



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MINISTERIAL ROAD SHOW TO MEET WITH STAKEHOLDERS IN THE POST SCHOOL EDUCATION AND TRAINING SYSTEM

East London City Hall

28th February 2012

**Address by the Minister of Higher Education and Training, Dr B.E.
Nzimande**

MEC for Education in the Province, Mandla Makuphula

Members of the Provincial Legislature

Executive Mayor of Buffalo City Metro, Councillor Zukiswa Ncitha

Members of Council

Head of the Provincial Department of Education, Adv Manny

Leadership of institutions of higher education and training

Leadership of Business

Leaders of the Alliance

Distinguished Guests; Ladies and Gentlemen

INTRODUCTION

Thank you all for responding to our invitation to this meeting which I have called to bring together representatives of all the major stakeholders in the Post-School Education and Training sector. I have done this to share our vision for education and skills development in the country, and our plans to build a coherent, highly articulated and effective Post-School system. Most importantly though, I want to hear your views as stakeholders on how we, collectively as Government, the Private sector, institutions of higher learning and training and other key stakeholders, are going to tackle skills development in our country.

We currently have an **estimated** 3 million young people between the ages of 18 and 24 years of age who are not in employment, education or training¹, representing a huge waste of human potential. An even larger number of adults over the age of 24 are in the same position. All this establishes a basis for the continuation (and possibly even the expansion) of poverty in South Africa, and also increases the possibility for the kind of social instability that is not conducive to the consolidation of our democracy. The expansion of the education and training system, leading to a skilled workforce, while not a silver bullet that will solve all our problems, is an indispensable part of any viable strategy to tackle poverty, inequality and unemployment.

Education alone is not a cure for unemployment. Without a growing economy and the creation of job opportunities, even well-educated people will not escape the scourge of unemployment. But at the same time,

¹ CHET and FETI. 2009. *Responding to the Educational Needs of Post School Youth*. Cape Town: CHET.

without an educated and skilled citizenry, we cannot grow and develop our economy to create jobs and other opportunities for sustainable livelihoods, and a people actively participating in the consolidation of our democracy. Nonetheless it is true that in the midst of massive unemployment and in the midst of an economic slowdown, our economy is still experiencing a shortage of skilled labour.

Given this reality, honourable MEC, education and training must be an important part of any strategy to combat poverty, increase economic growth, provide employment or to equip people with the skills and the confidence to establish their own small businesses – or cooperate with others to set up small companies or cooperatives.

You will agree with me that this message came out clearly in the recent State of the Nation Address (SoNA) by the President of the Republic, President JG Zuma; and also in the Budget Speech by Minister Pravin Gordhan. The Department of Higher Education and Training is the government's lead department in skills development. Its establishment over two years ago has provided an opportunity to tackle the challenges of skills development among post-school learners. We use the term 'post-school' to refer to all education and training for people who have left school as well as for those adults who have never been to school but require educational and training opportunities. The post-school system is not a post-Matric system – it is for those who have passed Matric and those who have not. It is also for those adults with only a few years of schooling and those with none at all.

THE MANDATE OF DHET

The Department brings all the major sub-sectors of education and training aside from the schools. Our areas of responsibility include the following:

- FET Colleges, both public and private
- Universities and private higher education institutions
- Adult Education Centres, both public and private
- The Skills Levy Institutions: The Sector Education and Training Authorities (SETAs) and the National Skills Fund
- Other advisory and regulatory institutions such as the National Skills Authority (NSA), the Council for Higher Education (CHE), Umalusi and the QCTO

The aim of the Department is to conceptualise and bring together all these components into a single system in which the parts make up the whole, work to strengthen one another and articulate seamlessly with one another. Over the past two and a half years we have made some positive advances in this regard.

FUNDING POST-SCHOOL EDUCATION AND TRAINING

Ladies and Gentlemen, one of these achievements is in providing opportunities for poor, but capable students who want to study at universities and colleges. The money made available to the National Student Financial Aid Scheme has more than doubled over the past two years to approximately R6 billion.

This expansion has included a number of special initiatives. From last year all qualifying students (i.e. those who are eligible as per the NSFAS Means Test) are not required to pay any fees at all at public FET colleges if they are pursuing the National Certificate Vocational (NCV) and the N-courses.

Final year university undergraduate students have received loans equivalent to the full cost of study, and if they pass and graduate this loan will be converted to a bursary and will not need to be repaid. We plan to expand this programme to students in earlier years of study in the years ahead as more resources become available. Last year we made available R200 million for students who have completed their studies between the years 2000-2010, but have not received their degrees because they owe money, and thus cannot find jobs. The DHET will pay their loans and they will then repay the money when they get jobs.

Also, R77 million was made available for bursaries for disabled students. And in addition to this, we have set aside R50 million to support students in postgraduate studies as it is essential for our country to step up the production of Masters and, especially, PhD graduates –to ensure that we develop enough suitably qualified academics for the future as well as high level researchers and other specialists.

ROLE OF UNIVERSITIES IN OUR POST-SCHOOL SYSTEM

Our universities have a very important role to play in building a coherent post school education and training system. Our universities must research and help us to develop appropriate policies for post-school education and training. In addition we expect our universities to help train and produce high quality college lecturers.

Universities also need to ensure that they work together with our colleges to foster the development of highly articulated programmes.

This Province, distinguished guests, is home to one of the three institutions of higher learning that have been put under administration, and that is the Walter Sisulu University. The Administrator of the institution, Professor Lourens van Staden, was appointed last year to stabilize the management, financial management, academic and governance structures at the institution. It is encouraging to see what the Administrator and the community has managed to achieve since then.

However, we have also learnt recently that there is a strike underway at the Mthatha Campus and this has been running since around Thursday last week. Indications are that the other campuses in Butterworth and here in East London will be joining the strike. We are in constant communication with the Administrator and other stakeholders about the situation and we believe it will be resolved soon.

Such challenges notwithstanding, in 2010 Post-School Education in the province produced 13,229 graduates which is projected to increase by 16.27% to 15,381 graduates in 2012. The % share of graduates produced nationally will increase from 8.7% in 2010 to 9.2% in 2012.

A total of R954 million was allocated to the four institutions in the province in the first round of infrastructure and efficiency funding for the period 2006/07 to 2009/10 of which Walter Sisulu University obtained R454 million.

R425 million has been allocated in the second round of funding for 2010/11 to 2011/12.

POLICY AND ADMINISTRATIVE INTERVENTIONS

The Department has developed policy in a number of areas. The Green Paper for Post-School Education and Training was released for public comment on the 12th January 2012. Comments will be received until the 30th April. Last year we successfully developed the National Skills Development Strategy III (NSDS III). We have restructured the SETA landscape, reformed and improved the SETA governance structures. Support is being provided to FET colleges to strengthen them as institutions and to develop their staff, their curriculum and their infrastructure. This support will be extended and further strengthened even in this coming financial period, and in years to come.

Through the NSDS III, SETAs have been asked to reorient their funding to channel more resources into full occupational programmes at public FET colleges and universities. They should commit progressively fewer resources to short courses which do not actually build useful skills that assist recipients to make a living or contribute meaningfully in meeting our skills shortages. They must increasingly channel training resources into tackling the shortage of artisans, technicians, professionals, administrators, managers and others needed to build the economy.

One of the critical success factors for achieving the objectives of our Post-School Education and Training strategy is the establishment of partnerships. The transformation and rebuilding of our system depends on

inputs from Government, the Private sector, our communities and key sector stakeholders. It is in that vein therefore also essential that partnerships are built between colleges and universities of technology on the one hand; and employers in the public and private sectors on the other. These partnerships must provide, above all, avenues for students to get practical experience in the workplace so that they can complete their qualifications. College lecturers too must be able get exposure to the workplace to keep up to date with the latest practices in industry and the various workplaces. Practicing as well as retired artisans and professionals may also be called upon by the colleges or UoTs to provide additional expert instruction to students where this is appropriate and useful.

ROLE OF FETs IN OUR POST-SCHOOL SYSTEM

FET colleges are also being encouraged to build partnerships with private providers to offer certain programmes where this is felt necessary. These partnerships, however, must use the strengths of both public and private partners and should help to build the capacity of the public colleges. Under no circumstances should SETAs accede to a situation where public colleges are reduced to mere agents in an arrangement where the actual training is provided by the private partner while the public college only earns a fee as a middle-man.

The measures we are taking are not money making schemes, but aimed at responding to the challenge of skills development in our country, and to strengthen programmes in public colleges to address youth unemployment.

The government has given a very high priority to reviving and strengthening artisan training through apprenticeships and Learnerships.

The National Skills Accord, signed (like the Local Procurement Accord) by all the social partners represented in NEDLAC in July 2011, commits them to a number of things, with numerical targets where appropriate. Agreements include the following:

- Government and private sector employers committed to expanding the level of training using existing facilities and to expand these facilities;
- They agreed training will take place both in colleges and in workplaces belonging to the private sector, government and state-owned enterprises. Employers in the private sector and the state-owned enterprises agreed to take on more apprentices, learners and interns and to train beyond their own needs;
- Organised labour and government agrees that not all trainees will become employees in the company concerned and a distinction will be drawn between trainees and employees for purposes of establishing who are entitled to collective bargaining entitlements. This is obviously to allay business fears (grounded on past experience) that they would come under pressure to treat trainees on the same basis as other workers and to keep employing them after their training was completed;
- All parties agreed to work to improve the role and performance of FET Colleges;
- It was also agreed to improve the funding of training and the use of funds available for training and for incentives for companies to train. Obviously the skills-levy institutions (the SETAs and the NSF) have an important role to play here.

This agreement was negotiated and signed by all the NEDLAC partners and I have dealt with it in some detail agreement to demonstrate the growing commitment across the main social groupings in South Africa to the improvement of education and skills development.

EVERY WORKPLACE, A TRAINING SPACE

One really very important matter we would like to emphasize is the need for employers to open their workplaces for workplace training opportunities especially for our youth. These young people range from those from FET colleges who require 12 to 18 months to do their apprenticeships in order to write their trade tests and qualify as artisans. Another group of students are those from universities of technology who require final year work placement in order to graduate as technicians. We are saying to the SETAs much as you give Learnerships to Matriculants, but give priority to these so that we produce more skills. Improved placement of college students will go a long way towards attracting parents and students to FET colleges.

However work placement requires co-operation between employers, colleges, SETAs and the labour movement. Employers in both the public and private sectors must open their workplaces for internships. But such internships must not replace permanent workers nor replace the necessary ongoing training of such workers. The Eastern Cape is a Province known for its auto-manufacturing industry, and the supplier network that supports it. That is an opportunity for local Colleges.

We especially call upon the provincial government and municipalities to open up their workplaces for Internships, Learnerships and Apprenticeships. Even in the rural areas, where there is a municipal or

provincial office, fire engine, a hospital, waterworks, a police station, these are training spaces for our youth. This will require that provinces and municipalities must forge a closer relationship with FET colleges and SETAs. We are also directing the SETAs to open offices in our townships and rural areas so that they are closer to the action.

For example our department is partnering with the National Treasury, the South African Institute of Chartered Accountants (SAICA), and a number of municipalities, to train, coach and provide Learnerships for mid-level financial administrators in municipalities, to deal with the shortage of skills in this regard. The DHET is funding this initiative to the tune of over R70m over the next three years. Initiatives by municipalities themselves in skills development are very important; it is called 'growing your own timber'!

That is why our slogan as the DHET in this regard is: ***'EVERY WORKPLACE, A TRAINING SPACE!'***

IN CONCLUSION

Ladies and Gentlemen, a critical component of our strategy includes articulation, especially the relationship between colleges and universities. College programmes must be recognized and properly accredited for purposes of further study by college graduates who want to proceed to university. Even our Learnerships must have a relationship not only to the work-place, but also to college and university certificates and diplomas.

We have therefore called this gathering to, amongst other things, share with you our vision of our department, the work we have done, and our plans.

We do this so that these initiatives are not opportunistically hijacked by people who have their own narrow interests, and not those of especially the youth of our country.

But above all, through this engagement we want to encourage you to foster partnerships among all the institutions and stakeholders in the post school system, to drive the agenda for skills development. Working with our department we would like to see skills development fora, both at provincial and local levels.

We intend establishing provincial offices of the DHET in all 9 provinces, as well as skills development facilitators in districts to act as facilitators to support your efforts. We will be opening offices in this province soon, as that is a critical aspect of our strategy going forward. These offices will cover all areas in post school education and training, and not just focus on any single component.

I thank you...