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CHAIRPERSON: Thank you.

MR BALIA: Yeah, at the outset I think CUT wishes to acknowledge the necessity and the importance of the work which the commission is doing and, you know, we are fully in support that this is long overdue because a lot of, I think, what, I suppose, the commission is hearing now, from us and from others, relates to calls that universities have been making over a number of years regarding the dire situation the universities, you know, find themselves in concerning, you know, financial management and the income – the declining income that universities were receiving from the state *vis a*

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vis the increasing, you know, needs opposed by students and, of course, from, you know, the simple management of universities in the country So our response might, on the one hand, be based not so much on our expertise in the matter of fee free higher education but rather on observation we have made from our experience as a UOT and our practice in the higher education system. Perhaps I should just at this point, you know, offer some – I hadn't intended doing this but just to say that CUT is a university, I mean, currently 14,900 students and we were known previously as Technicon Orange Free State, we opened our doors in 1981 with 285 students and in March 2004 we were merged with the Vista campus that existed in Welkom and became the Central University of Technology, Free State. So we currently have these two campuses in Bloemfontein; the old Technicon and the Vista campus, you know, which exist in Welkom. So those are the two campuses of the university at present. I'm not sure why CUT or the Technicon at the time was not merged with the University of the Free State because that is, you know, asked of us many times and I haven't been able, you know, to understand because that seemed logical to many people and still does I suppose. In 2004 CUT was incorporated, as I say, incorporated for former Vista campus and became the Central University of Technology, and we currently employ about 900 full time staff and another about 1,200 part time staff, and just to say that in terms of the geographic distribution of first time entering untigrad – undergraduate students, you know, those who come to us

year after year, over 80% of these are from the University or are from the Free State province, predominantly and about the province itself, you should just be aware that unemployment rate is about 33.9%, which exceeds the national average of 26, you know, about 26%. So the Free State province is also the sixth province in terms of GDP per capita among the nine provinces in South Africa. So I think, you know, the reality of poverty does, you know, impinge itself upon us as a university of technology and this will become apparent as we go through this presentation. So our response, when the ministerial statement was issued last week is one that we thought we'd mentioned because we shared this with the students. The facts that we welcomed, you know, the announcement, as it helped us to move forward after the moratorium, you know, delay, and we're happy that through univer – through university councils now, and our one in particular, the universities will themselves determine fees for 2017. The maximum increase of 8% is recommended. We say 'in some cases' because for the majority of our students their combined household income does not exceed R600,000 and the rough figure that we are working with right now is, I think is 95% but that's, you know, subject to verification. So...[intervenes]

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CHAIRPERSON: Would you like to give subsidy for 95% of your students?

MR BALIA: Yes, and what we've been saying to our students is that even, you know, the 5%, we have a record of going, if one may say, beyond the call of duty to help all our students. So we've basically

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been saying to our students over the past few weeks, you know, that they will be helped, even if they – or the university’s committed to helping them even if they have – you know, even if they do not qualify. So while we may not make a public announcement the way the University of, you know, Fort Hare did, saying 0%, effectively that is the kind of approach we will take because of our history of enrolling for the majority needy students from the Free State province. We’ve made it clear that, effectively, there is no increase for NSFAS students and also that there’s no increase for the missing middle who’s combined income is, as we know, between the 120 and 60,000 range. The government support of two and a half billion is welcome and we also reminded students that despite the financial pressures, universities have to pay their staff a fair living wage, which is what the Minister made specific mention in his statement, and also the fact that all of this discussion and this initiative on fees is not divorced from the broader transformation agenda, you know, that is being pursued at universities and which we needed to be closely attentive to. So just a brief analysis of our situation. We are a dynamic institution taking pride in the technological and entrepreneurial orientation. That is how we see ourselves, putting a lot of emphasis on experiential learning, a quality service community involvement and research, and in today’s working environment we believe this demands a different way of thinking, a new way of seeing things. It necessitates an educational awareness of present opportunities to equip students with an applied knowledge and

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qualification. Inter- and multi-disciplinary science is rooted in technological and entrepreneurial base are the new generation sciences to fit the immediate and urgent needs of our society. CUT, we believe, plays an important distinctive academic role in providing quality high education for historically marginalised individuals. 5

That's how we have come to see ourselves in this present day and age. The significant portion of our students come from poor and educational disadvantaged backgrounds, thus posing an associated set of teaching and learning challenges for the institution. So, I mean unlike many of the other ones the urban universities where we notice the height of the, you know, the unrest, CUT is somewhat different in terms of its student base and it's location. 10

CHAIRPERSON: So would you say the majority of your students come from township schools and from rural areas?

MR BALIA: Yes, we tend not to classify ourselves as a rural based university but I suppose, as a matter of fact, that might well be what we are in fact, yeah. My colleague here has done a lot of research on this, he works on the student curriculum and student recruitment. Maybe I'll ask him to have a word, Dr Szubarga. 15

DR SZUBARGA: Thank you. You see, it's not the issue whether it's a township or something. We see our self as student – as a university which serves working class, which means, you see, there's two specific – one campus in Bloemfontein where you have a student's- especially you have some very attractive qualifications which brings from all over. For example, our hospitality school, our 20 25

students get a job before they finish. So theirs is quite a lot of application from all over the places and you have other qualifications and in comparison, in Welkom, especially in Welkom area, which is very economically degraded with regard – because of the situation with mining. I just want to put one fact that, compared to 2,00, out of 11 mining shafts operating in Welkom, today is only two operating. So you can see how many peoples were – lost their jobs and so on and we have our own issues because those guys don't have money to go anywhere else. So I think we – if you look at on [indistinct 0:12:57.0] statistics you can see that, for example, about 54% of our students comes with admission below 27 point, which is our admission, which shows that they come with pull their educational background, it speaks for itself but you also must remember that the engineering qualification and so on require a little bit stronger mathematics skills. Thank you.

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MR BALIA: Yes, I mean while we are a campus of about 15,000 and we recruit students from the rural areas, our – you know, our challenge is compounded by the fact that until – well even at present and, historically, we haven't been able to offer students accommodation. I mean when I joined the university, about four years ago, I think we were only accommodating about 300 students and now that has gone up to about 1,000 but we, you know, we simply do not have the accommodation for the students who you would imagine, coming from rural areas, would need it more than those from the urban areas. So..[intervenenes]

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CHAIRPERSON: Is there a drive to produce more accommodation?

MR BALIA: Yes, of course. The Department of Higher Education and Training has made grants available and, you know, CUT occupies, you know, a high position in terms of obtaining support from the department and we have building projects in Bloemfontein that were completed last year and there are plans in Welkom now. So this need is being addressed but, you know, it would take time and it is a national – I mean there's a need across, you know, the campuses. Especially the ones located in rural areas but, you know, in response to the – this kind of a situation that we are in, we obviously have to tell ourselves, you know, to meet the students and to be able to accommodate their needs, and for that reason you'll see, from this slide, that our fees are one of the lowest among South African Universities, if you compare an engineering qualification, an ordinary one that you would be taking at any one of these universities, those are the kind of fees you would pay and you will see there that CUT, again, you know, is one of the lowest. Of course it varies, you know, for different qualifications but if one had to establish an overall average, CUT would be pretty low by comparison. Then if we look at our profile of students, I mean if you look at this graph you'll say: "Well, CUT is perhaps one of the most Africanised universities in the country because we have exceeded our target, you know, the target by the department, having 93 – having 90.93% of the student head count from the African sector of the population, whereas our target was only 83, and that has been,

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you know, the pattern for more than a decade now and, of course, against the background of CUT being a – started as, you know, all white institution many, many years ago. So, you know, the transformation agenda has been pursued vigorously and it is reflected, you know, even in the data. I think if you look at our – the next slide there with our FTE enrolment, we are a university of technology and that is reflected in the last column there, we have the actual enrolment there reflects about close to a 50%, you know, of students in the SET category which, I think, you know, I mean generally universities struggle to attain because of the interest the students, you know, in business management sciences, education and other humanities, but we have made a concerted effort, I think with pressure from the department to retain that technological emphasis or the SET emphasis and that shows, you know, in the data. So if we look at the proportion of, you know, first time entering students, and we use these scores – these are the matric points, the 27+ and the 32+, and you will see for the most part our strength, which academically might be considered a weakness, but we have a very high percentage of students coming to us with 27+, whereas those with 32+, you know, the percentage, by comparison, is pretty low and one must assume that those – with those higher percentages by the majority would go to many of the other universities. Do you want to say something about the matric scores? I'll ask my colleague to offer a few comments, I mean, at this point. He has been looking at the scores of the matriculants in

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and around Bloemfontein, in the districts where we attract students from. So perhaps you want to say something.

DR SZUBARGA: Thank you. I just want to add, you see, because it's always reporting of a matric results but if you combine – because, you know, admission with just a look at mathematics, physics. I can say, for example, that last year, out of 27 matriculants who wrote the matric in Free State, only 1,800 passed mathematics, physical science and English, which is prerequisite for engineering. So, you see, taking into account, this is why we have to – we are extending ECP program, etcetera, to make up for that shortfall.

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MR BALIA: Okay, thank you. So while we are a university of technology, you know, recruiting students primarily from the historically disadvantaged communities, our problems are compounded by the fact that, you know, in our catchment areas we don't have a very high proportion of students who are completing matric with good, you know, grades in maths and science and that makes, you know, recruitment even more challenging than it already is. So despite this challenges our graduation rates are only exceeded by CPUT and DUT, despite our relatively small size and the data there, as you have it up to 2014, gives you an indication since 20 – since 2002, actually, as to what the pattern has been. So, you know, CUT has been fairly consistent in having a high ratio of graduates. If you go to the next slide, regarding the percentage of employed – of those employed among graduates and this, you know, information that we gleamed from students when they graduate, and

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it does not include those who go on to post-graduate students and, I mean, if you did the percentages would be higher but you will see that we are fairly constant in having more than half of our graduates enter work immediately upon, you know, completing their studies. We not fully aware what the percentages are at other universities but...[intervenes]

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COMMISSIONER ALLIE: But what do you attribute your success to, with regards to the employment of your graduates?

MR BALIA: Well, I can give you two reasons, you know, just off the cuff. One is, as you heard earlier, especially from our hotel school, you know, we – the students are actually – secure their jobs while they completing or in the process of completing their studies and that, again, relates a lot to our work integrated, you know, learning programmes. We have an area of them and links and networks, you know, that span the whole country. So you'll find, on average, a lot of these who actually get work do not necessarily do so in the Free State province but throughout the country.

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COMMISSIONER ALLIE: So if you would perhaps, and I suppose you don't have the data with you, I'd understand in the hotel industry it is much easier to go through your practical's at a hotel or tourism industry places, but in respect of your engineers, what's the percentage of them finding employment either within the province or outside of the province?

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DR SZUBARGA: I can't answer at this moment but we can provide you with figures in [indistinct 0:22:25.8]. That's what – You see, we

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are a institution which produce students in areas which are shortage of skills; engineering, technical stuff, etcetera, and this is why – that’s what contributes to that employment level you see.

MR BALIA: Yes, you know, the other challenges that one is not – we struggle, year after year, to get this kind of information and, you know, I mean apart from the survey we do at every graduation ceremony, students, you know, when we try to contact them, they very happy to give us their cell phone numbers because whenever anything is urgent – but they seem always reluctant to give us their physical addresses or to give us any more information, especially if they are to tell us that they are securely employed and give us the name of the employer because, you know, a lot of these students owe us money and they just want to remain anonymous. So one can understand that, of course, but it’s very hard to procure the kind of information that we need to, you know, report, you know, in a forum of this nature. So, you know, a lot of what we say is kind of half baked, if one may add, but this is the pattern that we are seeing and when we compare this, you know, we think it’s fairly healthy. Thank you. So if you just move on to our profile in more detail, our pass rate is, you know, fairly high, 77%, which exceeds the targets, you know, set by the department and that has been, it has been at that rate for a number of years. Our 17 qualifications have been cleared for accreditation. Our PQM includes 67 HGQSF aligned and accredited qualifications and the ratios for the FTE student enrolment to instructional research staff is fairly healthy, increasing

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or – well, slightly decreasing 37...[intervenes]

COMMISSIONER ALLIE: Sorry doctor.

MR BALIA: Yes.

COMMISSIONER ALLIE: That second bullet, what does that mean? You've had qualifications, you've had qualifications that haven't been accredited by the CHEE prior to this year?

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MR BALIA: No.

COMMISSIONER ALLIE: Perhaps you should explain it.

MR BALIA: Yes, no, sorry, we've had to, as you know, restructure a number of the qualifications so – and we still in the process of doing this. So, you know, all qualifications, for example B. Tech, you know, that is being phased out and that was, in many ways, a primary qualification at a Technicon but these are all being replaced now by newer qualifications and we still have, you know, some that are awaiting approval but my colleague will also have a word about that.

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DR SZUBARGA: Yes, thank you. You see, national [indistinct 0:25:28.6] of a qualification introduced a change to primary qualifications which were offered by universities of technology, National Diploma and B. Tech are being phased out. So National Diploma is either converted into a diploma with modification or extended to degree, Bachelor Degree, etcetera. So that process started a few years ago and it takes time to have it prepared, restructured, submitted, accredited, etcetera. This is why those numbers are – an of course we had – start with A level, B level

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etcetera. So it is a process and we are quite in a stage of phasing out our old qualifications because you cannot just close it. Students must complete base study, and so on, given options. So it is an ongoing process but we are quite responsive.

COMMISSIONER ALLIE: Well, let's just take it a bit further perhaps. If it's not accredited what does the industry – what's the feedback from industry with regards to that because if you from the industry you'd want to know whether it is accredited and therefore employment levels and so forth. So what's the feedback do you get from industry or they understand the process that you are going through and that it is work in progress and are willing to accept it as that?

DR SZUBARGA: Sorry, let me answer one thing. We offer professional qualifications. We cannot offer professional qualification if students cannot be registered. So we process those which are 17 qualifications, [indistinct 0:27:17.7] which are replacement qualifications, but all the qualifications are still there etcetera, and then when they get accredited they will be introduced to replace [indistinct 0:27:29.3] 17 are those which are replacing existing ones which are accredited.

COMMISSIONER ALLIE: Okay, thank you.

MR BALIA: Yes, no, we paying very close attention and we work with industry. There have been one or two hiccups to be honest though. I mean right now we have a challenge with the health professional – Health Professions Council of South Africa and our –

the kind of work we doing in emergency medical care, you know, because some of the work was being done I think and the standards were being questioned. So, you know, we very careful to pay attention that when students graduate they can find jobs, yes. So, thank you. So then if you look at the enrolment, it is fairly, I mean 5
fairly healthy in terms of the ratio and the same with the head counts. The ratios are positive in our view. We note that in 2014 CUT exceeded, by 196, the DA target for our engineering graduates. So we fairly healthy in terms of, you know, producing graduates to meet the needs of the South African economy. Then if you look at 10
our academic profile you'll notice that we have transformed by virtue of the fact that we have a large number of, you know, African, coloured – well, the coloured and Indian may not be large in number but if you add them up we exceed the white number of academics, in fact, by a slight majority. So we – You know, this is not the case for 15
a number of institutions but one that we have worked on to transform and we seem to be getting there in terms of the, you know, the numbers, the black staff by the majority, at this time, outnumber the white, which was the – according to the plan of the university. Then if you go further and look at the, you know, the division between the 20
academic and support, it's six to four at the moment and it has been – we've, you know, deliberately tried to keep it at that level for all the years. So if we come now and look at – talk about fees and the funding and look at the [indistinct 0:30:16.5] block grant, this table in front of you here provides the rand value per unit for calculating the 25

annual block grant and it's components. So one can notice that the unit value of the teaching output grant shows a small increase while the others decline during the past five years. So if you examine that closely, by implication what you are seeing is that students who are attending the same class are subsidised less each year. So there's an enormous weight being placed upon the university, without the increased subsidy, you know, to enrol students and yet to keep the fees low. Unlike some other universities which have a strong alumni base or strong networks bringing, you know, extra funding, third stream income as we call it, CUT has a very weak alumni base and very limited support, you know, by way of third stream income so this, you know, compounds the challenge even further, and as a result you'll see there, in 2014 fees contributed well 40.5% and it was something similar in 2015 and now in 2016 we were expecting even higher, you know, greater share of the student fees to contribute to our total budget and, you know, obviously it has been a challenge and will remain so. The next slide is pretty instructive, I think, for the purposes of this commission because if you see the income in the first column, 2011, we were looking at a total of 173 million from fees and the outstanding debt, at the end of that year, was 19 million, and then if you move straight from there to 2015, so it's a period of, you know, five years, you'll see the fees, you know, the expected income was 271 million and then the student debt rockets to, you know, from 19 to 100 million. So that proves conclusively, I think, to anyone that this, you know, this problem of

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students not being able to pay fees and accumulating debt is a very real, pronounced and a very, you know, tragic reality that's confronting our students, not just at CUT but across the country.

COMMISSIONER ALLIE: But that's what we've been presented this but you, as an institution, what measures do you have in place to collect such debt? 5

MR BALIA: Yes, okay, I'll ask my colleague on my left, who's in the finance office and who's responsible – who works – well, I mean, you not the debt collector, but please.

MS BOGATSU: Thank you. For previously, when our debt was so low, we had a debit order system that we used to collect from students and then because of a lot of students couldn't afford – we were having a lot of unpaid debit orders, then the university decided to stop with the debit because it was not working nicely and then last year there was the real pay where the university decided that they can use – it's another form of debit order where it's a [indistinct 0:34:26.9] kind of debit order where the money goes in, into the – if you get your salary today then the [indistinct 0:34:31.9] can already draw money from the bank. So the universities still busy with the real pay because that one, it will be a better debit order system other than the old ones, and then again, a lot of our students are within the 120 below, so it's NSFAS students and our policy of the university for approving NSFAS students is that when the student has passed 60% of their subjects, and then they qualify and when they are within that 120,000. So a lot of our students qualified for 10 15 20 25

NSFAS funding and then the university utilised it's funds to pay for the allowances for those students because we cannot say – because all of them qualified and now we are going to separate the others. So that is why our debt went up because now the budget that we got, the location that we got from NSFAS was lesser than what was needed by the university.

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COMMISSIONER ALLIE: So your debt collection system is also a work in progress?

MS BOGATSU: Yes.

COMMISSIONER ALLIE: In terms of previously one, you had an accurate debtors system and what would be the reason for now not having the same? Is it that students don't give correct information or data relating to them, that you are not able to get these, well, debit orders correct as you had them before?

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MS BOGATSU: I would say – Sorry, I would say because of our finance went through a lot of management changes and then the decisions that were made then were not – some of them were not beneficial to the university but currently, going forward, there's a new structure going forward and then now management is trying to now see how best it can correct the errors of the past and then now and see what best – how best can we help the university. So as well, the past debit order system, the debit order will go through and then the parent will go tomorrow and reverse the debit order. So the debit order system yes, it works, but now when parents reverse – there seem to be some not faithfulness sometimes because a lot – more

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than 20% or so were reversed by the person who signed the debit order and we having a debt – we send the student to the debt collection but when we send for debt collection and then also the student are not able to register because now they've been submitted for debt collection which now raises a lot of riots for SRC and what we had to reverse quite a lot of debt that we submitted to debt collection because most of those students were actually NSFAS students that we couldn't fund because of a little funding that we got from government, and then also the debt collectors are putting commission and they were – when they are dealing with students - they are very harsh dealing with students so also the universities checking how, going forward, to deal with the companies of the attorney's doing out debt collection on our behalf because we feel that, as the university, yes, debt is there but now when the student – because most of them are drop-outs because of non-payment, how do we assist those students going further and now the university is looking into that. So currently it's just a work in progress. There's no – It's a work in progress but from 2017 then everything will start to be implemented.

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COMMISSIONER ALLIE: Thank you.

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MR BALIA: Okay, thank you. Well, you know, we had a meeting last week with the student leaders on our campus and just in response to that question I just want to repeat, you know, what the – I mean the student leaders listened to us and after a long time – because we were basically trying to sell, you know, the ministerial

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statement to them and say: “Well, this is very positive. This is what a lot of you have been asking for and, you know, this is a signal that we can move forward,” and the SRC president, you know, he has been actually receiving NSFAS support for over three years and his first response, you know, to this talk that we were basically giving about the missing middle was that well, you know, how do we know that this is not going to be corrupted again because, you know, he had experience – he had first-hand experience of, you know, maladministration with the NSFAS system and in some sense was a victim of it and he was saying: “Well, you know, we don’t trust the government about this because now they going to bring in this new category of missing middle and they just going to mess it up the way they messed, you know, the NSFAS.” Now we couldn’t actually speak on behalf of government and say: “No, we going to take, you know, measures to improve the system and make sure that we don’t make the mistakes, you know, that – but that was one of the critical concerns raised and, in fact, you know, I think that might well be a sentiment, you know, shared by a number of students who are creating unrest in the country at the moment. They don’t have, you know, faith or confidence that the new measures that are being introduced, you know, to address the issue of fees is going to be implemented with integrity. I think that is a lingering question which I think the commission will deal with. So if I can just move on to complete our presentation. If you – I mean on the subject of NSFAS you can look at the data there and where we fit in, the support, of

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course, has been welcome and does respond to student needs, you know, to a great extent, but from the, you know, example that I mentioned it – there are concerns, lingering concerns and the whole NSFAS system has served to help us, you know, to address student needs and, you know, to help them in terms of their authentic needs but...[intervenes]

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COMMISSIONER ALLIE: Just to help us in terms of your NSFAS students, do you receive 100% per student or is it 80% and you cover the 20%, what is the situation in your institution?

MS BOGATSU: The situation in our institution is that we don't do top slicing. We fund – We fully fund the student, meaning if the student qualified for NSFAS and they don't have an EFC, EFC's an Expected Family Contribution, and then we will fund for tuition, then if the student is coming from area 60 kilometres radius we will pay for accommodation for that student and then we'll give meals and books for the – So we pay the full cost of study for the student. That is why when we get our grant it cannot fit everybody because we don't take the number of students and then divide by the allocation that we have received. We don't do top slicing.

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COMMISSIONER ALLIE: So, and therefore the debt that you have. Is that not the cause of the debt that you have that is so high? That you allocate funds to each of the students irrespective and then it gets your money back but your money obviously is not the amount that you had put in in the first place.

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MS BOGATSU: Yes, that is one of the cause of our debt but we are

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– for doing that we are avoiding drop outs because we cannot fund – because we say NSFAS students are needy students. So that student needs accommodation and they need meals so that they can perform. So it is part of this problem. So the university, besides that, is also having some internal bursaries that is given to students, especially the ones that are coming from scarce skills, engineering’s and the health and then also we are going to the SETA’s to look for funds for NSFAS students. Basically those that we couldn’t fund from NSFAS, then we try to see which SETA’s can assist us with funding, but we cannot top slice just for fearing that we now creating drop outs.

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MR BALIA: Yes, we actually have evolved into this because that’s not how we started when NSFAS was introduced. You know, we had a fairly hard line approach but at the end of the year we were returning a lot of those funds back, you know, to NSFAS, they were unused. So we have – and then the need, you know, among the students became greater as well. So we, you know, we’ve – as I said, I mean, have evolved to this approach but it, you know, on the one hand you don’t look, I mean, with NSFAS or with anybody if you were sending that money back and yet, on the other hand, you struggle, you know, to collect these funds again. So you kind of lose both ways.

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COMMISSIONER KHUMALO: Sorry doctor...[intervenes]

CHAIRPERSON: Insofar as you obtain money from the SETA’s, what is – is this done as a private arrangement or as part as a bigger

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national plan?

MS BOGATSU: It's part of a private arrangement because normally we would look for the – when the SETA's are having open – they are advertising because sometimes they will want the university themselves to apply and not the students. So we take those opportunities and then sometimes NSFAS also has some SETA's that are funding within NSFAS so that one will be driven by the national, but those that we go to, it's privately-.

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CHAIRPERSON: And is the money that you get from the SETA's, is it directed to specific occupations or specific qualifications? How do they allocate money?

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MS BOGATSU: It's specific SETA's for specific – like MerSETA will be for engineering students and then BankSETA will be accounting, IT. So it will be for specific skills.

CHAIRPERSON: And are these outright grants or loans to you or to the university or what?

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MS BOGATSU: The bursaries that we giving from the university?

CHAIRPERSON: No, the money that you get from the SETA's, does it come by way of an outright grant to you or...[intervenes]

MS BOGATSU: No, it's not a grant sir, it will be bursaries, in the form of bursaries to students. So they'll say: "We are funding 100 students," so in that way.

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CHAIRPERSON: I see, and do you have difficulty getting money out of the SEEA's or is it – does it – is it quite a simple task?

MS BOGATSU: The SETA's that we – the university has, the

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MOU's with, the money's coming easy, but there's these SETA's that will approach the university and say: "Register this 72 students, we'll be funding these students." Where the students went individually to go and apply for, those are the difficult ones that are not coming to table, especially we have this one of the mines, the MQA, we are struggling a lot with the MQA and luckily this year we have mixed SETA. Last year we struggled a bit but this year now, because we've signed an MOU with them, so now they are honouring their obligations.

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CHAIRPERSON: Can you give me some idea of how much money you obtained or students obtained from SETA's in the course of an academic year?

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MS BOGATSU: For this year, from BankSETA, we managed to get 3,5 million for 50 students, which is 65,000 per student and then also Mixed SETA, they are funding 72 students this year, almost – the figure around 5 million or so, I'm just giving approximate estimations, and then in SETA, we had in SETA as well, it gives us something like 1,7 million which is assisted supply about 50 students. So it depends because some are say: "Okay, we give 60 to the student or we give 65," it depends but we – and then we just signed with MerSETA so I don't have the figure yet with MerSETA. We just signed the MOU with MerSETA so SETA's are coming now, also helping at the universities.

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CHAIRPERSON: I don't really know how these SETA's work, there is, for example, in Johannesburg, quite close to where I live, a large

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MerSETA building but is there a separate office in Bloemfontein?

MS BOGATSU: Yes, in Bloemfontein we do have an office of MerSETA.

CHAIRPERSON: And do they operate separately from the SETA in Johannesburg or are they all part of the same organisation? 5

MS BOGATSU: I would say they are part of the same organisation because when the MOU was signed we were having the teleconferencing with the head office because the head office had to make a decision. So they are working together. They are not working silos because also, with BankSETA, it's the original office at Bloemfontein but national is the ones who's releasing the funds. 10

CHAIRPERSON: I understand. Thank you.

DR SZUBARGA: And also in terms of bursaries who have a close relation provincial government and premiers office, we have how many in total? 15

MS BOGATSU: The provincial government is helping a lot the Free State education because we have more than 800 students that they are funding.

CHAIRPERSON: And are these all outright funding or are they loan students? 20

DR SZUBARGA: Those, depends, but I'm saying those from provincial government are bursaries.

CHAIRPERSON: Bursaries.

DR SZUBARGA: Bursaries.

CHAIRPERSON: Not repayable? 25

DR SZUBARGA: No, but they have the obligation to work, depends, to work for three years, etcetera. It's the same like medical students they have to...

CHAIRPERSON: Yes, I see. So they have to do sort of in-service payment back of their loans – of their bursary. Yes, I understand. 5

MS BOGATSU: I would say also, also the SETA's, it is outright bursaries and on their contracts they will indicate that the student will have to work three years or whatever – there's contractual obligations that they are signing between the student but which we see as beneficial, especially when they give students employment at the end of study. 10

CHAIRPERSON: Yes, thank you.

MR BALIA: Thank you. So...[intervenes]

COMMISSIONER KHUMALO: Sorry, I'm not sure if it's been covered. The criteria for who gets the SETA money, who determines it, is it the SETA or is the university? 15

MS BOGATSU: It goes – It depends. Like the BankSETA asked the university: "Okay, fine, we are giving you for 50 students but identify 50 best students from this field that you looking for," and then those students must not be – they must be within the framework or the requirements of NSFAS. Most of the SETA's are funding students within the parameters of what NSFAS requires. So they are set basically by the donor, because we go according to what the donor expects from the university but not contradicting the university policies. 20 25

COMMISSIONER KHUMALO: Thank you.

MR BALIA: Thank you. So this slide that we have up there, you know, shows that close to half of our students receive loans or bursaries, this is in, you know, if one excludes the NSFAS students, and in rand term values this, on average, is about 198 million and, however, I think what we need to pay close attention to is that for CUT, with a much lower living standard measure level amongst its student body, the potential for self-funding students is even worse and this results in huge student debtors and budget deficits. Now if you look at the last column, 2016, so for our current student population the invoices fees there is 3,69 million and then we give you an indication of those who have received, you know, bursaries and loans, and then on the right hand side you see that that outstanding student debt is close, very close to half a billion rand, which, by any – you know, by any measure, is a very large amount. Of course, that amount varies depending on how much we are able to collect, you know.

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CHAIRPERSON: So it may mean that a lot of the is cumulative I take it?

MR BALIA: Yes, yes, that's the point, yeah, yeah.

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CHAIRPERSON: But nevertheless...[intervenes]

DR SZUBARGA: And please also...[intervenes]

CHAIRPERSON: It's growing exponentially.

MR BALIA: Yes, that is what we are trying to, you know, show there.

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DR SZUBARGA: But please bear in mind that 2016, our students – 2016 students are still paying by instalments. So by the end of the year it will be reduced. We had provide a figure because this figures is at this moment. So but usually it was [indistinct 0:53:10.0] students pay.

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CHAIRPERSON: Do they?

COMMISSIONER ALLIE: Yeah, let me understand this. This amount of 495, which is cumulative, does it represent monies owed by NSFAS as well as monies owned by the student or the family component as it were?

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DR SZUBARGA: That amount is representing what students owe the university in outstanding fees. It's not owed by NSFAS because with NSFAS whatever is allocated we invoice them and it's paid so...

MS BOGATSU: Can I – Maybe my colleague here – I want to – This figure includes NSFAS. We are currently invoicing, collecting from it. It does include NSFAS because this year was have 163 million, up to this far we've claimed 123 million from NSFAS and then we are having as well 77 million from historic debt that NSFAS has given to the university for those students who are having debt from 2013 to 2016. Some of those students have dropped out and all that. So the university, we are sending out SMS notifications to students, we put it on our website that they can come and sign, because they have to first sign the loan agreement so that we can submit to NSFAS to recover this money. So most of it might be recovered because of that historic debt but just the thing of students

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coming, it's a little bit difficult.

CHAIRPERSON: Does NSFAS owe the university anything?

MS BOGATSU: I can say yes it owes the university something because they give us an allocation of 163 million.

CHAIRPERSON: Yes. 5

MS BOGATSU: Up to this date we already claimed 123. So the 43 that we haven't claimed – because we submitted – it's still in the process of them paying the university.

COMMISSIONER ALLIE: Let me perhaps get some clarity. You know about circular six? 10

MS BOGATSU: Yes.

COMMISSIONER ALLIE: Now NSFAS says they've paid – there's two categories in – three categories in circular six. The two categories they indicate they've paid, which is probably the 123 million that you talking about. The other one relates to – they indicated that no child must be excluded for not having money to pay for access to the university, and that's what I understand as the third category. They are verifying the information you have given in terms of before they pay it out. Is that the situation as you understand it also? 15 20

MS BOGATSU: The 163, it's our normal university allocation and then that circular six it's the historic debt, the 77 million I'm talking about and then on – those students that were on the historic debt list, if they are still studying this year, they have created a fund, they call it a DHET Kgodiso Fund. So that one we have as well. We 25

have a 33 million for those students, we cannot now claim from them from the normal, which is now at least reducing the debt for the university because now we are taking them out of our normal allocation. Then the last third one is this one of when they said you must assist the new entrance, because we haven't had the allocation yet from NSFAS because NSFAS is still awaiting from D-head to give allocation because that two comma something billion, according to NSFAS, they said it was consumed by the historic debt and the Kgodiso. So as the university now, we have already given – because we had to register the students and then we had to give allocations, transports means and all that, but we haven't received any monies from NSFAS and that's one of the major problems because now the SRC's are sending these new entrants to the financial aid offices to come and sign loan agreements but we don't have allocation yet and we don't even have the loan agreements to give the students to sign. So that is the – that one is still the pain for the university but the executives and D-head and NSFAS are handling that issue, but we haven't received any allocation for those.

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CHAIRPERSON: How much is involved:

MS BOGATSU: For the – It's R64 million

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CHAIRPERSON: 64 million.

MS BOGATSU: Yes.

CHAIRPERSON: Oi, oi, oi.

COMMISSIONER ALLIE: Thank you.

CHAIRPERSON: Yes, Dr Balia.

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MR BALIA: Thank you. So we thought we'll offer you – we'll wave the magic wand in conclusion by giving you a possible, you know, solution so that you don't have to carry on with this work but, you know, [indistinct 0:58:03.0] you probably know all of this stuff. I mean, for one, the student – the fee students, you know, pay cannot be taken out of the equation and, you know, on my way here this morning I thought: "Well, there's got to some way out of this and, you know, if we going to carry on talking about tuition fees, just that whole concept itself has to unpacked." You know we say students should pay, you know, something and that – because – and we know the country cannot afford to get out of that, you know, out of situation, but whether it needs to be tuition fees is another question, in my view. I mean one can, you know, increase the registration fees or break down the costs and, you know, move the expenses. Students need to pay but whether it – you know, I have been a student for many years, well many years ago too, but a lot of the time I got support, you know, for tuition. In fact, most of the time, the bursaries and scholarships I personally got was, you know, for tuition and I was able to come up, you know, with funding for all the other related expenses and I think perhaps, you know, going forward, if we can, you know, I mean, reinvest the concept of student so that student means a person who's enrolled at a university but doesn't pay tuition. Students still paying, you know, for a lot of other things but if that, you know, tuition cost can be subsidised and kind of reworked in – I don't know, you know, we didn't really go into

benchmarking, you know, how this can be done, etcetera, but certainly that is a concept, we think, that is worth exploring.

CHAIRPERSON: Why should not – Why should all advances made to students not be loans repayable at a time when the student is capable of repaying the loan? 5

MR BALIA: Yes, no that is taken for granted I think. I mean we not questioning that. Yeah, it wouldn't be a contradiction of that position. I mean, you know, as an institution and, I mean, we say it here, you know, in our slide, we think that if you are receiving education and if it's affordable on your part then you should pay. 10

COMMISSIONER ALLIE: But the present situation is, your NSFAS funding is a loan scheme and not a bursary scheme or a total bursary scheme because even in the situation where you are meritorious and there's an exemption, it's not a total exemption. Of the 20% that you owe, you still have to pay back 60% of the 20%. 15
So it is a loan scheme. Now what is your position in respect now, you seem to be asking for a distinction between – or a breakdown of fees that tuition fees, you believe, should be considered or let me not put words in your mouth. Are you saying that tuition fees should be the one that is subsidised and the other forms of fees, transport, 20
books and so forth, are the fees that need to be sought from other sources or what is your position?

MR BALIA: Yes, well, I mean, to be honest about this, we don't really have a position because we haven't discussed this in any matter of depth, but I will ask my colleague – I mean basically at 25

CUT, because of the constituency, you know, that we service. We go out of our way, we bend over backwards to meet the needs of the students and perhaps my colleague will explain, perhaps, the measures we take because we have a great reluctance to turn students away, you know, who want to study and who are committed. We are committed to upholding the merit principle so that students who are underperforming should not benefit from the system. I mean that's clear and I think we say it here. Do you want to comment about the measures we taking to meet the students need?

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MS BOGATSU: I can just indicate that this year along, on the students that registered, because there was supposed to be registration fee, we ended up not charging them to pay the registration fee because those that came with 30 points, 30 M scores, and then that's – those are the students that when we were looking for funding from SETA's, that we focused on saying that we must award performance. So – and also students who are coming from a needy background and they fell below 27 points, because those we couldn't fund from NSFAS according to our policy. Those students we are having a wellness office that was assisting with social levitation, there's also the project for a mil a day projects that the university's having so there's some few, you know, social assistance that the university is trying to assist the students as well.

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CHAIRPERSON: Yes, as far as student debt is concerned, that debt is debt owed to NSFAS or isn't it?

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MS BOGATSU: The debt that – That 493 million? It's not only NSFAS, it's our total body of students. So the students will be owing because when – they will be owing NSFAS but within NSFAS there's bursaries there so those that qualified for bursaries with them won't be – the allocation is not only loans. It's loans and bursaries inside that 163 million.

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CHAIRPERSON: I understand that but you've reflected a huge student debt...

MS BOGATSU: Yes.

CHAIRPERSON: As part of your financials. Now isn't that money owed to NSFAS and not to you or does it work the other way around?

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MS BOGATSU: Can you come again?

CHAIRPERSON: Why are they your debtors and not NSFAS debtors?

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MR BALIA: Do they owe CUT or is it NSFAS?

MS BOGATSU: They owe the university because what happened, we – the university approved students according to the – that they met NSFAS criteria, but we had small allocation from them. We couldn't fund everybody. So eventually, after we have utilised all of the allocation from NSFAS, we are still having this debt in our books because those students qualified to be funded by NSFAS but they couldn't because of the insufficient allocation we had.

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CHAIRPERSON: Right, so these are not NSFAS debtors, they your debtors?

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MS BOGATSU: It's our debtors. It's not NSFAS debtors.

CHAIRPERSON: Yes, I understand. Now as far as your debtors are concerned, do you take steps to recover the money and if so, what steps?

MS BOGATSU: Earlier on I talked about real pay that we are – the 5
university is busy implementing. We have debt collectors that we
using – I think it's three companies of debt collectors that we are
using but as I indicated earlier on that their debt collection strategy,
it seems to be very harsh to our students and for – since last year
we didn't handover any students to debt collection because now of 10
all these Fees Must Fall and all. We saw that now the nation was
not stable so we didn't want to aggravate that. So we didn't
handover but those ones that we handed over already before, our
debt collectors are still collecting, but it's coming very slim. Students
are not paying because they are saying: "We are not having 15
employment and we still want to come and further our studies to
maybe get a B.Tech or something to-."

CHAIRPERSON: So you [indistinct 1:06:18.2].

MS BOGATSU: Yes, and that's the – but we had to register some of 20
those students that – especially the engineering ones because now
they indicated that when they get a B.Tech or something they get
employment easily and then they'll be able to – So it was
arrangement with the university as well.

CHAIRPERSON: Yes, alright. I understand that. Do you know 25
what percentage of your NSFAS debt is actually recovered or are

you unable to say?

MS BOGATSU: Because the NSFAS debt doesn't stay with the university. When we claim for the student it's not with the NSFAS there in Cape Town. We don't have those figures, but what I can tell is a lot of students, this year, I think NSFAS is doing a good job this year because a lot of them have been phoning and say: "NSFAS says I'm owing them how much and they handing me-," and those that were phoning are those that are working. Now they want to know: "Do I owe you?" but then we refer them to NSFAS head office because in our books that NSFAS debt it cleared by NSFAS. They paid the university. So now they have to serve their debt with NSFAS but we are referring them – but this year we had a huge number of students. We see that's something's happening at NSFAS.

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CHAIRPERSON: Yes, is there no discussion between the university and NSFAS about the non-recoverability of debts?

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MS BOGATSU: Not specifically with our university only. Only when we to the FAFSA conference, NSFAS had a session with all the universities and indicated on the measures that they going to take on how they were going to start collecting and all that.

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CHAIRPERSON: I see. Thank you very much.

MR BALIA: Thank you. Just to complete then, we, you know, we say that the – I think what's important is the commitment of students, their families and communities to their own development and so, you know, paying something for your education is what we take for

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granted. The supporting system enabling the targeted population segment being unpowered national skills, development strategy should be implemented as intended. We think that is important and also we think possible legislation providing tax benefits to private enterprise and individuals, providing bursaries must be examined and I think some of this is being done. My colleague here on my right believes that and, you know, it's something we've been debating with the additional benefits, like BEE credit system, should also be considered since it has worked in other sectors of the economy and...[intervenes]

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CHAIRPERSON: Do you mean that a company will receive a certain number of credits dependent on the amount of money that it advances?

MR BALIA: Towards – Yeah, do you want to explain that?

DR SZUBARGA: You see, in other parts, you see, especially when company take go for government tenders, etcetera, they have to provide the status and they get ratings and if they do, for example, community projects, etcetera, they get a credit for that.

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CHAIRPERSON: Yes.

DR SZUBARGA: So in the same way we propose that, if possible, some kind of [indistinct 1:09:38.0] that if they do provide the bursaries according to those criteria's, to target population segment in par with national skills development strategy, they can also get some BEE credits because I know from community projects and supporting, it works in some areas so it might work here as well.

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CHAIRPERSON: It might work for those who haven't already got credits but it won't offer anything to those we have.

DR SZUBARGA: But, you see, I think no solution is perfect to everyone but at least if it increases – if you put this initiative to some private enterprises to provide bursaries, it will be welcome initiative. 5

CHAIRPERSON: Alright, thank you.

MR BALIA: Yes, even for those, I think, who do receive credit, if those credits can be increased, you know, in proportion to support for higher education, so a stronger – strengthening of that link or argument one might say. 10

CHAIRPERSON: Yes, you mean it will increase their tendering power?

MR BALIA: Well, we wouldn't – their bargaining power. Well, anybody who want – who's doing more to support the higher education system I think, or steps forward to do that, I think, should be recognised. 15

CHAIRPERSON: Yes, we understand that.

MR BALIA: Yes, and then lastly just to say that well, from our experience, you know, NSFAS has, in fact, looking – comparing to the time when there was no NSFAS, it has introduced a dynamic which should be further strengthened because through it we see the tangible evidence and have seen it, are seeing it and will continue to see it as long as it carries on, you know, that it provides a system – a systematic way of helping needy students who on the other hand should not be exonerated from, you know, paying back in some way. 20 25

CHAIRPERSON: Thank you Dr Balia and thank you to your team.

MR BALIA: Thank you.

MR ZULU: Can I ask a question?

CHAIRPERSON: Yes, indeed.

MR ZULU: Dr Balia, is there – is it possible that a student could be funded by more than one donor, NSFAS, NSF and perhaps a government department and do you allow it?

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MR BALIA: I think we have those cases at the moment, don't we?

MS BOGATSU: We do not allow it but there's cases where a student – because students, they want to increase their chances of funding, the student will apply for NSFAS because that is a easy to – oh, they will apply for NSFAS and then specifically the Funza students, because Funza Lushaka approves them later than when we – because we approve them December. Come January, when they register, they know that they've got NSFAS and then when they approved by Funza, around March, that's where now they'll be cancelling the – because now they were not approved yet, they'll be cancelling the NSFAS but most of them they don't, especially also the students that got a bursary like let me say MQA students, most of them also applied also for NSFAS and then they don't disclose that we are having this bursary or what, because they say: "Whatever pays for me first, I will stick with that." So the policy of the university, we don't allow two bursaries, especially fully funding bursaries. It is in our policy, we don't allow that. So if it happens that way – because NSFAS, when we have submitted claim, what

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you do is we return the money back to NSFAS and we cannot utilise that money for another students. It's like money lost when – So we are – When we are doing our claims we do it later, around April, because most of the students of bursaries are getting bursary letters and [indistinct 1:13:26.3]. That is why sometimes they will say: “Our NSFAS claims are late,” but it's only that we are trying to eliminate those...

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MR BALIA: Double claims.

MS BOGATSU: Yes, double dipping can I say. So we don't allow double dipping.

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COMMISSIONER KHUMALO: Just a point of clarity. As a percentage, how many students are covered by NSFAS the percentage of – at enrolment?

CHAIRPERSON: Sorry, I didn't hear that question.

COMMISSIONER KHUMALO: From your 14,926 students, how many of them are covered by NSFAS?

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MS BOGATSU: I can say, roughly, more than 55% because – yes, because it's around 6,000 something.

COMMISSIONER KHUMALO: And then the 45% is loans and bursaries?

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MS BOGATSU: 45% of our student population?

COMMISSIONER KHUMALO: Yes, I'm looking at your slide that says: “NSFAS contribution to CUT budget,” because it was stated that it excludes NSFAS.

MS BOGATSU: Which slide is that one?

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COMMISSIONER KHUMALO: This is this slide that's up now.

MS BOGATSU: Are you talking about the 495?

MR BALIA: No.

COMMISSIONER ALLIE: The explanation of the table.

MS BOGATSU: Oh, oh.

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MR BALIA: You see, from the 40, 6 get...

MS BOGATSU: Can you ask it again?

COMMISSIONER KHUMALO: Okay, the 45% is in respect of loans and bursaries, yeah, and I understood that that excludes NSFAS.

That 45% does refer to NSFAS also, in addition to other private bursaries.

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MS BOGATSU: I would say this 45% is inclusive of NSFAS.

COMMISSIONER KHUMALO: It includes it.

MS BOGATSU: Yes, it's inclusive because now I'm having figures in my mind that is 6,000 students and we're having a population of 14, that's why I was going to 50 something, so now our statistician is having the correct – that 45% but it is inclusive of NSFAS.

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COMMISSIONER KHUMALO: So when you refer to loans and bursaries it includes NSFAS loans?

MS BOGATSU: Yes ma'am.

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COMMISSIONER KHUMALO: Thank you.

COMMISSIONER ALLIE: Thank you Chair. Shall we take the adjournment for lunch. Thank you.

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CHAIRPERSON: Yes, is it Doctor Nevatulu?

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DR NEVUTALO: Nevutalo.

CHAIRPERSON: Nevutalo, I beg your pardon. Thank you. Thank you for coming Dr Nevutalo and would you be kind enough to start at your leisure.

DR NEVUTALO: Yes, your honour. I'm going to take not more than 30 minutes and in order to facilitate the [indistinct 0:00:24.7]. I would rather prefer that you allow me to conclude and if there are any questions that you'd prefer to raise, we can do that after the presentation.

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CHAIRPERSON: Thank you.

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DR NEVUTALO: Thank you very much. Let me just get my computer to operate. I want to thank the commission for allow us as well, and to make a presentation and hopefully we can add some dimensions which may not have been added by other institutions. The essence of my presentation is that fee free is possible for education, and I need to choose my words very, very well. Fee free for education is possible provided – let me just get my presentation here. Computer is slow. Murphy's law, when you went it to work it doesn't. It was open now, now and then it – oh, there it comes.

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MALE SPEAKER 5: Is there anything I can assist with sir?

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DR NEVUTALO: No, it's just too slow for some reason. If this country has to provide fee free for education I own position is that it has to be progressive, meaning that we have unfinished business with the primary, secondary and then the post-school and in the post-school, I think, there's quite a lot of studies that have indicated,

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in this country, that we have an inverted pyramid. We need to, in a major way, expand the further education and training colleges, community colleges or what is called TVET's and that is going to provide even more broader empowerment for the marginalised and the poor and if I was given the ma – the responsibility, I think I would, then, when that has been done, look at the universities as the last resort and then the universities starts with undergraduate and then progressively go to post-graduate. So my theory is that – our understanding is that it has to be progressive. It can jump because of the pressure. Secondly, we believe that the higher education, as it is now, it's not fully funded. There's a need for us to increase substantially funding to the higher education to meet a variety of requirements. First of all the subsidy has been declining. I think there's quite a number of studies that has already indicated that. Secondly, we have unfinished funding requirements. I come from a university that merged in 2006. We have a backlog of R540 million in order to consolidate the merger. It's not been done yet. We – In the same time we have realised that we have a deferred maintenance which is going to affect the quality of the infrastructure and there's a need for us to attend to that and finally, the universities of technology have just undergone through a major curriculum review which has been mandated by the HQSF and in our understanding is that that to happen we need to have an injection of capacity because at times we are going to have to run programmes in parallel. This funding has not been forthcoming and policy after

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policy have referred to redress, redress funding. The department has started doing something about it, I think, from time to time they throw a little bit of money there for the historically disadvantaged institution but it is still not enough to address decades and decades of underfunding. So that alone is also another matter that needs to be addressed.

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COMMISSIONER KHUMALO: Just to interrupt you prof, following from your opening remarks that fee free education is possible, does it flow from the presentation in terms of that utterance or the discussion will – because I see in your summary the first line on a slide to be seen later. It's generally you cannot support as fee free scenario is a sustainable alternative. I'm just saying what would be the position under the circumstances?

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DR NEVUTALO: If we can find the money, I think we can sustain it. That's the point that I think we are making. At this present moment, considering what we know, we don't believe that it should start at university level. Let me finish Commissioner Khumalo and we also believe that the government should, in terms of the current funding formula, should substantially increase state funding to at least 1% of the GDP and at the same time provide loan scheme for the poor as well as the possibility for loan scheme for the middle – missing middle. I start this presentation with the principles that I think underpins our understanding and in particular the key that knowledge economy is fundamental for driving economy. It's both a public good and a private good and therefore we think the different

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stakeholders, whether they be private and whether they be public, should contribute to the sustainability of this education. We referred to the issues of redress and equity which continue to present tensions within the system. At the same time we want to make sure that we become very globally competitive. We have some of our institutions which are in the top 200 index, but at the same time we still find quite a lot of issues related to equity and redress. Final – Our assumption is that if we have to sustain a fee free context we have to find alternative funding mechanism and from our example, our understanding is that perhaps we need to consider graduate tax or to some extent even loan agreements. We think we have a major challenge of a culture in the system, and perhaps it's not only in the higher education, the culture of entitlement and getting what you want through violence and destruction. This country is now 20 years after democracy. We have yet to have a cohesive attempt to have a nation building. I think we'll remember Mandela's legacy was to try and coalesce all the stakeholders to nation building. That seems to have been lost in our attempt to move very, very quickly, and I think – we think that if we can have a nation building exercise where everybody wants to contribute, not to take from the State, want to contribute, it can take us a long way. There are other examples of countries that have attempted to have fee free and one of the rich countries, the UK, which has a fee free education and later on they realised that if they have to be competitive with the rest of the world they need to charge – start charging fees. That's a living example

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that you can – I had an opportunity to go to some of the African countries where the government provides everything. The student just has to go. Your honour, you have to look at the infrastructure in those countries. For example, Nigeria, when they come here they think this is Europe because the State has not provided the requisite, requisite support for – when the [indistinct 0:11:38.8] on the Fiscus they divert the money somewhere else and so higher education suffers. We also believe that if one benefits from a service, that service, for it to be quality and also to grow sustainably, it has to be paid for and the value may be determined from time to time, but it has to be paid for and the danger is that if you have something for free people are going to take for granted that it does not deserve to be looked after. It does not need to be sustainable in the long term. Our unpinning legislation which I suspect you know, we have to – a responsibility to improve the quality of life of all South African citizens. Everyone has the right to further education and the state must make it available progressively, and I think the key word is ‘progressively’ for us. We need to make sure that we don’t jump into the pinnacle when the base is leaking. We present then legislation, the SAQA Act, the National Commission of Higher Education, all those things are part of the documentation which are part of the government and the Higher Education Act zero’s on this redress, creating opportunities for our young people to learn democracy, excellence and as well as scholarship. So these are all major consideration as you proceed. The reality in our own country

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is that we have an unequal different institutions. We have the established, what sometimes referred to as white institutions, we have the historically black universities which were, for some reason, located in very rural areas, in the place of nothing. There was no support infrastructure to support – If you go to Empangeni, it's in a village. The nearest town is 30/40 kilometres away. Similarly, with Tefllop[?], in a village. Polokwane is 30 kilometres away. So these are historical legacies that, I think, before you can even begin to make – consider fee free, are going to still stay with us and we have to address them. I give consideration of the three different institutions. The black universities, the universities of technology, continue to cater for the poor in majority and they carry the burden of redressing poverty. They continue to carry the burden of poverty, and on them is expected quite a lot. You can see from that slide that as – based on what has happened in the past, the income distribution of the different institutions clearly indicates that the traditional universities or historically white universities have the capability to generate much more third stream income. They rely less on tuition fees and state funding, whereas the other institutions, the comprehensive and black universities and UOT's, many of them are in the teens in terms of generating third stream income. This is a reflection of the legacy of this institutions and when we talk about subsidy we talk about the whole range of things, including research outputs and based on the data that we have now, the inequity between the different institution is much great and so majority of the

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funds that go into research subsidy goes into the established research institutions and the ones which had suffered in the past continue to be marginalised. This is another typical example where the UOT's, in particular, and some few examples of historical black universities, were expected to radically change their curricula and the burden is on the weakest. The ones that have merged, they're expected to provide a new training curriculum and that has got an impact on the sustainability of the institution, and the other day I was asking the department: "How do you expect us to implement this if you do not provide funding for it?" because for us to have a transition where we running two kind of programmes the same time, we need kind of double capacity in order to do that. Generally I'm an example for our university. Our university has, across the board, in general, the lowest fees. Now this is partly because of the origin, how it was established, and this slide that I have shows that for the same degrees, almost the same degrees, the other established institution charge much more than what we charging as institution. So we start from a very low base. So when we talk about this increases, increases, a 4% increase at the University of Cape Town is still much larger in terms of income than a 12% increase in Cape Peninsula University of Technology. I'm quoting an example here of interior design, which we offer, UJ offers the same programme R115,000, that's the tuition and our university offers it at R87,000 and we have many more examples we can quote of similar kind of programmes. Three-dimension design, UJ offers it for R130,00 and

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we are offering it R83,000 total fees, but the key is that we draw staff from the same pool, we buy supplies from the same pool but because of the legacy, where we come from, this has been much more difficult. For our university we are in a very precarious position as now. Last year what happened is a travesty, because we were forced to dig deeper into our resources and we have done some projections in terms of scenarios. We think that if we have an increase of 6% in fees this is what is likely to emerge that in 2020 – 2022 we'll have a deficit of about half a billion rand, and the other scenarios also show the same thing. If a zero increase and we don't get any money from the State, we're going to go to a higher deficit. For this year alone we think that a breakeven for our institution would be about 12%. So what are we saying? We're saying that if there is any consideration for a fee free higher education, first of all, emphasise progressively. At the time when it comes to universities we have to try and address the legacies of the past because they will not go away. They will not go away. They will live with us and today we are seeing the issue of fee free, tomorrow those who come from those institutions may mobilise against this. This is part of the policy of government. So we have to try and prevent the inherent inequalities in the system and address what has been identified by Act, by law, by policies, redress and equity. Now for us to have fee free education we think that government needs to come to the party but as well as the business needs to come to the party. I've indicated, my previous slide, that the other universities, historically

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black universities and university of technology, have not been very successful in generating third stream income and that has to change so that business can also invest in these institutions. In summary, I think we're saying that for a fee free scenario as a viable alternative we need to ensure that we have a redress funding before we can go on. We need to ensure that we incentivise the business to partner with universities. Now I talk about the different models and the funding model that we are proposing. A funding model that we're proposing, we're proposing a funding model that is similar to the one used in Australia where the state determine the parameters of a cost of a degree, because there's so much disparity for the same program which has got the same input. There's so much differences. So in Australia if you have a degree in engineering or a degree in engineering, the State determines the lowest fee and the highest fee and all universities must operate within those parameters and we think that it will be important to consider that in order to do proper costing for the programmes of the university. We think that the government should continue with the earmarked grants substantially and increase so that you can have more money going into redress and addressing inequalities. I won't talk about setting of fees because we have talked about it. I think for government to partner with the industry we need some mechanisms for incentives, and not only tax, so that the private sector can see value beyond just tax, to support the universities. We also believe that universities are very important national institutions that elevate the status of the

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country and therefore if all of us join in to build them so that they can become a symbol of success, both state, private people, as well as the business, we'll be able to get where we want to a country. I've talked about the beneficiaries must pay for the service and this is an important matter, your honour, because we are worried about the promotion of a culture of entitlement. Today it's education, tomorrow it's something else and so on and so on and we know that in our own country there are people who believe that the State must provide electricity for free. We know that there are people who believe that the State must provide housing for free for everybody. So we need to be cautious that, notwithstanding the pressure, what kind of a society do you want to be going forward? Is it a society that continuously is looking for entitlement without contributing to the development of the State? In conclusion, our position is very clear, that we propose that if the government can find resources from the private sector, from taxing, from so and so forth, from graduate tax, it will be appropriate for the government to start at lower level and in particular here, there's so many studies that if we invest in early childhood education, if we invest in early childhood education the benefit to the whole chain of education is immense and, for now, I think we have absolutely no critical programmes that are funded by government at that level. So we can't jump and go to fund universities when we – our base is very leaking. TVET's, I've said that they are key. I don't work for the TVET's. They're key for the development of the economy and if we have to consider education

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for free so that it can provide an engine for growth and empower everybody and reduce poverty, that may be the area where the State must put a lot more resources so that it becomes the first choice for any poor student who wants to go to post-school education. We think that it will be remiss for the univers – for government to consider fee free when we still have outstanding funding issues because these things will not go away and those are some of the promises that are made in many, many policy documents, redress funding, infrastructure funding. We now have the curriculum revision, [indistinct 0:27:56.3] funding. All these things are necessary for us to have a reasonably sustainable higher education sector. We believe that government has a formula now that works, providing support for the poor. That should be the way to continue within the context, provide some loan scheme for the missing middle. We don't believe that government should provide unlimited support for the missing middle. Now my point which I want to conclude with, Chair, Judge, is that the poor also require quality education. We see it in hospitals, health systems, we see it in primary education. If you think that the rich will pay, they'll establish their own private universities and the poor will then receive poor quality education. I come from Venda and there are four or five hospitals in the health sector, these are government, they are free, [indistinct 0:29:12.9] free but they will tell you that if you go there you don't come back alive, you don't come back alive. The rich have options but the poor do not have. Today they can go to Australia

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and get some of the best universities, they can go to England. So our responsibility is to ensure that this higher education that we think is very key economic growth and development is properly funded and everybody contributes. Thank you.

CHAIRPERSON: Thank you very much.

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MR ZULU: Maybe, Chair, you should just post questions after you follow with our question if you do have.

CHAIRPERSON: After what, sorry?

MR ZULU: After your questions then we follow.

CHAIRPERSON: I'm sure Mr Allie doesn't have any question and I know I haven't.

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COMMISSIONER KHUMALO: I do. I've got a question, Chair.

CHAIRPERSON: Please.

COMMISSIONER KHUMALO: I'm not sure what slide number this is but you indicate – it's in one of your suggestions that the State ought to intervene in freezing the upper cap limit of fees. So you're suggesting fee capping for previously advantaged institutions because I understand it's to equalise so one must not go further up while the other must try to catch up, and what's the basis for that? Is it equity or what is it?

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DR NEVUTALO: I think we need to determine the cost for a degree. For example, if we are all offering Electrical Engineering, we should determine how much that costs and based on that then we can estimate what the fees will be coming from the students and what the subsidy will be coming from the State and it's only then you can

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then set the parameters that, for any fee, this is the lowest that the university can charge and this is the highest that the university can charge. You cap.

FEMALE SPEAKER 2: You support fee regulation?

DR NEVUTALO: Yes.

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FEMALE SPEAKER 2: Across all varsities?

DR NEVUTALO: Yes.

FEMALE SPEAKER 2: Okay.

COMMISSIONER KHUMALO: And then what does that do to the principle of autonomy in the higher education system? Does it affect it negatively in any way?

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DR NEVUTALO: No, we don't believe that it affects it negatively. I mean there are countries where this is implemented and we don't believe that the Australian system is less autono – their education system is less free and less autonomous but there is proper government guidance in terms of what you can charge for a degree for [indistinct 0:31:46.1] degrees and the increase is determined annually.

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CHAIRPERSON: Anybody else have any questions?

MR ZULU: No, Chair, we don't have further questions.

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COMMISSIONER KHUMALO: Sorry Chair, sorry Chair, just one more. You indicated that you are trying to guard against the culture of entitlement that's why you believe that services must be paid for but you also mention that education is both a public and private good, so that justifies the cost sharing analysis.

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DR NEVUTALO: Yes.

COMMISSIONER KHUMALO: So you're more not so much concerned about cost sharing just – being justified by the fact that students get a public benefit from it but rather that it will create a sense of entitlement? 5

DR NEVUTALO: They will get both the public benefit as well as their own public – private benefits because it empowers them at the end of the day, but I think we need to – I'm a committed South African and it worries us when the direction at which we're taking where there is a sense of entitlement for everything. That's a culture that we dearly believe is unsustainable going forward. The State must provide support, there's no doubt about it, but you have dignity for something that you work for. You will have dignity. If something is for free – and I'm not talking about where the money's going to come from because I think the State can reshuffle and so on and so on, but even if it's a symbolic contribution, even if it's a symbolic contribution it's not free. 10 15

CHAIRPERSON: Dr Nevutalo, thank you very much indeed. I am grateful that you've come so far [indistinct 0:33:54.0].

DR NEVUTALO: Judge, the final thing which I did not present, I had already thought that I was going to present. There are problems within our education of efficiency, a very serious problem of efficiency, measured in different rates and I think when we were presenting as yourself there are issues of success rates, issues of graduation rates and the cost of educating a student at certain 20 25

institutions. For example, our budget is about 2 billion. We have about 37,000 students. Another university has got a budget of 6 billion, has got 25,000 students and the efficiency models, the efficiency rates are, in the country as a whole, it's not good. We need to fix that. I know that the department is trying very hard. 5
Either we're getting the wrong people into the university or our own system is not functioning effectively. Our throughput rates, for example, in the UOT's, it's about 35, 45% and that's not good enough. Meaning that after three or four or five years, 55% of the students disappear. They disappear on the system. You don't find 10
them anywhere. They don't articulate to any other institution and they become a problem for the country. So – and we have to deal with that matter. Either we restrict those who – and assure them that they get through the pipeline as quickly as possible, because it costs more for a student to repeat three or four, five times until they 15
get kicked out by the system.

CHAIRPERSON: Doctor isn't that for the universities to address?

DR NEVUTALO: Yes, yes.

CHAIRPERSON: It's a problem that is common to all the universities. 20

DR NEVUTALO: Yes.

CHAIRPERSON: Why don't the universities band together and look at these problems and say how are we going to address them, because if the universities persist in allowing people to repeat over and over again, or to only write half of their degree, only half of their 25

subjects in a year and then move on to the next year and do the next half, and so on, and take 10 years over a degree, why look to us to remedy that?

DR NEVUTALO: No, no, we're not looking...[intervenes]

CHAIRPERSON: When it's within the universities power to do it? 5

DR NEVUTALO: No, no, I agree with you. 100%. It's the university priority to do it and we're trying to do it but I'm just saying that you can put so much money into the system. If it's leading...

CHAIRPERSON: Yes.

DR NEVUTALO: You won't get the desired impact. 10

CHAIRPERSON: Yes, I...[intervenes]

DR NEVUTALO: Yeah, that's the point I'm trying to make.

CHAIRPERSON: But that's very clear indeed.

DR NEVUTALO: Yes.

CHAIRPERSON: I am by no means sure that our mandate extends 15
to fixing the leaks.

DR NEVUTALO: No, no, I'm just saying, in the event that we have
a fee free and we have substantial State funding, we have to find –
as a country, we have to find a way of fixing the leaks because the
current situation is not sustainable going forward. It's too costly. 20

CHAIRPERSON: Thank you.

FEMALE SPEAKER 2: Doctor, can you indicate to us what
percentage of your students get NSFAS funding?

DR NEVUTALO: The UOT's, in general, remember these are
universities that are – get students who have diploma passes. So 25

many of them are those from poor schools and we have done a research of who is our student, where do they come from and about 16% of them come from quintile five and the majority comes from quintile three, two and one, so it's the poor and for now about 8,000, which is a little bit more than 40% of our students get – they receive money from NSFAS. Now it's improving because we have more money but the will – should be more applications, more than what NSFAS could fund. Our own assessment, when we look at the current announcement by the Minister, we think our students, probably around 90% of them will fall within the poor and the missing middle and only a small proportion will then go into the rich. So we cater for – That's why I said that the burden of poverty, perhaps, has to be shared because it's disproportionately being carried by certain institutions.

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CHAIRPERSON: Thank you very much. Your excused sir.

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DR NEVUTALO: Thank you, Judge.

MR ZULU: Chair, our last presentation will be from DASO and I'm told that they can only be here at three. So I request that you adjourn until 3 o' clock. They are not here.

CHAIRPERSON: Oh, alright. WE adjourn until 3 o' clock.

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[PROCEEDINGS ADJOURN]

[PROCEEDINGS RESUME]

MR KASSIM: I'll be leading this delegation as the national leader of DASO. To my right is Kwena Moloto. To his immediate right is Ivana Edwards. To her immediate right is Karalee[?] Compton. To my immediate left is Moses Ntimani[?]. To his immediate left is Thabo

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Molusi and the final member of our delegation, on my far left, is Rodney Mabusela. These are members and leaders of DASO as part of the delegation and they are also student leaders, in their respective rights, at different campuses, particularly here is Tshwane.

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CHAIRPERSON: Well, if numbers is the question, you've won this battle hands down.

MR KASSIM: Well, our aim was to outnumber you.

CHAIRPERSON: Yes, would you like to go ahead and present your position and if anybody else of your delegation would like to talk they welcome to do so.

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MR KASSIM: Thank you very much. I'm not sure if I can make a request, Chairperson, that we can fully understand who are we addressing? I know that we've met some of the evidence leaders before.

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CHAIRPERSON: Well, you have, on your right hand side, two evidence leaders, Dr Simpson, who is a professional advisor from the Council for Higher Education and Profession Masia from the – also from the Council on Higher Education and Mr Motsay[?] from the State Attorney. You have Commissioner Allie, myself and Commissioner Khumalo. Now who else would you like to know about?

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MR KASSIM: No, I think that's fine if that's who you think we should know.

CHAIRPERSON: Well, I don't know of anybody else here. I'll have

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a look under here if you wish but I don't think there's anybody else.

MR KASSIM: No, that's fine, Chairperson. I think let's start off without wasting anymore time.

CHAIRPERSON: Sure.

MR KASSIM: Let us start off just by introducing ourselves very, 5
very briefly. We are the Democratic Alliance Students Organisation.

We are the student wing of the Democratic Alliance as a duly
constituted ancillary organisation with structures in all 26 universities

across the country and their respective campuses. We also have
structures in TVET college campuses across the country. We have 10

representatives on student representative councils and there are
SRC's that we govern as well. What we stand for? We stand for, in

particular, a number of things, but in particular, as is relevant to this
commission, we stand for social justice within the higher education

sector. What does that mean? It means that the child that comes 15
from a poorer family must have, as far as is reasonably possible, the

same level of support in order to succeed. First of all, to access
higher education and training but to also succeed within the higher

education sector and that is relevant to this commission because
that's the question that you and your evidence leaders and fellow 20

commissioners are trying to find because as we currently stand
there – it still remains that if you come from a wealthy background

you are more likely to be able to access higher education and
training, in particular access a course of study of your choice. You

are more likely to succeed academically because of the support that 25

you have and the resources that you have at your disposal and because those students that are currently funded by government, we would add, are, in the large, not supported correctly for them to succeed academically, but I think let's leave it at that and let me just move on to the next slide which I thought was particularly relevant to this commission. Chairperson, I was asked, when approached by the media, whether or not we believe in the work that this commission is doing and whether or not we believe that it will result in any successful and constructive outcomes and if you had asked me a year ago I would've been sceptical but I would've said yes, but unfortunately, if I look at the timelines involved, I put it to you and your commissioners and through you and your commissioners to the President himself and to your evidence leaders, that there has been a high level of neglect that has been shown. Last year, in October in fact, I was in the meeting with the President at the Union Buildings, where after he made the commitment to say that as far as the issues around free higher education, whether we say for the poor or for whoever are concerned along with a range of other issues that needed to have been dealt with, apart from the fees issues, that he would set up a presidential commission that will report back within 12 months. Now that's relevant because of the manner in which money is appropriated by government. When you report back, let's say, as you were supposed to have reported back in October, it means that the recommendations that you would've had would have sufficient time to be considered by the various departments, by the

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various ministries, by the various organs of State and to ultimately be included, where relevant, in the budget that will be tabled next year by the Minister of Finance. Why do I say there has been neglect shown? Because this announcement by the President was made in October last year. It took from October to, I think, the 14th of January, if I've got the date correct, for the commissioners to be appointed. It then took until March for the evidence leaders to be appointed. I'm talking about a period of about five to six months where nothing to very little is taking place in terms of the main mandate of this commission. Not wholly because of the fault of the commissioners but partly because of the fault of commissioners not acting speedily enough in the public interest and therefore I believe, Mr Chairperson, that even if we were to find solutions in this commission, that even if there were to be progressive and feasible outcomes and recommendations, that these recommendations will end up becoming irrelevant because by the extension that you have sought for June or July next year, even if you stick to those timelines, it will be too late to be considered in the budget that will be tabled next year it could then only be included, because there's limited adjustments that can be made in an adjustment budget due to the prescripts of the PFMA, it then could only be included in the budget tabled by the Minister of Finance in 2018. It therefore states – stands to reason that by that point in time the situation on the ground would've become unbearable as it is currently becoming unbearable, that the Minister of Higher Education and Training and

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the State, by extension, have now got a convenient manner or excuse in which to pass the buck without taking immediate action and that we cannot wait until 2019, essentially, and I think according to Dr Max Price who was protesting at Parliament yesterday, he was saying that well, he's only sees something coming out of this commission that can be implemented in 2020. We cannot wait for those academic years in order to solve a crisis that has been brewing for the last decade, and therefore I wanted to state that, as the point of departure of our presentation here today, I'll still go through the presentation with the hope that something can be garnered from our point of view and from the arguments that we will – that we are making but I want to state that the position of the Democratic Alliance students organisation and our structures is that we are completely and utterly disappointed in the manner in which this matter has been handled, with the timelines involved and we don't have – we have lost confidence that this process would be able to produce the type of outcomes that students need and that students needed as efficiently as possible.

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CHAIRPERSON: You bear in mind that we're looking – we're tasked to find a long term outcome not a quick fix.

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MR KASSIM: Chairperson, while I completely understand that, the point that I'm raising is two points in particular. The point that I'm raising, number one, is that actually the immediate commitment made by the President is that there would be a 12 month period and that was the timelines that we were following, whether we finding a

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long term solution or not, we don't dispute that. What I'm saying is that it might be too late by the time you end up coming with your long term solution. The second point is that you've – we've now given and we've allowed for the President and for his ministers, in particular Minister Blade Nzimande to refer and to pass the buck on to all other issues besides the issues of fee increases which were pronounced on – in the last week, and that is why students are angry, currently. That is why the anger is being felt because students and ourselves don't feel as if this matter has been dealt with in good faith by the Minister, and the last point, sorry, before I just get into the crux of my presentation, is that there have been working groups before. There was a ministerial working group looking into fee free higher education that was under Professor Derrick Swartz which we believe was...[intervenes]

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CHAIRPERSON: You don't have list them. There've been numerous.

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MR KASSIM: Sure, but I just want to explain why there's a feeling that there's a lack of good faith. It is believed that it was nothing more than an election stunt in 2014 or before the 2014 elections. That report was largely buried in cabinet, despite numerous requests from myself and others, I'm also a member of Parliament in Higher Education and Training Portfolio Committee, and it felt as if this is a convenient way in which to buy time and delay the matter which, quite frankly, we do not have that time before our universities burn, which we all trying to present but, Chairperson, having said

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that...[intervenes]

CHAIRPERSON: You do realise that the – we have not been tasked with determining whether there should be fee free education?

MR KASSIM: You've been...[intervenes]

CHAIRPERSON: Our task is to see whether the money can be found for fee free education, that's all. 5

MR KASSIM: Yes, well, I mean the one is linked to the other.

CHAIRPERSON: Yes.

MR KASSIM: Sure, I mean...[intervenes]

CHAIRPERSON: But the one is built on the premise that fee free education will come about. 10

MR KASSIM: Well, I know that you do not sit here as a politician. You've been tasked to do a particular job by the President.

CHAIRPERSON: Far from it.

MR KASSIM: Yes. You've been tasked to do a particular job by the President. The reality is that the – where the thinking of this commission came from, and I was in the meeting where it was discussed so I can talk on it with confidence, was particularly to answer the question of fee free higher education and where – and how we would implement it for the poor in particular and therefore if your argument is to say: "Our job is to see where the money can be found," that is intricately linked to how it would be implemented, quite frankly, and therefore even when the questions were posed to the Minister in his press briefing most recently, he referred everything to the commission. You would know that if you've 15 20 25

watched the press briefing and he wouldn't answer question to him =
by himself and he said: "The President has set up a commission and
therefore that is a separate procedure that is taking place." So we
play with words and what the mandates are, essentially South Africa
needs and our universities and our students need certainty as to
when and how free higher education for the poor will be
implemented.

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CHAIRPERSON: Mr Kassim, you can take that as a given. We
understand that.

MR KASSIM: Yes.

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CHAIRPERSON: And we accept that.

MR KASSIM: Sure, so without further ado, Chair – Mr Chairperson,
I just wanted to raise those points because it must be made clear
that when we are presenting here it's not because, necessarily, we
have confidence that this process – and I wanted to make that – put
that on the record, will produce the results in the times that it needs
to be produced.

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CHAIRPERSON: You've made that very clear.

MR KASSIM: But we'll proceed in good faith in any case. Mr
Chairperson, I'm not going to dwell on the – on every single slide of
the presentation. I will consider the presentation to have been read
but I'm going to pick up on specific points which I feel are relevant in
making the overall points that we are trying to make as the
Democratic Alliance Students Organisation and it starts with the first
page of the formal presentation which, sorry, looks at what exactly

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we've examined and if I just move on to further slides I'll refer colleagues to slide number seven. We give a bit of a background in terms of what we believe the problem to be and just to summarise it because I'm not going to read every single point that's on the presentation. The first point that we make around – is around the declining state subsidies and why we believe it is unacceptable, the manner in which State subsidies to universities, in particular, has taken place over the last 10 years. If you look at the investment then for the sector as a whole that a government spends as a percentage of GDP on higher education and training, it is around 0.62%. When we examine how do we compare with other countries and whether or not, you know, this is an acceptable level of investment. We then look at countries such as Ghana and Senegal that invest more than double as a percentage of their GDP on higher education and training. We then also compare it to the average that is spent by the African continent and then we also look at other OECD countries and by all measures, Mr Chairperson, the level of funding that is invested, we put it to this commission, is completely unacceptable and that even under difficult fiscal conditions which we accept are the realities, that the investment into higher education and training, if indeed it is an apex priority as it has been presented in subsequent and numerous state of the nation addressed by the President, that the percentage of GDP – as a percentage of GDP the amount that is invested into higher education and training should be at least double the amount that it currently is and there are few

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reasons why we believe that this is the case. The first one being that there is an enormously inflated public sector [indistinct 0:15:56.0]. When one examines the budget and one examines the manner in which the budget is divided, we have a completely bloated administration that we don't believe that the extent of its bloatedness is necessary for service delivery to take place by the administration. The second is that there has been a norm of accepting a level of wasteful and fruitless expenditure by the State which has been estimated at around R30 billion per annum and by most estimates that's considered prudent. The third is that the prioritisation, in terms of the agenda of government and the manner in which government activities are funded, are done for the wrong reasons. We put it to the commission that the manner in which the budget is divided and certain projects are prioritised is done so purely for reasons of insuring the continuation of political patronage.

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CHAIRPERSON: Well, let us assume that is so, what – how can it possibly affect the investigation that our commission is carrying out?

MR KASSIM: Well, I would assume that the scope of this commission is to identify where money can come from within the current Fiscus.

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CHAIRPERSON: Yes.

MR KASSIM: And the manner in which money is allocated is based on certain agenda and the political will of government and therefore if you are to come to a recommendation that says, and I'll give you examples, that actually it is not necessary for South Africa to have

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the second most number of foreign missions in the world, which we do have, currently, second only to the United States of America, that this money that can be found and reprioritised better towards delivering free higher education for the poor. That's one example, there are many.

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CHAIRPERSON: Mr Kassim, I hear what you're saying and it may be entirely valid but you must bear in mind that we will have to put up a report in due course which is based on the evidence presented to us and whatever we may think about what is going on in inefficiencies in government, unless somebody presents evidence to us in relation to these inefficiencies in government and how there can be costs saved in that regard, we can hardly put up a report on speculation.

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MR KASSIM: Okay, so, Mr Chairperson, I feel as if perhaps...[intervenes]

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CHAIRPERSON: That's a political issue.

MR KASSIM: No, I don't agree with you. I've just given you an example based on fact.

CHAIRPERSON: Well, where are the facts?

MR KASSIM: No, the...[intervenes]

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CHAIRPERSON: That's the facts that come out of your mouth and we don't have any evidence of that.

MR KASSIM: You've got no evidence of the amount that is spent on foreign missions in South Africa.

CHAIRPERSON: No, not at all. Why would we have?

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MR KASSIM: Well, surely I would've expected that in the work of this commission, as a point of departure, one would examine the manner in which the current Fiscus is broken down.

CHAIRPERSON: No, but...[intervenes]

MR KASSIM: Otherwise you are not doing your jobs. 5

CHAIRPERSON: Then we must examine what is – what the government spends on financing sports projects.

MR KASSIM: How else...[intervenes]

CHAIRPERSON: These things have to be drawn to our attention and some basis must be laid which says to us: "You ought to investigate this." Now if you give us some facts then maybe we will investigate these things. 10

MR KASSIM: I've just given you a fact, Mr Chairperson.

CHAIRPERSON: No, you haven't. You've told us that there are all these foreign embassies. What facts are those? 15

MR KASSIM: Are you insinuating that perhaps I'm misleading this house?

CHAIRPERSON: Not at all. I'm just saying...[intervenes]

MR KASSIM: So what exactly are you expecting, Mr Chairperson?

CHAIRPERSON: Some facts. Not statements which are unsupported by fact. 20

MR KASSIM: No, they are supported by facts and we can make the necessary...[intervenes]

CHAIRPERSON: Then I'll wait...[intervenes]

MR KASSIM: No, we can make the necessary – We can – If you – 25

If there's certain additional evidence that you think must support our statements we can make that available. That shouldn't be a problem.

CHAIRPERSON: That's up to you.

MR KASSIM: Yeah, but what I'm saying, Mr Chairperson, and this is why I'm – I've become more and more sceptical of the work that is taking place here, is that surely if ones task is to find where the money can come from in order to fund free higher education for the poor then one should be examining the current budget and the national Fiscus and the manner in which that money is spent. How else would you analyse whether or not there is money within the existing framework, whether there's a need for more money to be raised outside of the existing framework.

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CHAIRPERSON: Mr Kassim please, please, that of course we will do. Of course we've already heard some evidence from the Department of Finance and we will hear far more. If you tell us these things we will put them to the witnesses that come but you cannot expect us to shine a torch down every dark corridor of power to see what we can find. That's a politician's job. It's not the commissions job.

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MR ZULU: Mr Chair, maybe one suggestion that I can make is that the structure of the commission has been published and I'm sure the DA student organisation should be aware, if they are not we'll make it available in the other sets that are coming. What I could suggest is that perhaps they should come forward and bring forward

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witnesses. Maybe that should deal with the problem that there is now.

CHAIRPERSON: We will accept any hard fact that bears upon the investigation. The point that you've made may be a perfectly good one but give us something to work on. 5

MR KASSIM: You see, Mr Chairperson, the reason why...[intervenes]

CHAIRPERSON: Don't expect us to go and conduct a detective agency into allegations that you've made.

MR KASSIM: You see, Mr Chairperson, why I have a problem with this is because you've now – basically whatever we present, you now saying we should now go and find the necessary budgets, put that to you and put a number of annexures to that and put that to you, which we can do ourselves but then I'm not really sure what exactly – are you just listening to what people say, collating that together and putting a report together? I mean I'm a little bit unclear as to exactly what you then expect because I've actually looked through a number of the other submissions that have been made by other organisations as well and they have put forward their positions, they've put forward what they believe can be done, just as I am doing here today... 10 15 20

CHAIRPERSON: Absolutely.

MR KASSIM: And yet, you know, it's being dismissed in the manner in which it is being dismissed.

CHAIRPERSON: It's not being dismissed at all. I've told you it may 25

be perfectly sound. I accept, as an assumption, that it's perfectly sound but it's nothing more, at this stage, than an allegation.

COMMISSIONER KHUMALO: Mr Kassim, I was just going to suggest, as other presenters have said, they've provided, in the presentation, what they believe are possible areas where we can look. The list might be exhaustive, it can be sent – it can be made available to the secretary further to say: "These are the areas where we think there are insufficient – there are inconsistencies with government and this is where we can look, as a commission." The judge is trying to get that out of you because it does – the presentation is silent on that fact. So if you can assist us with that.

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MR KASSIM: Okay, so what exactly would you like us to do because...[intervenes]

COMMISSIONER KHUMALO: Usually, it will say where funds can be sourced. Other presentations that have come before us and then they will state, like you were saying, you know, as a sentence and then it will state again different ways in which DASO believes – submits to this commission that look in that area, look in that area, then we are able to move with it. Thanks.

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MR KASSIM: You see, Mr Chairperson, I think there's – then perhaps then maybe we shouldn't continue with our presentation.

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CHAIRPERSON: Well, if that's...[intervenes]

MR KASSIM: No, no, that's not my position but this is what I – I would like to put this to you. Surely if one comes here to produce – to present to the commission and one says, for example, as I've said

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that I present as evidence that South Africa has the second most number of foreign missions in the world and that this is an unnecessary expenditure, for example. Surely that can be verified by your team and it doesn't limit my ability in order to present to you where we believe...[intervenes]

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CHAIRPERSON: Mr Kassim, it doesn't mean anything that they have the second most in the world. It doesn't mean anything unless it has consequences and the consequences must be related to the statements that you making.

MR KASSIM: The consequences are that this is one area where money's being drained out of the Fiscus.

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CHAIRPERSON: Well, it may be but I don't know whether it's being drained without any purpose. If you tell me that the embassy in X is wasting money and the embassy in Y is wasting money and X is wasting this much and Y is wasting this much, then I can know, but if you throw them up in the air and say: "Look what a waste they are," I can't see that that is so. I don't know because we have 250 embassies and Burundi has only 16, that we are being excessive. There must be some better basis laid than that. I mean to come into a court of law you'd be laughed out of court.

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MR KASSIM: So exactly – I mean I just want to get this straight and I'm starting to see where this scepticism came from those that wanted to present are coming from. So exactly what you're expecting from us, if we, for example, make a point to say...[intervenes]

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CHAIRPERSON: If you say a man is dishonest, Mr Kassim, you say: "He's dishonest because of X and Y and Z." If you say: "The embassies are too many and inefficient," then you say: "They are too many and efficient because of X and Y and Z," and so then we know what facts you relying on. It's not just an allegation that a man is a fraud, it's not just an allegation that 200 is too many. It has some bearing on reality. That's all I'm trying to say to you. You don't have to present it in any other way than the way you're doing it but it makes it very difficult for us to do anything about what you're telling us because we are not a detective agency.

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MR KASSIM: Mr Chairperson, let me put it to you this way, because...[intervenes]

CHAIRPERSON: Or an [indistinct 0:26:25.5]

MR KASSIM: No, because I think it would be unreasonable that when someone, for example, makes the point, and this is the first round of the work that you are doing actually. I think it would be unreasonable to expect, when someone makes the point, for example, that there are – that within the manner in which the budget or the current budget is being distributed, that higher education, as an apex priority, is not being prioritised sufficiently, for you then to expect us, just allow me please.

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CHAIRPERSON: That's a fair submission.

MR KASSIM: No, just please allow me. For you then to expect us, when we provide examples of where we have seen things being prioritised, like foreign missions or like amounts added to the

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Department of Defence to procure a new jet for the President, etcetera, to then expect us to go and further analyse which foreign missions must be shut down, which ones are not providing value for the country, etcetera, I think that would be completely unreasonable to expect someone making the submission on a particular point, a fair point that is being made, to say: “Well, you need to go and analyse this down to the smallest cell,” and I think that’s unreasonable. I think we going to make our points...[intervenes]

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COMMISSIONER ALLIE: Mr Kassim, perhaps I can clarify it for you in this manner and the evidence leader, Mr Zulu, tried to explain to you. This session, as you’ll understand, is for opening remarks and so forth. Where you indicate there’s factual basis for what you are saying, we have seven other sets, one dealing with costs, one also dealing with where we find the money. Now that is an opportunity for your organisation to come forward and present those in a manner – because at the moment all we are doing is hearing an overview of where you think our education system is. The following sets to come, as Mr Zulu indicated in terms of the structure, start presenting themselves more as evidentiary than as mere allegations. SO therefore take is in this manner that where you have options available to this committee, those options, obviously, need to be interrogated and the interrogation is going to go against the person making the allegation. So see it in that light.

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MR KASSIM: Yeah, that’s not exactly what the Chairperson has put forward, I put it to you Commissioner.

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CHAIRPERSON: Well, let's not argue about it.

MR KASSIM: Sure, I'm not going to argue about it. We here to make our opening statements and I hope that will be respected and can I also request that I can just complete my presentation without being badgered by the Chairperson, which I don't think is fair as well. Let us complete our presentation. If you find it useful then fine, if you don't find it useful then that's fine as well. If you've got questions at the conclusion of the presentation, we are more than willing to entertain those questions. Is that a fair request?

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CHAIRPERSON: Certainly. Go ahead.

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MR KASSIM: Thank you very much. The next point that I would like to make for the commission is that the sustenance of our education achieved with sufficient resources is a necessary condition for economic sustainability and growth. According to research that has been done by University South Africa, when they were still formally known as Higher Education South African, HESA, the impact of additional resources spent by the State on higher education and training has a multiplier effect on the Fiscus, the number of resources that the Fiscus can recoup of the multiplier of over two and has a multiplier effect on the growth of the gross domestic product of the country. So we believe that the investment into higher education and training is an investment that would provide returns for the country as a whole and therefore there's sufficient basis for a greater proportion of the current money being appropriated through the State, a much greater proportion being

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invested into the system as a whole, in particular into the following areas. We believe that State subsidies must be increased substantially to universities and that the target should be towards a 50% contribution towards universities. That poorer universities, particularly your historically disadvantaged institutions must have an amount that is over and above what is the target or the norm and that these State subsidies and necessary for the quality of education and support services that are being delivered by institutions to students. We believe...[intervenues]

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CHAIRPERSON: Do you mean subsidies for infrastructure as well as for tuition?

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MR KASSIM: No, no this is particularly on the State subsidies that are appropriated directly to universities. Okay, so let me break it down.

CHAIRPERSON: But purposes of tuition or tuition plus infrastructure and other things?

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MR KASSIM: There will be multiple purposes but it will not include infrastructure. Okay, so it would basically be per student that is being registered. It's essentially the subsidisation of all students on a 50% basis. Okay, because of the costs and the rising costs of higher education and training, in order to make it affordable to most South African that the income that the university receives, and if I can just break it down further, perhaps for explanatory purposes. There are three sources of income that the university receives. Number one is State subsidies and then there are also subsidies for

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things like infrastructure grants, etcetera. Number two is fees and number three is third stream income which can include money that is raised by the university in one form of the other. What we are saying is that the first point, and perhaps there's two points to be made here and it's in another point in the presentation. The first point is that the base subsidy that is being received by the university based on per student, it must be based on per student that they received and must work towards – or the target must be 50% of the universities income as a whole. So if more students are accepted obviously that amount must be in addition to that. If less students it must be based on the number of students. What we've seen in the past is that whilst the State subsidies towards universities might have increased phenomenally with specific amounts, the real effect of it, because of the increase in student numbers, is that when you break it down per student those amounts have actually been decreasing.

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COMMISSIONER KHUMALO: Just, Mr Kassim. Sorry to interrupt.

MR KASSIM: Yes.

COMMISSIONER KHUMALO: On two previous slides I think where you speak about historically disadvantages institutions, many located in poor rural areas, serving the main poor students who are ill prepared for higher education studies and mostly dependant on NSFAS. So I just want to check on the ill prepared part. Are you talking financially ill prepared or academically, because we had a presentation from the Department of Basic Education earlier, so I'm

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not sure if the ill prepared refers to what, and if it's about the cost as well, further to what you are responding to, do you think the 50% that you're talking about should factor in the preparedness of the that unprepared child into varsity? Is it a course that should be included or there is a way of mitigating that? Thanks.

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MR KASSIM: Okay, so I think the first – just to explain what are we saying when we say ill prepared. We talking particularly in terms of resources to academically succeed. Okay, as a student one needs specific resources in order to succeed. It stands to reason that a student that, for example, has access to buy a laptop would have a better chance of succeeding academically than a student that doesn't have access to computer facilities. What you'd find in many of these historically disadvantaged institutions is that there's very limited lab – computer lab facilities for students to use. This is just one example. Whether it be in terms of the sustenance of a student, whether or not they have a meal to eat or multiple meals to eat per day, whether they have the necessary study material in order to succeed academically. The overall point that we actually trying to make, and it's not just about one point or the other, so I'm going to talk across points in this presentation, is that the first point we made was around the insufficient funds that are invested, but the second point is that even if the funds that are invested, you need to ensure that when you invest them in students you are giving students the necessary support to academically succeed so that you are getting a return for the funds that the State is investing. There's no point, for

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example, the National Student Financial Aid Scheme, there's some institutions that top slice, okay, because of the underfunding in the current system. There's not point on saying well, let's try and get – and you'll see it in another point in the presentation when we said we must focus on the number of quality graduates rather than the number of entrants because there's no point that you enter a million students into the system and you only graduate a smaller percentage of that because those students that have been put into the system that do not succeed, who are not supported to succeed academically and do not have the necessary resources to succeed academically, particularly at historically disadvantaged institutions, number one, represent a waste of public funds but number two, more importantly, means that that particular student would not be able to pursue or it would be very difficult for them pursue a future degree or professional qualification because they will be forever locked out of the system, particularly in terms of the funding system as it is currently set up. So that's the broader point that is being made in the considerations because one can either decide to say: "Well, let's make – let's try and have this number of students," but if you do that without supporting them academically to succeed you actually wasting money and not producing the type of skills that we need for the State. I don't know if that answers the question.

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COMMISSIONER KHUMALO: Yes, it does. If you can maybe further address us on – I don't know if you've got membership in the TVETS, that that's what goes there, and how does this relate to that,

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to a TVET child as an alternative to varsity.

MR KASSIM: As far as what is concerned? In terms of the support?

COMMISSIONER KHUMALO: In terms of the support, the preparedness, the cost and the resolution to that. 5

MR KASSIM: Okay, look, I think the point around the type of support that a student needs is consistent, whether it's a TVET college student or whether it's a university student because in any course that a person studies or whatever type of institution, there are specific things that are necessary for one to be able to succeed 10 academically, and so whether it is access to the right type of learning materials, whether that's access to the right type of additional classes etcetera, the point here though is that all of these things cost money. If you going to be employing leaders of supplementary instruction, for example, that is able to give additional 15 academic support for students, that costs money and universities have to – have had to cut back on a lot of those costs because of the decline in State subsidy. I mean, there's a wide range of support mechanisms. I didn't feel it necessary to mention every support mechanism. This was really in support of saying that once you 20 decrease the subsidies that universities have you are actually making it more difficult for a poor child in particular to succeed academically. That also pertains then to the second point that is being made, because the one is around State subsidies. The second is around how does one fund the remaining portion of the 25

costs for a poor student. So we don't believe and we don't support the – that there must be free higher education for all students. We believe in the principle that says that those that are wealthy and that can afford to pay for their studies should be expected to pay and cross subsidies the system through their fees, but we do believe that we should break students up into three different categories. We believe that there should be students from – the first category being students from poor or the poorest backgrounds which must be in excess of what the current NSFAS means testing is, which is around R120,000 family income per annum, which should be closer to between 180 and R220,000 per annum family income, which would be considered from the poorest of the poor backgrounds, students whom we believe should have the full cost of study together with all other support that they need fully covered. Whether that support is accommodation, textbooks, meal allowances, whether that support also includes getting an assistive device in order to assist them with their studies etcetera. These students must be fully, completely, fully funded and that funding, as an incentive for students with the necessary support given to them, should be converted into a full bursary upon the completion of their studies. Essentially mean that their education would've been free for them coming from the poorest backgrounds. The second group of students would be what is referred to as the missing middle and these students should be progressively supported according to their – or proportionally to their family income. So their family income is higher they would have less

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support to the items that have been listed, which includes their tuition fees and other supported costs or necessary costs needed for them to succeed academically.

COMMISSIONER KHUMALO: Sorry, do you have a cap for this – the middle – the missing middle? 5

MR KASSIM: We don't, currently. It would depend on what is also affordable because the Minister has now said: "Well, everyone under a family income of 600,00." I think without knowing exactly how much is put into the system this is the principle that must be used. So if we saying, for example, that we can, with the additional funds that can be found in the budget, we can afford to say the full cost of studies for students with a family income of 180,000 and we will then increase that cap as the fiscal conditions improve, then so be it, but we've – but in terms of the missing middle, that is your secondary area of support. They not your first priority in terms of supporting students. It would be according to what is affordable, you progressively support them in terms of proportionally to their family income. 10 15

COMMISSIONER KHUMALO: And when do you start to say: "They are now wealthy; they are no longer a missing middle." When do they become wealthy? 20

MR KASSIM: Well, there have been figures that have been put out and, of course, it's a moving target because of the effects of consumer price inflation in particular. So the figures that have been put out previously have been anywhere between an upper level of 25

R450,000 per annum to R650,000 per annum. That is sort of the bracket where people – there have been different proposals that have been made. We, in the past, have said that, as a lower cap, it should be at a family income of R500,000 per annum.

COMMISSIONER KHUMALO: My question, Mr Kassim, was the wealthy, at what figure do we start saying people are wealthy? Is that the reference to the CPI or do we have an idea?

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MR KASSIM: That's what I just said.

COMMISSIONER KHUMALO: Okay.

MR KASSIM: I said those with family incomes above R500,000 per annum.

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COMMISSIONER KHUMALO: Oh, okay.

MR KASSIM: Or at an upper level R600,000 per annum, depending on where – on what is affordable to progressively support these students.

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COMMISSIONER KHUMALO: So above that...[intervenes]

MR KASSIM: Where they would fall within the – Yeah, so between those figures. One would then consider, above that, let me not use the word 'wealthy' but let's say in a position to afford to pay for fees and other auxiliary costs as well. Okay, give me one second. Okay, the next point that I make is that there must be a specific – a separate budget that's put together both for universities and for TVET colleges, that specifically geared and ring-fenced for infrastructure but within that for academic buildings and then for student residences and common areas. There must be a distinction

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between the two because getting the balance right is critical to the success of a student. There've been studies that have been released by the Department of Higher Education and Training that has shown that a student that stays in an on campus residence has a greater chance of succeeding academically than a student that is in an off campus residence, for example. Now whilst there remains money available for infrastructure in the university sector, there is no budget, currently, in the TVET college sector. Work should also be done with other government departments in order to ensure that spaces that are currently available are made available. There have been a number of requests that have been made by a number of college principals, I can give an example, at – in Nelson Mandela Bay at the PE College the college principal, Mr Khaya Matiso has, for over a year now, made a request to utilise an unused building that is under the auspice of public works. So therefore in order to minimise the amount of money that needs to be spent on infrastructure there needs to be a way in which these kinds of requests can be processed quicker and that government buildings, as a whole, can be accessed and redirected in the provision of higher education and training, wherever it may be. There must be a specific emphasis on investment...[intervenes]

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COMMISSIONER KHUMALO: Sorry, on that Mr Kassim, do you think – I don't know if your membership extends to private institutions.

MR KASSIM: No.

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COMMISSIONER KHUMALO: Is it for public varsities only?

MR KASSIM: Public universities and university – and TVET colleges, but did you have a question?

COMMISSIONER KHUMALO: No, it was just that because you were touching on infrastructure. We've had a couple of presentations from private institute who were hoping that whatever solutions we come up with they extent to them because they also have poor students there. 5

MR KASSIM: I'm sure I can't comment on that. The point I was making around historically disadvantaged institutions, whilst already there is prioritisation within the immediate infrastructure grants for historically disadvantaged institutions, there must be proper monitoring of the type of infrastructure and investment that are taking place. Some of these institutions are suffering from extremely poor administration and if public funds are being used to invest then there must be proper monitoring by the State that ensure that funds are not being wasted, even within the current system, but we agree with the principle that there must – that historically disadvantaged institutions must be prioritised in terms of infrastructure development or investment but one cannot then leave out institutions that are becoming more and more – that are finding it more and more difficult to broaden access and to broaden the facilities that they have in order to accommodate the number of students that they need to accommodate. The next point is that a minimum set of standards for student support which guarantees the opportunity for academic 10 15 20 25

success must be instituted and we must be confident that when we fund a student we are funding a student to succeed. We not just funding a student for the sake of funding a student. Currently there's no consistent set of standards that says: "These things need to be put in place as the bare minimum for a student to succeed." 5

So, for example, a student must be able to have at least access to the course content and the textbooks required for their course of study, as a bare minimum, to be able to succeed, or whether or not the student needs a basic nutrition – a poor student needs a basic nutrition of this amount, you know. So what we are proposing is to 10

say that linked to the funding of students, and the manner in which the State would fund students, there should be a minimum set – sorry, let me just find my slide. There should be a minimum set of standards for student support and that should also extend to support for students insofar as their mother tongue education is concerned 15

and any other academic supplementary instruction and a very good model that is used, even in terms of student support, that one can look at is the model that is used in the bursary that is made available by SAICA. Those students, if you look at the progression rates, if you look at the success rates of those students that are studying to 20

become chartered accountants, the funding that they get, they are continuously monitored in terms of their academic progress, they are continuously supported in terms of their academic progress, and what this ensures is two things. Number one, that students are not just put in the system and left to their own devices and we wouldn't 25

know do they have what they need to succeed or not, but number two, it ensures that every cent spent by the State on supporting poor students, there's value, as far as is possible, extract from that. So those are the kinds...[intervenes]

COMMISSIONER KHUMALO: Sorry, Mr Kassim.

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MR KASSIM: Yes.

COMMISSIONER KHUMALO: What specifically does SAICA do to – this support? Can you just put us through – take us through it?

MR KASSIM: So, for example, and I'm sure some members are aware of the manner but let me just go through some examples.

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There are regular study sessions that are hosted for these particular students within universities where they currently studying. They have to attend a minimum number of these sessions in order to be continuously funded within the system or for that particular bursary that they are receiving. There are additional internal assessments that are set up in order to assess the progression of a student within the current framework. So there's a number of initiatives. I mean I wouldn't be able to give you all of the – but it's something to look into.

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COMMISSIONER KHUMALO: I'm just trying to see if – is it just for SAICA students? So if there's a class you not saying it's for maybe people who are doing accounting that year.

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MR KASSIM: No, it's only for SAICA students.

COMMISSIONER KHUMALO: And using university infrastructure for that or they pay for it? What happens? How do you separate it?

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MR KASSIM: Okay, so what I'm – Let me delve into what they do and what I'm proposing, perhaps as two separate points. So what they do is they would have certain group leaders that they employ, a lot of them are senior students, whether they be post-graduate students or students that are writing their board exams or doing their honours, whatever the case may be, and those students would then mentor – there's – would mentor other students that are benefiting of the bursary and studying the same course. They will monitor them. There would be specific sessions set up. Yes, university infrastructure would be used but it would be used after hours when it's not being used for anything else etcetera. I mean there's a number of things. The main point is that those students are continuously supported academically to make sure that they are coping with the course content in front of them but, number two, they are also monitored to determine their commitment themselves, because students have to make a decision themselves: "Do I go and study and do well and engage in the content or do I sit at home and not do anything?" and I put it to this commission that the government should be supporting those students that want to study and that is how – and SAICA has developed a way, just a model, an example, of how do they monitor those students to find out are they attending the minimum number of these sessions that they are setting up, are they – how are they progressing in terms of their work and their assignments etcetera. What I'm suggesting is that for every student that the government funds it must follow a similar model.

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– There is existing infrastructure to accommodate them after hours, there is – It would – What it would mean is perhaps additional money needs to be spent in terms of the people that will implement it on the ground and the systems that’ll be run but I contend that this will be money well spent and it will save a lot of money that would’ve been misspent where students are left in the system and set up not to succeed academically.

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CHAIRPERSON: Can you just explain to me, are you envisaging that NSFAS should disappear and that this should be done on a different basis?

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MR KASSIM: Not necessarily.

CHAIRPERSON: So these regulations, let’s call them that for want of a better word, could be operated under the scope of the NSFAS terms?

MR KASSIM: NSFAS is a public entity, let’s start there, and I just want to look at very quickly. NSFAS is a public entity, it disperses funds on behalf of government. There’s specific legislation that governs it. I don’t think the argument should be whether or not NSFAS does it or not. I mean, any public entity can adapt to the type of role and mandate that it needs to do as long as it’s within the prescripts of the law and if the law needs to change then there are places where the law – where legislation can be amended.

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CHAIRPERSON: So the universities can run these themselves?

MR KASSIM: No, no, I’m saying you can run it under a public entity. It should be centrally coordinated and whether it’s NSFAS or

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anyone else is not the point, but NSFAS could run it if NSFAS is dispersing the funds, NSFAS should be able to then have the right type of infrastructure in order to implement and to guide and monitor and ensure that the right support is given to these students. It doesn't – It's not something that can be done inconsistently between different universities. It's something that has to be centrally coordinated.

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COMMISSIONER KHUMALO: Thanks, I see in your recommendations you have mentioned NSFAS as a vehicle, a possible vehicle.

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MR KASSIM: Yes.

COMMISSIONER KHUMALO: So it can just to add this support that you are suggesting?

MR KASSIM: Yes, I mean, definitely. I mean, you know a lot of the talk out there, a lot of people say: "Well, we don't want NSFAS." The reason why people say that is because of the manner in which NSFAS currently operates and the way in which the system has excluded many, many students and set up a lot of students to fail. So that's where the sentiment comes from. It says: "Well, we don't want NSFAS, we want free education." You can implement free higher education through NSFAS. Surely there must be a vehicle to implement it and therefore there is a need for a bureaucracy that does that and that's why we still believe that NSFAS can be used as a vehicle to implement it.

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COMMISSIONER KHUMALO: Can you assist me, Mr Kassim, in

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that when maybe a further submission is made as to where we can look for the possible funds where we can make – and then maybe you have suggestions, as well, of a vehicle, when that money is found, how it can be distributed. If it's a NSFAS model you are recommending, you tell – or a vehicle that would be a submission we can work with.

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MR KASSIM: Sure, look, I mean, I wanted to say this again, NSFAS can be used as a vehicle, there's no doubt about that, and in fact, they've now been, and I know it's been long delayed and I don't want to go into the politics of the matter, but they've known trying to, I hope by next year, because it's been long extended, having fully implemented the student centred model with – and be ready to implement that because even when they implement it they weren't ready but, essentially, it was to centralise the manner in which funds are being dispersed directly to students. What I'm saying is that you don't just fund students, you support students. You couple that. So if I have to use the example of grants for small businesses as an example, you don't have someone that comes to you say they want support for their small business and you say: "Let me give you half a million rand." You actually mentor them through their business plan, you mentor them in the training of their staff. You support them to succeed and that's the same principle that I'm introducing into this debate is to say that when we fund a student there must be the necessary support whether that support is in the form of resources that they need to perform academically and to live in a dignified

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manner, or whether that support is in the form of ensuring that they are keeping up with their course content and that they are actually engaging with their course content and succeeding academically so that they can qualify and also find a job after that, whatever it may be. So that's – I'm – what I'm suggesting and proposing is an holistic manner of funding a student, rather than just giving them money and saying: "Well, if you fail at the end of this year and if you don't meet the 50% plus one or N plus two progression rules then we not going to fund you anymore." That's what I'm proposing, essentially. Sure, the last point that I want to make, sorry, and then I think I've covered most of what I wanted to cover, is that we have to find an appropriate level of funding as a percentage of GDP that is invested into higher education and training and I think that's something that the commission needs to look into and I think that's something that we also looking into as to what exactly that could possibly be. We've already suggested around 1.2% of GDP as a started point but that might not even be sufficient. There are countries that spend 1.8%, there are other countries that spend 4.5%, for example. So there has to be something that is linked to the performance of the economy rather than – So as an ideal, as a principle, as a benchmark that we can work towards and say: "As a minimum, we believe government should spend this percentage of GDP on the higher education and training sector so that there's sufficient funds within the system to deal with the problems that it has." In that manner, you know, it's no longer just about rising costs

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etcetera, but you can actually link the amount of money that's coming through to the performance of the economy which is also inextricably linked to the money that the government can recoup in the Fiscus etcetera, and that there should be, like I said, a minimum ideal level to say: "It shouldn't be less than this if we believe that this sector is going to perform in terms of the outcomes of the national development plan in particular," because even currently you would ask the Department of Higher Education and Training and you would ask those that are tasked with implementing the NDP and they'll tell you that it's no longer possible. They'll tell you that now and therefore there has to be something that says: "Look, you can't just leave it up to the politics of the situation. You have to have a bare minimum standard that says if we spending 1.2% or 1.5% of GDP on an annual basis this is what is necessary for the sector to recover and for the sector to produce in terms of its mandates," whether it's in terms of the Constitution, by the way, as a departure point, but also in terms of the National Development Plan.

MR ZULU: Just I ask a question for clarity, Honourable Kassim, you know, in the higher education sector particularly, we have quite a number of inefficiencies which are quite costly and there's still not a comprehensive study to this but we know that the finances for students is one of the factors but I want to suggest that there are numerous other factors that relate to either the support you spoke about before or the actual level of motivation by students and/or teachers and the actual time that is spent quality to actually

succeed. So in order for us to minimise these inefficiencies whereas we look into the GDP arrangement which, by the way, is a moving target because the UK is a bit lower than us anyway, how would you suggest we should look into minimising these kinds of – as a student leader?

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MR KASSIM: Thank you Doc. You know, I want to start off with the engagements that took place when the Higher Education Act or Amendment Bill was being debated. I was there. I was part of those that were debating that piece of legislation. The argument that we've always make – made, and I'll make it clear again, is that you need sufficient oversight in order to try and maximise efficiency and there must be tools in order to exercise that oversight. So, for example, we've seen institutions that have been completely inefficient because of the administration of the institution and there's no other reason. It's because of the administration of the institution and they are then put under administration and that administration sometimes makes things worse. You would've remembered a lot of the deliberation was around whether or not the administrators report or the independent assessors report must serve in Parliament. I was arguing quite vociferously about that and I managed to win half the battle but not the full battle. The problem in a lot of these institutions is that you have what is exactly happened in a lot of our SETA's. There's individuals that have essentially captured the management of the institution and the governance of the institution in the university council. Now whilst I'm not arguing to say that

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universities should not have autonomy and academic autonomy in particular, what I'm saying is that there must be sufficient oversight in order to hold these individuals to account and to completely ban them for interacting with the system as a whole in the future, because some of them actually jump from one institution to another. 5

One example, and I'm not going to mention names, but the person who was heading up the financial aid office at NMMU then became the dean of students at Fort Hare. He was found to be corrupt at NMMU in running the financial aid office and giving bursaries to his church friends and their children and yet now he's the dean of 10

students at the University of Fore Hare and there's been absolutely no consequences in that regard. So some of these individuals they jump from one institution to another but the more important point is that there are individuals that have taken over the administration and governance of certain institutions, they've hijacked it and they've 15

done it in a manner to loot the funds of the State that come through those institutions, and that's why we saw, at some institutions, NSFAS money being used to pay, for example, staff salaries, or we saw massive amounts being claimed against NSFAS funds to pay for off campus accommodation that were owned by private 20

accommodation holders that were charging ridiculous figures. Some of those buildings they were making R30 – R40 million per annum in rent. Those buildings don't even cost R30 – R40 million to buy. Okay, if you had to go and buy that building and say: "Let's just maintain it and provide the services," it would not even cost – they 25

are making a lot of money off the back of the funds that are given to government and these inefficiencies and I think inefficiencies is putting it kindly. It's blatant corruption that is diverting the resources of State that are meant to put our students through the system, that are meant to provide a high quality of education but all they are doing is fattening the pockets of some people and we do not – we are not dealing with them. We, and when I saw we, as Parliament are not dealing with them properly and the department and the Minister are not dealing with them adequately and our justice system is not dealing with them adequately as well. So I think to answer your question very [indistinct 1:06:15.6], there must be greater oversight and you can never have too much oversight particularly in the manner in which funds, State funds, which have been appropriated through institutions, are being spent. Okay, if the university is raising third stream income and they want to invest that third stream income into building a beautiful lake in front of the vice chancellors office, okay fine, they shouldn't do that but they've raised that money but what' most depressing about the situation is, whether they going to use that money to buy the vice chancellor of I think you know which university's house, in KwaZulu Natal, for example, but when State money is going – is being used, whether that's university subsidies or infrastructure grants of NSFAS, which is State money as well, when that money is being used there must be proper oversight over the use of that money and there must be proper consequences over people that misuse that money and there

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must be specific standards that are set out so that people don't abuse the system because there's massive abusers within the system and we know and you know and the department knows where it is. We just have to go and do something about it.

COMMISSIONER KHUMALO: Just, Mr Kassim, are you saying that that stream is free for all? The varsities can do whatever with that?

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MR KASSIM: No, no, please don't, please don't misunderstand what I've said. I'm just trying to illustrate how much worse it is when State money is being abused in the manner in which it is. I'm not suggesting that they must go and build vice chancellors houses with third stream income I'm – please, don't misquote me on that matter. I wanted struck from the record.

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COMMISSIONER KHUMALO: How do we monitor that because, I mean, if a person maybe raises a billion for European union is it money that we can follow, because it was attained through the name of the varsity which is a State?

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MR KASSIM: No, I agree with you but you must remember also that institutions and public universities are public benefit organisations and they need to illustrate that whatever they doing is in the public interest, because that's what they exist for. They might not be formal – Look TVET colleges aren't formal organs of State. They different. Universities might not be formal organs of State but they have a responsibility and a duty to operate in the public interest and therefore one can penalise them if they don't operate within the public interest. If one can see that actually you are abusing your

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mandate, one can penalise them with a number of – a range of tools that the State has because, remember, the State subsidises the majority of funds that most institutions get. That's the fact of the matter and once you control the purse strings of any organisation you are able to ensure that they are able to act in accordance to their mandate and in the public's interest and what I'm suggesting though is that there must be proper oversight over whether or not the public interest is being taken care of but in particular whether or not State funds are being used efficiently.

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COMMISSIONER KHUMALO: Just one, you indicated that your position is that the poor must be funded fully and that those funding – that funding must be converted into a full bursary, i.e. they don't have to pay it back. Why is that?

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MR KASSIM: I think it's more an ideological point. Most students that are poor are black students. Let's start there. I'm not saying that there aren't poor coloured students or Indian students or white students, but I'm saying that the inequality gap within our country and because of the history that we come from, poverty is [indistinct 1:10:10.9] linked to race but there's a societal problem at play. When a black student graduates they have also what is called a black tax, they must take care of their families who also have suffered from or continue to suffer from the legacies of apartheid and a number of other things as well. I've yet to find someone to make a cogent argument to tell me why it is fair, and I know that fairness is perhaps not always possible but to tell me why is it fair that someone

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that comes from a richer background, that someone that is fortunate to come from a richer background within the type of realities that we are dealing with and the inequalities that we are dealing with and if we say that high education is a means to redress the legacies of the past I just want you to keep that in mind, that someone that comes from a richer background must be able to graduate and invest and build a profile in this country whereas someone that comes from a poor background must graduate into debt and even those I've just explained have other commitments that others may not have. That might be generalising it but it's the reality. So the point is that, number one, if a student is academically applying themselves, they've passed their modules, they've had all the support that we've suggested, they are not going to contribute to the economy as a graduate and they've not wasted time, you know, and money at the same time, of the State by applying themselves academically, they should have their full funding converted into a bursary and they should go and join the workforce like any other student who joined the workforce. They shouldn't join the workforce carrying around a burden that you wouldn't expect from a privileged individual and I think that's exactly the point that we are making but it's also an incentive. It's an incentive to do well, to graduate and to say that now you going to start off your life and contribute to the future of this country.

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COMMISSIONER ALLIE: Well, let's perhaps ask you to extend the argument. If it's provided to the poor, is it provided for lifetime, that I

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can take 10, 20 years to finish because the State is providing it free. So I would expect that in your argument there's some limitation to that argument.

MR KASSIM: Look, currently, even in terms of funding that's given to students now, there's limitations. I've spoken about the 50% plus one limits – thresholds, as well as the N plus two progression rules that have been used. No, you see, you can't have one without the other. When I say that students should be holistically supported I say that because I've dealt with students on the ground for the last eight years and I've seen what it could mean, when you fund a student, and you don't support them properly, and then what happens to many of these students is that they don't meet the criteria to continue and then just continue with the debt by the way, they'll always have that debt to their name and they will never be able to access the system again. Now I agree that there must be thresholds that students must comply with to prove that they are academically applying themselves but at the same time you must have that coupled with necessary support for that student to succeed and that's in the interest of the State anyways, because when you fund a student for a year actually, when you add it up, it's a lot of money. All the first time students that you fund, some of them – well, you're funding them in the region to about 72 to 80,000 over and above the State subsidy money that's going towards supporting that student etcetera. That's just your fee component. It's in the State interest to ensure that that student passes and goes

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to the next year and goes to the next year and graduates sooner rather than later. So whilst I can agree with the current thresholds that says the N plus two rule, in particular, I think the 50% plus one rule is completely disingenuous and I think the people who thought up it have engaged with NSFAS about it, don't understand how certain courses are structured as well and how things operate and there's certain practicalities but the N plus two progression rule in particular, what the N plus two progression rule means is that if your course is for three years, you must complete it within five years, okay, and you can stagger it in terms of the progression, in terms of you can, depending on the number of credits in the different years of study, you can then stagger it in terms of how a student meets that progression but that has to be coupled with holistic support to ensure that the student succeeds which, as I've just argued, is in the best interest of the State at the end of the day as well.

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COMMISSIONER ALLIE: Well [indistinct 1:15:26.0] today you'd have a situation where you need the commitment from the student. You see you can't have rights without obligations, as you would know. So one would think that if you have a situation where you are providing this education that on the other side of it you would have a situation that a commitment is needed from that student. So even where there is this support that you are proposing and it doesn't – it's not a guarantee of success also, it is a guide to that success because there are various other factors, as Professor Masia has indicated, there's various other factors that bring about success,

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besides just funding and support.

MR KASSIM: I think if you listen to the example I used earlier and perhaps you should actually call SAICA to come and present to you on how they run their bursary. I think it would be a worthwhile exercise because their success rates are unbelievable, absolutely unbelievable. So perhaps I think it will be a worthwhile use of the commissions time to actually call SAICA or whoever deals with their bursaries to actually come and present as to how they do it but essentially, I mean students who are on that know that if they don't apply themselves they are out but they also know that they have the necessary support to succeed. Every single student that goes into that program knows that if they apply themselves they going to be very successful, and they apply themselves but there's – you won't find a student here that has – that does not have the necessary support to succeed. They've got everything that they need to succeed and that's why they succeed. So I'm saying that it's about your monitor the students that come through the system and if a student is really not applying themselves and if a student is not meeting the standards that are being set out and are being monitored accordingly, then you fund another student, someone that wants to apply themselves and we agree with that principle completely. The prin – The underlying principle of all of this actually is that no student who qualifies academically, they qualify to go to university that wants to apply themselves should be prevented from studying just because they can't afford to do so and no student

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should have a lesser level of support as far as reasonably possible in order to achieve academic success and I think that's in the interest of students but that's also in the interest of the State and I think something I didn't mention from my presentation is actually another point, that it should extend beyond, by the way, and 5
undergraduate qualification based on academic performance, because one cannot say or credibly make the argument that we need to transform the university sector but you're not funding young black South Africans to become academics and part of the academia within this country and therefore, I mean something to consider as 10
well, but part of my submission to you is that the funding that students receive, if they perform academically and if they've managed to qualify and they want to study further, do a masters or further than that, they must be funded and supported to do so in order to develop the next cohort of academic within this country. 15

CHAIRPERSON: May I put something to you with regard to the question of whether fees should be refundable on a loan basis? It has been suggested to us, by a number of presenters, that it's desirable that the system should, if possible, be made self-funding, self-sustaining and that as soon as possible. For one thing, because 20
it will relieve the burden on the State and it will at least reduce the search for monies every so often to try and keep up with the system. Now would you – May I put it to you that it is perhaps better that it should be self-funding and therefore dependent upon some sort of loan finance than to have no fee free education because the money 25

cannot be found or needs to be refound every so often? What would your attitude to that be?

MR KASSIM: Sure, I think as far as loans or State support loans etcetera, and there's a number of proposals that can be made. One can put those mechanisms in place as far as the missing middle is concerned, to support the missing middle, which do struggle and do need support. I still want to make the following point, that if we say that higher education is a means for redress in this country, whilst sustainability of funding that redress might be noble goal, I don't think it's ever possible because if you truly are trying to redress the inequalities that exist through access to higher education and through an individual's progression thereafter, you must remember some of these students, Chairperson, when they qualify they don't walk into high paying jobs.

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CHAIRPERSON: Oh, no, the proposition would not be the person who can't afford to pay it should repay it.

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MR KASSIM: No, no, I agree with that. No, no, I know what you saying but you always that debt that is hanging over you in terms of your future endeavours going forward because by the time you end up earning more then what you – perhaps you start off with an internship, a lot of students start off with internships. By the time you end up earning sufficiently enough, and I think the current amount is 30,000 per month, according to NSFAS, you now need to be able to support a family, you need to be able to get a mortgage on a house, you need to be able to maybe start a business, if you

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starting a business, and then all of a sudden you are – you have this
burden solely because you came from a poorer background. My
second argument is that actually the system would become closer to
sustainable if it was run properly. If we were producing the number
of graduates that we need to produce, if we were having the type of 5
success rates that we need to have and the effect of the economy
and future tax payers, in general, will be able to ensure that there's
greater tax revenue in the future and ensure that there's additional
resources in order to fund further students down the line, but if we
wasting money by just doing, and excuse my language, a half assed 10
approach to the way that we fund students as we currently do, then
many students that go into the system and get some form of funding
or another don't end up graduating, don't end up working in the field
that they've wanted to study in, don't end up becoming tax payers
and don't end up contributing back to society and I think it's a shared 15
burden because we all benefit. We all benefit when the economy
improves. We all benefit when we have more graduates. Not only
the graduates benefit. When we lose skills and professional skills in
this country because of outward migration we all suffer. That's a
fact. The number of jobs that are lost are – there's studies that have 20
been done that shows the number of jobs that are lost for every
skilled person that leaves this country but also for every skilled
person that is produced or that comes into the country because of
the manner in which one then structures the economy. You then
become an economy that can fill the skill shortage and progress the 25

type of services that you are offering and the type of products that you are producing and therefore the argument – my argument to this commission is to say that it is – we have two reasons to ensure that poor students in particular have, number one, an incentive to graduate without a debt but also I'm not burdened with a debt upon graduation because due to – because if we are serious about, number one, redressing the legacies of the past and, number two, the last – the second argument that I made is that if we run the system properly we'd be able to generate additional tax revenues, reform the economy and fund the system in the long term.

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CHAIRPERSON: Thank you. Any other questions for anybody?

COMMISSIONER KHUMALO: Just an extension of what you were saying, Chair. So in your opinion education, higher education is both a public and a private good or is it just a public good in that you can contribute to the economy and have all those benefits?

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MR KASSIM: I'm saying that it's a public good. I mean obviously there's private benefits to it, we know what they are but I believe, and the research will back it up, that it is mainly a public good and for any modern economy to survive it is necessary for the continued survival and progression of that economy.

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CHAIRPERSON: Thank you very much Mr Kassim and your team for coming and taking the trouble to put this presentation together. We appreciate it. Thank you, and we hope we – that there will be an opportunity for you to make a further contribution.

MR KASSIM: Can I just – Can I just appeal again to this

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commission, Chairperson, for the sake of its relevance, if we can try and expedite the work that its doing. I say again, as I said at the start of my presentation, that reporting in June or July next year is not good enough. The target must be, for your recommendations to be considered by the Minister of Finance and by the organs of State in the construction of the budget that will be tabled in Parliament next year and the sector cannot afford to have this continuous uncertainty to this very, very important question that you are trying to answer. So I want to appeal wholeheartedly that this commission finds ways to expedite its work as quickly as possible.

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CHAIRPERSON: Thank you. We will give consideration to what you've said in a serious manner. Thank you.

MR ZULU: Thank you. That's all.

MALE SPEAKER 1: All rise.

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