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DAY 1- EAST LONDON

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

PARTIES PRESENT:

The Chairperson
Commissioners
Head of Evidence Leaders
Evidence Leaders
Experts
Secretariat

WITNESSES:

Prof. T. Mvuyo – University of Fort Hare
Ms N. Ntabeni – Individual
Prof. R. Midgley – Walter Sisulu University
Mr. A. de Wet – Walter Sisulu University
Mr. G. Abbott – National Tertiary Education Union
Mr. J. Landman – National Tertiary Education Union.

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SESSION 1 – 1 SEPTEMBER 2016

JUDGE: Welcome participants, stakeholders ...[inaudible] and we are looking forward to your input into the introductory stage of this commission. I do not think it is necessary for us ...[inaudible] what is
5 going to happen, we look forward to you telling us what should happen and I will hand over to Miss Pillay to lead your evidence as she feels necessary.

ADV. K. PILLAY SC: Thank you Chair. Chair the next presentation is on this the first day of ...[inaudible] East London is from the University of
10 Fort Hare and we have got Vice Chancellor of the University

MALE: ...[inaudible] what the problems are. First just to make sure that we do not ...[inaudible] I think we need to indicate the vision and mission of the University ...[inaudible]

PROF. T. MVUYO: ...[inaudible]. First just to make sure that we do not
15 just ...[inaudible] I think we need to indicate the vision of the University ...[inaudible] perspective of the University and indicate what the impact ...[inaudible] and indicate what we have observed ...[inaudible] higher education funding then have a discussion on the fees and state funding, assets ...[inaudible] so that we are clear of the content of what actually is
20 happening at Universities before we come to what we think should be done so the first slide indicates in broad terms the vision and the mission of the University and I am not going to read it as it is but that is to indicate that the issue of sustainability of Universities appear in our mission and I think almost in every University, the equity issues appears
25 in the ...[inaudible] and what we are about which is actually production

and knowledge and the use of that knowledge being social use not just for merely ...[inaudible] and that is what we would like to bring to the attention of everybody else before we talk about funds.

The next slide just indicates the history of the University, the
5 University has survived for 100 years now and it has survived through very difficult periods and again even there I am mentioning it was primarily ...[inaudible] you classify University as falling under a particular group of people in the country, you already know that the funding of a University was going to be less than other Universities and therefore
10 facilities and everything else was going to be less ...[inaudible] than you would find in other institutions so from those ...[inaudible] the University managed to be one of the iconic Universities in Africa. And again in terms of the classification even though it is not an official justification in terms of the Act, legislation that guides Universities, the University is
15 classified amongst the age historically disadvantaged institutions in the country.

Then this indicates the previous under funding which led to backlogs in areas where infrastructure whether it is material ...[inaudible] and also in terms of research equipment that we find in Universities
20 ...[inaudible] so you will find that there are backlogs in infrastructure, teaching and learning for research, for staff and students accommodation, transport etcetera. The ...[inaudible] just indicates how student rights have been impacted in areas like sports facilities, access to ICT, residencies, cultural activities, student ...[inaudible] and in fact
25 even the ...[inaudible] funding was not immediately transformed to

ensure that these Universities that are termed historically disadvantaged like Fort Hare would be in a level playing field with the historically advantaged institutions.

And I want to go to that impact of the funding ...[inaudible] in the
5 next slide. I do understand ...[inaudible] upfront that there is a process that government is engaged in to relook at the funding framework that investigations are being done through commissions and committees that were set up by the Minister ...[inaudible] so the funding framework which is ...[inaudible] many challenges for the historically disadvantaged
10 institutions like Fort Hare, it has not been favourable for institutions with low research output and the research output at the University has only recently grown otherwise if you had a low research output you will find your subsidy is not going to match your needs as an institution. Yes there was a research development grant but it had limited positive
15 impact but was reduced within a very short time once the targets that we had set for the University are met and therefore it was not sustained.

The classification of education subject material ...[inaudible] categories were not assisting crucial areas like African languages, both of these are under review, the ...[inaudible] classification and the funding
20 thereof is also under review and the new framework is being developed. There were also ...[inaudible] that were not found in historically disadvantaged institutions, ...[inaudible] that were heavily subsidised at ...[inaudible] they had beneficial advantage over the other disciplines and so they were only found in historically disadvantaged institutions.
25 NSFAS ...[inaudible] previously were according to the number of black

students you have which you have at historically disadvantaged institutions which ...[inaudible] the number of black students that are there and then ...[inaudible] so you will find those institutions having a higher allocation than Universities like Fort Hare because of their
5 ...[inaudible].

So all of these are challenges that have faced historically disadvantaged institutions but as I said earlier on they are under review. Infrastructure funding was not specifically provided for except through ...[inaudible] medium term expenditure framework allowed for those
10 grants to be made and all Universities would have to compete for those grants, compete on the basis of the proposal that you send to the ministry and again historically disadvantaged institutions would not be able to get those consultants that were found in historically advantaged institutions ...[inaudible] proposals that would be accepted by the
15 ministry and therefore you found historically disadvantaged institutions still suffering from the backlogs ...[inaudible]

It was an uncertain position and it was ...[inaudible] whether you get those funds or you do not get them. There was no specific provision for recapitalisation of disadvantaged institutions of huge backlogs for
20 instance when I joined this University in 2005 there was an ...[inaudible] of a billion that would be required to recapitalise the invest on return but that would not be received from ministry. It is only the last cycle that we saw an affirmation of historically disadvantaged institutions where the Minister decided to ...[inaudible] the infrastructure and efficiency grant
25 and give a particular percentage to historically disadvantaged institutions

before allowing for ...[inaudible] on the remaining amount for all institutions, that was an advantage that we noted recently with the industry and that ...[inaudible].

The next slide, on the provision of new infrastructure and
5 maintenance of existing ones it has been through the cycle of grants leading to the unpredictability and unsettled ...[inaudible] that I have already mentioned. We have also been raising the point that South Africa has not taken a decision on what proportion of the ...[inaudible] should be used for higher education and that would perhaps assist in
10 ensuring predictability and certainty of funding. As a result of this there are ...[inaudible] proportions of funding compared to the gross domestic product over years and I will come back to that when I indicate ...[inaudible]. As a result of the decline in funding the institutions have been increasing fees to match your requisite need for quality higher
15 education. For historically disadvantaged institutions those majority of students are from poor families, this has led to high demands for the National Student Financial Aid Scheme to provide more funding.

The lack of ...[inaudible] in as far as overheads has led to increased student debt. I may indicate that in years 2013 to 2015 for
20 instance the ...[inaudible] at the Universities of Fort Hare ...[inaudible] fortunately government has taken a decision to ensure that ...[inaudible]. I want to indicate briefly ...[inaudible] if you look at the records, documents that are available from ...[inaudible] including funding from NSFAS as a percentage of ...[inaudible] was at 0.75 percent which was
25 just ...[inaudible] in fact most company's are far higher than South Africa

in terms of the GDP that they spend on higher education.

In 2015/2016 you would see that South Africa ...[inaudible] including funding from NSFAS is at 0.72 percent of the GDP, again it is lower than it was in 2011. If the NSFAS grant is ...[inaudible] the figure
5 reduces 0.62 percent of GDP, this is significantly lower than compared to the 2011 figures of African countries ...[inaudible] that I indicated earlier on including the OECD countries at 1.21 percent the rest of the world average of 0.84 percent. That is why I am indicating making that proposal that we should look at our GDP and see what percentage of
10 students for a country of this social economic development of South Africa in terms of the GDP proportion that should be used for higher education funding.

And now I come to the issue of fees and state funding, next slide. If you take the ...[inaudible] at the University of Fort Hare for the
15 previous three years you see that the ratio of fees to state funding income and in this we exclude the student accommodation fees is almost 50/50. You see in 2014 the subsidy water and subsidy was 360 million and the fees were 280 million, a difference of a mere R18 million. If you look at 2015 the subsidy was 332 million and the fees were 325 million, a
20 mere R7 million difference. And based on the budget that we have for this year the figures are 425 million subsidy and 330 million for fees, this is a bigger difference here but this subsidy of 425 is due to the increase that we had in our output for the year that we were measured on where we got an additional R80 million so if you remove that R80 million you
25 still come close to the 50/50 ratio.

Then you look at the next page of our fees paid by NSFAS which is an indicator for us of the proportion of poor students that we have at the University. The total enrolments at the University of Fort Hare for 2014, 2015 and 2016 are indicated there, all of them around 13 000 for 5 2016 coming very close to 14 000. The undergraduate figures at about 10 000 in 2014 and increased of about 270 for 2015 and another increase of about 200 for 2016. The postgraduate students are listed there just for record otherwise they do not ...[inaudible]

COMMISSIONER ALLY: Sorry Prof perhaps you can explain that, my 10 understanding of NSFAS is that they do not fund postgraduates ...[inaudible]

PROF. T. MVUYO: That is the point I was coming to exactly, I was saying that the postgraduate is listed for record purposes not for ...[inaudible] of funding.

15 COMMISSIONER ALLY: What is the purpose of that record to say that there ...[inaudible] so the record is that those are the numbers of postgraduate students you had at the University through those years.

PROF. T. MVUYO: Yes. Then you look at the students qualifying for NSFAS, 2014, ...[inaudible] percent, 2015, 58.9 students were funded by 20 NSFAS and going ...[inaudible] and in 2016 91.38 percent funded by NSFAS, of those who qualified for NSFAS. The fee increase in all those years was 10 percent to each because the fee increase of 2016 was not covered by the students it was covered by government. The 58.93 percent is due to the reduction we had on Seta funding for the year 2015 25 and therefore many students who qualified for NSFAS could not be

funded in 2015 because of that reduction in terms of the Seta funding that we normally ...[inaudible]

JUDGE: Do you know why that reduction in Seta funding?

PROF. T. MVUYO: The Seta's had an argument with NSFAS in terms of
5 their records and how they utilised the funds so there was a withdrawal of the funding with an expectation that NSFAS would be able to explain how they utilised the funds with the proper records on the use of those funds.

JUDGE: And was that misunderstanding cleared up by 2016 or not?

10 PROF. T. MVUYO: No it was not cleared up in 2016, in 2016 we were assisted by the extraordinary funding that we received from government where after the fees must fall project ...[inaudible] government decided to fund all students who are qualifying for NSFAS and therefore there was no need to go back to the Seta's, at least from our side.

15 JUDGE: Did you not receive from the Seta's in 2016?

PROF. T. MVUYO: There are some amounts that are there, even 2015 there were some of the Seta's that did give funding but the ...[inaudible] of the funding was refused in 2015.

JUDGE: What sort of funds did you receive from the Seta's in 2014 and
20 2105, I am talking about ...[inaudible]

PROF. T. MVUYO: The actual figure?

JUDGE: Yes.

PROF. T. MVUYO: No I would not have it in my mind I can provide that at a later stage.

ADV. K. PILLAY SC: ...[inaudible] a substantial increase between 2014 to 2016 in the number of qualifying students, can you explain that increase?

PROF. T. MVUYO: The increase as I have indicated is that ...[inaudible]
5 is the funded qualifying students in other years you would find that even those students are ...[inaudible] they could not be funded and if you look at what we call historic debt that is the debt that has now been paid for by government so in 2016 government decided to fund everybody who qualifies for NSFAS ...[inaudible]. As I indicate in the next slide

10 COMMISSIONER KHUMALO: ...[inaudible] if it says the total number of students, the undergraduate, the postgraduate and then maybe have another line which says which are the ones that are qualified for NSFAS because the ...[inaudible] talks to those it does not talk to the rest of ...[inaudible]

15 PROF. T. MVUYO: Okay so you want ...[inaudible]

COMMISSIONER KHUMALO: It is like for instance the ...[inaudible] the figures above that is how it appears you understand ...[inaudible]

PROF. T. MVUYO: Yes. Right it is clear from the number of NSFAS
20 qualifying students that the ...[inaudible] poor section of our society that is the only point I will raise in that particular slide. Then fees and state funding, 91 percent qualifying students ...[inaudible] show the reality of the situation because in 2016 funds have been made available for all qualifying students including those with historic debt. The majority of students staying in the residencies are also funded by the state. This
25 slide is mean to indicate that the bulk of students at Universities like Fort

Hare are even currently not paying fees themselves, the state is already funding the students, it is therefore obviously that the majority of students at the University would not have access to education if they were not funded by the state.

5 I will go quickly over the next slides because they just indicate the performance of the University. If you look at the years 2009 to 2013 you will see that despite the programs that we had the University is on average performing in the norm that South Africa expects in terms of the current performance of higher education with quite a good pass rates.

10 The next slide is just showing a retention as well for the ...[inaudible] you will find that from first year to second year we are retaining as an institutional ...[inaudible] 92 percent of our students are retained between the first year and the second year. From first year to third year ...[inaudible] 80 percent of our students are retained, we would love that

15 figure to be higher, some of them leave the system simply because they are not funded, they ...[inaudible] they go out and come back later after working with ...[inaudible] to finish their degrees.

For the four year degrees which have got a better pass rate they also have a better retention, slightly in terms of the year one to year four

20 with 87 percent, about 5 percent more than three year degrees but for first year to second year the retention is almost the same as the three year degree. If you look at the ...[inaudible] and again the University average is almost the same as the country, the three year degree students who start a three year degree finish within the required time of

25 three years, just on 25.7 percent which is far lower than the four year

degree which amounts to 58 percent. So there is an argument about that, separately there is a problem between the three year degree and the four year degree but when you take the five year ...[inaudible] you find a higher percentage of 64 and for four years to five 67 percent, still
5 we would have loved higher throughput rates, they are very, very low and the expectation from the NDP is that we should have better throughput rates by 2030.

I do show the honour students because honours is also partially funded by NSFAS, it is a group of honour students that is funded by
10 NSFAS, it has been irregular for the times they have funded but just to show the cumulative graduations ...[inaudible] of the honour students in that slide and that was for 2009 and the next one is for 2010 and the ratios are almost the same. My slide 20 makes a comment on access retention and success of the total students enrolled in the sector
15 University has 1.4 percent share so of the almost a million students that are enrolled in the sector ...[inaudible]. The current enrolment plan has a target of 15 000 students by 2019 and from the preceding tables there is a good retention and success rate although the enrolment is very small.

I am raising this because they are relevant for the future of the
20 University sector in South Africa and the plan in the ...[inaudible] national development plan. The next slide and I will talk later about teaching ...[inaudible]

COMMISSIONER ALLY: Before you go to the next slide, your last sentence of the previous slide about the enrolment that is small.

25 PROF. T. MVUYO: Yes.

COMMISSIONER ALLY: Now besides your University ...[inaudible] for the poor what are the other reasons do you think as an institution why you have such small numbers at your University?

PROF. T. MVUYO: Well the University starting from ...[inaudible] target of housing was around 1973 so there is a historical factor to that but after 1994 all Universities had to go through certain ...[inaudible] and enrolment plans were part of that, if you have a University with a number of let us say 1000 you cannot suddenly increase 2000 the following year, there is a percentage that is allowed for increases, it is about 3 percent annually ...[inaudible] five years from 2005 to 2009 you will see then from now 2015 to 2019 you will see that there is a target that has been agreed to with the department and the pressure that you have on facilities when you grow students will be ...[inaudible] funding that you get so you cannot grow suddenly you have to grow bit by bit.

JUDGE: Can you indicate or estimate how many students you turn away each year because of lack of funding or in respect of any student who would be academically qualified to come to your institution, how many do you turn away?

PROF. T. MVUYO: Let me take the single relation to this year, this year we required close to 3000 new first year students, we had allocations that came close to 15 000 for the University so almost 5 times the number that we ...[inaudible] there were various factors that led to those students not being admitted of course, some of them were, in terms of their performance were unfit.

JUDGE: Those do not qualify.

PROF. T. MVUYO: They did not qualify, some of them would not qualify and some of them because of the space that we have would not be accepted.

JUDGE: What numbers would they be?

5 PROF. T. MVUYO: If you take the pass rate at matric that would be close to 6000 students having made the grade but not being able to ...[inaudible] at the University.

JUDGE: Yes and how many students did you turn away because they were not financially able to meet the costs?

10 PROF. T. MVUYO: Well from last year the financial was not an acceptable reason to turn away students, we accept the students and argue with the department to fund those students so we do not turn away a student purely on the basis of finances except repeating students who have academic problems as well then we do not accept that student, if
15 they had a debt and they were not performing as well so those were the two criteria that we used.

JUDGE: ...[inaudible] possible to quantify and perhaps you may be able to do it and that is, of those that you turned away have you any idea at all of how many found a place elsewhere at either at a University or at a
20 Tvet college?

PROF. T. MVUYO: Some of them will go to FET's some of them will go to University of Technology because the University of Fort Hare has got a different admission criteria from University of Technology, some of them would qualify for technical programs in a diploma that at a
25 University.

JUDGE: But you have no idea ...[intervenes]

PROF. T. MVUYO: ...[inaudible]

JUDGE: Thank you.

PROF. T. MVUYO: This ...[inaudible] is just aimed at showing where the
5 University of Fort Hare is in terms of the teaching roles, you can put
aside the productivity element for the purposes of this discussion. If you
look at the yellow blocks which is Fort Hare and you look at where it was
between 2004 and 2012 you will see the ...[inaudible] publication units in
terms of the blocks, I have a pointer I will show you where I am talking
10 about, that shows an increase in publication units but also the ratio of
students per full time academic has also been increased which means
the teaching role have been increasing and ...[inaudible]. It means we
are putting a lot of stress on our academics to be able to achieve the
research outputs whilst they have got such a huge teaching role as well.

15 The reason being that it is difficult to recruit sufficiently when you
...[inaudible] so funds being low our recruitment of staff is a difficult
challenge, similarly the levels issued here are less than some of the
Universities in the country and therefore we are not attracting sufficient
the numbers ...[inaudible]

20 JUDGE: The relationship between your teaching staff and your students
I take it that it differs from faculty to faculty.

PROF. T. MVUYO: Yes.

JUDGE: And so for example in an art faculty it may be very high and in
an engineering faculty it may be lower, are there some faculties where
25 you have lots of capacity and others where you have no capacity?

PROF. T. MVUYO: Even ...[inaudible] like science you need less students to be able to teach them properly in terms of the equipment and everything that is available.

JUDGE: I understand.

5 PROF. T. MVUYO: ...[inaudible] history as you have correctly mentioned you may have a class of 500 and be able to teach ...[inaudible] there are some that are higher than the others but still the requisite number that we have in terms of the ratios that you will see in other Universities that attend traditional Universities so without having gone to department by
10 department or faculty by faculty we are just taking the average and compare with other Universities also on the same basis of average. University of Fort Hare's ratios are quite high if you look at it.

JUDGE: Thank you.

PROF. T. MVUYO: The next slide talks to the issue that I have just been
15 referring to, in a ...[inaudible] on income for the institutions so if you have more teaching roles your staff is going to be doing the research that is supposed to be done and you will not get the subsidy therefore from the research output you need to have as a University.

COMMISSIONER KHUMALO: I just wanted to check the teaching roles
20 that you have alluded to, do they ...[inaudible] for the administration staff as well ...[inaudible]

PROF. T. MVUYO: The administration staff under normal circumstances and there are varying opinions on this one, for every academic you would need two administrations to support them, we alone ...[inaudible]
25 okay it is not sufficient to make them perform sufficiently so therefore

some of ...[inaudible] have got to do administrative work that would otherwise have been done by people who are employed to do it.

JUDGE: I am sorry I did not understand the full impact of this, is a typist a member of the support staff?

5 PROF. T. MVUYO: Yes.

JUDGE: And so when you say you had two administrative staff for each academic, one of them might be a typist.

PROF. T. MVUYO: Yes ...[inaudible] technology support staff and all that who are not engaged in teaching ...[inaudible] the number of staff
10 that we have and take the number of administrative ...[inaudible]

COMMISSIONER KHUMALO: Is this for other support services on campus?

PROF. T. MVUYO: Which aspect?

COMMISSIONER KHUMALO: I am saying other than the academic or
15 admin staff.

PROF. T. MVUYO: Shortages.

COMMISSIONER KHUMALO: Yes technical staff ...[inaudible]

PROF. T. MVUYO: It does, it does, for instance maintenance on our buildings we have had to engage persons from outside to assist on very,
20 very expensive ...[inaudible] maintenance staff based on the skills that we need and also the numbers that we have it has not been easy to maintain the campus sufficiently at the University because of the shortages.

JUDGE: Can you tell me, sorry.

PROF. T. MVUYO: I was going to say the cleaning staff, the debate of outsourcing and in-sourcing has also been one of the issues that we are having, even in contracts even in security these numbers that we have ...[inaudible] they give an assessment of the security ...[inaudible] and
5 we are saying the numbers that we have doing security work at the University is far less than what we need for the number of students, the number of buildings that we have at the University and we cannot afford to pay more therefore the numbers ...[inaudible]

JUDGE: Can you just explain to me the whole basis of research
10 ...[inaudible], do you expect the same volume of research and reporting from all academic staff or how is it ...[inaudible]

PROF. T. MVUYO: What we have laid down for the performance of our academic ...[inaudible] is that if you are a full time ...[inaudible] at the University we would expect at least a research output of about 1.76 per
15 annum, we have reduced for some but at least average ...[inaudible] but there are then different performing academics at the University, you will find some producing far higher and some almost zero so it is ...[inaudible] with a few of the academics ...[inaudible] performing excellently performing even ...[inaudible]

20 JUDGE: Thank you.

PROF. T. MVUYO: Now I am coming to the question of what is to be done and I am addressing this in broad terms rather than specifics of, if you say for instance pay in kind, we will discuss that later in detail of what you mean by paying in kind. Now firstly are you saying that the
25 country needs to fund higher education sufficiently if the targets that are

set in the ...[inaudible] are met. If you have to have the participation rates that are ...[inaudible] being the highest at about 67 percent in terms of academics that ...[inaudible] qualifications ...[inaudible] if you want to have the sustainable quality higher education. The country has to
5 acknowledge that education and higher education in particular is a public good and I know that there are arguments about public good and private good nature of higher education.

Most of countries that have increased their development it is because of the number of people that they have qualified to be able to
10 contribute to the development of those countries and that is one of the reasons that we can say higher education is a public good. There is a private element not doubt about it if you have gone to higher education then it is ...[inaudible] people as well not just communities and societies. I do mention ...[inaudible] that fees should be a component of higher
15 education and funding but the poor should access higher education without having to pay at the point of service and that point of service is a critical part that I am saying which means at some stage people have got a responsibility to also pay for their education but nobody should be denied access to higher education with the sole reason being that the
20 person has not got the funding and similarly saying that the rich should be able to pay for higher education.

The next bullet indicates that there should be a full scientific quantification of how much it would cost to fund the sustainable quality of higher education system for example South Africa ...[inaudible]
25 development. So far we are really funding on the basis of the history

that we have had and increasing in terms of the NGF without quantifying exactly what is the amount that would be required for a private higher education that would be sustained in South Africa. We can count on the basis of what exists but what exists is not the quality higher education

5 ...[intervenes]

MALE STUDENT: ...[inaudible] when is that report going to be released, when are you going to release that, and we are charged at the school, we are being charged ...[inaudible] we are charged per head, where does that money go to, you are talking about funding, where does that

10 money go to, whether you are talking about ...[inaudible] whether you are talking about unemployment, whether you are talking about ...[inaudible] this thing is useless, we are talking about ...[inaudible] we do not want you to talk about this thing ...[inaudible] we want free education, we want ...[inaudible] I want to talk to you directly please.

15 JUDGE: Excuse me ...[inaudible]

MALE: ...[inaudible]

JUDGE: ...[inaudible] our whole interest is in finding out how we can find ...[inaudible]

[HUGE NOISE – EVERYBODY SHOUTING AT THE SAME TIME]

20 MALE STUDENT: Chair we are ...[inaudible] of students coming across the country, I see here there are students from ...[inaudible] University, there are students here of UJ, KZN ...[inaudible] there are even students who are ...[inaudible] who are very interested in the question of fee education not question of fees in higher education because I think there

25 is a problem that, well the commission was set up, it is useless how it

wants to look at the problem ...[inaudible] so we are here to clarify that thing, we are here to ...[inaudible] we are not interested for the commission that sits with our Vice Chancellors while ...[inaudible]

[HUGE NOISE – EVERYBODY SHOUTING AT THE SAME TIME]

5 MALE STUDENT: ...[inaudible] so we are hoping that, to reiterate, we do not recognise you, if ...[inaudible] fees must fall is not just about students, it is about workers, it is about all of the issues which we find as black people in Universities and in a country which is ...[inaudible] by white factors.

10 [HUGE NOISE – EVERYBODY SHOUTING AT THE SAME TIME]

FEMALE STUDENT: I think the Vice Chancellor ...[inaudible] how many of them are black women, how many of them are black poor women, how many of them have disabilities, how many of them have mental illnesses, what I am speaking ...[inaudible]

15 [HUGE NOISE – EVERYBODY SHOUTING AT THE SAME TIME]

FEMALE STUDENT: ...[inaudible] so we are here as ...[inaudible] fees was about fees literally falling, like falling as in we do not want to pay to go to school one, two you are speaking about ...[inaudible]

[HUGE NOISE – EVERYBODY SHOUTING AT THE SAME TIME]

20 MALE STUDENT: Mothers and fathers, you are ...[inaudible]

FEMALE STUDENT: This is not a way ...[inaudible] just settle down ...[inaudible] we need order, the commission will continue as soon as ...[inaudible]

[HUGE NOISE – EVERYBODY SHOUTING AT THE SAME TIME]

MALE STUDENT: White people are not allowed.

FEMALE STUDENT: No wait, wait ...[inaudible] engage on a genuine basis, how can the national fee commission not even want to engage with students on ...[inaudible] they want to talk let them talk ...[inaudible]

5 we are here for fees commission.

[HUGE NOISE – EVERYBODY SHOUTING AT THE SAME TIME – STUDENTS START SINGING]

FEMALE STUDENT: Okay there must be ...[inaudible] for everybody so when you are speaking now ...[inaudible] if you people are going to
10 continue this commission the students must be on the panel right, they must be on the panel so the lady says they will be heard but there must be order and we are even ...[inaudible] the students on the panel.

FEMALE STUDENT: They must respect us.

[HUGE NOISE – EVERYBODY SHOUTING AT THE SAME TIME]

15 ADV. K. PILLAY SC: We are happy to hear you guys, when you want to talk to us about the ...[inaudible]

MALE STUDENT: From UWC fees will fall and BLF, Black ...[inaudible] our position on the commission is this, we reject the commission because we think it is a waste of time and money, we know that free
20 education is possible in this country, we know that tomorrow Jacob Zuma can say there is a policy of fee education and this country will not collapse economically if ...[inaudible] there is no political ...[inaudible] from everyone, what you have is a tender process of commissions where people and comrades and white people, white Judges, racist Judges
25 from apartheid come and preside over this commissions about our

futures so we are saying we reject the commission on those basis, it is a waste of time and money.

So we are saying as young people we want ...[inaudible] black centred African centred education now, no commission. We want
5 interdicted students, expelled students to come back to school, demilitarised the campuses because we know when young people said that they want free education, the ANC government which promised them free education when they came into power, brutalised them the police so we know that ...[inaudible] apartheid politicians that ...[inaudible] we
10 know that there is 1 million that every politician gets with the ministerial handbook when you get two cars worth 1 million, I have historic debt, that money can be channelled. We want NSFAS to be scrapped because it is humiliating, every year I must tell a man called ...[inaudible] in UWC that my mother died, what does it mean psychologically to me to
15 say that my mother died every year, every year and we sit in chairs, we are saying the humiliation of black people and black students in particular must come to an end.

The funding model must humanise us, it must not do the opposite, I cannot keep saying I do not have a mother, my father is
20 somewhere there we must go to Sassa to prove this thing as if we are, the criminalisation of the people must come to an end. The impoverishing of black minds by taking them out of the school system, this also this commission if it was serious it would start at ECD level, early childhood development, free education must start there and work
25 its way up not just to be facilitated with just students at tertiary level or

matric students, we are saying even its scope of reasoning and imagining the solution is limited because it is not truthful so I will give over to my comrade who would like to speak on her position but we are clear we reject the commission.

5 MS ALISHA GABI: Hi my name is Alisha Gabi, I am a member of the Rhodes must fall movement currently interdicted from UCT with five students ...[inaudible] because they had the commission and then as soon as us as the black students stood up to talk they left so as the future of this country we are being disrespected, we are the current
10 stakeholders of this country, we champion in discourse, we champion in every single intellectual concept in this country whereas we are being erased, we are being ignored. As the black child ...[inaudible] we are being told that we are useless, we are nothing to the whites or some kind of elusive power in ...[inaudible] it is not fair because we are the people
15 who are the driving force in this country and so if we must sit down, if needs be let us sit down okay and then let us have these people say no we cannot do it there is no money, so let it be known that honestly speaking they want to keep on subjugating black bodies and then if they say no you are useless let us know as the students that we are on our
20 own.

As black bodies you are low and so then ...[inaudible] so now I say let us do this, as useless as it is, as useless as it is and as ...[inaudible] as it is let us do it, let them sit down, let them say no there is no money whereas they are going to drive a R2 million car whereas
25 ...[inaudible] let them drive in that car ...[inaudible] how am I going to get

home, what am I going to eat, how am I going to live, drive in a taxi that is cramped like this but then they are going to drive in a big car, let them say there is no money so I can know I am on my own and for me to be a dignified black body I must fight, come force or come fire that is my point
5 on this case.

FEMALE: I think perhaps it is the duty of this commission ...[inaudible] disrupting the commission ...[inaudible]

MALE: Disrupting the commission says we do not take it seriously because it does not take itself seriously, you cannot have a white man
10 presiding over black people in this country after 94 if we have achieved freedom, why are we being subjected to white straight black males who control the economy even when we emerge the solution, we emerging the solution with them presiding over us, we are still perpetual learners from white people.

15 FEMALE: Because it looks like this, we are being told that the money can be found but ask this boss ask this white man, the only white man on this commission, the people who were here were blacks.

MALE: Yes, yes.

FEMALE: The only white man here who is the Chair, the only Content
20 Hub whereas my VC's are called stakeholders, I am a stakeholder and I am the Chair of my future so how do you carry on this powerful structure.

MALE: Yes.

FEMALE: And you say that for you to be free and have dignity as a body go and as boss and boss will give you crumbs somehow it is not fair so I
25 am saying it is like it is useless, I mean you can ask me 10 questions, we

have to go we are busy now with the program, the fact remains that if you want us to perform we will perform but still black bodies are useless in this course and so you must know that and then as a black body yourself who has nothing at home in a 'makuku' what are you going to do
5 for education.

MALE: Also young people are, there is an urgent mandate for young people, young people do not have time to listen to you guys going on and an old man talking about us in a very slow pedantic way, it is uninspiring, we are young people, we are young 'siyacha siyamba' so we
10 are taking a mandate from young people who are not even students who are saying we are unemployed, these things are taking money which can be used for a living wage for young people, young people ...[inaudible] they have no living wage where the workers are not being in-sourced, when those who speak for young black people who are smoking Nyaope
15 are terrorised, we are saying we do not have time to waste to listen to these people, we know that free education is possible in this country, I am speaking for my brother who is not here, I have a friend who is smart but cannot get through because ...[inaudible] so of us we cannot play these politics of being seen as modest and logical because our existence
20 is illogical, go right now to Tanzania to Duncan Village sit there watch black people, young people see what is happening to them because of not having access to education to uplift this country so we cannot be nice, nice with this things.

FEMALE: We are angry.

25 MALE: We are angry young black people we want change will not come

by massaging egos of commissions let us go comrades.

FEMALE: Let us go, can we go thank you.

MALE: Thank you very much.

[STUDENTS START SINGING]

5 JUDGE: ...[inaudible] yes right well let me place on record the
commission was disrupted for an hour and a half as a result of students
involvement but we are now continuing and I believe that the Fort Hare
representatives have returned to their ...[inaudible]

ADV. K. PILLAY SC: That is correct Chair.

10 JUDGE: And in the meantime Miss Pillay we are going ahead with the
commission.

ADV. K. PILLAY SC: That is correct Chair ...[inaudible]

JUDGE: ...[inaudible] Miss Ntabeni ...[inaudible] and say whatever you
would like to say to the commission at your leisure, sit down if it is more
15 convenient to you thank you.

MS. N. NTABENI: I am Nolwazi Ntabeni.

JUDGE: Thank you and what is your position?

MS. N. NTABENI: My position is that this country ...[intervenes]

JUDGE: Sorry, sorry, are you a private individual?

20 MS. N. NTABENI: Okay yes I am a private, I am a ...[inaudible] I am a
teacher by profession.

JUDGE: I see so you want to make representations to the commission
on the basis that you ...[inaudible]

MS. N. NTABENI: Yes.

JUDGE: Okay please go ahead.

MS. N. NTABENI: Yes Chair my ...[inaudible] was about that this country is not yet ...[inaudible] free education.

JUDGE: Yes.

5 MS. N. NTABENI: ...[inaudible] I submitted some suggestions ...[inaudible] but even our country cannot afford to offer free education so I said that our country ...[inaudible] government they can minimise ...[inaudible] parliaments, the other one is in Cape Town, one in Pretoria, you can have one parliament because I believe parliament in Cape Town
10 there are residence there and even in Pretoria so if you can have one parliament you can same dome money.

JUDGE: Yes.

MS. N. NTABENI: And then I wrote about, it was two weeks back on SABC 1 there was a program the Sunday night I am not sure whether
15 Minister of Social Development and she said there is a 4 billion that is set aside to educate our ...[inaudible] so I was surprised that how can they put aside 4 billion when we are in need of money to subsidise our children so I ...[inaudible] channel the other money to education and I also have a program ...[inaudible] I am a teacher and I really do not
20 know how can I afford to pay University fees for my son so I ...[inaudible] because we really need the support we cannot afford these fees. We are ...[inaudible] in this country and yet our children are not supported.

JUDGE: Yes.

MS. N. NTABENI: So I suggested that we all be given ...[inaudible]
25 South African children should be given a chance because I think

...[inaudible] they are going to pay this money back so that in the end it has other ...[inaudible] again.

JUDGE: Yes.

MS. N. NTABENI: This is not ...[inaudible] because I believe that this free education is going to collapse our systems because the Universities are already crying because of this no percent fee increase this year so I really do not know how would they function ...[inaudible] and I believe that this country has so much money this country only if it can be used wisely, we should try to stop this corruption because too much money is ...[inaudible] corruption.

ADV. K. PILLAY SC: Ms Ntabeni may I just ask you a question, you said you have got a son in University.

MS. N. NTABENI: Yes he is at Rhodes, I am paying fees there cash.

ADV. K. PILLAY SC: And has he applied for NSFAS funding?

MS. N. NTABENI: Yes we applied last year and we were rejected because I am a civil servant.

ADV. K. PILLAY SC: And you were rejected on the basis that ...[inaudible] the means test?

MS. N. NTABENI: Mm I have money, they said I have money.

ADV. K. PILLAY SC: And can you afford to pay ...[intervenes]

MS. N. NTABENI: No I do not I am really struggling.

ADV. K. PILLAY SC: And so his fees for last year and for this year how have you been paying?

MS. N. NTABENI: I have been paying I have been making loans, I have

been using my investments, it is not easy, even this year now I am still owing R34 000 for this year.

JUDGE: Miss Ntabeni you suggested that the ...[inaudible] students should be supported by ...[inaudible]

5 MS. N. NTABENI: Yes.

JUDGE: What do you mean by ...[inaudible]

MS. N. NTABENI: Students from poor families, our ...[inaudible] civil servants.

JUDGE: To what salary level do you suggest that free education be
10 extended?

MS. N. NTABENI: You know sir I do not believe it free because I do not think that ...[inaudible] NSFAS is free.

JUDGE: Well let me rephrase, to what extent do you think financial assistance should be given, to what level, what salary, R500 000, R800
15 000, R200 000?

MS. N. NTABENI: As you say if you can say ...[inaudible] R500 000 because we are working per annum.

COMMISSIONER ALLY: Sorry Miss Ntabeni, you see it is almost like quicksand, the more you wriggle the deeper you sink because once you
20 set a standard now you said R500 000 perhaps you never thought about it and you would like to think about it because we have had students explain to us that our parents even if they earn R500 000 their children and children and children, one family has one child so R500 000 is not a problem, the other one has 10 children and that R500 000 must be split

so sometimes and what I am asking you is there another way that one can apply a test that all can receive or is it a situation where some will get and some will not get and that is just the way life is?

MS. N. NTABENI: But are you saying that even if we can say R500 000
5 or below R500 000 or how big is the family, let us just say all the civil servants because ...[inaudible]

COMMISSIONER KHUMALO: Following up on what the Advocate is saying that you are unable to access NSFAS because there is a means test that you do not qualify in so do you think that maybe your
10 submission to this commission could be that the NSFAS means test needs to be looked at to include civil servants or other circumstances I do not know ...[inaudible]

MS. N. NTABENI: Yes they need to ...[inaudible]

COMMISSIONER KHUMALO: Ideally what system can they use to
15 determine because sometimes you will find that a civil servant wants it spread over a year they can afford then there are those that can ...[inaudible]

MS. N. NTABENI: Do you know ma'am because even me if we are civil servants our circumstances are not the same, I am standing here I
20 ...[inaudible] I have to provide for my kids, they should have clothes and all those things you see and ...[inaudible] I do not know what strategy do they use I really do not know because at the end they declined my application.

ADV. K. PILLAY SC: Will you explain how the means test were
25 ...[inaudible]

MS. N. NTABENI: No ma'am I do not know I assume that they just ...[inaudible] show that I should afford.

COMMISSIONER KHUMALO: Okay from what you have heard on the submissions here is that there is a certain amount that if you earn above
5 or below that that is what they use to determine so maybe just start there, what do you think should be the qualifying salary, I cannot think of a better word ...[inaudible] that if the parents earn below this much they should be allowed to access NSFAS, is there a submission you can make?

10 MS. N. NTABENI: Yes ma'am and I think even ...[inaudible]

JUDGE: Can we talk about the repayment of the loan, would you agree with the suggestion that has been made that, would you agree that the repayment of the loan should occur only when a student reaches a particular income level in his employment, in other words when he finds
15 employment and he reaches a particular income level then he should be obliged to repay?

MS. N. NTABENI: No sir I think immediately one is employed ...[inaudible] she should start ...[inaudible]

JUDGE: Well it may be that somebody comes out of University and they
20 will start on a fairly low salary which is lower than the one that you earn and that person may not be in a position to repay at that time.

MS. N. NTABENI: No I never thought that but at least now I can say maybe they can be given a chance, maybe after two years they can start but I am afraid even then if they are given that period where will the
25 money come from ...[inaudible]

ADV. K. PILLAY SC: ...[inaudible] the students complain of what we call black tax on young graduates that when they start working ...[inaudible] once they start working and they start earning income that they are required to see to those who are less fortunate than they are and
5 ...[inaudible] and for that reason ...[inaudible]

MS. N. NTABENI: No ma'am that is the problem we all have because as I am standing here now I am ...[inaudible] that is why at the end of the day I ...[inaudible]

ADV. K. PILLAY SC: So you think that students should be required to
10 pay back even though they have got those obligations?

MS. N. NTABENI: No they must, they must pay back because this ...[inaudible]

COMMISSIONER KHUMALO: Okay so in conclusion you saying fee free system is not going to work because there is no enough money.

15 MS. N. NTABENI: That is right.

COMMISSIONER KHUMALO: And then NSFAS should revise its qualifying criteria, means test because sometimes ...[inaudible].

MS. N. NTABENI: Yes.

COMMISSIONER KHUMALO: Okay and then under those
20 circumstances ...[inaudible] must pay back as soon as they get into employment.

MS. N. NTABENI: Yes but ...[inaudible] they must contribute back.

JUDGE: Miss Ntabeni is there anything else that you would like to add?

MS. N. NTABENI: No sir.

JUDGE: Any questions that the evidence leaders would like to put.
Thank you Ms Ntabeni, thank you for taking the time to come give us
your ...[inaudible]

MS. N. NTABENI: Thank you sir.

5 JUDGE: Advocate Pillay who have we got now.

ADV. K. PILLAY SC: Thank you Chair the next presentation is by Walter
Sisulu University.

JUDGE: Welcome to you and insofar as anybody ...[inaudible] is going
to speak would they be kind enough to place their names on record
10 before they speak, thank you.

PROF. R. MIDGLEY: Thank you Chair, good afternoon and my name is
Rob Midgley I am the Vice Chancellor of Walter Sisulu University and
...[inaudible] are here with me just to hopefully save me when I cannot
answer a question. Chair we did make the submission originally that we
15 did submit one recently and there seems to be what we are, it is more of
a high level overview that a detailed overview and we took the stance
that we wanted to indicate to you what our situation is and the realities
on the ground ...[inaudible] perspective from one of the HDI'S but not to
speak on behalf of all HDI's we feel that we have got a particularly
20 unique situation in the same way that others have got particularly unique
situations.

It is common knowledge that Walter Sisulu University has
struggled to find financial and academic stability over the last couple of
years and it was placed under administration ...[inaudible] and at present
25 it is in remission we are back on track financially, I know that there is

some evidence before the commission that we are number one in the list of the highest deficits ...[inaudible] no fee increase. I am not too sure I have not been able to get hold of the basis upon which those calculations were made but most certainly from what I can find out is that
5 they were, it was on a modelling basis and it does not take into account human intervention between the date of when those pacts were presented and now.

JUDGE: What is your ...[inaudible]

PROF. R. MIDGLEY: My ...[inaudible] I was a lawyer, I was hoping that
10 you would not hold that against me. So just from our own perspective dashboard data in our presentation to indicate to you that we have got approximately 1.3, a budget of R1.3 billion in terms of expenses but if one notices there one will see that and we also, if you look at it ...[inaudible] but if you also look at the expenses a little bit more carefully
15 you will see that the Capex expenses are R20 million of the expenses and the reality is that although in trying to get back to a situation of financial discipline we have managed to do so at the same time some of the core service delivery aspects had to be compromised and also issues such as maintenance on Capex has had to be compromised so
20 that is where the problem lies ...[inaudible] now we can have short term financial stability we hope, in the longer term we are going to struggle to maintain that so to a large extent the figures that you see before you are in fact an understatement of what is actually required to run a University on a sustainable basis.

25 The other aspect of the dashboard data is that, of note, just the

previous slide please, is that you will see that from an income perspective our normal state subsidy is 11 percent and if you look at the tuition fee component the old plus the new it is 41 plus 7 so that is 48 percent of our income comes from student fees and a very small
5 percentage is in fact from other income ...[inaudible]. The other aspect that is of note is that we are the largest institution, tertiary institution in this province and we are located in the Eastern part of the Eastern Cape province so therefore we have, we are ...[inaudible] deep rural area most of our campuses and undergraduate students if you look at them, 72
10 percent qualified for NSFAS, 90 percent of our students applied, 72 percent qualified for NSFAS and so the, let me say the missing middle component is about a quarter of our students.

So we provide access to a particular category of students that is probably in ...[inaudible] they cannot afford and this has implications for
15 us at a later stage. So if one looked at it from a social justice perspective Walter Sisulu University provides a particular service to a particular sector of our society and it is a sector of society that cannot afford to pay fees and therefore that makes us vulnerable as a financially viable institution especially when you see that 48 percent of our income
20 is actually based on fees. The problem that we have at the moment, I indicated that we did do cost cutting but we have had to compromise quite extensively in terms of our service ...[inaudible] our academic project, our maintenance project etcetera but we are determined to get back on track financially and from there move forward, we cannot
25 continue to bleed because that is not the way in which we are going to

have longer term viability.

I would like to emphasise point 4.4 of our presentation and that is where we indicate that we are heavily reliant on state subsidy, if you go to the next slide, we are heavily reliant on state subsidy, if you look at
5 a subsidy plus the NSFAS component of our fee income 85 percent of our income comes from the state and that I think is the reality that we are almost or I can almost say entirely dependent on state funds, if it were not for that assistance we would definitely be down the drain and prior to the NSFAS scheme we ended up in trouble and that was the reason why
10 we ended up in financial trouble and I will show you some figures a little bit later on, in fact I can give them to you right now at 4.6 of our presentation. What happened there was and I indicate there is that in 2012 government provided R350 million ...[inaudible]

COMMISSIONER ALLY: Sorry perhaps you indicating 4.4 of your
15 presentation it is rather your submission, the presentation is the one that is up there and so just for the record that ...[inaudible]

PROF. R. MIDGLEY: I will be careful on that one thank you. On 4.6 of the submission you will see that I indicate that on 2012 we had 350 million debt relief from government, a once off payment in order to
20 reduce the debt back to zero and three years later the end of last year our outstanding fees were 4.34 and of those we consider already ...[inaudible] and so you just run into it and that is what has happened prior to the NSFAS scheme being operated as it is operating at present and so if we do not have the fee assistance we end up in trouble
25 financially. The other aspect of fees and I move onto 4.7 of my

submission is that our current fees for historical reasons are the low sector norms, traditionally what would happen in Universities like ours is that they would say we have got people coming from poor, from ...[intervenes]

5 COMMISSIONER KHUMALO: I apologise to interrupt you, on the previous slide the doubtful debts ...[inaudible] is there any attempt of collection and what are ...[inaudible] are these collectable or not, how are you trying to get them to?

PROF. R. MIDGLEY: Ma'am we have been collecting, so we are making
10 efforts in order to collect but since a year ago it has been very difficult to collect and event though people who can afford have not been prepared to do so and even some of this were historic debt even though there was funding available for historic debts students were very suspicious of that because it would mean that if they come back and take that historic debt
15 loan they then open themselves up to ...[inaudible] repayment letter so at the moment given the current impasse the chances of collecting that debt is low.

COMMISSIONER ALLY: Sorry Prof, now is it a policy decision from the University that you can call it a bad debt and ...[inaudible] obviously
20 being a lawyer there is various ...[inaudible] but what we trying to get in terms of getting the money which is the law, what measures have you taken because from what I hear you saying is a student does not want to come back and incur more debts so if he does not come back it is fine.

PROF. R. MIDGLEY: We traditionally negotiate at the beginning of the
25 year for students who want to come back and they owe the ...[inaudible]

provision but even that postpones their agony because they come to the end of the year and you know they have just postponed their liability and still ...[inaudible]. The fact is that we do hand over where ...[inaudible] but because you are dealing with people, even the missing middle are
5 poor in our situation and so therefore the chances of collecting is just, the reality is it just snowballs.

COMMISSIONER KHUMALO: Just maybe Prof, this amount it includes students that are still studying, it is debt of previous years or does it also include students who are working already, I think that is where the
10 collection will come?

PROF. R. MIDGLEY: I am not entirely certain what the answer is whether it does, I am advised that 200 million was from students who have not returned and so the rest is still current students.

COMMISSIONER KHUMALO: The 156 should be concurring students
15 so to speak and then the rest is collectable because it is the workforce potentially.

PROF. R. MIDGLEY: Maybe I should just instead of being interpreter just hand over to our acting CFO Mr de Wet.

MR. A. DE WET: I am Andre de Wet acting CFO. The numbers we put
20 for 2015 is that at the end of 2015 we had 434 million outstanding, we incentivise our students, we separate them, we ...[inaudible] and then we pack it provisionally of about 75 percent of the students who did not return because the 25 percent are those that might ...[inaudible] so students who usually return, I do not have the exact number but that is
25 about 200 and ...[inaudible] so the 234 million would be for students who

did return and there is some historic debt that would go off against that but ...[inaudible]

JUDGE: But do you know whether any of those students who did not return have actually found employment?

5 MR. A. DE WET: Unfortunately we do not have that information we just going on an exercise now to try and contact ...[inaudible]

JUDGE: The point is this that supposing a recommendation is made at the end which says that students should be able to study fee free on the basis that they will repay when able to do so, is that merely going to be
10 an empty prescription depending on whether they are willing to pay or whether they are able to do so or whether will it be effective in the sense that what actually becomes of it. Now it is all very well to say that ...[inaudible]

MR. A. DE WET: Chair I can indicate that if one goes to Stats SA recent
15 reporting March this year it indicated that, if my figures are correct, 4 percent of graduates in fact are unemployed and that is, it did not feel like that to me but that is what the Stats SA report says and if that is the case then it means that there is a high likelihood that people who graduate will get employment, 96 percent obviously, and therefore will be
20 in a position to pay. What would have to happen though is that there would have to be in either the assistants scheme there would have to be clauses that would allow strict recover when they are in a position to do so.

JUDGE: Well it has been suggested by a number of representors that
25 the ...[inaudible] to repay could be enforced through the tax system and

so ...[inaudible] a salary above the minimum limit for repayment will then count through his tax return to the Receiver of Revenue ...[inaudible]

MR. A. DE WET: We have not got into ways of how that could be repaid but we would not be averse to measure such as that and for the simple
5 reason as I have pointed out, that we make in the submission is that the University education provides both a public benefit as well as a private benefit and if one postpones the repayment of ones private side ...[inaudible] then it seems to be that one can ask such people to repay it later on when they are in a position to do so.

10 JUDGE: Do you favour the view that there should be some sort of differentiation repayment obligation in the sense that a man who earns let us say the minimum for a repayment is in today's terms R30 000-00 a month should be required to pay a lesser amount than the man who earns say R60 000-00 a month?

15 MR. A. DE WET: Chair my own view is that if you have a debt of R20 000-00 for example then if you are going to repay it at a smaller rate than a larger rate you are going to pay longer and probably ...[inaudible] interest etcetera you will pay far larger. I would advise anybody in that position to pay it as quickly as possible and have the ...[inaudible] not try
20 and pay at a low a rate as possible, but I acknowledge that ones financial ability to repay must be factored in.

JUDGE: Somebody actually mentioned during the course of the submissions that there was no ...[inaudible] to people reaping over 40 years, what do you say to that?

25 MR. A. DE WET: I think there is, I would be reluctant to say that that is a

good idea because then one is just on the never, never.

ADV. M. LEKOANE: Mr de Wet if I may take you back to your submission 4.4 where you make a point that government funding ...[inaudible] now the 15 percent is made up of what, the fee paid
5 component of students and only income or how is that divided?

MR. A. DE WET: I cannot tell you exactly but that would constitute a 50 percent of constitute on the equivalent of the missing middle except that we do not have another part so therefore the middle is ...[inaudible] I doubt whether, no I must not say that, we do have students who fall
10 outside the bracket of very poor and missing middle but that is a very small component of it but I would say it could not be more than 2 percent maximum but we do have ...[inaudible]

ADV. M. LEKOANE: So all the incomes that ...[inaudible] will fall outside of this?

15 MR. A. DE WET: Yes.

ADV. M. LEKOANE: ...[inaudible]

MR. A. DE WET: SJoe I cannot tell you on that. Chair the other thing about our fee structure, and this is a historic thing, and that is that we, you know this is like ...[inaudible] have not always increased fees at the
20 same rate as other Universities and so, and the argument has always been our students come from poor backgrounds we must ...[inaudible] them so therefore we have a small percentage increase, the problem of course is that we do not have the funds that other Universities have in order to provide the quality ...[inaudible] and this has now been an
25 enormous backlog, I can give you an example, at UCT if you compare

the BCom at UCT with our BCom the fees are exactly ...[inaudible]

JUDGE: Yes Professor it has become obvious to me at this very early stage that unless one has a state system which provides that every institution is going to receive exactly the same amount of money but
5 there is a need to differentiate between each and every institutions.

MR. A. DE WET: Chair yes we have made the point in 5.7 of our submission but I would say that one would, one could have bands of within which the fees can be placed so it is not exactly the same because we do offer different quality or a different type of services in a
10 broad area but what I am saying is that what it should not be, the ...[inaudible] should not be as great as 100 percent ...[inaudible]

JUDGE: What I am trying to suggest is that if you take Walter Sisulu and you have got Fort Hare for example each of them has individual requirements in relation to the income because they are all going to
15 spend it ...[inaudible] do you understand what I am trying to say, one will require greater infrastructure, one will require more money for students others will require more money for lecturers depending on what the present position is ...[inaudible] one really has to look at the starting point of each institution in today's world as it were in order to determine
20 what each institution needs.

COMMISSIONER ALLY: Before you answer that I want to steal your knowledge because ...[inaudible] you are at Walter Sisulu now and you were at Rhodes previously, how much, why would there be a difference if there is a difference, I understand there should be a difference, would a
25 law degree at Rhodes be more than a law degree at Walter Sisulu so

BCom 1 I just want to take out for the moment and go back to your own experience, why would that be?

PROF. R. MIDGLEY: Chair I think that one, there are, let me you caught me now I have got to go back to my experience, I would argue first that
5 each University has its own cost base so therefore if you calculate the costs of a degree you could say at this University overheads are this and salary costs are this we have got X number of staff, we offer a particular program that is pinnacle rather than academic and so there would be a different cost structure that you have to cover so that would be one
10 ...[inaudible] but and I think that that is an acceptable, you could also charge a higher fee if you have got a brand that somebody else does not have so you have got a lot of people who come into or who you want to get so you could possibly, market forces might do that so I am thinking of reasons why there would be a difference, I do not mind that there is a
15 difference and I am not arguing that the fees at UCT or Rhodes must be the same as ours, what I am saying is that because of the systemic backlog in increases there is a differentiation that was not based purely on inflation and that needs somehow to be corrected and I do not know how.

20 COMMISSIONER ALLY: Well what the problem with that from what we get from the students ...[inaudible] is this, why should I pay R25 000-00 UKZN and pay R125 000-00 at UCT for the same degree, the same subjects and they say it becomes unfair to them.

PROF. R. MIDGLEY: And I agree with them, and I agree with them, that
25 is why I am saying while you cannot say every degree must be R100-00

the cost of every degree or the fees because of those infrastructure costs or the input costs but I do believe that one can have bans and say that the LLB at Rhodes University must be within 5 percent of the R100-00 and I believe that that can work.

5 JUDGE: I have a difficulty with that.

PROF. R. MIDGLEY: Okay.

JUDGE: Insofar as there is cost spreading ...[inaudible] and if for example the University of Cape Town provides a vastly superior University library to another institution why should a student who goes to
10 Cape Town not expect to pay more for that benefit that he is going to receive?

PROF. R. MIDGLEY: And I do believe the ...[inaudible].

PROF. R. MIDGLEY: I think one of the reasons for the differentials particularly between previously advantaged and historically
15 disadvantages we have serious backgrounds in our infrastructure and if we had charged more we could probably have better infrastructure but the view was always to try and charge according to what the community could afford to pay that was one of the issues and ja and so that is why we do have, the cost structure is a function of who we believe our clients
20 were, students based and that is why the cost structure, if our cost structure was higher, if our income was higher we would be able to also have a better library.

JUDGE: Well is it not so that a very important leg of the Universities ...[inaudible] that the Universities possess autonomy and if the
25 Universities possess autonomy then the Universities are saying that we

are entitled to fix the fee structures and the concomitant of that is that we can fix the fee structures according to what we know about our own needs and our own demands and our own students and inevitably if that is the case you are going to get vastly different patterns of tuition fees
5 and all sorts of other costs at every University.

PROF. R. MIDGLEY: Chair I agree with that but what I am saying is for that you build it in by setting parameters ...[inaudible] but it can be that one has situations where one University charges exorbitant fees, totally out of proportion or others have historically charged the incorrect fees
10 too low but I am saying some parameters would assist, the problem that we have Chair, let me give you an example and let me take that BCom student as an example, now NSFAS we fully fund this ...[inaudible] gets double the money that we get just because the fees are double and these are two poor students but if you have parameters or substandard
15 against which it can be measured or you can say we will, then that is where the inequity comes in so we are not being treated equally.

JUDGE: So then what parameters do you suggest should be in effect, how should they be arrived at?

PROF. R. MIDGLEY: Chair I think that one could ...[intervenes]

20 JUDGE: if the Universities cannot come together and write the parameters how are we ever going to get it right?

PROF. R. MIDGLEY: I do not think they have ever tried and also what the problem of course is that even if we go on a sector average some Universities will be way below the average we then increase by 35
25 percent in order to get to the average and we will be closed down so fast

that we will not even know it.

JUDGE: But University autonomy is then going to go out of the window.

PROF. R. MIDGLEY: Chair autonomy is not entirely hundred percent
autonomy you work within parameters and if you give, if the sector
5 decides that the parameters are 25 percent ...[inaudible] autonomous
within those parameters, we all live within the law, we all live in the
shadow of the law so that is how autonomy is ...[inaudible]

JUDGE: And the sector in this case is what?

PROF. R. MIDGLEY: The higher education sector or you could define it
10 as a tertiary education sector, the post school sector but I mean I am
talking at the moment ...[intervenes]

JUDGE: I am having difficulty in understanding this as any decision
making body, the sector as a decision making body to me is ...[inaudible]

PROF. R. MIDGLEY: No the sector is not a decision making body and I
15 ...[inaudible] but what I am saying is that one can in some, one can find
mechanisms of saying these are the parameters within which you can
operate.

ADV. K. PILLAY SC: But that ...[inaudible] is that what you are arguing
for, regulation of fees?

20 PROF. R. MIDGLEY: Yes, yes.

JUDGE: Is that what you are arguing for?

PROF. R. MIDGLEY: Yes regulation of fees.

JUDGE: ...[inaudible]

PROF. R. MIDGLEY: It would probably, the SC that would do that would

most certainly be the Department of Higher Education and Training would most likely be, it could be a body that you have of representatives of Universities and the department etcetera to come to terms, to come to the conclusion, there are ways.

5 JUDGE: You know that I have already had a reaction from people saying it is not for the politicians to fix fees it is for the Universities to fix the fees now how does that lend itself to the possibility of a sort of common sense that you are proposing?

PROF. R. MIDGLEY: Chair I am aware of those views and it is the same
10 way, but let me ...[inaudible] academic freedom, we are all playing academic freedom but we know ...[inaudible] and I think that we can find each other, we have to find each other on this.

ADV. M. LEKOANE: Thanks Prof, I do not know if you are still following the presentation or you just ...[inaudible] as and when?

15 PROF. R. MIDGLEY: We have deviated slightly but I have located this discussion round about submission 4.7, I have not gone further than that.

ADV. M. LEKOANE: Yes, I was looking at your ...[inaudible] and you were saying the security costs escalate and I was not sure if there was a reason for that specifically.

20 PROF. R. MIDGLEY: Yes, Chair yes there is a reason for that and that is student protests in part but also they have been quite a lot more radical than before and the damage to property is a lot more than before, there is a lot more anger than before and therefore the need for security have been a lot greater than before and so that is why we have just had 10
25 days of student protests and it is not pleasant and you have to protect

because you do not know what is going to happen, we do not want to see our University what happened at other Universities and thank goodness student leadership have been at least disciplined in that sense if not in other senses, people were to maintain the focus away from damage to person and property but we cannot say, we do not know what will happen so you have got to take protective measures in order, just in case, you have got to ...[inaudible]

ADV. M. LEKOANE: Okay it is just I was hoping we will tie it up with the request for in-sourcing, are those security services internal or are they external and would it not be one of the complaints that that money should be going somewhere else?

PROF. R. MIDGLEY: Yes, it is a complaint but that is the you know the particular action if it creates financial consequences we have to deal with that, the security, we follow a dual model in that on some campuses our security is insourced entirely, others outsourced and sometimes ...[inaudible] so it depends on the contracts that we have there but these additional costs were in the main outsourced having to come in to provide additional services to the ones that we have.

ADV. K. PILLAY SC: Prof can I just take you back to 4.7 of your submission and specifically to the last sentence in that paragraph where you talk about the long term implications of the no fee increment that was a product of October 2015 discussions, can you just take us through some of the long term implications of the decision that there was to be no fee increment for 2016?

PROF. R. MIDGLEY: I just said that that would exacerbate the situation

of fee increments in the past that were less than inflation related because what happens there is that your costs are always inflation related, your wages, the other services and so what happens is that you then have to cut back something and as soon as you start cutting back

5 you do not have a full staffed division, you do not offer proper services, you do not offer, if you go, I have only been in this job for five months and I can say to you that if you go through the residence system that goes through our residences you would be appalled at the living conditions of those students it is shattering and it is something that

10 needs to be done and the reason for that is because of there is not money to do it that is why I highlighted the Capex component, on a R1.3 billion budget your Capex is 20 million that is peanuts and the reason for it is that you do not have additional income to do it and that is the long term so what we have here is that we are compromising the student

15 experience at University and I am talking about the students living and learning experience in the whole process because we cannot offer the proper services to them to be able to say I am comparable with, my experience is comparable with something else.

And then there is the additional spin-off that comes from that and

20 that is the political risks because now the students go and they protest in order to get better conditions and I cannot argue with them, when they sit across the table they have every right to say my conditions are poor what are you doing about it and that is because we do not have the means in order to do what we need so it is a package not just a single

25 thing but it is a package that if we do not increase something has to

decrease in the whole process.

ADV. M. LEKOANE: Sorry Professor just for clarity, the inflation you are referring to it is ...[inaudible] or is it for higher education inflation?

PROF. R. MIDGLEY: You can say both, the higher education inflation
5 probably does not affect all Universities in the same way because we do
not have, the Chair referred to the library, we probably are not as reliant
on the imported inflation at Walter Sisulu University as UCT or Wits
would be so I think within that 2 percent gap of that higher education
inflation there is but I am talking just even just for the bare minimum the
10 ordinary inflation ...[inaudible]

MR. A. DE WET: If I can just add on the no fee increase impact, yes
government did compensate us for that for this year the question is what
is going to happen to that 6 or 8 percent ...[inaudible]. Chair in a sense I
have also indicated that one of the problems if I may continue, 4.8 of our
15 submission accommodation. We are in the rural area, there is no
alternative accommodation that is readily available and you will see of 28
000 students or from, of 28 000 students we supply 27 percent of our
undergraduate students, resident students and that must compromise
their living and learning experience and so therefore they live in shacks,
20 they live in overcrowded conditions up to 8 in a what is popularly known
as squatting but non fee paying students that are living up to 8 of them in
single rooms and therefore adding bulk infrastructure costs to it without
getting an income back into the institution but we simply, I am not saying
officially but we know this there but you have to tolerate it otherwise they
25 are going to have to sleep under the skies overhead and so that is an

enormous pressure on us and again leads to stability in the running of the institution from a student point of view but the infrastructure costs to get the backlog in is enormous.

Government does assist and so what we are grateful for what
5 they have done but the reality is that there is a big problem here especially when one moves towards massification, getting more and more people access then you must then have the infrastructure in order to accommodate that increase and that is the other pressure that has come our way is that in response to the call to give access to education
10 we are compromising ...[inaudible] in terms of infrastructure.

ADV. M. LEKOANE: Yes Prof, these accommodation costs do they include the meals, there was submission made about a certain card ...[inaudible] how does that work?

PROF. R. MIDGLEY: The costs that we are talking about here is the
15 residence fees for WSU to not include meals and so therefore in our situation students have to provide their own meals, NSFAS gives that Intele [?] card and that is what then gets credited, those who are not on NSFAS obviously have to pay for themselves. The complication here is this that our students, our residences that we have here were not built
20 for self catering accommodation and so when the decision was made some time ago to cut costs and to close the catering facilities you now have students cooking in their rooms because there are not additional facilities available and that increases the risk of fire, we have had one residence burnt down this year, small residence just simply because of
25 the incorrect use of a cooker. And all those things and there are hygiene

issues as well, people wash their cutlery and crockery in the bathrooms.

ADV. M. LEKOANE: Just on that, does ...[inaudible] from the municipality?

PROF. R. MIDGLEY: I certainly do not think so.

5 JUDGE: All this sounds to me like nothing less than an emergency situation.

PROF. R. MIDGLEY: Chair it is an emergency situation we believe.

JUDGE: Now why have the Universities not come together, perhaps they have, to make an approach to government to deal with this
10 emergency situation?

PROF. R. MIDGLEY: Chair I can say to you that government is fully aware of the situation, government also does not have the ability to assist to the extent that we are, government has gone out of its way enormously to deal with it but I am not pointing fingers at government on
15 this issue at all, there are, it made available special funding for HDI's to try and get the HD out of the acronym and so they make specific efforts, they have given quite a lot of funds, infrastructure development funds and they have paid the HDI's in those allocations so I commend government for that and I respect the situation that it finds itself in, in that
20 regard but they know and we know.

JUDGE: Would you agree that the present situation to increase the number of students by making education fee free without improving all the ancillary facilities would be a disaster?

PROF. R. MIDGLEY: Chair that is my submission.

JUDGE: So it has to be a package of the whole lot or not at all.

PROF. R. MIDGLEY: Yes.

JUDGE: Or ...[inaudible]

PROF. R. MIDGLEY: Especially for institutions like ours where we are
5 85 percent, that is the point I am making, 85 percent reliant on
government funding.

JUDGE: Because what you tell us about student accommodation
suggest that for us to even recommend that fee free education should be
given without being satisfied that additional accommodation could be
10 provided would be reckless.

PROF. R. MIDGLEY: Chair I do not know how to respond to that, I think
if one looks at the current numbers I do not think one should, if one has
got a system that is expanding then it will become more reckless but if
one, if the system, if the current system can just be brought back onto
15 the track again.

JUDGE: No it will necessarily expand when more people, more students
are enabled, empowered if you wish to obtain education.

PROF. R. MIDGLEY: Yes I understand that but that is the dilemma and I
am glad I am not sitting in your chair sir.

20 JUDGE: Well that may be but we are trying to get the dilemma
absolutely clear in our minds so that we know what has to be answered.

PROF. R. MIDGLEY: Chair I think we have covered, we have painted a
rather bleak picture of what we are saying is we are operating on a very
tight shoestring budget, we cannot do what we ought to be doing in the

current situation that we are in and therefore what we are saying if I
come to our concluding submissions, the real point here is that although
there are forms of efficiencies that we can still get to operate more
professionally and a more economic business like manner we can effect
5 them but they are not going to make a massive difference I think in the
overall running because there are structural backgrounds but (1) I can
say that if we have a system of subsidy and pure fees as in the plea and
trial, an institution like ours will not survive because and it is illustrated
by the enormous bad debt ratio that got accumulated so quickly over, so
10 because we do not have people who have the ability to pay fees.

Then we get to the other extreme which is an entirely free for all
system that is what students are asking for right now, I do not know
whether we are or in the position to do that, we have not done that kind
of homework, we have not got the ...[inaudible] to do that but our
15 suspicion is that an entirely fee free situation might not be feasible. We
also do not believe that it is equitable that people who can afford it and
let us go back to Rhodes, colleagues who had their children at St
Andrews then they matriculated come to Rhodes, they increase their
disposal income enormously simply because Rhodes fees were one third
20 of the St Andrews fees so why should those people benefit from an
entirely free situation.

JUDGE: Take the situation of the lady who gave evidence before.

PROF. R. MIDGLEY: Yes sir.

JUDGE: Supposing her income is let us just say R150 000 a year she
25 struggles with might and main and she succeeds with the help of NSFAS

to put her child through University and with an obligation to repay. The student who earns R119 000 a year does not have to pay anything at all on the assumption that it would be entirely fee free and has no obligation to pay it back. Now the difference between her situation and the R119
5 000 situation is very small.

PROF. R. MIDGLEY: Yes.

JUDGE: But some equity has demanded that she pay and he does not so it does not seem to me that it can ever be a fair situation.

PROF. R. MIDGLEY: Chair one cannot be fair, you cannot treat
10 everybody equally and, but both those students had an increase in their earnings capacity and they both had an equal benefit and so therefore why should they or why should the one get it free and the other one pay, that is the moral dilemma that one is in.

JUDGE: Essentially the private benefit and the public benefit is the
15 same in respect of each student.

PROF. R. MIDGLEY: Correct, correct and therefore what we are saying is in our submission we are suggesting that a system where there is some form of a contribution from those who benefit the graduate even if it is a deferred contribution is probably the way to go because, if you get
20 something entirely free everybody tells us you do not appreciate it as much as if you put a little bit of sweat in as well and so therefore we are suggesting that a compromise situation of a low scheme with an adequate way of finding ways of getting a return payment from that loan would be the best way to go.

25 JUDGE: Yes thank you.

PROF. R. MIDGLEY: I think I have almost covered most of the issues if I have not then they are written down.

JUDGE: Okay thank you.

PROF. R. MIDGLEY: Thank you for the opportunity.

5 ADV. M. LEKOANE: Thanks Prof. On the criteria is the proposal that we represent the ...[inaudible]

PROF. R. MIDGLEY: We have been very careful not to go into details about that, I just figured that a high level because as soon as we get into details then I am speaking from a position of ignorance because we have
10 not done our homework on that but that may be one way of doing it, it may even be that one says that even if you are below the means test you must still pay back at some stage something.

JUDGE: Some percentage.

PROF. R. MIDGLEY: Yes.

15 JUDGE: Have you considered whether until the system can be made self funding by repayments, there is a means to raise an interim lump sum to fund the gap.

PROF. R. MIDGLEY: Chair that was suggested to me by one of the student leaders that and example well let me not use the exact example
20 but it was, it can be funded if you take out a loan or government can get money from another country to invest and they can build Universities in other countries why can they not assist and my argument is simply this, that you should not be using ...[inaudible] capital to fund operational expenses you have got to be sustainable and otherwise you are just

going to go into a massive spiral and it is not, it is just simply not the correct thing to do and so I would be reluctant to say let us do it this way but if government wants to create an issue with bonds or something like that in order to fund that would be a government way of funding it but I
5 would be reluctant to go and use loan capital in order to run ...[inaudible]

JUDGE: I heard you conducted no investigation into other alternative sources of funding in this country, I am impressed where there are large amounts of money lying utilised.

PROF. R. MIDGLEY: We are aware that we have but as I indicated
10 earlier on Chair we did not go into those because we felt that other people were probably better placed to do that, we do not have full access to do so, so we would be giving you a half baked submission in that regard.

JUDGE: Okay any further questions.

15 ADV. K. PILLAY SC: Nothing, nothing from our side Chair, we notice that it is now 13:55 so if we could take a half an hour adjournment and ...[inaudible] has been here for quite a few hours now.

JUDGE: So you want ...[inaudible] half an hour?

ADV. K. PILLAY SC: If we can get half an hour that would be
20 appreciated.

JUDGE: We will adjourn for half an hour thank you Professor.

PROF. R. MIDGLEY: Chair thank you very much for the opportunity we appreciate it.

JUDGE: Thank you to your representatives too.

MEETING ADJOURNS

MEETING RESUMES

PROF. R. MIDGLEY: The next presentation is by the National Tertiary Education Union.

JUDGE: Good afternoon gentlemen, would you be kind enough to place
5 your names on record before you speak, thank you very much.

MR. G. ABBOT: Good afternoon Chair thank you for the opportunity. My name is Grant Abbot, I am the general secretary of the National Tertiary Education Union ...[inaudible] John Landman, John is a past president of the Union, a past NEC member currently he works at the Rhodes
10 University and he is a member of ...[inaudible] around this issue with regards to the fees and funding of the Universities. Just to maybe let you know from our side how we are going to do, how we are going to conduct our presentation, we are a democratic organisation so I will be the one doing all the talking and being autocratic, I will just give a
15 introduction of where we are and I can tell you a bit about who we are and why this is important to us then Mr Landman will take us through the rest of the presentation.

Chair NTEU is a Trade Union that is represented in 14 branches in 14 Universities and some Tvet's and institutions, one in particular
20 across the country. We organised exclusively in the higher education and credit sector so nowhere else so this is our prime space in which we operate. Our primary role is to represent the job security of our members and the interest of our members within the workplace and also to defend the continued employments and rights of our members and
25 think perhaps what or what has been of particular concern to us is that it

seems by and large the labour movements recognised within an education space regards ...[inaudible] you know in everything that has been going on largely, I do not want to say law because that implies perhaps deliberate attempt to or but I think as things progress we have
5 been excluded in the negotiations and the spaces around many of the demands made by students.

JUDGE: I am not sure if I am missing (a) the numbers of your members and (b) who they are and what jobs they do.

MR. G. ABBOT: Sure, so we represent about 4500 employees across
10 the sector, they are both academic employees as well as general and support staff workers at the various Universities.

JUDGE: So it may be lecturers, professors, admin staff of any kind.

MR. G. ABBOT: Admin staff as well yes so the broad, anyone who works within a higher education institution or a Tvet college.

15 JUDGE: Do you mean the groundsmen could also be part.

MR. G. ABBOT: That is correct yes. Contract staff as well as permanent employees. Ja and Vice Chancellors may also be members or I do not think any of them, ja so that is us I think in basic terms.

JUDGE: Okay.

20 MR. G. ABBOT: I am going to ...[inaudible]

JUDGE: Thank you.

MR. J. LANDMAN: Good afternoon commissions perhaps I can just say firstly the activities of this morning were ...[inaudible]. Just to say again that we appreciate this invitation and as the general said that is not the

fault of the commission I think it is higher up the line that nowhere
...[inaudible] employee or employee representatives here ...[inaudible] so
on this space that we know we have to occupy it is present to the
commission and we have noted that we think we are the only Union
5 which has presented but ...[inaudible]

JUDGE: Well what other unions are there doing the same thing?

MR. J. LANDMAN: The SATU, NEHAWU, some institutionally based
ones at certain institutions.

JUDGE: Do they all represent academic staff?

10 MR. J. LANDMAN: In general, I do not want to speak on their behalf but
I suspect quite a lot of them are as they ...[inaudible] those are
institutionally based ones ...[inaudible] at UCT one, at UKZN and Wits
they should represent academics and then your other professions there
also institutionally based ...[inaudible]. So our approach coming to the
15 commission is to also, we felt that you were going to hear a lot of
information from the institutions around funding, how funding works in
institutions of budgeting, shortfalling and whatever so we thought they
are probably the best people to present that so our submission you may
have noted already really works around the concerns around continued
20 employment of staff ...[inaudible]

So if it looks like our submission omits in part but what we
sought to try and do is unpin what institutions are probably ...[inaudible]
budget constraints that they are based with and our concern just rides as
a trailer on that to say well those constraints really are a threat to our
25 employment and we have put that in our summary of concerns and if I

can just go to that at ...[inaudible] in presentation document 1 that is the one of September. We recognise the submissions of the students on fees but we have felt that we cannot support their actions, in other words ...[inaudible]

5 JUDGE: Well we are not here to Judge their actions.

MR. J. LANDMAN: Ja we do not Judge their actions either but what they are seeking to achieve means a loss of funding which will result in loss of employment.

JUDGE: On the contrary what they are seeking to achieve may mean
10 that much broader student based and far more employees for the Universities as a consequence.

MR. J. LANDMAN: That depends on how the funding ...[intervenes]

JUDGE: Right on whether the funding is found or whether it is not yes.

MR. J. LANDMAN: Current no fee increases is already resulting in
15 ...[inaudible] discussions, talking about reducing staff costs.

JUDGE: Well if the fears are justified then your fears and your defensive approach is also justified.

MR. J. LANDMAN: Yes.

JUDGE: But the investigation opens up new avenues and then
20 potentially you have a greater source of employment with members of your Union.

MR. J. LANDMAN: Yes.

JUDGE: So it is not all negative.

MR. J. LANDMAN: It ...[inaudible]. One of the problems that we have is

that many of our members are parents so you know they stand to let us say blend ...[inaudible]

JUDGE: But those are not your interests.

MR. J. LANDMAN: That is not our interest but you can see ...[inaudible]
5 how we present ourselves ...[inaudible]. If I can just continue, we can spot the ...[inaudible] if you want to create a knowledgeable society then it is that principle on which we create our funding and our funding model. The UCR sector as a social and industrial good that the loss of financial ...[inaudible] would mean our institution loss of the ability to attract new
10 people into the profession, into the career and the ability to just generate new knowledge about our African society becomes frustrated because ...[intervenes]

JUDGE: You are assuming, you are assuming there are no funds, if you make that assumption then everything you have said may ...[inaudible]
15 justified, if you assume there are funds if they can be found.

MR. J. LANDMAN: Yes.

JUDGE: Then I do not understand your fears so you must really tell us what we want to know which is where do we find funds?

MR. J. LANDMAN: We can just, I must take you to that ...[inaudible]
20 bearing in mind the four things that we think we need to achieve would be sustainable employment of members, sustainable reward, resources or knowledge dissemination so the fee structure, the funding structure has to give us up to date lectures and news, facilities ...[inaudible] so the dissemination remains of quality ...[inaudible] an education which
25 addresses the ...[inaudible] of students and providing a basis for, a

funded basis for academics to do the research knowledge generation none of that is cheap this is what institutions are saying to you, the equipment that we have to import to do ...[inaudible] if government wants to fund the entire thing then we have all the funding we need if
5 government decides on something between what we currently have and ...[inaudible] and it averages something I think like 50 to 60 percent so government is only provided 40, 45 percent of what we need currently that ...[inaudible] will have to be found somewhere.

COMMISSIONER KHUMALO: On that point just ...[inaudible] you saying
10 achieving an affordable education as you are saying a lot must be raised from students does it have to be from students specifically or it could be any other source or anywhere where you refer to student for raising money is that ...[inaudible] being another source?

MR. J. LANDMAN: Where else would one raise it from.

15 COMMISSIONER KHUMALO: The problem with third stream income as outlined can be raised from ...[inaudible] so that is why I am saying does your presentation say nowhere else can we get the money except from students.

MR. J. LANDMAN: We are saying that because the third stream
20 component of most of the University incomes is just not large enough in most cases and it is unreliable as the presentation said, you cannot ...[inaudible] funding in our regular running budgets so it is the ongoing expense which ...[inaudible] so the comment alone that we made is that and we have said this for quite a while if you take the staff cost
25 ...[inaudible] away from institutions and give it to government the

compromise then is that the balance in a capped way and however one caps that admission might decide that if it were say for instance bracketing it nought to X, you know X to Y some portion ...[inaudible].

We were trying to ...[inaudible] we think that might be about 70
5 billion on top of what we currently spend so there has to be a public partnership that would go on until the state would have enough money or rearrange the budget through National Treasury such that one third of our GDP for instance is paid into the education system, at the moment or two years ago it was about 1 percent but we have to make the decision
10 as well that full fee, in other words when you wave goodbye to your home you start paying and when you arrive back home you stop paying or is it just tuition you know the whole thing of what we have told arrive at now is how ...[inaudible] full fee free ...[intervenes]

COMMISSIONER KHUMALO: But on behalf of your members do you
15 think your members should be prejudiced in any amount or ...[inaudible] is achieved then there are funds available if they are not from fees they are from any other source do you think ...[inaudible]

MR. J. LANDMAN: No because not all of them would be parents of a student. Well there are two other ways to ...[inaudible] and they are
20 based on they should be ...[inaudible]

JUDGE: Well the National Treasury pointed out that our flat liability is substantially less than the rest of the world or many countries of the world, what is your ...[inaudible] of that?

MR. J. LANDMAN: Mr Chair I am struggling to hear you [huge banging
25 noise in the background throughout]

JUDGE: I am sorry, the National Treasury suggested that, the National Treasury suggested that that is a possible source of an education ...[inaudible] now what and the rest of the world pays generally speaking more VAT than we do, what is your objection to that?

5 MR. J. LANDMAN: ...[inaudible] we can tell you that we do not support it because there would be an impact on many, many people in the country ...[inaudible] the people who have very, very low incomes and ...[inaudible] so I am not sure that that is a solution ...[inaudible] but the impact on unemployed people and poor communities I do not think it is
10 ...[inaudible]

ADV KILLIAN: Okay just the same question as the Judge is asking, what would be your ...[inaudible] if Seta money was to be used in ...[inaudible] to the legislation, what would be your feeling about that if the money is redirected to an education fund?

15 MR. J. LANDMAN: That would be a difficult one in a sense that the Seta money is supposed to be directed at the development of employed people.

JUDGE: Yes well let us assume it is being used for that and we have no proof that it is not being used for that, but let us assume that it is maybe
20 being accumulated or largely being accumulated, what then?

MR. J. LANDMAN: The accumulations if I would be getting your question correctly is, I am not sure that ...[intervenes]

JUDGE: In other words it is not being used for the purpose for which it is presently being intended if that is the case?

25 MR. J. LANDMAN: It is being used for that and the Seta that relates to

our sector has a very large program which I think this year or in the last financial year put aside something like 200 million for unemployed so people who do an ...[inaudible] or in fact had just matriculated funding has been put in to skill them so the money from our sector is being used
5 in both cases.

COMMISSIONER KHUMALO: Just to assist you, let us assume maybe the Seta has got 500 million and now we are saying only 200 is being used what would be ...[inaudible] if the 300 that is not being used is redirected to education fund because it is sitting there?

10 MR. J. LANDMAN: It is often referred to a Seta reserves if ...[inaudible] already being budgeted into the various programs that a system might run.

JUDGE: Well if that proves to be the case then that is the end.

MR. J. LANDMAN: Ja but by regulation we cannot, the Seta cannot
15 retain more than 5 percent of a discretionary reserve the rest goes to the NSF so the ETDP Seta in 2014/15 paid something of a million to the NSF.

JUDGE: Do you know how much lies in the NSF?

MR. J. LANDMAN: No I am afraid I cannot answer that question but if
20 every Seta is having to do that sort of thing then and the levies that are paid by the employers, a portion of that automatically goes to the NSF so.

JUDGE: 2 percent.

MR. J. LANDMAN: It is 10 percent, I cannot remember exactly what it is,

one begins to make a guess about that ...[inaudible] I was at a meeting earlier this week where I was going to ask someone who sits on the NSA what is actually done with the NSF money because that might be a source. Incidentally a lot of money has come from the NSF and it is
5 being used, the Seta's were required to pay money across ...[intervenes]

COMMISSIONER ALLY: Make them pay full 350 or more the following year just by having ...[inaudible] but it has to do with cost structure and you may want to perhaps have something to say in our further sets in the commission with regards to cost structures in the University.

10 COMMISSIONER KHUMALO: Before you respond I think what my fellow commissioner is saying here is that what you have ...[inaudible] maybe later on in the commission regarding representations ...[inaudible]

MR. J. LANDMAN: It is not necessary because ...[inaudible] the costs to run the University because of the competitive system so what else that
15 you can try ...[inaudible] salaries to the extent that it statically is to attract the good academic or the good administrator or whatever, my idea would be that if we were on state system ...[inaudible] makes a choice to live at the institution because his focus in his discipline resides there making an academic decision with the economics but the cost of running
20 ...[inaudible] you will hear it again in your submissions ...[inaudible] I had to attend to something two weeks ago where I promise you if one looked inside the cabinet that was in a research room which was almost been destroyed by flood and that cabinet decided that box was worth a million rand, once you start putting in what people are doing in terms of
25 research and things like that and it varies a lot ...[inaudible]

Just lastly where there was no fee increase ...[inaudible] and only two of the institutions got a hundred percent of ...[inaudible] the rest of them got ...[inaudible] the institutions then really started to talk about retrenching staff and the small institutions like Walter Sisulu, Rhodes, 5 UFH then Zululand perhaps Limpopo, UNP ...[inaudible] for them massive retrenchment because we are so close to the shoestring already, intervention ...[inaudible] that is actually what the students are going to be receiving as learners. You actually ...[inaudible] and the problem that we had as a Union is that they are making it very, very 10 difficult for us to actually ...[inaudible] because as seeming to be saying no fee increases or anything like that ...[inaudible]. If we do not get a proper ...[inaudible] over the next 10 years or five years that ...[inaudible] you may come up with a solution and all ...[inaudible] will be there to accept your solution.

15 JUDGE: You agree ...[inaudible] that there is nothing we can do about that.

MR. J. LANDMAN: The next thing that happens is the staff go out on the street.

JUDGE: I am sorry I did not hear that.

20 MR. J. LANDMAN: The next thing that happens is the staff go out on the street you know if they are not getting ...[inaudible] it is a career industry where people come in there and lecture for 35 years when they retire, some of our lecturers never retire ...[inaudible] they still occupy space in our buildings, they still stay on as researchers, we still have a cost of 25 their IT needs, we cannot put new staff or student offices there because

and ...[inaudible]

JUDGE: That is the part of the system.

MR. J. LANDMAN: It is part of the system but we will try and persuade them to actually retire but it does not really work ...[inaudible].

5 JUDGE: Anything further that you wish to add?

MR. J. LANDMAN: How long have you got Chair?

ADV. T. MABUDA: Not from my side.

ADV. K. PILLAY SC: No, I just wanted to say thank you Mr Abbott and Mr Landman that was very useful.

10 JUDGE: ...[inaudible] thank you.

MR. J. LANDMAN: Thank you.

JUDGE: Then we adjourn until tomorrow morning 09:00 I believe, 09:00 tomorrow morning.

ADV. K. PILLAY SC: 09:00.

15 JUDGE: Thank you.

MEETING ADJOURNS TO 2 SEPTEMBER 2016

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DAY 1 - EAST LONDON

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HIGHER EDUCATION AND TRAINING

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3. Where names, places, esoteric terms etc are unknown they are spelt phonetically.
4. **VERY BAD RECORDING**
5. Difficult to differentiate between speakers.
6. At a point in day 1 there is a huge screaming fight, only bits and pieces could be transcribed.
7. The male and female voices that I have managed to transcribe are students speaking.



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