



**UNIVERSITIES
SOUTH AFRICA**



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Blocks D & E, Hadefields Office Park
1267 Pretorius Street,
Hatfield, Pretoria
P.O. Box 27392, Sunnyside, Pretoria 0132

Chief Executive Officer: +27 (0) 12 030 0650 / admin@usaf.ac.za
Matriculation Board: +27 (0) 10 591 4401 / applications@usaf.ac.za
Director: Operations and Sector Support: +27 (0) 12 030 0652 / sso@usaf.ac.za

www.usaf.ac.za

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PART I:
THE LEADERSHIP
OVERVIEW



*Professor Thandwa Mthembu
Chairperson*

1.1. The Chairperson's foreword

1.1.1. INTRODUCTION

The end of the financial year (31 December 2019) marked the end of the era of *USAf Strategic Framework, 2015-2019*, guiding our strategic choices and activities for the past five years. It also marked the last day of my tenure as the Chairperson of the USAf Board. It is, therefore, fitting that I report on 2019 within the context of the five-year strategic planning horizon.

Back in 2015, our strategic framework undertook to:

- a) inform the policy agenda and develop policy positions, seeking to strengthen South African universities to embark upon quality teaching and learning, research, and community engagement activities;
- b) support universities to effectively perform the functions enumerated above;
- c) provide value-added services to member institutions;
- d) facilitate collaboration between USAf and key stakeholders, including government, parliament, business, the science community, and international partners in pursuit of USAf's objectives; and
- e) support the internationalisation agenda of South Africa's universities.

Looking back over the past five years, we can only be proud of the track record we have built up as an organisation.

1.1.2. TOWARDS INFORMING AND INFLUENCING THE POLICY AGENDA

USAf participated in the shaping of, or response to, numerous policy and legislative instruments. Although they are too numerous to mention on this platform, I want to single out a few:

- **The Higher Education Act, 101 of 1997:** In 2015, USAf continued to participate in the Ministerial Task Team established to review the Higher Education Act. From 2016 onwards, USAf commented on amendments to the Act that, among other matters, made provision for the determination of a transformation policy and oversight mechanisms for the public higher education system.

In our commentary, we voiced our concerns over several aspects, the most important being what we saw as the potential undermining of institutional autonomy and the concomitant granting of new powers to the Minister. Over the years, USAf has engaged in policy research for recommendation to the DHET when aspects of legislation needed to be changed, and/or when changes suggested by the DHET were presented to universities for comment.

- **Immigration Regulations of 2014:** We have focused our efforts on bringing to the Regulator's attention the impact of the 2014 Immigration Regulations on universities, especially regarding the attraction to, and retention of, academic staff and international students in South African universities. Working in collaboration with the International Education Association of South Africa (IEASA), we continued to raise with the Department of Home Affairs difficulties experienced by international students resulting from these regulations. It appears that ensuing issues will remain a subject for advocacy for some time to come. This is, therefore, an ongoing activity.
- **The Draft National Liquor Policy:** When the Department of Trade and Industry (DTI) published a draft National Liquor Policy for public comment in May 2015, we deemed it imperative to comment on the policy, recognising the relationship between the alcohol abuse of students and their study performance, as well as errant behaviour.
- **The Draft Policy Framework for the Internationalisation of South Africa's Universities:** We were relieved when this framework, to which we had made extensive inputs, was first published in 2017 and finalised in 2018. While the draft policy falls short of our expectations in a number of areas, we recognise that it is an important instrument to call upon in supporting the internationalisation efforts of South Africa's 26 universities. It augurs well for especially the mobility of academics, researchers, and students to and from our shores, for the development and offering of joint programmes between our universities and international partners, as well as to foster joint research programmes. At least 14% of the total national spend on research at South African universities is internationally sourced, and these collaborations are crucial to enhancing this funding. This draft policy might well be the instrument we need to make compelling arguments around the Immigration Regulations of 2014.
- **The Draft National Qualifications Amendment Bill, 2016,** seeking to combat fraudulent qualifications, and to require the South African Qualifications Authority (SAQA) to keep a register of such qualifications, as well as those who transgress.
- **The Protection of Personal Information Act (POPIA) of 2013 -- Code of Conduct for Public Universities:** In 2018, once USAf had acquired an understanding of the extent to which this law could affect universities, it commissioned the development of a Code of Conduct to enable public universities to comply with the legislation when it comes into force. This code was completed in 2019 and is reported on in more detail in Part II of this report.

1.1.3. PRIORITY ADVOCACY ACTIVITIES

USAf also embarked upon advocacy work with various state organs and role players, such as with the Minister of Health on matters concerning Nursing Education, with the Department of Trade and Industry (DTI) on the Copyright Amendment Bill, with the Department of Higher Education and Training (DHET) on the Draft Policy Framework for Workplace-Based Learning in the Post-School Education and Training (PSET) system and on Norms and Standards for Student Accommodation, as well as on many other policy instruments.

Amidst all of this, challenges which persisted year-on-year warranted our priority attention:

- **The National Student Financial Aid Scheme (NSFAS):** Engagements that took place between the then HESA, the National Treasury, the DHET and NSFAS during 2014 put the spotlight on NSFAS funding challenges facing the higher education sector. These meetings continued in a structure called the Policy Dialogue, representing the DHET, NSFAS, HESA, the National Treasury, the South African Union of Students (SAUS), and the University Council Chairpersons' Forum-South Africa (UCCF-SA). During 2015, these engagements were elevated to other structures, culminating in interventions at the Presidential level, as explained below.
- **State Funding for Higher Education:** This had already dominated engagements with the DHET, the National Treasury, the Council on Higher Education (CHE), and the Parliamentary Portfolio Committee on Higher Education, Training, Science and Technology. At the height of the #FeesMustFall campaign in 2015, the Executive Committee of USAf, student leadership and the UCCF-SA met with the then State President on 23 October to discuss the threats to the higher education sector, and to devise a plan for their resolution. This meeting was attended by then President Jacob Zuma and members of Cabinet. Discussions focused on the demands of students for free education, the #RhodesMustFall campaign and the violent climate within which these demands were being made. The meeting resulted in an agreement that there would be no fee increase in 2016, and that a Commission would be established to investigate these matters.

- **The Presidential Commission of Inquiry into Higher Education Funding:** USAf, alongside other organisations, appeared before the Heher Commission in 2016, at which we made a submission proposing a solution to the funding crisis faced by the tertiary sector. Our submission included a combined model of privately and publicly funded higher education, and we suggested three options:
 - o **Option 1** -- full financial aid for the poor and loans to those whose parents or guardians earned above the then NSFAS threshold of R122 000 annually, but who could neither afford to pay university fees, nor secure commercial bank loans. The establishment of the Ikusasa Student Financial Aid Plan (ISFAP), together with a revamped NSFAS, would render commercial bank loans feasible.
 - o **Option 2** -- a graduate tax model, assuming that there would be national consensus to establish a fee-free higher education regime. Through this option, USAf would seek to ensure that the income currently derived from tuition fees (in excess of R20 billion) was secured from an alternative source.
 - o **Option 3** -- a selection of tax incentives for individuals and corporates, including skills levies and social bonds.

The work of the Commission, initially projected to take eight months, took much longer with hearings lasting throughout 2016 and extending into June 2017. As the sector waited anxiously to hear the outcome of this process, it was met with total silence on the part of the Presidency, until a surprise announcement was made in December 2017 of a national bursary scheme for students whose household income was less than R350 000.

While this announcement was met with cautious optimism by universities, there were concerns about its applicability during the 2018 academic year, as well as the sustainability of this model in the medium to longer term.

1.1.4. SEEKING EMPIRICAL EVIDENCE TO BACK POLICY ADVOCACY

The pursuit of sustainable funding for higher education is far from over, and USAf continues to believe in backing its advocacy work with empirical evidence. As a way of bolstering our business argument for the appropriate level of funding for the long-term sustainability of the higher education sector, the Board approved the conduct of two studies.

- **A study to determine what it takes to produce graduates and diplomates:** This resulted from a Board decision made in 2016 to investigate, through research, what it takes to produce graduates and diplomates not only in the four main streams of knowledge (science, technology, engineering, and mathematics), but also in the management sciences, education, and the humanities. With funding secured from the DHET's Collaborative University Capacity Development Grant (UCDG), USAf commissioned this project to the University of Cape Town's Southern Africa Labour and Development Research Unit (SALDRU). Led by Dr Vimal Ranchhod, an Economics Professor and SALDRU's Chief Research Officer, the study focuses on two main aspects: (a) a macro study of the flow of funds through the higher education system, and (b) determining the cost of producing a graduate in specific programmes on an institutional basis, such as mechanical engineering. Data collection is expected to get underway in the first half of 2020 and completion of this project is envisaged by December 2020.
- **A study on the economic impact on universities:** Strongly believing that funding higher education is a worthy and laudable investment in an economically viable sector, rather than a loss to the fiscus, USAf also commissioned a study to quantify the economic impact on universities. The services of Professor Anastassios Pouris, Researcher at the University of Pretoria's Institute for Technological Innovation, were commissioned. Data analysis by the end of 2019 was promising and a final report is anticipated during the first half of 2020.

South Africa's economy remains shaky and volatile during 2019, with unemployment at an all-time high. For two consecutive years, SARS is not meeting its tax collection targets and a large chunk of higher education funding (1% of GDP) has been re-routed to finance NSFAS bursaries for needy students. It is difficult to anticipate the outcomes of our advocacy efforts, however compelling an argument we may put forward for adequate funding.

I am, nonetheless, proud of the journey that USAf has travelled in this regard. Securing appropriate funding for our sector represents the highest level of support that USAf could ever render universities. Adequate funding holds the key to the provision of quality teaching and learning, research, and community engagement – which is the essence of higher education.

1.1.5. FACILITATING COLLABORATION BETWEEN USAf AND KEY STAKEHOLDERS

One of the challenges that were identified as facing our sector during the development (in 2014) of the *Strategic Framework, 2015-2019* was that a fifth of academics in South African universities were due to retire in less than a decade. Of paramount concern were insufficient academic and post-graduate pipelines and, by implication, poor succession planning towards replacing nearly half of the professoriate within the system. To date, a lot has been achieved to remedy this situation. The ground we have covered can all be credited to the collaborative efforts of USAf and our supporting institutions.

During 2017, USAf secured funding from the Department of Science and Technology (DST) to conduct a study that it commissioned to Stellenbosch University's Centre for Research on Evaluation, Science and Technology (CREST). What became known as the Emerging Researchers study was undertaken: a) to establish the profile of lecturers and senior lecturers in South Africa's university system, to determine what proportion were research-active (i.e. publishing), and to ascertain what proportion were applying for research funding. The study also sought to identify b) key research drivers within South Africa's public university system, and c) key enablers for, and impediments to, building a pipeline of emerging researchers. The study, furthermore, had to recommend strategic actions to undertake at the systemic, institutional, and individual levels to increase the number, diversity, and representation of emerging researchers in the university system.

The lead researcher, Professor Johann Mouton, presented the findings of the study, firstly to Deputy Vice-Chancellors: Academic and other senior executives of the 26 public universities in March 2018, and secondly to the Research and Innovation Dialogue in May 2018. The findings were afforded more dedicated attention at a two-day USAf Symposium in February 2019, supported by the Association of Commonwealth Universities (ACU).

1.1.5.1. STUDY FINDINGS, SUMMARISED

The Emerging Researchers study presented staggering findings. On the profile of lecturers and senior lecturers within South Africa's university system, the study found that lecturers and senior lecturers constituted 12 686 out of 17 757 (72%) of all teaching staff. It also found that 44% of senior lecturers and 82% of lecturers did **not** have a PhD qualification. Of the total of 12 686 teaching staff, only 4 050 (almost a third, at close to 32%) were found to be actively publishing. From further statistical analysis, an assumption was made that those categorised as actively publishing were those who held a doctoral qualification.

To answer the question: what proportion of academics were applying for research funding?, the study found that of the lecturers and senior lecturers who could be labelled as actively publishing, only a third had attempted to apply for National Research Foundation (NRF) funding during the past 10 years. The most dominant impediment to research was found to be insufficient time, linked to enormous teaching loads. A large number of respondents reported teaching 'impossibly large' numbers of under-graduate students, the management of which left no time for research. Also, working with academically under-prepared students was a problem expressed by many respondents. Other reported barriers were the absence of a conducive research environment, heavy supervisory workloads at the post-graduate level, the absence of research networks, and insufficient mentors and role models within the university system.

1.1.5.2. TOWARDS AN ACTION PROGRAMME

The USAf-ACU symposium recommended, among other actions, a review of the untapped potential of post-doctoral candidates in the system, assessing the benefit or otherwise of reclassifying post-doctorates as staff, and quantifying the funding required to create such positions. The

symposium encouraged ramping up the production of high-quality PhDs. To this end, it urged the ACU to champion more split-site PhDs among international scholarship funders. While the DHET was called upon to consider commissioning a horizon scanning of international initiatives to improve PhD throughput, the Department was again implored, together with the NRF, to reflect on how to introduce more consortium-based models of doctoral training.

Increasing supervisory capacity was another area identified for urgent attention. USAf and the DHET were assigned to explore the development of a partnership to strengthen supervision capacity, and to design and trial criteria for good-quality supervision, potentially in partnership with other Commonwealth countries. The ACU, in turn, was tasked to explore a scheme to attract visiting faculty from across the Commonwealth, with doctoral supervision a key element of their remit. Additional recommendations hinged on exploring and developing mentoring schemes, building research support capacity, maintaining a balance between developing research and teaching capacity, involving HR directors in all planning and consultations, increasing collaboration across the system, and building a research culture employing pedagogical reform.

The recommendations made at the USAf-ACU Symposium demonstrate what we can achieve as a university system in pursuit of a common goal, working with government, research councils, funding organisations, and other Commonwealth university systems. At both this symposium and the R&I Dialogue of 2018, the DHET, the NRF and the ACU discussed, at length, funding instruments available for doctoral studies, as well as for accelerating transformational progress. It is anticipated that this conversation will continue, with concrete action plans from 2020 onwards.

For purposes of demonstrating USAf's collaborative efforts, I have singled out the Emerging Researchers/Academics programme because of the strategic value that a solid staff pipeline carries, alongside adequate funding, for the long-term sustainability of our institutions.

On behalf of the USAf Board of Directors, I wish to thank the DHET, the DSI, the NRF and ACU for travelling this journey with us.

Overall, looking at the performance on our five-year goals, I am highly encouraged by the good strides we have made, and believe we have prepared the ground to achieve even more in the next five years. Allow me to leave it to Professor Ahmed Bawa, our Chief Executive Officer, to cover (in the next section) how we have fared in providing value-added services to the higher education sector and supporting USAf's internationalisation agenda.

1.1.6. KEY FEATURES OF USAf's STRATEGIC FRAMEWORK, 2020-2025

Heading into the next five-year plan, USAf will focus on *students*, the *sustainability* of our sector, and *engagement*. Under *student support*, the USAf Board wants to create a student-centred higher education sector, focusing on understanding our student community and creating a culture of stability in which our students can thrive and aspire to nothing other than success. To that end, we will reflect deeply on the size and shape of the under-graduate and post-graduate programmes our country needs to make an impact. We will look at articulation across the sub-sectors of the post-school education and training sector into universities and universities of technology, with a minimum of impediment. We will rigorously promote student funding to guarantee solid progression from under-graduate to post-graduate programmes, ensuring a continuing pipeline towards doctoral and post-doctoral qualifications.

Our pursuit of appropriate funding for the *sustainability* of the sector remains high on the USAf Board's agenda for the foreseeable future. Building and maintaining a pipeline of academics and researchers will occupy centre-stage, as will developing technological and other infrastructure fit for our universities of the future. We will invest in curriculum renewal programmes, while continuing on the transformation trajectory established in the past five years. To that end, we shall deploy macro-funding strategies and consolidate our pursuit of shared services and the optimisation of economies of scale.

Finally, the university sector that the USAf Board envisages for the future will be deeply embedded in, engaging with and responsive to, its context. We will deliberately interrogate our environments to identify, define, and map out our stakeholders. We will engage them to understand their needs, aspirations, and material concerns. We will re-create the intellectual, physical and policy infrastructure of our

institutions to respond to the needs and aspirations of our society. We will re-configure our teaching, research, and innovation programmes to respond decisively to the reconstruction and development imperatives of our society. We will also invest in research that will inform us on the employability and career pathways of our graduates, so that we continuously re-engineer our programme offerings to match industry's demands for a sustainable labour market.

1.1.7. IN CONCLUSION

This is the USAf that I am handing over to Professor Sibongile Muthwa on 1 January 2020. On behalf of the Board of Directors, I want to express my sincere gratitude to Professor Ahmed Bawa for his exceptional leadership in the formulation, interrogation, and completion of *USAf's Strategic Framework, 2015-2019*. I thank the staff at the USAf Office, our Secretariat, for continuing to discharge their functions with professional prowess. I extend my appreciation to the USAf Board for having supported me in keeping this ship on course during my two-year tenure. It is with complete confidence in Professor Muthwa that I hand over this baton and trust her to propel this organisation to even greater heights.



Professor Thandwa Mthembu
Chairperson



*Professor Ahmed Bawa
Chief Executive Officer*

1.2. The Chief Executive Officer's report

1.2.1. INTRODUCTION

As we bid farewell to the era of the *USAf Strategic Framework, 2015-2019*, we need to pause and reflect on the past five years as the context within which the performance cycle of 2019 was concluded. The end of this era is also the stepping-stone towards the next five-year strategic framework.

1.2.2. NAME CHANGE FROM HESA TO USAf

During the name-change process of 2014/15, we managed to distinguish the university constituency from the broader church of institutions represented in the *White Paper for Post-School Education and Training, 2014*. By adopting Universities SA (USAf) as our designation, we achieved consistency with the naming convention of similar organisations on the continent and elsewhere in the world, such as the Association of African Universities, the Association of West African Universities, Universities Australia, Universities UK, and many others. Most importantly, we managed to clarify our mission as a representative association of South Africa's public universities, as opposed to only the leadership of these institutions. The USAf brand will continue to reap the rewards of this change for a long time to come.

With the name change came a renewed commitment to employ a more consultative business model. I am pleased to report that since I took office in April 2016, we have maintained our resolve to recognise the diverse views of students, staff, academics, and others who make up the constituencies of our universities. This we achieved by strengthening stakeholder engagement within our governance, strategic and operational structures, and by extending our reach into all 26 institutions by integrating, through deliberate design, our staff, academics, and students into the work of USAf. This approach will remain at the heart of our strategic and operational imperatives for the foreseeable future.

1.2.3. EXPANDING UNIVERSITY ACCESS TO STUDENTS

The work that we do through the Matriculation Board (of issuing exemption certificates to non-traditional and mature-age university applicants, as well as applicants with foreign school-leaving qualifications) yielded a total of 172 039 exemption certificates between 2015 and 2019. Calculated at an average of 34 400 certificates per year against average enrolment figures of 678 845 in 2015 (DHET's Statistics Publication, 2017) and 1,2 million students in 2019, we could say that, on average, the Matriculation Board has contributed between 3% and 5% of annual enrolments at public universities. This percentages have diminished, over time, as enrolment numbers rose and applications for exemption did not necessarily keep up.

Still, in the context of facilitating student access to university, USAf has participated diligently in the engagements from as far back as 2013 that conceptualised the Central Application Service (CAS). We are encouraged that the time spent by our experts on these conversations over the years finally culminated in the draft Central Application Service Bill of May 2019. By facilitating a single, simplified application process, CAS promises to become an efficient service, providing for multiple applications at a single cost. CAS will also grant applicants access to multiple institutions, covering the entire post-school education and training (PSET) sector. USAf's support for CAS has always been conditional upon the service being limited to applications, allowing universities space to continue exercising admission decisions. Our ongoing engagements with the DHET on the bill will seek to safeguard a commitment to this principle, which was clearly articulated in the ministerial policy on CAS, published in November 2017.

1.2.4. CAPACITY DEVELOPMENT IN INSTITUTIONAL LEADERSHIP AND MANAGEMENT

I am also pleased to report that over the past five years, we reached just over 1 000 higher education leaders and managers through the Higher Education Leadership and Management (HELM) programme. Of this number, 38 individuals benefitted from the last round of capacity development during the early part of 2015, before HELM underwent a restructuring process throughout 2016. Even though the focus during 2017 was mainly on consulting widely on the development of appropriate capacity development initiatives, the year culminated in a two-day workshop on *Leading in Complexity and Change*. This event was designed and offered to the 26 vice-chancellors of our member institutions and their deputies in October 2017. Another workshop, themed *Effectively Managing the Office of a University Executive*, was held in early December 2017, enabling personal assistants or executive secretaries in the offices of vice-chancellors to engage on challenges they encounter and strategies to mitigate such challenges.

During 2018, the reconfigured HELM engaged 173 individuals, a number that would grow exponentially to 586 in 2019. All the events of 2018/19 were targeted at Heads of Schools or Academic Departments and Deans. The feedback received from programme beneficiaries indicates that HELM enhances leadership and management skills, it opens people's eyes to leadership opportunities in the complex and ever-changing environment of tertiary education and, most importantly, it facilitates much-needed networking and cross-pollination of ideas amongst peers across the higher education sector.

The big inroads we have made and the large number of higher education leadership we have engaged, demonstrates the extent to which we have succeeded in disseminating relevant knowledge on core aspects of leadership and management of the higher education sector.

More of what the HELM programme has achieved, specifically during 2019, is shared in Part II of this report.

1.2.5. PROVIDING VALUE-ADDING SERVICES TO MEMBER INSTITUTIONS

One of USAf's major achievements over the past five years relates to broadband connectivity provided to rurally based campuses of member institutions through the Rural Campuses Connection Project (RCCP). Phase I of this project, for which the former HESA received a grant of R28 million from the Department of Higher Education and Training (DHET), saw 21 sites at 10 institutions successfully connected by the end of 2014. Phase II of the project, commencing in 2015 and funded by more than R71 million, achieved connectivity for 107 more sites at 20

universities by the end of 2019. Overall, RCCP Phases I and II reached remote campuses at 22 institutions (many of the Phase II beneficiaries also benefitted during Phase I). All capacity development needed to ensure that ICT infrastructure at connected sites will be maintained for optimal benefit was also completed.

A USAf-led spot-check assessment of the impact of the RCCP project, undertaken at selected campuses during 2018 and 2019, revealed promising results. Following the provision of improved broadband connectivity, students at the South Cape Karoo Nursing Campus of the Cape Peninsula University of Technology (CPU) in George (Western Cape) attested to benefitting from enriched teaching and better access to online library sources. Thanks to a faster internet service, students could access Blackboard, the CPU's learning management system, as well as PowerPoint slides and YouTube videos used by lecturers in class. Students could also consult the year plan and access their assignment marks online.

At the George Hospital, where 21 of the University of Cape Town's final-year medical students were deployed for internships during their sixth year, improved broadband paved the way in July 2017 for connection to Eduroam, the wireless service common to all public universities. Eduroam, in turn, went on to improve connectivity between the George-based group and their lecturers and classmates in Cape Town through tutorials conducted via video-conferencing. According to the site administrator, the upgrade had also enabled UCT to secure a lockdown browser, blocking the access of students to external resources such as Google, thus enabling the remote conduct of examinations online.

RCCP benefits have extended all the way north to the University of Limpopo (UL), where improved broadband connectivity, in February 2019, was reported to have:

- enabled significant efficiencies to the University's administration system – with students now required to apply online, paper-based applications were significantly reduced and, in 2019, UL reported the highest number of online applications: 41 395 (86,5%) of the 47 895 applications received;
- improved online library services to students and the teaching community, thus also registering a significant increase, overall, in online research activity;
- enriched teaching and learning through the usage of Blackboard, the learning management system through which lecturers can now upload teaching material for access by students, thus facilitating learning even when lecturers are not on-site;
- enhanced the smooth functioning of 1 158 workstations (as at February 2019) spread across the University's 13 computer laboratories; and
- brought stability to the super-computer in UL's Materials Modelling Centre, translating into stability in big-data research and an uninterrupted link and interactivity with the National Centre of High-Performance Computing in Cape Town, as well as other global data centres.

Drawing from the feedback obtained from these three institutions and from the project close-down evaluation report, it can be concluded that the RCCP has contributed to a major transformation at the 22 receiving institutions. With many of the project beneficiaries gaining network speeds varying from 50 Mbps to 1 Gbit/s, thus enabling institutions to do things they would have previously regarded inconceivable, the project can be regarded as a significant success. More on the RCCP outcomes can be read in the final project evaluation report, accessible on the USAf website: https://www.usaf.ac.za/wp-content/uploads/2020/07/200226-RCCPII-End-term-Evaluation_Final-Report.pdf

1.2.6. SUPPORTING THE INTERNATIONALISATION AGENDA OF SOUTH AFRICA'S UNIVERSITIES

The year under review saw the profile of South Africa's higher education system raised as the interaction with other systems increased.

- **Interactions with the ACU:** For the Research and Innovation Dialogue of 2018, we invited the Chief Executive and Secretary-General of the Association of Commonwealth Universities (ACU), Dr Joanna Newman, to deliver the keynote address, titled *Collaboration for Post-Graduate Training amongst Commonwealth Universities and Related Funding Opportunities*. Dr Newman returned to South Africa in March 2019 for a two-day symposium on the topic, *Developing the Capacity of Early Career Researchers*, held at the University of Johannesburg (UJ) and co-hosted by USAf and the ACU. We subsequently invited her to present the final symposium report at the National Higher Education Conference in October 2019, and to map out collaboration with USAf from 2020 onwards. The ACU-USAf report may be accessed at: https://www.usaf.ac.za/wp-content/uploads/2019/10/Dr-Joanna-Newman_Generating-talent.pdf
- **Visit by Romanian Universities:** In April 2019, at the request of the Embassy of Romania in South Africa, we hosted a Romanian delegation at the USAf Office, looking at renewing relations between universities in our two countries, especially at the post-graduate level. Although South Africa had initially established relations with Romania's universities in 2013, the then-signed memorandum of understanding had expired before much could be achieved. The delegation was, therefore, looking at rekindling these relations by identifying areas of common interest through which we could explore joint research programmes and work towards some kind of agreement for collaboration.

USAf was receptive to this idea. We reached an agreement that a university-to-university engagement would be facilitated at the level of academics, enabling them to drive the process. USAf would also conduct desktop research to ascertain which universities already had formal relationships with Romanian universities, as well as to establish what joint research studies had resulted in publications within the scope of those relationships. The next step would be to convene a meeting of South African and Romanian vice-chancellors to further explore the relationship.

- **The SAJU-Forum:** The South Africa-Japanese Universities Forum was initiated in 2007 to facilitate collaboration between the universities of both countries in addressing local and global challenges, as well as contributing to sustainable development. These goals were to be achieved through the sharing of ideas, facilitating student mobility in both directions, and collaborating in high-quality research – all towards the achievement of the United Nations Sustainable Development Goals. This relationship was revived at a re-launch ceremony hosted in Pretoria in December 2016, and at another event in Tokyo in July 2017 in the presence of a large SA delegation made up of vice-chancellors of 21 public universities, the USAf CEO, representatives of the NRF, the then DST and the DHET.

At the 4th SAJU-Forum Conference, hosted at the University of Pretoria's Future Africa Campus in May 2019, South African and Japanese universities were represented by 100 delegates. No fewer than 77 research papers were presented, divided among the five themes of "Health and Wellness", "Security and Social Justice", "Growth, Exploration and Conservation", "Modalities of Research Support", and "Staff-Student Mobility". The conference was a huge success, the final report of which may be accessed on the USAf website at: <https://www.usaf.ac.za/wp-content/uploads/2019/10/4th-SAJU-Conference-Report-2019.pdf>

Subsequent to the SAJU-Forum event, I attended the TICAD 7 meeting in Yokohama, Japan to present the conference findings. This has resulted in the SAJU-Forum becoming a platform for Asia-Africa collaborations.

- **Chinese Universities seek Relationships with SA Institutions:** A 12-person delegation of South Africa's universities visited China in October 2019 at the invitation of the Chinese Embassy in Pretoria, in collaboration with the China Education Association for International Exchange (CEAIE). The delegation, composed of three vice-chancellors and eight deputy vice-chancellors representing 12 institutions, were in China for 10 days, visiting five top Chinese universities, viz. Peking University in Beijing, Tongji University and Fudan University in Shanghai, Shenzhen University, and the Southern Technology University in Shenzhen.

The SA delegation developed a high regard for Chinese universities, their rankings in the global university system, and their world-class research infrastructure. Ambassador Lin and I exchanged views on how this sector-to-sector partnership might progress, ensuring the participation of all South African universities. The experience of the delegation will consolidate the multiple partnerships between South African and Chinese universities. A detailed report on this visit of SA's universities to China is available on the USAf website at: https://www.usaf.ac.za/wp-content/uploads/2020/07/China-visit-report_14-24-Oct-2019_-Feb-2020.pdf

In November 2019, the China Association of Higher Education (CAHE) also approached us, looking to build relationships with South Africa's universities. We hosted their delegation at the USAf Office on 11 December 2019. CAHE's Secretary-General and head of the mission, Mr Jiang Enlai, who acknowledged the existing relationships between Chinese and some of South Africa's universities, said they were here "to deepen collaboration of our universities to enhance cultural and economic relationships and understanding between our two countries". Mr Jiang was accompanied by two other officials.

In welcoming this gesture, we (at USAf) mentioned that it would be important to include in these discussions, relevant South African government departments, such as the Department of Higher Education and Training, and the Department of Science, Technology and Innovation. USAf would be able to facilitate engagement between the universities of both countries and also provide a platform for a Vice-Chancellors/Presidents Forum to meet and build on this relationship, as well as to assess its long-term sustainability. On USAf's side, I was accompanied by three other senior officials.

Further engagements with the CEAIE, the CAHE and the Chinese Embassy in Pretoria will explore a plan of action and follow-up steps during 2020.

In addition to these relationships in-the-making, USAf already organises university relationships with like-minded global institutions and organisations through the BRICS Network University, within the broader framework of the Brazil, Russia, India, China, South Africa (BRICS) group of countries. USAf also liaises with universities in Germany through the German Rectors' Forum (HRK). This relationship is governed by a co-operation agreement signed in 2013 to facilitate the mobility of scholars and students between South Africa and Germany, while additionally seeking to facilitate collaboration between researchers from both countries. During deliberations at a research match-making conference, hosted at the Durban University of Technology (DUT) in 2015, South Africa emphasised the need to increase the number and diversity of doctoral graduates, while funding opportunities in both Germany and South Africa were explored for collaborative efforts in doctoral training.

To date, however, USAf has made more progress with Universities UK on creating doctoral training partnerships, aimed at facilitating collaboration between British and South African scholars and students. Deliberations with a view to develop Doctoral Training Centres began in 2016. At a workshop hosted in Pretoria in March 2018, the two university associations agreed on the following priority focus areas: mathematics, statistics and data information science, food security, and energy security. Much progress has since been made, and further developments are envisaged from 2020 onwards.

1.2.7. OTHER HIGHLIGHTS OF 2019

- **The USAf Strategic Framework, 2020-2025:** During the course of 2019, this framework was the subject of wide-ranging consultation between the CEO and senior management at the USAf Office, members of USAf strategy groups, as well as the USAf Board of Directors. It is anticipated that the Board will formally adopt the framework at their first sitting in March 2020.
- **Open Access -- SA's National Position Paper:** OA2020 is a global revolution aimed at transforming scholarly journals from the current subscription system to new open access publishing models. The purpose is to enable the unrestricted use and re-use of scholarly outputs, and to ensure the transparency and sustainability of publishing costs. South Africa's universities joined this initiative during the latter part of 2018, subsequent to which the USAf CEO attended the 14th OA2020 Conference in Berlin, Germany in December 2018, alongside other South African representatives.

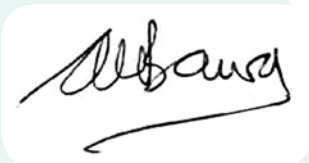
Since the Berlin conference, South Africa has been lobbying all relevant constituencies (member institutions, library associations, and science councils) towards formulating a common position. A working group, comprising representatives from the DHET, the DST, the NRF, the Academy of Science of South Africa (ASSAf), the South African National Library and Information Consortium (SANLiC) and USAf, engaged in a series of meetings during 2019, culminating in a draft National Declaration that was widely shared within the sector. The document details an approach for a national consensus in pursuit of open access and negotiated publishing costs. During 2020, in a process led by vice-chancellors and their deputies responsible for libraries, universities will compile financial information and inputs, enabling the sector to determine the affordability of the open access models being considered. This project is receiving urgent attention.

- **National Higher Education Conference:** USAf hosted its first-ever National Higher Education Conference from 2 to 4 October 2019 at the CSIR International Convention Centre in Pretoria. A good line-up of speakers delivered many thought-provoking perspectives on a wide range of topics and delegates were equally engaging – with some sessions sparking off more rigorous debate than others. Attended by well over 250 delegates representing academics, researchers, policy-makers and the business community, the conference was honoured by the presence of three distinguished international speakers from the Association of Commonwealth Universities, the University of Oslo in Norway, and the Nairobi-based United States International University-Africa, respectively. The conference report may be accessed on the USAf website at: https://www.usaf.ac.za/wp-content/uploads/2020/07/Reinventing-SA-universities-for-the-future_Final-Web-Report.pdf
- **Student Success Symposium:** Demonstrating our earnest resolve to create a student-centred university sector by supporting the development of an institutional culture that understands the need of students for appropriate and targeted support, USAf's Teaching and Learning Strategy Group (TLSG) hosted a one-day symposium in Johannesburg in November 2019. Titled *Understanding and Engaging Students for Success*, led by Professor Francois Strydom and Dr Sonja Loots of the University of the Free State's Centre for Teaching and Learning (CTL), the symposium shared findings from recent surveys of the teaching and learning experiences of both lecturers and students. The underlying message was that enhancing the learning experience of students is not receiving adequate attention within the university system. The event, which generated robust debate and, therefore, provided much food for thought, was well attended by DVCs: Academic, as well as Deans and Directors responsible for Teaching and Learning. From 2020 onwards, USAf intends to organise more such events through both the TLSG and the Transformation Strategy Group (TSG).

- **The EDHE First Intervarsity Competition:** Three years after the EDHE Programme was absorbed into USAf as one of our flagship programmes, it organised its first Entrepreneurship Intervarsity Competition, an event that generated wide interest in, and response from, our student community. Initially, student entrepreneurs competed at their respective institutions within four main categories. The winners went on to participate at provincial level in a process that culminated in a national prize-giving ceremony in Johannesburg in September 2019. It was most gratifying to witness the high calibre of enterprises that progressed to a top list of 27 and ultimately won prizes, including an Entrepreneur of the Year Award. We celebrate our young heroes who are making this programme all the more worthwhile and look to them to make entrepreneurship the best platform for growing innovation within our university sector. More is said on this in Part II of the report.
- **End of Tenure of Professor Thandwa Mthembu:** As 2019 draws to a close, we extend our deepest gratitude to Professor Thandwa Mthembu, Vice-Chancellor and Principal of the Durban University of Technology (DUT), who was at the USAf helm for the past two years. We also extend our most heartfelt welcome to Professor Sibongile Muthwa, under whose stewardship as chairperson we trust USAf will continue to soar to greater heights.

1.2.8. IN CONCLUSION

Our five-year performance period has been a particularly trying time, marred by widespread instability on university campuses, particularly from 2015 to 2018. Thanks to the relentless spirit of vice-chancellors, members of our governance committees and strategy groups, communities of practice and the USAf Office staff to pull together, USAf remains effective, efficient and stronger than ever. This, notwithstanding frequent tension between institutional decisions based on unique contextual intricacies and sector-wide strategic choices. I can only thank my fellow members of the USAf Board for remaining focused on the larger, sectoral picture and the common good. May we grow from strength to strength in our quest to build a stronger and more responsive national higher education system.



Professor Ahmed C Bawa
Chief Executive Officer



PART II:
PERFORMANCE
ON STRATEGIC
PRIORITIES

Introduction

Often described as the engine room of Universities South Africa (USAf), the Operations and Sector Support unit within the National Directorate underpins and coordinates the projects and activities of most of USAf's operational structures (five Strategy Groups and eight Communities of Practice) and is also home to the Higher Education Leadership and Management (HELM) Programme. The Matriculation Board also reports to the Director: Operations and Sector Support. The Entrepreneurship Development in Higher Education (EDHE) programme, though reporting directly to the Office of the CEO, is a universities support programme and, for that reason, is reported on in this part of the Report.

This section also reports on the inaugural National Higher Education Conference, a key priority and major achievement of the Directorate: Operations and Sector Support in October 2019. We conclude this section by reporting on projects co-ordinated by the Office of the USAf CEO.

2.1. Strategy groups

Strategy Groups are composed of experts in specific focus areas, drawn from public higher education institutions in South Africa and chaired by university vice-chancellors. Their main function is to provide strategic direction to the USAf Board on key sectoral issues and, by extension, the university community. The main issues dealt with by these advisory structures during 2019 are indicated below.

The Funding Strategy Group (FSG) focused on many issues within its purview, in most cases in collaboration with the Finance Executives' Forum (FEF). Regular engagement with the Department of Higher Education and Training (DHET) strengthened the activities of the FSG.

- Overseeing the implementation of a *study on the long-term financial sustainability of the higher education sector*, funded by the DHET's Collaborative University Capacity Development Grant (UCDG). This study focuses on two main aspects: (a) a macro study of the flow of funds through the university system, and (b) determining, on an institutional basis, what the cost is of producing a graduate in specific programmes, e.g. mechanical engineering. Initial findings of the study were shared during the National Higher Education Conference.
- Focusing on *sustainable financial support for students* through the DHET Bursary Scheme, administered by the National Student Financial Aid Scheme (NSFAS), as well as other NSFAS matters, and piloting the Ikusasa Students' Financial Aid Programme (ISFAP), providing funding for students from the so-called "missing-middle" income group.
- Actively engaging with the DHET on the development of a proposed *fee regulation policy framework*. Recognising that policy stability is urgently required, the development and implementation of a fee regulation framework is a priority for the DHET, and the FSG has been providing support for this process.
- Developing *dashboard financial indicators* for the higher education system in collaboration with the FEF. At the request of the FSG, a FEF Benchmarking Task Team is working on establishing what the acceptable dashboard indicators are for universities to test their solvency or viability as going concerns.
- Commissioning a researcher to do a study on *the economic impact of universities*. The focus of this study is on the national impact, as well as the kind of machinery that would be required to conduct local studies of this nature. The first phase of the project has been completed, and the next phase will focus on the economic impact of producing graduates.
- Updating *the higher education price index (HEPI)*. The Bureau for Economic Research (BER) at the University of Stellenbosch has been contracted to update the HEPI, using financial data from 2015 to 2017, and to expand this process with data for 2018 and 2019. The first of a range of reports was finalised during 2019. The FSG will advise on how the HEPI can be utilised in the higher education sector.
- Reflecting on *norms and standards for student housing*, judged to be too high and unaffordable for universities. Consequently, the

DHET has initiated a process for the revision of norms and standards. A USAf Working Group on Student Housing will work with the DHET to explore different solutions and innovations to address the pressing challenge of student housing, taking into consideration, inter alia, the urban and rural nature of universities.

- Addressing concerns about the *negative effect of the amended B-BBEE scorecard* on universities. In an attempt to alleviate the adverse impact of the revised scorecard, a task team of the FEF has prepared and submitted a detailed application to the Department of Trade and Industry (DTI), adopting a uniform alternative basis for calculating the targets for enterprise development, supplier development, and socio-economic development.

The Transformation Strategy Group (TSG) engaged regularly with the DHET and the ministerial Transformation Oversight Committee (TOC) on issues within its scope of interest.

- Arising from concerns about what is perceived as the exclusionary nature of the institutional culture at universities, the TSG has initiated a project on the *reconstitution of institutional culture* by (a) focusing on the design of universities around students and staff, and (b) building models of universities that are totally grounded within their local settings.
- The TSG has been monitoring the implementation of the *transformation barometer*, a diagnostic and self-measuring tool for the university sector, in collaboration with the Transformation Managers' Forum. Institutions have different approaches because of different contexts and are, therefore, customising and operationalising the barometer to be in harmony with their own environments.
- The TSG intends to engage the DHET on the *Strategic Policy Framework on Disability for the Post-School Education and Training System* that could have major infrastructure and human resources implications for universities.
- The TSG has also been focusing on the role of the *Institutional Forum* at higher education institutions (HEIs), whose primary function is to advise university councils and senates and to exercise oversight. Related issues that the TSG is considering include a TOC review of the current university governance architecture, and possible studies on university autonomy and governance to be initiated by the DHET.
- Another priority of the TSG has been the *promotion of academic freedom* through USAf's affiliation to Scholars at Risk (SAR), an international network of institutions and individuals whose mission is to protect scholars and promote academic freedom in various parts of the world. The TSG plans to determine the capacity of the South African higher education system to accommodate refugee students and academics, and to develop a governing protocol.
- *Gender-based violence* (GBV) in South African institutions of higher learning is of grave concern to the TSG. It has welcomed the development of a draft Policy Framework to Address Gender-Based Violence in the Post-School Education and Training System and will actively engage with it once it has been finalised and published.

During 2019, the **Research and Innovation Strategy Group (RISG)** continued its focus on funding for research and innovation, research infrastructure, a framework for the measurement of innovation, a system-wide policy for internationalisation, and capacity development for the purposes of transformation and inter-institutional collaboration. At its meetings, the RISG regularly engaged with the DHET, the Department of Science and Technology (DST) and the National Research Foundation (NRF).

- The *development of early career researchers* remained high on the RISG agenda with a symposium on 18 and 19 March 2019 on the theme *Developing the Capacity of Early Career Researchers*, co-hosted by USAf and the Association of Commonwealth Universities (ACU). A report, with practical recommendations emanating from the symposium, was released at the National Higher Education Conference in October 2019.
- Work on the implementation of *Doctoral Training Centres*, in partnership with Universities UK, continued. Key areas of collaboration identified are Mathematics, Statistics, Data Information Sciences, Food Security, and Energy Security.
- The *4th South Africa-Japan Universities Forum (SAJU) Conference* was held from 23 to 25 May 2019 at the Future Africa Campus, Pretoria, in collaboration with the NRF, the Japanese Embassy, the University of Tsukuba, and other strategic partners. It was an abstract-driven conference to encourage existing and new research collaborations between South Africa and Japan, and around 200 delegates from both countries participated in this successful event.



The 4TH SAJU-Forum Conference saw no fewer than 77 research papers presented. These were spread across four themes of Health and Wellness; Security and Social Justice; Growth, Exploration and Conservation; Modalities of Research Support; and Staff and Student Mobility.

- The RISG continued its *engagement with the DST on the draft White Paper for Science, Technology and Innovation* at a joint meeting of the RISG and Deputy Vice-Chancellors: Research on 26 September 2019.
- The NRF continued its consultations with the RISG on a review of the current rating system for researchers.
- The RISG oversees the implementation of the second phase of the *Rural Campuses Connection Project*, for which a grant of R71 million was made available by the DHET in 2015 for a period of four years until 31 March 2019. The objective of the project is to provide access circuits to connect rural university campuses to the South African National Research Network (SANReN). A no-cost time extension of one year was granted by the DHET to connect a small number of remaining sites, and to develop proposals for the utilisation of residual funds. By 31 December 2019, all sites (107) had been connected and all capacity development activities had been concluded. An end-of-project review commenced in October 2019 and will be concluded by February 2020. Initial findings of the review are largely positive.

During 2019, the **Teaching and Learning Strategy Group (TLSG)** continued to engage with issues relating to the curriculum, information technology, the ethical use of data for predictive and management purposes, as well as enhancing the student learning experience.

- The TLSG paid particular attention to the *student experience* and, in collaboration with the University of the Free State's Centre for Teaching and Learning, issued aggregated data reports for the higher education sector extracted from the South African Survey of Student Engagement (SASSE). This culminated in a symposium on the theme *Understanding and Engaging Students for Success* held on 22 November 2019.



Professor Francois Strydom (left), Director at the UFS's Centre for Teaching and Learning, led the discussions at a symposium attended by over 60 participants representing Deputy Vice-Chancellors: Academic and Student Affairs, Deans and Directors (mostly responsible for Teaching and Learning, Student Counselling or Academic Excellence), and Heads of Departments. The event was hosted in Johannesburg.

- It was brought to the attention of the TLSG that there is a *global shift towards the development of custom digital publications*, accompanied by online assessment resources and other innovative solutions, such as online laboratories in the publishing space. The TLSG will continue to monitor new developments and implementation models in this field.
- The TLSG continued its *engagement with the Council on Higher Education (CHE)* in developing a framework for programme accreditation that will increase the efficiency of the accreditation process, as well as providing input into the new Integrated Quality Assurance Framework.
- This strategy group also regularly *engaged with the DHET on policy and programme matters*, such as the University Capacity Development Programme (UCDP), the Staffing South African Universities Framework (SSAUF) which is the staff-development component of the UCDP, and the revised Extended Curriculum Policy Framework (ECP).

Established during 2018 as agreed at the Board of Directors' last meeting of 2017, the **World of Work Strategy Group (WSG)** commenced in earnest with its first official meeting on 17 July 2019. Based on member presentations of national trends related to the work of the WSG, priority projects were discussed, along with the potential establishment of communities of practice in future.

It was advised that four areas of work be considered in this strategy group, i.e.:

- Pathways for creating learning opportunities at the theory-praxis nexus;
- The sociology/psychology of work as large transformations occur in the workplace;
- Implications of the emergence of a digital economy and society; and
- Graduate employability, employment and entrepreneurship.



Members of the World of Work Strategy Group at their inaugural sitting on 17 July 2019, with USAf officials who provide secretariat support.

The WSG's priority areas, as agreed for 2019/2020 are:

- **Impact of new technologies on the labour market**
A study on the impact of new technologies on the labour market, including new trends in Work Integrated Learning (WIL) and Internships, and the impact on humanity.
- **Work Integrated Learning (WIL) and Internships**
A study on Work Integrated Learning (WIL) and Internships, including an environmental and intersectoral scan, funding models and management models.
- **Entrepreneurship Development in Higher Education**
Enhancing the Entrepreneurship Development in Higher Education (EDHE) Programme, i.e. in terms of the development of student entrepreneurship, entrepreneurship in academia, and entrepreneurial universities. Identifying examples of best practice and understanding the existing activities that are already in place at universities are key to the approach. The development of universities' institutional culture in terms of entrepreneurship is particularly relevant.
- **Fourth Industrial Revolution**
Various studies and interventions related to the Fourth Industrial Revolution, including the social impact and technological transformation, and fast-tracking the readiness of universities (consequences of the 4IR on humans; mapping of scope of activities; sectoral environmental scan on IR technologies, focusing on cyber/physical; impact of 4IR on education: infrastructure, curriculum, human capacity, and programmes; multi- and interdisciplinary education in collaboration with the TLSG; and infrastructure for the 4IR).
- **Graduate Destinations**
Design and development of a Graduate Destinations Survey that should be sustainable and reliable (in collaboration with the HSRC).

2.2. COMMUNITIES OF PRACTICE

Communities of Practice (CoPs) provide a platform for tertiary institutions to share information, knowledge, and concerns, as well as collaborating in addressing common challenges with a focus on operational issues rather than strategic concerns. The membership of CoPs comprises individuals from public universities who are responsible for similar support functions (e.g. human-resource management) or academic disciplines (e.g. Mathematics).

As already indicated, the **Finance Executives' Forum (FEF)** collaborated closely with the FSG on a variety of issues during 2019. This forum regularly engaged with the DHET, the NSFAS and the Forum for Audit, Risk and Forensics (FARF). Again, in addition to the matters already indicated, the FEF is represented in a task team working on the National Site Licence and Open Access Project, aimed at reducing the high cost of processing charges for publication of, and access to, scholarly and research articles by way of alignment with the global Open Access movement. The FEF has also played a key guiding role with Stellenbosch University's BER in the updating of HEPI.

Significant activities of the **Transformation Managers' Forum (TMF)** during 2019 included the following:

- The celebration of topical transformation issues by all public universities through the adoption of an annual national campaign, known as Common Campaign Days. This year's theme was *Active citizenship, rights, freedom, and responsibilities*, observed during the month of August.
- The establishment of an Employment Equity Managers' Forum composed of employment equity specialists to deal with equity issues and other related matters.
- Representation in a Ministerial Commission on GBV, formed to review the relevant policies and strategic programmes in the university, as well as the technical and vocational education and training (TVET) sectors.
- Regular engagement with the DHET's Social Inclusion Unit on policies, such as the draft Policy Framework to Address Gender-Based Violence in the Post-School Education and Training System.
- Participation in a series of provincial consultations on the draft National Strategic Plan on Gender-Based Violence and Femicide, 2020-2030.
- Members of the TMF attended and actively participated in the Gender Transformation Symposium, hosted by the Cape Peninsula University of Technology (CPUT) on 26 and 27 August 2019.

During 2019, the **Teaching and Learning of Mathematics Community of Practice (TLM CoP)** and the **Community of Practice for African Languages (CoPAL)** held quarterly meetings, hosted on a rotational basis by different universities, continuing to engage with agreed priority areas. Both of these CoPs provided a valuable platform for academics and practitioners from universities to build collegial relationships and share good practices. These two structures are also linked to the TLSG.

- The TLM CoP continued to engage with the teaching and learning of mathematics, especially to improve student success at first-year level mathematics. A key issue for the TLM CoP was the debate on Grade 12 Technical Mathematics, and whether it is equivalent in status to Mathematics (core) for the purpose of admission to universities.
- The CoPAL continued its focused engagements on language policies at universities, research, and post-graduate studies. A training workshop on how to write a funding proposal was hosted at the request of CoPAL members.

Twenty-eight members of the CoPAL from 13 universities attended the first meeting of 2019 at the University of Fort Hare campus in East London. The CoPAL is an energetic forum of academics and language practitioners, passionate about the advancement of African Languages in teaching and learning within Higher Education.



The **Human Resource Directors' (HRD) Forum** attended to a range of issues during 2019, including:

- The employment of foreign nationals with emphasis on challenges being experienced with the implementation of immigration regulations, and restrictions imposed by South African labour legislation.
- Capacity development for HR practitioners through an HR Development Programme, funded by the Education and Training Development Practices-Sector Education and Training Authority (ETDP-SETA).
- Sectoral workforce planning, including the development of an integrated talent management framework, as well as the anticipated sector-wide pilot project to test the viability of the proposed academic workload model.
- Strategic discussions on remuneration practices in the university sector.
- Skills planning and development in the higher education sector, including the development of a competency framework.
- Health and wellness issues in the university sector, around which the HRD has had engagements about the implications of the National Health Insurance Bill on the sector workforce.
- The HRD regularly engaged with representatives of government and industry, as well as with other CoPs, focusing on human resource development.

The **Skills Development Facilitators' (SDF) Forum** attends specifically to matters related to compliance with South Africa's skills development legislation. During 2019, it continued to have regular and constructive engagements with the ETDP-SETA. Important activities included the following:

- During its meeting in March, the SDF made a presentation and initiated discussion on digital disruption, focusing on the question of readiness for a possible disruption, and how the SDF could influence leadership development in these troubling times.
- In 2017, the SDF had already initiated the development of a Student Administration Occupational Qualification in response to the lack of a formal qualification for higher education administrators. Twice applications to the Quality Council for Trades and Occupations (QCTO) for registration as an occupational qualification have been rejected on the grounds that other such qualifications already exist. The SDF is now exploring other options, and an engagement is planned with the QCTO and the Association for Advanced Academics.
- Subsequent to a skills audit and training-needs analysis conducted amongst staff of universities rendering services that had previously been outsourced, a Memorandum of Agreement was signed between the ETDP-SETA and the Safety and Security Sector-SETA (SAS-SETA) making funding available for the training of security staff over a three-year period. The SAS-SETA General Security Practice Leadership Programme is one of the training initiatives implemented by means of this funding. By end-2019 the first phase of the programme was nearing completion, and the second phase was scheduled to commence in February 2020 and conclude by January 2021.

The focus of the **Education Deans' Forum (EDF)** is teacher education. It regularly engages with the Department of Basic Education (DBE) and the DHET, as well as the South African Council for Educators (SACE) on matters related to professional practice teaching standards. The following were highlights during 2019:

- The EDF colloquium, held on 3 September, was hosted by the University of Johannesburg (UJ) at the Johannesburg Country Club. The topic for this year was *The 4th Industrial Revolution and its Implications for Teacher Education*. This event was an opportunity for vibrant discussion on issues such as whether teacher education programmes should change in light of the 4th Industrial Revolution (4IR). Case studies of innovative practices for the 4IR were presented and discussed.

At the EDF Colloquium of September 2019, a very stimulating engagement ensued, hinging on, among other focus areas, staying human in the 4IR while also seeking to understand what this demands of educators.



- The EDF is concerned about the high unemployment rate among graduates and has raised the matter with the DHET of a possible over-supply of teachers. The Department has, in turn, commissioned a team from the University of Stellenbosch, led by Professor Servaas van der Bergh, to undertake a supply-and-demand study which is in progress.
- The EDF has taken note of, and is in support of, the DBE piloting an *Employability, Entrepreneurship and Education in Schools* programme. This programme is aligned with the National Development Plan (NDP) requirement that by 2030 all school-leavers must be willing to undergo further learning (education), be able to find jobs (employability), and be prepared to start their own businesses (entrepreneurship).
- Matters for engagement and deliberation during 2019 included on-going updates on the Funza Lushaka Bursary programme, concerns about funding for teaching practice transport, and proposals on the revision of the Minimum Requirements for Teacher Education Qualification (MRTEQ).

The Matriculation Board assists the hosting institution with the organisation of the annual **Registrars' Imbizo** and provides administrative and financial support for this event. On 7 and 8 March, the Cape Peninsula University of Technology (CPUT) hosted the 2019 Imbizo in Cape Town for the registrars of the 26 public universities and affiliated private higher education institutions. The following issues were prominent on the agenda:

- financial support for students, particularly the DHET Bursary Scheme administered by the National Student Financial Aid Scheme (NSFAS), as well as other NSFAS issues;
- governance at universities, including the Council Assessment Scorecard and Institutional Forum;
- implications for universities of the Protection of Personal Information Act (POPIA);
- cyber security; and
- the Central Application Service (CAS) and Central Applications Clearing House (CACH).

2.3. INAUGURAL NATIONAL HIGHER EDUCATION CONFERENCE

USAf hosted its first National Higher Education Conference from 2 to 4 October 2019 at the CSIR International Convention Centre in Pretoria.

The strategic intent of the conference, themed *Reinventing South Africa's Universities for the Future*, was to provide an opportunity for the higher education sector and its stakeholders to critically reflect on, and rigorously debate, the conference theme from various perspectives. The conference focused on exploring creative ways of reconfiguring higher education in South Africa for the new era of rapid and exciting local and global development and change, taking into consideration its history and its current situation.

The conference was composed of a number of plenary sessions related to its central theme, interspersed with parallel sessions conceptualised and planned by USAf's five Strategy Groups, exploring and debating the overarching theme from the perspective of each group.

Eminent keynote speakers included the Minister of Higher Education, Science and Technology, Dr Blade Nzimande; Professor Paul Tiyambe Zeleza, Vice-Chancellor of the United States International University-Africa; Professor Peter Maassen of the University of Oslo, Norway; Professor Chris Brink, Emeritus Vice-Chancellor of Newcastle University, UK; Professor Tshilidzi Marwala, Vice-Chancellor of the University of Johannesburg (UJ); and Professor Derrick Swartz, former Vice-Chancellor of Nelson Mandela University (NMU).



International speakers included (from left): Professor Chris Brink, Emeritus Vice-Chancellor of Newcastle University in the United Kingdom; Professor Paul Tiyambe Zeleza, Vice-Chancellor of the United States International University-Africa, based in Nairobi, Kenya; and Professor Peter Maassen of the University of Oslo, Norway.

The conference was preceded by a workshop on student success during the morning of 2 October on the theme *Shifting the Narrative from Access to Success*. During the workshop an attempt was made to understand where the South African higher education system finds itself in relation to student success in 2019, and how the system could and should progress over the next 11 years to align with the vision for higher education in the National Development Plan (NDP) 2030.

This event was extremely well received. More than 200 delegates from universities and private higher education institutions, government, the private sector, and international donors and partners were in attendance. Subsequently, a series of articles on the conference were written and published, and a synthesis report on the conference proceedings will be available early in 2020.

Encouraged by the success of the inaugural National Higher Education Conference, USAf plans to continue hosting similar conferences in future.

2.4. USAf PROGRAMMES

2.4.1. HELM PROGRAMME

The overarching aim of the Higher Education Leadership and Management (HELM) Programme is to ensure that the higher education system is endowed with empowered leaders and managers, able to steer their institutions efficiently and effectively towards a desired future. The following activities were successfully conducted during 2019:

- The HELM Foundations of Leadership and Management Programme is a peer-based intervention, addressing the fundamentals of academic leadership and operations management. Part One focuses on the context of higher education, policy and regulatory drivers, as well as academic leadership. Part Two covers strategic planning, change management, and people management. During 2019, thirteen Foundations Programmes were delivered to a total of 515 Heads of Schools and Academic Departments, as well as Deans. Each Foundations Programme is preceded by a training-needs analysis survey and participants are requested to complete an evaluation form at the end of the programme. Here are some comments and feedback from participants:

"This was an excellent session in terms of understanding the complexity of leadership and management. I enjoyed all the tasks that were done in this session. I could relate to a number of issues pertaining to my role as a Dean. I was able to find or realise some of my strengths and areas that I need to prioritise in my own workspace" -- Dean, UWC, 2019.

"The programme allowed me to put all the activities I engage in on a daily basis into perspective. I was able to place myself at the centre of these activities and identify my roles. This was enlightening and truly motivating" -- HoD, CUT, 2019.



Most Heads of Departments and Schools exposed to the HELM Foundations of Leadership and Management Programme laud it as an 'overdue' intervention.

- One of HELM's objectives during 2019 was to support institution-based leadership development. In this context, facilitation services were provided during the first day of the UNISA Academic Capacity Development Programme, held in May and attended by 35 current and aspiring chairs of academic departments.
- Two capacity development workshops, offered to Deputy Vice-Chancellors (DVCs)/Deans and Directors of Student Affairs/Development, respectively, were attended by a total of 71 participants.
- Discussions on content and programme architecture for the design of a HELM Masters programme have been initiated with potential international and local universities.
- In November, an executive leadership workshop, focusing on funding and financial sustainability, was attended by 19 Vice-Chancellors (VCs) and DVCs.
- A Women in Leadership (WiL) programme has been designed, including an international component, for implementation in June 2020.
- A proposal for a book by the Director of the HELM Programme, Dr Oliver Seale, titled *Bridging Troubled Waters: Deanship in the University, Voices from the South*, has been accepted for the African Higher Education Development Perspectives Series by Brill Sense Publishers. A draft manuscript is currently under editorial review.
- In May, Dr Seale acted as a resource person at the Higher Education Policy Institute, Accra, Ghana, where he presented three lectures on leadership, management, and leadership development in universities at an event organised by the Council for the Development of Social Science Research in Africa (CODESRIA). Discussions are underway to formalise a partnership between HELM and CODESRIA.
- Following a business trip by Dr Seale to the United Kingdom and the United States, discussions are also taking place with the University of Bath (UK), Advance HE (UK) and the American Council on Education on areas for collaboration.

2.4.2. MATRICULATION BOARD

The Higher Education Act, 101 of 1997 provides for the Matriculation Board to determine minimum general university admission requirements (better known as matriculation endorsement requirements) which are published in the *Government Gazette*. In fulfilling this mandate, during 2019 the Matriculation Board finalised 23 500 matriculation exemption applications to non-traditional and mature-age applicants, as well as applicants with foreign school exit qualifications, and aided 3 637 walk-in applicants. The Matriculation Board services 26 public universities and 19 affiliated private higher education institutions.

The Matriculation Board provides operational support to the Joint Admissions Committee (which includes the Matriculation Board) whose members in 2019 were Professor Gordon Zide (Chairperson), Mr H Amoore (Acting Chairperson: Matriculation Board), Professor S Howie, Professor IC Burger, Professor C Foxcroft, Dr D Mokoena, Dr G Vinger, Ms C Myburgh, Ms C Crosley, Ms N Dlamini (SATN representative), Dr M Rakometsi (Umalusi representative), Ms S Ferndale (Private Higher Education Institutions representative), and Dr B Kramer (*USAf – ex officio*). The issues dealt with by this structure during 2019 included the following:

- a. Members of the Admissions Committee served with other university representatives in the various structures dealing with the DHET's CAS Project.
- b. The Admissions Committee consulted, on an on-going basis, with the DHET regarding the dissolution of the Committee of University Principals (CUP), the Committee of Technikon Principals (CTP) and the Matriculation Board in terms of Section 74 of the Higher Education Act. The following documents were again submitted to the DHET for further action:
 - USAf's proposal on the future of the Matriculation Board;
 - Regulations for the proposed Higher Education Admissions Agency;
 - Regulations for student records, academic transcripts, certificates of conduct, and statements of financial standing;
 - Regulations for credit accumulation and transfer (CAT); and
 - Regulations for minimum requirements for admission into the under-graduate higher certificate, national certificate, diploma, national diploma, and bachelor-degree studies.

- c. The Admissions Committee submitted proposals to the USAf Board for:
- Minimum admission requirements to higher education for the higher certificate, diploma and bachelor-degree programmes for holders of the National Certificate Vocational (NCV).
 - The status of technical mathematics and technical science.
 - Comment on the proposed release dates of the National Senior Certificate (NSC) results from 2021/22 onwards.

2.4.3. EDHE PROGRAMME

Introduction

The Entrepreneurship Development in Higher Education (EDHE) Programme is aimed at driving and supporting entrepreneurship development in universities and has continued to grow in output and impact during 2019. Entrepreneurship in its different forms is now increasingly recognised as a priority area by public universities, and most universities are making good progress in terms of supporting student entrepreneurship, developing entrepreneurship through teaching, learning and research, and repositioning themselves as entrepreneurial institutions.

The platform for the EDHE was established at the end of 2016 from within the University Education Branch of the DHET and, from 2018, has been funded through the University Capacity Development Programme (UCDP). Since June 2018, the EDHE Programme has been formalised and successfully managed by USAf.

As the driver of collaboration and partnerships, the EDHE Programme is positioned as an evolving activity to develop the entrepreneurial capacity of universities and their leaderships, academics, students, the business community, and other structures. Furthermore, the goals of the EDHE are in keeping with the intention that the UCDP should enable an integrated approach to capacity development across three focus areas, namely student development, staff development, and programme/curriculum development, i.e.:

- Goal 1 - Student Entrepreneurship
- Goal 2 - Entrepreneurship in Academia
- Goal 3 - Entrepreneurial Universities

USAf World of Work Strategy Group and the National Higher Education Conference

The EDHE office serves as the secretariat and support mechanism for the USAf World of Work Strategy Group (WSG) due to the fact that entrepreneurship is recognised as a priority area for its activities. In this capacity, the EDHE team was responsible for the planning and conduct of dedicated sessions related to the focus areas of the WSG in the USAf Higher Education Conference that was held in October 2019.

The WSG was represented as follows in four sessions at the National Higher Education Conference from 2 to 4 October 2019:

- **The Impact of the New, Integrated Technologies on Higher Education's Future** (Plenary session): Speakers: Prof Tshilidzi Marwala, Vice-Chancellor: University of Johannesburg; and Prof Derrick Swartz, former Vice-Chancellor and Principal: Nelson Mandela University.
- **New Technologies and the Labour Market:** Speakers: Dr Surendra (Colin) Thakur, Director: NEMISA KZN e-Skills CoLab, Durban University of Technology; and Ms Amy Thornton, Researcher: Development Policy Research Unit, University of Cape Town.
- **Repositioning graduates as creators of work:** Speakers: Prof Sibusiso Moyo, Deputy Vice-Chancellor: Research, Innovation and Engagement, DUT; Mr Stuart Hendry, Convenor of the Genesis Project: Applied Management, Faculty of Commerce, UCT; and Prof René Pellissier, Director: Strategy and Internationalisation, CPUT.
- **Moving from a gravel road to a highway for reinvention** (Work Integrated Learning and Internships): Speakers: Dr Henri Jacobs, Chairperson of the SATN Wil Task Team and Deputy Director: Work Integrated Learning and Skills Development, Central University of Technology (CUT); Dr Jeanette du Plessis, CUT; and Mr Gideon Potgieter, Chief Executive Officer, Resolution Circle.

Achievements of the EDHE Programme during 2019

The most significant achievement of the EDHE Programme during 2019 lies in the exponential growth and nation-wide acceptance by universities of the programme and its objectives. Significant progress has been made at some historically disadvantaged (or black) universities, in particular, such as the Durban University of Technology (DUT) and the University of Venda (UV). University leadership is increasingly supporting the development of entrepreneurship in their institutions. Some of the main achievements during 2019 are touched on below.

2.4.3.1. UNIVERSITY ENTREPRENEURSHIP ECO-SYSTEM BASELINE STUDY

A baseline research study on the national university entrepreneurship eco-system was completed in 2019 and made publicly available on the EDHE website (www.edhe.co.za). The aim of this study was to establish a baseline of existing entrepreneurship activities, strategy, policy, curriculum, and entities supporting entrepreneurship development at each university. The study will inform a proposed entrepreneurship policy research and development project for 2020-21. This project is co-funded by the British Council, will be conducted by a consulting entity after a call for proposals, and is supported by the EDHE CoP for Entrepreneurial Universities.

2.4.3.2. EDHE LEKGOTLA 2019

A number of activities in the EDHE are aimed at facilitating stakeholder engagement. One such example is the annual EDHE Lekgotla, aimed at sharing best practices in the various aspects of entrepreneurship development at universities, both locally and internationally, while anchoring learning in the local context. The 3rd EDHE Lekgotla was held at the Durban International Convention Centre from 25 to 28 June 2019, in collaboration with the Durban University of Technology (DUT) and attended by approximately 600 delegates. The theme of the lekgotla was *Entrepreneurship through the Arts*, and the event was curated by the DUT's Faculty of Arts and Design. Entrepreneurship was demonstrated throughout in performances and an exhibition that included art pieces contributed by a number of universities.



Some of the delegates at the EDHE Lekgotla 2019 that was hosted in Durban.

This four-day gathering of university leaders in entrepreneurship included the 2nd one-day Studentpreneurs Indaba, attended by approximately 200 student entrepreneurs. In addition to plenary sessions, five half-day tracks were hosted and curated by the EDHE Communities of Practice (CoPs). Two more tracks were included by popular demand, i.e. a TVET college track and a track on entrepreneurship in the arts. Student businesses and commercial exhibitors also took part in the exhibition. The Iekgotla was concluded with a bus tour of the local entrepreneurship eco-system, as has become customary with each event.

2.4.3.3. ENTREPRENEURSHIP INTERVARSITY AND EDHE AWARDS 2019

An inaugural national EDHE Entrepreneurship Intersivity was held in 2019, with 1 155 entries received from students representing all 26 public universities. The objectives of the project were to identify existing student businesses and promising entrepreneurs from across the country, with the intention of encouraging them and advocating for financial and business support for high-potential student businesses. In addition, the 27 finalists will be introduced as role models of studentpreneurship to students across the university community, demonstrating that student entrepreneurship has many faces and facets, ranging from research-based, high-tech enterprises to basic businesses that meet the needs of local communities.

Any university, regardless of size and context, could have produced a winner, as only a single promising business and entrepreneur had to be identified. What is of importance, however, is that universities provide adequate support to their studentpreneurs.

Participating students had the choice of competing in one of four categories, i.e. Innovative Business Ideas; Existing Business: Tech; Existing Business: Social Impact; and Existing Business: General. Co-ordinators at the various universities took responsibility for local and regional logistics and administrative matters on behalf of their institutions. Internal university rounds, regional rounds, and a final national round were held, culminating in the announcement of winners at the first EDHE Awards Event on 19 September 2019. At this gathering, all finalists (representing 16 universities) were acclaimed and their universities recognised.

Mvelo Hlope of the University of Cape Town (UCT) with his social impact business, Zaio, was the overall winner and Studentpreneur of the Year, resulting in UCT earning the title of winner of the first national Entrepreneurship Intersivity. The four category winners were:

Business	Name	University
Innovative Business Idea	Penang Shirindza with his business idea <i>Urban Play</i>	Rhodes University
Existing Business: Tech	Denislav Marinov with his business <i>DVM Designs</i>	University of Cape Town
Existing Business: Social Impact	Mvelo Hlope with his business <i>Zaio</i>	University of Cape Town
Existing Business: General	Musa Maluleka with his business <i>Disktjie Soccer Boot</i>	University of the Witwatersrand



Winners of the Entrepreneurship Intersivity competition 2019 were (from left): Musa Maluleka (WITS), Penang Shirindza (RU), Mvelo Hlophe (UCT), who went on to also win the Student Entrepreneur of the Year Award, and Denislav Marinov (UCT).

2.4.3.4. STUDENT ENTREPRENEURSHIP WEEK (#SEW2019)

One of the key goals of the EDHE is to increase awareness amongst students of entrepreneurship as an avenue for participation in the economy. An annual national Student Entrepreneurship Week (#SEW) was launched in 2017 as a vehicle to achieve this objective and has been growing to the point where #SEW2019 has been institutionalised as an annual awareness event at most universities.

2.4.3.5. TRAIN-THE-TRAINER WORKSHOP

A three-day EDHE train-the-trainer workshop was held in January 2019 and was attended by more than 60 representatives of higher education institutions. The workshop was aimed at equipping university academics and support professionals for their tasks in entrepreneurship development.

Avenues of Engagement

EDHE Communities of Practice

Three EDHE Communities of Practice (CoPs) have been operational since March 2017, meeting bi-annually and collaborating increasingly towards agreed objectives. The three CoPs, i.e. CoP for Entrepreneurial Universities, CoP for Entrepreneurship in Academia, and CoP for Student Entrepreneurship, are aligned with the three goals of the EDHE Programme. A fourth CoP, another CoP for Student Entrepreneurship, was constituted in 2019. Although the names of the student-based CoPs are similar, the CoP which existed alongside the other two since 2017 is composed of staff nominated by university structures involved with entrepreneurship. Its namesake, formed in 2019, is made up of registered students running businesses, nominated by their respective enterprises. The main objective of these CoPs is to collect, analyse and share best practices relevant to their fields of interest. The CoPs aim to drive entrepreneurship development activities nationally, and to generate best-practice outputs for dissemination into the university eco-system.

Online Presence

The EDHE has had a growing online presence since 2017, and is currently visible on its website (www.edhe.co.za) and on the following social media platforms: Facebook, Twitter, Instagram and, shortly, also on LinkedIn. The website gets large numbers of hits, particularly during projects such as the Entrepreneurship Intersivity and the EDHE Lekgotla, given the fact that entries and registrations take place on the website. In addition, it aims to provide up-to-date information on EDHE projects and resources.



Some members of EDHE CoPs from various universities congregating at the EDHE Lekgotla in Durban in June 2019.

2.5. ACTIVITIES CO-ORDINATED FROM THE OFFICE OF THE CEO

2.5.1. PROJECTS

2.5.1.1. STUDY ON MENTAL HEALTH ISSUES AT UNIVERSITY CAMPUSES

Consultations and negotiations between the CEO of USAf and the Medical Research Council (MRC) led to the council making substantial resources and personnel available for the conduct of a national student mental health survey, led by Professor Dan Stein of UCT and Dr Jason Bantjes of Stellenbosch University, aimed at understanding the nature and extent of this challenge facing students on university campuses. Both academics were involved in a previous Western Cape study. An advisory committee, composed of USAf and MRC representatives, was set up to oversee the project. During 2019, the CEO Office assisted the project team in obtaining ethical clearance for the study and facilitated interaction with universities in getting institutional permission for conducting the first phase of the study (to commence in March 2020), while the second phase will focus on developing, piloting and testing appropriate interventions, based on an analysis of the survey results.

2.5.1.2. HIGHER EDUCATION FUNDING PROJECT

Recent crises that have beset the university system has squarely put the spotlight on the acute state of funding for higher education. The last two decades has seen a sharp decline, in percentage terms, of the government block-grant subsidy to the university sector, as well as limited growth in the contribution of tuition fees. This becomes even more starkly apparent when considering the declining level of the subsidy *per capita*. With this in mind, USAf agreed to undertake a study on higher education funding and the DHET agreed to fund this two-year project from the University Capacity Development Grant (UCDG).

This research project will investigate the full cost of producing graduates and diplomates across all disciplinary types and across each university type. The purpose of the study is:

- to understand why this cost structure differs between higher education institutions;
- to achieve a better understanding of the cost structure -- in other words, to ascertain the cost of producing graduates and diplomates;
- to understand what the appropriate level of funding is for the different types of teaching/learning outputs at universities;

- to achieve an understanding of the impact of this funding on the quality of teaching/learning and the employability of graduates and diplomates; and
- to conduct some level of international comparison.

The design and shaping of the project, as well as some desktop research, occupied much of 2019, and it is envisaged that the exercise will be concluded by late 2020.

2.5.1.3. PROTECTION OF PERSONAL INFORMATION ACT (POPIA) – CODE OF CONDUCT FOR PUBLIC UNIVERSITIES (INDUSTRY CODE)

During 2019, the USAf Office continued work around the Protection of Personal Information Act (POPIA). While it was already enacted in 2013, only certain sections of the Act have become operative, its compliance requirements (which awaits Presidential consent) being subjected to a grace period of one year.

Section 63 of POPIA allows for an industry to issue a code of conduct, making the principles of the Act applicable to that industry. A Code of Conduct for public universities was commissioned by USAf in 2018, motivated by the desire to:

- optimise how personal information is used in the Higher Education Industry (HEI);
- increase the level of protection of privacy and enhance the level of compliance;
- ensure uniform and industry-appropriate implementation of POPIA; and
- align the Information Regulator and the HEI's approach to information governance.

During July and August 2019, USAf interacted with registrars, IT directors, research directors, and other relevant stakeholders at national consultative workshops. During the course of these deliberations, a standpoint emerged that the HEI should adopt a Code of Conduct as a guideline, a position confirmed by the USAf Board in October 2019.

Although the ultimate goal is to accredit the Code of Conduct in terms of Section 61 of POPIA, this part of the Act is not yet in operation. Once Section 61 comes into force, USAf will start a stakeholder engagement process to review the Code of Conduct and to decide whether or not to apply for accreditation.

In the interim, the Code of Conduct will function as a guideline, keeping in mind that a guideline is different from rules in that it is not absolute -- it indicates what public universities should do, not what they must do. However, as POPIA is based on a reasonableness standard, the Information Regulator may consider deviations from the Code of Conduct as an indication of unreasonable behaviour once POPIA becomes fully effective.

To achieve the outcomes listed above, USAf will create a new Community of Practice for POPIA, the functions of which will be to:

- share information and expertise about implementing the provisions of POPIA at their institutions;
- identify shared challenges and opportunities;
- advise USAf on possible joint initiatives to advance the consistent application of POPIA principles in the HEI; and
- guide USAf on the revision of the Code of Conduct and an eventual application for accreditation.

2.5.1.4. SCHOLARLY PRESSES

In late 2018, the USAf CEO commissioned a study on South Africa's scholarly presses to assess the importance of university presses for the tertiary education sector and for South Africa's research and scholarly community at large, as well as the opportunities and costs of running university presses in the 21st century.

Professor Johan Muller, a USAf Research Fellow, was appointed to conduct the study, the methodology of which included a questionnaire and a round of interviews with the respective university presses. The study was completed in early 2019 and reflected on:

- existing studies and reviews of South Africa's university presses;
- the governance models and staffing of university presses;
- the quality of the processes and content produced by university presses;
- local and international marketing;
- where South African academics prefer to publish;
- the prospects for Open Access, and its forms of funding;
- the business models of university presses; and
- the future sustainability of university presses.

After release of the report, university presses were engaged in discussions around the study's findings and recommendations.

The Scholarly Presses report highlights the challenges that university presses face – despite the value they contribute to the knowledge enterprise.



Some of the more salient points emanating from the report and discussions were:

- University presses must illustrate their contribution to the broader national agenda of expanding South African and African scholarly publications, despite currently being under-resourced. Only once these issues are clarified, can aspects such as the future sustainability and long-term vibrancy of publishing as a career be considered. University leaderships must understand that the presses require institutional support in terms of business processes, finance, and contractual agreements.
- A common vision for all university presses must be debated and agreed upon, supported by a funding proposal.
- University presses must collaborate to offer publishing and commercialisation services.
- Collaborative competitiveness must be adopted as a strategy. The greatest capacity needs at university presses appear to be in marketing, lobbying and advocacy, also in terms of asserting royalty payments and copyright. Different sales platforms and distribution channels must be considered, which could link up with the Index of South African Scholarly Books. A joint catalogue, like that of the European Association of University Presses, as well as collaboration between presses to establish a presence at academic conventions, should be explored.
- The value of international partnerships must be explored to expand the reach of local university presses into the global market. Although South African higher education institutions are meant to take local knowledge to the international market, the corollary is that local university presses lack the capacity to process home-grown research, which ends up being sold back to our universities by international publishers at a premium. Collaboration among local university presses could expand quality research output in niche areas and increase the impact and reach of South African research excellence, both locally and internationally. Local researchers who favour international publishers because that is where most of their peers publish, must be encouraged to support local university presses.

The findings of the report and recommendations flowing from discussions were formally published by USAf and are available on its website at: <https://www.usaf.ac.za/wp-content/uploads/2019/11/South-Africas-Scholarly-Presses.pdf.pdf>

2.5.2. STAKEHOLDER ENGAGEMENTS

As part of its advocacy and stakeholder engagement mandate, USAf engaged with several stakeholders during the course of 2019, including the Department of Higher Education and Training (DHET), the Ministry of Police, the Parliamentary Portfolio Committee on Higher Education and Training, and the National Student Financial Aid Scheme (NSFAS).

In the year under review, USAf met twice with Ministers of Higher Education and Training. The first meeting, on 9 February 2019, was with the then Minister of Higher Education and Training, Dr Naledi Pandor. The Executive Committee of the South African Union of Students (SAUS) was also invited, and the meeting focused mainly on discussing and finding possible solutions to reasonable SAUS demands that fell within the mandate of USAf.

At the second meeting, on 13 September 2019, the USAf Executive Committee met with Minister Blade Nzimande, and the interaction focused mostly on:

- gender-based violence and safety and security on university campuses;
- tuition fee increases for 2020 and the development of a policy framework for fee regulation;
- student funding policy matters;
- research policy issues and post-graduate funding; and
- DSI/DHET integration.

2.5.2.1. PARLIAMENTARY PORTFOLIO COMMITTEE ON HIGHER EDUCATION AND TRAINING

In the year under review, USAf was invited twice for engagements with the Parliamentary Portfolio Committee on Higher Education and Training. In a presentation on 13 February, USAf briefed the Committee on the readiness of universities for the 2019 academic year, challenges being experienced, and interventions to address these challenges.

In addition, the Committee hosted a colloquium on 6 November 2019, focussing on:

- the impact of funding on student access and success rate;
- funding for infrastructure development and maintenance; and
- funding for research.

USAf participated in the colloquium and was specifically requested to make a presentation on the status of research funding for universities.

2.5.2.2. DHET AND NSFAS

USAf had regular interactions with these two entities on a variety of issues of tertiary sector importance. More notably, the USAf-DHET-NSFAS Task Team, established to create a common platform where NSFAS-related issues could be addressed, met regularly during 2019. These meetings focused mostly on addressing the outstanding issues from the 2018 close-out period and to address challenges to ensure a smooth 2019 application process, especially around the implementation of policy directives for student allowances.

Dr Randall Carolissen, Executive Administrator at NSFAS, also addressed the USAf Board in March 2019. This kind of engagement was welcomed by the Board and it was agreed that there should be regular engagements between NSFAS and USAf to foster mutual understanding of issues affecting the student community and to build on the existing relationship.

In addition, USAf regularly engaged with senior officials from the DHET. Two main areas in which USAf worked with the DHET, and which would continue during 2020, are on a:

- **Fee Regulatory Framework** to standardise fee increases over a period of 3 years -- USAf is part of a task team that was set up to develop a draft framework to be published for public comment in 2020, envisaged to be in place by September 2020, and ready for implementation in 2021; and a
- **Student Funding Policy** -- the DHET has been working on a change in the policy around NSFAS student allowances, especially as far as accommodation allowances are concerned, consulting with the university sector on numerous occasions through USAf on proposed student funding policy changes to be implemented in 2020 (to ensure policy stability, USAf will continue to work with the DHET on any proposed changes in student funding).

2.5.2.3. THE MINISTER OF POLICE

In October 2019, Minister of Police Bheki Cele and Deputy Minister Cassel Mathale, accompanied by senior officials from the Ministry and the CEO of the Private Security Industry Regulatory Authority (PSiRA), Manabela Chauke, had discussions with the USAf Board.

The Minister called the meeting to discuss improving safety and security and new approaches to policing on university campuses. This had been prompted by spates of violence, including murders on and off campuses in the period leading up to the meeting. These discussions acknowledged:

- the importance of students not only feeling safe, but also being safe on and off campus;
- the significance of universities setting minimum security standards, ensuring that all security officers deployed on campuses were vetted and trained specifically for a student environment; and
- the optimal involvement of students, communities around higher education institutions, SAPS, PSiRA, private security companies, the criminal justice system, and other relevant government institutions in engagements on safety changes around campuses.

It was agreed that a working group, composed of representatives from the Police Ministry and Secretariat, PSiRA and USAf, would be formed to consider short and long-term security solutions on and off campus. It was mandated to look at, *inter alia*:

- the establishment of victim-friendly facilities to speedily assist student victims of crime, especially those who have been affected by gender-based violence;
- the adoption by police officers of institutions of higher learning to improve response time;
- investigating best ways to assist poorer students to protect them from falling prey to criminal networks;
- interrogating student transport and accommodation matters and engaging landlords about security measures to ensure the safety of students living in off-campus accommodation; and
- further engaging the DHET and the Department of Social Development to extend student safety to TVET colleges and schools.

The working group held its first meeting on 28 November 2019, and it was agreed that it would specifically focus on:

- Gender-based violence (GBV), including effective internal (university) policies aligned to the national policy on GBV, institutional capacities to effectively implement such policies, understanding the underlying reasons for GBV, the establishment of victim-friendly facilities to speedily assist student victims, and student charters on GBV.
- Interventions for safety and security ON and OFF campus, incorporating, *inter alia*, the need for increased police visibility near and around university campuses (satellite police stations), crime awareness measures and communication channels around substance/drug abuse (including the peddling of drugs), the presence of street dwellers and liquor outlets near university campuses and residences, and insensitivity and refusal by police officers to accept charges laid by traumatised victims, especially around issues of GBV.
- The interrelationship between, and the mandate and responsibilities of, PSiRA, the South African Police Services (SAPS), private security companies, and universities -- to what extent can this relationship be optimised in terms of the training of protection officers on university campuses to deal with student protest, improving the response times of police officers, and managing OFF-campus safety?
- Understanding student transport and accommodation issues, and how landlords can be engaged with security measures to ensure the safety of students living in OFF-campus accommodation.

This working group will continue with its activities during 2020.

Furthermore, USAf engaged with other government departments and agencies on matters related to its core functions, including the departments of Science and Technology, of Health, of Basic Education, of Home Affairs, of Trade and Industry, as well as the Council on Higher Education (CHE), the National Research Foundation (NRF), the Competition Commission, and the Health Professions Council of South Africa (HPCSA).

2.5.3. POLICY POSITIONS

In line with its mandate to develop and contribute to policy positions on higher education matters in support of and to bolster Teaching and Learning, Research, and Community Engagement activities, USAf also involves itself with relevant higher education draft legislation and develop university sector positions when required. During 2019, however, there were not many activities around responding to draft higher education legislation and policy developments.

The draft Central Application Service (CAS) Bill 2019 (published in May) may prove to be the most important legislative measure affecting public higher education since the Higher Education Act of 1997, and the various measures related to the National Qualifications Framework (NQF). The envisaged CAS holds much promise for public post-secondary education, and this legislation will, hopefully, meet the needs of the tertiary education sector.

USAf consulted extensively on the draft CAS Bill, welcomed the publication of the bill as a step in the right direction, and reiterated its support for a Central Applications Service. A well-run CAS will contribute to a rational application process and enable HEIs, and TVET colleges, to manage their application, selection and admissions processes efficiently in the interests of all. It will also help HEIs to better manage enrolment plans. It should be noted that USAf's support for the CAS has always been conditional upon the service being an applications service and **not** an admissions agency. The bill, therefore, must be examined to ensure that the commitment to this, which is clear in the ministerial policy on a CAS (published in November 2017), is translated into the legislation which this bill seeks to bring about. For a CAS to function effectively, universities will have to sign up to uniform data requirements and data definitions (much of which already exists in that universities must follow HEMIS prescripts), as well as to the timelines that a CAS will necessarily impose (including, but not limited to, providing a menu of qualifications on offer for the cycle by a given date, a common closing date for applications, and rules about making offers and the nature of those offers). None of this should affect the right of each HEI to determine its own admissions policy (subject to Section 37 of the Higher Education Act, the HEQSF, and statutory minimum admissions requirements) and to make its own selection decisions in terms of its published admissions policy. The draft Bill should be scrutinised against these points of departure. USAf submitted detailed comments on the draft CAS Bill and will keep an eye on developments as the DHET finalises the drafting of the bill.

During 2019, USAf also continued with its engagements on several draft policies published by the DHET (and reported on) in 2018, essentially still work-in-progress -- a:

- Draft Policy Framework on Internationalisation;
- Draft Policy on Open and Distance Learning; and a
- Draft Information Policy for Post-School Education and Training.

USAf will continue its engagements with the DHET and other relevant government departments on future legislative and policy changes that have an impact on the higher education sector.



PART III:
USAf'S
GOVERNANCE
FRAMEWORK

3.1. USAf BOARD OF DIRECTORS

The Board of Directors of USAf is composed of the vice-chancellors of all 26 public universities. As a custodian of USAf's strategy, performance and business continuity, the Board has put in place mechanisms to ensure sufficient oversight of the organisation's financial management, reporting, internal financial controls, and risk management. It has also put in place measures to prevent fraud and other related risks.

The USAf Board meets three times a year -- in March, June, and October. It performs its oversight functions through five governance committees, details of which are provided below.

3.2. EXECUTIVE COMMITTEE (EXCO)

EXCO is a nine-member committee that conducts general oversight of the organisation's business in-between meetings of the Board of Directors. The chairperson and deputy chairperson, chairs of USAf's five strategy groups and the Finance and Investment Committee, as well as the Chief Executive Officer, constitute the membership of EXCO.

In 2019, EXCO was composed of the following members:

- Professor Thandwa Mthembu, Chairperson, and Vice-Chancellor and Principal of the Durban University of Technology
- Professor Wim de Villiers, Vice-Chairperson, and Vice-Chancellor and Principal of Stellenbosch University
- Professor Yunus Ballim, Chairperson of the Transformation Strategy Group, and Vice-Chancellor and Principal of Sol Plaatje University
- Professor Sibongile Muthwa, Chairperson of the Funding Strategy Group, and Vice-Chancellor and Principal of Nelson Mandela University
- Professor Thoko Mayekiso, Chairperson of the Research and Innovation Strategy Group, and Vice-Chancellor and Principal of the University of Mpumalanga
- Dr Sizwe Mabizela, Chairperson of the Teaching and Learning Strategy Group, and Vice-Chancellor and Principal of Rhodes University
- Professor Henk de Jager, Chairperson of the World of Work Strategy Group, and Vice-Chancellor and Principal of the Central University of Technology
- Professor Francis Petersen, Chairperson of the Finance and Investment Committee, and Vice-Chancellor and Principal of the University of the Free State
- Professor Ahmed Bawa, USAf CEO (*ex officio*)

3.3. AUDIT AND RISK COMMITTEE

This committee is the last independent line of review to ensure the integrity of all major risk and internal control systems within USAf. The committee supports the Board in its oversight functions as they pertain to financial reporting, systems of internal control, the management of financial risk, and the audit and monitoring processes to guarantee compliance with financial laws and regulations.

During 2019, the committee was comprised of six members:

- Ms Faiza Majiet – Chairperson: Independent Consultant
- Professor Francis Petersen – University of the Free State
- Mr Saleem Kharwa – Durban University of Technology
- Mr Shai Makgoba – University of Cape Town
- Mr Charles Matumba – University of the Witwatersrand

3.4. FINANCE AND INVESTMENT COMMITTEE

This committee oversees the organisation's financial investment strategy and related policy, as well as the establishment and performance of internal controls at the operational level of the USAf Office. It also ensures overall compliance with investment restrictions and the mandate as approved by the Board.

In 2019, members of this committee were:

- Professor Francis Petersen – Chairperson: University of the Free State
- Professor Carolina Koornhof – University of Pretoria
- Dr Doeke Tromp – Independent
- Mr Manie Regal – University of the Western Cape
- Ms Amanda Kort – University of the Witwatersrand
- Professor Ahmed Bawa – USAf CEO (*ex officio*)

3.5. HR AND REMUNERATION COMMITTEE

This committee oversees USAf's HR strategy and policy. It establishes and maintains a policy of competitive, fair, equitable and market-related compensation, and is entrusted with the responsibility of rendering USAf an attractive employer, able to attract and retain appropriate expertise. It reviews annual employee remuneration packages and recommends adjustments where necessary. The committee also advises the Board on any human-resources management matters within the USAf Office.

During 2019, this committee was constituted as follows:

- Professor Xoliswa Mtose – Chairperson: University of Zululand
- Ms Mokuele Moretlo – Tshwane University of Technology
- Ms Patience Mushungwa – Independent Consultant
- Dr Kgomo Kasonkola – University of the Witwatersrand
- Mr Victor Mothobi – Stellenbosch University
- Professor Ahmed Bawa – USAf CEO (*ex officio*)

3.6. JOINT ADMISSIONS AND MATRICULATION BOARD COMMITTEE

This is the only USAf committee with a statutory function. It advises not only the Board but also the Minister of Higher Education and Training on the regulation of minimum admission requirements for higher education. The committee develops and maintains optimal strategies for admissions regulation, as well as monitoring and reporting on system readiness, enrolment trends, policies, and best-practice benchmarking and equivalence-setting activities. It also approves the budget and annual financial statements of the Matriculation Board and recommends exemption-certification application fees to the Board for approval.

In 2019, the members of this committee were:

- Professor Gordon Zide -- Chairperson: Joint Admissions Committee, Vaal University of Technology
- Mr Hugh Amoore – Acting Chairperson: Matriculation Board Committee, Retired Registrar & Consultant
- Professor Cheryl Foxcroft – Nelson Mandela University
- Professor Sarah Howie – Stellenbosch University
- Dr Dan Mokoena – Vaal University of Technology
- Dr Gift Vinger – University of the Free State (deceased on 3 November 2019)
- Ms Carol Crosley – University of the Witwatersrand
- Professor Kinta Burger – University of Johannesburg
- Dr Cila Myburgh – University of Pretoria

Observer members:

- Dr Berene Kramer -- USAf (*ex officio*)
- Dr Mafu Rakometsi – Umalusi
- Ms Ntokozo Dlamini – SATN Representative, Central University of Technology
- Ms Shirley Ferndale – Private HE Institutions

3.7. LEGAL ADVISORY COMMITTEE

Formerly established in 2013, this committee advises the Board on matters of a legislative nature and reviews legislation, policies, and regulations that have implications for the higher education sector. It also provides legal advice and/or input to respond to emerging legislative measures, enabling USAf to promote the interests of the university sector and, in so doing, to fulfil its advocacy and related responsibilities.

During 2019, members of this committee were:

- Professor Rob Midgley – Chairperson: Vice-Chancellor and Principal of Walter Sisulu University
- Mr Hugh Amoore – Retired Registrar
- Mr Gerhard Lipp – Stellenbosch University
- Mr James Botha – North-West University
- Adv Corlia van der Walt – University of Johannesburg
- Ms Nita Lawton-Misra – University of the Western Cape
- Dr Pinky Mrwetyana – Central University of Technology
- Professor Patrick O'Brien – University of Johannesburg
- Mr Shervaan Rajie – University of the Western Cape
- Professor Ahmed Bawa – USAf CEO (*ex officio*)



PART IV:

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2019**

4.1. General information

PUBLIC UNIVERSITIES SOUTH AFRICA NPC

(REGISTRATION NUMBER 2005/013211/08)

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Country of incorporation and domicile

South Africa

Name of business and principal activities

Carrying on Public Benefit Activity of Education and
Development

Directors

Dr Nkongwane Stoffel Nhlapo
Dr Johannes Hendrik de Jager
Professor Thandwa Zizwe Mthembu
Dr Enock Duma Malaza
Professor Sibongile Winnie Frieda Muthwa
Professor Ntate Daniel Kgwadi
Professor Ahmed Cassim Bawa
Dr Sizwe Mabizela
Professor Christiaan Rudolph de Beer
Professor Yunus Ballim
Professor Willem John Simon de Villiers
Professor Lourens Rasmus van Staden
Professor Tshilidzi Marwala
Professor Nana Poku
Professor Nehemiah Mashomanye Mokgalong
Professor Thokozile Mayekiso
Professor Tawana Kupe
Professor Mandlenkosi Makhanya
Professor Sakhela Maxwell Buhlungu
Professor Tyrone Brian Pretorius
Professor Adam Mahomed Habib
Professor Ndanduleni Bernard Nthambeleni
Professor Xoliswa Antoinette Mtose
Professor John Robert Midgley

Registered office

Hadefields Office Park
First Floor, Block B
1267 Pretorius Street
Hatfield, Pretoria, 0083

Bankers

ABSA Bank Limited

Auditors

PricewaterhouseCoopers
Chartered Accountants (SA)
Registered Auditors

Level of assurance

These consolidated annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Preparer

The consolidated annual financial statements were internally compiled by
Emert Nkhatu,
Director: Finance and Administration

Issued

23 June 2020

4.2. Audit and Risk Committee report

This report is furnished by the Audit and Risk Committee, appointed for the 2019 financial year of Public Universities South Africa NPC.

4.2.1. MEMBERS OF THE AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee are all independent non-executive directors of the group and include:

Name	Position	Institution
Ms Faiza Majiet	Chairperson	Independent
Mr Shai Makgoba	Member	University of Cape Town – Finance Executive: Risk and Relationship Management
Mr Charles Matumba	Member	University of the Witwatersrand – Senior Finance Manager
Professor Francis Petersen	Member	University of the Free State – Vice-Chancellor and Principal
Mr Saleem Kharwa	Member	Durban University of Technology -- Chief Risk Officer

4.2.2. MEETINGS HELD BY THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee performs the duties entrusted to it by Section 94(7) of the Companies Act 71 of 2008, by conducting regular meetings with key role players and by granting unrestricted access to the external auditors.

4.2.3. EXTERNAL AUDITORS

The Committee satisfied itself that the external auditors are indeed independent as defined by the Companies Act 71 of 2008, as well as per the standards stipulated by the auditing profession. The requisite assurance was sought and provided by the Companies Act 71 of 2008 that the internal governance processes within the firm support and demonstrate its claim to independence.

The Audit and Risk Committee, in consultation with executive management, agreed to the terms of engagement with the firm. The audit fee for the external audit has been considered and approved, taking into consideration such factors as the timing of the audit, the extent of the work required, as well as its scope.

4.2.4. CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

Following the review of the consolidated annual financial statements, the Audit and Risk Committee recommends the Board's approval thereof.

4.2.5. EFFECTIVENESS OF INTERNAL CONTROL

The system of internal control applied by the entity over financial reporting and risk management is effective, efficient, and transparent. From the audit report on the financial statements and the management report of the external auditors, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, the Audit and Risk Committee can report that the system of internal control over financial reporting for the period under review was efficient and effective.



Ms Faiza Majiet
Chairperson – Audit and Risk Committee

Pretoria
23 June 2020

4.3. Directors' responsibilities and approval

The Directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements, as well as related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the Group as at the end of the financial year, as well as the results of its operations and cash flows for the period then ended, in accordance with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements. The consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards, based upon appropriate accounting policies that are consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group, and they attach considerable importance to the maintenance of a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. These standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures, and adequate division of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group, and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the Group is on identifying, assessing, managing, and monitoring all known forms of risk across all activities of the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems, and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations provided by management, that the system of internal control affords reasonable assurance that the financial records may be relied upon for the preparation of the consolidated annual financial statements of the Group. However, any system of internal control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group's cash-flow forecast for the year to 31 December 2020 and, in the light of this review and the current financial position, are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future. The external auditors are responsible for independently auditing and reporting on the Group's consolidated annual financial statements. The consolidated annual financial statements have been examined by the Group's external auditors and their report is presented on pages 59 and 60.

The consolidated annual financial statements were approved by the Board on 23 June 2020 and were signed on its behalf by:



Chairperson



Chief Executive Officer

Pretoria
20 June 2019

4.4. Independent auditor's report to the shareholders of Public Universities South Africa NPC

PricewaterhouseCoopers

4.4.1. OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Public Universities South Africa NPC (the Company) and its subsidiaries (together, the Group) as at 31 December 2019, as well as its consolidated and separate financial performance and its consolidated and separate cash flow for the year then ended, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

The consolidated and separate financial statements of Public Universities South Africa NPC comprise:

- the consolidated and separate statement of its financial position as at 31 December 2019;
- the consolidated and separate statement of its comprehensive income for the year then ended;
- the consolidated and separate statement of changes in its equity for the year then ended (not included in this Annual Report);
- the consolidated and separate statement of its cash flows for the year then ended (not included in this Annual Report); and
- the accounting policies, as well as the notes for these financial statements (not included in this Annual Report).

4.4.2. BASIS FOR OPINION

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under these standards are further described in the section of our report titled *Auditor's responsibilities for the audit of the consolidated and separate financial statements*.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with Sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (revised January 2018)*, Parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (revised November 2018)* -- together the IRBA Codes -- and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with the ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants*, as well as the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, respectively.

PricewaterhouseCoopers Inc, 4 Lisbon Lane, Waterfall City, Jukskei View, 2090

Private Bag X36, Sunninghill 2157, South Africa

T: +27 (0)11 797 4000, F: +27 (0)11 209 5800, www.pwc.co.za

Chief Executive Officer: L S Machaba

The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of the names of directors is available for inspection.

Reg No: 1998/012055/21; VAT Reg No: 4950174682

4.4.3. OTHER INFORMATION

The Directors are responsible for the other information, comprising the information included in the document titled "Consolidated Annual Financial Statements for the year ended 31 December 2019", which includes the Audit and Risk Committee Report and Directors' Report as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

4.4.4. RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, as well as for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going-concern basis of accounting, unless the directors either intend to liquidate the Group and/or the Company, or to cease operations, or have no realistic alternative but to do so.

4.4.5. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are based on material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or on aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to these risks, as well as obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in internal control, that we may identify during our audit.

The logo for PricewaterhouseCoopers Inc. is written in a cursive, handwritten-style font.

PricewaterhouseCoopers Inc

Director: R Dhanlall

Registered Auditor

Waterfall City, Johannesburg

31 July 2020

4.5. Directors' report

The directors have pleasure in submitting their report on the consolidated annual financial statements of Public Universities South Africa NPC and the Group for the year ended 31 December 2019.

4.5.1. NATURE OF BUSINESS

Public Universities South Africa NPC is a non-profit company incorporated in South Africa on 9 May 2005, starting operations on 1 June 2005. The principal nature of its business is carrying on public benefit activity of education and development. On 23 July 2015, the directors changed the name of the Company from Higher Education South Africa (HESA) to Public Universities South Africa, trading as Universities South Africa (USAf).

On 1 June 2005, the Committee of University Principals (CUP), operating as the South African Universities Vice-Chancellors' Association (SAUVCA), and the Committee of Technikon Principals (CTP) entered into an agreement with Public Universities South Africa NPC, in terms of which the latter assumed the non-statutory responsibilities, as well as the administration of the statutory affairs of the CUP and the CTP, pending the dissolution of these two entities. The CUP and the CTP are two entities established in terms of the Universities Act.

There have been no material changes to the nature of the Group's business from that of the previous year.

4.5.2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. Accounting policies have been applied consistently compared to the previous year, except for the adoption of new or revised accounting standards.

Full details of the financial position, results of operations, and the cash flows of the Group are set out in these consolidated annual financial statements.

4.5.3. Directorate

The directors in office at the date of this report are as follows:

Director	University	Changes
Dr Nkongwane S Nhlapo	Cape Peninsula University of Technology	
Dr Johannes H de Jager	Central University of Technology	
Professor Thandwa Z Mthembu	Durban University of Technology	
Dr Enock D Malaza	Mangosuthu University of Technology	
Professor Sibongile W F Muthwa	Nelson Mandela University	
Professor Ntate Daniel Kgwadi	North-West University	
Professor Ahmed Cassim Bawa	USAf Chief Executive Officer	
Dr Sizwe Mabizela	Rhodes University	
Professor Christiaan R de Beer	Sefako Makgatho University	Resigned 1 September
Professor Yunus Ballim	Sol Plaatje University	Resigned 31 December
Professor Willem J S de Villiers	Stellenbosch University	
Professor Lourens R van Staden	Tshwane University of Technology	
Professor Tshilidzi Marwala	University of Johannesburg	
Professor Nana Poku	University of KwaZulu-Natal	Appointed 24 June
Professor Nehemiah M Mokgalong	University of Limpopo	
Professor Thokozile Mayekiso	University of Mpumalanga	
Professor Tawana Kupe	University of Pretoria	Appointed 1 January
Professor Mandlenkosi Makhanya	University of South Africa	
Professor Sakhela M Buhlungu	University of Fort Hare	
Professor Tyrone B Pretorius	University of the Western Cape	
Professor Adam Mahomed Habib	University of the Witwatersrand	
Professor Bernard N Nthambeleni	University of Venda	Appointed 1 January
Professor Xoliswa A Mtose	University of Zululand	
Professor John Robert Midgley	Walter Sisulu University	
Professor Mamokgethi R Phakeng	University of Cape Town	
Professor Francis W Petersen	University of the Free State	
Professor Ndodomzi G Zide	Vaal University of Technology	Resigned 31 December

4.5.4. DIRECTORS' INTERESTS IN CONTRACTS

During the financial year, no contracts were entered into which directors, or officers of the Group, had an interest in and which significantly affected the business of the Group.

4.5.5. PROPERTY, PLANT AND EQUIPMENT

There was no change in the nature of the property, plant, and equipment of the Group, or in the policy regarding their use.

4.5.6. EVENTS DURING AND AFTER THE REPORTING PERIOD

The outbreak of the Covid-19 pandemic required the Group to implement certain measures to mitigate the impact of the virus and to comply with government regulations. All employees may work from home during the government-imposed lockdown and the Group remains fully operational and able to render services to its various stakeholders. As the outbreak continues to evolve, it is not possible to estimate the financial impact it might have on the Group. The directors have reviewed the annual budgets and cash-flow forecasts to assess the implications of the lockdown on both revenue and costs. It is estimated that there would be no impact on revenues due to the sources of revenues, and expenditure is to increase in respect of data costs and will be offset by a decrease in office groceries, electricity and telephone costs.

4.5.7. GOING CONCERN

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and, accordingly, the consolidated annual financial statements have been prepared on a going-concern basis. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient reserves to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may impact the Group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements, or of any pending changes to legislation which may affect the Group. The future existence of the two controlled entities as separate bodies is dependent upon the Minister of Higher Education and Training, who has the authority to dissolve the Committee of Technikon Principals and the Committee of University Principals.

4.5.8. AUDITORS

PricewaterhouseCoopers Inc continued as auditors for the Company and its subsidiaries for the year 2019.

4.5.9. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The consolidated annual financial statements have been authorised for issue by the directors on 23 June 2020. No authority was given to anyone to amend the consolidated annual financial statements after the date of issue.

4.6. Statement of financial position as at 31 December 2019

	Group		Company	
	2019	2018	2019	2018
	R	R	R	R
Assets				
Non-current assets				
Property, plant and equipment	1 361 398	1 372 889	945 435	900 640
Right-of-use assets	8 050 790	--	3 483 581	--
Intangible assets	389 157	469 917	69 209	34 895
Other financial assets	96 377 533	84 493 928	3 593 800	3 306 476
	106 178 878	86 336 734	8 092 025	4 242 011
Current assets				
SARS VAT	441 565	1 534 264	441 565	1 543 264
Related party receivables	--	--	1 527 533	2 467 853
Trade and other receivables	6 884 235	2 321 567	6 603 660	2 061 758
Cash and cash receivables	80 372 489	102 676 223	47 786 785	68 485 997
	87 372 489	106 541 054	56 359 543	74 558 872
Total Assets	193 551 367	192 877 788	64 451 568	78 800 883
Equity and Liabilities				
Equity				
Investment reserve	52 167 048	30 837 599	--	--
Bursaries and prizes	35 289 505	27 440 383	--	--
Retained income	58 615 442	75 881 264	26 974 466	24 376 378
	146 071 995	134 159 246	26 974 466	24 376 378
Liabilities				
Non-current Liabilities				
Lease liabilities	7 036 873	--	3 042 988	--
Current Liabilities				
Trade and other payables	3 043 160	3 913 328	2 526 720	3 034 572
Lease liabilities	1 732 529	--	754 759	--
Deferred income	35 666 810	54 805 214	31 152 635	51 389 933
	40 442 499	58 718 542	34 434 114	54 424 505
Total Liabilities	47 479 372	58 718 542	37 477 102	54 424 505
Total Equity and Liabilities	193 551 367	192 877 788	64 451 568	78 800 883

4.7. Statement of comprehensive income

	Group		Company	
	2019	2018	2019	2018
	R	R	R	R
Revenue	63 168 263	68 785 792	4 698 367	53 612 873
Other operating income	70 345	337 680	69 052	148 890
Operating expenses	(12 911 266)	(15 272 008)	(8 763 914)	(10 220 065)
Grants expended	(30 174 531)	(30 163 284)	(30 174 531)	(30 163 284)
Staff costs	(22 810 768)	(21 835 717)	(14 670 506)	(13 826 772)
Operating (deficit) surplus	(2 657 957)	1 852 463	1 158 468	(448 358)
Investment income	(3 710 808)	3 298 072	1 599 449	1 278 156
Unrealised profit on investments	11 883 605	3 003 612	287 324	284 993
Finance costs	(1 023 714)	(2 251)	(447 153)	--
Surplus for the year	11 912 742	8 151 896	2 598 088	1 114 791
Other comprehensive income	--	--	--	--
Total comprehensive income for the year	11 912 742	8 151 896	2 598 088	1 114 791



PART V:
USAf'S
ADMINISTRATION

5.1. USAf Administration

The USAf Office operates out of Blocks D and E of the Hadeffields Office Park, at 1267 Pretorius Street in Hatfield, Pretoria. The Chief Executive Officer heads up the Office, assisted by the Director: Operations and Sector Support on the operations side and the Director: Finance and Administration on the administrative side. The Senior Manager: Office of the CEO doubles as the Secretary of the USAf Board. The USAf Office organogram summarises the structure and interlink between USAf's various directorates and programmes.

5.2. Staffing in the USAf office

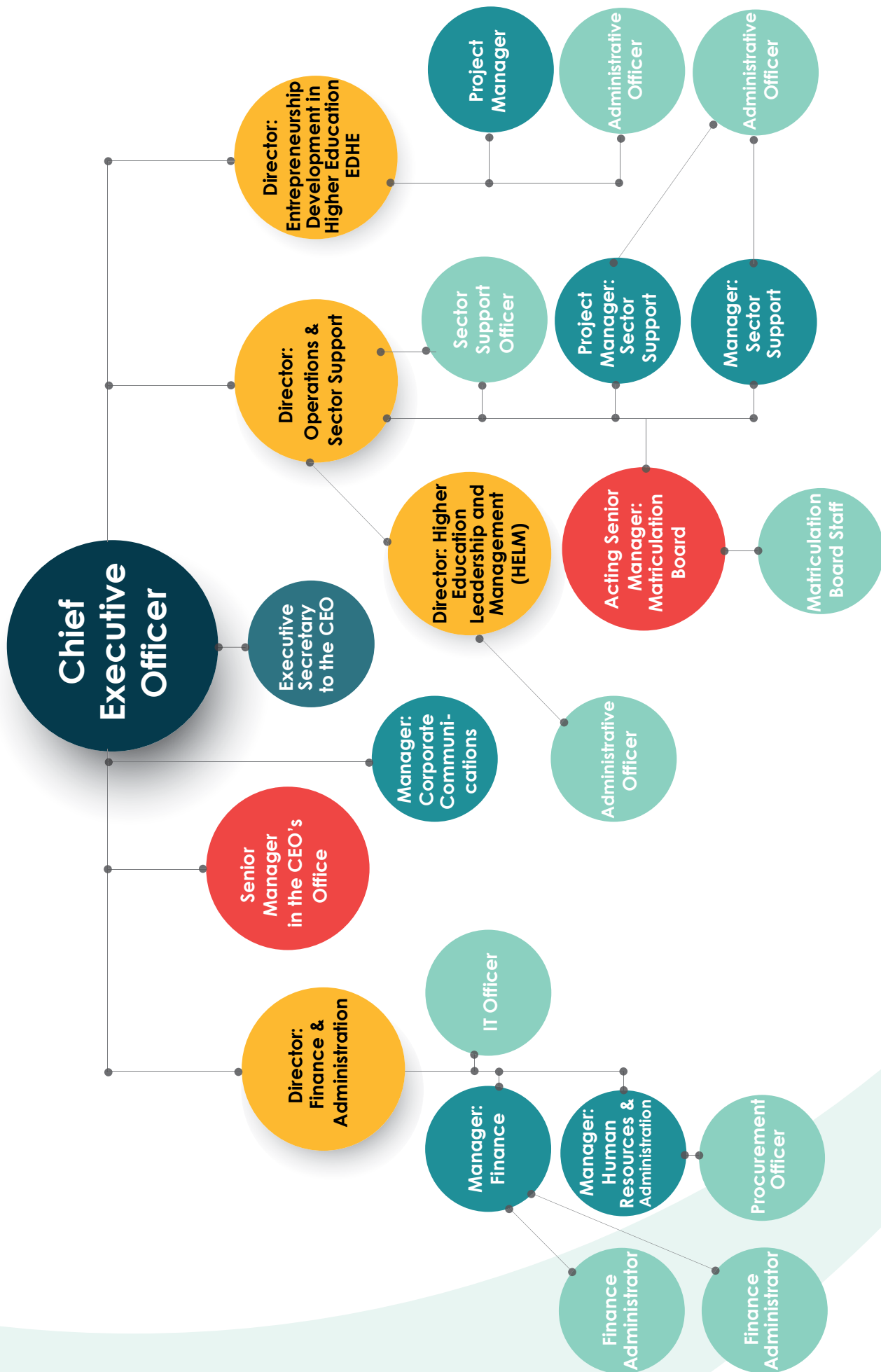
As at 31 December 2019, USAf had a total of 43 employees, of whom 22 belonged to the Matriculation Board; 16 were in the National Directorate, comprising the Office of the CEO (4), Operations and Sector Support (5), Finance and Administration (7), the Entrepreneurship Development in Higher Education (3), and HELM (2).

Staff numbers as at 31 December 2019

Department	Females	Males	Total
EDHE	3	0	3
HELM	1	1	2
MB	14	8	22
ND	13	3	16
	31	12	43

The USAf staff complement comprises 31 females and 12 males.

5.3. Office organogram







UFH



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UNIVERSITIES SOUTH AFRICA

Blocks D & E, Hadefields Office Park
1267 Pretorius Street,
Hatfield, Pretoria
P.O. Box 27392, Sunnyside, Pretoria 0132

Chief Executive Officer: +27 (0) 12 030 0650 / admin@usaf.ac.za
Matriculation Board: +27 (0) 10 591 4401 / applications@usaf.ac.za
Director: Operations and Sector Support: +27 (0) 12 030 0652 / sso@usaf.ac.za

www.usaf.ac.za