

## Vice-Chancellor & Principal

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29 November 2019

The University of the Witwatersrand is consistently ranked as one of the top two universities on the continent. Over generations, it has produced CEOs, scientists, and thought leaders across the world. We want to continue this tradition of building the leaders of tomorrow by providing access to quality higher education to those who cannot afford it.

I am therefore writing to you to invite you to partner with Wits as your organisation gears up to address the new amendments to the Skills Development Element of B-BBEE Codes that come into effect on 1 December. These amendments<sup>1</sup> allow organisations to gain significant scorecard benefits by specifically funding **bursaries for black South Africans** who qualify to study at higher education institutions but do not have the means to afford it. The amendments offer **4 points on the Skills Development Element** for organisations that achieve *pro rata* the expenditure target of 2,5% of payroll on bursaries or scholarships for black South Africans enrolled in higher education institutions. This includes funding towards tuition, accommodation, books, devices and related expenses.

There are two ways that you can take advantage of the amendments. First of all, you could use this opportunity to further expand your staff and supplier skills development strategy by offering more bursary opportunities to these key constituencies. To this end, Wits offers a wide range of flexible full-time, [part-time](#) and [online](#) learning programmes, spanning our [undergraduate](#) and [postgraduate](#) degrees, [short course](#) and [executive education](#) offerings that can assist you in achieving your organisation's people development objectives.

The primary driver of these amendments is, however, to provide additional support for the **approximately 216 000 young black South Africans** who have gained admission to university but lack the funds to progress<sup>2</sup> and yet come from families whose income is above the NSFAS<sup>3</sup> threshold for state funding to poor families. At Wits, we estimate that approximately 60% of our 38 000 undergraduate and postgraduate students fall into this 'missing middle' category. They typically come from families that include the children of nurses, teachers, police officers and other foundational occupations in our society – most of whom are **first generation university students**. Without adequate funding many of them end up swelling the ranks of the 8.2 million youth *Not in Employment, Education or Training* (NEET)<sup>4</sup>. This represents a major loss of talent to society and the economy, as well as a personal tragedy for each student and family.

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<sup>1</sup> May 2019 Amendments: Gazette Number 42496 - Amended Code Series 300, Statement 300 of the Codes of Good Practice of the Broad-Based Black Economic Empowerment Amendment Act 2003. It is expected that Sector Charters will soon align to the Amendments.

<sup>2</sup> <https://mg.co.za/article/2019-06-24-code-300-a-game-changer-for-the-missing-middle>

<sup>3</sup> The National Student Financial Aid Scheme caps support to students from households earning up to R350,000 per annum

<sup>4</sup> Quarterly Labour Force Survey Q2:2019, "youth" 15 – 34 years old

As your organisation considers how to allocate your Skills Development spend in light of these new incentives to invest in higher education, Wits would welcome the opportunity to engage with you to assist the matching of your proposed funding with deserving Wits 'missing middle' students. Our Development and Fundraising Office has partnered with B-BBEE specialists to establish a 'missing middle' **helpdesk** dedicated to assisting in this regard. Submitting the demographic and other details of the students you wish to fund via [this link](#), will set in motion the process as well as provide the additional information and contact details that you may require.

We thank you for considering this appeal and stand ready to answer any questions. For more information about amended B-BBEE codes, visit [Wits B-BBEE Missing Middle](#).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Adam Habib', with a long horizontal line extending to the left.

**Professor Adam Habib**  
**Vice-Chancellor and Principal**