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VOTE 17: HIGHER EDUCATION AND TRAINING

Introduction

The aim of the Department of Higher Education and Training (DHET) is to develop and support a quality higher and vocational education sector, and promote access to higher and vocational education and skills development training opportunities¹. Its vision is of South Africa in which all its citizens have access to life-long learning, education and training opportunities to contribute towards improving the quality of life and building a peaceful, prosperous and democratic South Africa². The department was established as a result of the split of the Department of Education by a presidential proclamation in July 2009. The Presidential mandate, which assigned legislation previously administered by the department of education and labour, required the department create a single and coherent post-school education and training system that is structured to meet the aspirations of youth and adults³.

This paper provides an in-depth analysis of the 2012/2013 Higher Education and Training Budget to assist Members of the Portfolio Committee on Higher Education and Training to fulfil their monitoring and oversight functions effectively for the 2012/13 financial year. Firstly, the paper will present the performance overview of the department in relation to 2011/12 key priorities as pronounced in the State of the Nation Address; secondly, it will give an analysis of the department's 2012/13 budget and lastly an overview of the strategic plan and annual performance plan.

Performance overview of the 2011/12 financial year

The key strategic priorities for the department in 2011/12 financial year as pronounced by the President in his State of the Nation Address (SONA) and affirmed in the 2011 budget speech. In the strategic objectives of this priority 4, government committed to ensure that financial need should not a barrier were to:

- expand access to higher education;
- convert loans into bursaries for the qualifying final year students;
- exempt students who qualify for financial aid in the Further Education and Training (FET) from paying fees, and

¹ National Treasury (2012)

² Department of Education (2009)

³ National Treasury (2010)



The above priorities respond to the strategic priorities as outlined in the Medium Term Strategic Framework (MTSF) priority 4: Strengthening the skills and human resource base.⁴ This priority covers both basic education and higher education and training. For higher education and training, the MTSF strategic priority has two strategic objectives, namely:

- broaden access to post-secondary education and improve higher education throughput rate by 20% by 2014, including access by people with disability
- to ensure that training and skills development initiatives in the country respond to the **requirements of the economy, rural development challenges and social integration**. The main aim would be to **increase the number of skilled personnel** in the priority skills areas such as design, engineering and artisanship categories that are critical to manufacturing, construction, cultural activities and other priority economic sectors.

Expand access to higher education

Government has committed to make sure that physical capacity of the post-secondary system meets the learners demand. In 2011/12 an allocation of R300 million was allocated to the department to start with the preparatory work towards the establishment of the new universities in Mpumalanga and Northern Cape⁵ with the purpose of expanding physical capacity of the post-school system. The Minister of Higher Education and Training appointed a Ministerial Task Team to explore the model and make recommendations on the type of universities to be established. A report was submitted to the Minister in June 2011⁶. The Minister has approved the project plan and also appointed a steering committee that will oversee the work. The establishment of the two universities will commence in the 2012. Expansion of physical capacity of the post-school system is very crucial if the country's goal of increasing university entrants to 450 000 and participation rate at higher education institutions to 30 percent by 2030 is to be realised. It should be noted that Grade 12 pass rate is increasing and this increase has to be matched with enough spaces at post-school education institutions. Institutions of higher learning are enrolling more students than what their resources can cater and this compromises the quality of teaching and learning. The 2010 Higher Education Quality Council (HEQC) Audit Report of the University of Johannesburg revealed that rapid expansion of enrolment at the University in 2009 resulted in the following:⁷

- Increased pressure on physical capacity of the institution,
- Increased pressure on human resource;
- Reduction in contact time between students and lecturers
- Overloaded staff and large classes with fewer contact periods resulted in students failing their mid-year examinations

⁴ The Presidency, 2009

⁵ Zuma, 2012

⁶ DHET, 2011

⁷ CHE, 2010a



It should be realised that overcrowded classrooms are not conducive to the creation of appropriate learning environment. The Department reported that 17 145 prospective students were turned away from FET Colleges because they were full to capacity, and many of those students did not succeed in securing admission at the institutions of higher learning.⁸

Convert loans into bursaries for the qualifying final year students

The President guaranteed conversion of National Students Financial Aid Scheme (NSFAS) students loans for the qualifying final year students at the institutions of higher learning. This pledge was intended to ensure the steady realization of free education. 28 234 students⁹ were said to have benefitted from this scheme in 2011 as this was the first year of its implementation. The Department of Higher Education and Training has projected to assist 33 316 final year students in 2012. This move brings with it relief of reducing the NSFAS debts that students will have to repay upon getting employment, students will receive their certificates and be able to enter the labour market. The attainment of certificates will assist in reducing the skills shortage in the country and will contribute to the economic growth. While the move of conversion is welcomed, it brings with it the following challenges:

- It was made to be a one size fits all without considering the disparities in terms of NSFAS allocation by different institutions prior the final year. This commitment does not consider the fact some of the students are already indebted to the institutions before they reach final year and the conversion of loans covers only the loan obtained during the final year. It is important to note that students in many institutions do not get their full costs of study covered by the financial aid given the high number of financially needy students. Institutions receive high volumes of applications from students who need financial assistance especially the historically disadvantaged which enrolls the majority of the poor students. As a result they implement the principle of top slicing in order to cover all the qualifying applicants. It therefore means the cost of study is partly covered and students are required to pay the portion that is not covered by NSFAS. Students who fail to raise the outstanding balance are allowed to continue with their studies but will not get their certificates after completion. It is usually the poor of the poorest who are often trapped in this mire.
- Though the conversion of loans to bursaries was seen as a step in the right direction to introduce free education at the undergraduate level, there is insufficient funding to cover all final year undergraduates.

Exempt students who qualify for financial aid in the Further Education and Training from paying fees

The President also announced in his SONA of 2011 that FET students who qualify for the financial aid will be exempted from paying their fees. This pronouncement was well received

⁸ Ibid, p7

⁹ NSFAS, 2012



and was also intended to facilitate the training of 16 - 25 year olds in Further Education and Training Band and to provide a second chance in education for those who do not qualify for university education. In 2011, 118 280 National Certificate Vocational (NCV) and 45 451 Report 191 students were funded through the FET College Bursary. The FETC Bursary scheme has also contributed to the increase in enrolments figures at FET Colleges because it offers funding for books, transport and tuition fee. Though strides were made in this regard, FET Colleges are still experiencing the following challenges:

- Insufficient funds to assist all academically deserving students from poor backgrounds. Further Education and Training Sector has experienced a boom in students' enrolment since the reintroduction of Report 191 N4-N6 courses which cater for post-matric youths. Colleges enrolled more than their funded target and this means that the excess numbers of students even if they are poor and academically deserving may not get financial assistance because they are outside what the Colleges have projected for. On the other hand the increased enrolment outside the target will result in increased lecturer work overload, over-crowded classroom and all this will negatively impact on the quality of teaching and learning.
- National Treasury is very clear on the fact that national enrolment plan linked to funding norms will be used as guideline for allocating the grant to each college and any upward deviation from these enrolments is to be funded by the college.¹⁰
- There are insufficient spaces for all the qualifying students. The problem is exacerbated by the high numbers of students who were turned away by institutions of higher learning.
- Low graduate output which result in the blockage of the pipeline to take in more students

Concerns/Questions:

Given that some colleges experienced enrolment boom this year and this boom will have to be matched by necessary resources, for example, financial resources, qualified and competent staff and teaching and learning materials (textbooks, workshop equipments etc.).

- Are the colleges ready for this growth in student numbers given that most are unable to generate third stream funding which will enable the College Council to employ staff?
- During an oversight visit by the Portfolio Committee on Higher Education and Training to FET Colleges in Kwazulu-Natal on 23-27 January 2012, it was reported that some colleges are using the platoon system of teaching¹¹ because they have many students and not enough classrooms to cater for the students at the same time. Do Colleges have enough staff to cater for this platoon system?¹²

¹⁰ National Treasury, 2012c

¹¹ A teaching system in which two separate sets of teachers and pupils use the same buildings, one in the morning and one in the afternoon

¹² Portfolio Committee on Higher Education and Training, 2012



Policy priorities for 2012/13

The President did not make pronouncements on the new key strategic policy priorities for the Department for the 2012/13 financial year. This however, does not mean that the Department has no strategic policy priorities for this current financial year. The Department's activities continue to be guided by the Medium Term Strategic Framework (MTSF) Priority 4. Out of the MTSF strategic priority, the department derived its own strategic goals which are to: increase the number of skilled youth by expanding their access to education and training; ensure a further education and training college curriculum that is responsive to the demands of the market; increase the number of students successfully entering the labour market on completion of training; increase the number of university graduates, particularly in scarce skills areas; improve the linkages between the world of work and study; and establish a credible institutional mechanism for skills planning.¹³

Budget Analysis

2012/13 is the third year in which the Department will operate on its own appropriated budget. The Department became operational in 2010/11, bringing together all higher education institutions, further education and training colleges and adult education institutions, which were formerly the responsibility of the Department of Education, and the skills levy institutions, which were formerly the function of the Department of Labour. Currently, further education and training colleges and adult education centres are shared functions between the national department and provincial departments. The process to transfer the FET College sector to exclusive national competence is underway through an amendment to the schedule 4 of the Constitution. The anticipation is that the 2012/13 budget should continue funding the above priorities.

Table 1: Budget Summary

Programme	Budget				Nominal Rand change	Real Rand change	Nominal % change	Real % change
	2011/12	2012/13	2013/14	2014/15	2011/12-2012/13		2011/12-2012/13	
R million								
Programme 1: Administration	148.5	175.5	0.0	0.0	27.0	17.2	18.18 per cent	11.60 per cent
Programme 2: Human Resource Development, Planning and Monitoring Coordination	35.9	40.7	0.0	0.0	4.8	2.5	13.37 per cent	7.05 per cent
Programme 3: University Education	23 428.1	26 234.0	0.0	0.0	2 805.9	1 344.3	11.98 per cent	5.74 per cent
Programme 4: Vocational and Continuing Education	4 554.2	4 950.2	0.0	0.0	396.0	120.2	8.70 per cent	2.64 per cent

¹³ National Treasury, 2012



Programme 5: Skills Development	132.8	128.8	0.0	0.0	- 4.0	- 11.2	-3.01 per cent	-8.42 per cent
TOTAL	28 299.5	31 529.2	0.0	0.0	3 229.7	1 473.1	11.41 per cent	5.21 per cent

Source: National Treasury 2012

The Department of Higher Education and Training received a total allocation of R31 529.2 billion excluding direct charges against the National Revenue Fund for the Sector Education and Training Authorities and the National Skills Fund. The budget has increased by R3 229.7 billion in nominal rand change and R1 473.1 billion in real rand change compared to the 2011/12 budget. The budget is aimed at enabling the department to achieve its policy priorities of developing and supporting a quality higher and vocational education sector and to promote access to higher and vocational education and skills development training opportunities. This mandate will be achieved through the Department's five programmes being Administration, Human Resource Development, Planning and Monitoring Coordination, University Education, Vocational and Continuing Education and Skills Development. The allocation will be shared among the five programmes and the bulk of the budget will be spent on programme 3 University Education which consists mainly of transfers and subsidies to higher education institutions and the National student Financial Aid Scheme. This programme takes 83.2 percent of the total higher education and training budget. Vocational and Continuing Education programme takes a share of 15.7 per cent of the total budget. Focus in terms of spending for this current financial year will be on increasing the number of university graduates, particularly in scarce skills areas, and to provide access to university and FET Colleges for poor students through the provision of loans and bursaries.

Programme analysis

Programme 1: Administration

This programme provides the overall management and administration of the department. The programme received a total allocation of R175.5 million which is 0.6 percent of the total higher education and training budget. The budget has increased by R26.9 million in nominal terms and by R17.1 million in real terms as compared to 2011/12 allocation. The increase is mainly due to provision for filling critical vacancies, increase in audit fees and accommodation charges, and the increased provision for ministerial commissions and committees. The programme has four sub-programmes: Ministry, Departmental Management, Corporate Services and Office Accommodation. Of these four sub-programmes, Corporate Services takes the larger proportion of the budget, 47 percent of the total Administration allocation. The bulk of the money R83.7 million is for compensation of employees and this allocation has increased from R69.2 million in 2011/12 due to additional personnel while R90.3 million is for goods and services which include communication, computer services and property payments and travel and subsistence.



Programme 2: Human Resource Development, Planning and Monitoring

This programme provides strategic direction in the development, implementation and monitoring of departmental policies and the human resource development strategy for South Africa. It also coordinates activities in relation to the human resource development strategy for South Africa. Its objectives are to:

The programme is allocated R40.7 million which is 0.1 per cent of the total budget of higher education and training. The allocation is to be shared among six sub-programmes according to the strategic objectives assigned to each. The budget has increased by 14.0 per cent in nominal percent change and 7.62 per cent in real change from the 2011/12 allocation of R35.8 million. Expenditure in this programme increased from R27.1 million to R35.9 million between 2008/09 and 2011/12, at an average annual rate of 9.8 per cent, and is expected to continue increasing to R49 million over the medium term, at an average annual rate of 10.9 per cent. R37.9 million of the total budget will go to current payments which consist of compensation of employees which amounts to R34.4 million and goods and services which amounting to R3.6 million. The other share, R2.5 million of the allocation goes to transfers and subsidies to foreign governments and international organisations.

There has been a marginal increase in sub-programme 1 and 4 given that the priorities have not changed, though in real increase it is not much while sub-programme 2 and 5 experienced slight decreases due to policy reprioritisation. There has been a significant increase in the sub-programme 3 due to new mandate of skills planning in the country. The main priority of this sub-programme in this current financial year is to develop an integrated information system for the higher education and training sector, which will include interfaces to the datasets of other departments such as the Department of Labour and the Department of Home Affairs. The sub-programme is allocated R8.7 million which is 21.32 per cent of the total budget of programme 2. The allocation will be used for among other things, to continue to develop an integrated system for the reporting of data on skills provisioning, skills demand and skills movement in the country. This allocation will enable the department to achieve its strategic objective of integrating 80 percent of the public institutional data into education and training management information system by 4th quarter of 2012/13 financial year. The strategic objective is well aligned with the Ministerial Delivery Agreement Outcome 5, Output one which is to establish a credible institutional mechanism for skills planning, which includes the provision of information of information with regard to the demand and supply of skills, as well as a career guidance system for the country. The concern is that there are no quarterly targets in the annual performance plan in relation to this objective.

The allocation for sub-programme 5 which is responsible for managing the legal and legislative services of the department and support provincial education department, sector education and training authorities and the National Skills Fund with regard to legal and legislative matters has decreased. This sub-programme is allocated R5.1 million for 2012/13 financial year, a decrease of R1.0 million as compared to the 2011/12 budget. The budget



was higher in the previous financial year because the allocation was meant to assist the department in reviewing and drafting of legislations and regulations. The department achieved on this mandate of drafting and reviewing of Higher Education and Training Laws Amendment Bill, 2011, Further Education and Training Colleges Amendment Bill, 2011 and Skills Development Amendment Bill, 2011. The Bills were processed by Parliament in the 2011/12 financial year. The decrease is understandable because in this current financial there are no proposed legislative reviews hence the shift in policy prioritisation from this sub-programme to sub-programme 3.

Programme 3: University Education

The aim of this programme is to develop and coordinate policy and regulatory frameworks for an effective and efficient university education system. To provide financial support to universities, the National Student Financial Aid Scheme and the National Institutes for Higher Education. This programme has six sub-programmes namely Programme Management: University Education; University – Academic Planning and Management; University – Financial Planning and Information Systems; University – Policy Development; and Teacher Education and University- Subsidies. The programme has a budget of R26.2 billion. The budget has increased by 12.0 per cent in nominal percent change and by 5.74 percent in real percent change. The increase is mainly due to funding of the National Student Financial Aid Scheme and transfers to universities. The allocations are well aligned with the MTFS strategic objectives of ensuring that financial need does not become a barrier for academically performing and poor students to access education in institutions of higher learning. The bulk of this budget will be spent on sub-programme 2: University- Academic Planning and Management and sub-programme 6: University Subsidies. Sub-programme 2 takes 20.17 percent of the total university Education budget and the budget will be used for transfers to the department entities. National Student Financial Aid Scheme will receive R5.1 billion for student loans and bursaries and R82.5 million for entity operations. Council on Higher Education will receive R39.7 million while South African Qualifications Authority will receive R44.9 Million.

University Subsidies sub-programme takes 79.68 per cent of the total budget of programme 3. Spending in this sub-programme is mainly on transfers to universities. These transfers will support the renewing of infrastructure at universities, together with improvement in teaching services and academic programmes in institutions, and intended to increase enrolment and graduation rates, particularly in scarce and critical domains such as engineering, and other science and technology fields. R409 million has also been allocated over the medium term for the establishment of new universities in Northern Cape and Mpumalanga for technical work to establish seats of learning, including environmental and economic impact assessments, and academic and space architecture. The department is reprioritising R2.5 million from higher education HIV/AIDS project to fund the filling of vacant senior management posts in the Vocational and Continuing Education and Training.



Questions:

- Is the department suspending HIV/AIDS related programmes in higher education? If yes, why?
- How is the department going to respond to the challenges of HIV/AIDS in higher education if it reprioritising funding meant to address the challenges?

Table 3.1: 2012 University subsidies¹⁴

Institution	Block grants as well as other grant allocation to institutions of higher learning
	R'000
Cape Peninsula University of Technology	801 829
University of Cape Town	974 808
Central University of Technology	281 218
Durban University of Technology	591 665
University of Fort Hare	269 498
University of Free State	775 250
University of Johannesburg	1 143 400
University of Kwazulu-Natal	1 290 835
University of Limpopo	606 841
Mangosuthu of Technology	223 536
Nelson Mandela Metropolitan University	640 299
North West University	1 024 698
University of Pretoria	1 521 080
Rhodes University	267 931
University of South Africa	1 713 664
University of Stellenbosch	975 028
Tshwane University of Technology	1 197 061
Vaal University of Technology	422 694
University of Venda	296 659
Walter Sisulu University of Science and Technology	519 874
University of the Western Cape	570 306
Witwatersrand University	1 018 729
University of Zululand	306 959

From this table one immediately see that more funding is skewed towards the former advantaged institutions. This is a true reflection that the current funding formula is biased towards research outputs at the expense of teaching, and this disadvantages institutions

¹⁴ National Treasury, 2012



which are less research-intensive and have greater teaching challenges.¹⁵ The Ministerial Task Team on the review of the funding model will submit its report to the Minister at the end of March 2012, but the department is not having predetermined objectives in the annual performance plan on how it plans to take forward the task team recommendations in terms of short, medium and long term objectives, targets and time-lines. This priority cannot be left open-ended.

Programme 4: Vocational and Continuing Education and Training

The purpose of this programme is to plan, develop, evaluate, monitor and maintain national policy, assessments practices and systems for vocational and continuing education and training, including further education and training colleges and post-literacy adult education and training. The programme retained its three sub-programmes namely: Programme Management: Vocational and Continuing Education, planning and Institutional Support and Programme and Qualifications. The programme received an allocation of R4.9 billion which is 15.5 per cent of the total higher education and training budget. The programme budget has increased by 8.7 per cent in nominal percent change and 2.64 per cent in real percent change. Sub-programme 2: Planning and Institutional Support takes 96.48 per cent (R4.7 billion) of the total programme budget. This sub-programme provides the framework, coordination and support to further education and training colleges for managing, governing and delivering vocational and occupational programmes; and manages the further education and training colleges conditional grant to all provinces. It also regulates the provision of education and training by private education institutions offering qualifications in further education and training band of the qualifications framework. Of the total budget in the sub-programme, R4.7 billion goes to transfers and subsidies as a conditional grant to the provinces.

Programme 5: Skills Development

This programme promotes and monitors the national skills development strategy. Develop skills development policy and a regulatory framework for an effective skills development system. The total budget for this current financial year is R100.1 million which is 0.4 per cent of the total higher education and training budget which is to be shared among the four programmes namely: Programme Management: Skills Development, SETA Coordination, National Skills Development Services and Quality Development and Promotion. The budget has decreased by -24.4 percent in nominal percent change and by -28.77 per cent in real percent change. All the four sub-programmes have received decreased allocation compared to the 2011/12 allocations. Sub-programme 2: Sector Education and Training Authority (SETA) Coordination continues to take 70.53 per cent of the total budget of the programme while sub-programme 4; quality Development and Promotion takes 20.18 per cent. There has been a significant decrease in the allocation of sub-programme 3: National Skills

¹⁵ Department of Higher Education and Training, 2012



Development Services. The decrease is attributed to the cessation of the department's contribution to the sub-programme as from 2012/13. The funds will be reprioritised to address the filling of critical posts in the department, and to offset the approved baseline cut made to the further education and training colleges grant.

Overview of the 2012/13 strategic plan and annual performance plan of the department

The Department strategic plan is well aligned to the MTSF priority 4 and its strategic objectives and also government Delivery Outcome 5 and its five outputs. The two documents are supposed to be simplified by the annual performance plan (APP). The aim of the APP is to assist the department in service delivery to achieve the strategic objectives as set out in its strategic plan. Below are the concerns observed in relation to the strategic plan and the APP documents:

- The Department's annual performance plan reflects strategic target, performance indicators with no activities. Activities are very important as they are processes or actions that use a range of inputs to produce the desired outputs, and ultimately activities
- Lack of continuity in terms of objectives and targets that the Department plan in one year and drop them in the next year without any tangible measures of how to take them forward in terms of implementation. For example: **Establishment of National University Education Information and Applications Services**. One of the strategic objectives of sub-programme 2: University Academic Planning and Management is to improve access of learners to universities. In 2010/11 financial year, the Department in its annual performance plan planned to develop a framework and appropriate model for the establishment of a National University Education Information and Applications Services. The intentions were to discontinue the walk-ins applications which disturb the registration processes and also to reduce the burden of application fee costs for prospective students. Council on Higher Education was tasked to do a study on the model of centralized application service and recommendations were made. The framework was targeted for approval by end March 2011. Consequent to that the 2011/12 annual performance plan indicated that the application service was to be available by June 2011. However, up to date the service is still not yet available. Shortly after the tragic incident at the University of Johannesburg, the Minister of Higher Education and Training reported that the centralized application service will be operational as of January 2013. Nonetheless, there are no indications in this current annual performance plan of how the implementation of the National University Education Information and Applications Services is going to be addressed.

Questions:
<ul style="list-style-type: none">• Is the Central Application Services a priority for the 2012/13 financial year? If yes, why it is not a targeted priority in the 2012/13 annual performance plan?• How is it going to be funded if it is prioritized and budgeted for?



- If not, why is it not a prioritized?

- Cross cutting priorities: Out of the priorities that the Department needs to achieve in this current financial year, some are shared between the department and entities. There should be a clear delineation on who is the custodian of the priority. This will assist in avoiding duplication in terms of reporting on the achievements in relation to these priorities. For example, the department is sharing priority in programme 2 sub-programme 5 with South African Qualifications Framework (SAQA) which is to establish a well functioning social inclusion, equity and transformation unit within the DHET. With this priority the department intends to establish and maintain a coherent career management and career information system by 2014. SAQA is also reporting on the same predetermined objectives in its 2012/13 annual performance plan. The funding for this mandate to be performed by SAQA is from the National Skills Fund. Clarity is needed in terms of the custodian of the mandate, who has to report on the mandate and the responsibility for funding the mandate.
- Priorities which are not outlined as predetermined objectives in the annual performance plan: Parallel to the predetermined objectives, the Department engages in priorities which are not outlined as predetermined objectives in its annual performance plan. In simple terms, they do not appear as the strategic objectives of the department in 2012/13 annual performance plan but receive attention. Nevertheless, it does not imply that these priorities are not important, but, for the sake of monitoring progress and proper reporting they must reflect on the strategic plan and annual performance plan. This shortcoming was raised on matters of emphasis by the Auditor-General in the 2010/11 annual performance report of the Department. For example, the Auditor-General reported that the Department's reported performance information was deficient in respect of the following criteria:
 - Reported performance against predetermined objectives/indicators/targets is not consistent with the approved strategic plan.
 - Additional objectives, indicators and targets were reported on as opposed to the approved strategic plan. These additional objectives, indicators and targets were not approved subsequent to the strategic planning process.

The following are the strategic priorities of the department which do not reflect in the annual performance plan:

- **Green Paper on post-school education and training:** The Department issued the Green Paper which seeks to align the post-school education and training system with the country's overall development agenda. The Paper was issued for public comment in January 2012. There are processes that the Department still needs to engage until the Green Paper becomes a White paper, nonetheless, the processes are not reflecting in the annual performance plan. This priority was supposed to be provided for in Programme 2: Human Resource Development, Planning and Monitoring

**Questions:**

- The department should clarify if this is a priority for the current financial year, and if it is why it is not planned for in the annual performance plan?
- The department should also clarify how is going to fund the priority if it is not catered for in the annual performance plan?
- In terms of reporting on its performance, how is the department going to measure performance, if there are no predetermined objectives in relation to this priority?

- **Funding formula for universities:** The Minister appointed a task team on the 25 March 2011 to review the funding framework of the universities and the report is to be submitted by the end of March 2012.¹⁶ Despite the fact that this priority reflects in the updated strategic overview as a Ministerial directives, it is not operationalised in terms of how the Departments plans to take forward the recommendations of the Ministerial Task Team in terms of immediate, short and long term priorities.
- **Report on the student accommodation:** The Department released the report on the student accommodation. Once more the Department is not indicating in the annual performance plan how is it taking up the recommendations of the Ministerial Review, though it received an allocation amounting R1.8 billion to be allocated to universities for infrastructure development. This includes building and upgrading of facilities at universities including building students accommodation. The Minister announced during the launch of the Student Accommodation Report that R743 million would go to previously disadvantaged institutions¹⁷

Concerns/Questions:

- The department should clarify its short, medium and long term objectives in relation to this priority as this is a funded mandate in this current financial year.
 - What are the performance indicators, targets and time-lines for this priority?
 - Which institutions are earmarked to receive funding for building new student residences in this financial year?
- **Establishment of Higher Education and Training Regional Offices:** The Departments intends to develop a strategy to establish DHET regional provinces in order to move education and training closer to the people. Given the that the Department does not have provincial departments and is awaiting the finalization of the transfer of FET Colleges from the provincial competency to national

¹⁶ The Department of Higher Education and Training, 2011

¹⁷ Nzimande, 2012



- Development of a framework for articulation through the National Qualifications Framework and Recognition of Prior Learning is also not provided for in the annual performance plan though is one of the Ministerial Directives.
- Both the strategic plan and the annual performance plan are silent about the unbundling process of the Medunsa from University of Limpopo. Is funding available for this process and when is the completion date?

One would have expected the Department to implement the recommendations of the Auditor-General in relation to this shortcoming. In short, this would mean that the department will be implementing unplanned and unfunded mandates if these priorities are not included in the annual performance plan.

Key issues for consideration by Parliament

Section 55 of the Constitution of the Republic of South Africa, Act 108 of 1996, requires parliamentary committees to maintain oversight over the Executive Authority and the following matters are for consideration by Parliament as arising from the 2012 budget and strategic plan:

- DHET implement the recommendations of the Auditor-General relating to reporting on performance against pre-determined objectives. Meaning that DHET should include includes strategic objectives which will be focused on in the annual performance plan.
- DHET clarifies who is the custodian of the Career management and Career Information System priority to avoid duplication in reporting.
- DHET develops and presents its implementation plan to the Committee regarding student accommodation
- DHET should ensure that reprioritisation of funds does not jeopardise implementation of programmes, for example reprioritisation of HIV/AIDS funds in higher education.
- DHET and NSFAS relook at institutional policies on NSFAS funding allocation.
- DHET injects necessary resources to FET Colleges that enrolled more than their budgeted numbers.
- Follow-up on the Ministerial Task team Review Report on the funding model of institutions of higher learning once it is submitted at the end March 2012.

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