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| MEMORANDUM FROM THE PARLIAMENTARY OFFICE |

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 573**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 03/03/2023**

**INTERNAL QUESTION PAPER NO 6 OF 2023**

**Ms J S Mananiso (ANC) to ask the Minister of Higher Education, Science and Innovation: [136] [Question submitted for oral reply now placed for written reply because it is in excess of quota (Rule 137(8))]:**

In light of the disjuncture in the fiscal distribution of higher education which has resulted in the underfunding of the technical, vocational education and training (TVET) education programme against the university programme, what is the fiscal strategy of his department to close the gap to attain the targets of the National Development Plan with regard to TVET college enrolments?

**NW638E**

**REPLY:**

As indicated in my media briefing on 24 January 2023 regarding the state of readiness for the academic year 2023, TVET colleges planned headcount enrolment for 2023 is 497 032 for the ministerial approved programmes with additional 59 383 headcount enrolment for programmes that is funded through other funding sources, thus bringing the total planned TVET enrolment for the academic year 2023 to 556 415.

Of the total planned enrolment of 556 415, a total of 480,686 (2022/23: 500,071) ministerial headcount enrolments are currently funded through the baseline funding (Fiscus) provided by the state, with the balance of the enrolments either must be collected via student fees or written off by the respective TVET Colleges.

The total required budget for this enrolment plan amounts to R14.591 billion of which R14.428 billion is funding by the State with a correlating budget deficit of (R162 million or 1.13% funding deficit) that must be absorbed by TVET Colleges through the recovery of student fees. The state can therefore currently only fund **480,686 TVET Enrolments** from the fiscus baseline which is far below the envisaged growth required by the NDP of 2.5 million TVET enrolments by 2030.

The following table reflects the result of minimal baseline growth due to the increase in Consumer Price Index (CPI) and labour on the programme costs which resulted in reduced enrolments:

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| **Description** | **2021/22**  | **2022/23**  | **2023/24**  | **Decline in State Funded enrolment from 2021/22 to 2023/24** |
| **State Funded enrolment** | **505,770** | **500,071** | **480,686** | **(4.95%)** |

There has been a decline of approximately 5% in state funded TVET enrolments over the past three (3) financial years. This is predominantly attributable to the impact of COVID-19 on the fiscus envelope, and the numerous budget cuts that have been applied by National Treasury (NT) on the TVET budget allocation resulting in almost no real time growth in the baseline since 2021/22.

Thus, substantial increase of funding is required for expansion of the TVET college sector to meet the National Development Plan targets. The analysis done by the Department has revealed that a required significant funding increase of, up to 100% over the MTEF and up to 300% until the 2030 will be required if the developmental target of 2.5 million TVET students still must be achieved.

As part of the fiscal strategy to close the gap towards the realization of the National Development Plan (NDP) 2030 target, the TVET branch has held consultative engagements with the South African Colleges Principals Organization (SAPCO) to consider various options to support accelerated access and growth of the sector. A Task Team comprising of senior managers and the leadership of SAPCO was formed and is currently working on the following potential expansion strategies:

* *assessment of the available excess infrastructure (classrooms, workshops etc.) to cater for additional enrolments,*
* *assessment of the capacity of colleges to offer multimodal / hybrid teaching and learning i.e. distance learning,*
* *acceleration of initiatives for digitizing assessments and online digital content development, and*
* *assessment of the human resource (i.e. lecturers) capacity to cater for the growth of the sector.*

In addition, the Department is aware that the traditional brick and mortar approach is not only costly in terms human resources and physical infrastructure, but it is associated with delays in relation to the timeframes attached to the development of physical infrastructure. This approach not only hampers the timelines in realizing NDP targets but is also time consuming. The Department is currently working on developing a digitization strategy and its first pilot phase will be funded through reprioritization from the current infrastructure budget. The Department is planning to submit the Budget for Infrastructure (BFI) proposal to National Treasury to fund the full phase. The pilot phase will take place during the 2023 academic year, while the full phase will be rolled-out during the 2024 academic year. It should also be noted that this project includes both TVET and CET colleges.

The Department is also mindful that the issue of expansion should not only be funding-focused, but that an integrated approach is also required both aimed at increasing the enrolment numbers and quality education. This integrated approach should include among other:

* Ensuring that there are costs and operational efficiencies regarding the utilization of current resources by colleges.
* Improving governance processes at colleges to attract external funding.
* Accelerating the curriculum transformation process.
* Institutionalizing skills levy funding for skills programmes offered by colleges.
* Strengthening relations with private colleges.
* Exploring opportunities evident from the gap created by Universities of Technologies, as several are currently operating as traditional universities.