



Central University of
Technology, Free State

CUT'S PRESENTATION TO THE COMMISSION OF INQUIRY INTO HIGHER EDUCATION AND TRAINING (THE FEES COMMISSION)

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INTRODUCTION

- At the outset, CUT wishes to acknowledge the necessity and importance of the work that the Commission is doing.
- CUT's response to the call could be one based not so much on our 'expertise' in the matter of fee-free higher education but on our observations we have made from our experience as a UoT and practice in the HE system.

CUT welcomes the fact that universities can move forward after the moratorium delay

- Universities, through their Councils, will determine fees for 2017
- Maximum increase of 8% is recommended in some cases, that is, those whose combined household income exceeds R600 000
- No increase for NSFAS students
- No increase for 'missing middle' students – whose combined income is in the R120 000 – R600 000 range
- Government support of R2.5 billion is welcome
- Despite these financial pressures, universities are expected to pay their staff a 'fair living wage'.



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BRIEF ANALYSIS OF CUT'S SITUATION

CUT is a dynamic institution taking pride in its technological and entrepreneurial orientation with its emphasis on experiential training, quality service, community involvement and research.

Today's working environment demands a different way of thinking, a new way of seeing things. It necessitates an educational awareness of present opportunities to equip students with an applied knowledge and qualification. Inter- and multi-disciplinary sciences rooted in a technological and entrepreneurial base are the new generation sciences fit to address the immediate and urgent needs of our society.

CUT plays an important, distinctive academic role in providing quality higher education for historically marginalised individuals. The significant proportion of CUT students come from poor and educationally disadvantaged backgrounds, thus posing an associated set of teaching and learning challenges for the institution.



2016 Tuition Fees for Engineering Qualifications (BEng, BSc Engineering or N Dip Engineering)

Tertiary institution	Tuition: 1st year
CAPE PENINSULA UoT (N Dip)	R 19 925 - R 36 535
CENTRAL Univ. of Tech. (N Dip)	R 23 120 - R 30 850
UNIV. JOHANNESBURG	R 34 500 - R 42 600
UKZN	R 37 110 - R 40 000
UNIV. PRETORIA	R 37 680 - R 46 930
WITS	R 40 170 - R 48 150
UNIV. NORTH WEST	R 43 270
STELLENBOSCH UNIV.	R 47 980
UCT	R 51620 - R 53 330

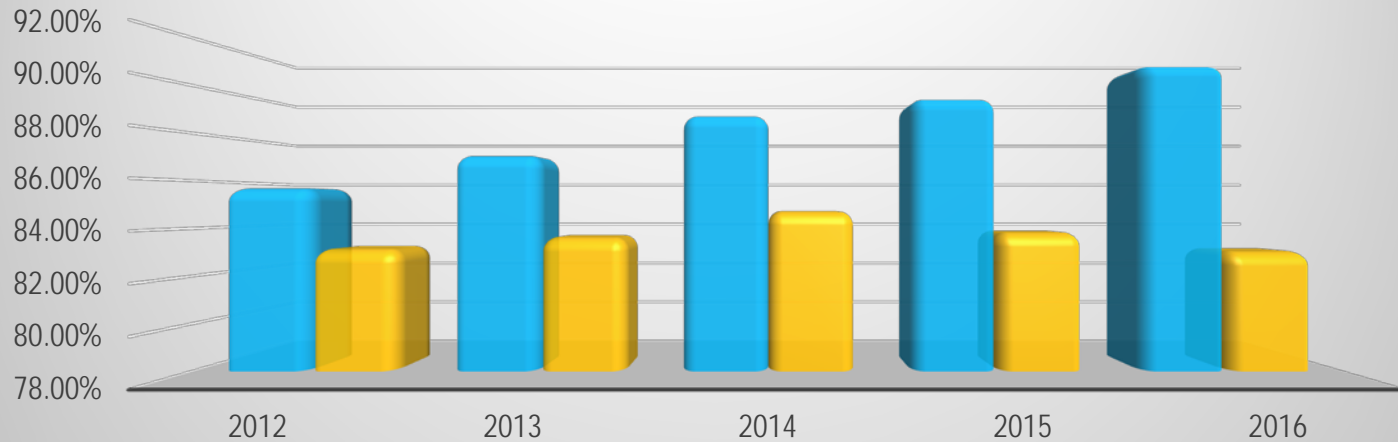
NOTE: CUT's tuition fees are one of the lowest among South African Universities.



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CUT Profile

Proportion of students headcount from African population group vs DHET targets

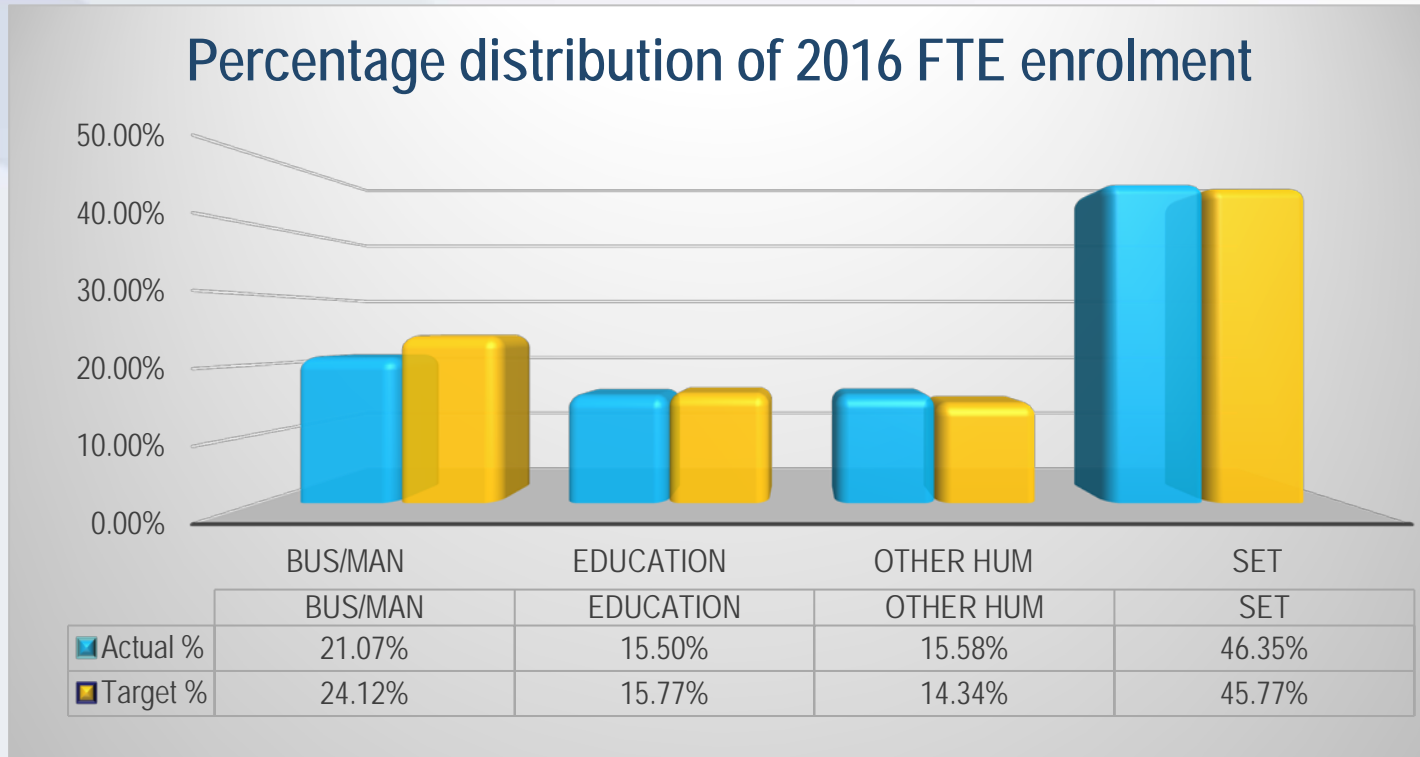


	2012	2013	2014	2015	2016
Actual	85.70%	87.10%	88.80%	89.52%	90.93%
Target	83.10%	83.60%	84.70%	83.80%	83.00%

CUT's demographics is true reflection of national population dynamic.



CUT profile cont./...

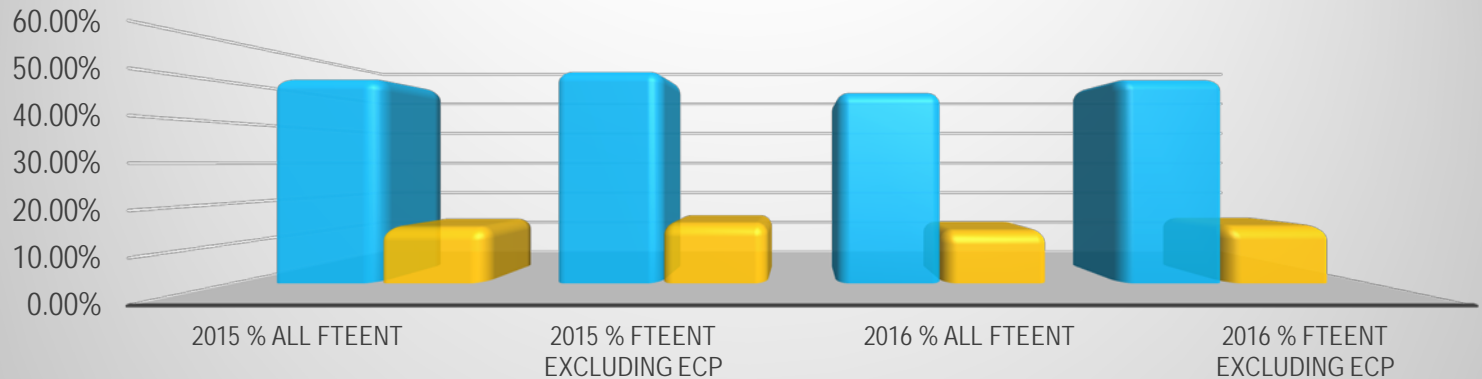


CUT technological orientation is confirmed by the CESM composition of its FTE enrolment.



CUT profile cont./...

Proportions of first time entering students with 27+ and 32+ CUT admission score with and without ECP cohort



	2015 % All FTEent	2015 % FTEent excluding ECP	2016 % All FTEent	2016 % FTEent excluding ECP
27+	51.52%	53.44%	48.08%	51.40%
32+	13.81%	14.83%	12.94%	14.08%

CUT's students educationally disadvantaged backgrounds are evident in proportions above.



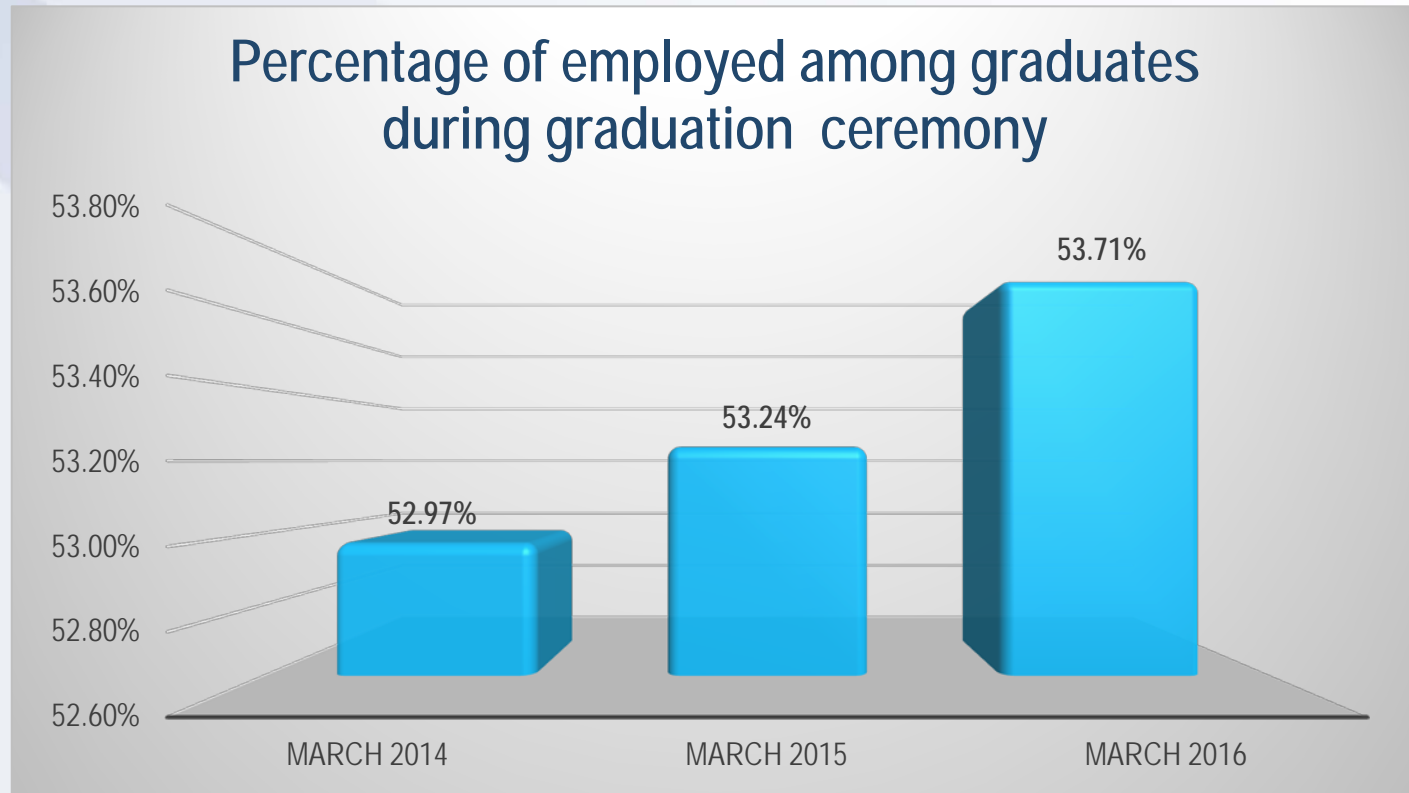
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CUT profile cont./...

UNIVERSITY	Graduation rates (%) 1)												
	(unweighted graduates/unweighted enrolment student heads) 2)												
YEAR	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
CAPE PENINSULA UT	19.3	20.2	20.0	19.9	24.0	24.0	24.1	25.2	23.5	24.3	24.3	24.8	25.3
CENTRAL UT	16.5	15.9	17.0	20.9	23.2	22.2	23.2	19.4	19.2	22.2	25.0	24.1	22.7
DURBAN UT	15.1	15.3	17.6	19.1	19.4	20.9	20.3	23.7	22.5	22.6	24.1	24.7	25.3
MANGOSUTHU UT	13.7	10.9	9.6	11.9	19.5	18.8	14.0	12.7	15.8	19.1	18.1	20.0	21.5
TSHWANE UT	13.6	14.1	15.6	16.5	17.9	19.6	19.6	19.9	19.4	20.9	20.9	20.4	20.2
VAAL UT	11.7	13.3	13.7	13.2	14.1	16.7	17.7	16.7	14.7	16.8	18.6	20.5	21.7

CUT's graduation rates are only exceeded by CPUT and DUT, despite its size.

CUT profile cont./...



CUT's graduates are valued in the RSA economy

CUT profile cont./...

- 2015 pass rate of 77.19% exceeded the DHET target of 76.08%
- 17 qualifications cleared by DHET and submitted to CHE for accreditation in 2016
- Currently CUT's PQM consists of 67 HEQSF-aligned and accredited qualifications
- The FTE student enrolment to FTE of permanent instructional/research staff ratio improved from 37.2 in 2011 to 36.41 in 2015
- The same ratios in terms of headcounts were 46.15 in 2011 and 47.63 in 2015
- In 2014 CUT exceed by 196 the DHET target for engineering graduates



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CUT Academics Profile

Qualification	African		Coloured		Indian		White		TOTAL
	Female	Male	Female	Male	Female	Male	Female	Male	
Doctorate	6	27	0	3	2	3	31	19	91
Masters	21	39	2	0	1	4	33	28	128
Other	23	31	5	1	1	0	18	26	105
TOTAL	50	97	7	4	4	7	82	73	324

The table above contains qualifications per race & gender category for full-time Instruction & Research Personnel as at August 2016 and represents CUT achievements in the transformation process of its academic staff.

CUT Academics Profile

Personnel cost	2013	2014	2015	2016
Academic Personnel cost	59.20%	59.80%	59.61%	60.00%
Support Personnel cost	40.80%	40.20%	40.39%	40.00%

The balance between academic personnel and support personnel at CUT is constant around 60% vs 40%.



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DHET BLOCK GRANT

GRANT COMPONENT	2012	2013	2014	2015	2106
TEACHING INPUT GRANT	10 877.35	10 855.99	10 874.00	10 804.58	10 764.79
TEACHING OUTPUT GRANT	18 895.29	19 194.16	19 944.39	19 644.94	20 802.58
RESEARCH OUTPUT GRANT	119 335.08	119 028.74	115 048.18	113 183.93	108 692.89
INSTITUTIONAL FACTOR GRANT	11 624.61	11 325.00	11 093.54	10 742.26	10 947.91

*The table above provides Rand value per unit for calculating the DHET annual Block grant components. One can notice that only the unit value of the Teaching Output Grant shows a small increase while the others declined during last 5 years.

*By implication, students attending the same class are subsidized less each year.

*Unlike some other universities which have a strong alumni base, where strong networks bring millions in extra funding, CUT does not have all of these.

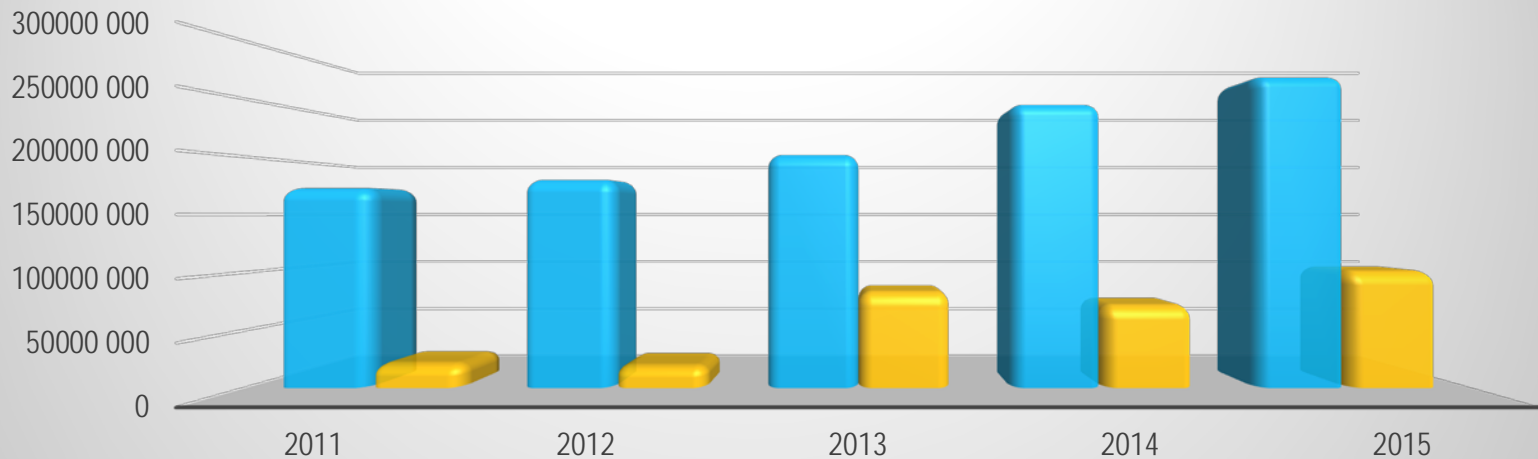
*As result for CUT, increased fees contribute significantly towards annual total income. In 2014 fees contributed **40.5%**, in 2015 the contribution was **39.5%** and the planned contribution for 2016 is **53.42%**.



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CUT Fees

Fees vs student debt



	2011	2012	2013	2014	2015
Fee totals per year	173661 000	180925 000	202913 000	247339 000	271682 000
Outstanding debt by the end of the year	19601 000	17889 000	82609 000	70834 000	100764 000

Clearly economic difficulties led to the steady growth in student debt over last 5 years.



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NSFAS Support (2015 allocation for UoT's)

Institution	2015 Amount	2015 planned headcount	NSFAS per student
CAPE PENINSULA, University of Technology	240 372 698	35 343	6 801
CENTRAL, University of Technology	132 358 811	13 619	9 719
DURBAN, University of Technology	281 601 036	27 245	10 336
MANGOSUTHU, University of Technology	198 424 437	10 500	18 898
TSHWANE, University of Technology	508 056 977	57 769	8 795
VAAL, University of Technology	220 491 131	19 758	11 160

Allocation of NSFAS provides some relief for a UoT like CUT



NSFAS contribution to CUT budget

Year	No. Reg. Students	Invoiced Fees Incl. Allow. etc. (R'000)	Fees Covered By Loans & Bursaries			Outstanding Student Debt At Year End (excl. Provision) (R'000)
			No. Students	As % of Student Nos.	Value (R'000) Incl. Allowances	
2013	13 751	214 539	6 395	46.51	172 716	165 584
2014	14 553	323 674	7 098	48.77	153 360	242 050
2015	14 527	392 265	5 885	40.51	214 275	281 988
2016	14 926	369 875	6 812	45.64	250 513	495 972

The table above shows that on average more than 45% of CUT students are financed by either loans or bursaries. In rand value terms the total annual amount of the bursaries and loans averages almost R198 million. The difference between the invoiced fees and the loans & bursaries value each year relates to fees that are billed towards self-funded students. For CUT, with a much lower LSM level amongst its student body, the potential for self-funding students is even worse. This results in huge student debtors and budget deficits.



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Possible Solution

- The fees students pay cannot be taken out of the equation.
- They represent the commitment of students , their families and communities to their own development.
- The support system enabling the targeted population segment being on par with the national skills development strategy should be implemented, as intended.
- Possible legislation providing tax benefits to private enterprise and individuals providing bursaries must be examined.
- Additional benefits like a BEE credits system should also be considered.
- NASFAS has introduced a dynamic which should be further strengthened, that of helping needy students who should not be exonerated from paying back, however.



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Thank you

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