

**COMMISSION OF INQUIRY INTO HIGHER EDUCATION AND TRAINING CENTURION –
24 OCTOBER 2016**

**SET 3 OF COMMISSION OF INQUIRY INTO HIGHER EDUCATION AND TRAINING
(FEES COMMISSION) HEARING: FUNDING AND INSTITUTIONAL AUTONOMY IN THE
TVET SECTOR**

The South African College Principals Organisation (SACPO) is an organisation of the fifty (50) Public TVET Colleges in South Africa represented by the Principals in their NGC. The member of the organisation is the college.

The Mission of the Organisation is to play a meaningful role in:

- Representing Public TVET Colleges on National Structures.
- Creating and maintaining a culture of learning and strategic use of knowledge.
- Establishment of a sectoral voice in TVET policy development.
- Establishing and building executive leadership for the TVET sector.
- Creating a platform for sharing of strategic information, systems and to advice on the implementation of the TVET mandate (Continuing Education and Training Act).
- Promoting financial best practice.
- Promoting human resources best practise.
- Improving understanding and capacity for knowledge management.
- Assisting in curriculum development.
- Contributing in practical ways to the transformation agenda of South Africa in general and specifically to the National Human Resources Development Strategy and National Skills Development Strategy.

LEGISLATIVE BACKGROUND

The constitution of the Republic of South Africa (section 29(1) – (4)), provides for the right of basic and further education to everyone in the official language of their choice provided equity, redress and practicability are taken into account. In addition, the **Continuing Education and Training (CET) Colleges Act (No. 16 of 2006) as amended**, provides for the regulations of continuing and further education and training through the establishment, governance and funding of public technical and vocational education and training (TVET) colleges and promotion of quality in continuing and further education and training.

The National Government had adopted an outcome based approach to delivery, signalling strong emphasis on performance. 5+2 National (country) outcomes and priorities with key outputs, measures and targets have been set covering a range of organs of society with the development and delivery of quality education leading the pack and referred to as the Apex Priority:

- Quality Basic Education (**APEX PRIORITY**).

As the TVET public sector we fall within the national priority of Quality Education, specifically set with the vision for offering vocational qualification at level 2 -4 on the NQF, as set out in White Paper 4. A programme for the Transformation of the Technical Vocational Education and Training. The vision was set on the following policy goals:

- Creating a nationally co-ordinated TVET system with unique identity.

- Broadening student access, participation and improving student achievement.
- Entrenching quality and excellence.
- Encouraging diversity and differentiation.
- Promoting institutional autonomy, responsiveness and relevance.
- Monitoring institutional performance and fostering public accountability.

In addition, White Paper for Post-School Education and Training mandates delivery and strategic priorities in the TVET colleges sector.

OTHER BACKGROUND INFORMATION

It should also be noted that prior merger of technical colleges, these colleges were governed by two separate Acts which were collapsed in to the Further Education and Training Act.98 of 1998. The historically “disadvantaged” colleges enjoyed autonomy and a different funding model whilst the historically “disadvantaged” colleges did not even have a budget as procurement was centralised at the provincial government. The gap created still leaves much to be desired. During merging the only funding made available was “Recapitalisation” which only scratched the surfaces. Rural campuses and those that are around high poverty index still suffer the consequences as the infrastructure is still found wanting.

Of important to note is the promulgation of the FET Act no. 16 of 2006 which basically made colleges to be employers also had challenges as the “purse” still remained with the department. Colleges as employers were powerless even for negotiating for salaries at the Bargaining Chamber as they had no control of salaries budget. Unfortunately the problems that arose are still attached to colleges’ failures.

FUNDING SITUATION AT COLLEGES

The National Norms and Standards for funding Further Education and Training College, Government Gazette, No. 32010 of 16 March 2009 forms the basis of funding to colleges by National Treasury in the form of the conditional grant. The updating of programme costs and funding weighting is done annually and is informed by the weighting per programme. Currently colleges are funded for the following programmes:

- National Certificate (Vocational) Level 2-4 known as NC (V).
- N1 – N6 offering known as Report 191 or NATED.

DHET uses the 80:20 ratio funding 80% as a grant and 20% through DHET TVET Bursaries administered by NSFAS. The problem is that the allocation has been reduced to 62% or less instead of the 80% and the bursaries are also cut. DHET also keeps 63% from the 62% as part of the wage bill not considering the different budget status of each college. Any remaining funds DHET keeps them as they are alleged not to be reinvented.

Colleges do not qualify to receive funding to offer programme like:

- Level 5 Higher Certificate
- Occupational Programmes
- Artisan Development
- Skills Programme etc.

It should also be noted that colleges are not receiving Capital Funding. For the past three years colleges have been funded on the enrolment figures of 2013 whilst the enrolments targets are pushed every – year. If this system is left to continue colleges will distinguish. Some colleges are already receiving “bail outs” and those that are able to survive are being “punished” by DHET as their funding is often cut every time.

NSFAS

The positive about ‘NSFAS’ is that it is a bursary scheme and not a loan. A deserving student is able to sustain tuition until he/she completes studies but it is unable to cover transport and/or accommodation. NSFAS uses a Means Test which is also designed to exclude the “Missing Middle”. The TVET sector is a “home” for the NEET (Not in Education, not in Employment and not in Training). The sector is designed to take care of poverty, unemployment and inequality.

SACPO POSITION OF FUNDING

As a nation we need to get the diagnosis of the fundamental root cause – why we found ourselves in this position as country. We can’t afford to struggle to cross the same river the same way. Education is a social mobility not a commodity. Let us all become philanthropists not only a chosen few. We understand that our average tax base as a country is low as compared to other countries but we can come with a roadmap for free quality education or state funded education system.

Our education is producing the army of unemployment and discouraged workers. There is a trust deficit between us (as the outgoing generation) and our students.

In narrowing the arguments let me conclude by saying:

- DHET to fund TVET Colleges on 100% and NSFAS to deal with accommodation and transport funding.
- DHET to fund colleges on the previous year enrolment figures.
- The “wagebill” funding to be reinforced and paid back to colleges at the end of the financial year.
- Government to channel the CSI funds from companies to education and nothing else if it is viewed as an APEX PRIORITY.
- Any bursary holder if not all students upon completion to pay back in the form of good doing good to their community.
- Government to fund TVET colleges on CAPEX (Capital Funding)
- DHET to consider funding all accredited programmes especially vocational linking to the world of work.
- The government to relieve college from historically debt.

INSTITUTIONAL AUTONOMY

As mentioned earlier the vision of TVETs as set out in White Paper 4 – one of its goals was to promote institutional autonomy, responsiveness and relevance.

DHET should start looking at differentiation of colleges to start appreciating initiatives and innovation within colleges. DHET since migration of staff to them has fallen into the mode of



micro-managing colleges in particular the Principal. Vacancies are controlled by DHET and the bureaucracy is rendering colleges stagnant due to time taken in response.

TVET Colleges have Councils who have an over-sight function and that should not be dictated upon at all times. This practice is killing innovation and the space for colleges to compete and be able to attract partners in the World of business and industry.

CONCLUDING REMARKS

TVET Colleges are at the core of the 2nd economy of this country and for that to be realised government should priorities them.

Colleges are to increase the students' population to realise the NDP targets by 2030.

Skills development of the country through the production of apprentices and artisans lies in this sector.

Lecturer development is also fundamental and for it to be realised it needs funding.

Thank you.

Ms Hellen M. Ntlatleng
SACPO: President.