



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

THURSDAY – 17 NOVEMBER 2016

QUORUM/SPEAKERS

Chairperson : Judge J Heher

Member(s):

- Advocate G Ally
- Ms. L. Khumalo

Presenter(s):

- Mr. Ntokozo Mahlangu
- Ms Lerato Motaung
- Mr. Justin Louwgie
- Mr. Tinyiko David Ngobeni

Head Evidence Leader : Advocate K Pillay

Evidence Leaders:

- Advocate. M. Zulu
- Advocate. M. Lekoane
- Advocate T. Mabuda

Expert(s):

- Prof. T. Mosia
 - Dr. G. Simpson
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Presentation-1

JUDGE J. HEHER: Good Morning

ADV. K PILLAY: Good Morning Chair.

JUDGE J. HEHER: What are we starting with this morning, please?

ADV. K PILLAY: Chairperson Today we hear from 5 students and the purpose of the evidence is just to get an understanding of the live reality of students. Of how they access funding, what kind of challenges they experience in accessing funding and for those who are funded by NSFAS. What the experience of accessing NSFAS funding is all about? And of course we will give the students a very, very brief opportunity to make any submissions in respect of the question of fee, free higher education and training. The first student is Mr. Ntokozo Mahlangu. You will recall that Mr. Mahlangu appeared before us I think in Pretoria

JUDGE J. HEHER: Yes I do

ADV. K PILLAY: Mr. Mahlangu has prepared a very brief presentation. Mr. Mahlangu you can proceed to just present the highlight of your presentation obviously part of the document would be pulled from part of the body of knowledge of Commission. We will then ask you specific questions about your experiences.

JUDGE J. HEHER: Mr. Mahlangu, welcome. Thank for you for taking the trouble to come and for preparing the submission. Do you have any objection to taking the oath?

MR. MAHLANGU: None at all

JUDGE J. HEHER: Do you swear that the evidence you will give will be the truth nothing but the truth. If you do say so help me God.

MR. MAHLANGU: So help me God.

JUDGE J. HEHER: Thank you. You can go ahead at your own pace and don't worry about time constraints. Just you tell us what you would like to tell us.

MR. MAHLANGU: Thank you, to the honourable Ms Khumalo, Judge Heher, Advocate Gregory, Minister Nzimande and President Zuma. Struggle is the word of powerful background in my country. It's the word that's tied to the sacrifice of many in the pursuit of a vision of a non-racial South Africa. Where anyone can vote, enjoy equal human rights and anyone has equal rights to live and trade where they choose to and in whatever means that the law allows.

Through the sacrifice of many, the racial system was abandoned and a never ending pursuit of a better South Africa and the new struggle was formed. The modern struggle is the one whose goal is to more fairly expose the opportunity beyond established class structures. One of the most reliable modes of accessing opportunity in this country is to be educational and so the modern struggle has manifested itself in protest to challenge the situation where access to education can be limited by financial means.

To challenge the nature of education that is inclined to better benefit a certain class of people and largely further entrenched established class structures. Having the privilege of being a prospective student in South Africa comes with many things, many emotions both good and bad, and many questions such as what to study, where to study and how to pay for it all. Today a prospective student will weigh up financing choices against their situation to decide whether parent, family and

self can pay. That's not an option whether one qualifies for bursary, learnership or even a scholarship and in so doing selling their time for the opportunity. Failing that whether there's - - -

JUDGE J. HEHER: Mr. Mahlangu, can I ask you just go a little bit more slowly.

MR. MAHLANGU: Slowly

JUDGE J. HEHER: I want to grasp it as you are telling me.

MR. MAHLANGU: Will do

JUDGE J. HEHER: Thank you

MR. MAHLANGU: Thank you, failing that whether there's a credit funding option that exists and further failing that, what one must do where tertiary is not an option. To either pursue the opportunity later in life or to evaluate tackling life without a qualification. As many of you surely know, the current tertiary funding structure in South Africa is broken up into the public or tax funded components as well as the private components. This is seen to be the recognition of education of both the public and private good.

Where the public benefit from better educated society, also where the individual has better prospects in life as a by-product of being better educated. As a consequence, adjusting the relationship between public and private funding as being suggested by many to be the means through which our current issues can be solved. Many have suggested that going to tax funded components reduce the self-funded component to the key to solving the fee issue. At least enough to fully subsidised cost for those with the greatest financial need and to adjust the public component support down in line with the financial need.

The challenges are to find a way to more efficiently spend our current tax revenues to reprioritise the way we spent tax or to simply increase the tax coffers increasing VAT, taxing the wealthy or by having the graduates tax. They are challenges though, where increases are sort especially as a graduate tax as this could further risk further capital flight. Many graduates may end up taking their knowledge overseas where they can't be taxed by the South African Authority. When looking at private sources of funding, outline the options that can largely be divided between self, parent or family funding, funding through bursary mechanism as well as credit funding.

The self, parent or family option is mostly open to those with the means who are by in large not a subject of the fees issue we are currently experiencing. Bursaries are a means of selling you time in the future to get funding for studies today. This is done by getting a corporate sponsor who pays for your studies with the obligation of working this off as an employee of that co-operation. For the prospective student access to bursary information can be a challenge. This particular has largely been reduced as websites that keep lists of bursary options are now available to students.

Perhaps more organised means of applying for bursaries can be explored as well or effort allows an automatic bursary mechanism that ties in with tertiary applications. The other challenge with bursaries is that they often ring fence support for some qualifications and that they only made to those with very little financial means. Cutting out the group who may not be able to self or family fund yet or seen as having the means to pay. Bursaries are often worked off through working for the bursar after qualifying which holds benefits and incentive for the bursar now employer as well as the student who can gain valuable experience as an employee. Credit funding is available through banks as student loans as well as through the NSFAS scheme. So according to their website NSFAS has helped 25% of students enrolled in Universities in the year 2015.

This is significant and must be applauded. The model also defers payments on the loan to when a student complete studies and has a job where they can then begin servicing the NSFAS loan. The challenge though is the repayment on the NSFAS loan for the organisation. In 2014 about 300 million rand was collected against distributed funds of 8.6 billion. This can partly be explained by the relatively high dropout rate of 72% where collections and distributions can be a challenge. This effectively turned a recoverable NSFAS funding into a tax subsidy.

For students currently on NSFAS, they need to pay out an expensive registration fee that has been cited as an issue that NSFAS doesn't cover. Sometimes the fees allocated to the student are minimal and don't cover all the required expenses. This is made worse by the fact that the University environment is a mockery different environment for most secondary environment. Many students first experience extent of the income gap once they reach tertiary and where some are inspired others end up get discouraged.

Another challenge may also be that when NSFAS determines a prospective student has someone with the means to pay the application may get rejected even historically in some cases where a parent has the means, but does not support that prospective student in any way. This leads to some students to try to apply for student loans where NSFAS fails them. I am not sure if I should continue here since my last submission and having listened to submissions that have come afterwards. I've come to except that there's no single solution to the fees crisis and that perhaps a solution may be possible, when there's combination of some of ideas put forward by organisations as well as the public. So going forward this comes of the topic of NSFAS so I don't know if I should continue.

JUDGE J. HEHER: Yes, by all means.

MR. MAHLANGU: Is that okay?

JUDGE J. HEHER: Yes of course.

MR. MAHLANGU: Alright, so this time I want to make a case for online Universities as the means of augmenting the options that are currently available. This could be as an entirely new entity or as one owned by any of current tertiary providers. Who can fully subsidise those with the greatest need to go to traditional Universities and can keep providing bursaries for others to attend these Universities. The research functioning of Universities is very important so I deem it's important to keep our Universities alive. The NDP has a goal of increasing University enrolment to 1.6 million by 2030. KHAN University which is already seen as the largest school in the world in 2012 hosted 10 million students in that year - - -

JUDGE J. HEHER: I'm sorry I don't know where KHAN University is? Is it China?

MR. MAHLANGU: That's an online, it's one of those massive open online courses. It's an online University.

JUDGE J. HEHER: Where does it come from?

MR. MAHLANGU: America, it's in the US. It had annual operation course of about 19 million US dollars in 2014 with the staff complement of 37 employees in 2012. KHAN University makes revenues by and large through donations. Alison Online right now claims to be for free and certified learning. Alison generates its revenue through an advertising model and offers courses to all the way up to a Diploma level. Paraphrasing the economics Alison has a start sustainable operating procedure as it generates plenty of revenue also proving his learning material for free. An online learning platform by virtue of being free has a high dropout rate though. That is one challenge.

Another challenge is with the issue of certification with the quality of learning provided for on this platforms. As it stands my learning on an online platform doesn't mean I can use these qualifications to get a job as these don't currently have an NQF rating. There also a question of how one would go about testing the students using the platform. In my view an online platform can also only cover qualifications up to an undergraduate level. It can only do so perhaps for qualifications that don't require lab work such as found in most BSC Degrees.

To this day I remember a lecture of mine telling how the best way to get someone to participate in an initiative is to making it about, to give them an incentive. An online learning platform in its nature creates an opportunity for public private partnership by allowing organisations to advertise on said platforms. That is how we can make about them. An organisation can gain access to the attention of thousands or even millions of students by advertising on the platform and in turn the operational cost of the add at online platform or being subsidised or even fully covered by this advertising. Another opportunity to keep the content relevant is to pay people or organisations who can provide learning material using the advertising revenue.

This realise on keeping traditional Universities alive so people with the knowledge and interest can develop material they would be paid. Now instead of one lecture reaching hundreds of students, a single lecture can reach thousands or millions. The testing issue can be overcome by creating more questions than are necessary and randomly disburse them to students being tested. So a test has 10 questions to be answered. Maybe we would make 100 or 200 questions to be randomly disbursed by the system to the students.

So in summary let's keep the public subsidy portion of revenue and explore how to more efficiently spend our tax revenues and how to reprioritise where we can. Let us fully subsidised those with the most need. Let's look at how to streamline the bursary application process to create equal access to bursary information. Let's fight to keep our traditional Universities going. Let's explore an online platform and then pay for material on operation cost through advertising on this platform and for those with qualifications that can't be supported on the platform where no bursaries can help. Let's keep NSFAS, but look at how to improve the NSFAS experience. Thank you.

JUDGE J. HEHER: I don't know unfortunately anything about these online platforms that are in existence. What sort of advertising do they have? Is it the general advertising?

MR. MAHLANGU: Its general advertising. So what I've been thinking to reduce the administrative cost of getting advertising on the online platform. There is also the option of going to the google partnership network, I can't remember the name exactly now. What then happens is that google will then broadcast their adverts on your website and then pay you your share of the revenues.

JUDGE J. HEHER: Now I assume that Alison online is an American online system as well. Is it?

MR. MAHLANGU: I think it's European. Alison is European.

JUDGE J. HEHER: It's European? Do you think that there would be a sustainability in advertising in the South Africa context?

MR. MAHLANGU: In the South Africa context.

JUDGE J. HEHER: Yes

MR. MAHLANGU: It depends, it could be that we are taking a risk and there could be a sustainability issue, but we could overcome this. So Alison Online most of the students of the students studying on Alison Online mostly come from developing countries. So what happens is a lot of developed

countries end up trying to advertise access or get people in developing countries by advertising through Alison. So what could happen is online platform in my mind could be something that go beyond just South Africa because the more eyes are on it, the incentive there is for advertisers to want to advertise on. So the sustainability question is a very good question, but I do think there ways around if could explore perhaps how to make or not ring fence the online University to just South Africa. We could make it an African thing. Make it be an economic developing thing.

JUDGE J. HEHER: What about Quality Assurance?

MR. MAHLANGU: Quality Assurance, this is where we can then use I think somebody with qualification would better say. Somebody who works for South African Qualifications Authority could better say, but keeping the actual content. I think it's fresh. It's the most important component. I think that's where Alison failed. That's why I was saying - - -

JUDGE J. HEHER: Failed

MR. MAHLANGU: Ja because they have the old content, they don't really update their content much. So what I saying is we can then look at how much advertising revenue we get and how we can then pay people to create the content. So that people who are lecturers, people who have Masters, Degrees, Doctorate who can then augment to their own income by creating material for the online University. We can look at renewing this information every two years or whenever is more feasible.

JUDGE J. HEHER: How do you suggest that this online University should be created? Is it to be a Government institution or Private institution? What is the stipulate created?

MR. MAHLANGU: So I am looking at remembering a KHAN quote. So Khan has a quote where he says he was tempted to actually not make Khan University a non-profit, an NPO because then they would have been a lot of money in it for him. So from that prospective there is Online University will have ability to make enough money to create incentive for someone to explore it as a private venture, but I think that we should explore out options. I see and I think that Wits is started looking at an online platform of sort and other institutions are already looking at online platforms now.

JUDGE J. HEHER: Surely we couldn't possible sustain half a dozen online platforms in South Africa.

MR. MAHLANGU: That's it so it would be best in my mind for us to look at one. So if it's something that a single co-operation or organisation could take on. It could be something that, it could be the next evolution for UNISA for instance. You know since UNISA seems the closest to the mode. It could be something that Wits University decide to take on.

I could be something we decide to ring fence to the Government. It could be a Government initiative and it could be a private partnership in a way because the private industry may want to advertise to the people that use the platform. So there are eyes on it that could create sustainability model.

JUDGE J. HEHER: It does sound to me that it requires an entrepreneurial drive.

MR. MAHLANGU: And there are lot on entrepreneur in the country.

JUDGE J. HEHER: Well that apart from yourself, there haven't been too many who would come with that proposal to us along these lines.

MR. MAHLANGU: I did read after my last submission the city of Johannesburg also seem to have sort of online massive open online, they call it. They have started

JUDGE J. HEHER: They haven't told us about it.

MR. MAHLANGU: I saw an article about it after my last submission. So they are targeting students in townships. I think through libraries currently. They have some courses online. I think they look at IT and other courses for now and students in Alexandra I think Soweto as well come to the libraries and study if they are unable to go to Wits or anything of that sort.

MS KHUMALO: Have you made comparative study with how the University of Pretoria has done their online?

MR. MAHLANGU: I actually haven't heard of the University of Pretoria's version of online. I do know the School of Applied Psychology mostly does their studying through an online platform currently, but it does have a cost for students so if you want to study through it, it's not free. There's no advertising on it though.

JUDGE J. HEHER: Don't you think the initiation of an online University will require a Task Team to get it going?

MR. MAHLANGU: I do believe it would. I think it would have to be ran as a project. There a lot of questions that we have today. There's a lot of questions I would have about the best way forward would be if I have to explore this as an option and the Task Team or Project Team of anything of that sort to have them tackle these things at the Project level granularity, granular fashion.

JUDGE J. HEHER: How soon do you think such a thing could actually be made a reality?

MR. MAHLANGU: I think I would give it the time not longer than two years. This is my thumb suck, but I think not longer than two years.

JUDGE J. HEHER: And cost?

MR. MAHLAGU: And the cost. Good question, but I did go through a study of checking this morning. I checked the most expensive website ever built was the one that cost I think 19 million US dollars, the Boers Government. I would think that something like this wouldn't cost anything more than 5 to 10 million to build it. It's the rand that is another issue.

JUDGE J. HEHER: Well creating the learning material is an issue.

MR. MAHLANGU: That's another issue as well, but I think the open source facility is the way. So Khan University started when Mr. Khan actually used some of the open source tool available on the internet to tweet one of his cousins. It was a free tool and he went and Corral's quote Dia Hutu. He used to create videos that his cousin could watch and learn from. Then one of his families liked the idea and wanted Hutu to inform them and when the whole idea of Khan Online University. There are open source methods of creating material if cost is the factor.

JUDGE J. HEHER: How long ago was Khan University initiated?

MR. MAHLANGU: I think in a last decade. It's not older than 10 years.

JUDGE J. HEHER: What is your own interest in this particular subject? Entrepreneurial interest or is an academic interest or what?

MR. MAHLANGU: For me it's really not an Entrepreneurial interest it's from someone who loves the country and who wants to try and getting involved in solving some of the issues. So it's got nothing to my own involvement. I am not trying to sell my own involvement in it. I'm just trying to suggest an idea, an alternative to be explored as a means of overcoming the current fees issue. JUDGE J. HEHER: Do you know to what extent online Universities are finding a foothold? Asia for example

MR. MAHLANGU: Khan University's biggest market is India.

JUDGE HEHER: India, but do you know whether such initiative has been launched in either China or Japan

MR. MAHLANGU: I don't know of it. I could research and may send something - - -

JUDGE J. HEHER: No I don't want to send you on a wild goose chase I just wondered whether you had that knowledge.

MR. MAHLANGU: No I don't unfortunately

JUDGE J. HEHER: Ms Pillay

ADV. K PILLAY: Thank you Chair. Ms Lekoane will ask questions Chair.

JUDGE J. HEHER: Thank you

ADV. M LEKOANE: Mr Mahlangu you were at Wits along now if my memory serves me better.

MR. MAHLANGU: That's correct.

ADV. M. LEKOANE: Can you just give a brief background of your school experience up to and including your experience at the higher education level?

MR. MAHLANGU: My schooling experience all the way from Primary through Second. I started in a convent school I was in Primary school called Loreto Convent. I ended up in High school in Pretoria, I grew up in Pretoria I ended up in a High school called Prioton Park [phonetic] matriculated and then - - -

ADV. M LEKOANE: Sorry is that a public school or

MR. MAHLANGU: It's a public school. The Primary school was a private school

ADV. M LEKOANE: How did you pay for your Primary Schooling?

MR. MAHLANGU: That time my father still had a working practice so he covered most of my Primary school education then he encountered some issues near the end of it. That's why other people had to get involved.

ADV. M LEKOANE: Now you are at the Tertiary level yes?

MR. MAHLANGU: Now at the Tertiary level so I got Wits and actually started an Engineering Degree which I actually did enjoy so I'm not going to sit here and pretend I was the greatest example of a student, I did start an Engineering Degree and decided it was not for me. I had my heart in business so I started a Boom Degree and somewhere in the mix of doing my Degree I had the opportunity to start working.

So as my Dad had issues paying and some family was helping out. I decided that maybe best to explore this options so that the full career as they have stated in my interview that there could be opportunities for bursaries as part of working for the company. So I worked for the company a little while and then decided to complete my studies part-time through bursary that the company itself covered.

ADV. M LEKOANE: You started working full time. Did you ever consider applying for NSFAS or did you apply for it?

MR. MAHLANGU: I did consider it, I personally have a bit of an evasion to credit somewhat.

JUDGE J. HEHER: You are into it or not it to it?

MR. MAHLANGU: I am not in to it, I try to avoid credit as much as I can so the option wasn't something that warmed my heart.

ADV. M LEKOANE: So had you not found the job that you are doing how were you going to pay for - -

MR. MAHLANGU: I had actually, funny enough I had started on a programme with one of my earlier business, I started on a programme, a google programme and I was going to take a big chance spend that year exploring that as an opportunity. So that's what I had in mind and then the job came along and I didn't have to worry

ADV. M LEKOANE: Did you get, did you receive a bursary from your employer?

MR. MAHLANGU: I did receive a bursary so it paid for me to finish off my studies part-time.

JUDGE J. HEHER: Where did you graduate?

MR. MAHLANGU: Wits

JUDGE J. HEHER: When did you graduate?

MR. MAHLANGU: When did I graduate? Was it this year? My graduation was this year.

ADV. M LEKOANE: Was it a full bursary?

MR. MAHLANGU: It was a full bursary. So I decided to work it off.

ADV. M LEKOANE: At the same company.

MR. MAHLANGU: Same Company.

ADV. M LEKOANE: And not with the terms.

MR. MAHLANGU: So because it was part-time while I was working I was also paying it off. So for the year that I had worked or the year after. I would study for the year then pay it off the next year. Currently I am still employed with the company.

JUDGE J. HEHER: What's the nature of your

MR. MAHLANGU: I am a Business Analyst

JUDGE J. HEHER: A Business Analyst.

ADV. M. LEKOANE: How long is the Bcom Degree?

MR. MAHLANGU: Full time is 3 years undergrads and I think it's 4, 5 years part-time.

ADV. M LEKOANE: And it took you how long to complete while you were working.

MR. MAHLANGU: While I was working, it took me two years.

ADV. M LEKOANE: So it's three plus two.

MR. MAHLANGU: It is, ja I think so.

ADV. M LEKOANE: I have no further questions, Chair.

JUDGE J. HEHER: Can I just fill you out with another proposal that has been put to us.

MR. MAHLANGU: No problem.

JUDGE J. HEHER: It has been suggested that the connection walls, they call the Articulation between school and University its floored and it leaves too big gab in the student's existence. What would you want to be an extension of the Degree duration by further year for those who need it?

MR. MAHLANGU: So what are the cost implication? That's the question I would ask.

JUDGE J. HEHER: The cost implications for who?

MR. MAHLANGU: For the student. So an extra year of study does mean that the student has to pay for next year of study.

JUDGE J. HEHER: Assuming that education is funded so that point of view you don't have to worry too seriously about that.

MR. MAHLANGU: Okay so I think I do agree that there's a bit of a gap between Secondary and Tertiary education. That is one means of trying to plug the gap and it is something that the student, the cost of such an initiative would have to be something that the student had to pay. I'll be all for it.

JUDGE J. HEHER: The idea being that you would produce more graduates not have such a high failure rate and drop out.

MR. MAHLANGU: The question, this is where I have a few question. I have had a few questions myself. So looking at the qualification rate of University, of UJ compare to Wits. So if memory serves me correctly and please don't quote me on this. UJ has a qualification rate of close to 90%. So the students that come in 90% of them come out with a qualification. Where's the numbers are a lot lower for Universities such as Wits University.

So I don't know if it's matter or is it an issue of quality or could be argued that UJ is doing mo for students by qualifying more students. More students come in for me it's a bit of a broken system if you have to qualify to get in to University. So you qualify based on the criteria that the University sets or you can't make it through. So for me that tells that there perhaps could be something broken they we are teaching as well. How do you take students who you say are capable and a large number end up not making it?

JUDGE J. HEHER: Universities have put into practice certain bridging courses to assist in bridging the gap between schools and University. Did you make use of such courses or not?

MR. MAHLANGU: No I did not. I also its part of my submission I also notice that I did mention. So it would interesting to see the numbers. How many kids come out, say private institutions, public institutions how many of them coupe when they get to University. I mean to say do more people coming out of rural base not make it pass Tertiary versus someone who comes from say the lead Secondary school.

I didn't have the time to look at the numbers, but it would be re to know whether been looking at that than quality education in lead urban schools is better than to assume that kids coming out of these urban schools are better prepared then what can we do about it. So I thought that only at matric we get to write the same test and only then do we get to benchmark students against each other. To me it would make sense to then try to bring in a uniform test down to other levels so that we can see where we may have issues and we can intervene earlier. To ensure that by the time pupils get to Universities they are better prepared for it. So if you find that there is a school with

grade minds or average 40% for mathematics then I don't know in a rural area some can we then proactively do something, go in there and try to solve the issue.

JUDGE J. HEHER: One thing is obvious to me and I assume that it's because you went to a Primary school like Loreto [phonetic] Convent then you obviously a master of the English language and so the trip was no great problem I assume to you to study in English.

MR. MAHLANGU: Yes it was not.

JUDGE J. HEHER: But a large number of fellow South Africans don't have that ease of communication.

MR. MAHLANGU: They do not and what you get it's a tragic situation where a lot of intelligent students are deemed less than intelligent just because they don't speak in a way that sounds or know clever or they don't sound like someone speaking English should. The other situation I heard is I encountered someone who went to University, studied IT I think it was Computer Science and they had never used a computer in their lives. So they spent a good month or so trying to learn what a mouse is or keyboard and I respected that guy a lot more for actual having through that experience and come out the other end with the Degree.

JUDGE J. HEHER: Well now let's assume you have you have your online Universities. How do you think that will impact on the difficult of language communication and the use of language skills? Will it help? Will it hinder? Or will it have no effect at all?

MR. MAHLANGU: So looking at what online Universities or MOOCs are available now. There are actually available on more than one language. If it's important for us to actually equip people with English language those MOOCs even have courses themselves to teach people English. If it is something that we give a [inaudible] people can learn English or we can look at teaching them in their language of preference. We have 11 languages in this country and if it's important we can - - -

JUDGE J. HEHER: Can that be accommodated online?

MR. MAHLANGU: I am sure it can be. I think the technicalities may be a lot complex. It may not be something that we have on go life date, but it's definitely something that we can work towards.

JUDGE J. HEHER: Sorry

ADV. M LEKOANE: Sorry Judge just one more question. I know you didn't get NSFAS, but were any of your peers, the people you hung around as it were. Were any of them NSFAS and what was their experience there?

MR. MAHLANGU: So funny enough when I find out that I had to come present I had to go speak to NSFAS students to get to understand the situation and I asked them what their frustrations may be. So one frustration is there's still an upfront fee that they have to cough out somehow. That's what one of the students told me. They still somehow make a plan to pay an upfront fee and then only afterwards apparently NSFAS pay for the rest of their schooling or something.

ADV. M LEKOANE: Do you know the nature of this upfront fee is it registration or what?

MR. MAHLANGU: The word is it was an upfront fee. I don't know if it was a registration fee, it could have been the registration fee.

MS KHUMALO: On the concept of online satellite maybe Universities in that context? You had a presentation the other day something along those lines University of have, where or something.

MR. MAHLANGU: Satellite University

MS KHUMALO: Yes which are online they accessible in the rural areas and peripheries of that.

MR. MAHLANGU: I do think another particular interest of mine has been module construction lately and I do think there are ways of creating satellite, sort of satellite, office satellite, and internet cafe's where people can go and access

JUDGE J. HEHER: We have had a presentation on that.

MR. MAHLANGU: You had a presentation on that. I think it's a good idea, I don't see why not. It's not everybody who's got access to a computer. I think I was stumped by one question last time asking how we do it help poor people get access run online

JUDGE J. HEHER: The presentation that we had suggested that there should be setup in every electoral district.

MR. MAHLANGU: And that's a good idea.

JUDGE J. HEHER: An Online Cafe with 40 or whatever is needed

MR. MAHLANGU: With 40 stations I think for me I spoken last time about a lot of corporation so equipment, whatever equipment they use has a life circle. Some corporations have different rules on how long a computer has to function before they get rid of it. Though a computer could be used for say 3 years, 4 years, but at the end of the 3 years it doesn't mean the computer doesn't work anymore. It's just that the company will dispose of it and they - - -

JUDGE J. HEHER: The idea was that these centres be operated as I understood it by the Department of high education.

MR. MAHLANGU: Department of higher education so there is no reason that these corporations since they are getting read of these computers, there is no reason why. When they get rid of them they give them to E Waste company and the E Waste company then goes and they have to dismantle, break apart the computers and then give the corporation the certificate to say that you've dismantle your E waste in a way that's good for the environment. The problem is that sometimes or often the material they dismantle it does still function. In my mind I don't see why if you giving it away for free and you want claim it back as tax. You want to claim it back as tax then these computers are out there and they technically do not belong to you anymore I guess. Since well you want to be claiming that for then why don't we try to find a new way to use the equipment corporations get rid of?

JUDGE J. HEHER: The suggestion that was put to us was that the existing Universities could put their courses online and make them available to the facilities provided by these café's and to net café's.

MR. MAHLANGU: That is one idea, the University I think MIT does that. MIT some of their courses are available online. I don't know if the material that you find in each University is geared to be placed on an online platform. I do - - -

JUDGE J. HEHER: Well it would have to be adapted.

MR. MAHLANGU: It will have to be adapted. I do think that Universities do have people who can create that resources. People who are doing their Master, their Doctorate who can then create new material. It will have to be SAQA accredited, I think it will have go through SAQA for rating and then

that can be placed on online University as well. It doesn't have to be a material that traditional Universities have.

JUDGE J. HEHER: Do you think students could manage at a distance as it were online without the face to face contact of lectures and interaction with the lectures?

MR. MAHLANGU: What, how do students find UNISA since there's that distance component in that there's no lectures necessarily. You get your text book and take it home - - -

JUDGE J. HEHER: Well UNISA has very low graduation results.

MR. MAHLANGU: So the problem with online University is the similar in that there's a higher turnout, there's a higher dropout rate for these online Universities, but I think it's because it's free. So a lot of people will go register, look at the course, play around a bit. So there are implication for given free education such as those, but I do believe. I spoke to someone who said it's more like hire someone who actually studied through an online University or UNISA because they think it takes a lot more dedication and a lot more discipline to do.

JUDGE J. HEHER: Okay

ADV. M LEKOANE: Nothing further from us Chair.

JUDGE J. HEHER: Thank you

MR. MAHLANGU: Thank you

JUDGE J. HEHER: Thank you very much indeed.

MR. MAHLANGU: Thank you very much.

JUDGE J. HEHER: We will consider your in conjunction with others that we have for along similar lines and I'm afraid you will have to wait and what the results are, but thank you very much for the trouble.

MR. MAHLANGU: I'm just glad to help out.

Presentation-2

JUDGE J. HEHER: Is the next presenter available? Do you know?

ADV. LEKOANE: Yes they are here.

JUDGE J. HEHER: Thank you

ADV. LEKOANE: It is Ms Lerato Motaung would be the third presenter on our schedule.

JUDGE J. HEHER: Thank you

JUDGE J. HEHER: Ms Motaung is it?

MS MOTAUNG: Yes Ms Motaung.

JUDGE J. HEHER: What are your full names?

MS MOTAUNG: Lerato Motaung

JUDGE J. HEHER: Do you swear that the evidence that you will give would be the truth and nothing but the truth. If you do raise your right and say so help me God.

MS MOTAUNG: So help me God.

JUDGE J. HEHER: Thank you.

MS MOTAUNG: Thank you. Can I start?

JUDGE J. HEHER: Yes please

MS MOTAUNG: So as mentioned earlier my name is Lerato Motaung and because of the difficulty of this task. I am going to ready out my testimony. I'm currently a student at Wits University. I am doing, I'm a candidate for a Master's Degree in African Literature and it is my first year. I matriculated in 2007, I took a gap year in 2008 because my mother couldn't afford to send me to school at that time. In 2009 I enrolled at Wits University where I registered for a BA Degree.

My mother had raised just enough money to register the amount being 600 000 rand at that time, but before I continue I would like to give you a brief background of my financial standing at home. My mother is a single parent having raised 3 children on her own, two boys and one girl, the girl being me. My father disappeared when I was 12 years old at the end of my grade 6 year, while I was at N Exact Primary school in Brakpan. He didn't appear until a decade later.

JUDGE J. HEHER: N Exact it's a school that my niece went to.

MS MOTAUNG: Sorry

JUDGE J. HEHER: N Exact it's a school that my niece went to

MS MOTAUNG: So did I. My mother had been unemployed since grade 7. Ellerines incidents that took place at work, it was Ellerines Holdings at that time made a vow to never work for a white man ever again. Throughout my school career my mother struggled to pay for transport and the school fees and as result I was always suspended from school, refused access to transport. In 2007 during one of the many trying financial months, my mother could raise a mere 600 rand to pay for my fees. Luckily for me, my home room teacher that time who somehow believed in me paid for my fees out of her own pocket. There were many other such incidences where I would be suspended from

school or my brother had to drive me to school because I couldn't afford transport for the day or for that month.

JUDGE J. HEHER: Where did you go to high school?

MS MOTAUNG: From grade 8 to grade 11 I went to Nashua high school and for grade 12 I went to sort of an ABET school in Boksburg called St Anthony's.

JUDGE J. HEHER: Alright that means it would have been a private school.

MS MOTAUNG: Ja

JUDGE J. HEHER: A Catholic school.

MS MOTAUNG: Yes it was, I don't know if it still exist. I haven't gone back there in a while.

ADV. G. ALLY: Yes, it still exist.

MS MOTAUNG: Thank you, this financially insecurity impacted how I experience school and how I experienced my life at school. A trend that will follow me for the rest of my school life. When my mother managed to raise 600 000 rand I needed for registration which was also a loan from one of my uncles. She struggled to raise the rest for tuition. Again I found myself in a deep place of financial insecurity even if I was able to pass all my courses.

I still wouldn't be able to complete my Degree because we couldn't raise the funds we needed for Tertiary or for tuition at that time. However by some stroke of fortune the Wits NSFAS office said they would be accepting mid-year applications. I applied and I was able to prove that I was poor enough to be able to get the funding or the loan.

JUDGE J. HEHER: What Degree did you register there?

MS MOTAUNG: BA a general BA.

JUDGE J. HEHER: BA okay and you applied from your first year.

MS MOTAUNG: Ja, when I went to enquire about how one goes about applying for NSFAS and at that point I didn't know what NSFAS was. I was told that I had to prove that I was poor not in those exact words, but the process turned out to be more humiliating than I initially thought. When one grab hold truly with the nature of poverty the lengthen breath of their financial insecurity restocks wounds that are deep seated and which cut across a person's life.

First I had to sit with my mother and quantify how much money came into the house each month, how much went out, how many people she was support, but we couldn't actually put on the form. Then we calculated the annual income which was a lot harder because of the amount which was barely there. Which was also more humiliating because whatever amount that we came to was actually quite mica, there was no money at all. The process which demands that you provide both parents proof of income was more humiliating and possible painful for my mother because my father had disappeared and left her alone.

Even though, even if he was around he too was unemployed even if he was still around he would be able to help. Furthermore we had to go to the police station for an affidavit to certify that indeed my mother was a single and no one knew where my father was and she was not trying to swindle the system out of money. The process operates, it my opinion that the process operates under premise of mistrust where one has to have to constantly prove that they don't have money. One has to

constantly justify why they need money why they need money to go to University, when everyone knows the state of a black child in South Africa.

Over the next few years of my first Degree I witness friends and comrades drop out of school because even though they couldn't afford to pay the fees at Wits, which had been increased in each year. They had also failed to pass the Means Test that NSFAS subjects every student to. So I was lucky enough to prove that I am poor enough to obtain NSFAS. A lot of my friends all whom were black disappeared right before my eyes because they weren't lucky enough to be poor like me. However I soon realise that maybe getting a NSFAS was not enough. So the loan provided for part of my accommodation which was at a private property company. I also didn't qualify for res because I lived less than 60 Kilometres away from Wits. My food and my full tuition I along with my friends, my pears still had to grapple with the everyday life of our city. Text books which really cost less than 500 rand were an added burden and humiliation. The 800 rand steepened I was receiving at that time barely covered my living cost, let alone the text books required to pass my courses.

Though each Department loaned out text books to NSFAS students there was often a short supply. Most of them were old and several editions behind. The steepened also couldn't pay for printing cost which as a BA student you're really expenses at school. There's always essays and things to submit every other dam week. Am I allowed to say dam, Sorry. My mother ended up having to supplement everything, when she could.

In most instances I hustled and find a way to get through because she just couldn't afford to. I was also one of the lucky few, many students were and still are sleeping in libraries and go for days without eating. For some a significant of that steepened went home to help the family out with expenses. For those who managed to graduate the job market was so punishing and uncompromising. Most friends and comrades spent months searching for a job and if they did find one, they could barely sustain themselves.

Those jobs who are often not related in any way to their Degree, but they were forced to take because their families needed help and they couldn't afford to support them any longer. They still had a cloud of NSFAS loan hanging over their heads. The point of my testimony is to not only show how humiliating NSFAS is, but it's also an insufficient model that doesn't adequately address the true financial circumstances of black students across South Africa. It's simple isn't enough there are too many cards that against the average black student for NSFAS to be sufficient and efficient.

This testimony is to show how poverty and having to prove your poverty is a humiliating process that black people share across the country. In which black people are subjected to most of their lives. The burden of debt often falls on to parents and later on to graduates which further perpetuate the circle of debt. I will not be dishonest and tell you that NSFAS didn't help me. I am where I am because of NSFAS, but it is a faulty model. It feels to acutely deal with generational poverty that most black households experience. Thank you.

ADV. K PILLAY: Thank you Ms Motaung for that. Let me just ask, when you initial applied at Wits to do you BA. Were you are aware of the funding opportunities that were available to you?

MS MOTAUNG: Outside of NSFAS such as bursaries and like that

ADV. K PILLAY: Including NSFAS because you mentioned that you only applied for NSFAS mid-year.

MS MOTAUNG: Ja, no I wasn't aware at that time so I applied for bursaries which I didn't get and I only found out about NSFAS once I got to school. Once I got to Wits University.

ADV. K PILLAY: And you mentioned that your mother paid the 600 000 rand for registration. At the time that you first registered at Wits. What was your mom doing?

MS MOTAUNG: She was unemployed, so she was doing odd jobs here and there to help sustain the family.

JUDGE J. HEHER: Can you tell us what year was that?

MS MOTAUNG: 2009

JUDGE J. HEHER: Thank you

ADV. K PILLAY: And who informed you of the opportunity to apply for NSFAS funding?

MS MOTAUNG: One of my lecturers and I think at that time an email was circulating across, well all students emails. So I went to apply after one of lecturers said I should.

ADV. K PILLAY: And when you went to the Financial Aid Office, what were you told?

MS MOTAUNG: Well I was given the form, I was told that it was which was much cheaper than the average bank loan and then I was given those forms and told that I need to find an affidavit and certify certain things and bring a host of documents to prove that my mother couldn't afford the fees. Let me be honest, a lot of students who stand at those NSFAS lines really don't care that it's a loan.

It's an immediate solution to an immediate desperate problem. So even if they sign and understand that it's a loan for them it's just one other way or one more year to stay at Varsity or to complete a Degree which their parents support and which they don't have to pay off immediately. The reality of a debt hit them as soon as they graduated. Most of them are forced to take jobs as soon as they finish their first Degree. Which means that they budge from continuing further into school because their families can't support them anymore and they can't sustain another Degree another year longer.

ADV. K PILLAY: Now when you were given the NSFAS forms were you explained, did someone explain to you what the terms were?

MS MOTAUNG: I had to read them.

ADV. K PILLAY: And what did you understand to be the terms of the loan?

MS MOTAUNG: Nothing, I signed, I needed money.

ADV. K PILLAY: In your mind at the time that you signed did you understand what the terms of the loan were?

MS MOTAUNG: I just knew that I had to pay it off.

ADV. K PILLAY: And did you know when you had to pay?

MS MOTAUNG: At that time, after I graduated I knew that when I get my first job I just didn't know that you had to earn a certain income before you start paying. I learnt that later.

ADV. K PILLAY: So the issue of the threshold that wasn't explained to you at the time that you took the loan?

MS MOTAUNG: There are too many cats in those lines. No one had the time, I think given the small number of people at that office and the large numbers of students coming in every day. It would be unfair of me to expect those administrators to explain everything to students. The door was always opened to us if you didn't understand anything, but when you have 50 students standing in line every day to sign a form or to enquire about NSFAS. You don't have the time.

ADV. K PILLAY: Where you informed or was it explained to you that as you progressed through your Degree that there was opportunity for a percentage of your loan to be converted to bursary.

MS MOTAUNG: I didn't know that until Honours and in Honour's I found out that if you finish your Degree in record time your third year was wiped out. For some reason unfortunately for me I also didn't qualify for that because around that time, I don't know the Wits system of points. I was fixing around courses so that I could cover points for my Degree and graduate in record time. So for a lot of my Degree or my courses looked like I was still in second year even though I was in third year. Even though I graduated in time I was told that I had to go a NSFAS head office for me to fix that. Which was unnecessarily trip.

JUDGE J. HEHER: So which year did you graduate? BA

MS MOTAUNG: 2011 that was the first Degree I graduated in 2011 and in 2012 I graduated with a BA Masters or BA Honours.

JUDGE J. HEHER: So you did 2009, 2010 and 2011 on the BA

MS MOTAUNG: Yes and 2012 on the Honours

ADV. K PILLAY: Now at the beginning of 2012 when you registered for your BA Honour's, how were intending to fund your Honour's Degree?

MS MOTAUNG: Through NSFAS. NSFAS had a post graduate fund which students, if you had a certain amount I mean certain mark. It was turned into sort of a scholarship. I didn't get that, but I did get NSFAS to fund my Honour's and the res.

JUDGE J. HEHER: Sorry your Honour's and

MS MOTAUNG: Residence

ADV. K PILLAY: Let's just go back to your undergrads for a minute. You mentioned that you took accommodation, private student accommodation.

MS MOTAUNG: Ja

ADV. K PILLAY: Because you didn't qualify for University student accommodation and mentioned that your accommodation was partially funded by NSFAS. Now how did you fund the remaining portion of the accommodation cost?

MS MOTAUNG: My mother, my mother hustled every month and every month I was threatened to get kicked out some months I was locked out. I would come back from school they had changed the locks.

ADV. K PILLAY: What would you do if you found yourself locked out of the residence?

MS MOTAUNG: Luckily for me I lived with a friend so she had a key. So she would get the change of key and I would get locked out I still had the old key. I would call my roommate we would work things around.

ADV. K PILLAY: Did private residence offer food?

MS MOTAUNG: No

ADV. K PILLAY: How would you afford to pay for food?

MS MOTAUNG: I got an 800 rand steepen per month from NSFAS which I think I started getting when I was in third year.

ADV. K PILLAY: and you first two years, how did you afford to pay for food?

MS MOTAUNG: My mother

ADV. K PILLAY: Your mother

MS MOTAUNG: Yes she would try to give 2 or 300 rand per week so I could sustain myself.

ADV. K PILLAY: And once you got to your post-grades state, once you enrolled for Honour's did you remain in the same private residence?

MS MOTAUNG: No, no I moved to Wits residence because I was a post-grad and because I changed my residential address from where I lived which is in the East Rand to Mpumalanga. That it would be easier, well that's the only way they would accept me and I couldn't afford private accommodation any longer. So I changed it.

ADV. K PILLAY: and couldn't you afford private accommodation?

MS MOTAUNG: A lot like Wits south point's fees rise every year. So if you are paying 3000 rand for a sharing this year you are likely to pay 3.5 next year and with my mom's unemployment. She couldn't afford the rising fees, the rising price.

ADV. K PILLAY: And when you qualify for NSFAS funding for your Honour's year. What was that funding comprise of?

MS MOTAUNG: Residence and tuition, NSFAS when you live in the residence covers everything, but when you live in private accommodation it only covers a part of your rent and then everything else you have to sort.

ADV. G ALLY: Ms Motaung, just on the issue of, because there's the issue that they do fund post-grad and they don't and you one of those circumstances where they have funded post-grad. What you got to BA Honour's, your BA is it a BA arts, BA what subjects did you do that you were able to get the Honour's also?

MS MOTAUNG: Sorry, I have a BA undergrads in Linguistic and Phycology, my BA Honour's was in Linguistic and at that time I think there were very few black students who were doing post-grad Linguistics. So my black face help.

ADV. G ALLY: Was that the explanation or your assumption? When you applied did somebody say try it out or how did it come about?

MS MOTAUNG: My supervisor who was a lecturer in on my undergrads Degree said I should apply for Analyst and I did. I don't know if NSFAS was necessarily difficult because I was doing post-grad or because I was still poor enough to be able to get NSFAS.

JUDGE J. HEHER: Sorry in 2012 you got your Honour's and what happened in 13, 14, 15

MS MOTAUNG: In 2013 and 2014 I was registered for a Masters. I had gotten a scholarship, I had also gotten a post-graduate award. In 2013 and 2014 I was registered for a Linguistic Masters and then I became really severely depressed and had to drop out of Varsity and in 2015 - - -

JUDGE J. HEHER: So you've been doing Linguistics for 3 years and then in 2015 did you change to African Literature?

MS MOTAUNG: No, no in 2014 I dropped out, in 2015 I stayed at home for I think for the first six months recovering. I don't know if I was recovering, anyway. In 2015 I stayed home for the first six months and then I think around August of 2015 I got a job at OX Firm Britain as an intern. Through that job I able to save up to apply for Varsity again to start my Masters from scratch again. Ox Firm Britain at that time also had what they call Personal Development Fund which they paid in pounds because I was an intern I got 300 pounds. Which I used then to pay for my registration and the rest of the money that I saved up. I used to pay for my tuition.

JUDGE J. HEHER: And you just do African Literature?

MS MOTAUNG: Yes

JUDGE J. HEHER: And where do you see your career path from now?

MS MOTAUNG: What an awkward question?

JUDGE J. HEHER: Oh no, do you see yourself as an academic.

MS MOTAUNG: Yes I do, unfortunately it's one of those things.

JUDGE J. HEHER: Why unfortunately?

MS MOTAUNG: Because I got taxing, but it's also the only place I feel at home. I am able to challenge a lot of every conceptions. So I get paid to read and research and write about everyday life. I get to challenge the status core with what it is that I write and say. It's a constant learning experience, it's one of the few places that I feel like I will not die of boredom.

JUDGE J. HEHER: At the moment you doing the African Literature together with you employment at OX Firm.

MS MOTAUNG: Yes

ADV. K PILLAY: Have you started paying back you NSFAS loan.

MS MOTAUNG: No, I don't think because I haven't been called and I'm still a registered student. When you still a registered student you don't get to pay back. It's once you start getting employed and the first part of 2015 I was unemployed. Then I got my internship which I think I didn't earn enough to actually start paying NSFAS and this year I registered. So I still I think registered as a student on the system sort of.

ADV. K PILLAY: Are you employed part-time or is this the full time?

MS MOTAUNG: Full time.

JUDGE J. HEHER: Is that what you called an internship at OX Firm?

MS MOTAUNG: Yes that was an internship at the OX Firm and this year once OX Firm Britain closed down I applied for a job at OX Firm South Africa and I got in with a Youth Co-ordinator position. Even

though I did get a salary increase it wasn't that much. It wasn't that significant. Still along the lines of what I got last year.

ADV. K PILLAY: Without necessarily finding out how much you earn. Do you earn above 30 000 a year.

MS MOTAUNG: Yes

JUDGE J. HEHER: Is 30 000 a year or is 30 000 a month.

MS MOTAUNG: A year per annum

ADV. K PILLAY: Are you aware that NSFAS rule is if you earn above 30 000 per annum that your loan becomes repayable.

MS MOTAUNG: I didn't know that.

ADV. K PILLAY: Its one of the rules of the loan agreement.

ADV. G ALLY: Now the question is when last did you look at your loan agreement? When you signed it the first time.

MS MOTAUNG: No you sign it every year. You have to go to NSFAS every year and submit the same forms every year. So to answer your question, yes I earn more than 30 000 per annum. Even if NSFAS were come to me now and tell me that I needed to pay back their money. I wouldn't be able to afford it.

ADV. K PILLAY: Do you know what the quantum of your NSFAS loan is? How much do you owe?

MS MOTAUNG: I think it should be around the region of 200 and something thousand rand that's including my Honour's year.

ADV. K PILLAY: And your Master's Degree, how was that funded?

MS MOTAUNG: Right now I am paying for it.

ADV. K PILLAY: You paying yourself?

MS MOTAUNG: Yes

ADV. K PILLAY: Have you investigated whether there are other sources of funding to pay for your Master's Degree?

MS MOTAUNG: Yes a scholarship, there are scholarships and as a post -graduate merit award at Wits, but because I dropped out in 2014 I wasn't sure I was going to get it. So but I also wanted to get back to school and finish what I started and that's when I started saving up. So I would get the scholarships and other funding's once I finish this on my own time.

ADV. K PILLAY: I know that you hold very clear views about fee free high education maybe for the benefit of the Commission since I know your views. Would you like to share your view on whether not the State provides free high education?

MS MOTAUNG: I don't know if that is even a question. The State should definitely provide free high education. If the job market being what it is now and because it's constitutional mandated to. The State needs to pay and the fact that over the last few years the decreased subsidy towards students from 50% to something like 48%. The burden of the cost falls not on [inaudible] and the State, but it

falls on to a parent who can't afford to pay fees away and the student who later graduates. Again it perpetuate the circle of debt. The majority of black students in South Africa cannot afford University fees right now. It's impossible.

ADV. G ALLY: So why should the fees be so high? Why don't you challenge the fees rather than who's paying the fees?

MS MOTAUNG: Who is setting the fees?

ADV. G ALLY: Whose paying the fees are two steps? At present, well let me ask you this. Do you know who sets the fee?

MS MOTAUNG: Universities, so how long have I been at Wits? 7 years plus minus. Every year since I've been at Wits there's been a protest, out high fee. Every year Wits announces an increase we start protesting. The last two years we just protesting and I don't know an accelerate and more - - -

ADV. G ALLY: That's the interrogation I am trying to get to. The fees themselves is, has the discussion gone into. Now we received a presentation from SARS at the beginning of the Commission where it was indicated and certain issue were mentioned, but not since we've gone into the testimonies about the fees themselves. How are those fees made up? Now the discussion that appears to be going on is Government must pay the fees.

Nobody is saying are those fees justifiable in the first place. The issue has moved to whatever fees there Government must pay. Whether I or not Government must pay. So my question is as students as a student and a recipient of NSFAS also has the discussion never been are those fees in the first place that the University sets justifiable or not?

MS MOTAUNG: That discussion has been happening for years. Now before fees must fall or is now being characterised by fees must fall. However I don't think the burden of questioning whether those fees are justifiable to students should place on the students. First of all the University will never release those things to students, but it's the Government's job to figure out why those fees are so high and why Universities are charging such high fees. I am a student what power do I have to go to Adam Habib and ask him why the fees are high. Do you think he is going to give his financial status?

ADV. G ALLY: Well the question is, are we asking the right questions when we question the fees. Now all students are entitled to know how the fees are what they are. Now what, you have a prospectus at the University. You have course outlined. You have amounts per course. Now the discussion can take place at electoral level. It can take place at the finance level and it can take place at the Vice Chancellor level as well as at the Counsel level. If you have access to Counsel, I am not sure nowadays whether you do or not. Now so I'm just asking whether this opportunities have been taken all. It has been that well Government, you sort it out and that's what we are interested in at the moment.

MS MOTAUNG: Again my response is for as long as I've been at Wits University and have interacted with other students. That discussion has always been taking place. Always asked why fees are so high and I think when we finally got to a point of free decolonised education, the fees had been increasing significantly over say the last decade. So students have been protesting and myself. We've been protesting for as long as we have been at Wits against fees increases. We've asked why fees are so high, we've asked about outsourced workers, we've asked about a lot of things.

One of the reasons the University gave us for outsourcing workers it because it will be easy on us. It would be, there'll be less fees for you to pay because you are not supporting this other none functional part of the University. So we've asked those questions and we've been guarding around about answers all the time so whether you ask it in lecture hall or you ask it at Counsel or you ask Vice Chancellor himself. He will probably get around about the answers. He will get the course prospectus which is merely covering what you are going to do at Wits University.

I doesn't cover your leaving expenses. It does not cover everything that is associated with Varsity life. So fees for the average black student are not just about the course or the course material or sitting in class. It's about everything else, it's the text book that you can't afford, it's the food that you can't afford, it's the transport that you can afford. It's everything else. So even though Wits gives you a 30 000 rand bill at the end of the month hypothetically your fees by the end of the year probably amounts to twice that including accommodation, transport and other things. Even if we talk about fees falling. The question of fees falling is not just about how much Wits charges you.

It's about everything, everything linked to your life as a student. Everything that allows you to thrive as a student at a University. There students who are able to pay their fees via NSFAS just their tuition loan, but are still sleeping in libraries, can't print out their essays, can't afford text books, can't do all these other things that other students are privileged to do. The fees are not just about how much you get at the end of the month for your fee statement. It's your whole life, Varsity it's your whole life in line.

MS KHUMALO: I wanted to check on your presentation on the last slide you said NSFAS apparently is not, what was the wording you used on the last slide.

MS MOTAUNG: Insufficient and inadequate to address the true cost of leaving experience for a black child in a Varsity.

MS KHUMALO: Yes thanks for that. What view core would you use if NSFAS is not, your recommendation would be to increase the efficiencies in NSFAS or would be another way at all to cure that effect.

MS MOTAUNG: Another way all together, I think we need to scrap NSFAS completely. First of all the idea that you have to, the idea of loaning out money and having students pay it after wards. To me seems a bit cruel when a matric certificate is not enough to get you a decent job anymore. Standards keep changing so you need to find other alternatives models to pay for students at Varsity without actually giving them the burden of debt at the end of their Degree. I would say scrap NSFAS all together and find an alternative model.

MS KHUMALO: Which would be have you given any thought to the alternative model? Or ideal what would work?

MS MOTAUNG: Over the last few weeks I've met a few models so I am not very well vest in economics and financial things or tax laws, but from the models I have read from. There's is search task team at Wits the model that Ox Firm presented and other such models. I think it's faceable I am not sure which model works now. Not because I can't try the numbers, I can barely type into a calculator, but there are alternative models. To tell you which one would work now for me it's a. I can't do that

ADV. K PILLAY: Ms Motaung I know that your view is that the State should provide free high education for all, I would like to just put something to you and just step away from that view because that is one of the questions for this Commission to ultimately consider. In instances where

the State says that they can only provide fee free high education for the poor. That's the current state of the public purse and in instances where you've now testify Means Test violet your dignity and really is to the detriment of poor students. What other means can be used to identify poor students would qualify for funding from the State.

MS MOTAUNG: I am not sure, I don't know household income means, but even that is insufficient because most black families have extended families that they are officially supporting. I would not know how to do a Means Test for that kind of situation. That would be very difficult, there are too many black families right now supporting 3 or 4 other families. Even if we did do a Means Test and say one house gets plus minus 420 k per annum. That 420 K is probably supporting 4 other families that don't appear on the record. I wouldn't know how to do that.

ADV. K PILLAY: Alright

JUDGE J. HEHER: Nobody expects you to be an expert in every

ADV. K PILLAY: And just lastly, we've heard in this Commission quite a bit black tags. Black students come before the Commission and would testify that once you graduate there are certain obligations that fall on students from poor backgrounds to support the broader family who are unable to support themselves. Do you have any personal experience of this?

MS MOTAUNG: Yes I mentioned earlier that even within NSFAS, even with the steepen, the small steepen that one gets at Wits University. If you come from a poor family chances are you sending a significant portion home? So don't have to wait for you to start working. In my Honour's year beginning, late third year and earlier on this year I had a job as an Ambassador. I got a job as an Ambassador for South Point. I got about 3000 rand per month.

JUDGE J. HEHER: What is South Point?

MS MOTAUNG: South Point properties students' accommodation is students' accommodation across South Africa, also own quite a number of offices and buildings. Anyway so I earned 3000 rand per month. My idea with that money, I was going to save up and actually finally get myself a laptop and by my own text books for once and I couldn't because like every other time there was money needed at home. So even now, even as I am working money always go home.

There's always someone who needs money. There's always some relative who needs money and they not ridiculous request because I know the living circumstances. I wouldn't call it black tax, I would call it apartheid tax. It's a legacy tax. Black students and black children are still paying for apartheid more than the Government is trying to fix or more Government is willing to recognise.

ADV. M LEKOANE: I think you've mentioned that you had some siblings' brothers.

MS MOTAUNG: Two older brothers

DV. M LEKOANE: Two brothers and would they have they fed in their quest for education?

MS MOTAUNG: I am a first generation University graduate. I'm the first person in my family to go to University and my brothers are significantly older than me. They played around when they were younger so I don't know why they didn't go to Varsity. Ye its none of my business. My eldest brother is 12 years older and the second one is 8 years older so my Varsity experience, my going to Varsity was actually something I did alone. My mother didn't know nothing about Wits University. There not any people around for some reason I could ask to help.

ADV. K PILLAY: Thank you Chairperson we have no further question for Ms Motaung.

JUDGE J. HEHER: May I ask you something which you can decline to answer if you wish. You have had a share amount to experience the University over the last few years and you studied Linguistic and you are studying African Literature. I would like to know in your experience how decolonisation of education would have assisted or change your experience of your Linguistic study and your African lit studies? I've tried to because we have this problem in the Commission.

I am trying to understand the practicalities of how things would change. If you have some opinion or some experience in that regard, we would welcome hearing it. If you don't want to or you feel that you haven't had sufficient experience, you don't have to answer.

MS MOTAUNG: I will attempt, with African Literature there's not much experience because it's my first year doing African Literature, but with Linguistic and Psychology

JUDGE J. HEHER: Or BA

MS MOTAUNG: Ja BA in total so one understands how the environment reflects to you, what you are in the system. The environment the text book that you are reading and what you told about the people you live with every day. Decolonisation is a necessary process for instance in Psychology. Psychology has a range of descriptions and qualifications for what classifies someone as depressed, but very rarely do those conversations talk about what depression means in a society where majority of the people are oppressed.

It does not teach how to address depression in a society where majority of people are either using alcohol or other means to deal with their daily lives. It doesn't teach you about how to understand the violence that you see in your community. Right a lot of text books and that you read in Varsity often serve a purpose of further disconnecting you from the people in society that you are hopefully assumed to help once you get out of Varsity.

Decolonisation is the necessary experience, it's a necessary exercise because those text books reflect back to you, who you are, not the system is and if they dishonest and are not a true reflection or accurate representation and standing of your life as a black child in South Africa then it perpetuates a right to promises thought about black lives, about black experiences and the position of or the necessity of a black person in this country.

JUDGE J. HEHER: So is your qualification on the education that you had one which relates to the text books, the manner of teaching, and the subject matter of curriculum. What is it?

MS MOTAUNG: It applies to everything, text books, and manner of teaching, who standing in front of you and teaching you? Even the environment itself. Is the environment violent, if you are a black student at Wits University and you have no money? The environment is violent every day.

JUDGE J. HEHER: Do you suggest that there's material or that there are teachers or that there's subject matter? Which could reflect this decolonisation.

MS MOTAUNG: It is its just included in the official University Curriculum. A lot of the material that I had to source, one of the material that my friend and I, We had to do it out of the recommended reading. We had to do it by ourselves in our corner. For me to understand the true state of my life or at least or actually get to a point where I marginally understand the true state of my life.

I had to do it on the benches with my friends. I had to learn Phenom at the benches. I don't why I didn't learn phenome in Psychology I didn't know why I didn't learn top ova in Psychology. I don't know why I did learn cize in Psychology because I believed that those people are unnecessary parts of the Psychology of black people and Psychology of oppression in South Africa. Depression or all

these other mental illness without talking about the Psychology of oppression and apartheid and the colonialism from the real life experiences of South Africa's in of South Africans.

JUDGE J. HEHER: Thank you

ADV. K PILLAY: Ms Motaung you are touching very briefly on the experience at Wits and decolonisation of the experiences. Separate from the learning and teaching process. Maybe you just want to elaborate on that.

MS MOTAUNG: Can I ask you to elaborate on your question?

ADV. K PILLAY: I think you started explaining you used a term violence. For a poor black student at Wits the experience is a violent one. Maybe you would like to elaborate on what that means.

MS MOTAUNG: It's a violent one because it alienate against self. You move from an environment for instance if I come from a township or I do come from a town. Most of the people in my surrounding area. Its experience pretty much life in the same that I do. We usually struggling to go by. We had the everyday black struggles. We get to University and you suddenly isolated from that and you suddenly isolated from everything that you know. There's no true understanding of what you are going though.

You go to University and you are told that you are in a privileged situation like Wits, the UTC or whatever the University, but don't experience that privilege. Feel like an imposter, you feel like a stranger, but yet you were told that you belong there. None of the literature none of the course material. And somehow the all expect you to yourself in those text book. You are someone made to relate to that even if you do try and find resemblance of relation is still very divorce from your lived experience. It's still very alienating.

Psychological texting. Its depression I know a lot of student who wake up and realise what being a true black person is and that thing hats, it hurts. You wake up and realise that these world, the University. The world not built for your existence. They went built for your body, you go to Varsity and you lecture profiled, lectures don't believe that the things you submitted were written by or lecturers ignore you for certain things or language barriers. If you don't understand what a lecture is saying, 3000 rods per magnet in a lecturer hall your text book. So that is and it test you. It is psychologically dreaming and texting. It's harmful, I know a lot of my black friend and I would speak to the same experience. Varsity is traumatising for black students in ways that no one can quantify

ADV. K PILLAY: Thank you, there are no further questions Chair.

JUDGE J. HEHER: Ms Motaung thank very much for your trouble and for the effort and personality that you put into this. Thank you.

MS MOTAUNG: Thank you.

ADV. K PILLAY: Thank Chair, may we take the tea adjournment before the next witness.

JUDGE J. HEHER: [inaudible] it's tomorrow's tea adjournment. It's my fault, I apologies. Yes we'll take the adjournment.

.....ADJOURNMENT.....

Presentation-3

ADV. K PILLAY: Thank you Chairperson, Mr. Zulu will be leading this witness.

ADV. M ZULU: Good Morning Sir.

JUDGE J. HEHER: Is it Mr. Louwgie is it.

MR. LOUWGIE: That is correct.

JUDGE J. HEHER: What is your full name?

ADV. G ALLY: Mr. Louwgie just put your mic on there, please.

MR. LOUWGIE: My full name is Mr. Justin Louwgie.

JUDGE J. HEHER: Well I would assume your full name is not Mr. Justin Louwgie but Justin Louwgie. Do you swear that the evidence that you give in this case is the truth the whole truth and nothing but the truth?

MR. LOUWGIE: I swear.

JUDGE J. HEHER: Raise your right hand and say I swear solemnly.

MR. LOUWGIE: I swear solemnly.

JUDGE J. HEHER: Thank you

ADV. M ZULU: Mr. Louwgie is it correct that you are currently a student at Wits University?

MR. LOUWGIE: That's correct.

ADV. M ZULU: And what course are you doing?

MR. LOUWGIE: I am doing accounting science.

ADV. M. ZULU: Is this your final year. Is this correct?

MR. LOUWGIE: This is my final year.

ADV. M. ZULU: You've prepared a presentation regarding some funding model which you'd like to propose and share with us, the Commission. Is that correct?

MR. LOUWGIE: Yes, that is quite Correct.

ADV. M. ZULU: Can you just go ahead and make your presentation.

MR. LOUWGIE: Yes that is correct it. It's a course designed for trusted accountants. So it's studying towards becoming a trusted accountant.

MR. LOUWGIE: Ja, so I've got a Bachelor of Science Degree at the moment. I've just completed my certificate in Accounting Theory this year and I'm awaiting results at the moment.

ADV. G ALLY: Is that you Honours what is that they call it?

MR. LOUWGIE: Yes

ADV. G ALLY: Or your CA part.

MR. LOUWGIE: Ja, exactly.

JUDGE J. HEHER: What do you intend to do?

MR. LOUWGIE: I intend to be a Chartered Accountant.

JUDGE J. HEHER: A practical Chartered Accountant.

MR. LOUWGIE: Yes.

JUDGE J. HEHER: Not a theoretical one.

MR. LOUWGIE: No, not a theoretical one a practical one serving in practice.

JUDGE J. HEHER: Thank you

MR. LOUWGIE: Alright, where would you like me to make the presentation specifically, from here?

JUDGE J. HEHER: Yes, thank you if it's convenient, yes.

MR. LOUWGIE: Okay, sure I just want if this will sort of shift the slides. I just don't know how to run a presentation exactly.

JUDGE J. HEHER: Yes it does shift.

MR. LOUWGIE: Okay,

JUDGE J. HEHER: you can see the screen from where you are.

MR. LOUWGIE: Yes I can.

JUDGE J. HEHER: Right then, thank you.

MR. LOUWGIE: Okay, so.

JUDGE J. HEHER: And take your time, there is no pressure on you.

MR. LOUWGIE: Sure, alright so what I'm going to propose here today is a funding model designed to reduce tuition fees. It's specifically aimed at your tuition fees. So in this instance we are not considering cost surrounding your accommodation, text books, food transport or the other auxiliary costs associated with University education. So essentially what we looking at here is trying to find a way to reduce the fees.

Alright, so what the model is called it's called Trex which stands for Tax Rebate Taxes in essence. It is a wealth management fund which will be listed and this wealth management fund will collect tax deductible contributions from JSE listed companies and manage these funds and then distribute them directly to universities. So in this instance we are not considering SARS and we are not considering the department of Higher education within the funding flow.

That is basically to say that the funding flow goes from the companies to the fund and then to the University. That is in essence what it is the fund is designed to directly tackle the concerns raised by fees must fall and it's trying to find a way to reduce fees. Now the approach that I took when I was developing this model was that a reduction on fees would improve access to universities and this would in tone help reduce the genuine efficient.

I'm sure as many of us are aware South Africa has the highest efficient in the year in the world. Which indicates South Africa is probably the most unequal society in the world. In essence we need to try and find a way in reducing this and I believe that by reducing or rather by improving access to higher education. That we can go somewhere to improve this, alright. How can it improve the pass

rate as you also mentioned that, this your model it you say it is going to improve access to pass rates how.

MR. LOUWGIE: Sure so I'm going to get to that a bit later can I get to that a bit.

ADV. M. ZULU: You can continue.

MR. LOUWGIE: Okay, thank you, alright okay. So I just want to illustrate to everyone here what the burden of tuition fees on the current student population is? In many respects, I in last year at least 2015 when the protest initially started. many news articles came out and said that, well if you went to the United states you'd be paying 100 000 dollars a year, you know.

You are paying maybe R30 000 or R40 000 year what are you really complaining about and that sort of approach is very disingenuous because you are not looking at it in a comparative. So what I went and did was that I looked at tuition fees compared to GDP per capita. It's quite, it's not the most sophisticated matter but I believe it's fairly you know. It's fairly provocative in the results that it gives and if we do look at the results that it gives.

We looking at higher education probably being one of the most expensive higher education systems in South Africa. When you compare it to a collection of countries which I selected. If we look at the UK for instance since their tuition fee to GDP capita it's about 20 % where as in South Africa it's about 50%. That basically means that there is a massive burden on students and on the families of students to be able to afford to go to university without any sort of financial help.

JUDGE J. HEHER: Now this is the premise upon which your whole argument is based as I understand it.

MR. LOUWGIE: More or less, it's trying to put in a numeric format the argument that the students currently have. So it's just trying to illustrate that their argument is not superfluous and it's not sort of a greedy argument.

JUDGE J. HEHER: Yes no can I just try to understand it because looking at the selection of the countries that are reflected at your table. It seems to me that most of them have got economies which are advance greater than South Africa's. Is it logical to measure South Africa against these countries?

MR. LOUWGIE: Can I go through the selection criteria that I made.

JUDGE J. HEHER: Yes, of course.

MR. LOUWGIE: Okay, so I wanted to compare us to the OEC OECD unfortunately there is no data for the OECD on an average basis and indeed for quite a few countries. It is actually quite difficult to get sort of average tuition fees. So basically the countries that if you look to the left. So Israel, UK, USA, Australia and Canada. They have collected statistics for the average tuition fees largely and or at least statistics that If should say would define the last five years and those statistics were then.

That was basically all that I was able to extract and obviously the GDP per capita is widely available. If we look at the countries on the right those countries are a bit more difficult to obtain data for. So for instance with Nigeria what I went and did I went and looked at all the universities and extracted their fees and then try and get a mean average for the fees. Which ended up being about 500 dollars a year because a lot of universities in Nigeria are federal universities.

Which offer free education but then there are private universities as well. unfortunately it is not very easy to obtain weighted average data for Nigeria because there is no indication of how many

students go the federal Universities and how many students got to the private universities, but then if we look at Brazil and Argentina they offer purely free education there are a couple of private Universities in Brazil. Those are considered to be inferior to the public Universities and likewise with Russia. Again I think they had a central data base which I was unable to extract. University tuition fees for a selection of universities and derive to the tuition fee with these. Do you want to say something?

JUDGE J. HEHER: Well looking at your countries on the left of South Africa. Those are all countries with a fair homogenous population. Aren't they?

MR. LOUWGIE: By large, I would disagree with the US but by large.

JUDGE J. HEHER: Well yes but over the years it's become integrated.

MR. LOUWGIE: Yes

JUDGE J. HEHER: In many ways.

MR. LOUWGIE: Okay, so

JUDGE J. HEHER: It doesn't have the demographic discrepancies South Africa has.

MR. LOUWGIE: No it doesn't, that's 100% correct. I think what I was trying to illustrate here was the indication that the cost of tuition in South Africa was very high and it was an illustration of the dual economy that we have. Where we have higher education that is targeted towards those that would typically enter higher education. Which is used to be predominately.

The sort of weight middle class and weight upper class because they had access to the corporate jobs and they had the ability to sort of pay university education. What that engendered within our University system is where a lot of people who can access University can actually pay these fees simply because they have access to those funds. Whereas a lot of other people coming through into university once the apartheid had ended don't have access to those funds.

So we have this very strong tension, where the duality of our of South Africa's economy has is actually played out in stark contrast within the university system. Really what this graph is trying to show is that if we really want to generate a society which sort of tries to remove that tension and tries to create a more equal system. Then we might want to be looking at trying to get our fees more in line with the OECD countries. In this instance I'm not specifically advocating free education.

ADV. G ALLY: It appears that you're not what I'm where I'm coming from is this particular graph. If I tear this page out you would still be able to go ahead and present what you are presenting.

MR. LOUWGIE: Yes

ADV. G. ALLY: Where you were saying because it would seem you are looking for a way to say our fees are higher. Now you can do that without comparing, but what you want to do at the end is reduce the fees.

MR. LOUWGIE: Yes

ADV. G ALLY: And the way you want to reduce the fees is this TREF that you have been made.

MR. LOUWGIE: Yes, exactly.

ADV. G ALLY: So again why did you think it necessary in your presentation to have this particular graph?

MR. LOUWGIE: Largely because I wanted formalize the document. I think at the stage when I developed the graph the argument was very informal. It was very much the basis of students protesting that fees are too high. Some people saying its 100% justifiable other people saying it's not. This - - I think tries to formalize that argument in a way that gives credibility to the students argument and it also might provide a sort of baseline in terms of - - if you want to reduce fees by x percent then you can provide a baseline for how much that percentage should be.

ADV. G ALLY: You see once you get to the rounding off of those fees my question is commission has always been an issue of chicken and the egg. Why are the fees so high in the first place? Do they need to be so high? Now the argument jumps ahead in my own view to say well the fees are high and therefore you need to find the means to get money to pay those high fees because it is told.

One you don't have zero budgeting. In this country too we have a policy in Universities of cost subsidization that your B Com Degree would subsidize a person in music for that matter and that's where the whole thing comes. Of course the infrastructure of Universities such as UCT, Wits, Stellenbosch and somebody needs to pay that.

So the fees need to pay for that also because they say the simple question can't be what makes up R112 000 for a B Com Degree. just as an example at UCT not that that is the amount at UCT but if we take that as an amount they can't tell you how that amount is made up for that particular degree but they can tell you how they arrived at that amount taking into account the factors.

MR. LOUWGIE: Would you like me to sort of give my own?

ADV. G ALLY: To have an opinion about that.

MR. LOUWGIE: When I was doing this I looked at the kind of funding model that we had and in essence what I was able to find was that we follow more or less the liberal idea of University funding system. That is practiced primarily in the United Kingdom and this model was sort of economic funding system. I suppose was founded by a scholar Johnson who is an American scholar. Who basically developed four criteria's over which you can in essence test to see whether a University funding system is new liberal in nature and this goes back to what I was saying earlier that there's duality on our university system.

Where there's a lot of demand those as of sort of corporate sector who need university fees to enter the corporate sector. In line with their parents and they have access to funds which means they can easily afford R40 R60 000 rand a year even more. They by large have been educated on private schools. Where the tuition fees are subsequently quite higher than university fees.

So for them to be able to go to university is not really an issue from a financial perspective and my opinion is that this has economically driven an increase in fees. I think not so much in the last ten years but certainly following 1994 perhaps until 2002. what we might see if we looked at the increase fees is that there was quite a sharp increase happening as there was more demand in from the heirs of the middle class and upper class families predominately white families, but you know sort of mixed as we went along into the new democracy so .

ADV. G ALLY: That's

MR. LOUWGIE: I think that that's one reason why fees might have increased but having said that I'm not an economist so I can't give you the entire picture.

ADV. G ALLY: But that's then.

JUDGE J. HEHER: Could you, sorry to come back to my problem which was that the value of this graph. I understand what you saying to me is that it doesn't matter what the reasons are for the percentages in relation to the various countries but that this graph shows as a fact that the ratio fees to GDP in South Africa is vastly higher than in other countries is that what you're saying yes.

MR. LOUWGIE: Yes

JUDGE J. HEHER: Yes, alright, thank you I'm sorry for the interruption would like to go on.

MR. LOUWGIE: It's no problem, can I continue or.

JUDGE J. HEHER: Yes

MR. LOUWGIE: Sure, alright so we might get into a bit more discussions here. So I based this on 630 000 university students. The reason why I have 630 000 and not roundabout a million is that I excluded the university students from UNISA right. So I'm going to explain why I did that. The first reason is because the tuition fees for UNISA was lower than contact learning universities. We are looking if you want to take Wits for an example. We are looking at fee of about R40 000 a year whereas if we go to UNISA we are looking at between R11 and R14 000 rand a year. That's taking 2015 data so that's the first reason. The second reason is that it's a distant learning university.

So the resources you spend per capita on each student are going to be vastly lower than those spend in the contact universities and the thirdly is you have a variety of age group inside UNISA. More so or a bigger spread than at the contact learning universities. The contact learning universities you looking at predominately teenagers and those in there 20 where as in UNISA.

I believe it sort of follows that pattern, but there is greater spread in that regard. So that's that was my methodology for excluding the UNISA student s to the study the 630 000. University students figure I got from an institution called Africa Track and we can check their data, but from my own analysis. It was quite reasonable and many people I've spoken too sort of indicate 630 000 is a reasonable approximation ok and the aggregate tuition fee.

JUDGE J. HEHER: You said aggregate or average

MR. LOUWGIE: Average

JUDGE J. HEHER: Average

MR. LOUWGIE: Yes, I'm sorry about that. I've just seen it now ok the average tuition fee is approximately R35 000 per annum and that's without considering the waiting. There is actually no data for the number of students who follow a specific degree at a specific university. So the best I could really come up with, is to take the tuition cost for each course that the university offer and just aggregate that per university and then aggregate that cross all the universities.

Basically taking I think there are about 20 universities, but I did a non-study and we come up with a number of about 35 000. So that will include the likes of UCT and WITS and also Forte and the University of Zululand etc. so it's I think it's quite a reasonable approximation and then NSFAS funds approximately 200 000 students from what I gathered from their last annual statements.

They indicated they funded about 184 000 students at universities and I'm sure for 2016 that has increased quite dramatically and for 2017 that will likely increase dramatically as well, but I'm not going to focus specifically on NSFAS. it's not a realm where I feel I'm an expert okay, but basically

what I'm trying to show here is that we have about 430 000 students who simply either have the funds.

So they either the heirs of those people I spoke about earlier or they fall in to the missing middle. It's really the missing middle that we are looking at trying to address here. Great so I'm just going to get into the model itself. So the way the model works is as I mentioned. It works in a sense of public paying partnership and that's where you have the privately managed asset management funds. so in essence you are looking at something that's not like the public investment cooperation it's something more along the lines of carination or.

JUDGE J. HEHER: So it's a profit making organization

MR. LOUWGIE: Something, sorry

JUDGE J. HEHER: It's a profit making organization.

MR. LOUWGIE: It doesn't necessarily have to be a profit making organization. Ideally you would want to return a profit. I think I should just explain that now quickly just so we are on the same page. So what I find very attractive about this is that you could ultimately end up with a self-sustaining higher education funding system and that's if you if we think about a very basic example.

If the capital contributions go to the fund. Generates interest on those funds and then the capital contributions go out to the universities then that interest is the incremental and then each year you develop incremental benefit until such stage. When that incremental benefit is high enough that the interest you generate can go to universities and fund higher education.

ADV. G ALLY: So is that not profit making.

MR. LOUWGIE: It is, I suppose that you can say that it is generating a profit.

ADV. G ALLY: Strictly speaking.

MR. LOUWGIE: You know strictly speaking you are going to generate interest on funds. I suppose that is profit making. If you - - in terms of the definition of profit making.

JUDGE J. HEHER: What made me think it was profit making was that if it is privately managed. I thought that it would have private shareholders but that maybe not what you intend.

MR. LOUWGIE: Sorry the shareholder issue is something that I don't feel I'm equipped to address at this stage. I believe it's to firstly politically complicate for me to have the knowledge to address it and I don't have the legal knowledge to be able to address the shareholding. So the shareholding issue in my mind would have to be some sort of equal partnership between government and the private sector and that's sort off what I envisioned, but it's not it doesn't have to be that way by any means. Alright so the contributions of the fund are based on the new financial statement. The reason why I've done that is because they get audited and it's not very easy to manipulate those materially and for that reason you can. It's very easy to track the quantity of contributions that you are likely able to receive. Which makes the management of the fund a lot easier and then with the sort off incentive I suppose comes in is that you get tax deduction on those contributions.

JUDG J. HEHER: Who makes the contributions?

MR. LOUWGIE: The JSE listed companies, so the JSE listed companies will elect to make a contribution based on their annual profits for the year and in return for those contributions they will

obtain a tax deductible. Ja a tax deduction alright now these tax deductions get offered on a sliding scale. So what this is to do is to encourage a higher contribution.

Alright these numbers I have not done any specific any kind of rigorous analysis as to what the optimal level of contribution is and what the optimal allowable deduction will be, but in essence what I would like to illustrate is that the higher the contribution the greater the hikes deduction. so obviously it makes sense for a company to contribute rather at a 5% level as suppose to the 1% level and in that sense you are generating more of a contribution for higher education.

JUDGE J. HEHER: Does the state lose taxable income as a result?

MR. LOUWGIE: The state does lose taxable income in return lower fees in essence. So if you want to think about it. It's a bit like a long way around for taxes. it sort of like taxes going straight to universities as supposed to taxes going to the state and then going to the universities and this model I envisioned a much cleaner system of collecting funds.

A much less complicated system and a system that doesn't rely on sort of multiple government institutions. Alright, so I have an example here and illustration of how this would work. It's very basic, I don't know if you want me to really go through it at all. It's just an illustration of how in essence of how this would work on a company's financial statements.

ADV. G ALLY: I can tell you that the Chairperson and I have read it, but you would probably want to say what you want to explain by the means of these illustrations. Which will be more advantages or rather illustrative for the rest of us because at the end of the day, it's the point that you're trying to make because your illustrations will say at the end of the day you come out with this amount and that goes directly to the university at the end of the day.

MR. LOUWGIE: Alright the - - -

JUDGE J. HEHER: The slide of the on the screen at the moment is the statements of profits without any applications on your TRES system.

MR. LOUWGIE: Ja, so that's without an application. I think it might be worthwhile just to run through it briefly. It's the reason why I developed this course because a lot of people I was presenting to were not particularly knowledgeable about how tax actually gets calculated. That is really what I was trying to illustrate that is the manner in which tax gets calculated which is a bit different from just taking the profit and loss and applying it by 28%. So alright, that's what I the without the TRES contribution.

If we look here now what we have so taxable income at the top is without the TRES contribution. If we look as the taxable income below with the TEX contribution we see that there's reduction in the tax expense for the year as result of that taxable income being reduced. So what the TRES contribution was is that 2880 which was the profit after tax we just go back to here. So is the profit after tax multiplied by 5% and you multiply that by 150% in line with the allowable and really what we looking here. I think the bottom line is that if you're contributing 5% your profit the effect of decreasing your profit is only about 2.9%.

JUDGE J. HEHER: Can you just remind us what the section 11D of the income tax?

MR. LOUWGIE: Section 11 Cup D relates to seismic sort of resection development expenditure. I believe the reason why it was put in was to encourage expenditure on scientific development. Specifically research development within companies in South Africa. The success of that is a bit of a mixed story a lot of clearly it's a very payable deduction.

So a lot of companies specifically pharmaceutical would be very happy to enter into these sort of transactions to obtain the tax benefit in order to eliminate abuse. For that there's quite a rigorous I suppose administrative process. To register something as being allowed for section 11 cup D I believe it has to be signed off by the minister of science.

JUDGE J. HEHER: Are you sure that these contributions which you propose will fall within section 11 D?

MR. LOUWGIE: No they won't fall specifically in Section 11 cup D I just use section 11 cup D as a - - -

JUDGE J. HEHER: Well where then do you obtain your deduction because it's fundamental to what you are telling us that there should be a tax deduction.

MR. LOUWGIE: So that would be under section 11 there would probably be a different section so - - -

JUDGE J. HEHER: As what, a contribution to education

MR. LOUWGIE: Yes as a contribution to higher education and there's a section 11 deduction of on a sliding scale.

JUDGE J. HEHER: Yes I don't remember what the scale is.

MR. LOUWGIE: So the scale here is just be the 0.25% to the 5% and then as you go along that scale you get a higher deduction.

JUDGE J. HEHER: Alright, Is there a cap on the contribution that can be made?

MR. LOUWGIE: In my model, yes I have developed.

JUDGE J. HEHER: No, In the Act.

MR. LOUWGIE: In the Act no there's no cap on the contribution you can spend as much as you want to in terms of section 11cap D and you can get a 150% deduction.

JUDGE J. HEHER: Yes

MR. LOUWGIE: Alright, so what I went and did was I went and took the financial statements of the top 40 listed JSE companies. I contributed the amount that would be raised at a 2.5% level of deduction and not without having access to actual tax calculations of each individual company. It's - - you know would not be wise for me to try and predict what contribution each company would make.

you know once I - - you know if there is access to those contributions and once you begin to speak to the private sector then you might be able to get a more clear picture about how much they would be willing to contribute, but I looked at the 2.5% level because it was sort of fell in the middle and here we looking at raising about 12billion per annum a gross of the rebate and then 8 billion per annum net of the rebate and that rebate is just that 25% additional deduction that you are giving.

JUDGE J. HEHER: You may come to this, I don't know but you are telling me that at a very early stage that your system requires one of two things either a change in legislation to render. It compulsively to make these contributions or a voluntary buy in.

MR. LOUWGIE: I'm looking at a voluntary buy in.

JUDGE J. HEHER: Why do you think you will get a voluntary buy in?

MR. LOUWGIE: Okay I will get to that at a later stage but - - -

JUDGE J. HEHER: I must say that in this commission we've had zero participation from the sort of people that you are suggesting should voluntary buy in.

MR. LOUWGIE: Alright, so there are a couple of reasons why I think they may be voluntary buy in. I think it would be wise to address them at a stage. The first is the tax contribution and tax deduction. I think a lot of people under estimate the importance that a lot of companies place on their tax calculation and in that sense they may be quite a bit of buy in from a numeric perspective.

The other areas focus more around the fact that the alternative might be worse to the private sector. I think the private sector is sort of half aware that somewhere down the line there's going to be something extracted from them and they not entirely sure. What that is going to be and how much it's going to hurt really.

JUDGE J. HEHER: I would assume that you don't that you are only using the top 40 as an example.

MR. LOUWGIE: I'm only using the top 40 as a - - -

JUDGE J. HEHER: Anyway you would use any company on the Stock Exchange to have buy in involuntary.

MR. LOUWGIE: Exactly, it's - - you know any company on the stock exchange. The reason why I looked at the stock exchange because they have to be audited because of the audited financials you'd have that knowledge about their actual profit.

JUDGE J. HEHER: So you can assume then that those who would buy in would be those that considered it best to their advantage to do so.

MR. LOUWGIE: Ja you know the other reason or the other reasons why they would buy in on more qualitative and that refers primarily looking. you know to the fact at potentially university system that may or may not collapse within South Africa and if the university system collapses or is severely reduced the access to human capital that those companies need in order to run their companies is going to be limited that's another very important issue.

JUDGE J. HEHER: But I take it you have not done any sort of survey.

MR. LOUWGIE: No I haven't done a survey

JUDGE J. HEHER: To judge the acceptability of this program.

MR. LOUWGIE: No I haven't done a survey at this stage

JUDGE J. HEHER: Alright

MR. LOUWGIE: Ja

ADV. G ALLY: Have you at least looked internationally in comparatively whether a system such as this has worked anywhere?

MR. LOUWGIE: There has been no president for a system like this in largely.

ADV. G ALLY: Close to it for that matter.

MR LOUWGIE: The countries that I analysed for the most parts funded universities simply through more or less the way we fund them. You pay taxes to the government. The government pays taxes

to the or subsidizes universities and then some companies that are elected to do so and certain individuals give private donations to those universities and some companies elect to give bursaries to students.

JUDGE J. HEHER: Well now have you considered the knock on effect of your system that those third party donors to universities may say well. If we going to get involved in this sort of investment then we will use that instead of the current system of donation that we indulge in or that we insist in.

MR. LOUWGIE: Sure so that's in many respects around the bursaries system. That's what I foresee either bursaries will more or less be eliminated and diverted.

JUDGE J. HEHER: Well I'm thinking not so much of bursaries but as third party donations to universities.

MR. LOUWGIE: Yes so there a lack of information primarily as to how much actually gets to universities, specifically by JSE listed companies. A lot of the integrated reports I looked at specifically of the top 40 companies said we contribute call it R500 million to education in South Africa. Now there is no way of knowing whether that is to sort of to TVET you know, primary education or universities. I don't have information on that unfortunately as to how much we might look at losing in that respect. Once we have access to that information.

I don't think it would be too far beyond the pay out to look at mitigating the facts of that and whether there may be an ability to sort of move those contributions into this new model rather than losing them entirely. So what I envision is that the current expenditure on higher education by those companies remains simply because they can get access to an additional tax reduction. You know, for them it's already sank cost cause already you providing that funding those donations and those bursaries. So instead of just getting 100% deduction or no deduction at all just move them into this new model so I don't specifically envision a reduction in funding in that regard.

JUDGE J. HEHER: Would you not agree that before this Commission could make any sort of recommendation based on when support of your model. That is would be necessarily to test the water in the sense of what the views of organized labour and organized business would be in relation to such a stand.

MR LOUWGIE: I would agree in that 100%. I would certainly not envision going out and simply just suggesting this without getting any stack holder input. It's one of the suggestions I make towards the end of the presentation. My experience with trying to get a hold of stakeholders I initially approached the private sector with this far before anything else had been done. I developed this model in October last year. The first people approached were the banks and I was turned away. I have been turned away pretty much by every JSE listed company that I approached and that, my impression is that so much because of the idea. I think it's just because there is no gravity behind me. You know, as a private individual going to a company and saying you could do this to help with the fee situation. They are not going to be very interested in talking about - - -

ADV. G ALLY: What is it banking sector said to you? And what is it the JSE companies said to you?

MR LOUWGIE: They simple didn't reply.

JUDGE J. HEHER: I beg your pardon

MR LOUWGIE: They simple didn't reply.

JUDGE J. HEHER: Yes, because that's about the same response we got them too.

MR. LOUWGIE: So I am currently in discussion with someone at Standard bank whose be seconded to work on this. The discussions are currently at a very, very stage. I am not really sure what will come of it, but I believe his portfolio is to work specifically with NSFAS, but he also looking at that sort of funding in January.

JUDGE J. HEHER: Okay, thank you.

ADV. K PILLAY: Mr Louwgie may I just understand once the money is paid by the 40 JSE listed companies into the private asset management fund. How is that money then disbursed to the Universities?

MR. LOUWGIE: So basically what I would advocate there, say we raise 12 billion rand and then we say 12 divided by say the 400 000 students that we have. Could reduce student fee by whatever amount. Sorry I can't do this in my head. The way I envisioned it being distributed is saying or you want to reduce each student's fee by X percent. So that means in essence that Universities like Wits, UCT and Stellenbosch will have much higher University fees will get up a bit trunk of the pie versus those Universities such as Forttheir etc.

ADV. K PILLAY: Before we get there and we will get there. Can I just understand, are you, do you propose a Means Test because I understand that model to be directed at the missing middle primarily.

MR. LOUWGIE: I think a Means will be quite a good way of it I mean I will show you quite shortly that could probably easily cover all the so called missing middle some estimates had put that the on 200 000 students there may be more, but you know even if we look at funding the full 630 000 you still looking at quite substantial decrease in tuition fees per year. So we want to look at the Means Test. You know you could definitely look at reducing or more as to eliminating tuition fees for at least half of the student population should be more than the current missing population.

ADV. K PILLAY: So the way that the model is formulated now it includes all students.

MR. LOUWGIE: Ja so there is a graph now I will try - - So here is the graph specifically. On the left we can see if we fund all students being the 630 000 the reduction per annum in tuition fees, the red graph shows the reduction net of the rebate and the yellow graph shows that cost of the rebate. Both my eye sight is not that good, from my memory I think if we look at all 630 000 students gross of the rebate we could be reducing funds by 19 000 per year which is just over half of the average tuition fee for students in South Africa.

Then if we look on the - - at the four basically I took the 400 000 students assuming those are the students not covered by NSFAS and you can look at the reduction which is clearly higher because the denomination is low. So in essence now we have to make a decision about whether the nett of that amount is directed towards University or the cross of rebate amount is directed towards University. I you going to direct the gross of rebate amount with the Universities that additional rebate will have to be drawn out of some area of the budget.

My educative guess at this stage with the economy in a situation it is would be to look at the nett of rebate. I don't really foresee the Finance Minister trying to extract funds from other areas of the budget to fund high education in this state. That's more or less all I have on that graph specifically.

JUDGE J. HEHER: Yes where do we go from here?

MR. LOUWGIE: Right I just want to go through a few of the factors that may, the accomplice may not want to contribute towards this and just sort of give it couple of suggestions counter arguments. So

the first challenge is there's the aspect of the exploitation of corporate South Africa. So the first three of more I spoken about. I'm not sure if you want me to go of sustainability of the fund at all at this stage

ADV. K PILLAY: Mr. Louwgie one of the challenges you don't mentioned and probably one of the most overwhelming one. Is the fact that you are now depriving the State of taxable income? Or of tax as a result of the concessions that you asking for. Can just deal with that specifically and that ultimately your model is directed at probably the middle and upper class sectors of the Universities of population.

MR LOUWGIE: Sure, so in a sense of depriving the State of tax for income, the aspect I looked at is that they going to have to make a choice at some stage. They either going to choose to fund high education or they sort of just ignore it and hope the problem goes which I think following this year protest, I think it's clear that it's not simply going to die out. In that sense the State needs to me a decision about whether to make a sacrifice in return for the well-funded and stable Universities.

From the state's perspective if suddenly I was in a position from an economic perspective I would say better rather to have reduction for tax income which we would have normally spent on higher education and just to extract that from higher education in return you get the much higher contribution through from the private sector in order to ensure the stability. So in that sense we looking, I suppose if you want to use the word up to the sacrifice, but I think that's a bit too melodramatic, but ja there's definitely a decision that has to be made at that level.

ADV. K PILLAY: Can you just compare what the problem is in our Universities, what the State's response has been thus far? And what you proposing? The problem at the Universities is that predominantly poor students had begun the campaign for fee free higher education for everybody and the response of the State in thus far to gradually increase the amount of funding to poor students and moving up now slowly to the missing middle. Right?

MR. LOUWGIE: Ja

ADV. K PILLAY: The model you propose is the opposite of what the State is doing because what you suggesting is if you specifically looking at the number the right of the previous graph that you had. Where in other words you looking at the top 400 000 students. You proposing a model to use taxable income to fund students who belong to the top 400 000. The top 400 000 income earners

MR. LOUWGIE: That's not, it doesn't necessarily have to be that way, you could simple say the bottom 400 000 students. You know

ADV. K PILLAY: But you are specifically excluding NSFAS students.

MR. LOUWGIE: I excluded NSFAS students on the assumption that they are funded and that NSFAS would continue, but on the either side of it you could simply look at those who reducing a burden on NSFAS. I am not by any means emotionally attached to the concept of funding sort of the wholly 200 000 students in fact I don't believe that should be the case. What I was trying to illustrate with that graph previously is that you need to fund those students and in fact funding few students improves the benefit for the students that you are actually funding.

So this 400 000 could very easily just be the bottom 400 000 which includes the NSFAS students and it includes the missing middle and the reduction that NSFAS would have to pay can go towards improving the amount that goes towards accommodation, text books and it could, in my mind it could potentially reduce the amount that has to go to NSFAS. So there are so many difference

scenarios here, but one of for me is that tax rebate that you mentioned earlier, State has to sort of take a hit to revenue. Could simply be withdrawn from NSFAS.

ADV. K PILLAY: The question that I have is why shouldn't your model just purely be to give a concession, a bigger tax concession to the top 40 JSE listed companies and have that money go directly to NSFAS. So that NSFAS can increase its reach of students.

MR. LOUWGIE: What I was hoping to share with the model is the different administrative efficiency. I mentioned very earlier on that you are not looking at SARS. You are looking at the Department of higher education and there are multiple legs to those transactions. Clearly the more - - -

ADV. K PILLAY: And why not consider NSFAS as the agent.

MR. LOUWGIE: I suppose you could consider NSFAS as the agent, but then you don't have that sort of privately manage asset management fund. Look I personal have no emotional reason why NSFAS couldn't be the agent, but having said I think that sort of, that private listed company who might be more acceptable to the private sector. In a sense that it sort of you know like a zebra prefers to be round zebras that sort of thing, but in that sense it might be more acceptable to the private sector for it to be something like.

Then again you looking at a more the potential for that to be self-sustainability of the fund. If we look at it from this perspective we have to say for where do we want this to be in 50 years' time? You know you could have it under NSFAS and there I don't believe they necessary have this sort of profit making motive. Behind them sort of just collect the funds sort of keep them for the couple of months and then distribute them to the students. So here we looking perhaps at a profit driven fund which then accrued interest and through that interest is then be able to develop a self-sustaining funding system.

ADV. G ALLY: Well the other issue is in respect of NSFAS. You have loans and bursaries as a combination and if you have a loan there's an administration of how you recover that particular loan. Your example is a mere donation as it were without recovery. That donation results in a reduction in the fee as I understand your model.

MR. LOUWGIE: Ja 100% the problem that NSFAS is experiencing particularly on the loan is, it's a huge issue and to be quite blunt the money that NSFAS is spending at the moment is pretty much just a reduction in the University fees because there's very low collectability of those funds . Personally like in terms of having zero or interest free loans to fund University education. From an economic perspective I think it's a very good way of doing things, but politically at the moment with students demanding sort of lower below or fee free education. I think it's going to be very difficult to convince the students that's the way it should go.

ADV. G ALLY: Well there's in this particular realm although we have this Commission's mandate about the education system. You have the argument on the other side that says any money coming to the State pot needs to deal with various issues. One of them being the education, you've got water, you've got land and so it goes on. Why should you then only give it education? Is it one of the reasons that the one who cries loudest must get the money? As in this case where you have students crying and therefore you would like to calm them. Therefore you say okay lets deal with that, but you have this other social economic problems in the country as ours is at the moment. So why the companies would do it for education and why not spread it amongst everything else.

MR. LOUWGIE: From the HR perspective, it's very much in their interest. Talent pipeline is a crucial factor in South Africa particularly following the brand reign. So I don't really have any more other factors, but you know I think that HR factor is putting hard hitting.

You can't run a company without people to run it for you.

JUDGE J. HEHER: You asked a bit earlier whether you should explain the self-sustainability.

MR. LOUWGIE: Yes

JUDGE J. HEHER: The answer is yes

MR. LOUWGIE: Okay the self-sustainability, first as a caveat I have not done a quantitative analysis for how long that self-sustainability would take. My adulated guess is anywhere between 30 and 50 years depending on how much, on the level of capital contribution that the fund gets and how much it disburses.

JUDGE J. HEHER: Just before you come to that, let's just start. You establish a wealth fund into which the contributions are paid and you establish capital base. You starting from a nil base. You established the capital base and the money is then invested and there is a level of topical capital value that is produced if the investments are successful whether its interest or whatever it may be. That's what you do.

MR. LOUWGIE: That's correct

JUDGE J. HEHER: Now what is it that you use for the purpose of making the contributions? Is it the capital?

MR. LOUWGIE: The capital base

JUDGE J. HEHER: So you reduce your capital base which means you necessary reduce the amount of on your interest you are going to get the following year.

MR. LOUWGIEY: I mean what you looking at is that you get a capital base contributed each year by these companies for

JUDGE J. HEHER: Let's say 12 billion

MR. LOUWGIE: Let's say you have 12 billion each year for 10 years. Let's just make it very simple and straight forward.

JUDGE J. HEHER: Let's suppose you need 12 billion for the reduction for fees. So where does that leave you?

MR. LOUWGIE: So then it means you got 12 billion say you generate 10% on that, you left with 1.2 billion and you pay the 12 billion out to the Universities.

JUDGE J. HEHER: That means you must have the full capital invested for the first year. You can't

MR. LOUWGIE: In first 5 years you going to nag for interest rates. There's no really way around that, but let's just to illustrate this, let's assume that you got 12 billion for a year and that you pay out at the end of the year. So you generate 10% increase which means you have 1.2 billion remaining in the fund. The next you get 12 billion, you have now 13.2 billion and you generate 10% which means now you have 1.3 billion etc.

JUDGE J. HEHER: So what you are telling me is that the contribution obligation is a recurring one.

MR. LOUWGIE: Yes, exactly. So it's a recurring one

JUDGE J. HEHER: So it comes in a fact a fixed tax which is recurring every year. Taxes the companies

MR. LOUWGIE: I am bit nervous to use the word tax

JUDGE J. HEHER: Well it's a tax as a QO is a concern

MR. LOUWGIE: It's an outflow economic benefits

JUDGE J. HEHER: It's an economic outflow

MR. LOUWGIE: So in that sense you would actual looking at an outflow and that outflow I envision to be recurring properly for 10 to 15 years depending how much gets contributed and depending on what the returns are on those funds.

JUDGE J HEHER: At the end of that period you would hope to have an interest component which at least equals the necessary capital base.

MR. LOUWGIE: Yes, exactly so you probably looking at the capital base of about 120 billion on today's money. The other that I actually haven't mentioned which a lot of people sort seem to bypass the impact of inflation. This model does allow for inflation to be catered for automatically through the contributions obviously means that the companies grow at the same rate of inflation plus a couple of - - -

ADV. G ALLY: But that's the point of the sustainability argument.

MR. LOUWGIE: Exactly

ADV. G ALLY: Are able to obtain the same amount every year for your 30 to 50 years? In an economic climate that goes down or rather fluctuates not goes down at times?

MR. LOUWGIE: So when I was looking at the top 40 listed companies 4 of them didn't do throughput profit for the year. Those are mining companies.

JUDGE J. HEHER: All the ones I've invested in, yes

MR. LOUWGIE: So would just come out probably one of the worst circle commodity circle strife that we ever experienced. There's sort of tentative economic consensus is that economically more or less is over for South Africa barring any political you know any massive political changes. More or less of the worse is over if you want to look at the reforming economical aspects. Now obviously that's not to say that in 5 years we could be on the receiving end of a rather nasty global crisis. Its global financial crisis. Unfortunately I simple don't have an answer for what happens when there's a global financial crisis. I think very few people would actually have an answer.

So in those situations more or less everyone suffers. To try and mitigate that though there are various ways of doing that, but firstly you could at least fund the first few students. In order to sort of maintain the kind of capital buffer which could then be used the following year if the contributions are insufficient to fund those students again. That's the one aspect you could take. The other aspect is that you need quite a solid investment structure to pull for that mantras fund that those funds need to be invested in pretty secure assets. So I'm certainly not envisioning 15% return you on your own- - I think that's out of the question. I think you looking at a return between 5 and 10%. if the fund - - you definitely looking at something that's more associate with the risk free interest rate as oppose to returns.

JUDGE J. HEHER: My problem is this is all very hairy fairy. Only in this instance

MR. LOUWGIE: From self-sustainable, I agree with you

JUDGE J. HEHER: No, no that's not so quite what I meant. You real don't know how many companies are going to invest in this. You may have a very large number of companies more than you expect who are prepared to contribute as much as you hope. In which case you start with the very large capital base and you model become self-sustain element faster. On the other hand you may have a very reluctant investment source or source of investment which is very slow and too little to fund what you want to fund.

MR. LOUWGIE: I agree and that's really the - - to my mind the real area where this model could disintegrate. I thought a little about ways that could be a mitigation and really it goes with these mitigation factors.

JUDGE J. HEHER: One way is to make a contribution compulsory

MR. LOUWGIE: I mean initially when I started out I said these contributions would be compulsory because I did believe anyone would contribute, but over time my thinking changed slightly and one thing that influenced me was that companies were very willing to take advantage of section 11 cut key, but it felt like they weren't able to do so because of Bureaucratic was extremely penurious on those companies, you know it was very tricky process but the other companies.

JUDGE J. HEHER: Just because the receiver would fight them at every time they want to make a deduction the receiver would say this does fall within The Act.

MR. LOUWGIE: I can't get into a specifically detailed debate about section 11 cap, but I certainly know that there has been a desire to - - A good will desire not just simple to just screw the receiver, it's a good will desire to go and enter into those, those sort transaction, but that sort of being hampered by the Bureaucratic process. Where was I, so in terms of the last factor which I haven't spoken about. It's the goodwill factor and we - - I mean this personally my opinion, but I think it's shared by few people that South Africa sort of retrain in pass. In a sense that we are at the stage almost where the private sector seems to be as far away from ordinary South Africans as it ever was.

I mean when a news article comes out that a CEO that's paid a 100 million rand for the year and that news article is written to be available to the majority of South Africans. It doesn't promote goodwill between those groups. So in that sense there might be a way of trying to resolve that, but that goes back to the argument you raised that a lot of students are from middle class and upper class families. It could be very easy to just say well their funding their own kind and do not really care about the poor people, but then again I am not political expert. So that sort of has to be explained in a manner that indicates that it's for the benefit of the country.

JUDGE J. HEHER: If you are going to make it a compulsory contribution why shouldn't you simple increase the cooperate income tax rate which is effectively [inaudible]

MR. LOUWGIE: The increase in a corporate income tax rate is being ruled as out of the question. Finding clients to agree into a corporate from cooperate finance perspective simple because it disincentive its profit making which most cup list economist needs in order to increase employment. The reason why I don't want this to be it's because you are then going to get the argument that it is going to disincentive profit making and for that reason you probably wouldn't want to make the private sector feel like it's a barrier to doing business. You more want them to feel like it's an opportunity they could take hold of to guarantee a pipeline in Africa's most advanced economy.

ADV. G ALLY: Even if the rate at which or percentage at which you recommend corporate tax is negligible.

MR. LOUWGIE: I'm sorry I am sure I understand entirely.

ADV. G ALLY: Let's assume its compulsory that you increase your corporate tax by 2% and 2% is negligible relevant to what you earning.

JUDGE J. HEHER: And 2% is across the board on every company irrespective of whether could or not contribute to your scheme.

ADV. G ALLY: With that on its own.

MR. LOUWGIE: I think the tone in that sense is your some game rather than a collaborative effort. I want to move away from the concept of being as your some game between the private sector and the kind call it the State of the country.

JUDGE J. HEHER: But a large amount of the population would feel that justice is better done by hammering the corporates equally than allowing them to choose which would pay and which will not.

MR. LOUWGIE: Sure could also make this available to other companies. Let's not specifically hooked on the JSE. So could make it available to all companies who have Audited Financial Statements and Audited Financial Statements are required in terms of the Companies Act. So I think it's unlikely that you get some companies trying to sort of avoid being audited, but again if you make it voluntary there's no reason for the private sector to try and throughput the system. They are not going to try and remove some sort of obligation to funding higher education if it's voluntary.

JUDGE J. HEHER: Yes, but I'm suggesting to you that organised labour would be much happier or might be much happier with tax which realises the wish for companies equally. One allows companies to choose whether or not they should be penalised.

MR. LOUWGIE: But then you playing into the zero sum game and it that really the way - - -

JUDGE J. HEHER: You may be, but as fact of relations in this country the satisfactions to a large population would be much greater if everybody is paying. Every company - -

MR. LOUWGIE: But that's a short term satisfaction.

JUDGE J. HEHER: Alright, I think you are right. Yes where do we go from here?

MR. LOUWGIE: Alright then the low pass rate it's another issue. Okay when I was doing this data, when I was doing my sort of model I didn't have access to that great set of information, but since the protest started there's been a lot more. So the only pass rate figure I was able to extract was the figure of 15% which was apparently reported by the Department of higher education in 2013.

JUDGE J. HEHER: Would you assume that the pass rate generally are low?

MR. LOUWGIE: Ja, I mean there's new data which has come out which suggest the past rate over 6 years or something has is closed to 56%. Anyway I think we can all agree that past rate are subsequently quite low.

ADV. G ALLY: The problem with all those numbers you are mentioning. Each one has its own definition of what a pass rate, success rate, throughput rate and it just middy's the water and people us various percentage, but as a Chairperson say you can accept that business as well as Treasury

have mentioned. Why should I give you money when you not giving me value back. Use that as the base.

MR. LOUWGIE: Sure. So I went and did a little bit of research in terms of - - If we look at those from income backgrounds versus those well of backgrounds. Obviously those well of backgrounds more likely to pass University. Simple because they get better access to education from the time they start their formal education. In South Africa we have a situation where there are a few, but I cannot quantify the number, but there certainly a few who fail or either use the fact that they can't complete their studies due to lack of financial resources. Even sometimes those people are on NSFAS and NSFAS simple doesn't have funding for them. So they end up having to drop out. These are people where even like a 2000 rand monthly rental is a massive issue, its simple difficult to find funding for.

So it's slightly suggested that these are the people who normally might be able to get to the University perhaps not in a two years maybe in 4 or 5 years or simple unable to because they had to drop out due to financial constraints. The second issue is clearly if worried about financial constraint new if as some point during the year you manage to sort that out. Either you go to Trobe or you know a friend or relative comes and help you. The stress associated with not knowing whether you are going to be able to fund your education. I think the contributing factor in terms how well do you do at University. And then again you have the party, many students have the part time job. The time they spend on those jobs is time taken away from study.

You could really well argue that they simple not going to dedicate that time to studying and they will simple chill for that time frame. I think that's depended on the student and there's way of eliminating students who are trying to abuse the system as well. Try get to it in a minute. Then the second point there is just like clearly good accessible University who have a matric or don't affect basic education. As you get more University graduates those people are likely to be able to access. You know descent middle class drop. They tend to value education more than those who don't have access to it.

JUDGE J. HEHER: Ms Pillay it's now 13:30, should we take a half an hour lunch.

ADV. K PILLAY: Chairperson after this witness we don't have any further witness. The other people on the program haven't arrived

JUDGE J. HEHER: I see, Mr Loggy how long do you contemplate that you are going to be?

MR. LOUWGIE: About 5 minutes

JUDGE J. HEHER: Carry on then please.

MR. LOUWGIE: The final issue with the low pass rate is surely the fact that in order to eliminate students from saying I have free education now I can simple study as long as I want. You can simple eliminate that by - - The matter I propose is this. What do is you say the average mark that the student get from matric is 80% in first year of studying engineering that average mark drops to 60%.

Now if you do that analysis and you know it's very complicated you need to start session to and I don't have a mathematical knowledge to be able to do that, but in a nutshell its basically saying that if you are performing poor than your pears than you begin to pay. if you perform better than your pears then maybe your fees gets reduced something along those lines, but certainly has be a kind of stick in this regard either you could make simple by saying you have 4 years to complete your undergrads. Your fifth you have to opt to pay for your University - - -

JUDGE J. HEHER: Lately we have heard quite a lot evidence from people expert in this field who suggested that there's absolutely no in pouring more money into the system unless you improve the system itself. And that one of these elements that one must look at. Is to improve the linkage between school and University. One of the points that they made is that a 4 year Degree instead of a 3 year Degree. That would be to everybody's advantage it would be to most people's advantage

MR. LOUWGIE: I will agree with that.

JUDGE J. HEHER: And that may void you need to link the scheme with short passwords.

MR. LOUWGIE: Absolutely, I'll be on that, that's just the last 2 positive issues. So this one in the centre did cut out a middle man and that's what I am speaking about when I speak about SARS and the Department of high education. You eliminating that Bureaucratic

JUDGE J. HEHER: What it does do is to duplicate the admin cost of NSFAS and your management scheme. Where as if it all gone through one you may not have that duplication.

MR. LOUWGIE: Sure I don't necessarily foresee the admin cost in the management scheme being particularly material in concept of how much money you already seeing. Those admin costs will simple come out of the contribution because it will be - - -

JUDGE J. HEHER: Well don't management cost any asset fund amount substantial.

MR. LOUWGIE: I think in that sense you could simply take the money from cost out the interest. I don't think there's necessary any reason why you would have to take it out of the cost of contribution

JUDGE J. HEHER: Wherever you take it from it reduces the substance of the fund materially.

MR. LOUWGIE: I agree with that, I think it would be nice to have one centrally located fund, going back to what I speaking about earlier, about the profit and incentivisation. There's that issue, but by and large you are eliminating the size and the Department of Higher Education funding lacks

JUDGE J. HEHER: Well only in so far you reducing the fees for all the rest of the fees it has to be recovered. Everything is still there.

MR. LOUWGIE: Ja, the fees and potential corruption as well. I do agree with you though in substance there. That's the only reason why I would not want that to be one central located NSFAS funders because of their self-sustainability objection. Then the last thing which we spoke about the reduction and the need for bursaries.

Clearly you just take that expenditure which I think a lot of companies will see us being a sun cost already and maybe just simple move towards the contribution to this fund to get a higher tax toward contribution and then perhaps the reduction in the bursary administration can offset the increase in administration cost for the fund. So that's pretty much where my presentation ends.

JUDGE J. HEHER: Yes supposing one were able to find 150 billion which one could put in whether you call it management fund or whether you call it a bank or whatever you call it. You have that to start with as a capital base. So you don't need a contribution at the initial stage because you can fund the 150 billion it doesn't matter whether you use an asset management fund or you create an education bank on the top of which some sort of levy is imposed on poplars generally.

MR. LOUWGIE: Okay. I don't think I have the legal knowledge to answer this, but from the very blamer perspective I think the difference will come in terms of the regulatory side of things. So how

honest are the regulations in the bank. You know if you looking the bank then you looking at all the capital maintenance regulations and could be quite intense.

JUDGE J. HEHER: That's why need an enormous capital base

MR. LOUWGIE: Exactly I think looking at the Wealth Management Fund is regulatory less I think it might a little bit easier to move funds. The other thing that I haven't really engaged with is the capital control. You know I don't foresee all these funds being reinvested in the South African Economy. I certainly see quite a large percentage going off show. That's another aspect, but I - - -

JUDGE J. HEHER: What I am suggesting some sort of bank which has a very large substantial capital base to begin with and which is to be the profit of which to be applied for education only. Have you considered something like that?

MR. LOUWGIE: No I haven't considered anything like that.

JUDGE J HEHER: Alright, thank you.

ADV. K PILLAY: Chairperson if I must indicate I've just been informed that Mr. Ngubeni is in fact here and he is the last witness on the program.

JUDGE J HEHER: Well can we take half an hour?

ADV. K PILLAY: Yes we can

JUDGE J. HEHER: Is the anything you would like to add?

MR. LOUWGIE: No

JUDGE J. HEHER: Is the anything you would like to ask. Anything from the evidence leader? Mr Loggy thank you for thought provoking presentation.

MR. LOUWGIE: Thank you for having me.

JUDGE J. HEHER: Certainly we would give it consideration and it's not a stand alone in a sense that there other presentations that we received and may still receive which could be linked or adapted to it. Trust us to do the best that we can. Thank you

MR LOUWGIE: Thank you very much.

Presentation-4

ADV. K PILLAY: Thank you Chairperson. The last witness today is Mr. Ngobeni. Chairperson I believe Mr. Ngobeni wears multiple hats. Amongst those multiple hats, he's a student who registered at different institutions. I think at the moment at Free State University and TUT if I'm not mistaken. I'll ask Mr. Ngobeni once he is sworn in to give the full details

JUDGE J. HEHER: Would you please say your full names.

MR. NGOBENI: Tinyiko David Ngobeni

JUDGE J. HEHER: What's your first name?

MR. NGOBENI: Tinyiko

JUDGE J. HEHER: How do you spell that?

MR. NGOBENI: T-I-N-Y-I-K-O. The other one is David

JUDGE J. HEHER: Mr Ngobeni are you prepared to take the oath?

MR. NGOBENI: Yes, please

JUDGE J. HEHER: Do you swear that the evidence you will give is the truth is the whole truth and nothing, but the truth. Raise your right and say so help me God.

MR. NGOBENI: So help me God.

JUDGE HEHER: Thank you

ADV. K PILLAY: May I ask you to begin just by telling us what you do currently.

MR NGOBENI: Currently I am the lecturer with the University of South Africa. In the Department of Criminology and Security Science and the same time I am the student in the University of Free State where I am doing a 1year programme in Governance and Transformation. It happened on the way I applied with the TUT with my Masters and Policing where they accepted me to study with my Masters, where I've submitted a proposal currently.

JUDGE J. HEHER: Did you say your Masters in Policing.

MR. NGOBENI: In policing where the topic is about between the SAPS and the CPF

JUDGE J. HEHER: Thank you, yes.

ADV. K PILLAY: Alright so I got the three roles a Lecturer, student at UFS and student at TUT.

MR. NGOBENI: Yes

ADV. K PILLAY: Anything else.

ADV. G ALLY: Lecturer or a Director.

MR. NGOBENI: No, I am just a Lecturer.

ADV. K PILLAY: Where did you do your undergrad Degree?

MR. NGOBENI: Actually I first started with former Technikon Pretoria and it was my father who was funding for my studies. I did for only one year. The second year he told me that did n't have enough

money to take me further. It means I had to drop for almost two years and I decided to say let me go and try to get a job where I worked as a Security Officer and after that I realised that maybe I have to go back to school because I thought I must go and get at least a Diploma of University kind and I didn't go back to Technikon Pretoria because it a full time institution at that time.

I had to go to Technikon SA and after when I was there I've noticed that financially I cannot make it on my own because I was working as a Security Officer. I've realise that there this NEFSAS of that time. Where I've tried to apply for NEFSAS and they accepted me. That's where I continued with my Diploma until I completed, but at the same time when I applied for NEFSAS I have discovered that I couldn't meet the requirements, there are specific annual salary where a student can qualify and I've noticed that my father does not qualify to get me NEFSAS.

JUDGE J. HEHER: Sorry, what year are you talking about now?

MR. NGOBENI: I am talking about my first undergrads qualification.

JUDGE J. HEHER: Yes, but when was this?

MR. NGOBENI: I think its 2003 yes

JUDGE J. HEHER: Thank you.

MR. NGOBENI: So it happened that I discovered that if I use the salary of my father I would not qualify for NEFSAS, but at the same he says he cannot manage to take me through with my studies and I understood that because in our family we are almost children of 12. Possible it was fair for him to say he cannot go on with my studies. So I got NEFSAS - - -

ADV. K PILLAY: May I ask you Mr. Ngobeni what was your father employed as?

MR. NGOBENI: At that time he was working as a municipal Clerk at the City of Tshwane. So I had to use my grandmother's pension salaries slip to apply for NEFSAS where they approved and I managed to complete that Diploma through that route. There after the University of South Africa was merged with Technikon SA and the Department of Corrections within the University of offered me to do my B Tech Degree and funded my studies while they are giving me the steepen. Which I've completed and they said to me now you can do your Masters, we will fund for you for those Masters.

Which I did from 2010 until 2016 this year, but unfortunately the same Masters was rejected and I didn't agree with the decision by the examiners where I applied for an internal examiner to check my document which the University refused me and I go to ombudsman to launch an appeal. The same thing they rejected it and the worst part they didn't give me the reason to say this is the reason we don't acknowledge your masters. Then I decided to say then let me go and do it with the University of Free State, the same Master.

To register again and they told me it is good to first do your advance Diploma in Corporate Governance and Transformation. There after we can register you for your Masters and currently with the University of Free State my employers is paying me a certain amount and I have to pay the remainder of the other amount which I am still paying till today I did n't classify myself under the missing middle class. I really don't have enough to fund the remaining amount with the University of Free State.

ADV. K PILLAY: And your NSFAS loan. Have you paid back your NSFAS loan?

MR. NGOBENI: Let me answer in this way, NSFAS at that time was working they pay for your fees maybe end of the semester, they check your result and then tell you that for this module we paid

this amount, but because you have passed according to them they are happy they convert it into a bursary. I didn't pay the NSFAS loan, but I can't tell you exactly whether they took all my funds into bursary or it's a mistake of the system, but I remember one day they sent me an sms to say if you want to know your status with us reply on this sms and I replied on the sms and they never came back to me to say that I must pay or whatever.

What I know is that if you have passed they indicated that for this module you got this point and then maybe give half the amount of that course or they convert it fully to the bursary. So in terms of that one to say did I pay NEFSAS or not. Not yet and I am not sure whether I qualified for full bursary or there was a mistake on the system not to identify me as one of those people who were supposed to pay for NEFSAS.

ADV. K PILLAY: I know that you had prepared some sort of address for today. Do you want to proceed with that address or?

MR. NGOBENI: Yes I can proceed because I've noticed since the fees must fall situation that most of the students say free education for all which I individual disagree based on that most of us, particularly blacks were previously disadvantaged even today we are still previously disadvantaged. As I am saying now I am owing almost 8000 the University of Free State and in my salary my expenditure, I can tell you maybe it can take me three months or four months to pay that 8000 currently. So I fully disagree as an individual to say we have to expect the Government to pay for everyone. Free education for all, to me the issue here must be the access to education. Who has to get access to education?

It means those who don't qualify to get to the University based on the issue of money, the funds. Not everyone per say for an example, I personally believe those who started the #fees must fall are those who are struggling really, those who are feeling the pain. During the session one of the presenters was talking about a CEO who was earning 100 million per annum. I don't believe that person can come and say my child needs free education.

We have never heard even a single, those high profile individuals saying yes we agree even my child must get free education. So I personally believe to say free education for all, it's like saying no education for all because the problem here is what if the government is failing to fund everyone. It means we either have to stop or justify why they have given this one and not this one. So to me as a student I say the issue here must be access to education. If you qualify to go to University but you don't have money, thereafter we accommodate the student.

At the same time were I've seated, I am working and have two children, but if you can ask me to say Mr. did you manage to take your child to school I would say no. Based on what? The tax that I am paying, my personal expenditure every month I am struggling, but if you can say to me what if maybe we exempt for paying tax for specific period while you are taking your child to school, to University I would say yes maybe that one can work. At the same time I've also notice that our Universities, the expenditure or the high cost is not mostly on our fees per say, but even the accommodation is very, very expensive.

More than maybe the fees we are paying for our studies. You go to Free State, you asked the student how you are paying to rent in this private building. They talk about more than 3000 excluding food. So that's what I have also notice to say the fees I can't say their expensive per say. To some individual, the previously disadvantaged it's still expensive based on our expenditure, but at the same time the accommodation itself because I believe the private individuals those who built those flats around the University are therefore profit and you know such a University like Free State.

There other surroundings are the guest houses, it's not like TUT in Soshanguve where you can go a rent an mkhukhu or one garage something like that. So I've noticed that the cost of accommodation is very, very expensive. It becomes a burden to most parents and the students itself. At the same time when I look on the issue of tax and Government. I have realised that our Government is failing us and they are the ones who are supposed to fund our studies as it is now.

We expect them to fund our studies from which money. The taxpayers' money. SARS collect enough I believe so. They distribute enough to different Departments, but when you go and look at the Auditors Report like yesterday, a huge wasteful expenditure for billion and billions. It comes to my mind to say we pay tax, yes we comply and the same money is distributed to the same Government that is struggling to fund our studies, but the same money is used wastefully.

Where is the accountability? The accountability is not there, for example when the Departments has done very well the same Auditors Department give the Minister maybe a trophy to say well done you have done a good job and then yesterday the same Auditor was asked. What do we do about those wasteful expenditures? His reply was that our job is to Audit, but not to give recommendations on what majors to take in terms of that wasteful expenditure. Then I shifted myself to Government to ask, what they are exactly doing to recover the lost because certainly you can tell that this is negligence. Certain laws can tell that this is money laundering scheme, fraud and other sorts of corruption. What our Government is currently doing to recover our money and I can tell you it's not this 2015, 2016 financial year the same as 2014, 2015 the waste was there. So we always say that maybe this year there is an improvement. A wasteful expenditure is a wasteful expenditure. If you are given 100 million, but you cannot account 600 million or whatever.

It means you must tell us where went and we have to put all majors to take our money back where it belongs to. So in that way I've notice that our Departments are wasting too much and our money is like going down the drain without any track. Then I said, but we pay tax at the same we have to take our children to school and then we cannot manage and we expect the Government to fund us. The same Government will tell you we don't have enough. What if for example now I have two children and maybe one of them has to go to school next year, instead of paying the current 7000 that I am paying every month.

They exempt me to say okay Mr. Ngobeni because children still have to go to University and because we are wasting that tax even if that full 7000 come end of the year 172 billion has been miss spent or fruitlessly. What if we exempt you for those specific years to say a 3 year Degree or 4 year Degree then we exempt you for that specific period and you tell us how much you are going too spent for the whole year for your children. If its 90 000 and we tax 120 annually or exempt you for that 90 000. I think maybe it may work in that fashion.

ADV. G ALLY: Just let me understand you properly Mr. Ngobeni. There's two things you are saying, 1 is you don't believe that there should be free education for all and then you say all the wasteful expenditure. Is your point that there should be free education for the poor?

MR. NGOBENI: Yes my point is for the poor. That's it because they are the ones who are not affording to pay for the fees to continue with their studies, not for everyone.

ADV. G ALLY: Fine then, you were talking about the missing middle and you include yourself in the missing middle. What do you understand by missing middle?

MR. NGOBENI: I think when we talk about the missing middle it means those who were previously disadvantaged and currently are financially struggling. If you say for example, you go to my salary if

can assess my cost you can see that I am only left with 600 rand to survive for the whole month. Somebody can identify me as a missing middle just because I have a bond somewhere else, but if you come closer and assess my current expenditure you will see that I'm not a middle class. I am the missing middle class.

ADV. G ALLY: Okay, let's try again. Now there is a certain number that is out there one is the poor is set to stop at an amount of 122 000 per annum is the house hold income. The missing middle, they argue or say is the amounts from a 122 000 upwards. Presently there's a thought that it could be 600 000. Now your salary per annum is at a 122 or between 122 and 600

MR. NGOBENI: It's between the two, 122 and 600

ADV. G ALLY: And in your view, do you believe you should also be assisted in terms those people 122 and 600 000 should also receive assistance from the State in terms of studies.

MR. NGOBENI: Currently yes, I fully agree with that statement because as soon as I got the message from the Minister to say that missing middle class from 600 000 going down I have realised to say where did they get this information to say because it seems as they are correct. I am amongst those from 600 000 and between, but honestly speaking I am struggling financially. I have a bond, I am paying almost 700 000, I have a car I am paying almost 4000 and all of this I didn't put a deposit. I am quite convinced that like a bond that I would spend that 20 years paying for the bond and I don't believe my life will be somewhere changing to the better because even if I can complete paying for the car, my children are growing in not so long they will go to the crèche, primary, high school. Life would remain as a burden financially to me.

ADV. G ALLY: Thank you

ADV. K PILLAY: Thank you Chair we have no further questions.

JUDGE J. HEHER: Is there anything that you want add Mr. Ngobeni?

MR. NGOBENI: Not anything, but I want to emphasize to say that by all means. Let us agree that the gap between the rich and the poor is there and it still there and I personally believe it will remain there. So we cannot treat the rich equal to the poor. Those who have money let them accommodate themselves and leave those who are struggling to be accommodated by the government.

The issue of saying maybe because today we are together within this Commission and you support fees must fall. It does not mean you must be covered per say. If you have enough in your bank account go on taking care of your children and yourself and let us leave the poor to the Government the same as RDP's, the same as child grants. If you can say to me Mr. Ngobeni can you take RDP house, I would say yes because in that RDP the tax rate is very poor, it's very low, I can build my own house compared to the bond that I am staying now.

The child grant, yes I can take it. I have two children, that money I can put for petrol or save for the future, but just because the RDP's and the child grant wasn't meant for specific individuals I have to accept that to say although I need that RDP but it is meant for those who are earning from this salary to this scale and leave it like that. I can't say because its Government, I am paying tax also give the RPD house. It can't be like that, sometimes we have to be rational and positive to the country ourselves. Where we deserve to be assisted let it be, but where we can stand on our own. Let us stand on our own.

JUDGE J. HEHER: Thank you very much indeed. Thank you very much for taking the trouble and come and present us with your thoughts on this matter and we will consider them. Thank you

MR. NGOBENI: Thank you very much.

ADV. K PILLAY: Thank you, Chair that's the last witness for the day Chair and we reconvene on Monday.

JUDGE J. HEHER: Thank you