



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

**THURSDAY – 24 NOVEMBER 2016**

## QUORUM/SPEAKERS

Chairperson : Judge J Heher

Member(s):

- Advocate G Ally
- Ms. L. Khumalo

Presenter(s):

1. National Research Foundation
  - Mr. Bishen Singh (Chief Financial Officer)
  - Dr. Kaluke Mawila
  - Dr. Kwezi Mzilikazi
2. University of Kwazulu-Natal (UKZN)
  - Mr. Likhona Mnguni
3. Wits University Financial Aid and Scholarship Office
  - Prof Zeblon Vilakazi
  - Prof Andrew Crouch
  - Ms. Amanda Kort
  - Ms. Lee-Anne Masilela
4. University of Johannesburg
  - Ms. Nolwazi Mamorare
  - Mr. Mzwakhe Matukane

Head Evidence Leader : Advocate K. Pillay

Evidence Leaders:

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

Expert(s):

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

# **TRANSCRIPT**

## **Presentation-1**

JUDGE J. HEHER: Good Morning everybody. Miss Pillay.

ADV. K PILLAY: Good Morning Chair. The next witness Chairperson is The National Research Foundation who will testify today to the financing of the NRF and its mandate. I think the NRF has prepared their presentation, so I think once the witnesses are sworn in they can begin with their presentation.

JUDGE J. HEHER: It's Mr. Singh, is it? Mr. Singh do you swear that the evidence that you will give will be the truth and the whole truth and nothing but the truth, If you do raise your right hand and say: So help me God.

MR. B. SINGH: So help me God.

JUDGE J. HEHER: Thank you very much. Yes Miss Pillay.

ADV. K PILLAY: Thank you Chair. Mr. Singh I believe that you have prepared a presentation.

MR. B. SINGH: Yes

ADV. K PILLAY: before we begin with the presentation maybe you would like to inform us what you do at NRF.

MR. B. SINGH: The National Research Foundation it's an entity of the Department of Science and Technology. We manage several resource facilities across the country as well as provide grant and research funding to higher education institutions. We also provide bursaries and scholarships to students at higher education institutions. So our primary stakeholder and the institutions that we fund are the Universities. Other than that our own national research facilities.

ADV. G ALLY: I think Miss Pillay was wanting more what you as a person do.

MR. B. SINGH: Oh myself?

ADV. G ALLY: Yes, the NRF.

MR. B. SINGH: My apologies, my apologies. I am the Chief Financial Officer at the National Research foundation and in view of the fact that the Commission has asked for financial perspective, the organisation, the CEO felt that it was more appropriate that I present to the Commission.

JUDGE J. HEHER: Thank you

ADV. K PILLAY: Thank you Mr. Singh. May I just get a sense, that you indicated that you fund Universities and National Research Facilities. Please give a sense of what those facilities are.

MR. B. SINGH: We have several National Research facilities across the country starting off with a.... Let me start of in Cape Town. We have Ithemba Laboratories which is a Low Radiation Cancer Research Facility. We have the South African Astronomical Observatory which is run from Cape

Town, but it's primarily overseas. The South African Large Telescope and several other small Telescopes in Sutherland, we have also the South African Square Kilometre Array Project which is managed by the National Research Foundation. This is a project that South Africa won as a host country against Australia, I am sure we quite familiar with this. We are building several antennas currently 64 antennas in Carnarvon, so it's a massive project; it's about R700 million per annum project that we run. It also has within its project a small human capacity development program which funds students particularly that are focus in Radio Astronomy Discipline, but also Engineers and scarce skills. In addition to those facilities that are run out of Cape Town, we've have the South African Institute of Aquatic Biodiversity that is run out of Grahamstown and we also have the National Zoological Gardens in Pretoria which does some level of Veterinary research, that reports to us as a National Research Foundation.

Then in Gauteng we have the HartRAO which is Hartebeeshoek Radio Astronomy Observatory which is run out of Hartebeeshoek. We also have a Satellite Ithemba Laboratories Division that is run out of Wits University, that's the spread of the major research facilities. There's just one which is not a research facility per say at the moment it hasn't been gazetted as that which is a South African Environmental Observatory Network which has 6 hosts that are spread across the country particularly in data collection around the Environmental Observation.

ADV. K PILLAY: Thank you Mr. Singh, you may now begin with your presentation. I just want to advise you that we have had a presentation from the NRF before and we had evidence from the NRF before so we fully affair with the working at the NRF.

MR. B. SINGH: Thank you, on behalf of the NRF. We will be talking about the post-graduate students funding and a finance perspective for the Commission. I am aware of the earlier presentation; I've had my hands in the preparation of that presentation. So I am not to go down that line, but rather focus on funding that the NRF receives. How it receives its funding, how the funding is broken up and our challenges in the NRF particularly with the respect to the funding.

That hasn't been said... [Just move that side]. I would not go and restate the mandate of the NRF. I'm sure my CEO in the previous presentation did that. However there are few fundamental things that we do, particularly Human Capital Development and as I indicated to you providing infrastructure that is not replicable. This very expensive type of infrastructure and National Facilities I've spoken about, but in addition to that National Facilities. We also have public awareness and engagement with regards to science and we primarily running that out of a... not facility but a division called SAASTA - South African Agency for Science Technology Advancement and it's run out of Pretoria.

In addition we do several initiatives and interacting with government departments like the DTI, Department of Transport, Agriculture Fishery and Forestry and Science and Technology as our primary funder. We support the National Science System. In this context our mandate is largely to support researches, post-graduates students in all disciplines, including those students that come through the NSFAS stream and enter the post-graduates studies. With regards to the.....

ADV. K PILLAY: [interjects] Mr. Singh, may I just ask you to explain what that means? I see you've got that at the last line of the slide, that in the context of our mandate we support researches, post-

graduates students in all disciplines including those that come through NSFAS stream and enter post-graduates studies. Can you just explain what that means please?

MR. B. SINGH: We do not have a limitation in terms of the fields focus on Science only. So we the Science, Social Sciences, Humanities and therefore the spread is across the range of study fields. When I refer to those students that come from NSFAS, NSFAS would particularly fund the under graduates students. So once they come through that stream we try and pick from there to the post graduate level but again it is in those fields of Science primarily Science, but also Social Sciences and Humanities.

ADV. G ALLY: You wouldn't have the percentages of the programme mix that you have, in other words the Science, the Social Science and the Humanities what your mix is presently. You don't have that data with you?

MR. B. SINGH: I don't have the data with me right now, but we can provide you the data and I am aware at the back of my mind that our Social Science are in the region of about 20 somewhat percent. So it's not more than 20 percent at this point in time. If I may continue talking about... let me just put that slide on. The dual funding system, we familiar that there is need to provide adequate funding for post graduates students for researches, research infrastructure as it enables to generate new knowledge enhancing research and innovation. So it's not just about funding students. There is a pipeline and the facilities, the infrastructure that needs to take us through that.

The University sector in our view has due funding directed via the National Foundation as the Agency of the Department of Science and Technology and the DHET subsidy including the NSFAS. I am excluding the fees that are paid by students themselves. The NRF in this regards funds 10% of all post graduate students in the country whilst we have ascertain from NSFAS that they fund about 25% of undergraduate students in the country. So in looking at this, the NRF plays a very small role in terms of our funding. The funding is constraint and I will talk about that but 10% cannot entirely shift that post graduate stream...

ADV. K PILLAY: [interjects] Can I just understand something about this 10% in terms of the planning of the NRF and its strategic outlook. What would NRF like to see in terms of numbers in terms of percentages of coverages of students? Postgrad students?

MR. B. SINGH: Before I answer that directly I think the first point of call for us in terms of strategic direction is to fully fund the students. Currently we are funding and that was the presentation my CEO made. We're funding Honours at R20 000, Masters at 40 and Doctorate at 60, we are currently undertaking an exercise to determine what the adequate funding levels would be? Now if we were to do that we probably in all in terms of meeting the adequate levels. We have to more than double the amount of money that we are spending on post graduates students.

ADV. K PILLAY: And that's just to cover just 10%?

MR. B. SINGH: Yes, that's to cover the 10%. Now if we're going to take that up and there are some figures in the presentation. I've got a figure I think it's about one point somewhat million rand. Let me just find that, 2015, 16 we're spending - I don't have the actual figure in here. For researches in total we spending R2.3 billion, but if we were to apply the same principle we would probably be looking at R4 billion. The NRF in its strategic discussions with the Ministry currently sit at the R4

billion, as a R4 billion organisation. Over the strategic period of five years our discussions have been that in order to make the NRF a real driving force in the Science system, we will have to double that budget to at least R8 billion.

I have not answered your question directly around students just because I do not have the number, but in all honesty we would have to more than double that. Just doubling it from the current would only fund at an adequate level. What I might also say is that the current challenge with the 20, 40 and R60 000 is that students have to go and get top up funding elsewhere and in most cases if they don't get top up funding elsewhere. We lose those students; we lose the cream of the crop of students. They may take up a bursary or they may fund it through the institution or the institution may fund them. So that is our challenge as well.

ADV. K PILLAY: Has NRF done any studying around what the alternative forms of funding are for post graduate students?

MR. B. SINGH: We currently busy with that. It's an exercise that we've initiated. We working quite closely with NSFAS, but we've also one of my colleagues that's sitting here Khwezi is also working closely with the higher education. We've formed a team with USAF, University of South Africa, particularly about there's about 6 of those Finance Directors of the Universities sitting on that Project Team. To assist us in determining what the basket is going to look like. We hope that in the next couple months to have something that would inform us.

ADV. K PILLAY: Has any research done on the implications, the broader implications of not funding sufficient post grad students?

MR. B. SINGH: The NRF itself has not undertaken that research, but we know that we funding currently I think its four out of every ten applications so we know we are hurting, we know we are not doing what we are supposed to do, but we have not undertaken any research on the implications of not having funded that.

ADV. K PILLAY: And in the course of its strategic planning has NRF considered the NDP targets?

MR. B. SINGH: Absolutely I think the NDP targets which is one of the things I wanted to mention in my presentation. There was a submission from the NRF a few years ago when the NDP targets particularly for the PhD. It was 5 000 PhDs per annum by 2013. It was informed by some modelling that was done by the NRF and I can tell you right now that because of the funding streams that were laying through that modelling had not coming through. We going to be challenged, actually there are numbers that I have in my slides here that talks about more 5 000, we... when we initially put together a document called Scaling up the Research Enterprise. We were talking in 2011 to take us 2020, we were talking about 6 000 PhDs. So it was a bit down scaled for the 2030 figure because we were not sure whether that funding will come through and it has not materialised yet.

ADV. K PILLAY: Thank you Mr. Singh you were busy with the second last bullet point of the slide.

MR. B. SINGH: The funding of the researchers at Universities comes in the form of NRF, research grants, bursaries scholarship, large infrastructure, equipment grants in particular the large infrastructure equipment grants which cannot be based at the single University because of the multiple users from across the country.

ADV. K PILLAY: Has NRF considered contingency loan as a form of funding?

MR. B. SINGH: What we do, do then what we do is not give out loans. What we do have is a program called Bridging Funding for Infrastructure. So we have realised that the Universities may want to buy equipment which may spend over two financial years because of the nature of these type of equipment. They unique, sometimes they have to be manufactured, sometimes they come from overseas. University budgets generally allow for one year. So what we would do is we will bridge the money over two years. We will give the University the money in the first year. Allow them to use it once they get their budget. We also allow them to use the interest on that money so we don't take back any interest on it. They pay back to us when the budget becomes available in their institution. We then repay that money back to the University in the following year whilst the University is still in its process of drawing down on its own budget. That mechanism has worked well. We have had several pieces of equipment funded through that program. It's been running now for I would say about four to five years and quite a successful program. May I continue?

ADV. K PILLAY: Yes

MR. B. SINGH: I think the last bullet point on my slide pertain to some numbers that are post graduates. To give you a sense that we fund something like, the figure is very straight forward there 12 719 post graduates students bursaries and scholarships. For that particular area we are spending about 732. That was the number that I was looking for earlier. When I said just to make up the adequate size of the basket we need to double that.

ADV. K PILLAY: Mr. Singh the question around the contingency loans was in relation to students. So otherwise in the funding of students has the NRF considered granting contingency loans rather than scholarships and bursaries?

MR. B. SINGH: No we haven't, we haven't at this stage. It's something that we are thinking about in view of the exercise that I mentioned to you regarding the study that we doing about the adequate size of the basket. The study that we doing together with NSFAS, but we have not at this stage engaged in any loans. We've been very straight forward with giving bursaries.

ADV. K PILLAY: Do you know why a contingency loan hasn't been considered as an option thus far?

MR. B. SINGH: One of it is that the size of the pot at the moment. You know the pot is not big enough to fund the existing pool of students as I said we only fund 4 out of every 10, so we would have a cash flow problem if we were to get into the loans environment. We haven't explored what the National Credit Act may ask us to do. We had some exploratory initial discussions around that, but we disbanded the discussions because of the fact that we just don't have money to go down that channel and certainly if we did go down that channel, I am sure the subscription rate would be very high for us.

I also wanted to share with the Commission the process that we engaged with the MTF submissions and this was what was asked of us. How do we ask for money? Annually what we do is, we submit an MTF baseline submission or assessment to the Department of Science and Technology, that is our line Department. So our submissions do not go directly to the Treasury from the NRF.

The DST vets this and we explain to the DST in the informal documents annually as to what's the main elements that constitute the lower inflationary adjustments, the impact of the NRF and how these are to be managed. What we have found is that over the last couple of years due to the funding challenges, the economic situations, we have been asked not to submit anything more than the MTF baseline assessment and that is the cause for concern. We have been told in the last MTF submission cycle that no further proposals would be considered up until 2018, 19.

So we were just asked: run your business on the stable income that you have on the MTF baseline and no further....but I will share with you the one key proposal that we had put in as I had indicated that it hasn't been funded - which is called The Scaling up of the Research Enterprise and there are details in the slides that would follow. What we are also not sure of and we are not privy to what DST submits on behalf of its entities to the National Treasury.

We have asked, we have bi-laterals with the Department of Science and Technology on a quarterly basis and I recall in one of those meetings that we asked them to share with us what the submissions are, and the DG explained that we should not push for it. I don't know how better to put it that we must accept that they do the right thing for the Science and Technology sector. So we were not provided any further information on what exactly gets submitted to the Department back to National Treasury.

ADV. K PILLAY: Does that mean that there's a chance that the bit to National Treasury from DST might be lower than what the NRF has indicated it needs?

MR. B. SINGH: It's possible, it's also possible that there are other elements that the DST themselves are putting on behalf of the NRF because we have been quite successful in getting monies streams other than our base line but these monies come through to the NRF as directed funds and I will explain that because I've got some figures on direct funding. Those types of funding cannot be unilaterally by the NRF directed into areas that we can see the problem.

So you sit with monies that are directed at programs and sometimes you would see that those monies are moving much more slower than other areas where we do need this money. And I will share that with you because I've got some slides on that. [I've fallen back on that one]. Our primary source of funding in NRF which runs the NRF and also funds most of our postgraduate students is a parliamentary grant. I may have interchangeable use the term parliamentary grant or baseline funding, so bear with me - in our type of business it's common to use either.

What we have found and I have given the Commission the 10 year timeline. If we look at the actual baseline movements of the NRF from 2009 projected right up to 2019. The 2019 figures I've just received something from DST this morning confirming that those baseline figures has been affirmed for the new 3 year MTF. We can see that they have been initially in 2009, 10, 11 very static or cuts. So in other words our base line is being rebase lined all the time and we not growing as an organisation. The... if you comparing that to CPI and I have shown this in red.

The shortfall of our funding that we getting to run the organisation annually in most cases except for 2014 and 2012 is below the CPI and just a simple subtraction between the two gives us a negative growth. If we were to on the bottom figures of the table, I've indicated. If we were just to take the



CPI based increase and looking at projecting it up until 2019. Where else NRF would be in 2019 at R979 million if we had just got CPI we would have been at 1.3 billion rand.

That shows at the bottom annual funding as to year on year as to what kind of money that we've lost in the National fiscus or if I may say in tertiary allocations to the NRF. So we are challenging the sense that we don't have the growth which is one of the things that would have help us to move from the 20 000, the 40 000, the 60 000 to an appropriate level. So we playing catch up. I have spoken about the rebase lining of the organisation which is in actual fact taking us back.

What we have done over the year is use some of funding from directed monies from the Department of Science and Technology to enable us to give more research grants and bursaries other than the base line funding. The next slide more or less captures the same thing. We've had two anomalies that pops up in the slide number 6. Where we got South African research funding a Square Kilometre money that got paid though to us through our base line. Subsequence was then taken away from the base line than transferred to the NRF as a ring fenced item.

So that throws us off, but all in all. One can see in this graph the red line as unstable as that may be because of the two if we just remove those two and fix there that it sits below CPI. What I did want to show in this year that is where NRF internal inflation sitting at and that's because the organisation is the Scientific organisation and the type of people that we hire are technical people. They are highly skilled people, we also buy equipment, we buy chemicals, and we buy out of the norm stuff that is much more expensive than normal consumables. We also run research facilities that are high cost in terms of high electricity, if you look at Ithemba laboratories, high user of electricity. So for us the internal inflation is not being met. Just too even start of by running your businesses, what we then do is we manage this through efficient savings, I was talking to one of our evidence leaders earlier on to indicated, then what we then do is we roll savings that we make from vacancies, If we don't feel a post for three months. We utilise that money to fill the gap and that's been how we have over the last few years been managing the budget in the NRF. You would familiar members that the word of **sterility** popped up around 2010, 11 and efficiency savings, we have been applying that strictly in the NRF to make sure that we at least can keep our head above the water, right now we are battling.

If I turn to the actual income in a high level split which is on slide seven, this is where the flexibility of the NRF to make injection into the system or to change the system, leaves us with our hands a bit tight. If you look at the section that's blue at the bottom of that graph, let's change that one. You will see that the base line is very static. It's stable it does not give us the room to move much, we then had ring-fenced funding. Ring-fenced funding if I may explain from the Department of Science, it's largely from the Department of Science and Technology.

That's why I explained earlier on that it's very directed to specific initiatives. If I may just name one, let's say Marine Research in terms of the blue oceans economy. Money would just come directly for that particular type of research. The other component is designated income. Designated income for us is, another term that we use is contract income.

MS. L. KHUMALO: Mr. Singh I want to take on the ring fenced funding if it is not being utilised in the project of whatever reason, does it get carried over to the following year or does it get returned?

MR. B. SINGH: The normal process through the Treasury is that we must apply to carry it over for the next financial year based on commitments. So we got to provide proof that we have commitments. Otherwise we have returned it to the National Revenue Fund. In most cases the ring fenced funding is through DST in our case. So we would through the DST apply, we don't apply directly to Treasury. We put in a proposal through the DST, DST then submit that on our behalf to National Treasury.

MS. L. KHUMALO: And usually they allow that if the application is approved. Is it an annual thing or it can only be done once or you can do it in perpetuate maybe in a matter of **visimisor** or change of legislation and all those things. What happens ultimately to that money?

MR. B. SINGH: The application is done immediately after you conclude your annual financial statements which are as at 31 March the statements are normally concluded by July. We are then asked to, we not asked to, but we obliged to put in the submission. Generally it is money that is allowed to be carried over for one year. If you going to carry it for over for more than one year, the merit of that would be looked at by both Department of Science and Technology and the National Treasury.

MS. L. KHUMALO: So it means it's rare that you get the money and it goes back, ultimately it works somewhere.

MR. B. SINGH: We have not... I must be careful how I say this. We have not yet given money back to Treasury except for this year. There is a matter that is pending between us and National Treasury. That Treasury had wanted us to pay back money but I am sitting in difficult cash 22 situation where DST had contracted us, which is the next stream of income that I was going to explain, the green band and DST is saying, but NRF you are contracted by the DST. The DST will make a decision between themselves and Treasury whether they move the money back to Treasury.

We and the NRF cannot transfer the money directly to National Treasury. So it's rare, you right it's rare that we would give money back to Treasury because in most cases the NRF would have what we call obligation or liabilities. Those liabilities are covered by grant awards so we would have award letters that we would later award to institutions for funding of whether its research or whether its post graduate students. The next band I was coming to and it's quite a deep end of our income, the green band that's on their designated funding. Earlier on I spoke about the square kilometre array.

The kinds of funding which you receive for the square kilometre array which sits in that green band because its directed its four aids specific projects and it is controlled largely by the Department of Science and Technology. The NRF cannot reprioritise that money. We did have in the past where we had money for South African Researchers. There was an amount of R99 million that was reprioritised into several projects that we had asked for, but generally what we would do is if the money is not flowing and if it not spent or carried forward or approved by Treasury to be carried forward.

We would then ask the Department of Science and Technology if they would allow us to reprioritise those funding but in most cases these monies are committed because these are large grants for research purposes. Generally they don't fund directly the post graduates students fund. If I may move on, on the expenditure side you will see that the break down is particularly highly concentrated in our grants and bursaries, 60% of our funding goes towards grants and bursaries.

We spend another... the capex part of it and we wish we would have had all that money to spend into other research capex, but capex is primarily driven by the Square Kilometre Array. As I indicated to you we getting something like R700 million a year for the Square Kilometre Array. That certainly will stop in 2019 because it's a special project. Once we're done with the 64 dishes or the 64 Antennas in 2019. That should tap it down and going into an operational mode.

I've had the resized funding, resized Research Innovation Support and Advancement Arm or the division of the NRF that primarily is responsible for funding research institutions. What this table does? It gives you a break down in terms of the next generation of researches, immersing researches.

Cross cutting instruments that we have in NRF, the established researches and we have a pipeline in the NRF, strategic investments that is made in terms of research, cutting edge research equipment investments and local and international collaborations. So the primary division that is responsible for funding research in the organisation spends around 2.3, R2.4 billion a year out of our R4 billion as I indicated in the previous graph that our total budget of the organisation constitutes. If we were to break down the parliamentary grant in the next slide, slide 10. The parliamentary grant which constitutes about 25% of our total income and funds the organisation operations and grants.

That is the flexibility that the NRF has, that's the flexibility that management in the NRF has to distribute, to decide on how to split that budget. The other 75% of the money that comes into the NRF and based on the graph that I have indicated earlier on comes with strings attached so it's either come as ring fenced money, it comes as contracts and there are several contracts. We currently sitting with about 40 contracts just for research funding and there are other several contracts that we have.

Mind you though that we also do get money from the Department of Trade and Industry, there's about a R150 million that we do get from DTI for research in a program called THRIPP - Trade Human Resources Industry Partnership Program. In those programmes also what we should be aware of although it is an Industry Academia NRF partnership that there is also students that then get coiffed into this programmes. So it's not just purely innovation type programmes. I have mentioned that the reprioritisations of money from the 75% of our funding are quite slim. The chances are quite slim, which is rare that it happens. It happens primarily at the time when you are approaching financial year end. When we go to the Department and we say to DST colleagues we not going to spend this money, but here are the areas that we could spent the money or commit it before 31 of March.

As I indicated we did have a situation, I think it was a year or two where we reprioritise R99 million before that my recollection serves me right. I know we had another reprioritisation of 85 million. So it can happen, but again it must happen in conjunction with the Department of Science and Technology and they must agree to the areas in which we need to reprioritise the money.

MS. L. KHUMALO: Sorry, I just wanted to check maybe a project like SKA it's not a one year project it's the long project. So is the allocation annually or it's just allocated for the duration of this period this is the money and when that happens is it sitting with you guys or maybe just a commitment. What happens, physical money...?

MR. B. SINGH: The SKA project is included in our MTF allocation letter. It's a three year allocation so we do know in advance in terms of the revenue that's going to flow into the SKA what the next three years funding are going to be.

MS. L. KHUMALO: So you get it in batches, so you don't have the full amount at any time in your coffers so to speak.

MR. B. SINGH: No, we would be set they we got a billion rand for this project because there are changes that have happened in this project over the years so particularly driven by the international SKO Organisation which has changed the funding level. So what will happen in that case is the Department of Science and Technology... Remember we the managers, we the agent of the money. We've got to deliver and implement.

So the DST would negotiate with National Treasury as what amounts of money should be transferred through to the NRF, but what they would do is in our three year allocation letter. They would indicate the amounts of money, so at least from a planning perspective we are sure of the kinds of revenue stream we are receiving.

MS. L. KHUMALO: It's just that I know that the Treasury did not... I don't know if there's new directive into the treatment of interest in ring fenced amounts. So that's why I am asking, why are laughing. So how do you guys treat that?

MR. B. SINGH: All contracts let me talk on the contracts first. The ring fenced comes in a letter so there is no contract. All contract money is the stipulations in the contracts are generally that in the interest and on the project must be directed to the project or to increase Human Capacity Developments. So we could end up giving up more grants that's on the contract, the same applies on ring fenced funding. The interest is plough back into the project so we do not take the interest and give it back to National Treasury either do we give it back to...

MS. L. KHUMALO: or use it on other funding or maybe

MR. B. SINGH: No

MS. L. KHUMALO: for maybe post graduates if its interest end on the other, is there latitude for that?

MR. B. SINGH: Not according to the current agreement with the Department of Science and Technology. It must go back into that program, so if that program is funding as I indicated lets Blue Oceans Economy then the interest would ploughed back into that. Whether it is for Human Capacity Development within that project or whether it's operational shortfall etc. So we plough the interest back into that.

The NRF does not take interest money out of the ring fenced and contract funding and plough it separates into another pot. We would like to do that, we don't have that flexibility. In actual fact is it hard coded into these contracts I will have then battle with the DST to say let the money flow, we bank all the money because you don't open separate accounts for them. You just manage them internally with cost centre, but you accumulatively invest monies. We haven't been given that

flexibility. As I said to you its hard coded into some of these contracts and it's so specific that it says any interest earned on this contract shall be accounted for and ploughed back into the contract.

I just want to touch on what I said earlier on around one of the major proposals that the NRF put together and I must... why I'm using the word major is that our former CEO at that time DR. Albert Van Jaarsveld took this document eliminating from the NRF and went to each of the Universities around the country. Presented it the top management of the Universities and said if we were going to move research in the country, what would that take? But it started off by a simple request which he tell us that the Minister and he were having a discussion and Minister asked him a simple question. What will it take to deliver in the NRF and reach the strategic intentions? And then at the same time there was ASAF PhD study and NRF was asked to respond to the recommendations that were highlighted in that study. What we did then did as the Executive Team in the NRF. We put together a document and I will come back to that, it's one of my following slides about Scaling up the Research Enterprise. In that document we also talked about the targeting of needy students, the importance to cap into all the talent that is available and without adequate financial support needy students more likely to be discouraged to pursue research careers. This was a challenge for us.

They may be bright, they maybe the cream of the crop, but the earning capacity at home wanting to go and support the household will destruct them from doing further post graduate studies. What we were saying is how we as the NRF support those students. To take them through to the pipeline towards achieving PhDs and post graduate qualifications. Then I refer which is to be consistent with policies choices of government with regard to awarding of bursaries to needy post graduate students. We have not gone that route yet. This is part of the study that we are doing. What will it take and at what level do we fund needy students? For the moment it is a cache all. It is who applies and who gets lucky. I would not say who gets lucky, but through an evaluation process who is awarded these grants.

ADV. K PILLAY: Has the NRF costed what it would require to fund all post graduate students?

MR. B. SINGH: The entire system?

ADV. K PILLAY: Yes all post graduates students.

MR. B. SINGH: I am not aware of that, my colleague...

ADV. G ALLY: Within your mandate of this thing

MR. B. SINGH: No we haven't. Perhaps the exercise that we are doing and I am looking at my colleagues here. Maybe that would give us some indication of what it would take to fund all post graduates, obviously then our mandate as indicated. I think we've been so embattled, we just trying to meet the current demand that we haven't looked that far. We have models somethings that says what it will require us to produce X number of PhDs for example.

Then there's some indication of cost in that pipeline for Honours for Masters to take to that end, but I would share that it's one of the slides that's coming up. We also... by 12% of the fact that any funding model must be scalable and support the sustainable growth in the higher education sector, that is our key challenge, you know. Scalability is not a problem. We've got adequate systems, processes, policies in the organisation.

IF tomorrow the Government dumps R500 million on us and say go a function. We will not go back to the Government and say we don't have this system or we don't have that system. We may need some of additional capacity in terms of in-house human resources to assist us, but our systems in the NRF are scalable enough to allow us to do that. Here's the document that I kept referring to, called Scaling Up of the South African Research Enterprise. We submitted this to the Department of Science and Technology in 2011 and asked for the Department to seriously consider this as part of an MTF submission.

To ensure that we can at least start moving towards the kind of numbers that we were projecting in terms of PhDs, in terms of Honours, Masters to feed us with the pipeline. I must say that the figures that we had included here and just got one of the tables that's just the high level indication. We worked at that time producing something like 1 200 PhDs per annum, that's NRF funding. What we had indicated is that we would like to move to 6000 PhDs by 2020 if the money materialised and it was through this document which informed the National Development Plan, but obviously in a scale down version or scale down set of numbers for the NDP.

We also indicated in this document what we were funding for, you know the base funding for researchers. You know if you drip feed researchers, you going to get the set pieces come up. You are going to make difficult for researchers to go and source money elsewhere. So what we did at that time we said at least at minimum when fund the researcher. We should be putting R150 000 on the table and not your 40 000, your 60 000 just to keep the researchers busy. That would not give you the king of focus research and attention that one would require.

So this document, members asked for a significant injection of money. Presented in 2011, 2012 we said to ourselves if we are going to continue along the same trajectory of funding we would end up in 2020 with about R498 million for research funding for the research funding. We break this down into, sorry for the PhD output. We broke this down into some foreign study contributions and we were looking at Training programs bringing people across from other countries and also sending people from our country abroad, what we call a Sandwich program at that time. Then some large injection of funding to the tune of about 2 and half billion rand which would have taken us in terms of our PhD output from 648 to 2500 PhDs per annum. The proposal also looked at creating some new Science jobs in the fraternity in the system. So that, you know people who would come with their PhD would get absorbed into Universities as Lecturers, as Professors. All in all the proposal asked for R3.9 billion for pushing up the PhDs at that time 2130 to 6000 PhDs, it's in the bottom half of this slide. We then also looked at what are the feeders in terms of Honours and Masters in that pipeline and per modelling at that time we said we needed about R1.2 billion....sorry its 1.1 plus additional Honours, Masters Pipeline to achieve the PhD that is 790.

So that's about 1.8 to 2 billion rand. All in all this proposal talked about scaling up the system in terms of numbers of Honours, Masters and PhD, but asking the government to put on the table an additional R6 billion, the figure is 5.8. I am going to exclude two other line items which says plus Science Advancement and the National Research Facilities that was R241 million and R337 million that was asked for Science engagement and as well as the National Research Facilities.

So at that time we were saying to the Department of Science and Technology having considered this document and having worked with it and having got the support of all the Vice Chancellors and the top management of the Universities. We did a road show to all 21 institutions or was it 23

institutions at that time. Having gone there and said is this something that would help you as University Vice Chancellors to proper up the post graduate and the support was there.

We then took this document and put it on to the table with the Department of Science and Technology as one of our key bit submissions. This proposal has not been funded and as I indicated to you earlier in subsequent to that. We were told that the Department would not be considering any further proposals because of the tight economic situation. As a result what we then got was our baseline adjustment of about 5% and the 4% increase.

That in itself as I indicated is a challenge because salary bill is running at 7, 8%. So what we then do is we look at efficiencies, not filing posts, freezing positions using the leg time that we have in terms of recruiting to match and balance the books at the end of the day. I would like to thank you for affording us the opportunity to come and present to you. I am open to other questions, any point of clarifications that may be required. I have my two other colleagues who can assist me. I 'm done with the presentation. If there's anything else I would be very, very glad to assist.

ADV. K PILLAY: Mr. Singh may I just ask a question around the baseline allocation and the directed funding. The grants to students, the grants and the scholarships those that a student etc. gets paid from the baseline allocation, so you don't receive any directed funding for that?

MR. B. SINGH: There is some directed funding the Department had made two injections. I can't remember their numbers exactly, I think it was R250 million for students and then they made sorry the other one is not students. There was another R300 million for research. So...

ADV. K PILLAY: The injection was it a once off here?

MR. B. SINGH: No, no it was built into our allocation letter, but not part of our baseline. So again with that one, what we had to do with the 250 million. We had to model the numbers, we also took some of the money to try and top up the 20 000, 40 000 and 60 000. To allow for some growth in that, but the NRF portion, the baseline that remained the 20, 40, and 60.

ADV. K PILLAY: So when you were told to stick to the baseline in coming years that is not affected by the R250 million?

MR. B. SINGH: No, we hope, but remember its contracted money. We hope that that will continue. How we've seen it is if it's in the baseline of DST, we then hope that that baseline of DST gets transferred over through to the NRF.

ADV. K PILLAY: That was going to be my next question is obviously the directed funding comes from the baseline allocation to the DST ...

MR. B. SINGH: Absolutely.

ADV. K PILLAY: and are you aware whether not the directed funding would continue from DST?

MR. B. SINGH: I can only speak for the next three years because we got it into the letter for three from the DST to say that this is the amount of money that you will come... The DST could change that. They could direct that money elsewhere. They could add on more money to it from other

programs that they deem not to be moving as smoothly or as fast. So it could change, but we have been fortunate that has remained for the 3 years.

As I indicated this morning I only got the MTF figures. I am patiently waiting for the figures are going be the ring fence and the other line items that is part of the DST baseline. They have got the allocation letter. They know what they have got, but they had not cuffed that up yet and send that over to us.

ADV. K PILLAY: I'm just trying to understand the DST's role in deciding not in deciding or in allocating a particular amount to either the direct or baseline funding. Is that where the DST comes in and making a bid for an amount to rather be included in the baseline allocation or in the directed funding allocation.

MR. B. SINGH: We would ideally like to have this money in NRF baseline. That's our idea we are closer to the system. We know the challenges, we know how to deal with it, and we will be able to shift the monies if it's unutilised at a particular institution. Unfortunately the DST has followed that principle from couple years back of baseline belongs to you because it's appropriated by Parliament.

So in the ENE the Estimate of National Expenditure there's a line there that says National Research Foundation and that's appropriated by Parliament for the NRF. The rest of the monies are appropriated for the DST. What we are currently busy with is a document that's called a resource allocation program. Now I am fully aware that the DHET has something has something like that because my CEO comes from there. We are trying to put together a similar document in the NRF.

The document have been approved by the board at a high level at a principle level which would then indicate the levels of funding required in different areas in the NRF rather than getting it in contract funding, directed, ring fenced and not seeing the holistic picture. We sent the document of yesterday to National Treasury to inform them of what we are doing.

My sense is the Treasury is unaware....I had a meeting 3 weeks ago, myself and the CEO had a meeting with two of the key people who's responsible for budget allocation to DST and the information that we shared with them indicated to us that. They were unaware as to how these monies were being allocated to the NRF that you not seeing the full scope of student funding.

So I would get money from the MTF, I would fund students and they said that's not a program that you find students. DST may wake up and say I have another programme that I want to fund students. So you not are seeing it in a synergistic one level aspect. You are getting it in drips and drabs. We hope that the Resource Allocation Model gains traction. We've, our Chair, our board has put that to the Minister, but the Minister has redirected him to speak to the DG. So we are ambitious.

ADV. K PILLAY: And model that you mentioned is going to allow NRF more flexibility in dealing with money directed for students.

MR. B. SINGH: It will give us the discretion, all be it because we are not asking to be exclusive of the DST or Treasury. What we want to do is we want to say to the Department and Treasury this is the primary need of the money there. I am going to be naught now rather than let it pile up in the SKA. Do you get what I mean? I mean you at the call phase of the staff.



You must be able to channel money where the need is the greatest. There are lack times and I was not here and I used the SKA because I know the SKA has lack times. Some of the dishes that they building go through a process called Concept Design Reviews. Concept Design Reviews and final signup on those things can take a year or two. While the money is sitting and whilst we apply to Treasury then to carry it forward. We could even mention that because that's what you are doing because of the - -There's simple example that I want to share with you is the fact that we are buying land for the SKA project.

You may have seen it in the media, in the Northern Cape it is not going smooth as we expected it go obviously because the farmers are putting up their own fight. So what happens to that money that was allocated for the land? That money then we need to apply to National Treasury to say Treasury hold on to this money. We are unable to buy the 36 farms that we need to buy. We are going to buy it in 2017, 2018. Now if we have that flexibility we could have redirected that R150 million to take our level from 40% funding to maybe 70% or 60%. So it's that flexibility that we hoping that this Resource Allocation Model could provide us.

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

JUDGE J. HEHER: **As our review in question.** Mr. Singh thank you very much indeed. We appreciate your contribution. Thank you.

MR. SINGH: Thank you, may we be excused?

JUDGE J. HEHER: Indeed you may.

ADV. K PILLAY: Thank you Chair. May we take the tea adjournment now before the next witness who's Mr. Mnguni.

JUDGE J. HEHER: Yes you can if you want to.

ADV. K PILLAY: I am not sure what Mr. Mnguni looks likes though. So it will give us time to have him...

JUDGE J. HEHER: Okay we will adjourn.

**[end of presentation]**

.....ADJOURNMENT.....

## Presentation-2

ADV. K PILLAY: Mr. Zulu

ADV. M ZULU: Good Morning Mr. Mnguni

MR. L. MNGUNI: Good Morning Sir

JUDGE J. HEHER: Thank you. Mr. Mnguni in this part of the proceedings we swear the witnesses in. Are you prepared to take the oath?

MR. L. MNGUNI: Most certainly Chair.

JUDGE J HEHER: Do you swear that the evidence you are about to give would be the truth the whole truth and nothing, but the truth? If you do raise your right hand and say so help me God.

MR. L. MNGUNI: So help me God

JUDGE J. HEHER: Thank you.

ADV. M ZULU: Mr. Mnguni you previously gave evidence before this Commission. Is that correct? It was in Durban.

MR. L. MNGUNI: That's correct

ADV. M ZULU: Can you just remind us again? You told us that you were a student as well as Lecturer at the University of Natal. Is it correct?

MR. L. MNGUNI: A student and the researcher in the University of Kwazulu Natal.

ADV. M ZULU: Yes can you just remind me?

MR. L. MNGUNI: I am in the Morris Web Race Relations Unit which is the research unit in the school of Social Sciences in the University of Kwazulu Natal. I am a PhD intern Researcher and I am also a PhD student in the same University.

ADV. M ZULU: Yes you've prepared a submission on post graduate funding sources which you want to share with the Commission. Can you just make your submission?

MR. L. MNGUNI: Yes, thank you for that I am the nature of my submissions are that you can read through them, but I do want to expand probably on three points. Allow me to deviate a bit because of my second visit here and say I welcome the interim report that aware of now since seen by the Commission. We are hopeful that you will subpoena the resource rage entities that are not volunteering to come here.

With that said I want to expand on the question around what I call my proposal to the Commission to consider mandating all institutions of higher learning especially Universities that offer research Masters and PhD studies full time to actual give a fee remission on both those Degrees. This emanates from the fact that the University of Kwazulu Natal we actual have this thing implemented in full time research Masters and PhD candidates are given a fee remission by the University. It is logical to get to this conclusion given the funding frame work by DHET itself to Universities.

There is a teaching input grant which provides for the funding of supervision for these post graduates students. Also there's another grant that talks to this research Masters and PhD students. That is the research output, now the research output grant for the students it has not direct benefit to them. Where else for the academic it does have a direct in the sense that academics have a research code in the University and from whatever they have published the DHET sends money to the institution and the institution sends a portion of that money to the academic as account for their own research and development activities including attending conferences abroad and in country.

The students assumed to be doing hard labour for University to generate revenue as the DHET output recognises research Masters as one subsidy unit and PhD students as three subsidy units because PhD is three years, but the student... This happens after the fact that the student has left University. Therefore the student is not eligible to get any benefit from that. Now I think the University of Kwazulu Natal has been progressive in realising this cash injection by DHET because of post graduates students of these categories. That's why there's a fee remission and I would love to make a submission to the Commission that you consider strongly asking other Universities why it is not possible for them to give a fee remission on this two Degrees particularly.

ADV. G ALLY: Sorry Mr. Mnguni perhaps you need to expand on what you mean by fee remission.

MR. L. MNGUNI: Yes thanks for that, given that there's now expanded view on what fees mean given the interim report. By remission we refer solely to tuition fees at this stage. It's a tuition fee remission and to deal with the other aspects of the expanded definition on what fees mean. I make the proposal that says if the academics are getting a portion directly to themselves as a research output grant then to encourage... There's a graph that I sort of taken from one of the DHET report which shows how insignificant our throughput at post graduate levels are.

Part of this is because people drop out, they get jobs. They are looking for money to sustain themselves. It's difficult to conduct research. They put in by ends for their studies and all of that. I am proposing that DHET advances to students' accounts on the research output grant part. On registration if students receives R50 000 which must attend to the other aspects of the definition of fees accommodation, transport from home to the University if used off field work. I want to elaborate a bit on this issue off field work. It's one thing for us to increase throughput at post graduate level. It's another thing to increase throughput that really talks to the assumption that post graduate levels enhance innovation of a country.

However what we find is that students are demotivated to go to the field and look at information reached K - studies to do research in because that demands one time that demands, secondly financial resources. What we starting to find now is that majority of Masters Students especially the research Masters Students are going for what we call Desktop Studies. Desktop Studies are literally just about reviewing secondarily that review. You are working with the research of others which means you are getting new insights; you are recycling already done studies. In the absence of thinking carefully on how to make a prescription to make sure that each and every post graduate student has an equal chance of producing information reached material.

We risk increasing throughput at post graduate, but the quality of that throughput in terms of scholarly impact, but also social innovation. We will not get that quality because people are not going out on the field. Of course we are literally looking at people, they now conduct... If you are

going to do interviews they look at residences 50, 20 participants 2, 3 focus group and they write a Masters thesis. Where else we should be actually going into society going into the communities entering the University to actually be a place where we try to find solutions to societal problems. So that's one aspect I wanted to expand on in a way that I might not have in the...

ADV. G ALLY: [interjects] But in relation to that is it not the supervising academic that should be saying for you to obtain your Masters besides the desktop research that you are doing. I would expect of you to do some field work which will show that you have a command of what you are presenting. Do those kinds of... from your knowledge do those kinds of discussions take place with the Lecturers or not?

MR. L. MNGUNI: From my knowledge and observation if you do get a good supervisor you might have that conversation. There is also what I don't think is a subject of today. To delve into a supervision crisis, that's what we call it, especially in higher education where supervision is upholding poor and it's reflective in that thesis by-product of that. Ideally there should be that discussion to say compliment your secondary data review with field work. Field work is going to have implications in terms of time, in terms of resources. If there aren't resources there will be no field work, but also the Universities seem to be starting to play into a money game with post graduate studies.

So the quicker the student leaves the institution. So if it means they must all do a secondary data review and leave the quicker we get the grant from DHET and so this becomes a financial revenue generator exercise which of course means that they in basic terms students are slaving to actually resource the system, but there are not being given any incentive. I am super sure a student doing something on Land Kenya for an example would not want to rely only on secondary data.

They would want to interact with Ingonyama Trust in our context of Kwazulu Natal. They would want to go to a number of Chiefs and talk to them. They would want to go to community members and talk to them. That builds up their information reached thesis that becomes useful for the University and for society. This is why I think at the current moment there is a big conversation on whether we should focus on quantity and this comes up in the 2013 report that was led by the current Deputy President, the focus on quantity in terms of research units that we produce versus the focus on it because if we then focus on quality and chop down on quantity. It means we chop down on a revenue stream for the University.

MS. L. KHUMALO: Sorry on the supervision crisis. Why must we rely on, why is it secondary data? Is it the time frame that's allocated to the research or is it lack of funding or is it the knowledgeability of the supervisor? Where does the crisis actually lie?

MR. L. MNGUNI: So in the Value Chain if I had to call it that, of producing a post graduate Degree. One, we do have a bottle neck which is different from institution to institution at that such level of clearing a proposal and giving it ethical clearance. So you tend to find that if a student has 12 months, proposal ethical clearance proposal gets about almost half of those 12 months. So there is inefficiency at that level of handling issues of ethical clearance. The second part of course ethical clearances you get a proposal. That proposal gets approved by the higher Degree's Committee and then you apply for an ethical clearance that goes to a research office and you get an ethical clearance. The process to get those things done...

MS. L. KHUMALO: Is it ethical in terms of ethics?

MR. L. MNGUNI: Ethics yes, In terms of research...

MS. L. KHUMALO: Integrity of the topic maybe

MR. L. MNGUNI: Integrity of the topic, scrutiny of the questionnaire, scrutiny of who are the participants of the study. In my University we generally get what we call Code Green, Code Orange, and Code Red. Code Green are generally secondary data studies these base studies are quite quicker to clear. Code Orange is where you got get keepers in your study, maybe you want to interview a Councillor or you want to interview people that are participating in a RDP Housing Projects, but you've got get keepers that you must go through. Code Red is when you are dealing with sensitive issues, maybe children when you might need a Psychology on standby, or maybe you are dealing with issues of human trafficking where you as a researcher might under immense personal risk.

So we've got those categories and of course they undergo certain scrutinise. So that's what we mean by ethical clearance to clear the integrity of the study and how you will handle participants and how you will be handling the question. To make sure that questions you ask are up to academic standard. You've got to bottle legged that at that level, you've got a question of resources is very, very important at the supervision crisis also of course the quality of the supervisors themselves because of the nature of our Universities. You find that people like myself who hold a Master's Degree, but not myself personally would start supervising Honours students.

You find that some people have held a Master's Degree for 10 years without registering for a PhD or without completing their PhD. Which means the person supervising is it not themselves actually capacitating themselves, growing in field of research and that sort of dumps down the system in a way. That's another part of the crisis of supervision, but yes if you are going to deal with field work. Now you've got a supervisor who has never done field work, they have got their Masters via Desk base standing and their Lecturing and they are not into getting a lot of field work done. They are not going to supervise field work properly of a student that is placed under their supervision.

So that's another problem as well. The funding part of it for me it's very important in terms of targeting field work because it becomes difficult for a student who wants to conduct research. I might be in KZN, but want to conduct research in Venda because I just have the hypothesis that people in Venda are still doing self-sustenance farming much more than any other location in the country. I want to borrow lessons from there to deal with questions of land that lays far low in other provinces, but I am unable to go to Venda because there must be travelling, there must be accommodation and there must be a translator because I am Xhosa speaking and people there are Venda speaking. All these things in build without the necessary funding for field work.

You are not going to get that. Therefore you are not going to start doing comparative studies between provinces in terms of why some people are still doing subsistence farming while in the country and others have stopped. That is very significant in terms of knowledge output.

MS. L. KHUMALO: So with... because we've heard evidence that you've aging academics which is crisis at this point. There was also evidence I think from your former VC to the fact that our post graduates are they comparative in the international sector. So with the crisis you as you have outlined. Do you think you are able to deal with those challenges?

MR. L. MNGUNI: Well of course the imminent track of aging faculty is that you fast run out of people to rapture that's one. The next batch of academics, but secondly the big problem about that is that some various senior academics are highly conservative. There are people who have been told by their researchers they can't do controversial topics which are... If I want to investigate the nationalisation of mines and my supervisor is adverse to that. They are going to tell me very flat and clear that no, no you can't venture into that.

That's the one aspect, about being... What is an internationally comparative academic? Clearly this is the first question that we need to deal with. Away from the craze of international rankings and all that... I mean international ranking is sceptic and I will put that on record. I know my former Vice Chancellor was quite big on that because it's a superficial indicator. You can't grade Orlando Pirates and Sheffield United in the same league. It doesn't happen like that. You can't grade Barcelona and the team in Sao Paulo in the same league. They play in different context and their players are... They play football definitely no doubt, but there are quite very much significantly different.

Now a comparative scholar for is a scholar that for me do three things. Comprehend Reality, Critic Reality, Articulate Reality and Solutions whether they do that through a study in Kwanongoma, through a study in this and that. That's a totally different issue all together. When we go to conferences internationally what really matters is learn from each other and to be able to go out and learn about other people. So am I able to go and conduct research in Greece about their issues of death crisis, issues of down grading and then borrow those lessons and come to South Africa and inform my context in terms of how we move forward as a society.

That's for me is an internationally competitive scholar. It's not to say can we read the same reading list. It's not to say walk in the same libraries. At the end of the day academics are there to solve first and foremost their local context issues. Those academics abroad who go out to Africa and Asia to study societies abroad? They do so partly, one because they want to inform their Foreign Aid funding strategies. DIFID doesn't make a decision in the UK without talking to scholars in terms of... are we still on the right track for spending money in Africa? Should we retract some of the money that we spend and can only get that information if their scholars are doing work there?

For ourselves we haven't even begun to understand our context properly. I think for me we must be immersed in understanding our context and of course hold our own when we are in the international stage in terms of the quality of the research that we have taken out.

MS. L. KHUMALO: So if further funding is injected in research maybe the supervision crisis would be alleviated so to speak only or other factors.

MR. L. MNGUNI: No, I am not even at this stage calling for further injection of money into the system, I actually at the... of what we are talking about, at the post graduate level in particular. I'll come to the question of Honours that I touched on a bit, but in particular for research Masters and PhD because that's when we are starting to talk about the production of scholars and the production of innovators. We don't need more money, there's enough money. The question is what are the Universities doing with the money? That is targeted to the students at those levels because that money is not going to the students directly.

Something must happen for that money to go more to the students. I'm not even calling for more money, there's enough money in the system for those two Degrees, research Masters and PhDs of course in terms of supervision, what the NIHSS is doing, The National Institute of Humanities and Social Sciences. They do what they call cohort supervision. They have appointed mentors across the country regionally in the Humanity and Social Sciences for the students that they give bursaries to. They take senior almost retired, some retired academics and they make them mentors to compliment the supervision of the students they are getting inside their institutions.

This is another way of making sure that people get a terrain of wide knowledge from senior academics, but maybe their step further would be to actually create grants not just only for cohort supervision of student. Also to make sure that supervisors also have their own get together and Lekgotla's of sort to share and exchange notes. There's a lot of...I don't know if its academics competition or its working in silos, but there a lot of individual work that's going on in the sector. So you will - - Some Universities are doing it, but not enough.

We were with special projects Director for the Melon Foundation which I have sited in my contribution here. That special project is actually Dr. Badaad who was the Rhodes University Vice Chancellor Melon Foundation based in the US. They fund projects in South Africa. What they are now trying to do they have got a specific fund that they call a Super Institutional Project Fund that is meant to force in a way or give incentive for academics to collaborate beyond their institution to other institutions. I think the more collaboration happens the more people will be able to exchange notes. The more maybe we could even be able to do cross institution supervision.

So when an institution doesn't have an expertise in a particular field that a student wants to venture to. It's easier to appoint a supervisor from Wits while student registered in UKZN and do all those things. So at this stage it's not even really about... of course people talk about workloads, teaching loads are high, supervision loads are high and lot of this. So at that level we need more academics in some institutions. I think I alluded to this in my last submission to the Commission. By far and large it's not asking for money it's asking for utilisation of the money that is currently there for this purpose to function quite well.

MS. L. KHUMALO: Just the last question. How do you... How is duplication controlled in that the person doesn't do the topic that another has done? Without a person like arising deliberately like select a topic that you don't know whether it's being done or not. Is the method that is in place for that?

MR. L. MNGUNI: In academia no academics are the same and if the same study is carried out in two different contexts is probably better for us because we get to compare and contrast and use those studies as comparative for comparative analysis. So duplication, I mean for example we've studying democracy for years. We've defining Governance for years and types of systems of Governance and we are not about to stop interrogating people's attitudes, people's perceptions about democracy is and all of that.

The question of duplication really doesn't quite arise especially where I sit, in the Social Sciences and Humanities. It might otherwise for example in the Health Sciences or in the Sciences where there is a specific bacterium that is being studied and there's been conclusive evidence about those bacteria. To then now re-invent a will on that particular point, yes you might find that you are duplicating, but

when you talk to issues of economics like now the currency talking point the minimum wage. You can have hundred people doing a study on the minimum wage, but they will probably touch on different aspects of the minimum wage. The more information we have on it the richer we are in terms of making informed and critical decisions as a country.

MS. L. KHUMALO: Okay, but it doesn't affect the spread of funding. You find that the funds are actually dealing with one issue instead of being spread across type of a thing

MR. L. MNGUNI: Well really the spread of fund is to look if you have 100 students. They are registered for the Masters, let's just say hypothetically registered for a Masters. They are doing studies in six different areas all hundreds of them spread across like that maybe it's 1818. The value of funding higher education and post graduate studies is to create more critical thinking people. People who think at a level that is above average, that's the first point and that's for the benefit of the country, You might above average on a particular subject, but because we hope that people become enthusiastic about intellectual rigor and knowledge acquisition and production. They will venture into other different fields. So the topic that they do while pursuing their Degree is just a base for them to move on to other things it's only one year that they are there pursuing the topic, but we are hoping that they continue their scholarly work for years to come that they continue to move in divert ways. So I do not think it's a particularly a waste of funding. Of course you will find that in different institutions different people are pursuing the same thing. Partly because one institution wants to be the first that actually makes head way and pay can start. Which is another way in which institutions gain revenue of course then it disincentives another institution that was sort of in the race of the same thing. By far and large I do not think it becomes the waste of funding if we have a number of people investigating the same thing.

ADV. M ZULU: Sorry Mr Mnguni. Are you saying that the funding for post graduate students in the country are inadequate?

MR. L. MNGUNI: Okay, I've dealt with two. I am going to say yes and move on to the other part of post graduate. I've dealt with Masters and PhDs at the full time. I am saying there we have adequate funding because let's give value to this thing. Your research unit is 120 000 plus minus that DHET gives to a University. Now to produce a Masters student does not cost anywhere near 120 000 that is just the fact of life because supervisors don't get their salaries from one single student. They get their salaries from other functions that they perform, teaching and so on. So you will find that in producing that Masters student probably the University is not spending more than R10 000 in actual fact because research Masters don't attend class.

It's not a top Masters, it's a Masters where you only deal with a supervisor. You go to one or two workshops on methodology, theoretical frame work or literature review or something like that. There's no input cost that is heavy on the University to produce research Masters and the PhD. If we say its three units for a PhD it means a PhD student the University is making plus minus 360 000 that they graduate. Now they are not spending so I am saying definitely for those categories there's enough money. The question is Universities need to be transparent and we need to talk how we utilise that money in an intelligent way. There's a problem of funding at the Honours level and firstly there seem to be disagreement whether to say now Honours are part of under graduates or part of post graduates. You see this in institutions where they are located.



So one time Honours students are part of the post graduate administrator and at another time they are part of the under graduate administrator. My suggestion there is not to deal with the question of funding. My suggestion is to deal with the question of District Structure and I'll give two reasons why I say this. The question of District Structure is to say I propose with my analysis and understanding of the system as it's stands that all Degrees, most if not all. A four year Degree with an Honours 1. Funding for Honours seems to be very precarious and we lose a lot of people that would in advanced go for Masters and PhD because they can't receive funding for Honours.

Whereas in situations where students leave with four Degrees like LLB students and engineering students. They tend to find it much easier to come back and do a Masters even if part time. Compared to people who leave with three year Degrees to come back maybe having gone to be employed come back and do Honours and then pursue a Masters. Also when they leave without Honours it means that they complete a Degree without that component of a research paper being written. So we actually produce to society what I think in my understanding, half-baked students that society desires. It's more fundamental with the influx of numbers in the sector because now examine students with multiple choice questions.

When we should be examining them with essays, so you might find that a student in a three cycle of a Degree have actual done two or three comprehensive re written assessments. The rest is been multiple choice because of the numbers and then for me to make it compulsory for all the Degrees to have an Honours component would make sure that we have people with the base for research and writing. There's no industry today that does not appreciate a person who can read comprehensively critic and write. I think that would be a good starting point and it would also then say we longer have Honours and B Tech for example as post graduate initiatives.

We have them inbuilt into the under graduate Degree. That will also assist us in terms of articulation with other institutions across the world. When students wants to then leave and go study abroad. As that they would have a four year Degree and then would walk into a Masters' programme abroad as well without having to do a bridging year when they get there. So that's the first aspect because then you would deal with those implications of a four year Degree. Of course you will have implications at costing level, but it is desirable that people who go to Universities get the maximum value of being there. The second part of course deals with Honours and B Tech being foundations of going to Masters if we are precariously funding that level.

It means that we are under sourcing Masters and PhD because we are not having a system that creates an influx of people with Honours. So people will leave their Honours half way there's no incentive for them to do their Honours. People have the imminent of course, that threat of wanting to look for employment once they have a Degree Certificate at hand. It does also create an inequality inequitable system in that engineering student, law students and some students leave with four year Degrees. They can then go to Masters at a level later in their lives whereas some students with three years Degrees must go back and do Honours and do a Masters. So I think there's also... It probably deals with the question of quality over time if we did that augmentation of the Degrees.

ADV. M ZULU: Are you then saying there's insufficient number of students who have Honours who can proceed to do the Masters and PhDs?

MR. L. MNGUNI: Because of the cracks and almost institutional neglected time for Honours students. Honours students tend to end up dropping out, not completing their studies and of course if that happens. If you are not having higher throughput there, you are not going to have higher throughput in Masters and PhD because that is the base for some people to then jump into the Master's program or a PhD program. If we make sure that everybody, every single student that walks into the system gets a four year Degree. It means that everybody who passes a Degree has potential to becoming a Masters and a PhD student and you change the game all together.

ADV. M ZULU: Yes, I am sure you can proceed with whatever you want to share with us.

MR. L. MNGUNI: I think in so far what I would have... Well one addition that I would make to the funding sources. that I identified would be education training and development practice, SETA which is one of funding for post graduates studies because the SETA also collect that 1% skills levy from Universities and also gives back for skills capacitation. There certain grants or bursaries that they give to post graduate students at Masters and PhD level especially. The point... maybe let me make this point now, if we are to declare tuition fee remission across PhD for example.

We might end up having more money to spend that comes from institutions like NIHSS. NIHSS gives about 120 000 per annum to a PhD student in the Humanities of Social Sciences. Now a student in UKZN who's under the NIHSS is at a far greater advantage then a student in an institution that actually charges for PhD. It means that the 120 000 actually go direct to a student in UKZN, but then the 120 000 in another institution is absorbed by the tuition fee even though... like I've said there's lot of compensation for institutions to increase throughput at that level. So you will find that maybe a student will take away 80 000 depending what the fees for PhD are 90 000 or whatever it is.

We would also be able maybe to say to NIHSS if everyone is on tuition fee remission maybe your bursary doesn't need to be 120 000. It needs to be something less and cover more people in terms of funding their field work, their accommodation but If the suggestion to say DHET must advance R50 000 and of the research output to the students directly to deal with the other aspects of fees, accommodation, transport and so on. We might even have to say NIHSS reduce even less how much you spend per person and continue that pull to make sure that as many people as possible are funded and given incentives. Of course that money some people as a stipend and that is fine. I mean people can get paid to study at that level because it's what the country desires and there's... you note in your interim report and national development plan as well about the place of education and society. Some people are getting paid to study and maybe PhD students with all these types of funding we could actually end up creating a stipend and I am talking not injecting new money. I'm talking at reworking the current funding frame work. We might actually make a lot of head way.

ADV. M ZULU: The sources of funding for post graduate students are in a form of bursaries. They are not like loans like NSFAS.

MR. L. MNGUNI: NSFAS funds up until the Honours and B.Tech level so NSFAS doesn't fund Masters and PhD. I think, thank you for that question. It's an important question because it simple says if you can't find yourself you have a sealing in terms of your knowledge, acquisition, project which means you can't go on to Masters or PhD. You don't have the funding, you have been declared for the last four years by the system that you don't have the funding. So you are told to go and work, literally that what it means in the current setup. Of course then you get the bursaries.

You get some what I call South African Research Chairs I think that's another one I missed out in my submission. So we've got what you South African Research Chairs. In the Research Chairs maybe a lot of them are administered by the Department of Science and Technology. So it will give an academic as a principal investigator of a particular project over three years. There will be an allowance there to have X number of Honours, X number of Masters, X number of PhDs, but tends to be about students that are already in the system. So you must have had money to register as a student. Off course if you are a PhD in UKZN this is not institutional bias, but this what I call reflecting on an institution that I think has move progressively.

If you have a tuition fee remission you didn't need money to register for a research Masters, you are absorbed into a program and maybe you are getting a stipend of 5 000. That 5 000 can now then assist you with accommodation, transport and field work without having to worry about tuition fee, whereas in a situation where you are in a Master's program, a taught Master's program or a research Master's program that is charging a tuition fee. Your stipend from being involved with the research chair is first and foremost to cater for the tuition fee. Then of course you then have less money to spend on things such as accommodation and so on.

ADV. M ZULU: Thank Chair, I don't think we have further questions unless from my colleagues.

JUDGE J. HEHER: Mr. Mnguni is there anything further you want to say? We have your written submission and we've listened to you. Is there anything you would like to add?

MR. L. MNGUNI: Chair at this stage, no not at all. I do think though, let re-iterate that we must always be mindful. We are dealing with the system that in terms of its costing is highly non transparent and also somewhat insufficient in how it does it's costing. I think there's a lot of... there's work of course we are expecting a counsel on higher education on that in the next 12 months. I think that needs to always be in front of us that while we are talking about these monies and like I have tried to demonstrate why I think it's actually a ripe off to charge students at PhD and at research Masters.

I think we need to continuously deal with this issue of costing of these Degrees to make sure we understand exactly what these institutions are doing with this money. Avoid pumping public funds into an inefficient system. Last but not least, I would like to see the Commission at some point doing a tally maybe a voluntary level or searching records, I don't know how a tally of how many institutions or entities give bursaries to higher education and maybe we can find a way to try and quantify that. So ABSA has a bursary fund, a trust in Durban called Hexagon Trust pumping about 9 million a year into higher education by means of bursaries, your career wise as housing for a number of bursaries schemes and check how much bursaries are actual pumped into the system. So that when we reach a level of talking figures we understand what Government is giving, we understand what individuals are given. We also understand actually how much do bursaries and of course each institution so its bursary offices would be able to know. I think it would be important from all 26 Universities for the Commission to try and get that man.

My feeling is that we are discussing funding for a system that is getting money, but some of this money seems to be miss directed or because of pressures, especially at infrastructure development. Institutions need to create more revenues because they don't have funds for infrastructure then a lot is brought into the tuition fees, that shouldn't be there. Maybe we start talking about partnership

also for infrastructure development between Universities and private sector. Maybe that too will alleviate a burden on the tuition fee. It seems as if the tuition has a lot of externalities that don't have to do anything with the teaching, the learning and the supervision.

They inbuilt other externalities that the sector is trying to absorb as specially at an infrastructure development level and I will really like us to check how is the system is getting from private donors who are taking bursaries into the system. And see if institutions can be honest to say if we were to minus concerns for infrastructure developments and deal with them in the private sector and the resource which entities earn. This is why that observation bordered me and I think the Commission needs to take it up very seriously to actually bring in even if it's to subpoena institutions like the Chamber of Mines, like Chamber of Commerce, Counsels and staff like that and maybe not individual institutions, but their representatives to appear here and do make a commitment towards some of these strategic funds. That we do need in our institutions especially the historical disadvantaged institutions. Thank you, Chair.

JUDGE J. HEHER: Thank you, thank you Mr. Nguni. You are excused thank you very much.

MR. L. MNGUNI: Thank you, Chair.

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

ADV. K PILLAY: Chairperson we are scheduled to take the lunch adjournment now before the next witness testifies.

JUDGE J. HEHER: Certainly, we will adjourn. You will let us know when you ready.

ADV. K PILLAY: I will Chair.

.....ADJOURNMENT.....

### **Presentation-3**

ADV. K PILLAY: The next witness Chair is the Wits University Financial Aid and Scholarship Office

JUDGE J HEHER: Thank you. Can I have you full names Sir?

PROF. A. CROUCH: Chair my name is Andrew Martin Crouch, I'm the Deputy Vice Chancellor-Academic at the University of the Witwatersrand. And.....

JUDGE J HEHER: Are you prepared to take the oath?

PROF. A. CROUCH: I am

JUDGE J HEHER: Do you swear that the evidence that you will give would be the truth, the whole truth and nothing, but the truth.

PROF. A. CROUCH: I do

JUDGE J HEHER: Thank you. Is it Professor Crouch?

PROF. A. CROUCH: Professor Andrew Crouch

JUDGE J HEHER: You are aware Professor Crouch that FAPSA made a presentation to us yesterday?

PROF. A. CROUCH: Yes I am

JUDGE J HEHER: And are you aware the content of what they had to say?

PROF. A. CROUCH: No I'm not Chair

JUDGE J HEHER: That's fine. Thank you very much Miss Pillay

ADV. K PILLAY: Thank you Chair. Professor Crouch I know that the office has prepared a presentation, so maybe you want to proceed with the presentation and if and when we have questions, we will pose them to you.

PROF. A. CROUCH: Thank you Chair we have a presentation and we also have hard copies, if anybody needs hard copies. And we also have some supporting documents which we will hand out at the time when I in fact talk to those documents. Just to start, the University of Witwatersrand has a Financial Aid and Scholarships Office, and this Financial Aid and Scholarships Office is really the operational arm of the University in terms of disbursing any bursaries whether it's the bursaries for undergraduates or postgraduates that are in fact coming into the university. The policy arm of this office is in fact the Senate Sub-committee for Financial Aid and Scholarships and I'm the chair of that committee. So at a strategic level, we have a policy making by a Senate Sub-committee, and at operational level we have the Financial Aid and Scholarships Committee. Now the Financial Aid and Scholarships Committee make a whole range of disbursements to students based on the income which it in fact gets. So the income is from different sources and through the presentation I will try and illustrate some of the sources of income that the university gets for disbursement.

So on the first slide, it's really a table and I don't know how clear it is. It is a table of the income which the university received through various sources for 2016, and I would say it's the third column of that table, there is an amount, just over of R1 billion. May I proceed?

JUDGE J HEHER: Yes please

PROF. A. CROUCH: There's R1 billion that has in fact flowed through this Financial Aid and Scholarships Office which in fact are disbursed to students. Now a proportion of that is for undergraduate students and another proportion is for postgraduate students - so I'll come back to this table. In the next table, we have a pie chart of the total percentages of disbursements to undergraduate and postgraduate, so there are two pie charts the one relates to disbursements last year and we can see in terms of postgraduate disbursements, approximately 29% of the money which we received, has been disbursed to postgraduates. Up to date and the year is not finished financially because there must still be another pay-out in May to postgraduates, we have disbursed 24% of that approximately R1 billion that has flowed through our offices.

Now going back to the table, if one looks at the sources of income that come for disbursement to students, there are a number of sources and I'll just try and highlight a few. We have what we call 'internal bursaries', which are bursaries normally made to students from various internal sources. And then we have External Bursaries which come typically from the corporate sector and these can vary from a wide range of corporates: the financial sector; chemical industry; mining industry, etc.

And then we have government bursaries from the various government departments such as for instance, the DTI etc. we also have a proportion from the National Student Financial Aid Scheme – NSFAS, and you can see in the table, in the second column there, approximately R192 million which we then disburse to undergraduate as well as postgraduate students. And I should say that the proportion of NSFAS students for postgraduate students, are very low compared to the numbers for undergraduates. In the NSFAS basket, we also administer a whole range of specialised NSFAS allocations. These could be for students with disabilities – there's a pot within the NSFAS suite of funding for that group. A group of funding for final year students and also allocation for specialized courses such as Education students, which is called the Funza Lushaka allocation.

If I proceed to the third slide there, it gives and focusing more on postgraduates, from the left to the right, just looking at the top part of the curve, there's a number 9 766 which was the total number of postgraduate students we had in 2012. And in 2016, that has grown 12 664, now this is in sync with our own strategic plan in the university which is outlined in this document which I'm holding up here, and I can make copies available - it's the Wits Vision 2022. On page 23 of this document, reference is made to the fact that the university wishes to grow its postgraduate percentage by 2022 to reflect 50% of the student body. In 2016, we are sitting at 34% of our student as being postgraduate. And then below that curve, we have the different categories of postgraduate students and it is represented by bar graphs. So you can see in 2012 we had Honours; Masters; different types of Masters, Masters by Research, Masters by Coursework and Research etc.; as well Postgraduate Diplomas and PhD students. And the bar graph really just represents how those changed over the years from 2012 till 2016.

On the next slide, we have the actual allocation from that R1 billion pot, and as I said up to now, we have allocated 24% of that to students. And dated October 2016, that's the last bar graph – there we

have allocated thus far R233 million or just over R233 million to our postgraduate students. We expect that by the end of this year, it would be similar to the 2015 figures which are R265 million approximately, and we can see the growth over the last couple of years in the allocation of funding to postgraduate students. So there was a commensurate increase in the numbers of students and there's also an increase in the amounts which we have allocated – from approximately 60 million in 2012 to well over 260 in 2015, and as I said earlier, we expect a similar figure to be reached by the end of this year.

The following graph is really just to give the number of students which we are funding. Of the approximately 12 500 we have as postgraduate students this year, we are funding just over 6 200, so just over half of the postgraduate students which we have in the system. This is the funding which we can see that's flowing through the university's Financial Aid and Scholarships Office that are in fact paid out to students in one or other way. At this stage we do not have data on how the other half of our postgraduate students are funded because we don't have the financial data on that.

I just want to highlight one area where we have students coming from the National Research Foundation, or students funding from the National Research Foundation to give a perspective on one of the funding sources. The National Research Foundation funds postgraduate students either through supervisor approved awards or directly via the NRF. And in 2016, we are funding 858 at a value of just over R56 million – and this money normally is administered through our Research office and Dr. Robin Drennan sitting on my left here, is the Director of the Research Office. On the next slide, there's just a schematic of the support that our postgraduate students in fact get in terms of the Financial Aid and Scholarships Office. And that support is directed through the office of the CFO and Miss Mandy Kort is our acting CFO and Miss Felicia Singh is in fact directly in the actual disbursement of the funding at the Financial Aid and Scholarships Office and she is supported by a team within that office. The Research Office as I said is headed by Dr. Drennan and he can in fact expand on some of the support given to postgraduate students through the Research Office.

I just like to further state that the growth in our postgraduate students has been very encouraging but that has also brought about many challenges associated with growth, such as for instance the shortage of funding for studying, internal resource challenges such as shortage of the number of posts of Supervisor that's needed to supervise the Masters and PhD students. In the Science, Engineering and Technology environment, it has resulted certainly on us having pressure on physical facilities such as laboratories etc., and these are things that through our growth strategy have to internally address. The strategy for our postgraduate is highlighted in our Teaching and Learning Plan which our Senate approved document and I have a copy here. And I refer to page 6 of this document where it's explicitly said that: by 2019 we hope to be 40% postgraduate and 60% undergraduate. And further I would like to submit that this document also speaks to a 15% enrolment of international students because we believe that the international students within the postgraduate domain, is important to create an international culture for our postgraduate students. But this in itself comes with challenges because our mechanisms internally are not geared to in fact direct funding to international students, and I'll ask my colleague to in fact take the matter further.

ADV. K PILLAY: Professor Crouch may I ask you a question around the target of 40% postgrad and 60% undergrad. In terms of what we understand to be the dearth of funding available for postgrad students, how does Wits intend to reach that target of 40% versus 60%?

PROF. A. CROUCH: We are already at 34% and this is an increase of about 2% from about 2, 3 years ago. So there's an active strategy and it's driven through the office of the Research Director to actively market programmes to recruit postgraduate students and also look for funding through our Development and Fundraising Office to support those students. So over the past few years, our postgraduate student numbers have increased by approximately between 500 and 1000 per annum.

ADV. K PILLAY: And perhaps you can share with us the highlight of the strategy to attract funding for postgraduate students.

PROF. A. CROUCH: There are a number of strategies – the first is to leverage what we call the parastatals and there we have the Department of Science and Technology, Department of Trade and Industry, and particularly the National Research Foundation which I think it's the funding arm which deals with university funding. So to try and procure more funding from those by having obviously having better proposals to these funding bodies, that's the one area. The other has to do with selecting specific postgraduate programmes and then going out to industry and ask industry to resource the students who are participating in those postgraduate programmes.

ADV. K PILLAY: Can you tell us what challenges you encounter in lobbying the private companies for funding for postgrad students?

PROF. A. CROUCH: We have a Development and Fundraising Office who specifically deals with that, but one of the challenges which has certainly come to my attention when the Development and Fundraising Office goes to try and procure funding, firstly I talked earlier about the challenges around international students. So if there are good international students and the university would like to try and get money for that, there's always the matter of an international student and we have to give priority to local students – that's the one. Secondly, industry and the private sector have a tendency to want to fund students who are aligned to their kind of business, let me use an example; the financial industry will be more prone to fund students in areas like Accounting, Business Sciences and these days believe it or not in Physics and Applied Maths because those are the kinds of skills which they need. The Mining sector would be more prone to fund postgraduate students in the Mining area or Engineering area. So those are the things that we find, so there are very few industries or private sector partners that will fund students.....I would almost say Carte Blanche, in other words a financial sector will be interested in an Engineering student to fund. So those are some of the challenges we find.

ADV. K PILLAY: And how does the NDP target affect Wits' planning in relation to its postgrad students?

PROF. A. CROUCH: Wits has been.....in terms of our Vision 2022, we try to align that to actually the National Development Plan, so our own Vision 2022 document speaks to the National Development Plan. And in terms of the targets which we have set for ourselves, certainly for postgraduates and the production of postgraduates in the key areas, we call them the STEM – Science Engineering areas and Mathematics, we have reached most of those targets for postgraduate that we have set, and in some cases exceeded it. I should also mention that Wits as part of its strategy, would like to be 50% Science, Engineering and Technology which is effectively Science, Engineering and Health Sciences. And the other 50% being Management in Business and Humanities, and we have managed to attain that even before 2022 – we are in fact very close to 50% Science, Engineering and



Technology, in fact 49%. And the way we work is to set specific targets each year as part of a 3-year rolling plan and then we work towards those targets, and it's cascaded down to the university. So there is a regime in place where we can actually monitor those targets.

DR. R. DRENNAN: Can I add something? My name is Rob Drennan representing Zebulon Vilakazi in the Research Office

JUDGE J HEHER: Dr Drennan would you mind if I swear you in?

DR. R. DRENNAN: Not at all

JUDGE J HEHER: Do you swear that the evidence that you will give would be the truth, the whole truth and nothing, but the truth.

DR. R. DRENNAN: I do, so help me God.

JUDGE J HEHER: Thank you

DR. R. DRENNAN: I just wanted to add on that question about funding the move to the 50% postdoc. Our strategy also around research is to be internationally competitive but locally relevant. So research capacity in the world is limited and if we can offer a capacity to do high quality research all in good, we will get funding. And of course research gets done by postgrad students, so by just being a research intensive university and having excellent professors, it attracts interest from across the world and perhaps even more so than locally industry, unfortunately local industry battles with a sluggish and what not and doesn't have sufficient funds for some might say it's things we can do later research. But the world is very interested in knowledge and so the research gets done, and international people will come and fund it and it always involves bursaries, so that's another leg of that strategy. Thank you.

ADV. K PILLAY: And Dr. Drennan, how do transformation imperatives affect your strategy on postgrad students?

DR. A. DRENNAN: So representation of our student cohort is vital, of our faculty cohort is vital as well. In terms of the student cohort, I think we are very representative, in fact to some extent, we've had to attract white students because we don't have enough of them. We go for diversity so we go for a reflection of our local region and so we need people from all those race groups, religion groups and what not. But our focus is very much on quality so we are driven by excellent students and excellent professors to achieve that as I said that goal of internationally competitive research that is locally relevant.

ADV. K PILLAY: If we can just focus on poor students for a while. How do poor postgrad students access funding at Wits?

DR. A. DRENNAN: So Andrew will correct me where I go wrong but NSFAS is a great opportunity and I mean the detail is in what we have presented about the postgraduate students benefitting from that scheme. The NRF gives us a lot of students....you see the growth in the number of NRF students. But then when we are getting funding from an external body, we would as I say always ensure that the bursary is related, involved to that particular research, and those would go the student body and the student body represents everybody that we represent in our community. So the poor student would

be caught up in that process as well. What often a professor does at a research group level, is a certain amount of balancing of these different funds. So if a particular student qualifies for NSFAS - they would go there, if another has a better shot of getting NRF funding - they would go there, if a third has a better shot of getting funding somewhere else, say from an international funder – they would go there. It's a case of trying to balance mix and match to make sure you've got enough students to do the research. In my experience if I can just say one more thing of trying to encourage and nurture research in my job, I often ask academics: what's the thing that holds you back the most? Is it funding for your research, research is expensive. Is it time, because you have to teach and do all these other very important activities or is it students? And without fail, the response is high-quality research students, and of course the poor make a huge contribution to that, and so lack of funding there really holds back research.

ADV. K PILLAY: And we know that both the NRF and NSFAS play a very limited role in funding postgrad students. So I just want to get a sense of the alternative forms of funding and I see Professor Crouch you want to come in here. How do poor students access alternative form of funding?

PROF. A. CROUCH: Apart from the NSFAS allocation, I did indicate in the presentation that our NSFAS allocation for postgrad students is actually very small. And this is due to the NSFAS allocation model rather than our distribution model. But the university itself has a pot of money, this year it was R34 million that it in fact disburses on a merit basis, and within that disbursement, half of that money goes to postgraduate students. And it's allocated on a basis of first PhDs, then Masters and then Honours students. And as I said it's merit first but also need, so within those categories of allocation, we find that you have the Merit Bursary on the one hand and then what we call a Wits Bursary which then looks at popping up if a student has a shortfall even paying for travel in some cases. So there is an allocation but I should say it's limited, we only have about R42 million from internal Wits funds for that purpose.

ADV. K PILLAY: And we had evidence from both NSFAS and NRF that even where they do provide bursaries or scholarships, that this doesn't cover the full cost of study for postgrad students. So in those instances, to what an extent does Wits top up and I think you've started answering that question. And if Wits is not able to top up entirely, how does the student access funding to make up the difference?

PROF. A. CROUCH: We have various other schemes, normally the NRF scheme there are certain limits that apply. So even if a student has to make a choice between an NRF bursary and another bursary, they will normally choose a bursary which best suits their needs, and as Dr. Drennan would tell you, many students then turn down the NRF bursary because it has certain limitations. Our students also supplement their income, is to work internal in the university, there are Tutorship and Research Assistantships and Teaching Assistantships within the university, within the various departments and schools. In fact I could say the majority of postgraduate students work within the schools and departments, and through the tutorship and Teaching Assistantships, they can supplement, but there is a formal structure by which they are then in fact been paid.

DR. R. DRENNAN: May I add please?

ADV. K PILLAY: Please put your name on record first Doctor

DR. R. DRENNAN: Rob Drennan. One of the restrictions though that sometimes hampers NRF funding is that they are only allowed to work, I think its 12 hours a week. And as a result, these tutorship and what not, can often go to a level where they are now no longer eligible for their NRF. And so as a result, you are sort of caught between a devil and a hard place.....I've forgotten the phrase

ADV K PILLAY: It's a deep blue sea

[laughter]

DR. R. DRENNAN: Thank you. And you want to take on a few more extra jobs and do a bit more extra work. And the tutorship, I mean its academic work, it helps their development but now they are excluded and now they can't get hold of that NRF bursary. So in a sense I understand why the rule is there, you don't want people earning huge salaries and getting NRF bursaries, you want to go to the poor. But the poor are also trying very hard to make a living for themselves in the university and they get caught foul of these restrictions. So we need to apply restrictions with common sense.

ADV. K PILLAY: Just in respect of NSFAS funding for post grads students. Is any suggestion from your side as to how to improve student's access in the NSFAS funding.

PROF. A. CROUCH: I can comment on the current disbursement of NSFAS. I did say earlier that I do not believe that it is enough. I do believe that the NSFAS model for under graduates there are limited success because we as University have in the past always top up students who receive NSFAS to make sure that, that gap between what the actual studies cost them and what they receive from NSFAS that is covered. Even that has become unaffordable for the University.

We have... We are in the process of phasing that out. I should say with the permission of the students because we have had consultation with that. So the hope is that in the new NSFAS model, that the total, the cost will be covered. Then the plea is that it'll be done for both the under graduates as well as post graduates because we believe that just as there's cohort of poor students in the under graduates there's also the similar cohort in the post graduates and the percentages vary. We internally are trying to put mechanisms in place to try and cover for that. I think it will be... there would more peace of mind on the part of the students if a similar system can be introduced for post graduates. At the present moment I understand that NSFAS cover only the Honours students. I do not think there's allocation for Masters or PhD.

DR. R.DRENNAN: I do need to add if you don't mind. I think also part of the answer to your question is efficient bureaucracy so that the money gets to the students on time etc., etc. That often revolves an interface between NSFAS and the University and that has changed and it's changing and it's not clear and so. Whatever we do in the future we need efficient bureaucracy. We might need to look where we find that. We might need to partner with some commercial entities to do that. I know there's a cost involved, but the cost of inefficient bureaucracy is greater. I would suggest.

ADV. K PILLAY: That brings us to the student's centred model. Professor Crouch do you foresee that there'll be a significant change in the amount of NSFAS funding that comes to Wits as a result of the implementation of the student's centred model.

PROF. A.CROUCH: If you are referring to the students centred model that includes the missing middle than I do think that there would more funds coming in because we do not have the hard

facts on who the missing middle is, at this pointing in time within the University because we were never allowed to asked the question to our registered students how much does your parents or whoever support you? How much do they earn? So through surveys which we have done internally from our first years we can use that to project and again in a total at this stage seem to suggest that the NSFAS cohort in our University is approximately 12 to 15% in the current NSFAS which has threshold of 122 000. If you going to add the group 122 to 600 000 we would most probably look at another 50 to 60% of our students in Wits then that would 75% of the student body that would be cover. So my sense is that if that group, the missing middle is also going to be covered through NSFAS it means that there would more funding from NSFAS that have to come into the University to cover that group of students.

ADV. K PILLAY: I know that Wits University is one of the Universities that would part of the 2017 pilot, but if one were to remove the missing middle from the equation for the moment. Given that the new NSFAS student centred model will no longer race as a proxy for disadvantaged, would that have a significant difference in terms of the NSFAS funding that would be received by Wits?

PROF. A. CROUCH: It's difficult to say because we only have data on the current students in NSFAS. So it would be premature for me to speculate as to what percentage increase we would get if we just stick to the student's centred model and not have that missing middle at that stage.

ADV. K PILLAY: One of the issues which we are also looking at in the Commission is the question of the regulation of fees. Does Wits have a position on potential on regulation of fees?

PROF. A. CROUCH: I would ask my colleague from the acting CFO to add because may I should first make a statement. I think one must realise and I'm sure this Commission have heard that before that the University effectively only has three funds, sources of funding at present which is. Government subsidy which is based on output input model of students, students in the system and students that successfully graduate from the system and at this point in time we are locked into an enrolment plan which we have agreed to with the Department of higher education and training.

I know about it because I submitted it through my office. We are to a certain extend penalised in terms of our subsidy that we get if we over enrol or under enrol. There's a 5% variance, so it's a contract we have and we trying to stick as closely as possible to that. I must say there's been encouraging signs where we've been encouraged by the Department of higher education to try and broaden access. We're now looking at different ways of doing that. So that's one source of funding. The other source of funding is through student fees and we have tried to keep the student fees as low as possible and increase it as low as possible. The third component is what we call third stream income which comes from various sources etc. Now because of what I refer to as academic inflation rather than inflation as we know it.

Where external sources like or external variance like the cost of library, library books which we know last year have increased, journals, subscriptions, the cost of operational chemicals and other operational cost which has gone far beyond the normal rate of inflation plus the fluctuation in currencies because our holdings have to come from abroad. The reality is that the expenses that we plan for due to these external factors sometimes grow to a rate much, much higher than our potential income. Unless we can arrest what I call the expense, we in a cycle, continuous cycle of having to keep because at the end of the day to be able to run an academic programme and to run a

good academic programme that, delivers human resources for the country. That would serve the country not only now, in the future.

One has to say to what extent you can cut and to what level can you cut before it starts compromising what you want to deliver. Our University says we try and budget very carefully and have to look at all possible sources of the income. Unless there's increase in one of these components, either the subsidy or the third stream income, Universities normally don't have a choice, but to increase student fees to a point where it can match some of the expenses even after you've cut the expenses to the bone. So the question of whether there should be regulation on student fees. I would certainly support it if one can look at the other variable which is the subsidy that the model for allocating the subsidy that should also be looked at because you can't think with the one and forget the other one.

ADV. G ALLY: Well Prof. we in this Commission - I am known as the chicken and the egg person because my question is always been, if you can afford or you can give an LLB at UniZulu, University of Zululand R25 000, why should it be different at Wits? The answer I've been given is that, you don't start from a zero base, you've got your infrastructure, You've got this, you've got poor subsidisation and so forth. Now when we speak about fee regulation, we first need to ask a question, how much is it for that particular programme? Do you need to pay a 125 000 for an LLB at Wits?

As an example, it doesn't mean that you are and that LLB is 125 000. So it is those points for myself, personally though. It is that particular factor that then brings you down to say, okay is it possible that we can all then charge R25 000 for an LLB and what is wrong in that. Are you teaching something different? And if it's different, what is that? So I always put that question and I put it to Prof. Habib and all and Mack's and all of them because I do think it's an important aspect that needs some kind of delving into.

DR. R. DRENNAN: And I'm giving my honest opinion on that very important question. Twenty six Universities are not the same. They are very different geographically and academically. They all make huge contribution and are all very important. In fact we could double the number of Universities in order to have too many, but the truth is that they are all very different and to apply one price increase insist that an LLB cost the same in every University overlooks the complexity and variability for all the Universities.

So in my previous job with working with the National Research Foundation I got to work with all the 23 Universities and having studied at three. I was arrogantly under the belief that I knew what all South African Universities look like. Until I got to go and work with them and they are all very different. So I think it would a gross over implication to say LLB 180 000 for everybody. So I would plead with the Commission to think really hard on that question and look carefully at what each offers and how different it is and how we need that diversity across the country. By insisting that everybody charge the same amount, I think we will lose that valuable diversity. Thank you.

PROF. A. CROUCH: I would like to start by saying that more and more student's demand and these days students do demand. That we also recognise what we referred to calmly as co-curricular activities in fact I believe that there's a call that if a student is graduating and student receives his or her certificate or graduation certificate with a transcript of the academic marks. That they should also be an annexure to it to reflect the student's co-curricular activities for instance the student was

a tutor for Law 3 etc., etc. because it acts as experience which the student picks up during his or her studies during the University or Chairperson of the debating club.

It's a reflection of whether the student can put the argument forward etc. We will enter that within the next couple of years because that is what students want and to certain extent it also speak to the gradualness of the students. In other words what skill has added on other than academic, content, curriculum that the student in fact have for the time he or she leaves at the University. So I think talking about the curriculum itself because I think it speaks to what does a Degree cost. Now the higher education sub-frame work which the University has just completed now. Specially speculates that each Degree irrespective of the University you do it at would count the similar number of credits and this has to do with the fact that you need to be able to articulate between Universities.

So if you do a BA law and UniZulu you should be able to go and to the LLB at Wits or UCT etc., but that only speaks to the former curriculum. It doesn't speak to how that curriculum is taught. By who that curriculum is taught etc. and it speaks to Rob's earlier question of the academic and the Professor and how excellent that person is. All of these things come with cost, to start with. So I do believe that Wits University over and above the curriculum, the former curriculum that is offered also offers a reasonable co-curriculum for students or this all adds to the richness.

Since we are talking about students centeredness and discussions are moving in that direction in all the Universities that the student is central to the academic project. I think we have to take all of this things into account and it all add to the cost of the student's experience within the University, so as to the differentiation in Universities. I think that Rob touched on the fact that each University offers uniqueness and I think we need recognise that uniqueness. I would like to use the example of a car. We know a car is a means of transport and you can a Hyundai i10 or you can have a BMW 3 series. They both transport, they both take you from point A to point B, but we know that the one in fact cost much more than the other. I think it's that kind of argument that I think we also need to consider.

MS. L. KHUMALO: Sorry on the, just to take you back. On the first slide where you had indicated the difference sources of internal external bursaries, earlier on we had a presentation from a researcher who was saying there's uncertainty as to how the external bursaries are counted for in the system and he made an example, maybe ABSA is giving so much bursaries and how many kids get the actual entire amount that is disbursed bursaries to kids or it gets diverted to other infrastructural you know. So do you guys have any comment on that?

PROF. A. CROUCH: Thank you. If I can answer it in two ways, normally if ABSA gives part of the money to the University, there's normally a very strict requirement to that, in other words, they would say and we've just had an example where ABSA has given us R10 million. We thought it was non-descript and we said we will use this money to in fact pay for those students or any student that owns less than R20 000 that's close to graduation.

To allow them to graduate we will in fact pay that money. So the registrar started identifying those students and we started calculating how far this 10 million would stretch. How many students can we help through that and then we looked closer at the fine print and so that ABSA said no, these students, the following category of students need to be funded. From this group B Com, BA

accounting Science etc. So I think when funders give money there are very specific requirements. Universities are actually obligated to follow those regulations.

Then there's a second category where a company like ABSA would say, please identify a group of students which we want to interview and through our own external process because we have a bursary scheme. We want to allocate the bursary and then there's a contract between the student and ABSA. The University just administer the money. So those are two categories. Internally as pointed out earlier the table which is presented here is the monies which flows through our financial and scholarship office and there very, very well defined criteria that are used. We have policies that define the allocation. There are some committees that in fact make recommendation. This is all done through the, either the Director of Research Office or through Financial office.

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

JUDGE J. HEHER: Thank you very much Professor Crouch and Doctor Drennan and the two ladies. Thank you.

PROF. A. CROUCH: Would you want me to leave some of the documents that I referred to?

ADV. K PILLAY: Thank you that would be very useful Professor Crouch. Thank you, Chair. The next witnesses are from the UJ and see the witnesses are seated here. So if we could just give them a minute to go the front.

**[end of presentation]**

#### **Presentation-4**

JUDGE J. HEHER: So we have Ms Nolwazi Mamorare and who is accompanying you. Mr. Mzwakhe Matukane

MR. M. MATUKANE: My name is Mzwakhe Matukane

JUDGE J. HEHER: Do you both intend to give evidence?

MS. N. MAMORARE: Chairperson it will be just be myself who's giving evidence. Mr. Matukane is accompanying me because he is the Director responsible for student finance at UJ.

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

MS. N. MAMORARE: So help me God.

JUDGE J. HEHER: Thank you

ADV. K PILLAY: Thank you, Chair Ms Lekoane will be asking questions of the witnesses.

JUDGE J. HEHER: Thank you, Miss Pillay.

ADV. M LEKOANE: Thank you, Chair the presenters have prepared a presentation for us. I'll ask them to proceed with their presentation then if we have any question or seek clarity would take it up with you. Thank you.

MS. N. MAMORARE: Thank you Advocate. We have been asked to do a presentation on student funding at UJ. So what we've tried to do with our presentation we've just set out over the past 4 to 5 years how the total student's population at UJ has been funded. So in the current year 2016 we've got a total of 50 099 students of whom 24% are currently funded through NSFAS. 17% through internal UJ funded bursaries. 22% through external bursaries and 37% is currently funded through own family income.

ADV. M LEKOANE: Sorry would that be tuition fees when you say self-funded?

MS. N. MAMORARE: Will that be tuition fee? That would be tuition fee and residence fees where the student residing on campus. Commissioner as you will see the trends over the five past years have varied. Unfortunately there's no clear trend because there's a lot of contributing factors to how much we were able to rise in a certain category. For instance the status of the economy would directly influence funding us we able to rise from external sponsors. The level of effort that the University puts in depending on its own available capacity in raising those funds, the effect of factors like inflation and the foreign exchange rate will determine how much we do have as surpluses that we able to plough back into internal bursaries. So you will see in the last two years, we have seen an increase in the level of funding from external bursaries. That is really because of the specific effort that the University since late 2014 has put up until now, has put in to make sure that we go out there and mobilise external funding for our students. If I can just through to the next slide, the NSFAS funding. Currently on 24% of our students are funded through NSFAS. This has grown from 22% in 2012. The number of applications we've received this year was 17,414 of whom 12 555



qualified for funding and we were only able to assist 95% of that, leaving close to 600 students that we were not able to assist to the limited resources.

ADV. M LEKOANE: So is this 95% from all the sources of funding?

MS. N. MAMORARE: This is 95% of the students that qualified for NSFAS.

ADV. M LEKOANE: Yes you are saying that 95% are funded students so it's from all these sources of funding that you referred to in the first slide, NSFAS, external bursary and internal bursaries.

MS. N. MAMORARE: Of the total population from the previous slide, the 50 099 students. Only 25% of them are currently funded through NSFAS, the 11 956.

MS. L. KHUMALO: [interjects] No, no on the sources of funding. Is this the percentage for NSFAS only or for all other sources? Is it NSFAS only?

MS. N. MAMORARE: The percentage you are referring to? Commissioner the percentage I'm referring to, if you go to the first slide. We've got a total population of 50 099 students. So 24% percent of that 50 099 students if funded through NSFAS. I don't know if that clarifies it?

MS. L. KHUMALO: In the population you only dealing with NSFAS funded. You not dealing with other sources of funding.

MS. N. MAMORARE: I am going to deal with them in the following slide.

MS. L. KHUMALO: I am saying for now. Okay

MS. N. MAMORARE: This slide is just an attempt to break down that 24%. So we received a total of 17 414 applications for NSFAS of whom 12 555 matched the funding criteria for NSFAS and of that 12 555 we were only able to assist 95%, the 11 956 leaving the 5% that is 599 students that we could not assist even though they met the criteria, but we ran out of funds. Now if you look at the trend, you will see that in 2013 the number of applications was 22 500. That has come down to 17 400 in 2014. The reason for that is that due to the limitations with funds that we get allocated by NSFAS. UJ had to apply stricter measures to be able to get the best value out of the funds that we get from NSFAS. The approach that the University took was that we would rather fund a student fully and make sure that they are able to continue through their career and exit the system and go find employment. Rather than partly funding a student because if you partly fund a student they are likely to struggle during the year and not be able to buy books. Not have enough money for accommodation and not enough money for meals.

ADV. M LEKOANE: So there will be top slicing you talking about. So UJ doesn't top slice

MS. N. MAMORARE: We do not top slice as a result that has left a number of students having their hopes dashed at the end because what would happen they would know that we applied, but we know that there's not enough funding within the system. So we've gradually send a number of students applying for NSFAS declining. The current criteria...

ADV. M LEKOANE: [interjects] So it's just this 5% of unfunded students. What happens to those students? Did you fund them by other means?

MS. N. MAMORARE: We have funded them through internal funds I will explain that on the next slide. So how did we make our qualifying criteria stricter? Currently NSFAS is saying that for you to qualify for NSFAS you have to have an expected family income of R120 000 per annum at which they will care to drop that to 100 000 if the student can demonstrate that they can contribute R1.00. We were not in a position to be able to fund them based on the allocation that we get from NSFAS.

ADV. M LEKOANE: Sorry do you understand 120 000 to be part of the Means Test. So when you receive means test from NSFAS. They would say in the document, they would say 120 is a threshold.

MS. N. MAMORARE: For UJ Advocate 2017 academic year is the first year when NSFAS is caring out the verification. Until 2016 we act as an urgent for NSFAS where in the students would submit their applications to UJ then we do the adjudication. So they would provide information indicating how much is the family income and how much are the expenses? The net of that is supposed to be what expected family contribution is, they can make towards the studies of the student. So in our model what we say is that if after the deduction of the expenses from the family income there is R1.00 left. Then we not able to assist to because we've got for instance in the 2016 financial year 599 students who have no family income or whatsoever that we were not able to assist.

ADV. M LEKOANE: What I'm trying to get I suppose this 120 000 is it the number that comes from NSFAS?

MS. N. MAMORARE: That's correct

ADV. G ALLY: Hold on Ms Mamorare. NSFAS is coming and my understanding of NSFAS is that they've never said to Universities that the threshold is 120 000. They gave a formula which you indicated just now which is family income, family expenses and expected family contribution. They then indicated there was a document that came out later. Whether is to the white paper where a number of 122 came up, but from NSFAS management themselves, they have never said to Universities their threshold is a 122, but it's been given here in the Commission as a known fact that it is a 122. What is your comment on that?

MS. N. MAMORARE: Advocate we work according to a document that we obtain from NSFAS it could be that it's a guide line. I am not in a position to say whether it is an instruction, but it's a guide line that we've utilising up until now.

ADV. G ALLY: In that guideline or hand book, that amount is there?

MS. N. MAMORARE: I understand that that amount is there perhaps my colleague who on a daily base works with that can assist.

MR. M. MATUKANE: That's correct.

JUDGE J. HEHER: What is your name Sir?

MR. M. MATUKANE: Sorry, my name is Mzwakhe

JUDGE J. HEHER: Oh yes. Mr. Matukane

MR. M. MATUKANE: Yes

JUDGE J. HEHER: Yes, right here. Thank you. So you're just confirming what the witness is saying. Thank you.

MS. N. MAMORARE: If I may continue with the presentation, so the next term criteria that has apply to qualify for NSFAS is academic criteria where in NSFAS required that a student be funded provided they will complete their studies within a period of N+2 being the minimum period + 2 years. So we should be able to stretch those funds ones more. We had to lift that criteria and over the past year since 2013. The criteria that we have used have ranged between the module pass rate of 70% and 60% depending on the availability of funds.

Lastly on NSFAS Commissioners over the past three years UJ has contributed over a 100 million of its own fund to top the NSFAS funding. Our major focus for making those top ups is to make sure that any final year student that are in a risk of not being funded are assisted, so that we can get them out of the system so that they are able to be employed and plough back into the system. In 2016 it was 25 million, last year it was 16 million and the previous year 14 million. These funds we contribute direct to NSFAS and their money is in the same that NSFAS asked us.

ADV. G ALLY: Ms Mamorare the engagement you have or had with the NSFAS around your own and I take it UJ criteria is your criteria as UJ. Your engagement with them on those criteria has there, what is the feedback from NSFAS or them gone along with you implemented your model.

MS. N. MAMORARE: Chair NSFAS has gone along with the manner that we implemented the model because we get allocated a certain amount of funds and provided we do not award funds to students that do not meet the minimum criteria set by NSFAS that is acceptable.

MS. L. KHUMALO: My enquiry relates to the top up from where do you get funds? Is it other student's fees? When you saying your own money, if you have to top up. Is it others students money? So which stream is this?

MS. N. MAMORARE: Commissioner the funding of UJ like any other institution is made up of the three streams, the subsidy, the tuition and we do have a third stream income which is the income that we get through mobilising research funds and also through commercialisation of innovation that come out of the system and so, when we decide on or whether we do have funds to plough back into NSFAS it would be guided by whether in the previous year the institution that made the surplus who should be mainly a direct result out of the income of the third stream of income because an operating level from the subsidies and from the tuition fee. On an operating level we make an operating loss.

MS. L. KHUMALO: So it's not monies lying around?

MS. N. MAMORARE: No, Commissioner It's not monies lying around.

ADV. G ALLY: and it's outside of the amount you presently trying to source from Television adverts and so forth because that is the missing middle. As I understand it.

MS. N. MAMORARE: Commissioner it's certainly outside of those funds. It's mainly from the third stream of income.

ADV. M LEKOANE: The amounts that use to top up the NSFAS - is it just undergraduates or it extends to postgraduates?

MS. N. MAMORARE: Advocate it's on for the undergraduates, if there are no further questions on the NSFAS component. I would like to move to the internal Bursaries. As I indicated in my first slide, currently UJ is funding 17% of the total student population out of the internal bursaries. These are funds that once again come from the operating budget of the University. In addition to that we got the UJ trust which is the legal entity which was formed with the sole purpose of raising funds to assist with any strategic initiative of the institution.

Over the five past years the trust has ploughed a lot of money toward the many bursaries and particular the bursaries for the financially needy student's that are performing well, so the breakdown of our internal bursary. We've got what we call the SRC trust fund. Previously this fund was used to fund a smaller number of students wherein we would fully fund the student. I think in 2015 that funded about 350 students, but we beginning of this year we realise that we've got quite a number of students that will not be able to register at the University if they are not assisted by the University one way or the other. So the SRC trust fund than was diverted to those students.

So this year 3788 students were paid for, had their registration, their first minimum payment paid for through the SRC fund. Just to give a ballpark figure, the budget for the current year was 14 million in the SRC trust fund. We made a commitment to those students that we have allowed you to register or paid for your registration fees. We are going to work together with you to raise the rest of your funds throughout the year. So today we've been able assist 2272 of those students to get their full fee for the year settled through sponsorship that we've raise from outside of UJ.

ADV. M LEKOANE: So this was just for undergraduates students?

MS. N. MAMORARE: Advocate this is for the majority is under graduate students. We do have a small component of post graduates students which is not more than 3% I would say.

ADV. M LEKOANE: That 3% targeted a certain field of study or is it just for general post grads studies?

MS. N. MAMORARE: We have no limitations at who can benefit as long as they are able to demonstrate that they have financial need and they are academically able to progress. The next category of internal bursaries is academic merit bursaries. This is now awards to recognise high performing students from first year through to Doctoral studies. We invest this fund to be able to attract high performing students to also be able to attract post graduate students and promote research studies within the University. So that is a mixer of under graduate and post graduate. It covers depending on the type of award that the student was able to qualify for. It will cover the portion or the fully tuition fee.

ADV. M LEKOANE: Is this different from what you receive from the NRF?

MS. N. MAMORARE: That is correct. It's separate from what we receive from the NRF.

ADV. M LEKOANE: and what do you get from the NRF for post graduate students?

MS. N. MAMORARE: Commissioner I am going to ask my colleague while I continue to just look for... are looking for their rand value of what we get from the NRF?

ADV. M LEKOANE: If you have it... for those students that benefit from that.

MS. N. MAMORARE: I am going to ask him to just look it up while I carry on. The next category is the sports achievement bursaries. We do have a small percentage of our fund that we reserve for students that are excelling in sports. We ensure that that is also coupled with academic performance as well. As I mentioned earlier we do have the funds that we from the UJ trust that we solely dedicate for the financially needy student that would not be able to be assisted through NSFAS or any other types of bursaries.

ADV. M LEKOANE: This would be 5%. I beg your pardon, 5% that were left over as unfunded students.

MS. N. MAMORARE: Yes that is correct Commissioner there will be either in that category of the financial need or we would accommodate them under the SRC trust fund.

ADV. M LEKOANE: And just so you have promoted me to be a Commissioner.

MS. N. MAMORARE: I apologise. The last category is the staff concessions. We have a policy that allows staff members of the University to register and study at UJ with the tuition fees waved and that benefit is also extended to their spouses and their children. In terms of the total rand value spend on the NR bursaries in 2016 it was 156 million, 159 in 2015, 149 in 2014 and 180 million in 2013. However what I want to stress is that this is going a long way to assist and make sure that we get as many of our students funded and progress to University if certainly is not sustainable because we would get to a point where there are no resources from where to draw the funds. So we are placing an exceptionally increased effort in making sure that we find other sources of funding outside of UJ for our students.

ADV. G ALLY: and you have the extra problem of this year. That you now have insourced the outsourced workers and they will also be entitled to your fourth category of staff concessions. Is that correct?

MS. N. MAMORARE: It is correct Commissioner, in fact the commitment made even before we insourced the staff. So from the beginning of this year we already have beneficiaries from that category. Advocate if I can just go back to your question on how much we get from the NRF. The NRF is classified as part of the last group, the external bursaries. The total rand value that we got in 2016 for NRF bursaries this is now outside of any bursary funding that we get from the NRF. It's pure dedicated for bursary its total of 52 million which is 8% of the total population of student funded. Moving along to the last slide, the external bursaries so in 2016 our external bursaries funded 22% of our total population, fluctuating between 25% in 2015, 21% in 2012 excuse me 21% in 2013, 22% in 2014 and then down to 18% in 2015 and then back to up in 22%.

As I indicated earlier really you find that the drive of this is the how the economy is performing. In the past couple of year you will find that less and less corporate have got less money to spend on bursaries. In terms of the numbers of sponsors, we have not really seen a decline, but we've seen a huge decline in the rand value that they make available for student funding. So who are main

sources for our external bursaries? I was not sure to extend information was required in here because I tried to pull out a list. It was a 500 line list, so we've tried to just put them to categories in groups. We've got quite a number of corporates that are contributing quite significantly towards our bursaries. They range across all our spheres of our economy. We've got the NRF that we already talked about. In the past couple of years we've received quite a lot of funding from the cities. Funding that is channelled directly to the University not through the NSFAS. In terms of the rand value what we got from the cities this past year is approximately 70 million

ADV. M LEKOANE: 70 million.

MS. N. MAMORARE: Yes seven zero and last year that was approximately 37 million. We do have a number of other public entities that contribute to the likes of Eskom, Armscor. Then we've got provincial government departments, national government departments and municipalities that are paying for the studies of a number of students. We do have individual trust who provide for a number of our students.

ADV. M LEKOANE: To what extent do you have discretion and how you use these funds, these external funds?

MS. N. MAMORARE: Advocate I would say a very small percentage of these funds are left with the discretion of the University. A large number of our donors have got specific requirements on exactly what is the type of students they would like funded. What are the fields of study and what are the qualifying criteria in terms of their performance that's required. What's critical in ensuring that you get the external sponsors to invest is the level of feedback and reporting that you able to provide them with throughout the year and then at the end of the year. So there's a very close relationship between our bursary office and the sponsors, but to a very, very large extent we have strict instructions according to which we have to disburse those funds.

ADV. M LEKOANE: In the light of the NDP targets and the transformation mandate to what extent when you make decisions do you take that into consideration? How does it translate in your budget for an example there's certain of amount of women that must be enrolled at post graduates level and Africans at post graduate level? So to what extent do you in your planning consider that?

MS. N. MAMORARE: Advocate with regards to the UJ internal funds we are in the process of putting majors in place to ensure that we address exactly that. I will concede that to a large extent the awards are based purely on merit and on financial need. We have had bias towards the scarce skills as well, but we are putting processes in place to make sure that we address the other criteria as well. If you talking about gender bias and I suppose UJ were in a fortunate situation where in our student population makes it easy for us to be able to allocate according to the racial profile that we would designed.

ADV. M LEKOANE: What's the current percentage of post graduates as oppose to under graduates?

MS. N. MAMORARE: It's about 15%

ADV. M LEKOANE: Pardon me

MS. N. MAMORARE: about 15%

ADV. M LEKOANE: One five

MS. N. MAMORARE: Yes. Advocate that was my last slide I would take any questions that have not been covered in the presentation.

ADV. M LEKOANE: Just one more question Chair. Do you have an idea of what percentage of students who received NSFAS? Whose loans were converted from loans to bursaries who didn't have to pay back?

MS. N. MAMORARE: At the top of my head, I will ask my colleague to assist. At the top of my head I don't have a number, but I would try to respond to this in the manner that we observe the trends in the academic progress of students that are funded by NSFAS at UJ because of the limited number of funding. We found that there's such competition for NSFAS. Those students that are funded by NSFAS are actually performing much, much better than self-funded students. In some cases it's even better than the students that are funded through external bursaries. So I don't know if my colleague has got a percentage, but I would say it's a high number. We don't have large percentage of students that do not get to be funded continuing based on their academic progress and obviously then that should translate in to a conversion of a bursary.

MR. M. MATUKANE: I don't have the exact number, but what I can say is that quite a number of those students who are doing their final year are in most cases continuing to the following year.

ADV. M LEKOANE: In that case where the majority of your NSFAS students complete successfully. What proportion of them would then have the opportunity to go to post graduate level in the light of the limited funding, especially the NSFAS under graduates students who graduated?

MS. N. MAMORARE: Unfortunately Advocate a very, very tiny percentage of NSFAS funded students are able to continue to post graduate. Mainly because NSFAS does not provide a large amount of funding for post graduate studies, It's a very limited number of programmes that NSFAS funds at post graduate level and also the level of funding that we would get from NSFAS for post graduate studies is quite insignificant. I think of a total allocation of about 450 million in the current year for NSFAS post graduate studies was about 5 million. So unfortunately a large number of NSFAS funded students are not able to continue to post graduate.

ADV. M LEKOANE: Through NSFAS funding?

MS. N. MAMORARE: Through NSFAS funding

ADV. M LEKOANE: Through internal funding have you made any special arrangements for those students?

MS. N. MAMORARE: Advocate specifically we have a bursary that we call an Honours bursary. It's meant to specifically address that gap. Of late we are also working with NRF to try and come up with a model of funding that's different from how NRF actual fund students to ensure that executive financial need is address to funding, but we do have our own Honours bursary that we make available to financially needy students.

ADV. M LEKOANE: and that most of them in PhD level?

MS. N. MAMORARE: At Masters and PhD levels we've got a slightly different model wherein we ask the students to register for their studies and if they pass within a certain period of time. Then their fees would be paid back to them. In addition to that we also have supervisor linked bursaries that are dedicated specifically to the Masters and the Doctorate students.

ADV. M LEKOANE: So for students who are the NSFAS recipient under graduate level it would be difficult for them to benefit from the programme for Masters and PhD because they would have to first register and pay upfront before they could get the benefit to succeed of your programme.

MS. N. MAMORARE: As I indicated Advocate we do have the Honours bursary that we make available for... it's not only open for NSFAS, a large number of NSFAS students benefit from that. After that for Masters and Doctorate we have supervisor linked bursaries. Obviously the better the performance of that student at Honours level the greater their chances of being able to be awarded supervisor linked bursary.

ADV. M LEKOANE: Please explain that concept for us for a second, the supervisor linked bursary

MR. M. MATUKANE: The supervisor linked bursary is awarded to students who are enrolled for post graduate studies. In most cases we call it a top up basically where a student is performing well and then you find that maybe there's a shortfall. The bursary that they have doesn't cover the full tuition then the supervisor linked bursary will cover the top up part basically to cover the full tuition.

MS. N. MAMORARE: Advocate in addition to that though the supervisor linked bursary it's an effort to promote research studies and it would in the main be awarded to those students that have proven themselves at Honours level. Have shown that academic pros in saying that we have, we going to identify a specific supervisor for that student who's going to carry them through out. To make sure that their research ability is promoted and they are able towards us increasing the reserved subsidy that institution gets.

ADV. M LEKOANE: Now once you have the student registered and suppose fund for perhaps the first year. What have experienced as being the success rate of those post graduate students going forward? And if low what are the courses of that?

MS. N. MAMORARE: Advocate I am going to conceit at Honours level the success rate is quite good, but at Masters and Doctorate level it really not what one would desire. I think some of the contributing factors are that very few of our Masters and Doctorate students are studying full time. They spread themselves between work and study and as a result they tend to take longer to complete their studies.

ADV. M LEKOANE: What would that be attributed to, that most of these students prefer to study part time and not full time?

MS. N. MAMORARE: Funding, the lack of funding unfortunately.

ADV. M LEKOANE: We have no further questions Chair.

JUDGE J. HEHER: Thank you. Thank you Ms Mamorare and Mr. Matukane and that conclude the work for today. Thank you



MS. N. MAMORARE: Thank you very much.

MR. M. MATUKANE: Thank you.

**[end of presentation]**