MINISTRY
HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

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Budget Vote 17: Higher Education and Training

Delivered by the Honourable Buti Manamela, MP

Minister of Higher Education and Training

National Assembly · 26 May 2026

Theme: *Digital Transformation, the Skills Revolution, and the Future Size and Shape of the PSET System*

House Chairperson,

Ministers and Deputy Ministers,

Deputy Ministers Dr Nomusa Dube-Ncube and Dr Mimi Gondwe,

Honourable Chairperson of the Portfolio Committee and Members of the Committee,

Honourable Members,

Director-General Dr Sishi and the senior management of the Department,

Chairpersons and members of the Quality Councils,

The Administrator and executive of NSFAS,

Chairpersons and Chief Executives of our SETAs,

Vice-Chancellors,

Principals of TVET and CET Colleges, and CEOs of our public entities,

Leaders of organised labour and organised business,

Leaders of the South African Union of Students, the South African Vocational Education and Technical Students Association, and student representatives from across our campuses,

Distinguished guests,

Fellow South Africans,

The young women and young men of our country,

Good morning.

I rise today to table Budget Vote 17 — my first as Minister of Higher Education and Training. I do so with a clear sense of the task before us, and a clear sense of the moment in which we stand.

We stand on the eve of Youth Month. We stand fifty years from the morning of 16 June 1976, when school children walked out of their classrooms and into the streets of Soweto, and changed the course of our history. They marched. They fell. And they bequeathed to us a country in which the right to learn — in any language we choose, in any subject we are capable of mastering — is no longer up for debate.

But the inheritance is incomplete.

The youth of 1976 fought for the right to learn.

The youth of 2026 demand more. They demand the right to learn, the right to skill, the right to innovate, the right to work, and the right to participate meaningfully in the economy of their own country.

This Budget Vote is our answer to that demand.

Honourable Members,

This budget is tabled within the framework of the Government of National Unity, and it is anchored in three commitments: inclusive growth and job creation; the fight against poverty and inequality; and the building of a capable, ethical and developmental state. Through the Medium-Term Development Plan, this portfolio carries direct responsibility for some of the most consequential outcomes of this programme of government.

The State of the Nation Address was unambiguous. The President called for a fundamental overhaul of the skills system. He called for a dual training model that links classroom learning to workplace experience. He placed the strengthening of our TVET colleges at the heart of our occupational training effort.

This Vote gives effect to that mandate.

On the shoulders of those who came before

Honourable Members,

Before I speak of what must change, allow me to speak of what we have inherited — and from whom.

The post-school education and training system we now lead was not built overnight, and it was not built by any one of us. It is the work of three decades of democratic policy-making. It is the work of Ministers and officials who came before us, in this administration and in previous

ones. It is the work of Councils and Quality bodies, of Vice-Chancellors and College Principals, of researchers and registrars, of lecturers and learners — and of millions of South Africans who placed their hopes in education when they had little else.

The 2013 White Paper for Post-School Education and Training set this sector on its current footing. The National Student Financial Aid Scheme, the Quality Council for Trades and Occupations, the Council on Higher Education, the South African Qualifications Authority, the consolidation of Further Education and Training into Technical and Vocational Education and Training, the establishment of Community Education and Training as a sector in its own right — none of these existed in their present form before our democracy. They are the architecture of our project. They were built by South Africans who believed, as we still believe, that education is the most reliable instrument of redress in any society that takes equality seriously.

I want to acknowledge, in particular, those who hold up this system every day. The lecturers who teach in conditions that would defeat most professions. The Principals and Vice-Chancellors who manage institutions of growing complexity. The administrators and registrars who keep the doors open. And the workers — the cleaners, the security personnel, the catering and grounds staff — without whom no campus, no college, no community learning centre would open its gates in the morning. The post-school system is held up, every single day, by their labour.

What this Vote proposes, therefore, is not rupture. It is the next phase of a project that has been under way for thirty-one years. We stand on the shoulders of those who came before us. From that vantage, we can see

further. And from that vantage, we owe them — and we owe ourselves — the discipline of doing the work that remains.

The problem we must name

Honourable Members,

We will not solve a problem we are unwilling to name.

The problem before us is not simply that South Africa needs more education. We have expanded enrolment dramatically in three decades of democracy. The problem is that the link between education, skills, work and industrial development is too weak — and in some places it is broken.

We have a world-class post-school education system that produces graduates and cutting-edge research outputs. Yet in some respects it performs poorly — especially in producing the mid-level technical and vocational skills our economy now demands.

Too many young people complete qualifications without transitioning into work.

Too many employers report that they cannot find the skills they need, while graduates remain unemployed. And the path to self-employment is hobbled by poor entrepreneurial education.

Our TVET and CET colleges are still under-scaled relative to the size of our population and the demands of our economy. TVET is central to the production of mid-level technical and vocational skills. CET provides the second-chance opportunities that reconnect young people and adults to

the education and training system. Both must grow — and both must improve.

Our SETAs receive billions of rands in skills levies — but the translation of that income into employment outcomes has not always been visible enough to the public who pay for it. SETAs must improve their core mandate: to determine workplace and sector skills needs, and to ensure that those needs inform the design of industry-relevant curricula.

At the same time, let it be said clearly: SETAs have played a positive role that should not be dismissed — including in the training of artisans and in the recapitalisation of our TVET colleges. But it cannot be business as usual.

NSFAS has expanded access to higher education on a scale unmatched anywhere on the African continent — but its sustainability and its governance must be put on a sound footing.

And the world of work itself is being remade — by digital and artificial intelligence technologies — faster than our institutions are adapting.

But Honourable Members, let us not pretend that all of these are problems of the post-school system alone.

Low economic growth, a bias toward capital-intensity, and the sluggish performance of our productive sectors — manufacturing, construction, the agro-processing value chain — also constrain employment, especially among the youth.

It is said that education institutions provide the foundation, but skills are formed in the workplace. Technical skills, in particular, require a thriving industrial sector for students to gain practical training, and a growing economy capable of absorbing them once they qualify.

The Skills Revolution, therefore, is not only a project of this Department. It is a project of our economy.

Honourable Members, let us say this plainly.

Access without success is not enough.

Success without employability is not enough.

And skills without economic absorption are not enough.

That is the challenge that this Budget Vote must rise to meet — and it is a challenge we must rise to meet together with our colleagues across government and across society.

What we have done

Since my appointment, I have asked of every official, every entity, every council, and every meeting one question:

where is the system stuck, and what will it take to unstick it?

The answer has produced four streams of work that build directly on the institutional foundations laid by my predecessors.

First, we have begun to stabilise governance across the system. We have moved decisively on NSFAS. Where the institution fell short of the public trust placed in it, we acted within the law to restore order, protect students, and put in place a remedial path. SETAs that were not performing have been placed under administration. Audit action plans are in implementation across our entities. Council development and pre-employment screening for senior managers are being institutionalised.

Consequence management is no longer a slogan; it is becoming a discipline.

Second, we have begun to reposition TVET as the engine of occupational skills. From January 2026, twenty-four new occupational qualifications have entered our colleges. We have set a target of thirty per cent of TVET enrolment in occupational qualifications and skills programmes. Five hundred TVET lecturers will obtain formal qualifications. One hundred and fifty TVET council members will be trained. We are establishing five regional industrial skills compacts. And by 30 September 2026, we will table a TVET Turnaround Strategy that confronts the system’s chronic challenges head-on.

Third, we have begun to build digital and future-skills capacity. By March 2027, we will complete a feasibility study for online public TVET, table a TVET digital transformation strategy, launch four new programmes on the National Open Learning System, integrate Khetha career services to reach two hundred and fifty thousand clients, and establish a Skills Development Zone.

Fourth, we have begun to rethink the size and shape of the system itself. We are finalising the university enrolment plan for 2025 to 2030. We are developing a five-year TVET enrolment plan. We are auditing the CET landscape. We are conducting feasibility work for the Ekurhuleni University. We are converting agricultural colleges into higher education colleges. We are planning new medical and veterinary schools. And we are addressing student housing and infrastructure as the precondition for any meaningful expansion.

This is the foundation. From this foundation, this Budget Vote begins the climb.

The Vote

Honourable Members,

Vote 17 is allocated **R149.2 billion** for the 2026/27 financial year. Over the Medium-Term Expenditure Framework, this Department will administer a total of **R468 billion**.

The Vote grows from R142.4 billion in 2025/26 to R149.2 billion in 2026/27. Transfers and subsidies account for **90.4 per cent** of the total — R134.9 billion. This is, structurally, a transfer budget. And that is precisely why the question of *how* those transfers translate into outcomes is the central question of the year.

University Education receives **R100.1 billion**, approximately 82.4 per cent of the programme budget.

TVET receives **R14.7 billion**, a 6.3 per cent increase that begins to reflect the prioritisation we have promised.

CET receives **R3.3 billion** — a figure that names, rather than disguises, the structural under-funding of community education in our country. It is a figure we will have to revisit.

NSFAS grows from R48.8 billion in 2025/26 to **R54.6 billion by 2028/29**.

Skills levies are projected at **R27.7 billion in 2026/27**, rising to **R31.1 billion by 2028/29**.

Honourable Members, these are large numbers. But the public is not interested in the size of the numbers. The public is interested in what the numbers do.

This budget must therefore become more than a budget of transfers.

It must become a budget of transformation.
A budget of coordination.
A budget of skills.
A budget of accountability.
A budget of outcomes.

Priority One — Digital transformation

Honourable Chairperson,

The first priority of this Vote is digital transformation — not as a technology programme, but as the backbone of a modern post-school education and training system.

For too long, digital transformation in our sector has been understood as a question of devices, of platforms, of connectivity. These matter. But the real question is deeper. It is the question of whether the system can plan, teach, track, fund, and connect people to opportunity — at the speed and at the scale that the moment requires.

We will therefore rebuild the integrity of our data systems, beginning with the TVETMIS rebuild. We will expand the National Open Learning System. We will move decisively to introduce online TVET and CET offerings, so that learning is no longer a question of how far a young person can travel, but a question of what they wish to study. We will roll out digital career services that meet young people where they already are — on their phones, in their pockets, in their townships, in their villages. We will build curricula and partnerships in artificial intelligence,

in data, in software, in analytics, and in cybersecurity. And we will engage the world's leading technology companies as partners in the national skills effort.

A digitally transformed PSET system must know where learners are, what they study, whether they complete, whether they transition into work, and which sectors are absorbing them.

It must know — and it must act.

Priority Two — The Skills Revolution

The second priority is the Skills Revolution.

The President has used this phrase deliberately. A revolution is not an adjustment. It is a reordering. It is a break with what has not worked, and a commitment to what must.

The Skills Revolution rests on five practical pillars.

The **first pillar** is occupational qualifications — qualifications that lead to demonstrable competence in identifiable trades and occupations, recognised by industry and respected in the labour market.

The **second pillar** is workplace-integrated learning, so that no young South African finishes a qualification without first having stood in a place of work.

The **third pillar** is apprenticeships and artisan development — the backbone of every industrial economy on earth, and the lost middle of our own.

The **fourth pillar** is regional industrial skills compacts, which bring municipalities, provinces, employers, colleges and SETAs into a single skills plan tied to a specific economic geography.

The **fifth pillar** is employer participation — not as an audience to which we report, but as co-producers of the skills the economy requires.

To give this revolution traction, we have set firm targets.

SETAs will sign employer compacts with at least thirty per cent of employers in their sectors.

Seventy per cent of SETA service level agreements will be achieved.

Twenty-five WorldSkills employer partnerships will be established.

Sixty per cent of WorldSkills South Africa competitors will come from our public TVET colleges.

We will work across thirty skills areas — including two priority areas in the green economy.

And to those who say this is too much to ask of the private sector, I say this plainly:

The private sector cannot remain a spectator to skills development. Industry must become a co-producer of the skills it requires. The skills levy is not a tax. It is an investment. And investors expect a return.

Priority Three — The size and shape of the system

The third priority is the most strategic question before this portfolio. It is the question of size, and the question of shape.

How many university places do we need, and for what?

What kind of universities does South Africa require — research-intensive, comprehensive, technology-focused, regionally rooted?

What should TVET become — and how large must it grow?

How should CET colleges serve communities, adults, and the millions of young people who are neither in employment, nor in education, nor in training?

How should SETAs align to the sectors that will drive our growth?

And what is the correct balance between contact learning, blended learning, online learning, and workplace-based learning?

The National Development Plan targets remain ambitious — and they remain unmet. TVET enrolment is far below long-term national need. CET is structurally under-funded. Universities must remain financially sustainable while continuing to transform. NSFAS cannot be the only instrument of access. Colleges must grow — but they must grow with quality and with relevance.

Honourable Members,

The question is no longer only how large the system must become.

The question is what shape it must take — to meet the demands of a digital, green, industrialising and inclusive economy.

That work has begun.

Youth at the centre

Honourable Chairperson,

It would be possible to give a speech of this kind that spoke only of institutions, instruments and indicators. I will not give that speech.

The young people of South Africa are not the beneficiaries at the end of this system. They are the reason for the system.

Every rand of this Vote must be judged against a single question: does it expand the opportunities of the young?

We will expand Khetha career services. We will deepen Skills on Wheels so that career guidance reaches the villages, townships and small towns that have for too long been bypassed by every other arm of the state. We will strengthen workplace readiness programmes. We will invest in student support, in mental health services, in safety on our campuses, in gender-based violence prevention, in disability inclusion, and in student entrepreneurship.

Because the test of this Budget Vote is not whether the Department spends.

The test is whether a young person in Mitchells Plain, in Giyani, in Rustenburg, in Lusikisiki, in Kuruman, in Mdantsane, or in Soweto, can see — and can walk — a pathway from learning to livelihood.

That is the test.

That is the only test.

Governance and accountability

Honourable Members,

No skills revolution can be built on weak governance.

No digital transformation can rest on unreliable data.

No funding model can survive without accountability.

And no institution can claim autonomy without public responsibility.

We will therefore continue the work of stabilisation that we have begun. NSFAS remedial action will be implemented in full. Audit outcomes across our entities will move decisively toward unqualified opinions. Irregular expenditure must come down — and it will come down. SETA audit action plans will be implemented. Councils will be trained. Financial health reporting will be tightened. We will issue revised reporting regulations where the current framework is no longer fit for purpose. And pre-employment screening for senior management appointments will become the standard, not the exception.

I want to say something direct to the institutions in our system, and to those who lead them.

We will defend institutional autonomy.

But we will not confuse autonomy with impunity.

The public pays for this system. The public is entitled to know how their money is spent, how their children are taught, and what outcomes their investment produces.

The new compact

Honourable Chairperson,

The Skills Revolution will not be delivered by government alone. It will be delivered through a disciplined compact between the state, labour, business, institutions and communities.

Business must provide placements, apprenticeships, and curriculum input. My engagement with business leaders yesterday indicates that there is goodwill in the private sector. That goodwill must now be harnessed and marshalled for the Skills Revolution.

Labour must help shape decent work and the upskilling of those already in it.

Universities must deepen research and innovation, and produce the graduates and the knowledge our country requires.

TVET must become the recognised home of occupational excellence in South Africa.

CET must become the community platform for lifelong learning.

SETAs and the National Skills Fund must become catalytic, outcomes-driven instruments of national development.

And government — across departments, across spheres — must align its industrial, economic and skills strategies so that what we train for, the economy is ready to absorb.

This is the compact we will build. This is the compact this Vote begins to fund.

Closing

Honourable Chairperson,

This Budget Vote is my first as Minister of Higher Education and Training. I present it with a full appreciation of the scale of the task before us.

We inherit a system of great achievement and deep contradiction. It has opened doors for millions. It has not yet built enough bridges to work, to innovation, and to economic participation.

That system was built by hands that came before ours. It is entrusted to us. And it must be passed on stronger than we found it.

Our task is to build the bridges that remain.

To link digital transformation to the Skills Revolution.

To reshape the size and shape of the post-school system.

To place youth at the centre.

To govern with integrity.

To spend with purpose.

To partner with urgency.

And to ensure that education and training, in our country, become pathways to dignity, to productivity, and to freedom.

Fifty years ago, a generation of school children gave us a country in which we are free to learn.

Today, this Vote begins the work of ensuring that what we learn, sets us free.

I thank you.

I hereby table Budget Vote 17: Higher Education and Training, for the consideration of the House.