

5th October

Chairperson:

Thank you, would you proceed with your presentation please, Dr Parker.

Parker:

Thank you, I'll proceed. The next One is the working group on the fee free education for the poor. I already mentioned that immediately, soon after the previous report came out the minister Requested Set up a working group on free on the feasibility of free high education for the poor. That working group was completed and report- the final report was received in twenty thirteen. It wasn't published publicly at that time but it was shared with many stakeholder groups and the reason for not publishing it was simply that What the working group said was that free high education at the point of access for the poor is feasible but would require substantial additional funding and that would be completely dependent on the parameter to set in that particular model. And so the actual parameters would need to be looked at before a policy could be put in place in terms of fully implementing the idea that the current NSFAS model be utilised. But strengthened the administration and improved success needed to be put in place. In particularly in particular they considered all the various parameters in other words what- What do we mean by poor? What do you mean by free? What do we mean by what should be free? Should it be tuition or should it be full cost of study? And then what all various aspects linked to how much of it should be converted into a grant. After graduation, How much should remain a loan, what should the interest rate be once the person had graduated and was effectively employed. And they calculated what they called a poverty grant that would be made available for writing off the the loan portions

all for any student who didn't receive the goods of higher education in other words those who were never productively and employed after graduation. But what the key thing was what should those parameters be? And the working group was suggesting that they should be changed and perhaps there should have gone to pop- portion and a higher loan portion. that perhaps there should be a higher interest rate charged After graduation and all of these were considerations that needed to put be put in place in terms of thinking through how you could support all students who make these kinds of Parameters. I mean in terms of the identification of who was poor. And the level to which you would fund different individuals across the system. The idea was that this would be a universal model that could be applied to anyone. And that depending on the household income you would get a range of amounts that would be payable back depending on your household Income. So the very poor those below the income bracket would receive it free. And then there would be a sliding scale going up in to whatever amount you put in place at that point in time. We did implement a policy dialogue to have a discussion on this process and to try and identify how we could strengthen the rules, How can we could do with these issues, how we could get agreement on these various parameters that started with a discussion in July twenty fourteen which included the University of South Africa, the university Chairs of Council forum, student leaders from across the system. The Council on higher Education, National Treasury, the Department of performance monitoring and evaluation, the Department of higher Education. I'm may have left some out but it include was quite inclusive of all those groups. And we set up that policy dialogue and had a number of meetings. Firstly sharing the report understanding what that report was saying and then moving towards trying to understand what all of this meant. Part of the work that was done there was on quantifying the processes in the universities themselves in terms of historic debt of unlit of qualifying students.

However by October twenty fifteen it was clear that the ground had shifted quite considerably.

Parker: *Continued*

We were in a position there where we were hoping to finish that work and be able to put something in place but we needed to then have a different process in place and therefore following the presidential tasked team report on the short term funding challenges. The minister did implement a new ministerial task team on financial aid for the poor in missing middle. And that was really set up to strengthen this model and take this work forward. That policy dialogue was converted into a reference group for the ministerial task team. And that reference group has been meeting continuously since the beginning of the year on I think a monthly basis to interrogate the models that the ministerial task team has put up and to really get to a point where we are confident that the model that has been put up could be workable the reference group included again all of those bodies but then it was expanded to also include the various student formations and also to include the People from SARS and other bodies that have interest in this not only national treasury. But national treasury is very involved in this reference group as well because whatever comes out of it must be implementable. That ministerial report is ready for submission and approval by cabinet and we really are hoping we will get everything in place so we can pilot it in twenty seventeen. Obviously that will be dependent on other processes as well going forward and implementation of it would be possible in twenty eighteen. If all the legal issues are in place.

Chairperson:

It does seem to me that there is a lot of duplication between what we are doing and what you've been doing there.

Parker:

Chair I think the, I'm not sure it was duplication but I'm it was it was a process that was on-going and we couldn't stop the process. We recognise that the presidential task team had been put up by the president to look at this whole issue and much broader terms, to understand what are those issues and to make recommendations on the issue going forward which we assume may have a policy implementation or implications going forward. And whatever happens. Any work that we're doing will have to come in line with the decisions that are made at that level

Chairperson:

It would be simply stupid of us to make a recommendation without considering all the work you've done.

Parker:

I think it would be it would be worthwhile perhaps for us at some stage to present the draft report to the minister agreed to.

Panel:

Well that was my next point. Are you able to make that decision? Probably not. And from our point of view we can't see how such a report or submission Can go anywhere without us having insight into it as we go forward and you probably have to ask the powers that be. That we have insight to that report going forward.

Chairperson:

Maybe just ask Ms Pillar what her view is because we may be wasting your time on this.

Parker:

Chairperson I believe that we requested that the report and we've said we're waiting for a copy of the report.

Chairperson:

Well which report did you ask for?

Parker:

It is the ministerial task team report.

Chairperson:

Ok, but that isn't finalised?

Parker:

It's currently being- it hasn't been approved yet but its being- it's in draft form, it's ready for the minister's getting it this week. And I think us are- I mean us discussing it with everybody out there so I can't see why it can't be discussed here. Once the minister has approved of a version. What's been happening Chair that we've been informed by the chairperson NSFAS, that they will share the report with us once it's been presented to the minister. We have however requested that the chairperson of the of the task team to share

the report with us in a confidential basis pending the release of the report.

Chairperson:

Thank you Ms P- do we have a copy of the report of the working group and in two thousand and thirteen? I wonder if it was supplied to us originally I think.

Parker:

That is correct yes, that's part of the bundle. If I can go on the, in terms on the presidential report on short-term funding challenges at universities. That report also had a number of different recommendations. I've only pulled out the key recommendations and some of them very much focused on issues of communication which I think are still a critical area.

Panel:

Sorry Doc, what would be short term of this funding?

Parker:

Perhaps I need to put the context then. In October the sixth of October Twenty fifteen, a meeting was held between the president, our minister, a few other ministers and University of South Africa to talk about the challenges of funding in higher education because it was recognised that this was a problem and there was unlikely to be some distraction and we needed to deal with some of these problems and it was agreed at that particular meeting that we would look specifically at the short term funding challenges in other words the immediate funding challenges that were being experienced in the system and particularly, and for students who were NSFAS qualifying students who were who were not effectively covered and who had historic debt with universities and therefore were not

able to register at the following year and that Presidential Task Team was then set up with a number of terms of reference point.

Panel:

Is that the "Lewis Report"?

Parker:

Yes that's that report. That particular report we were on that task team and we provided the secretarial services for the development of that port. But there were there were a number of different recommendations but the key recommendations were that the funding shortfall for universities as a result of the zero present increase. Should be dealt with and they were quantified a two point three billion that universities and government agree that they would share the cost in the shortfall resulting in the zero present fee increment. The state would cover eighty three present and universities would cover seventeen present of that shortfall. This was implemented in the minister of finance his budget votes speech in twenty sixteen. And the majority of those funds were released to institutions in January twenty sixteen and after April the funds were released to institutions and the minister announced as well- carry through cost of the zero present in the baseline funding to universities. And then the total amount of the M.T.E.F. came to five point seven billion and that was to enable that carry through for maybe I've got the wrong number there. The five point seven billion. - That's right, it was only three hundred. It was only three hundred million for the first year and then it was the carry through cost for the other two years and secondly a total amount of short term debt relief of four point five eight two billion. Should be made available by government in the twenty sixteen seventeen financial years. And if all possible to

be carried through in the baseline NSFAS funding into the twenty seventeen-eighteen MTEF.

Parker: *Continued*

In other words this funding would be made available to enable those students who are either unfunded or underfunded and registered in universities to pay off their debt to the universities. And to continue with the studies and complete their qualifications. This was implemented in the minister of finance his Budget vote speech in twenty sixteen and it was also put into the baseline funding of NSFAS going forward in terms of enabling new students to enabling those students to continue with these studies going forward and to complete the qualifications as well as enabling some new students to register.

Panel:

Doc. out of that particular report where does circulars six arrives from? Is it from what you gave in the previous slide? Or is Circulars six a process from something else?

Parker:

Is a circular six NSFAS circular? OK, I think its circular six was implementing, it was looking at implementing their decisions that were made and the funding that was made available through it through this process. The short term funding challenge of the universe to another one was there to regulate a framework for managing future university fees structures and increases should be developed and agreed upon. Through a broad consultative process and this should be applied as part of an integrated planning process built on the current processes for negotiated enrolment planning implemented by the DHDT. Now you will recall that

when this report was submitted in November the presidential commission had not been set up. So the recommendation was a regulatory framework.

Parker: *Continued*

The minister had made too early in January with the university's South Africa. And with the chairs of council forum, And he discussed this request knowing that currently in terms of the legal framework universities are responsible for setting their own fees. There was an agreement that we should enable a body such as the Council on higher education to look into this whole issue of developing a regulatory framework because it was clearly an important aspect of going forward to ensure that we had some way of regulating fees within the higher education system. The C.H.E. was then requested to put together a task team to do this and to make recommendations to the minister. I think once the presidential commission had been set up a decision was made that this should be done in two parts and knowing that the Presidential Commission was unlikely to pronounce on anything in time for twenty seventeen that the Council on Higher Education should make recommendations on twenty seventeen only and then to look into processes for a longer term framework but they would need to bring that in line with what ever came out of the presidential commission. And if this was no longer a necessary thing that would not be taken forward in any way so that was the- It was the background for the report that was presented to the minister on the eleventh of August this year. And it was on the basis of their report then that discussions were held across the system with various stakeholders and led to the minister's announcement that the university- that government would support an increment of up to eight percent on high on university fees and T.VET. Fees for poor students and missing middle students up to family income of six hundred thousand per annum.

Another recommendation was that the process to develop a new model for financial aid to include the

missing middle should be put in place immediately with a view to testing it in twenty seventeen for full implementation in twenty eighteen.

Parker: *Continued*

That was the basis for the decision to move from the policy dialogue model to the ministerial task team that being led by Mr Sizwe Makusano As chair and they have now developed this comprehensive funding model for support and we are hoping that this thing can be implemented as soon as possible but certainly par- to test it in twenty seventeen. Again. Should the presidential commission. Recc- make, whatever recommendations, the model and decisions made there would come in line with policy decisions that come out of the process and we have to recognize that as things are happening in the system we have to continue operating. But at the same time. Policy changes may happen in which case things will be adjusted. That brings me to the end of the report on The Presidential Task Team. If we look at the next report which is the review of the funding of universities again. You will know that it's four hundred page reports. So there are numerous Recommendations made in the report and again I'm not going to go through every single one of those recommendations because it would be impossible to do it in the time available. But basically immediately after that report. The minister set up a technical team and a reference group. To model the implications of all of those recommendations, we now have a fifty page document which indicates recommendations to them that the minister on each of the recommendations. What should be done in relation to those?

That work was undertaken by the technical team in order to develop the revised funding framework to be published for public comment that is has been developed and it is finalised and ready for public comment but it needs to be approved by cabinet before it could be published. So we are i think it's in the in the process at the moment it's already gone through the

committees and it should be going to the Cabinet Committee quite soon. But basically the report in its whole it identified many of the challenges of funding higher education.

Parker: *Continued*

It did indicate that funding in higher education that was not sufficient that we needed to look at ways in which. Additional funding could be made into higher education in the baseline of university funding. To increase the proportion that comes from government. It also indicated A Number of aspects where we could have improved focus within the system. I think perhaps I'll be open to answering any questions in relation to all of those recommendations but the ones that have actually been implemented in the meantime because they could be in terms of the current policy were first, their recommendations about provisioning foundation provisioning. And that was around saying that we have to look at ways in which we can improve the success rates of students and particularly students coming from economically deprived backgrounds, educationally deprived backgrounds. And so these recommendations were generally accepted and have and are being implemented.

We're changing the name of the grant it's going to be called extended curriculum programs Grant and that really is looking at Coming in line with some of the recommendations on the C.H.E. report on extended curriculum or flexible curriculum to enable four year basic qualification. the idea is that These will include additional foundation or mentored provisioning programs to enable students to take a little longer to complete their qualifications and these would be included throughout the four years not only as a sort of add on the at the beginning of the program. To enable the strengthening of that process. It's also the idea was that we would move towards increased enrolments with an aim to ensure that at least thirty percent of students enrolled are on extended curricular programs

but twenty thirty. And the other thing that has been implemented is that from the twenty fifteen sixteen financial years. The extended curriculum programs are funded on the same grid.

Parker: *Continued*

As the teaching input grid of the department and this means then they are now more effectively funded to ensure the success of the programs. Another aspect and it was a concern of the Ministerial Committee was whether or not historically disadvantaged institutions were effectively funded or not. The work done in modelling by the technical team and looked at by the reference group showed that historically disadvantaged institutions were not underfunded in terms of the funding framework. In fact the funding framework had advantage to historically disadvantaged institutions. If you looked at their mean increases in funding to the different institutions across the system as a whole, historically disadvantaged institutions every single institution received than the mean increase of the system as a whole. So from that perspective they were not un- they were not disadvantaged by the current framework. However what was recognised was that they required support in order to deal with some of the chronic challenges. And it was recommended that a specific grant to be put in place to assist these institutions to deal with those critical challenges. And this was implemented in the twenty fifteen sixteen budgets of the- in the interims to the ministerial statement. About two billion over the five year period has been made available.

In order to support the eight institutions that is identified as historically disadvantaged. To deal with their critical challenges with the idea that at the end of the five year period they would then be evaluated to see whether or not they still required additional support to deal with those problems. Each institution was requested to have an honest deep introspection into the Current Affairs to identify what the critical

problems were and those areas where they really needed support in order to deal with those problems to become financially sustainable to improve the quality of the quality of the education and to ensure that they were moved to a situation-

Parker: *Continued*

where at some stage five -years' time Perhaps we would no longer be talking about historically disadvantaged institutions and be looking at the system as a whole as just a system of differentiated universities and that was due to begin in the last financial year but unfortunately due to the reprioritisation that was required in terms of the zero present decision. The funding that was supposed to go to that grant was redirected to ensure that all of those universities were supported for their full amount of that decision and it was just moved back by A year and we currently working with the universities to finalize those plans so that will be implemented over the following five years.

Panel:

I wanted to just check in that point if- was going to be distributed proportionally to every varsity or there was a criterion of which varsities qualify for this?

Parker:

It's not going to be. It's not all universities; it's only the universities that were historically disadvantaged. So there are- they were identified in the ministerial committee report, specifically eight universities were identified in that report. And in terms of that these it's not going to be an equal distribution across those institutions because those institutions themselves have are facing different challenges. If you take an institution like for example the University of Western Cape, it has significantly moved from where it was and

is a really a very quiet a sustainable institution it still has some problems but they're not the same kinds of problems as universities- such as for example university of Zulu land. So that's why it's dependent on- sorry i need to take some water. It's dependent on their business plans and their analysis of the critical problems that they face. That have put them in a situation where they all these chronic problems that are recognized and so each institution has done that work for themselves and we've had a team of people looking at those plans and identifying where they require help and where they need support to adapt them. Decisions on how much funding will go to each institution. Will come out of that process because the focus is on looking at each institution; what they problem is and how we can deal with that to ensure quality education and sustainability in each of those institutions going forward. In terms of the other recommendations. There was a recommendation that we should put in place a university development grant as one of the M-R grants And that should be implemented combining The teaching development and research development grants and this was a recommendation that came out of looking at the way in which research development and teaching development grants were utilized and some of the overlaps between them and also saying that we needed now to move to a situation where we really focused on the institutions as a whole. So since the report came out. The department had already put in place a process for the research to research available grants and teaching development grants through our three year plans that being approved within the university sector and so we allow the universe to work through those plans and those plans come to an end at this- in this financial year. And we have in the meantime developed a new program called the university capacity development program. It is in final draft form at the moment it's being discussed across the system we have a lot of support for it and it is now in the process of going forward for ministerial approval so that it can be implemented in twenty seventeen-

eighteen. It really has three main components, the one component is focused on students', student development and that component recognizes the need to ensure that students are successful in the system. And this leads to this whole issue of how we are able to improve efficiencies and support students

Parker: *Continued*

And that includes things like for example first year experience programs, mentoring programs, across years of study to support students in their studies. So it's not just about tutoring but also about mentoring, a language programs and language laboratories focus on student advisory services. And Data analytics. The second set of programs are focused on staff development, that's really about improving the capacity of staff But it's also about transforming the staff in the system and that particular program is quite a comprehensive program. It's called staffing South Africa's universities. It has five elements; the first element is focused on picking up the youngest most talented young academics in third year and perhaps honours year and nurturing them through providing scholarships and encouraging them to become future academics. the second program is called the end-gap program, the new generation of academics program and their particular program is a six year induction program for young academics coming into the system where we will provide funding- Full funding for first three years of that to able those academics to come in through very carefully designed development program including their ability to either do Masters or Ph. D. or post-doc depending on where they are and which university they're in and to be provided a full-time position from day one and be provided a support for mobility experiences overseas for example.

So it's really about taking young academics and particularly black and women academics and nurturing them within the system. Then the third one is about the existing academics taking existing academics that

require improvement and this is specifically in relation to the N.D.P. target which suggests a Seventy five percent of our academics should have Ph. D.'s. And currently we working on around forty three percent so it is a program focused on them and the last program is actually about the support program supporting the development of staff to support academics,

Parker: *Continued*

Leadership and management, its call the higher education- leadership and management program. So that's focused on staffing. The third aspect of this is focused on university development itself and that's looking at curriculum and institutional development that's things like thinking about reviewing curriculum challenges around that where We want programs that will be more nationally focused in terms of those aspects and examples of that are also where new programs need to be developed and we need to be able to put those in place so that is currently underway is being developed. We have a draft on the table and it should be finalized implementation in twenty seventeen-eighteen.

Panel:

Just before you move to the next slide. Where the presenter here telling us about a programme, SAICA students. Can you just tell us about that programme and how it works and if we can have something similar?

Parker:

OK the SAICA program is a program that's funded through our National Skills fund. Which is obviously part of the department's focus and that's really about developing support for capacity in Accounting and Economic programs those kinds of accounting and actual programs and so on but we are supporting that through that program. We are also through this particular program supporting a national collaborative program for the development of lecturers in that in that system so. So that's a kind of thing that we're talking about in terms of the support. So between the National Skills fund which supports the skills aspect of it? Through The bursaries and the work that the department is doing through the capacity development program that is the kind of thing that we're talking about developing the sector systemically and that's what we are all that we work is working towards

Panel:

Just a follow-up, do you think it will work university worldwide? The same system? Do you think it will work for the whole development of the inter-varsity? Similar system or does this capacity development seeks to address that?

Parker:

We're looking at it systemically. For all our universities at the moment we are working with all twenty six universities around this. It's seeking to deal with these issues through various forms of funding. So we've got in

this particular fund it's a grant when we put this funding together, it's approximately a billion rand per annum. But we are also leveraging other funding towards this, other funding that comes from other grant giving bodies. For example the Newton fund is providing funding to sustain one of the one of the programs.

Parker: *Continued*

It's quite complicated and there is a lot of data available and we have information on that on these programs that is available if we need to provide it. In terms of the next one we are talking about the recommendations that were made there was a recommendation about how accountability regarding enrolments for under and over enrolments must be put in place, in the in the previous system we had an enrolment planning process. But we did set targets but institutions, Depending on whatever pressures they were under may sometimes over-enrol or under-enrol on those targets. Some of those over-enrolments were very large very large over enrolments and some under-enrolments were very large. the funding model as it was funded them in terms of what was in the enrolments targets not what they actually And from that perspective it was felt that something needed to be put in place to hold institutions accountable for what they had agreed would be their targets in terms of their enrolments. And the fore there was a decision that it should be that acceptable variation of a target would be approximately two percent. So if you had an enrolment target of thirty thousand students two percent on either side of the thirty thousand would be acceptable in terms of what you actually took in. we started implementing it in the twenty fourteen-fifteen ministerial statement. I think institutions were informed very early of that before it got implemented but basically what we've implemented is a five percent variation to start off with and any institutions that fell outside the five percent were- What's the right word for it. Were penalized financially.

Parker: *Continued*

And that has started institutions really thinking about how they can plan better how they can have better integrated planning to ensure that the enrolments fit with what facilities they have available and what funding is actually available in order to have more affordable higher education and we're working towards a two percent acceptable variation in targets but currently we implementing a five percent. The other one was around monitoring and evaluation to ensure public accountability, the ministerial report recommend that an external body should be set-up to do this however the task team and reference group did not agree on this and they recommended to the minister that really what was required was strengthen the capacity within the department itself, to do its work in terms of monitoring the system. There are various processes that are in place to ensure that institutions are publicly accountable. But this is now being strengthened through a program called the sector planning monitoring evaluation and support program and that was implemented in twenty fifteen-sixteen.

Panel:

Just to interrupt, what does TT unreferenced?

Parker:

The- in terms of the review report, They suggested that a modelling exercise was done and so the minister set-up a task team a technical team And a reference group

to look at this and to put things for two that's what it was it's been-

Panel:

Is it working out? Was an independent body not a better option? What were the grounds when not agreeing?

Parker:

When they discussed this. They would- an independent body would not have been a better option because in fact it is the work of the department to ensure public accountability of the funds that it manages and it has many different policies in place. The problem isn't that one needed an independent body the problem was that the department itself had not been capacitated and didn't have insufficient capacity to do the kind of monitoring that was required. And I think that was the reason that it wasn't accepted. That brings me to the end of that report. I haven't gone through all the details because they were too many recommendations in the report but it has given an overview. The next report is on the provision of student housing and again this had many different aspects to it. I haven't in this slide gone into a lot of detail on that at all and if you looked at that report. You would have seen that the minister put their ministerial task team in place really because he recognised that this was a problem. Universities had not been set up to provide wide scale student housing for the system and that report in its report showed the extent to which that was. I think twenty three percent of university students in contact institutions were being housed in university own accommodation and a small percentage of first-year students were in university

housed accommodate. Some of the accommodation was in bad states of dis-repair because it hadn't been maintained effectively. And. There was insufficient.

Parker: *Continued*

Particularly as we were opening up access for the poor and students who were coming in required Decent living and learning environments to ensure success and so the key recommendation of that report was that norms and standards must be developed for new start student housing and where practical should also be made put in place for refurbishment and renovation of existing stock. The norms and standards deal with all kinds of things they deal with what does it mean to have an effective living and learning environment in a university? What is the size of the room? What are the types of Furniture that should be? And what kinds of access to cooking for example, what kind of access to learning spaces; what kind of access to other kinds of spaces- entertainment spaces and so on.

Panel:

****Inaudible question****

Parker:

There could be a topic. So it has been developed and it's been published and all new student housing is needs to conform to the norms and standards and as institutions refurbish, they should be looking at coming as close to the norms and standards as they can. In terms of their student housing capacity-

Panel:

Just on that- is this an internal capacity? Or it could be procured anyhow?

Parker:

Apologies can I ask you to repeat-

Panel:

I'm saying this was a compliance with the norms and standards- is it an internal capacity? Or who is doing this?

Parker:

in terms of any new student housing that is developed, it's generally developed with help by the department through grants from the department and therefore its checked in terms of meeting those norms and standards but there is a monitoring process in place as well for new student housing that universities build and we've also requested universities that if they get into a an agreement with an outside body to hire accommodation. Then they should make sure that the outside body is in line with the norms and standards as well.

Panel:

So it falls under the council's jurisdiction? Once the grant goes through?

Parker:

grants for infrastructure go to the council they are earmarked grants, they are not Council Discretionary grants, they have to be used in terms of what is agreed with the minister and they are monitored. Through our process we have a particular program. To focus on the development of infrastructure and that infrastructure program has a monitoring arm that looks at the final products and along the way it monitors how things are being built in the system. The infrastructure Grant has been in place since two thousand and seven and it has resulted in huge improvement in infrastructure across our university system over the past ten years. In terms of the further processes, we recognized in terms of the report itself it identified a backlog of the two hundred thousand- two hundred five thousand beds in universities and contact universities in terms of what that ideal might be that a huge number of beds to develop in a short period of time. Infected the funding that was available in the system enable to us in a three year period to provide university housing of around about nine thousand beds on university property, more beds were provided by private institutions and so we needed to fast track that to find ways in which we could bring private sector investment into the process and so student housing task team was established in July twenty seventeen- twenty fifteen to develop financial models and a program for fast tracking the provision of student housing. This has now resulted in a student housing some podium which was held in July twenty sixteen to launch a program. The first phase for the development of three hundred thousand beds because we expanded it from university education to TVET colleges as well over the next ten years is underway.

We are in that first phase of looking at building fifteen thousand beds over the next two to three years. There is a process on the feasibility studies that is currently underway and we working hard to Fas track this process so that we can deal with respect backlog in term.

Parker: *Continued*

Of course this is dependent on the investments from more than just what government can provide-

Panel:

That's what I wanted to check if that E.U. is for the same period of that grant or for the grant for- or until the fifteen thousand, we'll need to raise further funds for that?

Parker:

The EU infrastructure grant is for the feasibility studies. It's an amount of thirty million. It's not for building. It's for- It's just for there is just bought for the feasibility studies because for any particular bill that you do you need to have a feasibility study, you need to have design, You need to make sure you understand what it is, then you need to be able to put that into practice and better is what it is we've got a number of pilot institutions that we're working on towards that- But that's the current implementation and we it's not that's not there the E.U. is not providing the funding for the building of the of the infrastructure that's coming from the infrastructure grants supported by in a safe it supported by NSF and supported by other forms of funding that we are able to raise from Development Funders. The next report that I'll refer to is a ministerial panel on African languages. This report was approved by the minister. In July twenty fifteen. What he did approve was that we needed to take it forward in terms

of convening a seminar with a wide range of stakeholders which was done. In November twenty fifteen.

Parker: *Continued*

All of the recommendations were considered and I see it says the department concerned- The department put in place a working group to develop a draft revised policy on African languages based on the outcomes at that seminar that working group has worked through all of the recommendations in the in the panel report and their draft policy has now been developed, the draft policy has already gone through one aspect which is the D.G. clusters group and it's due to be published in government gazette for public comments in October. And then after that it will go through a public comment process and it will be finalized and hopefully published by March twenty seventeen. The panel on African languages that is really looking at how we can strengthen African languages within the ethical and which is. Departments within the university sector but one of the key points were the need to develop the languages as languages of teaching and learning in the basic education system. And to ensure that we develop teachers who are able to do that-

Panel:

Is this a response to the decolonisation fall?

Parker:

No this has. Is not even it you know you could put it within that context but it's not about that at all, the panel on African languages who set up long before that. There was at the is a language policy in higher education. One of the key things from the ministerial report on racism in universities is also about Languages, and is but alienation in institutions and the minister set up the first process to look at the issue of African languages through a seminar that was held. I think in twenty ten, he then set up the panel. In twenty twelve and that panel did its work and finalized its report in twenty fifteen, so it's not it's a long term process around this but it's recognizing the need to develop African languages, departments and universities and this was really I think Linked to this issue of The you know the changes in the system and the need to improve these languages as language is are first literature and culture and secondly of teaching and learning at all levels but clearly it needs to start with basic education and it needs to move up. Those levels

Panel:

Sorry Dr Parker, can I just ask a question on this issue, the issue if language as you is probably aware that has been raised in many reports as one of the impediments to access to education. I want to know exactly how the department because it's an issue that has been raised on many occasions. How is the department dealing with this issue of language as an impediment to access to education?

Parker:

I think everybody recognises particularly at the basic education level that being able to learn in their mother tongue is very important aspect in relation to developing the foundations of learning and that has that is one of the critical problems that we have in basic education because as we move up the system. It becomes bilingual and by the time people are in the final year of schooling. There is writing in either Afrikaans in English unless they dealing with them the actual language that they are writing. so that is a critical problem because many of our students coming particularly from areas where English is not spoken in the in the surroundings and were English or Afrikaans are foreign languages that is an impediment To learning and as you go up, how the international experience does show that people coming into institutions of higher learning can learn in another language. If they've learned well in the in the in the in the basic education. So I think that's a very important aspect. In terms of ensuring that we deal with the language issue in higher education. That is something that each institution has to look at but in terms of the national policy. We are looking at the issue of hard do we how do we strengthen the development of African languages? How do we strengthen the language of development in universities particularly in first year programs? So if you look at their university development capacity grant we're talking about one of the aspects in the student centered focus would be language laboratories and language - focused programs to assist students to access higher education more effectively going forward.

Panel:

Do you agree that these issue of language is a closer related to poor graduation rates and retention rates in university as it could?

Parker:

I think we need to do a fair amount of research to really understand what the issues are that underline those rates. We've seen through the cohort studies that have been done. But over the last couple of years we've we having improved throughput rates within the university education sector. And we do think that they can may have to do with the focus that is being put into development of- Developmental programs in relation to assisting you know students and some of the research that is being done and if you take some examples of programs. Were students are coming from all kinds of places but are being supported through mentoring. First year experience programs, writing programs and language programs that students are doing extremely well there is being example of medical students from rural areas in KZN where they have a ninety three percent throughput rate from students coming from deep-rural districts into medicine and it's clearly not a language problem it's a whole range of those issues that lead to this difficulty. Language is one of those issues and everybody I think recognizes that's a critical issue that has to be dealt with:

Panel:

Can I just ask this last question before you continue, do you agree that ploughing money into university education and where the drop-out rates are very high, could be- amount to the waste of resources. The department needs to investigate as to what is causing the high drop-out rates before determining- increasing

the money it is ploughed into it higher- university education.

Parker:

I think that that would be a very dangerous thing to do. Because we recognize that the students who coming into higher education. All the students have been successful in basic education and they impediments to them Succeeding in high education need to be dealt with and we need to find good interventions for that and that is the purpose of the university capacity development program and we have been looking at models from across the world and I will give you an example we went to the University of Georgia- State University of Georgia, where they support poorer communities. Through higher education, they had what they call a six year graduation rate of around about thirty five percent of students coming into the programs, they implemented a data analytics program to how- advice students effectively pick up students when they were having problems early on in the process, provide support programs for them and in a matter of five years they managed to change that to an eighty three percent throughput rate over six year period. To say that we shouldn't be investing in these students would be incorrect. what we should be doing is improving the processes, improving their advisory services, improving the direction of students, make sure students are advised properly in terms of what they ought to be studying and then we need to support them in what fits based with them. So that we can end up with successful students and I think this is something that the department is very determined to work with the universities to do and it's a program that we are implementing from twenty seventeen onwards.

Panel:

sorry, Dr Parker maybe you misunderstood me; what I'm trying to say- the question that I want to ask is: what is the department of higher education doing to ensure that there are returns for the money that it continuously plough into higher education, when the drop-out rates are so high. That was the question.

Parker:

I think that that's what we're doing, we are implementing a program to support students to ensure that they are successful in higher education to assist them to be successful and to move those throughput rates and to improve throughput rates. I think another aspect is around the career development services which perhaps it, Somebody else could talk to you later on but the Career Development Services is also a very important program that has been implemented by the department in order to help students firstly understand what is required if they want to go into a particular kind of program or career. What kinds of results they need in the basic education; what they have to put into that and then to direct them into the right areas that fit within with the capabilities and the interests and I think that's a very important aspect of this as well because you know when we look at this issue of dropouts. We have to understand that there's such a variety of different reasons for why individuals drop out and to improve their efficiencies, to improve their investments at the returns on investments. We have to deal with interventions that we can ensure will assist in this process.

Panel:

The Interventions that the department has put in place that is successful because I believe it's an issue that was identified by the department long ago, in the ninety's'.

Parker:

I think I think that the most recent cohort studies do show that there is improvement in the in university education throughput rates and then the second thing is that the whether Throughput rates are the lowest are in some of the programs perhaps that are taking in incorrect students, and that has to do with the creative elements services and proper career advice and enabling students to be directed into those programs for example the diploma programs, that's where there's the lowest throughput. Back to it and in the other area where we really do have a major challenge is in distance education program. The distance education programs are the programs which have a very low throughput over time and that is something that we are very concerned with we have said we need to put a cap on the increases of in terms of enrolment on institutions like UNISA while we deal with the issue of Peter Gog arty in distance education.

Panel:

Thank you, sorry to- maybe you can finish your presentation.

Parker:

Thank you very much. The next one is the report on community service for graduates. The minister noted that report the report I think you have has been made available to you. What that feasibility report said was to implement this for all graduates which are around about one hundred eighty thousand individuals coming out of the system every year you would be looking at a requirement took around about ten billion per annum. And that this was unlikely to be able to be implemented in one go. That there would have to be some sort of process around thinking through this and that perhaps what one could look at is the issue of finding ways in which specific professional groups say for example people who had qualified as accountants or people who qualified as doctors. Well doctors already doing community service but people who are qualified as engineers could, do some kind of service. The difficulty is of course that you would need them to go into a type of internship if you like in the field of study. Otherwise you would waste that capacity that you developed and then you would have to find a way of providing stipends with that would keep them there. So this issue is quite a difficult issue to take forward what he did agree was that we needed to consult with relevant government departments and particularly the Department of Public Service and administration, the Department of Labour and national treasury of course because of these schemes would have a big impact on those particular department specifically. We recognised specifically that the Department of Labour already has a process in place in terms of jobs job creation and the D.P.S. also has various processes in place in terms of internships. So one wouldn't want to overlap on those.

There was a socio economic impact analysis that was done in terms of this and through the D.P.M.E, the department of performance monitoring evaluation and they questioned whether or not this could be implemented given the financial implications and given the problems.

Parker: *Continued*

The reported to the cluster meeting, head of the development of a cabinet memo. But the cluster that did not approve their report for tabling cabinet because it recommended that a lot more work needed to be done before One could consider, Such a scheme and that it would have to go back to two think through what this would mean; we have to developed a submission to inform our minister of those decisions and to say to him. We need to really consider collectively with those other ministries around how this will be taken forward or how these recommendations may be taken forward.

Panel:

Is there, Perhaps, does the fact that you don't reside within the economics cluster and the cluster system is varied because I would imagine that a system of internship besides labour and public and service administration, the DTI has various programs themselves. However I don't see and it could be that there was consultation with them. It just doesn't come out in the presentation itself. Because I would imagine that they would been helpful in devising how we go forward with such a programme.

Parker:

I think the issue is that there were a number of questions that were raised. Is this something that should be implemented by the Department of higher education and training? Is that the right place for this to be located? Given that it's an issue that is much broader, the DTI and other government departments in terms of process going forward we are talking about having- bringing all of those government departments into their discussions to have a look at this and to think through what does that mean given all the various internship programs that are across the system and whether or not these could be clustered in some way to start this process off but a large question is does it belong in their remit of the department of higher education and training. There was one other report that was mentioned there which this seems to have disappeared from the net was the Report on the- I'm just going to quickly open my computer on the transformation- of the so called transmission report.

Panel:

I'm sure it can be made available to us later-

Parker:

We can we can we can just talk about it. Basically that report was done with a chair under the chairmanship of Crain SuDean. It's often referred to the SuDean report it was the report on racism and discrimination in higher education it also came up with a number of recommendations in terms of. What you know what. What should be done in the system, the report does detail some very difficult situations that are happening in institutions that go to the heart of the culture in high education institutions and it made a number of recommendations on how these things could be dealt with some of these have been implemented. We if you if you look at that process the one aspect was the idea that this should be an ombards person at each institution to deal with the kinds of concerns that were in in the system and that most institutions now have put in place ombarts persons that are independent but that are working with the institution to deal with critical concerns and complaints.

Panel:

Just on that, is the Ombudsman available for both staff and students? Or is it for a particular group?

Parker:

It's for anybody. It's for anybody in the institution. It's for anybody in this institution. However the department has recognised that. We still receive many complaints- we receive complaints on an On-going basis from students and from start off based on all kinds of issues

that come up within institutions. I would like to say that many of these issues are obviously issues that are broader societal issues as well. One sees them across society not only in universities and or colleges and so from that perspective we have thought about whether or not and it's something that hasn't been put

Parker: *Continued*

Into place but whether or not there is a need for a wider a wider body to be there in terms of being able to deal with Complaints. a second recommendation was that we needed to put in place a transformation oversight committee to look at the system as a whole and to monitor Transformation in the system as a whole that transformation Oversight Committee was implemented by the minister three years ago. Under the chairpersonship of Professor Makgoba. And it started its work. It's now coming to an end of its term and the term was extended until December this year, the minister will then make a consideration of whether or not that new members should be appointed to it. That committees have a responsibility to look at the issue of transformation across all the institutions to look at putting in place perhaps transformation indicators and so on. It has it hasn't yet provided Many Recommendations at this particular point in time. However the minister did hold two transformation Summits It was another recommendation and the one the one summit in twenty ten and the second summit in twenty fifteen. And from that summit agreement was made in terms of taking forward many of the recommendations that were in the report as well. And those recommendations particularly in terms of issues around were finalized in the transformation summit Statement in twenty fifteen. Each institution has been requested to put together a own transformation plan and to submit that to the department they have all submit those plans to the department now. And the department has set up a transformation oversight unit within the department to support the committee, transformation Oversight Committee. And it is at the

moment analysing all of those plan that have been put forward by the various institutions and they will be monitoring those processes.

Panel:

So the idea is it for umburtman in each institution to report to the committee?

Parker:

no, the umburtsman in each institution acts as an office through which any complaints within the institution can be taken for a fair Consideration in terms of what those complaints might be and whatever those complaints are whether they are around a complaint; around racism or comparing to on Sexism; A complaint around discrimination of any form. They would be taken to them the umbartsman as a first if other processes within the university on not taken care of, should individuals not manage to get satisfaction through those processes. They then do approach the department to assist them- to investigate.

Panel:

How does the department deal with the complaints when those people are based at the universities? The perpetrators of racism issues of whoever that is involved at the university? So how do you deal with it?

Parker:

It's a very difficult issue. The department has- in the department we do have a section that deals with sector liaison and an institutional support that looks into any complaint that is received. To see whether it has for harrassity or not. If it does we try to negotiate with the universities, we work with the universities through the office of the registrar to deal with the problem. Often we do manage to deal with that problem and to solve the problem but in some cases we're not able to solve those problems and we do then Advise the person if they have a legitimate complaint to take it further in terms of legal processes. This is why a consideration is being given to the idea that perhaps we also need an national umbartsman that might be able to- with these complaints might be able to be escalated to particularly in those kinds of cases. Thank you. And I think then I can go on and hand over to my colleague- I've completed the ones for university education and Mr Patel will do the ones on T.VET.

Chairperson:

Thank you Mr Patel.

Patel:

Thank you Chairman, there aren't ministerial reports in regards to TVETs, so I'm going to focus on three. The white paper talks about the South African institute of vocational and continuing education and training. That means both TVET and community education. And our of this is a systematic response to be able to deal with transformed sector, to be able to turn around a particular sector in a number of particular areas that are- so the biggest issue is around the program offerings or program qualifications mix and the improvement of quality. We have inherited a very weak organisational state in regards to TVET colleges and further we have to start a whole new institutional form of community colleges. Which itself is not in this model, to be based on, so the department requires capacity and expertise in able to turn around the TVET sector to be able to establish the community college and training system. part of the issue is that we have- we inherited an in-transit system, I've been in this position for six months and a number of these particular issues, we think are solvable but are but with the right capacity. I think what the CFO would have told you or will still tell you, they're running a major budget on the department of higher education and training. We are, our operational budget is less than one percent of the budget, so to be able to evaluate the system like that itself is a tremendous pressure on the ability of the department to be able to manage it. So I think that's an important point that needs to be brought out at some point perhaps today CFO. the flexibility in response to this now, on the issue that Advocate Zulu raised, within

the TVET system we do believe that there is a lot of efficiency gains that can be gotten, tremendous amount.

Parker: *Continued*

I think that was the question that you were particularly raising is that our throughput rates are very low, somewhere, we've inherited them at a level of twenty five percent. We have gone slightly up, but the issue is that we really using this as holding institutions. So the issue is good value for money, is inefficiency, and we do believe that major surgery is required in regards to turning around the system. The number one issue is having a promotable governance and management. The second area is around curriculum and responsiveness we do believe that the curriculum is too academically orientated. now people sit for three years on a desk with very- they are thinking with their hands and as one of the reasons, also we believe that employers are not very keen, to be able to deal with it so there's a major partnership that is required with employers in terms of insuring that we are able to provide the skills that they require. In the area of community education and training, my colleagues Dr Mhlanga are here, the acting DDG of the community education and training colleges. but we really want to bring a rough of qualifications and the need for example is that we have young people that want to do basic skills in community colleges for example tilling or roof making, even opening a bakery so all that, those types of entrepreneurs et cetera. and there's an outcry, i must also indicate to the commission that in my interaction with young over these past six months, they are crying out and they are realising that the value for money, they want something that they will be able to use immediately and that is what TVET colleges are

designed to particularly be. Our second area is the issue of natural development, we intertwined it by the number of lecturers in the schooling system. But we want to begin to move towards a new system on both theory, but a small percentage of theory and a large percentage of practical and work-based learning.

Parker: *Continued*

*Now without that support we will certainly struggle to achieve these goals so to provide this, the white paper indicated safest. The roles and responsibilities are on the presentation, i won't go into them in detail. But now the twenty thirteen amendment act did then include the whole section in regards to the establishment of the Safecet, to be an entity- so it's already past the registrative program. so I'm not going to go into the version of how they technical *inedible* so the issue is around - development and the issue with the university grant in terms of insuring the capacity of universities to train TVET lecturers are put in place, then of course the need for research and articulation to move from one program to another. And then monitoring and evaluation is an important particular issue. our system- we- the TVET system has so many linkages that an organisation like safecet is the one that will be able to bring it in. we have to deal with Umalusi, the quality council, the quality council - operation, the national skill authority, twenty one SETAs, the NSF, Adult education and training, community and training centres, the national arisen moderation board, professional bodies, universities, employers and so forth. but just a progress to date, the legislation has been signed we have, unable to be able to access these resources however, the NSF has kindly made a grant available and we in the process of now establishing a unit that will be operational for the next two years which eventually we hope that will become a fully-fledged entity.*

Panel:

*Is the intention that it becomes some type of an SOE?
The company's act-*

Patel:

Well, not a state-owned enterprise in other words making money, but more of the NGO on higher education, it will be that type of public entity. The issue of public entity is that it gets removed from bureaucracy, it's easier to professionalise it, and for the professional people rather than bureaucrats like I was-

Panel:

So it would be in that the grants when they are coming out, we account for them? Is it in terms of the PFMA or is it?

Patel:

Upon entities, the commissioner will have to report in terms of the PFMA as that is to report to parliament. And will get the funds appropriate from parliament. We've- the minister has gone on a number of - tours and there is a very successful model both in Germany as well as in Switzerland. Around this mechanism that is- the, so the funding has been allocated in the process of establishing a unit and into an advisory board, job description are being developed to fully operationalized the system. I don't remember going into the detail but just suffice to say these are the legislative functions. and that is a life-long learning, ensuring the development of distance and open learning, assessment, practices, development of skill system,

curriculum development, research, qualifications development, advising the minister, dealing with career guidance, matters, upgrading of or upgrading of consilience of development of lecturers, the training of managers, because we don't have any other TVET sector to be able to draw managers and the reality is it requires specific management and leadership in managing TVET college

Parker: *Continued*

rather than it becoming a glorified school, promoting dialogue, between employers, interactive professional councils, publishing the journal, maintaining a library and conduct and promote level market research. There's labour market intelligence in regards to understanding demand signals from the economy to be able to respond, so that's just a broad structure, advisory board, stakeholder management, curriculum assessment, capacity building and program planning. honourable chair, the second ministerial report is on the NCV qualifications, now the NCV qualifications is on the national curriculum vocation and basically the curriculum is - at what we commonly known as grade ten, it's an NQF level two, grade eleven NQF level three and grade twelve NQF level four. that three NCV two, three and four are one year qualifications that require a lot of assessment and the issue is that a lot of the complains has been around progression from one level to the other. And not being able to proceed to your second level because you have not completed and being certified or received your qualifications at level two. so the three exit levels; two, three and four, the recommendation of the ministerial committee is that it needs to be reconfigured into a single three-year qualification at NQF level four however, the purpose of the qualification is to be re-imagined, but secondly also, the possibility of adding on a bigger component of mentored learning or work-based learning and to be able scale it up to a level five qualification. The issue is mathematics and often with NCV where young people were admitted into this without mathematics has

caused serious problems in terms of the further career patching or articulation. So maths need to be a compulsory subject in regards to engineering and anted programs.

Parker: *Continued*

so the minister has requested the quality council that is Umalusi, to undertake a revision of the qualifications, draft policies but it's still to be presented to minister and the problem here is and the cautiousness is that as part of the funding regime we do not get clear signals in terms of- from treasury whether we will, when we want to continue with the project, we spent a lot of time and energy only to find out that when we go to the bidding processes there's no fund available. So some of these ministerial reports sit until we can activate some funds around that. The third-

Panel:

Sorry, before you move to the next slide, is the intention in the assessment regime to be re-visited? Strengthen relevance to the world of work, is it a possibility that maybe they could graduate somehow, and then do the vocation- the only training so to speak? They used to call it "in-service" is that an option instead of being stuck in the middle-

Patel:

Thank you commissioner for that question, in fact we are trying to avoid that because we've got currently the N-five, N-six and N-seven. so you do your theoretical work and it becomes over-subscribed, we produce these young people with the N-six but in order for them to get

the qualification of what is called an "N diploma", they have to serve between eighteen and twenty four months in the workplace, and the problem is acquiring the workplace for these young people.

Parker: *Continued*

and therefore part of the strategy would be to try to get a lot of the experiential and work-based learning into a new reimagined TVET system where at least we have intensive workshops, simulated learning so that the young people may get much more higher quality of experience than what they get at the moment, at the moment they probably just hang around, we have not done some research on it but I mean I know in Germany for example there's artisans go to the work place but often they're sweeping the floor of doing manual work. also they don't get an all rounded experience of the work, so if you go to the- if you apprenticed to a company that makes only carports, then you are only doing those particular issues, so the intention is to make sure that we get a bigger portion of the experience done within laboratory and workshop environment. the ministerial task team on maths and sciences' key recommendation is made- by the way, the NCV ministerial task team started its work in March twenty twelve, the maths in- and the science in September twenty thirteen and a Safecet early in twenty thirteen. Now there was another question by Advocate Zulu in regards to how do you bring about efficiencies, how we try to- and I'm putting this in inverted commas. How do we try to deal with some of the deficits that have come out of the schooling system and part of that is through a whole process of foundation and organically learning processes. We use the word "bridging" and Dr Parker can talk to you about the major work we've done in regards to

universities. But it is around supplementing and complementing the mathematics, science, computer, literacy, communications and life skills. To be able to address those deficiencies so that we- students that are ill-prepared are able to be more successful.

Panel:

Just on that slide, what is "G.E.T"?

Patel:

General Education and Training. That- if I translate from the constitution, it is the basic education component but at moment, basic education now is extended to grade twelve but GET is up to grade nine or level one on the NQF.

Panel:

And previously you would have received a certificate at the end of- is it standard eight or grade nine?

Patel:

Now that's-

Panel:

Which has fallen away now?

Patel:

Well it depends on which time we talk about when we receive the certificate. I suppose our time we received certificates but in the new system- nineteen ninety four,

no certificates were issued to grade nine- it should be because it was considered a systematic issue that once you pass grade nine you would have passed your basic education, general education and training.

Mhlobo:

Chair, the point I wanted to make in relations to the certification, the point I wanted to make is while we- certification at grade nine, in the formal schooling system, but in the community adult education environment, we still issue certificates at NQF level one. In other word, while we have come to the Adult education we would get a certificate issued but Umalusi but at the same time while we were of the same grade, in the schooling system all you get is a report from the school instead of a formal certificate.

Panel:

What I was perhaps referring to. Mr Patel I'm going back to the days of Gauteng Education Act. At - provision, for a certificate at the end of grade nine and therefore we're saying that seemed to have been jettisoned also, in terms of new legislation that came in.

Patel:

we have again fortunate that we are tapping into the skills funds so the foundational programs when you enter into TVET colleges you don't have a matric, that means those who complete a grade nine, ten or eleven will undergo the foundational learning programmes

and the initiative is being funded by the NSF. now the higher certificate, NQF level five, this is another area and I think we didn't speak about it and I think Dr Parker can also add to it is the issue of relieving pressure from university as being first port of call for our young people. So firstly TVET colleges have to become institutions of choice, that way relieving some of the pressure on everybody wanting to be in university. But we can only do that in terms so- if we turn TVETs around.

Parker: *Continued*

But we also work with the university branch in dealing with the offering of NQF level five qualifications which are higher education qualifications. Because the legislation does allow them to be offered at colleges in partnership with a public university. And so we hoping to be able to- in that way expand the scope in choices that young people have. Now although the slide says "thank you" may I just-

Panel:

Can I just ask one question before I forget about it. The central application system that the department spoke about yesterday it includes TVET students as well?

Patel:

Yes

Panel:

Does it mean TVET- potential TVET students as well as university students are going to use the same system to apply to universities and to colleges?

Patel:

Yes that is correct, we just having a lag in that universities are going to be done first then the TVET colleges. It's going to be one database, one system, one application and part of the particular program is the rationalisation so if you look at placing point A, you can get placed at point B.

Panel:

So there's a possibility that students who complete grade nine can apply to go to universities? If the same system is going to be used. Because you- if you are using the same system there

Patel:

Yes

Panel:

It's a central system, how do you ensure that? Because those who have completed grade nine can apply to go to TVET colleges, so how do you make sure that they don't apply to go to universities?

Patel:

Now thank you. The system will be designed in such a way that you firstly choose your institutions, then you will have to load in your educational history, and the system itself will be able to sift out. So it's you records on the system, but your educational records that we will have also and the system is envisaged to have it. you don't have to come with paper it will be attain- a more sophisticated system- but the issue is we will have

the learner record, you apply, and then you can put your preferences. The system itself will tell you don't qualify. If you pass grade nine to go to university.

Chairperson:

Is there a possibility of so rationalising the system that students who applies for university and is rejected or is thought not to be suitable as a university candidate, can be told that he is thought to be a bit of T.VET candidate?

Patel:

Absolutely, that is the purpose of that. is to cut down the angst from young people from applying for three-only, and losing out all three only to find out that they - like the university is placed for you. Or a TVET college or somewhere else that has the best for you, it is also very equitable, because it's not a- first come - first serve, but it is a multi. Ensuring that there is an equitable distribution that you have a - chance of getting in

Chairperson:

Yes and occurs if there is free education, it makes it that much easier to move around the country.

Panel:

It just too perhaps interrogates the system a little more. If you- there's this point system of Admission to a particular university. Does the cases system take into account that university X requires thirty six points for LLB. Forty five points for medicine or accounting. I'm just giving an example and another university requires perhaps thirty points for LLB and so forth. Just explain that particular- how it is infused the points system what cases-

Parker:

And I think that there has been a lot of discussion with stakeholder groups around these kinds of issues, there is a proposal that we should be looking at a standardised scoring system. That will enable students when they come in, they get automatically uploaded and then the student's information goes to the institution to which they have applied, the institutions of course apply their particular application processes and they swiped and then they offer a post a place or they don't. If they don't offer a place then that student is then rejected. And it comes back that that institution is taken off other institutions are informed. So the idea is to enable a better Process in relation to that but certainly we would be looking at standardize process in some of those and some of those aspects.

Patel:

Thank you very much. By the way this system is delegated to that mother, we lost- a few years ago- because of the stampede around applications. What I did not speak about is that here at the ministerial task team in process, it is the task team on TVET and CET review of the TVET and CET funding. was established in nineteenth January in twenty fourteen was supposed to have delivered a report in December fifteen, they've

asked for an extension to august twenty sixteen and next week we will be receiving a report through a workshop, from the ministerial committee. and perhaps maybe that committee can share later on some of the work they are doing, I don't know if it is on the program of the commission/ but basically the terms of reference which I have set through are to look at- view the process so that we can create an opportunity to consider other aspects that have not been considered in the current funding norms. So a number of these issues are for example institutions matters to deal with poor performance of TVET colleges. Rather than decreasing in enrollments.

Parker: *Continued*

providing funding for accommodations and hostels, bridging programs that I spoke about, so a vast area of funding- I think we've said that the deteriorate funding at the moment is bursting- based eighty percent however we do believe that the administrative burden to administer the merits test and if it does become a problem, we may have to be willing to be looking at also assisting those young people that fall outside of the threshold with funding is in the loans et cetera. So we look forward to the work that has been done by the universities. Also to be able to be looking at alternative sources of funding through SETA and NSF, so I'll just rest there honourable chair. But the detail is in the terms of life as it arrives

Chairperson:

Thank you. Mr Zulu do you and your cast want to ask questions?

Panel:

Yes I do have a few question chair- if I may be allowed. Thank you,. Dr Parker, I think what is important for

now- for our purposes is the report on the working group. On fee free education for the poor. Just want your comments on some of the recommendations. But before I ask you the questions on this report, can I ask you about the percentage of government spending on education? Percentage of the G.D.P. it's started it was, I think Sfyzza can understand can- it was point seven-eight then it decrease to seventy one and I now understand is out on point six two is my understanding correct?

Parker:

Just to indicate that I think we have a variety of different figures but if we take the twenty fourteen figures, that's the figures that we have that in South Africa We spent zero point seven-two percent of the G.D.P on- in higher education and that includes the NSFAS. So if we include the NSFAS in that but remember NSFAS actually isn't baseline funding to universities. It's funding to support poo students to go to university. It's actually student fees. If you take the NSFAS amount out at all what was provided to higher education it comes to zero point six two percent of the G.D.P. and now think the comparative figures that were provided was that When you compare that to African countries. And this is a figure that was given from twenty eleven so we always have to be cautious when we take figures from different Times but African countries the average was two zero point seven eight percent, direct to universities. So six point two percent is quite significantly lower than they in the African average. The O.E.C.D. countries Average was at one point two one percent. And the world as a whole was at zero point eight four percent. So South Africa is low compared to all of those Enrages. At the time of the ministerial report on funding, they estimated that higher expenditure as a percentage of education. Including NSFAS, if we include NSFAS And we take it as

the expenditure of the higher education of the education budget as a whole it was twelve percent. And that was significantly lower on- when compared to other countries. So if you looked at the whole of Africa in the average in Africa, it- higher education spending was twenty percent of the education budget. In OECD countries that was twenty three point four percent of the education budget and the average in the world as a whole was nineteen point eight percent of the education budget. So it is it was significantly lower.

Panel:

Thank you, Are you aware in the period pre-dating that nineteen ninety four. Are you aware what government's spending on higher education?

Parker:

I think we do have that information. I'm not aware of it, I am not able to tell you that now but we do have historical data. Going back quite a long quite a long way.

Panel:

But what I don't need to find out is was there a significant change in government spending- in the current government it was the a significant change in the amount of- spend on education? Or they just continued with what the old government used to spend?

Parker:

I think I think contextually. I actually can't answer that question directly. I would have to go back and look at the figures. To be able to answer that question. I don't know if Mr Patel has information on that

Patel:

And then you would take into account the chair, Transkei, say, Venda, maputo-tswanao and you would have to bring that into consideration also.

Panel:

Can I just request Dr Parker did if you do find information because we will have other sessions that could supply us with the information so that we can look at it.

Parker:

We'll look into what historical data we have and provide you with what we are able to provide you with.

Panel:

Thank you, can you just look at the recommendations, I want to understand exactly what the department has done with the recommendation. Of the report. This report on the working group for fee free education, on, I don't know if you do have the report but I want to refer you to page fifty of the report. Where the recommendations are. Mr Chair maybe you do have the files but

Chairperson:

I am sure we do but - unless we need to dig them out but.

Panel:

No! There are just a few issues that I want to clarify. Dr Parker the recommendations of this report were that free university education for the poor in South Africa is feasible, but will require significant additional funding of NSFAS. And it continues to say preliminary calculations of the actual cost of introducing free education for the poor are anywhere between one hundred billion in one billion in twenty thirteen. Prices for the twenty thirteen cohorts of students are estimated at one hundred and sixty three thousand students. So this was twenty thirteen i believe. And as the department conducted the study now to determine as to how much it will cost to provide free education?

Parker:

I think one has to really understand what this means and it might be, It's quite complex. It's quite complicated. And-

Panel:

Then you can just share your views.

Parker:

yes- when we are talking about the cost for introducing free higher education for the poor Anywhere between those, they talking about the so-called poverty grant that they were talking about. So they were saying that if you implemented their model which was suggesting that you provided an upfront Fee free loan. For a sort of interest free loan for students to access higher education. So it's free appointed access, they complete And then one year after they- enter the workplace, they start paying back. They made some assumptions about the proportion of students with degree qualifications that would be employed which is quite high. And then they said one of those would be paying back and assuming that you got that funding back into the system. And the only amount than in that you calculated as being the real cost would be the cost for the poverty Grant. That would be made available those who never pay back that loan amount so when they were talking about that between one hundred million and one billion. They're not talking about the actual cost for supporting all students upfront or if you were to say in the end that all of their funding would be a grant that is a different calculation altogether. So I think we have done calculations in terms of looking at what it would mean- To support the proportion of

students that they estimated. Would be supported it would need to be supported within the university education sector with full cost of funding Loans and what is the upfront amount that would be required to enable us to do that and that amount was calculated at thirty seven billion over the MTEF and then obviously increasing. But if you assume the kind of Long term actuarial processes around that with the kinds of interest rates that they were suggesting which would be much higher than the current ones and the grant portion which would be much lower. They were suggesting a twenty percent should be grant eighty percent should be loan then you would end up with.

Parker: *Continued*

This kind of a sum a similar kind of figure but if you were to keep the same kinds of parameters in place that are now in place that would be a much higher figure.

Panel:

Then what have you- has the department conducted a study as to how much it will cost to offer free education for all? As opposed to the poor students.

Parker:

We have done some estimates on what that might entertain but the issue is what we mean by free education because what students are talking about is full cost of study. They're talking about providing tuition, they're talking about providing accommodation, providing food. Providing books. Now that is a very hard thing to calculate and if you're going to include both undergraduate and postgraduate students. It's an it's an enormous amount because actually their highest cost is accommodation and food

and so on. Not tuition. So if you were talking just about tuition. We could estimate that. But if we were talking about the whole full cost of study. That is we think more or less as an estimate in the sort of hundred billion range.

Panel:

so the report suggest that As a possible source of the money as to where the money will come from, it suggest the SETA, the NSF- The SETA and the NSF have you considered this? This recommendation that possibly can be money from the SETAs and the NSF?

Parker:

I think that this issue around where the funding comes from is a critical issue for us and we've been looking across all kinds of ways in which we could find additional funding to support the development of a model that could work in the system which is part of what the current ministerial task team is doing, currently they NSF does supply quite significant funding and perhaps beyond can say how much funding is being supplied to assist in terms of NSFAS, there is the National Skills fund that focus on Scarce- skills Bursaries that provide significant funding. We also get significant funding through the SETAs in bursaries for university education but obviously the National Skills fund have other really important aspects that they have to fund and so you know although this committee may have thought yes that is the pot of money that could be used it seems everybody thinks that but really they are important areas that need to be funded through that funding and it has been set up with specific purposes in the development of skills generally in the country so significant funding already does go to university education and to T.VET. At the moment to assist and support the development of the institutions and to

support students through student funding that's already in place but perhaps my other colleagues want to also answer-

Chairperson:

Sorry is that regarded as third-party funding?

Parker:

Generally the funding that goes through NSFAS is second stream funding because it comes through as fees. SETA funding is also comes through as fees but there's other finding which might be made available for example to support their development of a particular unit at a university. And then that would be considered as third stream funding.

Panel:

And lastly Dr Parker, can I just

Parker:

My colleagues would like come air?

Patel:

no, I thank you, one of the banker for SETA will come in. advocate I think in terms of your line, i was picking up- which I think is the issue, that report varying in the way that it was explained . Parker explained it very well; if we can get bridging fund and we convert our system from an input system to a poverty- output side, it means that immediately if you can get a loan, if I can use inverted commas. whether it is the UIF or SETAs, the model that you are referring to is what- provided we have a very strong legislative backup, it will eliminate all the issues - the issue of providing loan agreements to young people, so I think there is an

option to explore if we can get that particular wind-form and we can get the legislative issue of directly linking the repayment of loans to the tech system. It could be a levy, the money must go back into the national levy funding. It must go back into an educational levy fund. And if that is what you are alluring to i think that those calculations can easily be done. because the factor in all those costs then we can go through this very quickly in terms of full cost education in terms of the different elements.

Mvalo:

Thanks very much chairperson, I just wanted to ledge into the rear OD SETAs, and it's like we have to strike a balance every one you say to strike a balance. Because if we're saying each and every cent of that is available somewhere. It has to go to a university education so it means therefore if you go to TVET you are going to be having serious challenges in that area but then just on the SETAs. There is this area and it must be lifted. I should think in each and every platform of artisan development. The country as so requires Artisans in this Country. There NDP is directing us in twenty thirty to be producing thirty thousand artisans per annum. If we are just to illustrate one example just for the financial year. That has ended- thirty first march twenty sixteen. We produced about sixteen thousand one hundred and fourteen artisans. That is to the cost of two point four billion. Then I would imagine therefore if we were to have also in the area of our SETA landscape or SETA system, as where we can get money. We will amongst others target this area because even if you go to studies, They are telling us that those who have gone through the artisan route are easily absorbed by the

industry or alternatively self-employed and there was a human size that a such a study that was done in twenty ten where I was looking into learner ships as well as to Apprenticeship so artisans and you'll find out that both and then learner ships as well as your artisanship, the absorption is very high in excess of seventy six percent. So this is an area that as the country we must place a premium interest in so if there is money I would say "please let it also to this side of skills development especially in artisan development thanks very much chairperson.

Panel:

I think Mr- Too many what you would have come in. What was the amount I do believe you put the amount on record yesterday. Unless you are going to give a different amount.

Minier:

The amount I put on record yesterday refers to the total levy income from the entire system- it was fifteen point one five two b/million rand. Obviously that is split into eighty percent in respect to SETAs and twenty percent of the NSF. though which is like the indicators and additional amounts to that is specifically with regards to the National Skills fund which at the moment there's an amount of within the last financial year of twenty fifteen-sixteen of one point five seven three billion rand that went to the university education system in the form of bursaries. And that includes one point three seven five billion rand for undergraduate bursaries, specifically targeted at scarce and critical skills and hundred and ninety eight million at post graduate bursaries. If you look at it percentage wise in terms of the national skills fund levy income per annum, it is fifty one point nine percent of the National Skills levy income. That goes towards the university education system, Yes I think that's is what I like to indicate . Only fifteen percent goes towards the TVET college system

and twenty five percent is then for work place based learning. Now ideally the national skills fund would love to move strategically more into the funding of workplace based learning.

Panel:

Dr Parker my colleague would ask a question.

Panel:

Dr Parker. My question is directed to you, it is in context with the model that is proposed for next year. My understanding is that it's a three-tier model. Where anyone that earns up to a hundred twenty two thousand gets- goes to school for Free. From hundred twenty two to six hundred thousand is loans from six hundred thousand rand, those people have to pay for themselves. My question is based on the impasse between students in the department because the students insisting that free education should be for all, and the department's policy based on the ministers' statements in the media as well as the announcement on the no fee increase it seems as if the policy- department's policy is that the poor cannot subsidise the rich which is the reason for this three-tier model. My question to you is in relation to this model. The amount that you will be saving from not funding anyone that earns over six hundred thousand will that amount not be used up by administering this model because ultimately as the department coasted the

amounts that needed to fund those people that would have been over six hundred thousand.

Parker:

I think the point needs to be made that the model could have any limit. That's dependent on what findings available the reason that there's six hundred thousand has been identified is because there's some actuarial work that was done. Which indicated that that was a reasonable level that could be set? Which would ensure that those who are really indebted are Supported- of those missing middle are supported? And would allow for access to higher education. The issue is that what the model wants to do is to provide the possibility of point of access education for the duration of study at full cost of study which means including all of those aspects if we were just talking about tuition.

Parker: *Continued*

You could you could do it you could have no limit on it but it's because it's for cost of study. I know they have been certain students who have aired the view that it must be free education for all or no higher education for anybody. I think that might be an interpretation of what they're suggesting. But there are also other groups of students who have definitely indicated that they support the idea of free high education for the poor. And support for the missing middle. So I think that we mustn't sort of think about this student as are an idea somebody who is this has a single mind about what this is that the challenge that we have is that the political concept context is so dire the current policy of the department exists. It's the it's the policy that we work on we have student fees and they for student fees do exist. We have to do the best we can within those constraints to put forward a workable model and the model we talking about is a model that is likely to be workable that will bring in funding from the private sector and from government and that can really

substantially deal with the critical problem of ensuring that we make higher education accessible to those who are financially needy. I think the issue of Funding high education. The institutions more effectively is still something that has to be dealt with to ensure that fees are kept at reasonable levels.

Panel:

I'm just going to articulate exactly what I mean because in the sense that assuming. Assuming it costs. In relation to the socio economic situation in the country. People that earn over six hundred thousand. I read an article somewhere that says in order for you to be in the top one percent earners in the country you have to earn about five hundred seventy five thousand rand annually. So this amount of these people that you do not want to fund the savings that you would have made there, Would that amount- assuming you save ten rand from these people that you don't want to fund costs fifty rand to administer this model in trying to differentiate between who earns what. Is that practical?

Parker:

I think perhaps one has to look at their figures more holistically. If you're looking at the University education

population. It's not identical to the general population of the country. So you have to take that into account. So if you look at the University education population I mean one figure I can just give you that Indication. In the general population of South Africa I think the number black Africans is at around eighty four percent. In universities it's at seventy two percent that just gives you one figure. They the university population is not the same as the general population and that is a reflection all of the inequalities in our society and one of the aspects of the legacies of apartheid education we acknowledge that. So what we trying to do here as we trying to make it accessible to those students in those other income groups. So our indication is that if we take, I mean remember you not only losing the fee from the individuals who would pay. But you also lose the fee from the private companies that pay for example bursaries to support students in higher education as well as the fee from foreign nationals who come into higher education to enter higher education.

Parker: *Continued*

So if you look at the total enrolment within our system. I think it's about seventy to eighty thousands of foreign nationals. We're talking about a number of student who coming with bursaries mostly from their governments all from companies in the countries who can afford to pays and who come here because our education system is very cheap in dollar terms and we would lose that income. You would lose the income from the private sector. That provides the bursaries and so on and you would lose the income from their population group who is paying their own fees. So we estimated to around about thirty percent of all of the university education fee budgets. Which is significant?

Panel:

Just one question Dr- Sorry I just want to understand what is meant by "feasible" in the context of this

report. For example why did they choose feasible instead of affordable is the difference in why they chose that word?

Parker:

I think the questions was-

Panel:

Sorry of course right together with the balance of the sentence provided that NSFAS is expended more money is put in.

Parker:

Provided there. I mean. I think I think the reason why the word feasible was used because the Task team was requested to indicate the feasibility of implementing a fee free higher education for the poor in South Africa.

Panel:

So it is more about implementation?

Parker:

Yes it's about implementation. So if sufficient funding is made available. It could be implemented.

Panel:

Just one question, does Proposal for next year- The pilot does it involve foreign students at all?

Parker:

No it doesn't involve foreign students, it is for South African students.

Panel:

Just as a follow up to that question, the differential fees structure for SADEC students; it is a problem, why do we have it when they are regarded as home students by universities.-

Parker:

I think I think what SADEC agreement says, Is that the part that foreign that SADEC students up to five percent of enrolments in the various programs would be considered as South African students and there's a much higher enrolment than that. And so I think for postgraduate programs there's additional fee but SADEC mostly said students are treated exactly the same and this South African students we subsidize them in exactly same way students from other parts of the world. We also subsidize in exactly same way we subsidize whoever- wherever they come from, government subsidizes them at the same rate as they subsidize South African students but universities do charge some additional fees to those students.

Panel:

Chairperson I think it's almost quarter past four. I have a few questions Dr Maybe we'll continue on Monday because I believe that you are coming on Monday. Can I finalise the few questions that I have on Monday?

Chairperson:

With the greatest of pleasure

Panel:

Thank you Doc- Chairperson.

Chairperson:

What do you want to do tomorrow?

Panel:

We have witnesses from the presidents tomorrow

Chairperson:

Thank you. Dr Parker would you mind coming back on Monday please?

Parker:

We have discussed that we will be coming back on Monday.

Chairperson:

Thank you very much. We will adjourn- not a moment too soon.