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HESA’s Mandate and Strategic Objectives

Mandate

The broad mandate of Higher Education South Africa (HESA) is to facilitate the development of informed public policy on higher education and to encourage co-operation among universities, government, industry, and other sectors of South African society.

In particular, HESA aims to be:
• the voice of public universities in South Africa;
• the primary point of contact for government, the media, national and international organisations, prospective students, and anyone who seeks information or interaction with public universities in South Africa;
• the facilitator and enabler of conditions and services that allow institutional leadership, staff and students to integrate effectively with the knowledge of the economy in order to:
  • advance and promote the benefits of South African universities to the nation;
  • support South African universities in the performance of their roles;
  • develop policy positions on higher education matters through discussing higher education issues, including teaching, research and community engagement;
• advance the internationalisation of South African universities;
• provide information for and about South African universities;
• provide sector-support services and programmes to all member universities on issues of funding, research, transformation, and access to higher education; and
• assist in the further development of South African universities.

Strategic Objectives

In broad terms, HESA seeks to:
• Promote high levels of quality, comparable to the best in the world.
• Encourage institutional diversity based on institutional self-differentiation.
• Strive for significant transformation, social cohesion, non-discrimination, and freedom of speech and association.
• Uphold high levels of of higher education responsiveness and relevance to South Africa’s development challenges.
CHAIRPERSON’S STATEMENT
This Annual Report is a summary of the work and performance of HESA during the 2013 financial year and is a reflection of an institution growing from strength to strength, able to play its part in strengthening South Africa’s public university system.

The changes witnessed in 2013 include the appointment of a new Chief Executive Officer (CEO), Dr Jeffrey Mabelebele, whose mandate includes driving focused organisational renewal and strengthening membership engagement. To this end, at its workshop in July 2013, the Board reflected on the state of the organisation, the challenges it is facing, and the strategies and approaches it has to employ in response to these challenges. Of primary importance for HESA, the Board emphasised, is the repositioning of the organisation to serve the collective interests of all member institutions and to become a truly representative body of universities in South Africa. To this end, a strategic plan for the organisation will be finalised during 2014. Such a plan will represent a ‘step-change’ with an emphasis on foregrounding the role of universities in national development. These changes reflect new strategic directions and an organisational ethos in line with a renewed vision, mission and values.

The Board is pleased with the achievements of the period under review, as summarised in this Report. The CEO’s regular engagements with government departments and agencies, including the Department of Higher Education and Training (DHET), the Council on Higher Education (CHE), the Department of Science and Technology (DST), the National Student Financial Aid Scheme (NSFAS), the National Research Foundation (NRF), and the National Planning Commission (NPC) has enabled HESA to contribute immensely to the development and shaping of public policies within these institutions; policies which have clear implications for the entire university community. HESA has now established collaborative relationships with relevant government institutions, and has continued to increase its co-operation with a range of researchers and scholars within the system and in the rest of the world. The new projects we have undertaken during the period under review include initiating a sector-wide debate on ‘Revisiting Co-operative Governance’ in Higher Education, the important role of HESA in responding to any policy shifts, and legislative and regulatory changes aimed at redefining institutional autonomy in the name of public accountability.

The CEO’s regular engagements and interactive meetings with staff on matters relating to their well-being augur well for staff morale. As a result, HESA’s labour relations have improved significantly during the review period.

The Board notes with approval the establishment of an Audit and Risk Committee in 2013, which affords HESA the possibility of prioritising risk management as a distinct governance and management function. Also, the establishment of a Legal Advisory Committee has enabled HESA to build the requisite rapid-response capability, particularly in relation to legislation and regulations with implications for the university sector. As part of strengthening the response to challenges in the teaching and learning environment, HESA has established a Teaching and Learning Strategy Group which began its work in 2013. This group will assist HESA in paying adequate attention to the challenges related to teaching and learning, developing strategies and initiatives to address these at the sectoral level.

I would like to convey my appreciation to my colleagues on the Board for their immense contribution to the work of HESA, for serving on a variety of committees, and for supporting the organisation in many other ways. With my term of office coming to a close on 31 December 2013, I would like to wish our incoming Chairperson well as s/he takes HESA to a higher level, building on the successes achieved during 2013.

I further wish to express my heartfelt thanks to Dr Mabelebele, our CEO, and his team for their support, steadfast dedication, loyalty and service to HESA. I thank you all.

Prof Ahmed C Bawa
Chairperson, HESA Board
CHIEF EXECUTIVE OFFICER’S REPORT
Following the rapid changes in our operational environment in 2012, I am pleased to report that HESA made great strides in raising its profile within the university system during 2013. Our response to a range of policies with implications for the public university system, our successful engagements with a range of partners (both locally and internationally), our identification and implementation of projects with the possibility of supporting and strengthening the core functions of our member institutions (in teaching, research, and community engagement) remain key highlights during the 2013 financial year. I would like to single out the following notable accomplishments:

a. In response to the promulgation of the *Higher Education and Training Laws Amendment Act of 2012*, HESA and the Department of Higher Education and Training (DHET) established a joint task team to review the Act with specific reference to the 2012 amendments. The process is envisaged to be completed sometime during 2014 before it is taken through a parliamentary process.

b. In an attempt to support the DHET’s quest for strengthening accountability of universities to the public, HESA has put forward a comprehensive response to the draft reporting regulations released by the DHET in 2012, and has managed to build sufficient consensus both within universities and inside the DHET on core areas around which reporting should be mandatory, as well as the form and content of such reports.

c. The Rural Campuses Connection Project has continued to provide information and communications technology access to 19 rural campuses (11 links already established) and to bolster bandwidth capacity, thereby enabling staff and students at these sites to participate actively in research and to interact with their counterparts in South Africa and the rest of the world. This project is undertaken in collaboration with the Tertiary Education and Research Network of South Africa (TENET) and is planned to be completed during 2014.

d. A study on the salaries of academics was completed, and engagements between HESA and relevant stakeholders will take place during 2014. The study collected data on the remuneration of full-time, permanent academic staff and staff with fixed-term contracts of at least one year, established trends in this regard over the past 10 years, and benchmarked the remuneration of academic staff with the remuneration of comparable staff in both the public and private sectors.

e. In order to create a national discourse of agency on matters related to institutional autonomy, academic freedom, public accountability, and co-operative governance, HESA commissioned a study entitled *Revisiting ‘Co-operative Governance’ in Higher Education: A Discussion Document*. The document calls for the revitalisation of a framework of co-operative governance between universities, the state, and society.

f. The HEAIDS Programme continues to expand by leaps and bounds, and has strengthened the sector’s response to HIV & AIDS prevention, treatment and care in all our universities. It has also secured resources to extend its reach to the FET college sector, and has adopted a comprehensive approach to health issues, beyond HIV & AIDS.

g. The Matriculation Board continues to discharge its function of creating alternative access routes for prospective students who meet the minimum entry requirements for bachelor’s degree studies in our universities. In 2013, more than 40 000 exemption certificates were issued to such students.

h. With regard to international co-operation, HESA staff members continued to participate in a variety of international conferences and workshops. To this end, a co-operation agreement was signed between HESA and the German Rectors’ Forum, an association of universities in Germany, to promote research...
collaboration between the two national higher education sectors, including mobility of students across the two systems.

i. In 2013, work was started to critically review and reflect on HESA as an organisation, with a view to laying the basis for the development of a strategic framework for the institution. Such a framework is envisaged to be completed during 2014.

j. Our engagements with Parliament, particularly the Higher Education and Training Portfolio Committee, has enabled HESA to champion the interests of universities before relevant legislative measures are considered.

I would like to express my gratitude to the Board for their leadership. I also commend the staff for their contribution to the work of HESA, and for continuing to ensure the success and future of the organisation.

Dr Jeffrey Mabelebele
Chief Executive Officer
PART TWO

HESA ACTIVITIES IN SUPPORT OF THE HIGHER EDUCATION SECTOR
HESA’S KEY ACTIVITIES IN 2013

In the year under review, the overriding theme was strong consolidation and repositioning of HESA as a critical player in reshaping the higher education landscape in South Africa.

In keeping with its mandate, HESA reports on its 2013 activities in relation to its three core functions:
• Policy Analysis and Strategic Research.
• Advocacy and Stakeholder Engagement.
• Sector Support.

POLICY ANALYSIS AND STRATEGIC RESEARCH

HESA’s primary intent, through our Policy Analysis and Strategic Research portfolio, is to:
• actively participate in and influence the direction of higher education policy development;
• generate position papers that are useful and accessible to the higher education leadership and decision-makers;
• develop policy analyses that are relevant and authoritative on key higher education issues; and
• provide up-to-date and factual information for and about South African higher education institutions.

In order to review and react to emerging policies developed by government departments (with implications for the higher education sector), HESA taps into expertise from its member institutions and other higher education stakeholders. In consultation with these partners, the organisation arrives at a position that represents the collective viewpoint of the wider higher education sector and ensures that there is adequate response to these policy directives and initiatives.

An effective modus operandi has been to work through various strategy groups which, in turn, utilise the expertise from within the higher education sector and ‘Communities of Practice’ (COPs) to carry out the detailed work required in identified priority areas. These strategy groups are well-positioned to provide rapid, intellectual and responsive leadership to issues facing the higher education sector. They regularly commission reports on agreed priority issues, so that discussions and decisions may be informed by well-researched findings emanating from these studies. They may also request appropriate experts from the various stakeholder groupings to address strategy groups on particular issues, share insights, and keep these groups informed on emerging developments.

During 2013, HESA undertook extensive analyses on emerging higher education policies. The organisation also conducted a number of strategic research initiatives in order to inform the sector on specific matters of concern as identified by the Board.

HESA Activities for the Creation of a Favourable HE Policy Environment

Following the publication of the Higher Education and Training Laws Amendment Act, No 23 of 2012 (Government Gazette, No 36022, 19 December 2012) and, subsequently, the draft Regulations for Reporting by Public Higher Education Institutions (Government Gazette, No 35923, 29 November 2012), a HESA delegation met with the Minister of Higher Education and Training, Dr Blade Nzimande, in April 2013 to raise concerns about the two policy documents. The Minister expressed a willingness to engage with the higher education sector in an effort to come to an amicable resolution of these matters. As a result of these engagements, two HESA-DHET joint task teams were established to address these concerns.

Higher Education and Training Laws Amendment Act, No 23 of 2012

The joint task team on the “Review of the Higher Education Act” met in November 2013, during which the terms of reference, the modus operandi, and project time frames were agreed upon.

Among other matters, the joint task team’s mandate was to:
• review the Higher Education Act for inconsistencies and/or contradictions and omissions;
• consider the debates and issues around institutional autonomy, public accountability, and co-operative governance, and assess whether these have been adequately balanced/covered in the Act;
• consider appropriate measures and requirements related to the independent assessment, administration and post-administration contexts of higher education institutions;
• make recommendations on unresolved aspects related to the transitional arrangements as indicated in the Act (including Section 74, which deals with the dissolution of the Committee of University Principals, the Matriculation Board, and the Committee of Technikon Principals) and
• review all the subordinate legislation and notices under this Act.

As of 31 December 2013, HESA was preparing comprehensive commentary on the provisions of the Act which are of particular concern to the higher education sector, with the aim of submitting this to the DHET in early 2014.

Draft Regulations for Reporting by Public Higher Education Institutions
Extensive consultations were conducted between the Department of Higher Education and Training (DHET) and relevant structures within HESA (the Funding Strategy Group, the Legal Advisory Committee, and the Finance Executives’ Forum) to redraft some of the draft regulations. HESA’s final response to the draft regulations was submitted to the DHET in December 2013. It was envisaged that new, revised draft regulations would be published during the first quarter of 2014.

Protection of State Information Bill
HESA developed and advocated a position paper on the Protection of State Information Bill during the course of 2012. It communicated its position to the National Council of Provinces’ ad hoc Committee on the Protection of State Information, as well as more broadly to the general public through the use of influential and leading opinion-forming newspapers. As part of a coalition of progressive voices on this matter, HESA has managed to influence the outcome of the Bill in fundamental ways, although not to its absolute satisfaction.

Notwithstanding protestations from the higher education sector, submissions to Parliament’s ad hoc Committee, and airing the sector’s views on a range of media platforms, the Bill was approved by the National Assembly in April 2013. HESA needs to continue supporting any initiatives by progressive voices campaigning for greater accountability and transparency by including in the Bill a public interest clause and the inalienable right to access to information (as the bedrock to any form of democratic society) before it is enacted into law.

National Development Plan: Vision for 2030
The National Development Plan (NDP) remains a key document with far-reaching implications for the higher education sector. The HESA Board, at its meeting on 23 March 2013, discussed a report emanating from a comparison between the initial draft NDP, launched in November 2011, and a second draft which incorporated stakeholder responses submitted to the National Planning Commission and distributed for further comment in August 2012. HESA identified the following main changes to the final draft:
• The most significant shift of emphasis in the final NDP Report was from an almost exclusive focus on students in the draft report to a re-prioritising of the quality of academic capital on which the quality of the whole system should rest. The focus was now firmly on the qualifications of academic staff, and this topped the list of actions in the Report’s Executive Summary. Credit for this shift was due in no small measure to HESA’s efforts.
• The most significant concern for the sector should be the longer-term assurance of the stability and growth in recurrent funding for higher education institutions. The Board deemed this to be under threat in all higher education systems world-wide, and it would pay HESA to be vigilant in this regard — on behalf of the entire higher education sector.

While the NDP’s retreat from a rather militant tone about differentiation in its draft report was to be welcomed, much had still to be clarified before a sectoral consensus around differentiation could be reached — and around how it should be funded.

HESA will continue to engage the National Planning Commission (NPC) in strengthening the role of the higher education sector in supporting and implementing the objectives of the NDP.

Report of the Task Team on Community Education and Training Centres (CETCs)
In April 2011, the DHET established a task team to investigate and recommend an alternative and more effective institutional format for addressing the education and training needs of adults and ‘out-of-school youth’. Among other matters, this task team was to conceptualise a working and unique model for Community Education and Training Centres (CETCs), consider policy and legal implications for a new CETC system, and recommend
relevant programme offerings, a funding model, and a governance framework for these centres. The task team presented its report in May 2012.

At the heart of the report was a proposal for a new institutional model for post-school education, thus extending the vision put forward in the *Green Paper on Post-School Education and Training*. The report proposed the expansion of non-formal and formal education and training to out-of-work adults — that is, Not in Education, Employment or Training (NEETs) — and the establishment of two new institutional formats, Community Learning Centres and Community Colleges.

HESA submitted a formal response to the report in May 2013. It welcomed the initiative to take forward the proposed expansion of post-school opportunities announced in the *Green Paper on Post-School Education and Training*. HESA further noted that this report was a first attempt at spelling out some of the rather speculative proposals regarding adult and NEET educational opportunities mooted in the Green Paper and, as such, it had to be welcomed. But, by promulgating it in a *Government Gazette*, the impression had been created that CETCs were on a legislative fast-track. It was HESA’s view that these proposals were not ready for legislative implementation and it declared its interest in being involved in all subsequent steps in the process.

HESA, therefore, recommended that a follow-up phase of thorough operational planning be undertaken: “In the ensuing scoping, costing and operationalising of such [a] phase, not to mention the development of a new legal framework, we have no doubt that alterations to the basic plan will be required.” HESA, and the constituency it represents, would expect to be centrally involved in this phase.

**HESA Activities related to Teaching and Learning in Higher Education**

**Policy on Student Housing at Public Universities and the Applicable Minimum Norms and Standards**

*Government Gazette*, No 36361 of 11 April 2013 contained a proposed policy on student housing at public universities, together with applicable norms and standards and accompanied by a call for comment by all interested parties. HESA submitted a formal sector response in June 2013.

While putting forward commentary on specific aspects of the proposed policy and the associated norms and standards, HESA expressed its strong support for a policy and norms and standards for student housing. HESA believes that this long-overdue policy intervention by the Minister of Higher Education and Training and the DHET will play a significant role in improving the quality of support for teaching and learning at universities, and this should, in the longer term, have a positive effect on student throughput rates.

HESA’s comments were structured around the following considerations:

- General policy background in relation to student housing.
- Specific proposals as set out in the proposed policy.
- Financing of capital costs and running costs of student housing.
- An opinion on housing for students with disabilities.
In conclusion, HESA reiterated its strong support for the introduction of a comprehensive student housing policy, with associated norms and standards for building facilities and furnishings. It committed itself to playing as constructive a role as possible in the interests of promoting student well-being and development and, particularly, in relation to student accommodation.

Furthermore, HESA emphasised that successful implementation of this policy would not yield benefits unless the DHET accepted proposals made for increased funding support for new student-housing facilities, the upgrading of existing student-housing infrastructure, and the maintenance of university-owned student housing, and incorporated them in the student housing policy.

**Report of the CHE Task Team on an Undergraduate Curriculum Structure**

In August 2013, the Council on Higher Education (CHE) released a report of its task team on under-graduate curriculum reform for comment. It requested feedback from individual institutions, which would inform its advice to the Minister of Higher Education and Training on the desirability and implementation of an extended under-graduate curriculum structure. HESA submitted a formal response to the report in December 2013.

The CHE proposals received considerable support: there was recognition of the need for curriculum redesign and development, not only at entry level but at key transition points throughout the curriculum, and for the importance of improving the effectiveness of university teaching and the general teaching and learning environment. Support was, however, less forthcoming for the radical, systemic nature of a ‘flexible curriculum’ proposal, until such time as various, quite fundamental questions and options, such as those raised in the HESA response, were thoroughly explored and investigated.

Nevertheless, HESA affirmed its commitment to supporting the CHE, the DHET, and concerned other parties in addressing the systemic teaching and learning challenges faced by universities.

**Initiatives for the Advancement of Research, Science and Innovation**

**Draft Regulations for the Establishment of a National Institute for the Humanities and Social Sciences (Government Notice, No 441, 19 June 2013)**

HESA submitted a formal sector response to the Draft Regulations for the Establishment of a National Institute for the Humanities and Social Sciences (NIHSS) in August 2013. It welcomed the Minister of Higher Education and Training’s stated commitment to strengthening scholarships in the humanities and social sciences in South African higher education. It furthermore acknowledged the importance of the functions proposed...
for the NIHSS and, in particular, welcomed the prospect of new investment by the DHET in support of the humanities and social sciences.

HESA also noted that there are a number of existing statutory bodies which have mandates that overlap with the functions proposed for the NIHSS; these include, in particular, the National Research Foundation (NRF). HESA requested the Minister to reconsider the establishment of the NIHSS and to explore, in partnership with key stakeholders in the National System of Innovation (NSI), alternative modalities along the lines proposed in the submission. As part of these deliberations, HESA also proposed that the Ministry engage in discussions with the Human Sciences Research Council (HSRC) which, in addition to undertaking research in the human sciences and building research capacity and infrastructure for the human sciences, also plays an important role in policy development and public policy dialogue, and in promoting local and international collaborative networks.

Notwithstanding the arguments presented by HESA, the Minister of Higher Education and Training published the Regulations for the Establishment of a National Institute for the Humanities and Social Sciences in December 2013.

**Draft Framework for Offices of Technology Transfer (OTT)**

The National Intellectual Property Management Office (NIPMO) was established in terms of Section 8 (1) on Intellectual Property Rights of the *Publicly Financed Research and Development Act, 2008* (the IPR Act). Some of NIPMO’s statutory functions impact universities — among others, provisions requiring NIPMO, in Section 9 (4) (c) of the Act, to provide assistance to institutions with:

- The establishment of offices of technology transfer and related capacity-building.
- Intellectual property transactions.
- Commercialisation of intellectual property.

Section 9 (4) (d) of the Act also requires NIPMO to provide standards and ‘best practice’ in consultation with the recipient, without limiting the power of the recipient to act in its own interests in terms of this Act.

During March 2013, HESA provided consolidated comments from its member institutions to NIPMO on the framework document, *Moving towards a Technology Transfer-Orientated Nation*. Key points mentioned in the response included appreciation for the NIPMO initiative, the ‘best practice’ listed in the document, and the guidance provided on the design, development and implementation of OTTs. However, concerns were raised, inter alia, that the document does not properly locate OTTs within the discourse on the developing science and technology policy context of South Africa or within the broader discourse on the role of higher education institutions in local, regional and national economic growth initiatives, does not propose funding support for universities, and places too large an emphasis on the commercial success of OTTs. HESA also suggested that a more comprehensive study, to include comparative studies between universities in the European Union (EU) and the United States, as well as comparative studies between universities from the developing and developed world more generally would be useful, that the human resources capacity-building in respect of OTTs and its functions should be given serious consideration, and that developing sustainable quadruple-helix relations and partnerships (government, universities, industry, and society), aligned with the core strengths of universities, is a crucial element in the success of the emerging knowledge economy.

HESA indicated its interest to again comment on further drafts of the framework document.

**Policy and Procedures for Measurement of Research Output of Public Higher Education Institutions**

During February 2013, HESA provided comment to the DHET on the amended version of the *Policy and Procedures for Measurement of Research Output of Public Higher Education Institutions, 2003* (Government Gazette, no 36102).

The amended regulations emanated from the experiences of the DHET and universities with the original policy and procedures and are designed to improve the reliability and efficiency of the annual publication count from higher education institutions. They also resulted from extended pressure on the DHET to grant more substantial recognition to book publications, pressure that has derived from both their expert panel and from the sector more broadly, notably in the form of the ‘Consensus Panel Report’ published by the Academy of Science of South Africa (ASSAf) in 2009. Consequently, the most significant change in the policy and procedures was the raised unit
value for book-based publications. It is first worth noting that the DHET has finally formally recognised electronic publications as a bona fide form of research output, and these will be recognised for assessment provided that they fit the criteria for the publication category in question, namely appearance on an approved list for journals and conference proceedings, evidence of pre-publication peer review, etc.

HESA believes that these revisions do mark a step forward in the procedures for the annual output count, even though they are not likely to lessen the administrative burden on research offices in the short term.

Projects Conceptualised to Reproduce Conditions for a Thriving HE Sector in South Africa

Strategic research projects were conducted by the Research and Innovation Strategy Group (RISG), Finance Strategy Group (FSG), and Finance Executives' Forum (FEF) in order to contribute towards the flourishing of universities in South Africa. The RISG undertook research projects, including the 'Early Career Researchers Support Programme.'

Early Career Researchers Support Programme

This research initiative was formally launched in 2013 with the purpose of tracking and analysing the skills needs of the category of researchers defined as 'early career' researchers. The project aims to understand the broader context underlying the challenges and opportunities related to skills acquisition, training and general career development for early career researchers. The Early Career Researchers Support Programme also seeks to cultivate and retain researchers in the field of academic research before they may be lost to other career paths or career domains.

The project will develop a database which will host information on research opportunities and programmes that are relevant and available to early career researchers. It aims to identify gaps in the information and

Through the Early Career Researchers Programme the sector wishes to prioritise training and preparing newly-qualified doctoral graduates for an academic career, particularly in areas such as networking, writing for academic publications, and applying for and managing research grants, etc (Photo: Courtesy of Tshwane University of Technology's Department of Corporate Affairs & Marketing)
capacity-building resources available nationally, with recommendations for addressing such gaps. Ultimately, a set of recommendations will be produced regarding mechanisms for strengthening the development of early career researchers in South Africa.

This project is championed within the RISG by Prof Stephanie Burton, based at the University of Pretoria (UP) and Prof Amanda Lourens, based at North-West University (NWU). HESA expects that this project will grow exponentially in 2014 and develop into a dynamic initiative which will take the development of early career researchers forward.

Through the Finance Strategy Group (FSG) and the Finance Executives’ Forum (FEF), HESA conducted research in two other areas:

A Study on Academic Salaries
The FSG’s study on academic salaries had as its objectives to collect data on the remuneration of full-time, permanent academic staff and staff with fixed contracts of at least one year, and to establish trends in this regard over the past ten years; to analyse the remuneration of academic staff in relation to rank/position, age, highest qualification, field of study (for example, CESM category), race, gender, and post grading (for example, Peronmes grade); and to compare the remuneration of academic staff with the remuneration of comparable staff in both the public and the private sector.

A first draft report was compiled based on remuneration data received from 22 higher education institutions and data from the PERSAL database (public sector) and Remchannel (private sector). The draft report was presented to a Steering Committee chaired by Dr Saleem Badat of Rhodes University on 28 August 2013. A final draft report was made available to three critical readers in December 2013 for comments and the Steering Committee is in the process of addressing these comments, after which the report will be finalised.

Higher Education Inflation Index
Universities have repeatedly raised concerns regarding the disparity between the rise in operating costs of higher education institutions, compared to government subsidies and the rise in student fees. International evidence and local anecdotal substantiation show that inflation, as calculated using the Consumer Price Index (CPI), is usually lower than actual cost increases in higher education. This suggests that if the CPI is used to adjust nominal operational funds, including government subsidies, then the real purchasing power of these funds decline over time. It is, therefore, envisaged that a higher education price index, which is input-based, will enable universities to get a better understanding of cost structures and provide HESA with the information it requires when negotiating with government on funding needed to deliver the same level of services as before.

HESA’s service provider for this research project is the University of South Africa (UNISA) Bureau of Market Research. HESA assisted the Bureau by distributing a request for data via an expenditure template, and a draft inflation matrix was designed in December 2013. The matrix will be finalised during 2014 and processing and analysis of the data will also be undertaken during this year.

Enquiry on Co-operative Governance
As a response to the Higher Education and Training Laws Amendment Act and the Draft Reporting Regulations for Public Higher Education Institutions in December 2012, the HESA Board commissioned a study on co-operative governance in higher education.

Prof André du Toit, Emeritus Professor of Political Studies at the University of Cape Town (UCT), who was commissioned to conduct this research, produced a report entitled Policy and Regulatory Changes in Higher Education: A Historical and Comparative Academic Freedom Perspective in March 2013. The paper addressed issues such as the historical context of foundational governance assumptions of post-apartheid higher education, the importance of protecting institutional autonomy, the complex notion of academic freedom (involving the three distinct domains of scholarly freedom, academic self-governance within the university milieu, and the institutional autonomy of the university in its external relations to state and society), the powers of higher education institutions, mandatory restructuring of these institutions by the South African government, and institutional autonomy and accountability.

HESA is continuing to debate the formulation of a coherent strategy on the ways in which the framework of ‘co-operative governance’ might be revitalised in the present circumstances of the higher education sector and its relations with state and society, with a view to proposing recommendations to restore the primacy of its foundational principles.
ADVOCACY AND STAKEHOLDER ENGAGEMENT

HESA actively engages leaders within government (both within the executive and the legislature), civil society, business, and the donor community in order to stay relevant to the higher education sector, to gain an appreciation for the material concerns (needs, expectations, and aspirations) of stakeholders that are key to HESA’s performance, and to become adequately responsive to and champion the cause of the higher education sector.

Through our Advocacy and Stakeholder Engagement portfolio, HESA seeks to:
• increase the level of public awareness of the benefits provided by the higher education sector to society;
• develop and strengthen networks, partnerships and relationships with key higher education institutions and stakeholder constituencies;
• advance the higher education sector’s interests;
• facilitate and promote an understanding of HESA’s work within higher education institutions; and
• position HESA as a leader in shaping the national higher education policy and regulatory agenda.

HESA, through its strategy groups, regularly engages with the Department of Higher Education and Training (DHET), the Department of Science and Technology (DST), the Council on Higher Education (CHE), the National Research Foundation (NRF), the Technology Innovation Agency (TIA), and many other higher education agencies on matters related to its core functions.

Engagement on Legislative/Policy Issues or Projects

HESA engages with government, particularly the Department of Higher Education and Training (DHET), the National Student Financial Aid Scheme (NSFAS) and the Council on Higher Education (CHE), on a regular basis. The bulk of engagements with the DHET, a key stakeholder for the higher education sector, occurred in response to emerging policy, legislative and regulatory matters. During the year under review, HESA also had regular meetings with stakeholders for purposes of maintaining co-operative relationships.

An example is a meeting in April 2013 between a HESA delegation and the Minister of Higher Education and Training, Dr Blade Nzimande. The discussion mainly revolved around the following matters:
• the Higher Education and Training Laws Amendment Act;
• the Reporting Regulations for Higher Education Institutions;
• the NSFAS shortfall; and
• the Central Applications System (CAS).

Also in the year under review, HESA had discussions with the CHE on the findings of the ‘Report on the Restructuring of the Under-Graduate Curriculum’, and with the NSFAS on the ‘NSFAS Transformation Programme’ and a new ‘NSFAS Funding Allocation Model’.

As already stated and as a matter of course, all of HESA’s strategy groups arrange regular discussions with senior representatives from the DHET, the DST, the NRF and the TIA on matters of common concern and interest.

The National Planning Commission’s Recognition of HESA’s Proposal on the Next Generation of Academics

During 2012, HESA developed a targeted proposal for a national programme on building the next generation of academics. This proposal was submitted to the Department of Higher Education and Training and the Department of Science and Technology with a view to securing funding for its implementation. The final version of the National Development Plan: Vision for 2030, launched in August 2012, explicitly acknowledged and supported HESA’s proposal and listed the implementation of the national programme as one of the priority actions for higher education. HESA will continue to engage government on this programme.

Engagement in Respect of the Masisi vs North-West University Case

This matter relates to an Equality Court finding in the case between Mr MS Masisi and North-West University (NWU), in terms of which certain sections of the Joint University Statute, as well as the Academic Rules of NWU pertaining to the transfer of academic credits were declared unconstitutional and, therefore, null and void.

For context, Mr Masisi registered and passed the BProc degree at the former University of the North — now the University of Limpopo. He then proceeded to NWU and registered for an LLB degree.
As prescribed by institutional rules and regulations that are informed by Section 18 of the Joint Statutes of University Act of 1955, the NWU could not grant him more than 50% of the credits towards an LLB degree. Mr Masisi was aggrieved by this state of affairs and filed a case against NWU at the Equality Court. The latter ruled in favour of the complainant — further striking down certain provisions of the Joint Statutes. Not only does the Equality Court judgment affect the Academic Rules at NWU; it also has legal implications for similar rules at other universities which can now be regarded as null and void.

Following an unsuccessful attempt by the NWU to launch an appeal against that judgment, the HESA Board resolved that HESA should participate in the legal proceedings as *amicus curiae* (Friend of the Court) because of the implications of the Equality Court's ruling for the higher education sector. Arguments were prepared and submitted to the Supreme Court of Appeal in Bloemfontein. It was envisaged that the date of the appeal hearing would be sometime during March 2014.

**Engagement for International Collaboration**

Forging new strategic partnerships locally, on the rest of the African continent and globally, as well as maintaining and strengthening existing alliances, remains a key focus area for HESA which continued to receive the requisite attention during 2013. Expanding beyond the usual engagements with higher education institutions in Europe, HESA initiated an outreach to similar institutions in other parts of the world --- for example, with Universities Australia, the Association of African Universities (AAU), and the Association of Universities and Colleges of Canada (AUCC).

**HESA-German Rectors’ Forum Agreement**

Bilateral discussions which started in 2012, culminated on 17 September 2013 in the signing of a comprehensive co-operation agreement between HESA and the German Rectors’ Forum, focusing on research and academic collaboration between the higher education sectors in Germany and South Africa. The two countries are already collaborating on a wide range of research projects in disciplines such as engineering, the geosciences, health economics, chemistry, and biotechnology.

Recognising Germany’s graduate and research output, HESA envisions that this relationship will enable higher education institutions in South Africa to strengthen their own research and innovation capability.

The year 2014 will see the two countries discussing modalities for giving effect to the broader objectives of this relationship.
The Internationalisation of Higher Education between South Africa and Europe

On invitation from the European Union (EU), HESA was represented in the South African delegation which attended a two-day workshop on 5 and 6 November 2013 in Brussels, Belgium on ‘The Internationalisation of Higher Education’. The delegation constituted, in the main, a contingent of senior officials from the DHET.

The purpose of this workshop was to review the implementation of the ‘Joint Declaration on Co-operation in Education and Training’ signed between South Africa and the EU in Cape Town in May 2012, and to facilitate a dialogue on strengthening the internationalisation of higher education between the EU member countries and South Africa.

The workshop agreed on a set of actions to be taken, key amongst which was South Africa’s commitment to expedite the development of a national policy framework on internationalisation as a prerequisite to the implementation of the objectives spelt out in the Joint Declaration, as well as the effective monitoring of this action. Following the workshop, HESA, the DHET, the DST, the CHE, and other relevant bodies would in the near future engage in a workshop, facilitated by the DHET, to develop the first draft document for this policy framework.

The SA-EU Joint Declaration on Co-operation in Education and Training opens the way for collaboration between South Africa and member countries of the EU across the entire education system, with a specific bias towards higher education and vocational education and training. Among key focal areas for intensified co-operation will be scholar mobility and post-graduate education and research, equity and quality in education, quality assurance mechanisms, and stakeholder involvement.

HESA In the Media

During 2013, HESA continued to reach out to the media in a quest to influence the higher education agenda, stakeholder and public perceptions, and to safeguard the organisation’s reputation. Media outreach was realised through the issuing of press statements, seeking interview opportunities with the CEO in his capacity as HESA spokesperson, and responding to media enquiries.

By way of pro-active media releases, 11 statements were issued, covering broad themes, including:

- Commentary on the establishment of a ‘Ministerial Transformation Oversight Committee’ and the potential risk this poses to university councils: the then Acting CEO’s response to statements made by the DHET Director-General in a Mail & Guardian opinion piece titled, Higher Education Must be Transformed (February);
- The official closing of the ‘Transformation Colloquium’ at the University of the Free State (held from 6 to 8 May) and its general outcome: the deepening of debates on transformation within the higher education sector; a broad agreement that a common understanding should be forged across the sector on the meaning of transformation within higher education, and the reaffirmation by delegates that transformation within higher education is a moral and ethical imperative (May);
- The Apply Before You Enrol campaign: HESA CEO, Dr Jeffrey Mabelebele’s announcement of the purpose of the campaign, its duration and its objectives, and something about the “National Information Service on Higher Education” (NiSHE) (September);
• The CEO, Dr Jeffrey Mabelebele’s Open Letter and good wishes to the Matric Class of 2013 (October);
• The keynote address at the University of Johannesburg (UJ) by Programme Director: Higher Education HIV&AIDS (HEAIDS), Dr Ramneek Ahluwalia, on The Role of South African Higher Education Institutions towards Mitigating HIV&AIDS, STIs and TB – Our National Response (September);
• An announcement on the HELM Lead capacity-building workshop (October-December): 32 aspirant leaders and managers from public universities embark on a leadership and management programme (October);
• CEO’s caution to aspiring leaders at public universities to understand South Africa’s legislative framework, and to lead and manage effectively: a summary of the CEO’s welcome address to the 32 HELM Lead participants (October); and
• HESA’s pronouncement and response to the Ministerial Transformation Committee’s Equity Index report titled, Utilising the Equity Index to Monitor, Guide and Drive Transformation for South African Universities, presented to the Parliamentary Portfolio Committee on Education (October).

Seven other media statements were released on the Higher Education and Training HIV&AIDS (HEAIDS) Programme. These broadly covered:

• the launch of the Medical Male Circumcision Programme at the Tshwane University of Technology (TUT) (May);
• the First Things First national campaign launch: this campaign encourages students to take responsibility for determining their HIV status as a necessary step towards treatment, care and support, and preventing new infections; although the national campaign launch was in May, Mnambithi College in Ladysmith, KwaZulu-Natal had already had theirs launched in February, while Gert Sibande College in Mpumalanga also launched their campaign in May (February-May);
• a satellite session at the South African AIDS Conference (June);
• an announcement on the National Skills Fund (NSF) grant of R28 million to HEAIDS (August); and
• a World AIDS Day announcement of HEAIDS’s extension to the Further Education and Training (FET) sector.

In addition to issuing media statements, HESA also had occasion to be hosted on various media platforms, including radio and television, especially during the ‘Apply Before You Enrol’ campaign in September and October 2013. The CEO also fielded media enquiries on numerous topics, including HESA’s opinion on the Ministerial Transformation Oversight Committee, debates on a 4-year degree, the remuneration of academics,
university applications statistics and trends, year-on-year institutional funding trends, and security measures within the university system.

**Engagement to Advance Inter-Institutional Collaboration**

Inter-Institutional collaboration takes place through the work of the ‘communities of practice’ (COPs). What transpired during the year under review is summarised below:

**Finance Executives’ Forum (FEF)**
The FEF continued to engage key stakeholders in the sector such as the DHET, NSFAS, and the Office of the Auditor-General on a range of finance and funding-related issues in the higher education sector. The FEF has established a tax task team that advises on tax-related matters. The team reports to the Funding Strategy Group that advises the HESA Board on funding-related matters and concerns.

**Skills Development Facilitators’ Forum (SDF)**
This forum continued to engage the DHET, the Education, Training and Development Practices-Sector Education and Training Authority (ETDP-SETA), and any other stakeholders. The SDF was again funded by the ETDP-SETA and engages with this institution on grant funding and university skills development. It also shares information and expertise regarding training and skills development programmes. The SDF meets three times a year.

**Education Deans’ Forum (EDF)**
The EDF engages with key stakeholders three times a year on specific issues related to the development of teacher education in South Africa. During 2013, it convened a task team to engage with the South African Council for Educators (SACE) on the programme for “Continued Professional Training and Development” (CPTD) and maintained the process of establishing strong, nurtured, and sustained relations with all stakeholders, including the South African Qualifications Authority (SAQA), the Council on Higher Education (CHE), the Department of Basic Education (DBE), and the DHET.

Furthermore, the EDF continued to look at key issues impacting on the effectiveness of teaching and learning within the university system. A number of new initiatives were undertaken, amongst others, canvassing for funding for projects envisaged for roll-out in 2014, including an EDF colloquium set to address issues pertaining to teaching practice as a key component of teacher-education qualifications, and to explore ‘best practice’ within the teaching profession.

**Transformation Managers’ Forum (TMF)**
During 2013, the TMF organised a transformation colloquium on *New Directions --- The Question of Knowledge and the Transformation of Higher Education in South Africa*. The colloquium was funded by the National Skills Fund (NSF) and took place from 6 to 8 May at the University of the Free State (UFS) in Bloemfontein. This highly successful event was attended by representatives from all 23 higher education institutions, student representatives, and various other stakeholders, such as the DHET.

The Transformation Colloquium was a sequel to the transformation workshop of December 2012. It reaffirmed a view that transformation within Higher Education is a moral and ethical imperative. Delegates broadly agreed that a common understanding should be forged across the sector on the meaning of transformation within higher education.

The main strategic objectives of the colloquium were to explore progress, challenges and new directions related to the transformation of higher education aimed at achieving redress and social justice. Some of the sub-themes explored were knowledge equity, epistemic justice and knowledge reorganisation, the meaning of transformation, accountability, autonomy and oversight, internationalisation, and baseline indicators.

The main resolutions adopted at the event were:
- Assess knowledge generation and the quality of research within the field of transformation.
- Create a common understanding of transformation.
- Develop common criteria for institutional assessment.

The Transformation Colloquium was a sequel to the transformation workshop of December 2012. It reaffirmed a view that transformation within Higher Education is a moral and ethical imperative. Delegates broadly agreed that a common understanding should be forged across the sector on the meaning of transformation within higher education.
• Address curriculum transformation with relevance to teaching and learning.

A report was subsequently submitted to the DHET, which included a proposal to design, develop and roll-out regional transformation workshops in order to address transformation in teaching and learning. Funding for the implementation of the colloquium’s resolutions was approved in December 2013 and the roll-out is planned to take place during 2014.

As per the recommendation of the TMF and the Transformation Strategy Group (TSG), the HESA Board in October 2013 approved a proposal in support of the ‘Common Campaign Days’ project. It was decided that HESA should use the ‘20 Years of Democracy’ celebrations during 2014 as a theme around which a series of activities/common campaign days should be launched across the sector between April and July 2014. Higher education institutions were encouraged to collaborate, where feasible, in these festivities.

HIV&AIDS Education, Campus Health, and Health and Wellness

The annual HIV&AIDS Education COP Colloquium was held in October 2013 on the theme ‘Digital Spaces and HIV&AIDS Integration’. A ‘cellphilm’ production workshop was offered, with cellphilm referring to the construction of a narrative film from footage shot by a cellular phone.

For the workshop facilitators, a cellphilm offers a useful tool for the development of a ‘critical consciousness’ on HIV issues. Workshop participants viewed, produced and critiqued cellphilms, particularly in terms of their assumptions and representations of relevant issues. The subject of the cellphilms was pre-service teacher risk in and around universities within the context of HIV&AIDS. The colloquium also addressed the use of mobile technologies for the management and monitoring of HIV&AIDS, and examples of digital technology use and digital storytelling were provided to participants.

The colloquium officially re-launched an online collaborative forum, a ‘digital space’, where academics and others who integrate HIV&AIDS into the curriculum can engage with each other. The meeting also elected a new Steering Committee for a three-year term: Prof N de Lange (Nelson Mandela Metropolitan University, NMMU), Prof L Moletsane (University of KwaZulu-Natal, KZN), Prof L Wood (North-West University, NWU), Prof M Ndebele (University of the Witwatersrand, WITS), Dr D Hlalele (University of the Free State, UFS), and Prof P Siyakwazi (Durban University of Technology, DUT). Ms M Pillay, Senior Manager: Curriculum and Research, will represent HEAIDS on the committee.

Ad Hoc Engagement

In addition to stakeholder engagement related to its mandate and core functions, HESA also --- from time to time --- responds to requests for interactions from higher education institutions beyond South Africa’s borders.

In July 2013, a group of 18 graduate students from New York University’s Higher Education Programme visited South Africa to study education and social reform in this country. They were hosted by a senior management team headed by the CEO, Dr Mabelebele, who made a presentation to them about HESA as an organisation, its mandate and its value generation for the higher education sector.
Apart from the visit to the HESA Executive Office, the NYU students had exposure to both primary and secondary schools in order to gain an understanding of the whole educational pipeline.

The delegation comprised masters and doctoral students interested in various aspects of on-going reforms in South Africa. The group was led by Prof Teboho Moja, a South African now based at the Steinhardt School of Education at New York University (NYU). The 2013 visit was the 12th such visit that Prof Moja was leading to the country. These interactions aim to put NYU students in touch with a range of opinion-formers on current issues in South Africa, as well as inform them on on-going socio-political reforms in the country. During 2013, the focus was on the youth in South Africa and their educational development path.

The students, in turn, asked questions about South Africa’s university system from different perspectives consistent with their respective areas of interest, pertaining to:

- access policies in the South African higher education system, and support services for admitted students and, in particular, students with disabilities;
- transition issues from high school to higher education, and student recruitment strategies; and
- National Benchmark Tests (NBTs) as part of the battery of services offered by the Higher Education Enrolment Programme / Matriculation Board within HESA.

Their programme also included interactions and discussions with various other stakeholders, such as scholars from the University of Pretoria (UP) and UNISA, and officials from the DHET.
Furthermore, the HESA CEO on occasion responded to invitations to address audiences, varying from academics, communities surrounding universities, as well as private associations with a common interest in higher education. In the year under review, Dr Jeffrey Mabelebele spoke at various events, including:

**Joint PASA-SABA Conference**
At a joint conference of the Publishing Association of South Africa (PASA) and the South African Booksellers’ Association (SABA) in Newlands, Cape Town on 13 August 2013, Dr Mabelebele delivered an address entitled *Possible Partnership between Higher Education South Africa, the South African Publishers’ Association and the South African Booksellers’ Association: Some Thoughts*. He explored the possibility of partnering these two organisations in a number of areas, namely (a) strengthening the capacity of the existing University Presses to ensure that the wider needs of researchers and scholarly communities are better served, (b) facilitating online access to scholarly digital materials, (c) exploring opportunities to engage the Teaching & Learning Strategy Group (TLSG) in identifying ways to support HESA’s agenda (particularly in relation to access to scholarly materials), (d) conducting joint research projects to understand the evolution of scholarly publishing in South Africa, (e) strengthening new publishing models in the electronic environment, and (f) zero-rating value-added tax (VAT) on academic and scholarly books to enable universities to optimise their library resources.

**Address at UNIVEN**
On 19 August 2013, the CEO delivered an address on *What Are Universities For? Lessons for the University of Venda* to an audience of academics, the university leadership, business, and other members of the community at Thohoyandou. Dr Mabelebele’s paper dealt with the purposes and functions of a university today, and the contradictions that such purposes and functions generate for a university in the modern era.

**Central Application Office AGM**
Also in August 2013, Dr Mabelebele honoured an invitation to address the Annual General Meeting of the Central Application Office (CAO) of KwaZulu-Natal (KZN), which processes applications to the four universities based in that province. Attended by the Board of Directors of the CAO, registrars of the four universities, heads of public and private further education and training colleges, dignitaries from the provincial Department of Education, and members of the public, Dr Mabelebele’s address was themed *Higher Education Policy Issues in 2013: Implications for the Central Application Office, KwaZulu-Natal.*

**UL’s Spring Lecture Series**
At the University of Limpopo, the CEO had occasion to speak to an audience of academics, researchers, administrators and students, as well as the surrounding community on *The Contribution of Higher Education to Society’s Development* at an event on 10 September 2013. Dr Mabelebele’s speech was part of the 2013 Spring Lecture Series of the Faculty of Humanities on the theme “South Africa Today: Issues, Challenges, and Opportunities”.

**ETDP-SETA Annual General Meeting**
In October 2013, Dr Mabelebele spoke at the Annual General Meeting of the Education, Training and Development Practices-Sector Education and Training Agency (ETDP-SETA) in Johannesburg. He emphasised the commitment of South Africa’s public universities to the national human resources development strategy by contributing to the development of scarce skills that are earmarked for attention. He cited HESA’s intention to build the next generation of academics for South Africa’s system of higher education in order to address the succession needs at universities when the current crop of scientists, researchers, and professors retire in the next decade, and also outlined institutionally-based skills development initiatives seeking to meet the country’s economic and social development priorities.

**Engagement with Belgian Universities**
Also in October 2013, the CEO made a presentation to delegates from French-speaking universities in Belgium with a view to exploring opportunities for collaboration between HESA and their organisation by (a) producing masters and doctoral students for the South African public education system, (b) utilising and optimising the internationalisation of existing higher education instruments offered by the European Union (for example, the Erasmus Mundus Scholarship), (c) creating more funding instruments for mobility of students and academics between the two countries, and (d) exploring a joint degree model, subject to policy certainty in South Africa.

These engagements contributed to on-going debates on the role of higher education in society, and enabled HESA to further strengthen existing collaborations with a whole range of partners.
INITIATIVES IN SUPPORT OF THE HIGHER EDUCATION SECTOR

Through a third leg of its key functions, HESA seeks to:

• support institutions in advancing their mission statements (teaching, research, and community service);
• design and implement initiatives to build the capacity of South African higher education institutions;
• improve the resources available to institutions through economies of scale and scope;
• represent and advance the sector’s interests through participation in national structures;
• promote and facilitate partnerships, collaboration and information-sharing between institutions and other similar organisations; and
• provide up-to-date and relevant information for and about South African higher education to enhance the level of decision-making.

The section below narrates HESA’s performance in pursuit of the above intentions during the year under review.

Performance on Special Projects

Rural Campus Connection Project (RCCP)

The purpose of this R28 million project is to provide information and communications technology (ICT) access networks to rural university campuses. Nineteen such sites were selected for the project and work was completed at two sites during 2012.

During 2013, the work on this project was accelerated and completed at 11 additional sites. These included the Makhado campus, the Polokwane Library and the Richard’s Bay campuses of the University of South Africa (UNISA); the Polokwane Hospital, associated with the University of Limpopo (UL); the Polokwane campus of the Tshwane University of Technology (TUT); the Richard’s Bay campus of the University of Zululand (UNIZULU); and the main campuses of the University of Venda (UNIVEN) and the Vaal University of Technology (VUT). The remaining campuses will be connected during 2014.

Initial planning entailed surveying the identified campus sites and capturing them on maps, like the one displayed above, to enable common understanding between the receiving institutions, other stakeholders and TENET, on what infrastructure already existed and what kind of technical support and maintenance was already available in the region. These had implications on continuing technical support and maintenance due to the remote location of infrastructure supporting universities in the region, in keeping with TENET’s license requirements. This information was vital to TENET’s planning, costing and project proposal to HESA. (Image: Courtesy of TENET).
Reliable internet connectivity through the RCCP will hopefully reduce the disparities between the more technologically resourced urban-based institutions and their rural counterparts. Now rural universities like UL are empowered to deliver the dreams and aspirations of many students for whom the local university is their only passport to economic advancement (Images: Courtesy of TENET).
Scholarships

HESA administers a number of scholarships on behalf of governments, multilateral institutions, and private sector organisations.

The Commonwealth Scholarship Commission (CSC) based in the United Kingdom (UK) invites nominations from South Africa on an annual basis. HESA acts as the nominating agency for citizens from South Africa. In 2013, 100 applications were received, and of these 50 nominations (26 Masters and 24 Doctoral) were submitted for consideration by the CSC. Of the 2013 nominations submitted, 24 candidates were offered scholarships; these could be in any of the following categories:

- A one year taught Master’s course.
- A Doctoral degree of up to three years’ duration.
- A one-year research stint on a split-site basis towards a PhD registered at a university in the home country.

HESA also acts as a repository of scholarship opportunities offered by a number of countries, although these are usually administered by the embassies or high commissions of the countries concerned.

India-Brazil-South Africa (IBSA)

HESA and the DHET concluded a Memorandum of Understanding (MoU) in February 2013 to collaborate for a period of five years on, amongst others, the management of the IBSA Mobility Fund. Subsequently, HESA and the National Research Fund (NRF) concluded an agreement in terms of which the NRF will administer the Fund, valued at R25 million, for a period of three years. The NRF issued a ‘Call for Proposals’ for mobility related to research projects in specific areas of cooperation and received 41 such proposals that were evaluated by panels of experts. Five proposals will be selected jointly by the NRF and HESA for the award of grants during the first quarter of 2014.

3rd Biennial Research and Innovation Conference

The HESA Research and Innovation Conference is a biennial event mandated by the Research and Innovation Study Group (RISG) at HESA. In line with HESA’s mandate to strengthen research and innovation (R&I) in higher education, HESA started preparations for the 3rd Biennial Research and Innovation Conference to be held in Pretoria during April 2014.

With two successful Research and Innovation Conferences held in 2010 and 2012, the HESA Conference is rapidly becoming the premier event for academic debate and networking within the South African higher education sector on research and innovation. The event has grown in stature and is highly regarded by all stakeholders, including the government.

Performance on Mainstream Programmes

Higher Education Leadership and Management (HELM) Programme

Since 2003, HESA has committed itself to the promotion of strategically planned leadership and management development for middle managers in the higher education sector. In order to build capacity within the system and support individual and institutional leadership, it developed and implemented the Higher Education Leadership and Management (HELM LEAD) programme, consisting of eight training modules which are specifically designed for both academic and support staff at middle-level management at the 23 higher education institutions in South Africa.

The HELM LEAD Programme is a component of HELM, which serves as an entry point for professionals interested in a career in middle management within the university system. The LEAD Programme provides qualified individuals with exciting opportunities to gain experience, to develop knowledge and skills, and to serve as middle managers in the university sector, while contributing to the growth and advancement of their own institutions. The programme aims to develop a talented pool of seasoned middle-management professionals, which can be drawn upon by individual universities to replenish middle-management functionaries in the short to medium term and senior management functionaries in the longer term.
Considerable progress was made with the programme during 2013. HESA received 187 applications and awarded 32 fellowships, representative of all higher education institutions; these candidates went through leadership and management capacity-building exercises during two HELM LEAD workshops in October and December. Fellows were exposed to no less than 13 experts from a range of disciplines relevant to effective leadership and management of a university in South Africa. A dip-stick outcomes inquiry indicated very positive outcomes for the participating Fellows and their institutions. The programme is set to continue during 2014.

Higher Education Enrolment Services
This programme includes the following key components: the Matriculation Board, Equivalence Setting, and the National Information Service for Higher Education (NiSHE). The objective of the Equivalence Setting Programme is to conduct research that is intended to inform decisions about the setting of minimum requirements for admission to university studies. These requirements apply specifically to candidates who ordinarily would not have access to higher education, thus opening the doors of higher learning for such prospective students. The objective of NiSHE, on the other hand, is to inform learners in secondary schools about the many study opportunities available in higher education and to urge them to apply timeously.

The Matriculation Board (MB)
The year 2013 saw remarkable achievement being realised as the MB issued more than 40 000 exemption certificates. This momentous effort did not only open the doors of higher learning to local students, but it also injected a significant number of international students into the South African higher education system.
International students are valuable since they bring added diversity and different cultural perspectives to the discussions in lecture rooms and to student life in general. The regulated decisions regarding the minimum admission requirements that are applicable in issuing exemption certificates are based on in-depth research conducted in this programme under the auspices of the Equivalence Setting project.

In 2013, a comparative study of the International Baccalaureate Career Certificate (IBCC) and the National Certificate Vocational (NCV)-National Qualification Framework (NQF) Level-4 was undertaken. This comparative analysis identified significant differences between the two qualifications and accentuated the fact that the IBCC was not primarily designed for students intending to study at university. HESA is of the opinion that it is, therefore, advisable to require the holders of this qualification to demonstrate their readiness for higher education by first taking a university entrance examination.

**The National Information Service for Higher Education (NiSHE)**

The aim of the NiSHE project is to provide prospective students with information relating to the various courses offered by higher education institutions, as well as application procedures. This project has been running for nine years.

A five-year strategy was developed internally and presented to, and approved by, the Joint Admissions Committee and the Matriculation Board in August 2013. NiSHE has the following communication objectives:

- Informing Grade 9 and 10 learners about the importance of subject choice for the various fields of study available at higher education institutions, and associated career options.
- Informing Grade 11 and 12 learners about the importance of working diligently in order to ensure that they meet minimum admission requirements, as well as getting them to understand the difference between eligibility and admissibility.
- Encouraging Grade 12 learners to apply well ahead of the closing date for admission into university studies the following year, and discourage walk-ins.
- Inculcating a sense of self-efficacy in prospective students.

During 2014, HESA intends to deliver on the following:

- A career options booklet.
- Annual university application and admissions statistics.
- Continue with the Apply Before You Enrol campaign.
- A fully interactive website, and other media and communication initiatives, including stakeholder engagement.

In line with the NiSHE communication objective three above, the Apply Before You Enrol campaign was undertaken with the sole objective of “creating public awareness in thousands of commuters who pass through these terminals daily.”
awareness regarding the closing dates for applications, and other relevant information such as application fees. HESA envisages that sensitising prospective students to university application closing dates will lead to them applying on time, and will consequently serve to decrease the number of walk-ins at universities, hence facilitating a more seamless transition between the school and university systems.

HESA utilised the following media platforms to communicate this campaign:
- Voucher advertising.
- The radio.
- Newspapers.
- Taxi advertising.
- Train station billboards.

The total number of times that HESA’s adverts were seen during the campaign period from August to September was 33,957,120.

**Higher Education and Training HIV/AIDS (HEAIDS) Programme**

At the HEAIDS World AIDS Day dinner in Cape Town on 1 December 2013, the Deputy Minister of Higher Education and Training, Mr Mduduzi Manana, officially announced the extension of the HEAIDS mandate of HIV prevention, care and treatment programmes to also reach thousands more young people at some 300 Further Education and Training (FET) college campuses during 2014. This initiative is made possible by a R27 million grant from the Global Fund to Fight AIDS, Tuberculosis and Malaria. Support to FET colleges is to be driven by eight newly appointed Regional Co-ordinators and a National Programme Manager.

The Deputy Minister pointed out that the Global Fund grant, together with an allocation of R25 million made earlier in the year by the National Skills Fund (NSF) to enable academic staff at public universities and FET colleges (across all disciplines and faculties) to integrate HIV & AIDS issues in their curricula, represented an important injection of funding for HEAIDS. This builds on work undertaken by HEAIDS since 2008 to better understand whether and how the core function of teaching and learning could be harnessed to mitigate the impact of HIV & AIDS. The programme aims to facilitate the development of enhanced and transformed curricula that critically engage students and enable academics to cope with the challenges of teaching, training and researching in the age of HIV & AIDS.

HEAIDS led the charge on this with a satellite session at the International Conference on AIDS and STIs in Africa (ICASA) in December to showcase current ‘best practice’ curricula across disciplines, and to promote a critical consciousness for progressive outlooks and pedagogies.

Since its inception, HEAIDS has significantly enhanced the response of the higher education sector to HIV & AIDS, besides making an invaluable contribution to the national response. It is now poised to make an even greater contribution by drawing on this rich experience to benefit the FET college sector, and being all the more effective in contributing to the national response because of an increased economy of scale.

In making the announcement, the Deputy Minister thanked the HESA leadership and membership for their unconditional support for this extension in the mandate of the programme, and for the offer of continued support to the FET college sector in the development of sustainable HIV mitigation programmes.

As part of the comprehensive HIV & AIDS mitigation programme crafted within the refreshed *Policy and Strategic Framework on HIV and AIDS for Higher Education*, HEAIDS now implements the programmes and projects in partnership with a range of public and private role players. Key players are the DHET, the Department of Health, the United States Government through the US Agency for International Development (USAID), the US President’s Emergency Plan for AIDS Relief (PEPFAR), the Foundation for Professional Development.
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(FPD), the German Gesellschaft für Internationale Zusammenarbeit (GIZ), the South African National AIDS Council (SANAC), the Joint United Nations Programme on HIV/AIDS (UNAIDS), the United Nations Development Programme (UNDP), Innovative Medicine of South Africa (IMSA), and Johns Hopkins Health and Education South Africa.

These partnerships have yielded HEAIDS’s seven key projects, namely:

- The **First Things First HIV/STIs/TB Counselling and Testing Campaign**: this initiative contributes to an objective of the National Strategic Plan to maximise opportunities for testing for HIV, STIs, and TB. Now in its fourth year, the campaign encourages students to take responsibility for knowing their HIV status. This is a necessary step towards treatment, care and support, and preventing new infections. The campaign unites tens of thousands of students and staff members at higher education and training institutions across the country to reject the stigma still attached to HIV and to undergo testing to learn their status. Through the involvement of the FETs, the sector’s HIV prevention, care and treatment programme is extended to some 500 000 young people, with the overall programme reaching a population of more than 2 million spread over more than 400 campuses.

- **Brothers for Life**: this is a masculinity programme which encourages medical male circumcision (MMC) by trained health professionals at institutional
facilities or off-campus, with pre-counselling and proper follow-up care. MMC is promoted as part of a healthy sex life that includes being faithful to a single partner, avoiding alcohol abuse, and using condoms. This programme was launched in May 2013.

- **ZAZI**: launched during 2013, ZAZI is an advocacy, mass media and mobilisation campaign that addresses gender inequalities driving HIV risk, such as gender-based violence and transactional sex.

- **Men who have Sex with Men (MSM) and Lesbian, Gay, Bisexual, Transgender and Inter-Sexed (LGBTI) Persons**: this is a programme aimed at promoting an enabling environment and access to appropriate HIV treatment, care and prevention services for MSMs and LGBTIs. This programme will be launched during 2014.

- **Balance Your Life**: this is a primary response to alcohol and substance abuse, recognised as one of the high HIV risk factors amongst youth, and will also be launched during 2014.

- **‘FUTURE BEATS’ Youth Development and HIV Prevention through Campus Radio and Social Media**: this is a programme aimed at developing and disseminating compelling messages around HIV&AIDS, within the context of gender violence, human rights and social justice, social transformation, poverty, youth unemployment, and alcohol and drug abuse. The programme will broadcast these messages via campus radio stations and communicate via the social media. FUTURE BEATS is funded by the GIZ which deployed a technical advisor and a graduate intern to HEAIDS to assist with this project. Set to roll out during 2014, FUTURE BEATS will first train radio programme managers and student journalists to craft innovative and compelling messages on HIV-related issues. The purpose is to produce radio and social media content that will allow listeners (mostly students at higher education institutions, aged 18 to 25) to engage with the issue without
feeling ‘HIV fatigued’. Training will be administered by the German media training institution, Deutsche Welle Akademie (DWA).

The pilot project has selected seven campus radio stations, namely TuksFM (University of Pretoria), UIFM (University of Johannesburg), VOWFM (University of the Witwatersrand), PukFM (North-West University), TUTFM (Tshwane University of Technology), UNISA Radio (University of South Africa), and UNIVEN Radio (University of Venda). These radio stations have since each signed a Memorandum of Understanding (MoU) with HEAIDS.

- **Academic Capacity Development:** The purpose of this programme is to skill academic staff members across all disciplines in order to integrate and address HIV&AIDs issues in their curricula. HEAIDS has appointed a Senior Programme Manager: Curriculum Development and Research to drive this project. It is envisaged that institutions will be allocated grants to implement this project, amounts to be determined based on the strength and inclusivity of submitted proposals.

The monitoring and evaluation of the HEAIDS programme is receiving on-going attention. Building on the work done at higher education institutions during 2012, an expert reference group and the HEAIDS Strategy Group developed a “Monitoring and Evaluation Framework” which was launched in August 2013. The framework prioritises indicators that measure the implementation and impact of the programme, and it includes the creation of a ‘Logic Model’. HEAIDS is now looking at a mechanism to implement this framework across the whole university system.
The table below indicates alliances and partnerships with national and international players, and resultant projects/programmes.

### Table 1: HESA Partnerships and Strategic Alliances

<table>
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<tr>
<th>Partner</th>
<th>Relationship Rationale</th>
<th>Milestones realised as at 31 December 2013</th>
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<tr>
<td><strong>HESA’s Strategic Partners</strong></td>
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</table>
| **Department of Higher Education and Training (DHET)** | DHET's mission is to develop capable, well-educated and skilled citizens, who are able to compete in a sustainable, diversified and knowledge-intensive international economy, and meet the development goals of the country. It is *primarily* through the DHET that HESA fulfils its mandate of policy analysis, advocacy, and stakeholder engagement. | HESA collaborates with the DHET on numerous projects:  
- The Higher Education HIV&AIDS (HEAIDS) programme, which is a DHET initiative implemented by HESA.  
- In support of HESA’s capacity-building and HEAIDS programmes, the DHET has disbursed funds worth millions of rands from its Skills Development Fund (SDF) — see also under ‘HEAIDS Strategic Alliances’ further down.  
- The Rural Campuses Connectivity Project (RCCP) that seeks to achieve internet connectivity of rurally-based institutions in order to enhance teaching and research; the DHET injected R28 million into this project in 2012. |
<p>| <strong>Council on Higher Education (CHE)</strong> | An independent, statutory body responsible for advising the Minister in the Department of Higher Education and Training (DHET) on all matters related to higher education policy issues and for quality assurance in higher education and training, including programme accreditation, institutional audits, programme evaluation, quality promotion, and capacity-building. The CHE also monitors and evaluates whether policy goals and objectives for higher education are being realised, including reporting on the state of South African higher education and its contribution to the development of higher education. | The CHE is an important ally with whom HESA often engages on emerging policy. HESA consults the CHE extensively on all matters of higher education, including quality assurance for the sector. |
| <strong>Department of Science and Technology (DST)</strong> | In its quest to realise the full potential of science and technology (S&amp;T) in the social and economic development of human resources, research and innovation, the DST funds basic research at universities and public entities, including science councils, so that they are able to train scientists, engineers and technologists and produce publications and patents. | Through the Research and Innovation Strategy Group, HESA works with the DST on a range of initiatives, including a cyber-infrastructure project, which is aimed at strengthening the capacity of broadband connectivity at universities. |</p>
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<td><strong>International Education Association of South Africa (IEASA)</strong></td>
<td>IEASA is a non-profit organisation established in recognition of the need for universities and universities of technology to respond to international educational trends. It facilitates the internationalisation of South African universities by opening up global contacts for the benefit of students and higher education institutions. In 2005, HESA signed a Memorandum of Understanding with IEASA to collaborate, amongst others, on research and on matters of mutual interest, the organisation of symposia, conferences and training workshops as required by the needs of the sector, the generation of national and international statistical and other data to monitor the trends of international student mobility, specialised publications in support of internationalisation, and international student recruitment for the higher education sector in line with national imperatives.</td>
<td>In 2013, HESA initiated collaboration with the IEASA on the study on the “Value of Internationalisation in Higher Education”. The project seeks to elucidate the need for a strategic and thoughtful strategy and policy on internationalisation for South Africa’s higher education sector. The project is expected to take off in earnest during 2014.</td>
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<td><strong>Cape Higher Education Consortium (CHEC)</strong></td>
<td>The CHEC is an association of Western Cape universities, namely the University of Cape Town, the University of the Western Cape, the Cape Peninsula University of Technology, and Stellenbosch University. HESA undertakes joint projects with the CHEC, key among which is the Graduate Destination Survey (GDS) earmarked for implementation during 2014. In 2010, the CHEC carried out a GDS project among graduates from universities in the Western Cape. In partnership with HESA, the CHEC will now extend the project nationally to include all South African universities.</td>
<td>The HESA Board approved the GDS project proposal in October 2013; for the remainder of the year, HESA and the CHEC explored modalities for the implementation of the project while HESA negotiated for funding. Primarily, the GDS will seek to ascertain the employability of graduates completing their studies within the South African university system and also determine the existing pathways from higher education into the labour market. Project implementation is envisaged during 2014.</td>
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<tr>
<td><strong>Tertiary Education and Research Network of South Africa (TENET)</strong></td>
<td>TENET is a non-profit company established in August 2000 by South Africa’s public universities as a vehicle for collaborative inter-networking by universities, science councils, and associated support institutions. TENET is licensed by the Independent Communications Authority of South Africa (ICASA) to build, among other systems, optical-fibre networks and to provide electronic communications services to other parties.</td>
<td>The RCCP was funded by the DHET to the tune of some R28 million. A total of 19 campuses of 15 public universities were earmarked to benefit from this project. As at 31 December 2013, 11 of these were completed and 8 are scheduled for completion by the project end-date in early 2015. The RCCP holds enormous positive implications for the research, teaching, and learning capabilities of receiving institutions.</td>
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<td>Partner</td>
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<td><strong>HESA’s Strategic Partners</strong></td>
<td>In September 2011, HESA appointed TENET to implement and manage HESA’s Rural Campuses Connectivity Project (RCCP) aimed at connecting rural university campuses to the South African National Research Network (SANReN).</td>
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<td><strong>Centre for Higher Education Development (CHED)</strong></td>
<td>The CHED is the University of Cape Town’s cross-faculty unit that contributes to continual improvement in the quality of higher education through widening access, promoting excellence through equity, developing the curriculum in partnership with faculties, enhancing the competence of graduates by ensuring the provision of key skills and abilities, and enabling systemic improvement through the research-led development of informed policy options. HESA has commissioned the services of the CHED since 2005 to develop and conduct National Benchmark Tests (NBTs) at all public universities. The NBTs are meant to assess the academic readiness of first-year university students in core domains relevant to student progress and success in higher education. The aim is to inform the nature of foundation/extended courses for those students who are identified as requiring more time to complete their studies.</td>
<td>During the course of 2014, HESA will undertake an analysis of the utility of NBTs within individual universities in order to determine the value of the project for the higher education sector.</td>
</tr>
<tr>
<td><strong>National Planning Commission (NPC) in the Presidency</strong></td>
<td>The NPC takes a broad, cross-cutting, independent and critical view of South Africa to help define the country as it is envisaged to be by 2030, and to map out a path to achieve the stated objectives. The Commission is expected to put forward solid research, sound evidence, and clear recommendations for government. The Commission also works with broader society to draw on the best expertise, consults with relevant stakeholders, and helps to shape a consensus on strategies to respond to the key challenges facing South Africa. HESA engages the Commission in order to shape and respond to the national development agenda, the National Development Plan (NDP), from a higher education perspective.</td>
<td>HESA extensively interacted with the NPC to ensure that its proposal on building the next generation of academics was enclosed in the final NDP as an initiative whose implementation should be supported.</td>
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<td><strong>HESA’s Strategic Partners</strong></td>
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| **National Research Foundation (NRF)** | The NRF is an independent agency that promotes and supports research in all fields of knowledge. It also conducts research and provides access to national research facilities. The Foundation provides services to the research community, especially at higher education institutions (HEIs) and science councils, with a view to promoting high-level, human capital development. It aims to uphold standards of excellence in all its investments in knowledge, human capital, and infrastructure. In order to strengthen research and innovation capability in member institutions, HESA needs to build and strengthen relationships with all research funding and advocacy groups, including the NRF. | HESA and the NRF have over the years collaborated on a number of projects, including:  
• a review of the NRF’s evaluation and rating system for individual researchers (2007), and  
• an agreement in 2013, in terms of which the NRF will administer a R2.5 million IBSA Mobility Fund allocated by the DHET for a period of three years; the Foundation issued a ‘Call for Proposals’ for mobility, related to research projects in specific areas of co-operation, and 41 proposals were received --- of which five will be selected jointly by the NRF and HESA for the award of grants during the first quarter of 2014. |
| **Brazil-Russia-India-China-South Africa (BRICS)** | The South African government has signed a number of trilateral and multilateral agreements aimed at promoting collaboration among the countries of the South in order to develop solutions to global problems and, in particular, problems of the South. Higher education plays a role in BRICS, similar to that played within IBSA. It also has the potential to support an evidence-based policy environment.  
HESA interacts with the Department of International Relations and Co-operation (DIRCO) in relation to the BRICS Academic Forum, which HESA assisted in organising and in which it participated. The CEO presented the keynote address at the Fifth Forum, hosted by the DHET, DIRCO, HESA and the DUT from 10 to 13 March 2013.  
DIRCO requested HESA to organise the Forum because of the geo-political importance that South Africa is beginning to accord to BRICS. In addition to government-to-government relations, the South African government felt it was important to create a mechanism for South African academics to interact with academics in other BRICS countries. | Attending the BRICS Academic Forum in 2013 was an important milestone for HESA which continues to view this as a very important initiative to take forward in 2014 and beyond. |
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<td><strong>Andrew Mellon Foundation</strong></td>
<td>This Foundation is a New York-based, non-profit corporation which provides grants to support higher education initiatives and scholarships. Its grant-making philosophy is to build, strengthen, and sustain higher education institutions and their core capacities. Since 2003, by way of grants channelled to HESA through its International Links programme, the Foundation provided leadership development opportunities for candidates identified within the South African public university system. HESA also collaborated with the American Council on Education (ACE) in placing fellows from South African universities through (a) a structured six-week mentorship at American institutions, and (b) participation in a week-long professional development programme. Some 30 fellows benefitted from this exchange between 2003 and 2008.</td>
<td>The Foundation’s International Links programme is widely regarded as a success story in the development of leadership and management in higher education. Subsequent to their participation in the programme, several fellows were successfully appointed to senior management positions in various higher education institutions in South Africa. After the programme was localised from 2010 onwards, the Foundation sponsored two more cohorts of fellows in HESA’s home-grown HELM Fellows Exchange programme. Even though funding dried up and no more fellows could be enrolled in 2013, the millions invested by the Andrew Mellon Foundation has produced no fewer than 50 leaders and managers within the South African public university system — at an estimated cost, over the years, of some R3 million.</td>
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<tr>
<td><strong>Education, Training and Development Practices-Sector Education and Training Authority (ETDP-SETA)</strong></td>
<td>This SETA is mandated to promote and facilitate the delivery of education, training and development in order to enhance the skills profile of the Education, Training and Development (ETD) sector, and contribute to the creation of employment opportunities, especially for those previously disadvantaged. The ETDP-SETA is an important stakeholder in HESA’s capacity-building programme. The SETA has been funding the Higher Education Leadership and Management (HELM) LEAD programme from 2012. In September 2013, the ETDP-SETA signed a Memorandum of Understanding with HESA which provides a framework for collaboration in the development, implementation, monitoring, and evaluation of the Higher Education Leadership and Management (HELM) LEAD programme, and the financial support of two meetings per annum of the Skills Development Facilitators’ Forum (SDF) for two years (2014-2015).</td>
<td>Thanks to the ETDP-SETA’s support, no less than 120 fellows in two cohorts have been sponsored through HESA’s HELM LEAD programme since 2012, with impressive outcomes in many cases as testified in the fellows’ feedback. Funding for the HELM LEAD programme amounted to R800 000 in 2013 and the successful implementation of the programme continues unabated. As from 2012, the ETDP-SETA supported not only the HELM LEAD programme but also the Skills Development Facilitators’ Forum (SDF), which is one of HESA’s ‘communities of practice’ (also referred to in the Governance Framework on page 50).</td>
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<tr>
<td>Partner</td>
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<td><strong>Global Funds Initiative (GFI)</strong></td>
<td>This is an international initiative that galvanises support for the fight against HIV&amp;AIDS, TB and Malaria worldwide, and works with partners to strengthen the most effective prevention and treatment methodologies. The GFI is contributing R25.6 million to HEAIDS in terms of an agreement for the period October 2013 to March 2016.</td>
<td>The GFTs subvention of R25.6 million constitutes a direct grant to universities to strengthen all key HIV programmes undertaken by HEAIDS, as well as the employment of provincial co-ordinators to serve the FET sector. GFI funding also sponsors a “Baseline Zero-Prevalence (Knowledge, Attitudes and Behaviour) Study” in the FET sector in partnership with the Human Sciences Research Council (HSRC). This study is scheduled for completion by August 2014.</td>
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<tr>
<td><strong>United States Government through the:</strong></td>
<td>The US Government’s main contribution to HEAIDS, amounting to R15 million, sponsors an initial five mobile clinics, fully equipped with nurses, testing counsellors, and drivers. This is part of funding disbursed to support HEAIDS until 2016.</td>
<td>The five mobile clinics take HEAIDS health personnel from campus to campus, testing and providing treatment support to university students and staff members.</td>
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<td>- US President’s Emergency Plan for AIDS Relief (PEPFAR)</td>
<td>The US Government’s main contribution to HEAIDS, amounting to R15 million, sponsors an initial five mobile clinics, fully equipped with nurses, testing counsellors, and drivers. This is part of funding disbursed to support HEAIDS until 2016.</td>
<td>The five mobile clinics take HEAIDS health personnel from campus to campus, testing and providing treatment support to university students and staff members.</td>
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<td>- Foundation for Professional Development (FPD)</td>
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<td>The five mobile clinics take HEAIDS health personnel from campus to campus, testing and providing treatment support to university students and staff members.</td>
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<td><strong>Department of Health (DoH)</strong></td>
<td>Even though HEAIDS is a DHET initiative, as a health programme it is answerable to the DoH, the relevant line department, which is also the custodian of the National Strategic Plan (NSP) for HIV&amp;AIDS, TB and STIs (2012-2016).</td>
<td>A multi-million rand commitment to HEAIDS, through free supply of condoms, testing materials, ARV treatment, care and support, TB treatment, care and support, and STI treatment, care and support, has been secured.</td>
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<td><strong>German Government (GIZ)</strong></td>
<td>In 2012, HEAIDS secured a two-year renewable partnership with the GIZ for the establishment of FUTURE BEATS Youth Development, and for an HIV Prevention Programme through campus radio and social media, starting in 2013.</td>
<td>Preparatory work for the GIZ-HEAIDS partnership started in 2012/2013, including securing research consultants experienced in media analysis and social-behaviour change communication in order to monitor and evaluate the outcomes of the FUTURE BEATS project. A reference group of health specialists, media experts, campus radio representatives, and social media professionals has been established to render the appropriate support.</td>
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<td>The partnership entails establishing a radio and social media programme at seven university campus radio stations in South Africa (as a pilot project) to heighten HIV&amp;AIDS awareness within the context of human rights and social justice, social transformation, poverty, youth unemployment, and alcohol and drug abuse.</td>
<td>Preparatory work for the GIZ-HEAIDS partnership started in 2012/2013, including securing research consultants experienced in media analysis and social-behaviour change communication in order to monitor and evaluate the outcomes of the FUTURE BEATS project. A reference group of health specialists, media experts, campus radio representatives, and social media professionals has been established to render the appropriate support.</td>
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<td>In July 2013, the GIZ deployed a technical communications expert to HEAIDS at their own cost. 2014 will see the programme employing an editor to further strengthen the project.</td>
<td>Preparatory work for the GIZ-HEAIDS partnership started in 2012/2013, including securing research consultants experienced in media analysis and social-behaviour change communication in order to monitor and evaluate the outcomes of the FUTURE BEATS project. A reference group of health specialists, media experts, campus radio representatives, and social media professionals has been established to render the appropriate support.</td>
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### Strategic Alliances of the HEAIDS Programme

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<tr>
<td><strong>South African National AIDS Council (SANAC)</strong></td>
<td>SANAC is a voluntary association of institutions established to build consensus across government, civil society, and all other stakeholders to drive an enhanced national response to HIV, TB and STIs. The Council is chaired by the Deputy President of South Africa. Since 2006, the incumbent in the position of HEAIDS Programme Director has been participating in SANAC deliberations as part of the broader civil society constituency and of the DHET. The current HEAIDS Director was appointed as Chairperson of the Programme Review Committee of South Africa on HIV/TB/STI.</td>
<td>HEAIDS actively participates in the deliberations at SANAC, thus effectively contributing to the National Strategic Plan for South Africa. At the provincial level, SANAC work is carried out by provincial aids councils (PACs). The deployment of HEAIDS staff members to the provinces in 2014 means that, in future, HEAIDS will also participate in the work of the PACs in order to ensure that they remain informed and are supportive of the HEAIDS agenda at the district and provincial levels.</td>
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PART FOUR

GOVERNANCE FRAMEWORK
HESA’S GOVERNANCE STRUCTURES

Board of Directors

Executive Committee (EXCO)

Prof Ahmed Bawa
Chairperson, Chair of EXCO and Vice-Chancellor, Durban University of Technology (DUT)

Prof Lineo Vuyisa Mazwi-Tanga
EXCO Member and Vice-Chancellor, Cape Peninsula University of Technology (CPUT)

Prof Russel Botman
EXCO Member and Vice-Chancellor & Rector, Stellenbosch University (SU)

Prof Mandla MS Makhanya
EXCO Member and Vice-Chancellor & Principal, University of South Africa (UNISA)

Dr Jerry Mabelebele
Chief Executive Officer

Dr Max Price
Vice-Chairperson and Vice-Chancellor, University of Cape Town (UCT)

Prof Mahlo N Mokgalong
EXCO Member and Vice-Chancellor & Principal, University of Limpopo (UL)

Prof Cheryl de la Rey
Vice-Chancellor & Principal, University of Pretoria (UP)

Dr Theuns T Ellof
Vice-Chancellor, North-West University (NWU)

Prof Brian O’Connell
Vice-Chancellor, University of the Western Cape (UWC)

Dr Mvuyo Tom
Vice-Chancellor, University of Fort Hare (UFH)
GOVERNANCE STRUCTURES

The governance structures of Higher Education South Africa (HESA) comprise the Board of Directors, Governance Committees, Strategy Groups, and Communities of Practice (COPs).

The main roles, functions and the full membership of HESA's governance structures (as at December 2013) are set out in the table below. HESA's Board is of the view that these structures have effectively discharged their responsibilities as contained in their respective terms of reference during the year under review.

### Table 2: HESA's Governance Structures

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<th>Governance Structure</th>
<th>Function(s)</th>
<th>Membership or Chairperson (as at 31 December 2013)</th>
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<tr>
<td><strong>The Board of Directors</strong></td>
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| HESA’s Board of Directors, which comprises all Vice-Chancellors of the 23 public universities in South Africa, is at the apex of the organisation's leadership and governance structure. The Board met three times during 2013. | Among other functions, the Board approves:  
- HESA’s strategic plan and monitors its implementation;  
- the annual operational plan and monitors its implementation, including the budget;  
- the policies of the organisation; and  
- HESA’s positions on higher education matters | Prof AC Bawa, Chairperson (DUT) |
| **Executive Committee** | | |
| HESA’s Executive Committee (EXCO) is a seven-member committee, comprising six members of the Board and the Chief Executive Officer (CEO) who is an ex officio member. EXCO, whose meetings precede those of the Board in order to determine the latter’s agenda, also met three times during 2013. | The key roles of EXCO are:  
- maintaining general oversight of HESA in-between Board meetings;  
- functioning for, and on behalf of, the Board in-between meetings;  
- driving HESA’s advocacy activities (engagements with key stakeholders in the executive branch of government, the legislature, including fielding media queries and conducting interviews, etc.) |  
- Prof AC Bawa, Chairperson  
- Dr M Price, Vice-Chairperson (UCT)  
- Prof R Botman (SU)  
- Prof MS Makhanya (UNISA)  
- Prof LV Mazwi-Tanga (CPUT)  
- Prof MN Mokgalong (UL)  
- Dr J Mabelebele, CEO (HESA) and ex officio member |
| **Other Governance Committees** | | |
| There are four other Governance Committees with special focus areas, advising the Board on the strategic running of the HESA National Office according to their collective expertise. These Committees met between two and four times during 2013 (depending on their scope of work) and reported formally to the Board. (Note: The Legal Advisory Committee is more of an advisory than a governance committee. It is, however, included under this section, as it also reports to the Board.) |  
- Prof R Botman, Chairperson (SU)  
- Mr M Regal (UWC)  
- Dr D Tromp (TUT)  
- Prof A Melck (UP)  
- Dr J Mabelebele, HESA CEO and ex officio member |
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<tr>
<th>Governance Structure</th>
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| Audit and Risk Committee             | This Committee is the last independent line of review for the integrity of all major risk and internal control systems. The Committee supports the Board in its oversight functions as they pertain to financial reporting, systems of internal control, and management of financial risk; also, the processes of audit and monitoring compliance with financial laws and regulations. | • Prof D Singh, Chairperson (UNISA)  
• Prof R Botman (SU)  
• Prof J Rost (NWU)  
• Ms Faiza Majiet (SU)  
• Dr J Mabelebele, HESA CEO and ex officio member                                                                                           |
| Human Resources & Remuneration       | This Committee oversees HESA’s HR strategy and policy; establishes and maintains policy for competitive, fair, equitable and market-related compensation policies, and plans to attract, motivate and retain expertise; reviews annual remuneration packages of HESA employees and recommends adjustments where necessary; also advises the Board on any human resources-related matters within the Executive Office. | • Prof NM Mokgalong, Chairperson (UL)  
• Mr V Mothobi (NWU)  
• Ms P Mushungwa (UP)  
• Ms A Glaser (UWC)  
• Prof T de Coning (SU)  
• Dr J Mabelebele, HESA CEO and ex officio member                                                                                         |
| Admissions/Matriculation Board       | This is the only 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 requirements for admission into higher education. The Committee develops and maintains optimal strategies of admissions regulation in the transition period between the current Senior Certificate and the future National Senior Certificate (NSC). It monitors and reports 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 HESA Higher Education and Enrolment Programme, and recommends exemption certification application fees to the Board for approval. | • Prof LV Mazwi-Tanga, Chairperson, Admissions Committee (CPUT)  
• Mr H Amoore, Acting Chairperson, Matriculation Board (UCT)  
• Prof M Fourie-Malherbe (SU)  
• Dr D Singh (UNISA)  
• Prof C Foxcroft (NMU)  
• Prof G Zide (VUT)  
• Prof T Pillay, ex-officio member representing the South African Technology Network (SATN)  
• Dr M Rakometsi, ex-officio member representing the Council for Quality Assurance in General and Further Education and Training (Umalusi)  
• Dr J Mabelebele, HESA CEO and ex officio member                                                                                          |
| Legal Advisory Committee             | This is a Committee formally constituted during 2013 to advise the Board on matters of a legislative nature that fall outside the mandate of the HESA Strategy Groups, and which could pose huge risks for the higher education sector if not properly and collectively responded to. The Committee reviews legislation, policies and regulations with implications for the higher education sector and provides legal advice and/or input to HESA in order to respond to emerging legislative measures. In essence, the Committee enables HESA to effectively promote the interests of the higher education sector and fulfil its advocacy and related responsibilities. | • Prof N Grové, Chairperson (UP)  
• Mr J Botha (NWU)  
• Mr H Amoore (UCT)  
• Prof P O’Brien (UJ)  
• Prof D Singh (UNISA)  
• Mr N Bhula (VUT)  
• Dr J Mabelebele, HESA CEO and ex officio member                                                                                           |
HESA has five Strategy Groups, established to provide strategic advice to the Board on particular higher education matters of importance. Where HESA needs to research or investigate an issue before adopting a position on it, these Strategy Groups commission research, drawing on expertise from the sector, or consult with HESA’s COPs. Thereafter strategy groups apply their minds on findings and then recommend a HESA position to the Board of Directors. Each Group, drawing membership from experts in the sector, is chaired by a Vice-Chancellor. Their functions are to:

- present regular reports to the Board for discussion and adoption;
- conceptualise specific projects on behalf of the Board;
- support the EXCO with advocacy and related work, particularly on issues related to their specific portfolios; and
- deal with any other matter referred by the Board or EXCO (including to commission studies around agreed priority issues to inform strategic discussions and decisions).

HESA’s Strategy Groups meet between two and four times a year, prior to Board meetings, depending on their scope of work.

<table>
<thead>
<tr>
<th>Strategy Groups</th>
<th>Function(s)</th>
<th>Membership or Chairperson (as at 31 December 2013)</th>
</tr>
</thead>
</table>
| Funding Strategy Group (FSG) | The FSG provides strategic direction to the Board and EXCO on strategic higher education funding matters, and engages with policy issues with implications for higher education funding. It further provides advice to the Board on projects to be undertaken by HESA, as well as implementation strategies related to higher education funding. | • Dr S Badat, **Chairperson** (RU)  
• Prof H Kriek (UJ)  
• Prof A Melck (UP)  
• Mr H Mouton (UP)  
• Prof T Mthembu (CUT)  
• Dr G Steyn (SU)  
• Dr M Tom (UFH)  
• Prof E Uliana (UCT)  
• Dr Q Molapo (UNISA)  
• Dr J Mabelebele, HESA CEO and **ex officio** member |
| HIV/AIDS Strategy Group (HEAIDS) | HEAIDS provides policy and strategic direction for the higher education sector on matters related to HIV and AIDS. This direction is in alignment with South Africa’s National Strategic Plan (NSP) for HIV, STIs and TB. | • Prof B O’Connell, **Chairperson** (UWC)  
• Ms N Barnabas, Perinatal HIV Research Unit, Chris Hani General Hospital  
• Ms Jappie (DUT)  
• Prof Ngabomzi Gawe  
• (DUT)  
• Mr C Mabizela (DHET)  
• Mr T Moloja (SASU)  
• Prof R Marcus (UJ)  
• Prof F Mazibuko (UNIZULU)  
• Mr B Mears (SABCOHA)  
• Dr Y Pillay (DoH)  
• Prof H Rees (WITS)  
• Prof R Laetitia (WITS)  
• Dr T Vuyo (UFH)  
• Dr R Ahluwalia (HEAIDS)  
• Dr J Mabelebele, HESA CEO and **ex officio** member |
| Research and Innovation Strategy Group (RISG) | The RISG provides the Board with specialised advice regarding research and innovation matters in the higher education sector. It works through Task Teams and Steering Committees to undertake or direct certain projects and draws expertise from among its membership within the higher education sector and the National System of Innovation (NSI). | • Prof T Mthembu, **Chairperson** (CUT)  
• Prof A Habib (WITS)  
• Prof A Lourens (NWU)  
• Prof E Cloete (SU)  
• Prof T Mayekiso (NMMU)  
• Dr C Nhlapo (CPUT)  
• Dr S Lennon (Eskom)  
• Dr G Taylor (UFS)  
• Prof D Visser (UCT) |
## Governance Structure

<table>
<thead>
<tr>
<th>Function(s)</th>
<th>Membership or Chairperson (as at 31 December 2013)</th>
</tr>
</thead>
</table>
| Transformation Strategy Group (TSG) | - Prof S Burton (UP)  
- Prof A Stroebel (SARIMA)  
- Dr J Mabelebele, HESA CEO and *ex officio* member |
| Teaching and Learning Strategy Group (TLSG) | - Prof D Swartz, Chairperson (NMMU)  
- Dr T Eloff (NWU)  
- Mr C Gardner (UP)  
- Prof F Mazibuko (UNIZULU)  
- Prof P Mbati (UNIVEN)  
- Prof C Soudien (UCT)  
- Dr T Sidzumo-Mazibuko (UNISA)  
- Prof G Zide (VUT)  
- Dr J Mabelebele, HESA CEO and *ex officio* member |

## Communities of Practice (COPs)

HESA’s COPs are groupings of experts and subject area specialists who assemble to share ‘best practice’ in their areas of specialty, address challenges in the ever-changing higher education landscape, and forge unity through collaboration between their institutions. There are eight such groupings which meet from two to four times a year depending on their scope of work. In addition, there are other HESA-aligned Communities of Practice that represent key stakeholder organisations: examples of these are the Higher and Further Education Disability Services Association (HEDSA), and the South African Libraries’ Association. COPs make recommendations on various matters and report to the Board.

### Education Deans’ Forum (EDF)

The EDF shares experiences, expertise and concerns related to the responsibilities of Faculties of Education. The purpose of the Forum is to promote the interests of education in South Africa by providing an opportunity for Deans to discuss matters of mutual concern and interest in the fulfilment of their responsibilities for teacher-education and the study of education as a discipline.

- Prof D Francis, Chairperson (UFS)

### Finance Executives’ Forum (FEF)

The FEF works to promote debate on national financial initiatives and issues, facilitate alignment on financial initiatives, policy and practices in response to national and international accounting standards, and promote good financial practice within South African universities.

- Prof E Uliana, Chairperson (UCT)
<table>
<thead>
<tr>
<th>Governance Structure</th>
<th>Function(s)</th>
<th>Membership or Chairperson (as at 31 December 2013)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIV/AIDS Community of Practice (HEAIDS)</td>
<td>This COP was established to provide an opportunity for education experts working in higher education to collaborate, network, share knowledge, and provide collective strategies on issues related to HIV&amp;AIDS teaching, learning and research. Members will share ‘best practice’ on strategies for incorporation of HIV&amp;AIDS-related education into the teacher-education curricula. They will also provide mutual support to members engaged in teaching and research in HIV&amp;AIDS and teacher-education.</td>
<td>Prof N de Lange, Chairperson (NMMU)</td>
</tr>
<tr>
<td>Human Resources Directors’ Forum (HRD)</td>
<td>The Forum promotes human resource (HR) practices through sharing ‘best practice’ and information, collaborating on national initiatives, and supporting HR professionals within higher education through collegial relationships and developing the capacity of HR functions within universities. The HRD provides an opportunity for human resource directors working in higher education to collaborate, network, and share knowledge on issues of common concern and interest.</td>
<td>Ms A Glaeser, Chairperson (UWC)</td>
</tr>
<tr>
<td>Quality Assurance Managers’ Forum (QAMF)</td>
<td>The QAMF assembles experts from the Southern African Development Community (SADC) and the European Union (EU) to share experiences, ‘best practice’, and design the way forward on the professionalisation of quality assurance management in South African higher education institutions.</td>
<td>Dr B Settar, Chairperson (DUT)</td>
</tr>
<tr>
<td>Registrars’ Forum (Imbizo)</td>
<td>The purpose of the Registrars’ Imbizo is to assist Registrars and officers attached to the Office of the Registrar to share experiences, expertise and concerns related to their roles in governance and academic administration, and as compliance officers of their respective institutions.</td>
<td>Prof T Mosia, Chairperson (NWU)</td>
</tr>
<tr>
<td>Skills Development Facilitators’ Forum (SDF)</td>
<td>The objectives of the SDF are the sharing of information and knowledge on skills development and implementation strategies in the context of skills development legislation, and to promote and ensure ‘best practice’ in skills development in the higher education sector.</td>
<td>Ms M Wallace, Chairperson (NWU)</td>
</tr>
<tr>
<td>Transformation Managers’ Forum (TMF)</td>
<td>Working closely with the TSG, the TMF identifies and facilitates interventions and ‘best practice’ with regard to addressing racism and other kinds of discrimination. The Forum also works to promote diversity and social cohesion within the higher education sector.</td>
<td>Prof G Zide, Chairperson (VUT)</td>
</tr>
</tbody>
</table>
## GENERAL INFORMATION

<table>
<thead>
<tr>
<th>Country of Incorporation and Domicile</th>
<th>South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of Business and Principal Activities</td>
<td>Carrying on public-benefit activity on education and development</td>
</tr>
</tbody>
</table>

**Directors**

- Prof Thandwa Zizwe Mthembu
- Dr Prinsloo Azwivhehelwi Nevhutalu
- Prof Ahmed Cassim Bawa
- Prof Mashupye Ratale Kgaphola
- Prof Derrick Ian Swartz
- Dr Theuns Eloff
- Prof Mahommed Saleem Badat
- Prof Hayman Russel Botman
- Prof Nthabiseng Audrey Ogude
- Dr Max Rodney Price
- Dr Mvuyo Ernest Tom
- Prof Ihron Lester Rensburg
- Prof Malegapuru William Makgoba
- Prof Nehemiah Mashomanye Mokgalong
- Prof Cheryl de la Rey
- Prof Mandlenkosi Stanley Makhanya
- Prof Jonathan David Jansen
- Prof Brian Percival O’Connell
- Prof Adam Mahomed Habib
- Prof Amungu Peter Mbatı
- Prof Ntombifikile Margaret Mazibuko
- Prof Irene Nomhle Moutlana
- Prof Lineo V Mazwi-Tanga
- Dr Jeffrey Mabelebele

**Registered Office**

- UNISA Sunnyside Campus
- Building 3
- cnr Rissik and Steve Biko Streets
- Sunnyside, PRETORIA
- 0132

**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.
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 and 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 and the results of its operations and cash flows for the period then ended, in conformity 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, and are based upon appropriate accounting policies 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 place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set 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 segregation 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 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 given by management, that the system of internal control provides reasonable assurance that the financial records may be relied upon for the preparation of the consolidated annual financial statements. However, any system of internal financial 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 2014 and, in the light of this review and the current financial position, they are satisfied that the group has, or 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 page 56.

The consolidated annual financial statements, which have been prepared on the going-concern basis, were approved by the directors on 24 July 2014 and were signed on their behalf by:

Chairperson

Chief Executive Officer

Pretoria

24 July 2014
AUDIT AND RISK COMMITTEE REPORT

This report is furnished by the Audit and Risk Committee, appointed in respect of the 2013 financial year of Higher Education South Africa NPC.

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:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prof Divya Singh</td>
<td>Chairperson</td>
<td>UNISA - Vice Principal: Advisory and Assurance Services</td>
</tr>
<tr>
<td>Prof Johan Rost</td>
<td>Member</td>
<td>North-West University - Executive Director: Finance and Facilities</td>
</tr>
<tr>
<td>Ms Faiza Majiet</td>
<td>Member</td>
<td>Stellenbosch University - Director: Financial Services</td>
</tr>
<tr>
<td>Prof Hayman Russel Botman</td>
<td>Member</td>
<td>Stellenbosch University - Rector and Vice-Chancellor</td>
</tr>
</tbody>
</table>

The committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94 (5) of the Companies Act 71 of 2008 and Regulation 42 of the Companies Regulation, 2011.

2. Meetings held by the Audit and Risk Committee
The Audit and Risk Committee performs the duties laid upon it by Section 94 (7) of the Companies Act 71 of 2008 by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

3. External Auditor
The committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act 71 of 2008 and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided in terms of the Companies Act 71 of 2008 that internal governance processes within the firm support and demonstrate the claim to independence.

The Audit and Risk Committee, in consultation with executive management, agreed to the terms of the engagement. 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, and the scope.

4. Consolidated Annual Financial Statements
Following the review of the consolidated annual financial statements, the audit committee recommend board approval thereof.

5. Effectiveness of Internal Control
The system of internal control applied by the group over financial reporting and risk management is efficient, effective and transparent. From the audit report on the consolidated 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.

Prof Divya Singh
Chairperson, Audit and Risk Committee

Pretoria
24 July 2014
INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF HIGHER EDUCATION SOUTH AFRICA NPC

We have audited the consolidated and separate financial statements of Higher Education South Africa NPC, which comprise the statements of its financial position as at 31 December 2013, and the statements of comprehensive income, statements of changes in equity, and statements of cash flows for the year then ended, as well as the notes comprising a summary of significant accounting policies and other explanatory information.

Directors’ Responsibility for the Financial Statements
The company's directors are responsible for the preparation and fair presentation of these 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 to be necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or to error.

Auditor’s Responsibility
Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted the audit in accordance with the International Standards on Auditing. These standards require that we comply with ethical requirements, and plan and perform the audit to obtain a reasonable assurance that the consolidated and separate financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of financial statements, whether due to fraud or to error. In making these risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of its financial statements in order to design audit procedures that are appropriate in the particular circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies utilised and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Higher Education South Africa NPC as at 31 December 2013, and its consolidated and separate financial performance, as well as its consolidated and separate cash flows for the year then ended, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other Reports required by the Companies Act
As part of our audit of the consolidated and separate financial statements for the year ended 31 December 2013, we have read the Directors’ Report and the Audit and Risk Committee’s Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective authors. Based on these reports, we have not identified material inconsistencies between the reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on them.

PricewaterhouseCoopers Inc
Director: N Ayob
Registered Auditor
Pretoria
6 August 2014
DIRECTORS’ REPORT

The directors have pleasure in submitting their Report on the consolidated annual financial statements of Higher Education South Africa (HESA) and the group for the year ended 31 December 2013.

1. Nature of Business

Higher Education South Africa NPC is a non-profit company incorporated in South Africa on 9 May 2005; it started operations on 1 June 2005. The principal nature of its business is public-benefit activity on education and development.

On 1 June 2005, the Committee of University Principals (CUP; operating as the South African Universities Vice-Chancellors’ Association, SAUCA) and the Committee of Technikon Principals (CTP) entered into an agreement with HESA, in terms of which the latter assumed the non-statutory responsibilities and the administration of the statutory affairs of both, pending their dissolution --- the CUP and CTP were established in terms of the Universities Act.

There have been no material changes to the nature of the group’s business from the year ended 31 December 2013.

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, no 71 of 2008. Accounting policies have been applied consistently compared to the previous year, except for the adoption of new or revised accounting standards as set out in note 1.

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

3. Directorate

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

<table>
<thead>
<tr>
<th>Directors</th>
<th>University</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prof Lineo V Mazwi-Tanga</td>
<td>Cape Peninsula University of Technology</td>
<td>Retired, 31 December 2013</td>
</tr>
<tr>
<td>Dr Prinsloo Azwitevelwi Nevhutalu</td>
<td>Cape Peninsula University of Technology</td>
<td>Appointed, 1 January 2014</td>
</tr>
<tr>
<td>Prof Thandwa Zize Mthembu</td>
<td>Central University of Technology</td>
<td></td>
</tr>
<tr>
<td>Prof Ahmed Cassim Bawa</td>
<td>Durban University of Technology</td>
<td></td>
</tr>
<tr>
<td>Prof Mashupye Ratale Kgaphola</td>
<td>Mangosuthu University of Technology</td>
<td></td>
</tr>
<tr>
<td>Prof Derrick Ian Swartz</td>
<td>Nelson Mandela Metropolitan University</td>
<td></td>
</tr>
<tr>
<td>Dr Theuns Eloff</td>
<td>North-West University</td>
<td></td>
</tr>
<tr>
<td>Prof Mahommed Saleem Badat</td>
<td>Rhodes University</td>
<td></td>
</tr>
<tr>
<td>Prof Hayman Russel Botman</td>
<td>Stellenbosch University</td>
<td></td>
</tr>
<tr>
<td>Prof Nthabiseng Audrey Ogude</td>
<td>Tshwane University</td>
<td></td>
</tr>
<tr>
<td>Dr Max Rodney Price</td>
<td>University of Cape Town</td>
<td></td>
</tr>
<tr>
<td>Dr Mvuyo Ernest Tom</td>
<td>University of Fort Hare</td>
<td></td>
</tr>
<tr>
<td>Prof Ithon Lester Rensburg</td>
<td>University of Johannesburg</td>
<td></td>
</tr>
<tr>
<td>Prof Malegapuru William Makgoba</td>
<td>University of KwaZulu-Natal</td>
<td></td>
</tr>
<tr>
<td>Prof Nehemia Mashomanye Mokgalong</td>
<td>University of Limpopo</td>
<td></td>
</tr>
<tr>
<td>Prof Cheryl de la Rey</td>
<td>University of Pretoria</td>
<td></td>
</tr>
<tr>
<td>Prof Mandlenkosi Stanley Makhanya</td>
<td>University of South Africa</td>
<td></td>
</tr>
<tr>
<td>Prof Jonathan David Jansen</td>
<td>University of the Free State</td>
<td></td>
</tr>
<tr>
<td>Prof Brian O’Connell</td>
<td>University of the Western Cape</td>
<td></td>
</tr>
<tr>
<td>Prof Loyiso Gordon Nongxa</td>
<td>University of the Witwatersrand</td>
<td>Retired, 31 May 2013</td>
</tr>
<tr>
<td>Prof Adam Mahomed Habib</td>
<td>University of the Witwatersrand</td>
<td>Appointed, 1 June 2013</td>
</tr>
<tr>
<td>Prof Amunga Peter Mbati</td>
<td>University of Venda</td>
<td></td>
</tr>
<tr>
<td>Prof Ntombifileke Margaret Mazibuko</td>
<td>University of Zululand</td>
<td></td>
</tr>
<tr>
<td>Prof Irene Nonhle Moutlana</td>
<td>Vaal University of Technology</td>
<td></td>
</tr>
<tr>
<td>Dr Jeffrey Mabelebele</td>
<td>HESA Chief Executive Officer</td>
<td>Appointed, 1 May 2013</td>
</tr>
</tbody>
</table>
4. Directors’ Interests in Contracts

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

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.

6. Events after the Reporting Period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this Report.

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 the basis of a going concern.

The directors have satisfied themselves that the group is in a sound financial position in order to meet its foreseeable cash requirements.

The directors are not aware of any new material changes that may have an adverse impact on 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 on the Minister of Higher Education and Training, who has the authority to dissolve the Committee of Technikon Principals and the Committee of University Principals.

8. Date of Authorisation for Issue of Financial Statements

The consolidated annual financial statements have been authorised for issue by the directors on 9 May 2014. No authority was given to anyone to amend the consolidated annual financial statements after the date of issue.
## STATEMENT OF COMPREHENSIVE INCOME

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Notes 16</td>
<td>49 821 983</td>
<td>38 136 107</td>
<td>36 856 822</td>
</tr>
<tr>
<td>Other income</td>
<td></td>
<td>1 148 602</td>
<td>294 413</td>
<td>56 004</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(10 373 004)</td>
<td>(8 937 370)</td>
<td>(6 172 355)</td>
<td>(6 298 242)</td>
</tr>
<tr>
<td>ACE income</td>
<td></td>
<td>-</td>
<td>937 963</td>
<td>-</td>
</tr>
<tr>
<td>Net finance income</td>
<td></td>
<td>940 355</td>
<td>947 135</td>
<td>-</td>
</tr>
<tr>
<td>Grants expended</td>
<td>(20 170 572)</td>
<td>(10 164 567)</td>
<td>(20 170 572)</td>
<td>(10 164 567)</td>
</tr>
<tr>
<td>Staff costs</td>
<td>(15 285 427)</td>
<td>(12 933 990)</td>
<td>(9 038 300)</td>
<td>(7 479 286)</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>17</td>
<td>6 081 937</td>
<td>8 279 691</td>
<td>1 531 599</td>
</tr>
<tr>
<td>Investment revenue</td>
<td>18</td>
<td>874 875</td>
<td>705 716</td>
<td>869 607</td>
</tr>
<tr>
<td>Unrealised profit on investments</td>
<td>4 598 523</td>
<td>7 578 930</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fair value adjustments</td>
<td></td>
<td>23 937</td>
<td>46 508</td>
<td>-</td>
</tr>
<tr>
<td>Investment management fees</td>
<td>(317 983)</td>
<td>(288 889)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Finance income/(costs)</td>
<td>(38 822)</td>
<td>(85 630)</td>
<td>(10 861)</td>
<td>(14 059)</td>
</tr>
<tr>
<td><strong>Profit for the Year</strong></td>
<td></td>
<td>11 222 467</td>
<td>16 236 326</td>
<td>2 390 345</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Comprehensive Income for the Year</strong></td>
<td>11 222 467</td>
<td>16 236 326</td>
<td>2 390 345</td>
<td>3 864 353</td>
</tr>
</tbody>
</table>
## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td><strong>Notes</strong></td>
<td>R</td>
<td>R</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>4</td>
<td>1 046 230</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>7</td>
<td>64 343 377</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South African Revenue Service: Value Added Tax</td>
<td></td>
<td>1 718 016</td>
</tr>
<tr>
<td>Related party receivables</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>10</td>
<td>2 717 208</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>11</td>
<td>69 475 982</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>65 389 607</td>
<td>61 061 269</td>
</tr>
<tr>
<td><strong>Total Reserves and Liabilities</strong></td>
<td>95 402 074</td>
<td>84 179 607</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance lease obligation</td>
<td>12</td>
<td>311 376</td>
</tr>
<tr>
<td>Retirement benefit obligation</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>311 376</td>
<td>754 427</td>
</tr>
<tr>
<td><strong>Total Reserves and Liabilities</strong></td>
<td>43 587 363</td>
<td>45 673 997</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>43 898 739</td>
<td>46 428 424</td>
</tr>
<tr>
<td><strong>Total Reserves and Liabilities</strong></td>
<td>139 300 813</td>
<td>130 608 031</td>
</tr>
</tbody>
</table>
ADMINISTRATION

As at 31 December, staff at the HESA Executive Office totaled 46. The office structure is configured as shown below, and staff demographics are indicated in the table underneath.

Table 3: Personnel Statistics at HESA’s Executive Office (as at December 2013)

<table>
<thead>
<tr>
<th>Department</th>
<th>African</th>
<th>Coloured</th>
<th>Indian</th>
<th>White</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Directorate</td>
<td>11</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>5</td>
<td>13</td>
</tr>
<tr>
<td>HEAIDS</td>
<td>2</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Matriculation Board</td>
<td>14</td>
<td>4</td>
<td>0</td>
<td>3</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Sub-totals</td>
<td>27</td>
<td>5</td>
<td>5</td>
<td>9</td>
<td>17</td>
<td>29</td>
</tr>
<tr>
<td>Total</td>
<td>46</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PA to the CEO

Director: Finance & Administration
- Information Technology Officer
- Finance Officer
- Human Resources Officer
  - 2 x Accounting Assistants
  - Administrative Assistant

Director: HEAIDS
- Project Manager: Communications
- Project Manager: Monitoring & Evaluation
  - 2 x Programme Administrators