



UNIVERSITEIT  
STELLENBOSCH  
UNIVERSITY

**ANNUAL REPORT**  
2015



# PROTEA INSPIRES

## TRANSFORMATION AND RESILIENCE

Located in the Cape Winelands district of South Africa's Western Cape province, the picturesque town of Stellenbosch forms part of the Cape Floral Kingdom – the smallest of the world's six floral kingdoms – also commonly known as the fynbos biome. Some 70% of this biome's 9 600 recorded plant species are found nowhere else on earth. The Cape Floral Kingdom is home to, amongst others, more than 90% of the 2 000 species of the protea family, including South Africa's national flower, the king or giant protea. Botanist Carl Linnaeus named this genus after Proteus, the Greek god who had the ability to transform himself. Likewise, the protea has many shapes and forms, and can survive wildfire and produce new growth.

The stylised protea used as the primary graphic element in this annual report symbolises the attributes that Stellenbosch University (SU) strives to have: adaptability, diversity, incredible resilience, and the ability to thrive despite challenging conditions. In the same way that the protea seed, having survived the intense heat of a veld fire, transforms both itself and its surrounding landscape, SU continues to transform itself as a 21<sup>st</sup>-century higher education institution, along with the broader society in which it operates.

*On the one hand, transformation relates to the renewal and remodelling of SU itself in order to comply with the spirit and principles of its Institutional Intent and Strategy, namely being inclusive, innovative and future-focused, and going about its business with excellence, accountability, empathy and leadership in service of others. This is transformation of SU.*

However, a transforming SU also contributes to the renewal and remodelling of society in complying with the central values of the Bill of Rights in the South African Constitution. These values particularly include human dignity, which is based on healing reconciliation, embracing justice, freedom from oppression and discrimination, and the creation of a society in which people, animals and nature can flourish.

*On the other hand, therefore, transformation refers to the University's positive impact on society, which happens to be one of the institution's strategic priorities. This is transformation by SU.*





PASS RATE  
**86,7%**



STUDENTS  
**30 150**

DIVERSITY



**37,8%**



Quarelli Symonds global

RANKINGS  
**302**



Doctorates  
**AWARDED 266**

**1 366**

Master's degrees

**AWARDED**



**1,50**



Research publication

**OUTPUT**

per headcount

First in SA

**13**

A-rated

RESEARCHERS



**84**

Patent cooperation treaties

(PCTs) 2009-2015

First in SA

**372**

NRF-rated

RESEARCHERS

Second in SA



# Our journey towards INTEGRATED REPORTING

Having embarked on the journey to integrated reporting a few years ago, Stellenbosch University is now publishing its first integrated report – on the activities of 2015.

On this journey we realised that a far wider range of factors determine the value and future of an organisation than financial profitability alone.

Some factors that contribute to the value of an organisation are financial and tangible, and therefore easy to add up or subtract, but many others are not so easy to account for. In a university environment, our intangibles predominate – consider our human capital, our intellectual expertise, our student material, our supporting environment of natural resources, our expanding and contracting markets and competition, our brand and evolving reputation, our indispensable partnerships. These, and more, make up the sum total of assets with which we create and sustain value.

Via our integrated reporting, we hope to show our numerous stakeholders how we try to allocate resources, manage risks and grasp opportunities in the best possible way. Stellenbosch University – like so many other organisations, both corporate and public – is still en route ... We plan to improve our understanding of true materiality and true accountability across the board of our multiplicity of operations, and we anticipate that integrated thinking will eventually become second nature to us, so that we may make better decisions and manage efficiently and sustainably, as befits a knowledge-driven institution such as ours.

## Our scope and boundaries

This report covers the full scope of University operations over the reporting period, 1 January to 31 December 2015. To this we add a few months more – until March 2016 – to enable us to include our graduation data.

We prepared this integrated report to give our stakeholders a better understanding of:

- ▶ the context of the higher education landscape and the University's outlook;
- ▶ our mission, values, stakeholder groups and institutional intent and strategy;
- ▶ how the University is governed;
- ▶ our value creation activities learning and teaching, research and innovation, and community engagement

and the effect of these on our capitals (in particular our financial capital), our performance measured against our strategic priorities, goals and management indicators (SMIs) and how we take our stakeholders' needs into consideration;

- ▶ the challenges and high-order risks faced by our institution in the year under review and the actions undertaken to mitigate their effect to reach acceptable levels;
- ▶ the activities of our faculties to realise their strategic goals as set out in the Institutional Plan; and
- ▶ how the University acknowledges excellence by awarding honorary degrees, chancellor's awards and a chancellor's medal to deserving individuals.

## Approving our annual report

The Rector and his Management Team are closely involved in the writing and compiling of the annual report. Our Audit and Risk Committee of Council examines the annual report and approves the report with adjustments to be tabled at the University Council meeting in May, where the report is considered before consent is given to publish.

## What you will find in this report

Our report contains financial facts and figures about our operations over the 2015 financial year (for the reader's convenience our full financial report is still published as part of the integrated annual report) and the customary reports of the Chancellor, Chair of the University Council, Rector and Vice-Chancellor, Chief Operating Officer, Vice-Rectors, and Deans of faculties on their fields of care and supervision. Most of these reports however now highlight the value created over the reporting period in line with selected strategic priorities identified in the University's Intent and Strategy document for 2013–2018. This focus on value accords with the principles provided by the International <IR> Framework of the International Integrated Reporting Council (IIRC), which believes that "communication about value creation should be the next step in the evolution of corporate reporting".

## Message from the **CHANCELLOR** Dr Johann Rupert



In explanatory dictionaries, an annual report is described more or less as a report “on the activities of the previous year”, but this is a disparagement of the true role and value of such an important document.

All the more so in this era of integrated reporting, which also presupposes that an institution will evaluate the value of what has been created in this reporting period against its vision and strategic priorities – therefore future orientated. Besides an evaluative survey of the past year, this integrated annual report is therefore also a look ahead, in order to communicate how successfully Stellenbosch University (SU) managed its tangible and intangible assets in 2015 on its way to the realisation of its Vision 2030.

In this vision statement, SU is described as an inclusive, innovative and future-oriented institution. How the institution views itself naturally is important, because how else do you determine your strategic objectives and priorities? But possibly even more important: what will the world look like in 2030; what requirements will employers pose to graduates; and how will the institution be able to adapt rapidly to the demands of society, internationalisation and ongoing technological developments? How will the University redesign itself, remain relevant and continue to operate in a systemically sustainable manner?

According to futurologists, universities and other training institutions must prepare students for careers that do not yet exist; and produce adaptable graduates who will be able to practise more than one occupation in their professional careers, and do so in complex and highly competitive societies. A well-known accounting firm, for instance, recently scrapped its degree requirement for appointments. A high premium is placed on cognitive thinking, problem solving and innovation. What does this then say about the graduates that the higher education sector currently is producing, and how will universities have

to adjust their curriculum and co-curricular activities to this end?

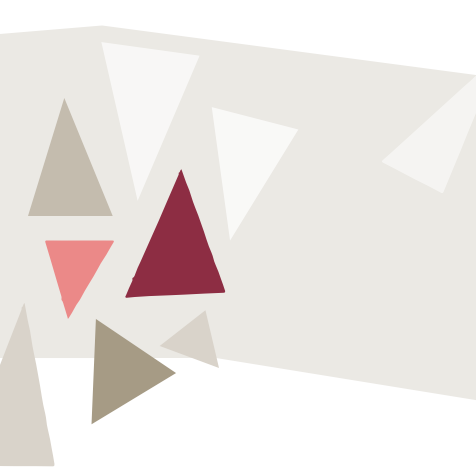
In the area of futures studies, few of us will dare to predict exactly what the world will look like by 2030, particularly against the background of the international turbulence since the Arab Spring early in 2011 and the prevailing economic instability. In 2015, South African universities experienced national-scale protest action during the #RhodesMustFall and #FeesMustFall campaigns. The success of the #FeesMustFall movement is measured in the public domain against the President's announcement that there would be no increase in student fees for 2016. The movement was also declared Newsmaker of the Year by the National Press Club. For this underfunded sector, however, the costs of this protest action amounted to R150 million.

*On the one hand, the protest action is an indictment of our current generation of leadership.*

Despite a Constitution that is regarded as being among the best in the world, there apparently is great frustration as a result of a lack of socio-economic transformation and equity.

*On the other hand, we cannot try to defend the violence, intimidation and damage to facilities.*





*In this vision statement, SU is described as an inclusive, innovative and future-oriented institution. How the institution views itself naturally is important, because how else do you determine your strategic objectives and priorities?*

From a sustainability point of view, I have misgivings about student fees that have not been increased, as well as the calls for free higher education. It will not be possible to run universities sustainably in this manner while remaining leaders in the fields of research and innovation. University training is not free – someone will have to bear the costs. The sector will have to be resourceful so as not to exclude deserving students for financial reasons, while students with the ability to do so should pay fees.

Universities also cannot keep on growing unchecked. Stellenbosch is a university town in an area where property is extremely expensive, with access routes and infrastructure that already are under pressure. Experts believe that, by exploring a multitude of prospects, we can generate alternative future options. For example: will Stellenbosch University be a multi-campus, residential institution on a large scale by 2030, with facilities on the outskirts of the town, or will it be part of a tertiary corridor extending from Stellenbosch University's Business School in Bellville all the way to the University of the Western Cape? Or will the digital space and universal access to information give rise to a compact, high-technology campus? Or might knowledge and technology hubs develop in Technopark or elsewhere according to the model of Skolkovo City in Moscow, where the academic, highly technological and entrepreneurial worlds are brought together?

In a world of hidden bank accounts, match and tender fixing, self-enrichment, bribery and unsteady leadership,

the public focus increasingly falls on responsible corporate citizenship. This goes beyond management and governance principles, legal compliance and fiduciary responsibilities. It is an encouraging sign that society, and particularly also the Millennial Generation (Generation Y), insists on a social conscience, ethical business practices and leadership with integrity. On the one hand, it is important for universities to be acknowledged as responsible corporate citizens in themselves, having the required policies and codes of conduct to put ethical values into practice. On the other hand, it is also essential that universities help inculcate and promote ethical leadership and sound business practices in society through their thought leadership, curriculum and co-curricular activities, all the more during periods of transition.

The highly esteemed psychologist Prof Daniel Kahneman, who received an honorary doctorate from Stellenbosch University in 2015 and also received a Nobel prize for his behavioural economic outlook theory in 2002, contends that the prospect of loss weighs more heavily in decision making than the prospect of reward. If this is our natural response to uncertainty, the University Council and management have a great responsibility to take courageous collective decisions in the midst of the considerable socio-economic and political turbulence in South Africa in order to position SU for 2030.

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# Our INSTITUTION

## Vision 2030

We see Stellenbosch University as an inclusive, innovative and future-focused place of discovery and excellence, where staff and students are thought leaders in advancing knowledge in service of our stakeholders.

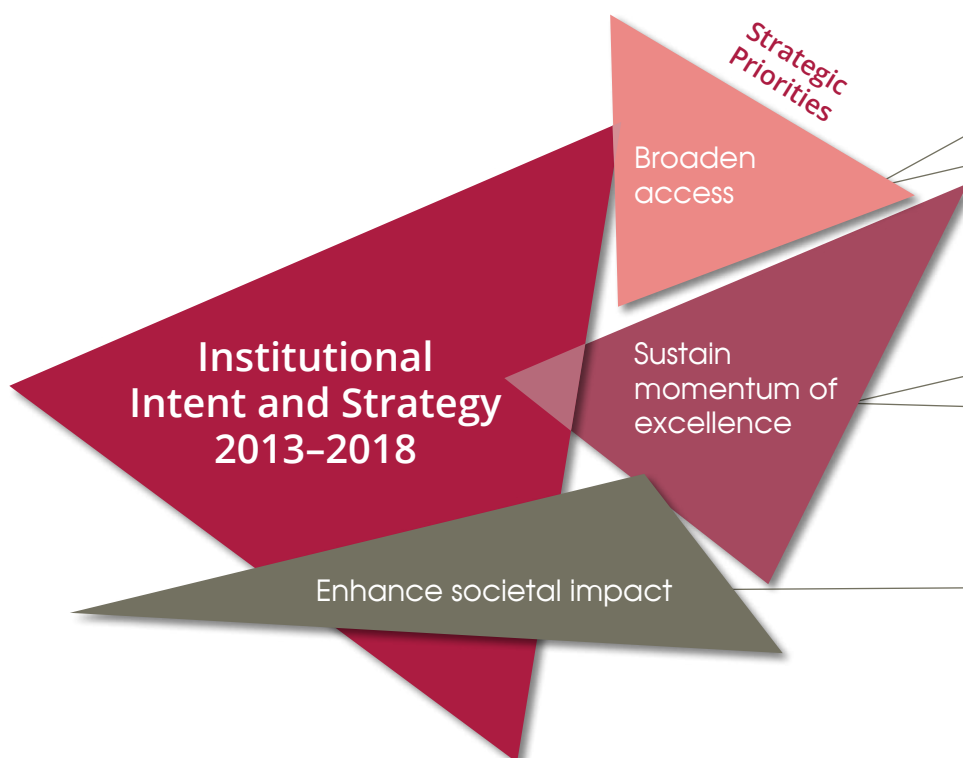
## Mission

We strive to achieve our vision for Stellenbosch University through sustained transformation and, on our journey of discovery through academia in the service of our stakeholders, we have resolved to:

- ▶ create an academic community in which social justice and equal opportunities will lead to systemic sustainability;
- ▶ investigate and innovatively implement appropriate and sustainable approaches to the development of Africa;

- ▶ align our research with a wide-ranging spectrum of challenges facing the world, Africa, our country and the local community;
- ▶ maintain student-centred and future-oriented learning and teaching that establish a passion for lifelong learning;
- ▶ invest in the innovative scholarship and creative ability of all our people;
- ▶ leverage the inherent power of diversity; and
- ▶ establish and extend synergistic networks in which our University is a dynamic partner.

*We promote the well-being of people and the world by leading with humility, responsibility and understanding.*



## Values

### Leadership in service of others

We promote the well-being of people and the world by leading with humility, responsibility and understanding.

### Shared accountability

We realise and accept that, in the interests of the stakeholders we serve, we are jointly responsible for the achievement of the University's Vision.

### Empathy

We promote human dignity through a culture of respectful behaviour – self-respect, respect for other people, and respect for the physical environment.

### Innovation

We think and act in new and different ways and make good choices and decisions for ourselves, and for our stakeholders, the country, the continent and the planet.

## Excellence

Everything we do is characterised by excellence.

## Stakeholder groups

We serve our stakeholders, who are:

- ▶ prospective students, students and parents;
- ▶ employees and pensioners;
- ▶ government, regulators and professional bodies;
- ▶ alumni;
- ▶ donors; and
- ▶ the community (civil society, non-governmental organisations, industry, other universities, schools, advisory councils, service providers and the media).

| STRATEGIC THEMES                                       | STRATEGIC GOALS  | VISION 2030 |   |   |   |
|--|--|-------------|---|---|---|
| Increase access to new knowledge markets               | Expanding parallel-medium instruction and interpreting                             | ●           |   | ● | ● |
|  | Furthering programme renewal   |             | ● | ● |   |
|  | Incorporating information and communication technologies for learning and teaching |             | ● | ● | ● |
|  | Building capacity for experimental learning and for a graduate attribute programme | ●           |   | ● | ● |
| Diversify profile of students and personnel            | Expanding parallel-medium instruction and interpreting                             | ●           |   | ● | ● |
|  | Appointing young academic stars  | ●           |   |   |   |
|  | Broadening access and creating development opportunities                           | ●           |   | ● | ● |
|  | Tapping into new knowledge markets for greater value extraction                    | ●           |   | ● |   |
|  | Raising bursary donations  | ●           |   | ● | ● |
|  | Improving personnel profile  | ●           |   | ● | ● |
|  | Managing knowledge and other partnerships  | ●           |   | ● | ● |
| Position as the leading research institution in Africa | Promoting research outputs   |             |   | ● |   |
|  | Promoting society-centred scholarship  |             |   | ● | ● |
|  | Extending research innovation  |             | ● |   |   |
|  | Establishing research focus areas  | ●           | ● | ● | ● |
|  | Commercialising intellectual property and business opportunities                   |             | ● | ● | ● |
|  | Generating extra income through research partnerships                              |             | ● | ● |   |
| Maintain student success rate                          | Establishing comprehensive rural platforms   | ●           | ● | ● | ● |
|  | Incorporating information and communication technologies for learning and teaching |             | ● | ● | ● |
|  | Sustaining postgraduate student success  |             |   | ● |   |
|  | Implementing our Mobility Plan   |             |   | ● | ● |
| Advance committed visionary leadership                 | Advocating justice and equal opportunities   |             |   |   | ● |
|  | Sharpening business processes and fundraising for financial sustainability         | ●           | ● | ● | ● |
|  | Managing knowledge and other partnerships  |             |   | ● | ● |
|  | Pursuing environmental sustainability  | ●           | ● | ● | ● |
|  | Instituting integrated planning, budgeting and reporting                           | ●           | ● | ● | ● |

● Inclusive

● Innovative

● Future-orientated

● Transformative

# Our institutional BUSINESS MODEL

The University's aspirational business model focuses on its key stakeholders and how to satisfy their needs by means of value-adding activities, such as learning and teaching, research and innovation, social impact and enabling professional support. The degree to which the University manages to do this in a sustainable manner, determines the revenue

streams to the University. At the same time, the offering of its various value-adding programmes requires resources and also requires the University, where appropriate, to partner with other organisations. This obviously means costs to the university.

## Partners

1. Government and governmental agencies
2. Industry (local and international)
3. Alumni
4. Donors (local and international)
5. Association of African Universities
6. SU Council
7. International networks
8. Town Council
9. Sport bodies (including Stellenbosch Academy of Sport)
10. South African Police Service and private security firms
11. Selected supplier networks

## Cost Structure

1. Employee cost (52%)
2. Operating cost (41%)
3. Other (depreciation and financial charges (7%))

## Activities

1. Research and innovation (basic and applied)
2. Teaching and learning (on-campus, off-campus)
3. Social impact
4. Enabling support activities (human resources, finance, facilities management, safety and security, student support, information technology, internationalization, sport, mobility, student accommodation, commercialization, quality assurance)
5. Marketing, public relations and development
6. Risk management and legal compliance

## Resources

1. SU brand/reputation
2. People (employers) capabilities and engagement, including ability to innovate
3. Faculties with needs-driven and functional academic offering
4. Student ability to co-create value and be co-accountable
5. Faculties (academic and student housing, well-equipped laboratories, ICT facilities)
6. Intellectual capital
7. Funding resources
8. Well functioning administrative systems
9. Alumni
10. Industry
11. Government
12. Supplier networks
13. Welcoming institutional culture

## Lead Channels

(for primary service rendering)

Delivery - learning and teaching

1. On campus face-to-face teaching
2. Blended learning (including web, telematic, experiential, action learning)

Delivery - research

1. Publications
2. Seminars
3. Books
4. Learning and teaching
5. Innovus (technology transfer, LaunchLab, commercialisation)

Delivery - social impact

1. Blended with learning and teaching
2. Joint projects with communities

## Revenue Streams

First stream: state subsidy (31%)

Second stream: student and accommodation fees (25%)

Third stream: research, investments, commercialisation and sales (39%)

Fourth stream: philanthropic donations and bequests (5%)

*The University's aspirational business model focuses on its key stakeholders and how to satisfy their needs by means of value-adding activities.*

## Value Proposition

A function of:

1. Reputation, global ranking and networks
2. Preferred higher education partners in Africa
3. Higher education gateway to Africa
4. Relevance and engagement: local, Africa, global
5. Quality, success and expansive academic footprint
6. Accountability, affordability and inclusivity
7. Innovation and entrepreneurship: inputs, processes and outputs (Learning & Teaching; Research; Social Impact)
8. Systemic sustainability
9. Governance
10. Leveraging geographical location
11. Sport: facilities, science, variety of codes, expertise, reputation
12. Safe and nurturing environment
13. Employer of first choice
14. University in service of society

## Relationships

(per stakeholder group)

1. Enticing advantage
2. Enabling, success and ensuring employability
3. Credibility, excellence and international recognition
4. Accessible and transferable higher education
5. Flexibility, relevance and just-in-time
6. Safety, affordability, quality and accessibility
7. Competitive employee value proposition
8. Recognised as a national higher education asset
9. Partnership with industry to generate and disseminate new knowledge in relevant effective manner
10. Governance, leverage for big issues
11. Quality, information and community
12. Sustainable cooperative existence with SU and alignment of goals
13. Well-governed world class university
14. Competitive employee value proposition
15. Governance, leverage for big issues
16. Co-ownership and promoting quality of Higher Education in Africa
17. Enabling environment for high-performance sport

## Key Stakeholders

1. Prospective students
2. Students
  - Undergraduate students
  - Postgraduate students
3. International students
4. Mass market (diplomas)
5. Learn and earn students
6. Parents
7. Personnel
8. Government
9. Industry
10. Donors
11. Alumni
12. Stellenbosch town
13. SU Council
14. Trade unions
15. International funding agencies
16. Association of African Universities
17. Sport - local and international







# GOVERNANCE



# Report of the Chair of the UNIVERSITY COUNCIL

**Mr George Steyn**



Transformation, including student protests, and financial sustainability were among the main themes at Stellenbosch University (SU) in 2015 – as in the higher education sector countrywide.

The report period includes the first nine months of Prof Wim de Villiers's term of office as Rector and Vice-Chancellor. Council had appointed Prof De Villiers at the end of 2014 already – his predecessor, Prof Russel Botman, having died unexpectedly earlier in 2014 – but he could assume his duties only on 1 April 2015.

In a further step towards firmly establishing the integrated cycle of strategy, planning, budgeting, implementation, spending, reporting and assessment SU presented the Department of Higher Education and Training (DHET) with an Institutional Plan (2015–2020) (IP) for the first time. The IP had been drawn up in order to implement the Institutional Intent and Strategy (IIS) approved for SU in 2013.

In a motion of 2015 confirming its unfaltering support for the University's IIS and IP, Council referred specifically to the IIS as strategic guide. The IIS also serves as extensive frame of reference and general policy for orienting transformation at the institution. This annual report offers the opportunity for detailed feedback about our progress; however, I will mention only a few highlights here.

The vice-chair of Council, Prof PW van der Walt, confirmed Council's commitment to transformation and Council's support for Management's initiatives in that regard during a presentation before the parliamentary Portfolio Committee on Higher Education and Training on 1 September 2015 (see page 98). The committee requested SU to initiate discussions about transformation and the language issue after students had shared – via the #Luister ('#Listen') video – their lived experiences of discrimination, racism and exclusion from lectures due to the languages of instruction.

In the course of the year, Council's viewpoints as set out above were embodied in various facets of SU activities. In September the Human Resources Committee of Council approved the inclusion of transformation into the responsibility centre of the Vice-Rector: Community Interaction and Personnel. Consequently, the job title concerned was changed to Vice-Rector: Social Impact, Transformation and Personnel.

Furthermore, the Transformation Committee and the Transformation Office were founded to focus on this issue

in a purposeful, institutional and integrated manner. Other important matters that received attention were the career advancement of women up to executive management and senior academic levels, as well as maternity leave and family leave benefits that are in line with current trends and that take cultural differences in South Africa into account. Council also took note with appreciation of discussions on campus about symbols, statues and the names of buildings.

Systemic transformation requires profound knowledge. Seeing that SU considers diversity and inclusivity not only with reference to race, gender, disability, sexual orientation and faith, transformation at SU also encompasses curriculum renewal and our approach to research. Two research chairs are being envisaged.

Council also approved the initiation of the processes for the permanent appointment of a Vice-Rector: Social Impact, Transformation and Personnel, as well as for filling the new position for a Vice-Rector: Strategic Initiatives and Internationalisation.

Council and SU Management consider transformation to be a multifaceted matter. Nonetheless, this year the spotlight fell in particular on the Language Policy and language implementation as mechanisms that allegedly facilitate exclusion, hamper optimal student success and make some students feel unwelcome. Council performs a general supervisory function regarding academic and operational matters, including institutional policy and strategy; therefore, Council determines the University's language policy.

In the context of protest action countrywide, among other things against colonial symbols (#RhodesMustFall) and increases in study fees (#FeesMustFall), SU's Language Policy and language implementation came under fire – mainly because of real-life experiences of the exclusion of students whose language skills in neither Afrikaans nor English are at academic level.

Council's viewpoint is that language should never pose an obstacle to any student who wants to study at SU. In fact, Council requested Management to establish mechanisms that would prevent exclusion due to language of instruction.

However, Council distinguishes clearly between the practical implementation of the minimum offering in Afrikaans and English as approved in 2014, and changes to SU's Language Policy. The latter would require a statutory process.

Council's motion of 30 November sent a very powerful signal to all SU interest groups that we are committed to inclusivity and to increasing the number of languages of instruction. Multilingualism is a strategic asset to us; it makes us unique and gives us a competitive advantage over other academic institutions.

Governance of University assets is another of Council's responsibilities. In that context it was a privilege to take a tour of the Tygerberg Campus, at the Faculty of Medicine and Health Sciences, before our September meeting. Council appropriated R250 million for urgent maintenance and construction work at Tygerberg in 2010. A significant portion of the work has been completed since then, and Council members could view the upgraded lecture halls and Huis Ubuntu House, a new students' residence. Another residence will be completed in 2016.

The transformation agenda among students nationally resulted in protest action on two of our campuses at a level that had been unheard-of at SU. From a governance perspective Council was concerned about the public image of the institution as well as the potential risks to the academic project, administrative functions, the safety of the campus community and the security of University property, along with the potential financial implications. In addition to that, the success of the #FeesMustFall campaign produced serious challenges after President Zuma had announced a 0% increase in study and accommodation fees.

The institution concluded a comprehensive and inclusive budgetary process in the second semester. Consequently, the Executive Committee of Council recommended that the budget for 2016 be approved with a budgeted shortfall of less than the limit set at 3% of total income, depending on the state subsidy that would be allocated, and upon the undertaking that any shortfall not funded by the DHET would be made up from discretionary Council funds.

Thanks to a stable base of effective management and financial discipline with a focus on systemic sustainability the University succeeded not only in limiting the long-term impact of protest action and budgetary challenges, but also in performing excellently in the academic field. A total of 7 857 qualifications were awarded in 2015 – the most ever in the close to a 100 years of SU's existence. Among those, 266 were doctoral degrees – another record for our institution. South Africans made up 71% of doctorate candidates; 59% of them were women and 39% were black, brown or Indian. The more than 1 366 master's degrees awarded also were the most ever in an academic year at SU, as well as the most master's degrees obtained at any South African university in 2015. Among these graduates 500 were black, brown or Indian.

It is my pleasure to thank SU Management as well as the staff and students for reaching these and other milestones despite a turbulence-filled year in our sector, and practical difficulties. Although the end-of-year examinations had

to be postponed by a week, they were concluded without disruption and the graduation ceremonies in December took place as usual. For us on the SU Council it is a privilege to be involved with such an institution. My heartfelt thanks go to all Council members for their commitment and service in the best interests of the University. Those Council and committee members whose terms of office will expire early in 2016 I want to assure of my appreciation for their selfless service over many years.

Risk management is an important aspect of Council's supervisory function, and towards the end of 2015 Council approved the Risk Management Policy. That paved the way for further refinement of the way in which risks are identified, assessed, reviewed, aligned and eventually reported. The many risks to systemic sustainability at strategic level will have to be investigated carefully in 2016 with a view to long-term solutions.

We may assume that Stellenbosch will become caught up in national debates and issues more than ever before. Protest action and government decisions about, among other things, study fees had radical implications for SU – which we have been able to handle in the short term, despite great pressure on financial resources, staff capacity and the wellness of the University community. I would like to reiterate Council's support for the Rector and his Management Team, as set out in the motion approved in September 2015, for the way in which they are managing various complex discussions about transformation at the University. Council also called on SU Management "to continue on the path they have set, further advance open and critical debate, respond to transformation challenges, and pro-actively create conditions for various forms of student and staff activism to realise the values, principles and rights contained in the Constitution".

As part of its overview and governance function, Council is aware of its responsibility to ensure the integrity of our integrated reporting. Although this report on the activities of 2015 is seen as SU's first integrated annual report, our report still contains elements of the conventional annual report to comply with the revised Regulations for Reporting by Public Higher Education Institutions as published in the Government Gazette No. 37726 of 9 June 2014. Members of Council have familiarised themselves thoroughly with the framework and contents before signing off on this report on 9 May 2016.

Stellenbosch University subscribes to the principles of leadership, sustainability and corporate citizenship as contained in the King Code of Governance Principles for South Africa 2009 (King III) and our consolidated annual financial statements are prepared in accordance with the relevant policies of International Financial Reporting Standards (IFRS).

**MR GEORGE STEYN**  
*Chair of Council*

# UNIVERSITY COUNCIL

The University Council governs Stellenbosch University subject to the Higher Education Act (Act 101 of 1997) and the institutional statute. The functions and composition of Council are set out in the Statute of Stellenbosch University. Council members are listed below as at 9 May 2016, the date on which Council approved for publication the Stellenbosch University Integrated Annual Report 2015.

- Members of the Executive Committee of Council
- Members of the Audit and Risk Committee of Council
- Members of the Human Resources Committee of Council
- Members of the Investment Committee of Council
- Members of the Remuneration Committee
- Members of the Social and Business Ethics Committee of Council

For more information on these committees, see page 91 and also governance structure, page 20.

## EX OFFICE MEMBERS

### Rector and Vice-Chancellor

- Prof WJS de Villiers (56), MBChB cum laude, MMed (Int) cum laude (Stell), FCP (SA), DPhil (Oxon), MHCM (Harv) (Term of office: 1.4.2015–31.3.2020)

### Chief Operating Officer

- Prof L van Huyssteen (65), MScAgric, PhD (Agric) (Stell) (Term of office: 1.4.2013–31.12.2016)

### Vice-Rector (Social Impact, Transformation and Personnel)

Prof NN Koopman (54), BA, DTh (UWC) (Term of office: Acting from 1.6.2015 until 30.6.2016)

### Vice-Rector (Learning and Teaching)

Prof A Schoonwinkel (59), BEngHons, MEng (Stell), MBA (UCT), PhD (Stanford), PrEng (Term of office: 1.9.2012–31.8.2017)

### Vice-Rector (Research, Innovation and Postgraduate Studies)

Prof TE Cloete (57), BScHons, MSc (UOFS), DSc (UP) (Term of office: 1.9.2012–31.8.2017)

## ELECTED BY THE PERMANENT ACADEMIC STAFF (NON-SENATE MEMBERS)

- Prof A van der Merwe (51), BEng (Mechanical), MEng (Industrial), PhD (Eng) (Stell) (Term of office: 1.9.2014–31.8.2016)

## ELECTED BY THE PERMANENT NON-ACADEMIC STAFF

- Ms G Arangies (53), BCom (UPE), MBA cum laude (Stell) (Term of office: 6.4.2016–5.4.2018)

## ELECTED BY THE INSTITUTIONAL FORUM

Vacant

## ELECTED BY THE MINISTER OF HIGHER EDUCATION AND TRAINING

Prof A Keet (52), MEd (UWC), PhD (UP) (Term of office: 1.12.2014–30.11.2018)  
Prof PG Maré (70), BAHons (UN), BAHons, MA (Wits), PhD (UN) (Term of office: 25.9.2014–24.9.2018)  
Ms TS Lingela (60), BA, UED (Fort Hare), BEd (Rhodes), MEd (UDW, USA) (Term of office: 1.1.2014–31.12.2018)

## ELECTED BY THE CONVOCATION

Prof WAM Carstens (64), MA, DLitt (Stell) (Term of office: 2.4.2014–1.4.2018)  
Prof A Coetzee (65), MBChB, MMed (Anes), PhD, MD, PhD, DSc (Stell), FCA(SA), FFARCS (Term of office: 2.4.2016–1.4.2020)  
Mr H Gonzales (28), LLB (Stell), registered attorney (Term of office: 2.4.2016–1.4.2020)  
Adv JC Heunis SC (63), BA, LLB (Stell), LLM cum laude, LLD (RAU) (Term of office: 2.4.2016–1.4.2020)

Mr JG Theron (53), BA Law, LLB (Stell)  
(Term of office: 2.4.2014–1.4.2018)

Vacant

#### ELECTED BY SENATE

Prof UME Chikte (62), PhD (Stell), MSc (UCL),  
MDent, DHSM (Wits), BChD (UWC) (Term of  
office: 01.01.2016–31.12.2017)

Prof A Gouws (56), MA (RAU), PhD (Illinois,  
Urbana-Champaign)  
(Term of office: 1.1.2016–31.12.2017)

Prof NN Koopman (54), BA, DTh (UWC)  
(Term of office: 1.1.2016–31.12.2017)

#### APPOINTED BY THE COUNCIL OF THE MUNICIPALITY OF STELLENBOSCH

Mr C Jooste (61), BCom (Unisa), BEd (UWC),  
Teacher's Diploma in Commerce (CPUT) (Term of  
office: 25.9.2014–24.9.2018)

#### ELECTED BY THE DONORS

- Mr GM Steyn (Chair from 02.04.2012) (57),  
BA Law, LLB (Stell)  
(Term of office: 2.4.2014–1.4.2018)
- Prof PW van der Walt (Vice-Chair from 07.05.2012)  
(69), BScBEng, MEng, PhD (Stell)  
(Term of office: 2.4.2014–1.4.2018)
- Mr JJ Durand (50), BAccHons (Stell), MPhil (Oxon),  
CA (SA)  
(Term of office: 2.4.2016–1.4.2020)

#### ELECTED BY THE PREMIER OF THE WESTERN CAPE PROVINCIAL GOVERNMENT

- Mr AP van der Westhuizen (58), BCom,  
HED, MEd (Stell)  
(Term of office: 1.8.2014–31.7.2018)

#### ELECTED BY COUNCIL

- Mr AV Moos (38), BA, BPhil Journalism, MBA (Stell)  
(Term of office: 5.5.2014–4.5.2018)
- Mr J van der Westhuizen (59), BCom, HED (UPE),  
BEdHons (Unisa)  
(Term of office: 5.5.2014–4.5.2018)

Ms K Njobe (46), Biology (UCLA, USA), MSc  
(Zoology) (UP), MTE (IMD, Switzerland)  
(Term of office: 5.5.2014–4.5.2018)

#### ELECTED BY THE STUDENTS' REPRESENTATIVE COUNCIL

Mr ANM Qina (23)  
(Term of office: 1.1.2016–31.12.2016)

Mr NDY Wayne (23)  
(Term of office: 1.1.2016–31.12.2016)

#### THE FOLLOWING NON-COUNCIL MEMBERS WERE APPOINTED AS ADDITIONAL MEMBERS OF THE AUDIT AND RISK COMMITTEE

- Prof DP du Plessis, BSc (UCT), MBA cum laude, DBA  
(Stell)
- Mr JP Bester, BComHons (Acc) (Stell), BComHons  
(ManAcc), BComHons (InformSys) (UCT), CA (SA)
- Mr BHJ Wessels, BCompt (Unisa), GIA (SA)
- Mr H van der Ahee, BEng (Chem), BAcc, BComHons  
(Taxation) (Stell), BComptHons (Unisa), CA (SA)

#### THE FOLLOWING NON-COUNCIL MEMBERS WERE APPOINTED BY COUNCIL AS MEMBERS OF THE INVESTMENT COMMITTEE

- Prof DP du Plessis, BSc (UCT), MBA cum laude, DBA  
(Stell)
- Mr GT Ferreira, BCom, MBA (Stell)
- Mr JF Mouton, BComHons, CTA (Stell)
- Mr PG Steyn, BCom, LLB (Stell)
- Mr MM du Toit, BScAgric, MBA (Stell)
- Ms E Meaker, BAHons (Stell)

#### THE FOLLOWING NON-COUNCIL MEMBERS WERE APPOINTED BY COUNCIL AS MEMBERS OF THE SOCIAL AND BUSINESS ETHICS COMMITTEE

- Mr JP Bester, BComHons (Acc) (Stell), BComHons  
(ManAcc), BComHons (InformSys) (UCT), CA (SA)
- Dr T Theron, BScHons cum laude, MSc cum laude,  
PhD (Stell)
- Prof P Naudé, LicTheol cum laude, MA, DTh (Stell)

# The Rector's MANAGEMENT TEAM

The Rector, Chief Operating Officer and Vice-Rectors are the executive management of the University. They are ex officio members of the University Council and Senate. The Registrar is responsible for the academic administration of the University and is ex officio a member of Senate. The Team is given below as at 31 December 2015.



## RECTOR AND VICE-CHANCELLOR

### **Prof Wim de Villiers**

*MB,ChB, MMed (Int), FCP(SA), DPhil, MHCM*

Joins the University in 2015 with his appointment as Rector and Vice-Chancellor

## CHIEF OPERATING OFFICER

### **Prof Leopoldt van Huyssteen**

*MScAgric, PhD (Agric)*

Joins the University in 1999; appointed as Chief Operating Officer in 2013



## VICE-RECTOR (LEARNING AND TEACHING)

### **Prof Arnold Schoonwinkel**

*MEng, MBA, PhD, PrEng*

Joins the University in 1988; appointed as Vice-Rector (Learning and Teaching) in 2012



## VICE-RECTOR (RESEARCH, INNOVATION AND POSTGRADUATE STUDIES)

### **Prof Eugene Cloete**

*MSc, DSc*

Joins the University in 2009; appointed as Vice-Rector (Research and Innovation) in 2012 and portfolio expanded in 2015



## VICE-RECTOR (SOCIAL IMPACT, TRANSFORMATION AND PERSONNEL) (ACTING)

### **Prof Nico Koopman**

*BA, DTh*

Joins the University in 2001; appointed as Dean of the Faculty of Theology in 2010 and acting Vice-Rector (Social Impact, Transformation and Personnel) from 2015





# SUPPORT STAFF



## REGISTRAR

### **Mr Johann Aspeling**

*MCom, HED*

Joins the University in 1979;  
appointed as Registrar in 2001



## CHIEF DIRECTOR STRATEGIC INITIATIVES AND HUMAN RESOURCES

### **Prof Tobie de Coning**

*MBA, PhD*

Joins the University in 1983;  
appointed as Chief Director:  
Strategic Initiatives and Human  
Resources in 2007



## CHIEF DIRECTOR FINANCE

### **Mr Manie Lombard**

*BAcc, BComHons,  
BCompHons, CA (SA)*

Joins the University in 1995;  
appointed as Chief Director: Finance  
in 2007



## SENIOR DIRECTOR DEVELOPMENT AND ALUMNI RELATIONS

### **Ms Karen Bruns**

*BA, LLM*

Joins the University in 2015 with  
her appointment as Senior Director:  
Development and Alumni Relations

## EXECUTIVE MANAGER: RECTORATE

### **Dr Jerome Slamet**

*BCom, HED, MEd, PhD*

Joins the University in 2004; appointed  
as Director: Community Interaction in  
2006 and Executive Manager: Rectorate  
in 2015



## CHIEF DIRECTOR SPORT

### **Ms Ilhaam Groenewald**

*NH Dip (Business Administration);  
NH Dip (Education); BTech  
(Business Administration); M Sport  
Management*

Joins the University in 2014 with her  
appointment as Chief Director: Sport



## CHIEF DIRECTOR FACILITIES MANAGEMENT

### **Me Nicolette van den Eijkel**

*BCom*

Joins the University in 2015  
with her appointment as Chief Director:  
Facilities Management



## SENIOR DIRECTOR CORPORATE MARKETING (ACTING)

### **Ms Susan van der Merwe**

*BA, BJournHons*

Joined the University in 2000; appointed  
as Director: Communication and Liaison  
in 2015

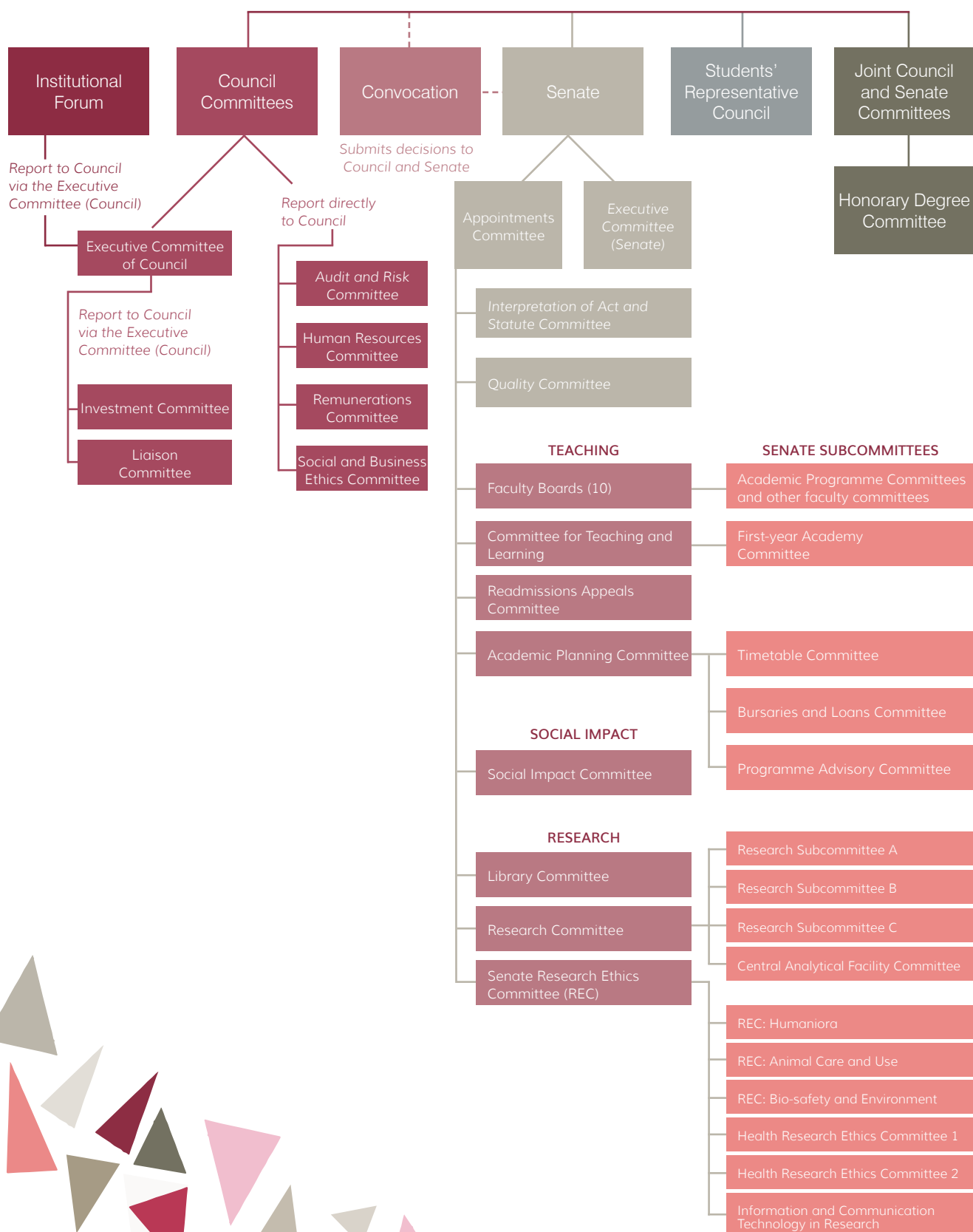
**(Ms Phumzile Mmope will take  
over on 1 January 2016)**





# Our Governance STRUCTURE

## SU COUNCIL



# Our **PERFORMANCE** against our **STRATEGIC PRIORITIES**

In this chapter, the report of the acting Rector and Vice-Chancellor presents an overview on the University's performance as measured against its strategic priorities, strategic management indicators and its Council's targets for the year under review. The Chief Operating Officer and the Vice-Rectors report in more detail on how their Responsibility Centres fared with their strategic goals. The reports provide an outline of how their integrated plans – encapsulating the business plans of the various entities that they manage – provide a solid platform for the strategic direction that Stellenbosch University has embarked upon as a 21<sup>st</sup> century university. The direction is in line with the strategic priorities, themes and objectives as set out on pages 8–9.

# Report of the RECTOR AND VICE-CHANCELLOR

Prof Wim de Villiers



Five months following the untimely passing of Prof Russel Botman in July 2014, the Council of Stellenbosch University (SU) appointed me as the new Rector and Vice-Chancellor of the institution.

As I could only assume duty in April 2015, our Chief Operating Officer, Prof Leopoldt van Huyssteen, held the reins for the first quarter. In looking back on 2015, we gratefully acknowledge his contribution in keeping the institution on course.

I can hardly imagine taking up a more dynamic challenge than my current position. I am heading up an internationally esteemed institution in the run-up to its centenary celebrations in 2018 – and that at a time of deep reflection on societal values and practices, not only locally, but across the globe.

*I am convinced that, as an institution, we have a strong foundation to build on – the information in this report confirms it. SU has undoubtedly become a national asset serving the entire society instead of only a particular section of it.*

Higher education is changing rapidly, and all universities are grappling with fundamental issues that not only affect their own survival, but also the well-being of society as a whole. For this reason, transformation is a priority. SU must continue to innovate and adapt in all respects; if not, we are doomed to stagnate and deteriorate.

Our roadmap for SU's journey to the future is our Institutional Intent and Strategy (IIS), which Council

approved in 2013. According to the vision in the IIS, we are pursuing greater inclusivity by broadening access to the University, increased innovation by maintaining our momentum of excellence, and a stronger focus on the future by promoting our impact on society. Further important targets are to improve our systemic sustainability and to internationalise even further.

Based on these five aspects, I will now continue to provide an overview of important developments at SU in 2015. Please also consult my colleagues' reports elsewhere in this document for more detailed information.

## **An accessible, inclusive institution**

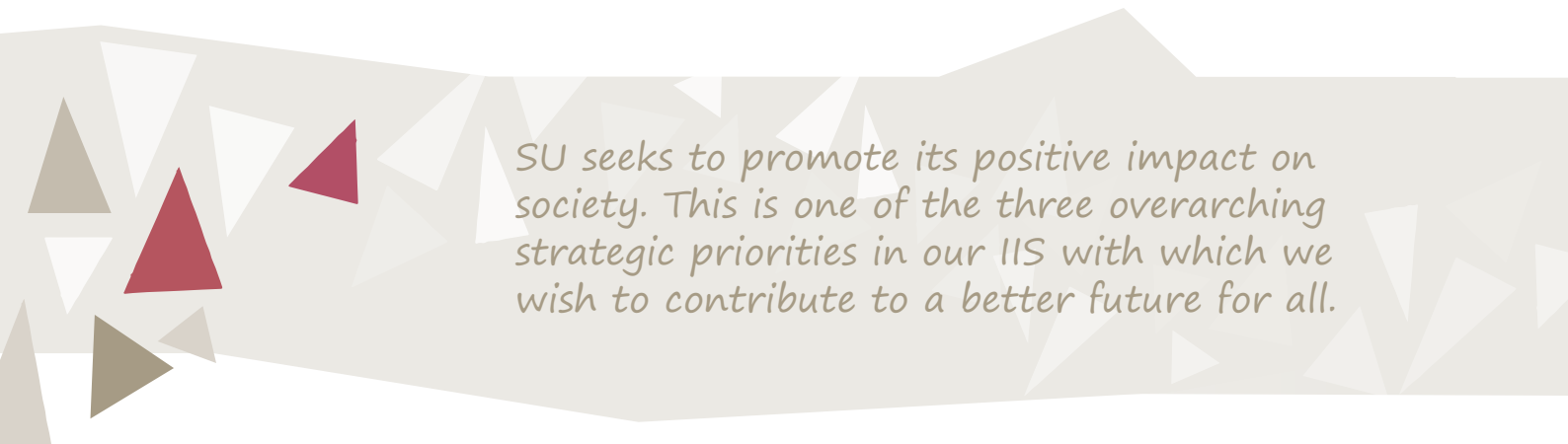
SU stands firm in its commitment to become more inclusive. The strategy in this regard includes the broadening of access to the institution.

### *Student diversity*

In 2015, altogether 33,6% of our undergraduate students and 47,2% of our postgraduate students came from the coloured, black and Indian (CBI) population groups. In terms of language distribution, SU for the very first time had more English-speaking (44,2%) than Afrikaans-speaking students (42,3%) in total. Those with isiXhosa as their home language accounted for 3,2% of the student body.

### *Staff diversity*

We regard diversity as a prerequisite for excellence, as exposure to a wider variety of people and ideas broadens the mind and enriches our outputs. Not unlike other universities, senior academic appointments remain



*SU seeks to promote its positive impact on society. This is one of the three overarching strategic priorities in our IIS with which we wish to contribute to a better future for all.*

a particular challenge at SU. In 2015, only 18% of our academics came from the CBI groups. SU's percentage of permanent CBI employees totalled 43,8% in 2015 against 37,6% in 2008. The trend is therefore a positive one, but we will have to pick up the pace to achieve our target of 54% by 2021 (see "Strategic management indicators", page 27). We have therefore decided to spend R68,6 million, spread over three years, on the diversification of our staff corps. This amount, which has been made available from the Rector's Strategic Personnel Fund, is in addition to the regular staff budget.

In terms of succession planning, SU's mentorship project focuses on accelerated knowledge transfer to young academics. The University also takes part in the nGAP ("New Generation of Academics Programme") initiative of the Department of Higher Education and Training (DHET).

### *Transformation and protest*

In 2015, it became evident that there was restlessness on South African university campuses as a result of our country's divided past as well as the unfinished project to create a better society for all. At SU, student groups unequivocally demanded shared ownership of the institution. This movement took the form of a united, non-racial front against the exclusion of students from tertiary education based on finance.

The #FeesMustFall protest campaign profoundly affected our sector. It turned the spotlight on the affordability of and access to higher education, as well as entrenched racism and colonialism at education institutions. In these rough waters, SU was no isolated island.

It was a challenging period in which we had to balance the interests of students, parents and staff, of protesters and non-protesters, of the core academic processes, as well as of being part of national events as they unfolded. Inevitably, we made mistakes and we learned valuable lessons,

including the importance of keeping communication channels open.

Meaningful dialogue on our campuses is vitally important. Various interest groups should continue talking and listening to each other. That is the "open discussion" that I have promoted since taking office. A university is a place of ideas around which there should be contestation in the search for answers – even if it makes us uncomfortable.

Everyone has a right to lawful and peaceful protest under the Constitution. It is important, though, that neither academic nor administrative activities should be disrupted by such protest, that everyone's rights should be respected, and that no-one should be denied the opportunity to study or work at our institution. All stakeholders have a joint responsibility to protect universities and all their people, property and activities. Therefore, SU joined the rest of our sector in taking a firm stance against wanton violence and malicious damage of property.

### *Portfolio committee*

At a special meeting on 1 September, SU made a submission to the Parliamentary Portfolio Committee on Higher Education and Training. The committee had requested the meeting to discuss transformation and the language issue at Maties after the #Luister ('#Listen') video emerged on social media, in which students shared their experiences at SU.

I told the committee that I would not defend the indefensible. Racism, discrimination and marginalisation have no place at Stellenbosch – therefore, we act firmly against those who commit such acts. In addition, we removed an HF Verwoerd commemorative plaque from one of our buildings earlier in the year, as it had served as a painful reminder of a period of second-rate citizenship and an assault on human dignity.

## Multilingualism

Stellenbosch is a world-class multilingual South African university – one of very few in this category, and an urgent requirement in a country with 11 official languages. In November 2014, English was put on an equal footing with Afrikaans as medium of instruction at SU. This was done so that neither of the two languages would prevent access and so that both could serve as tools for success. In November 2015, the University Council confirmed that “language may never be an obstacle to any student who has no command of Afrikaans or only the minimum required command of English”. Since then, parallel-medium instruction – separate classes in Afrikaans and English – has been expanded.

In the course of the reporting year, we decided to allocate R150 000 every year to the development of isiXhosa in line with our commitment to the judicious advancement of this language as an academic language as well as a language of social engagement. This allocation is in addition to the important work already done at SU to promote isiXhosa. In the past decade, for example, our Department of African Languages has produced more PhDs than any other South African university.

## An innovative institution of excellence

Maintaining our momentum of excellence is a strategic priority for SU, and being more innovative an overall aim. SU is doing exceptionally well in this regard, as our research and teaching successes illustrate.

Year after year, SU:

- ▶ is named the most research-productive university in South Africa;
- ▶ registers the highest number of patents in the country;
- ▶ is a preferred partner in local and international research contracts;
- ▶ maintains a first-year retention and overall student success rate of more than 85%; and
- ▶ improves various records with its number of qualifications awarded.

The year 2015 was no exception, as my colleagues also indicate in their reports elsewhere in this document.

Due to our sustained performance:

- ▶ employers rate SU qualifications very highly, with our graduates on average earning the highest entry-level salaries of all graduates in South Africa, according to a survey; and
- ▶ SU ranks high on a number of influential rankings of the world's top universities. Although these ‘measuring tools’ may be problematic in certain respects, they have become the global academic ‘currency’ of our era and do indicate that SU indeed is a world-class institution able to compete with the best across the globe.

## Societal impact for a better future

SU seeks to promote its positive impact on society. This is one of the three overarching strategic priorities in our IIS with which we wish to contribute to a better future for all.

Alongside research as well as teaching and learning, community interaction has been a third, equal core activity at SU for a number of years. In 2015, the focus shifted from “community interaction” to “social impact”. This shift emphasises that it is about more than mere interaction; that the University aims to make a tangible difference in people's lives. Read more on this in the report of the Vice-Rector (Social Impact, Transformation and Personnel), pages 53. This change is also reflected in the new title of this portfolio.

A few prime examples of SU's social impact during 2015 include the following:

- ▶ During the school holidays, more than 1 000 learners and teachers from the Western and Northern Cape attended training sessions hosted by the Centre for Pedagogy (SUNCEP) in our Faculty of Education in order to improve school performance – with excellent results.
- ▶ SU's Legal Aid Clinic succeeded in its application to the high court to set aside the emolument attachment orders that micro-lenders had obtained against farmworkers, cleaners and security workers. This has national implications for low-income groups, who are often exploited by callous business practices.
- ▶ In terms of outsourcing, SU concluded an agreement with workers and students towards the end of the year to uphold the principle of human dignity. Apart from certain financial undertakings, this also entails a moratorium on all new forms of outsourcing as well as a process to assess viable contracting.

## Systemic sustainability

Ensuring systemic sustainability is another focus area in SU's IIS. Historically, the University's sound systems and processes ensure a considerable degree of stability at an institutional level. However, a wide range of factors affecting the sustainability of the institution do require constant attention in order to ensure that the University maintains the ability to serve its stakeholders. These include the maintenance and expansion of physical facilities. More detailed information in this regard is provided elsewhere in this Annual Report. One further aspect is highlighted below.

## Environmental sustainability

SU's Green Business Plan was drafted in 2015 and contains an efficiency plan with objectives and timelines for various aspects of environmental sustainability. Due to good

progress with the redesign and implementation of waste systems, we were able to achieve a waste sorting and waste recycling rate of 100% and 80% respectively on our campuses. We made equally significant progress in the areas of energy, water and green building, as well as biodiversity and landscaping. Equipment and computers are still receiving attention, while travel and transport will be addressed as part of the current review of the University's Mobility Plan.

### Internationalisation

The world is becoming increasingly integrated, which is why it is important for participants in the higher education sector to build strong networks and collaborate for mutual benefit.

Student mobility, being one aspect of internationalisation, is important because it allows our students to develop an understanding of others beyond their own society. In 2015, SU had 4 117 international students from more than 100 countries, of whom 60% came from the rest of Africa. They accounted for 15% of our total student body – double the national average of 7,5%.

Internationalisation goes beyond student mobility, however. It is about incorporating an international, intercultural or global dimension into the purpose, functions or delivery of post-secondary education. This is becoming more important as globalisation increases the demand for graduates with international competencies, advanced research requires more international cooperation, and the use of information and communication technology blurs national borders.

In line with this, SU created a new post in top management, namely that of Vice-Rector (Strategic Initiatives and Internationalisation), to be filled in 2016. This will help us expand and accelerate our outward-looking momentum.

Also in 2015, SU was a founding member of the African Research Universities Alliance (ARUA), which was launched in Dakar. The objective is to build African research excellence, which will be vital in developing our continent ourselves. This is the latest of SU's many African partnerships and Africa-focused initiatives.

In addition, SU takes part in various African consortia that promote important research themes in relation to development on our continent. The most important and active of these are PeriPeri U, AIMS, PANGeA, TRECCAfrica and the NEPAD water and bio-energy initiatives. The research areas of these consortia vary from disaster risk reduction to sustainability development.

### Positive momentum for the future

The year 2015 certainly was not easy, with tensions running high at times. However, SU formed part of watershed developments that left neither the country nor the University unchanged, and none of us unaffected.

A personal highlight was the historic gathering on 23 October at the intersection of Merriman Avenue and Ryneveld Street. At the end of a tumultuous week nationwide, representatives of SU management and about 2 000 protesters (mainly students) finally met face to face and reached consensus on burning issues.

The location of this meeting was extremely symbolic – in the centre of an area that used to be called Die Vlake ("The Flats"), from which coloured families were forcibly removed in the 1960s in terms of the Group Areas Act. This site of historical humiliation became the site of a tentative reconciliation between marginalised students and the management of their university.

At the start of the new millennium, SU committed itself to redress and development. In line with that commitment, I announced in my inaugural address the establishment of a bursary fund for the children and grandchildren of those who had been removed from Die Vlake. I am pleased to report that the first five Vlake bursaries have since been awarded. Moreover, another ten descendants of Vlake families have been assisted with bursaries from other SU sources, while external donors also made considerable bursary contributions.

Many of our staff members and students played a key role to ensure that the protests on SU's campuses were mostly peaceful, which provides positive momentum for the future.

I am humbly proud of what we achieved at SU in 2015, and excited about our prospects for the future. We are approaching a number of matters in a new and different way, although still within the framework of the academia and democracy. We must move forward together by fixing what is wrong and celebrating what is right. Thank you to each and every one who continues to work hard to take SU forward.

**PROF WIM DE VILLIERS**  
*Rector and Vice-Chancellor*



## Ministerial enrolment and effectiveness targets for 2019 and Stellenbosch University's (SU) performance, 2013–2015

|   | Ministerial Target  | SU in 2013   | SU in 2014   | SU in 2015   |
|---|---|--------------|--------------|--------------|
| <b>Head count</b>   | 27 510 in 2012 to increase to 30 809 in 2019, annual increase of 1,6% between 2012 and 2019               | 27 418       | 28 869       | 29 613       |
| <b>Full-time equivalent students</b>                              | 22 193 in 2012 to increase to 25 330 in 2019  | 21 803       | 22 476       | 23 128       |
| <b>Funded teaching input unit (weighted full-time equivalent)</b> | 77 965 in 2021/22 (the funded teaching input share will change from 5,38% in 2015/16 to 5,33% in 2021/22) | 69 049       | 71 639       | 73 615       |
| <b>Newcomer undergraduates</b>                                    | 5 230 in 2019, average annual increase of 4,1% from 3 936 in 2012   | 4 553        | 5 161        | 5 285        |
| <b>Major fields of study %</b>                                    |   |              |              |              |
| <b>Science, engineering and technology</b>                        | 52%   | 48,0         | 48,2         | 48,7         |
| <b>Business and management</b>                                    | 22%   | 21,2         | 21,5         | 21,1         |
| <b>Education</b>  | 5%  | 5,9          | 5,8          | 5,3          |
| <b>Humanities</b>   | 21%   | 24,9         | 24,4         | 24,9         |
| <b>Levels of study %</b>  |   |              |              |              |
| <b>Undergraduate</b>  | 63% in 2019   | 61,5         | 61,5         | 62,5         |
| <b>Postgraduate below master's</b>                                | 12,9% in 2019   | 13,6         | 13,9         | 12,8         |
| <b>Master's</b>   | 16,6% in 2019   | 17,2         | 16,5         | 16,6         |
| <b>Doctoral</b>   | 4,7% in 2019  | 5,0          | 5,0          | 5,2          |
| <b>Occasional students</b>  |   | 2,7          | 3,0          | 2,9          |
| <b>Total graduates</b>  | <b>to increase from 7 681 in 2012 to 8 130 in 2019</b>  | <b>7 529</b> | <b>7 570</b> | <b>7 816</b> |
| <b>Graduates in scarce skills</b>                                 |   |              |              |              |
| <b>Engineering</b>  | 455 in 2019   | 434          | 487          | 507          |
| <b>Life and physical sciences</b>                                 | 404 in 2019   | 441          | 447          | 444          |
| <b>Animal and human health sciences</b>                           | 438 in 2019   | 319          | 336          | 403          |
| <b>Initial teacher education</b>                                  | 355 in 2019   | 437          | 444          | 428          |
| <b>Graduates at different levels</b>                              |   |              |              |              |
| <b>Postgraduate below master's</b>                                | 2 706 in 2019   | 2 471        | 2 605        | 2 629        |
| <b>Research master's</b>  | 867 in 2019   | 841          | 883          | 927          |
| <b>Doctoral</b>   | 231 in 2019   | 225          | 234          | 267          |
| <b>Targeted success rate</b>                                      | <b>84% in 2019</b>  | <b>85,9</b>  | <b>85,1</b>  | <b>86,7</b>  |

## Interpretation of comparative enrolment and effectiveness values and the ministerial targets for 2019

This table shows how Stellenbosch University fared in 2013, 2014 and 2015, measured against the enrolment and effectiveness targets set for the University for 2019 by the Minister of Higher Education and Training. These statistics were extracted annually from the Higher Education Management Information System (HEMIS) and submitted to the Department of Higher Education and Training, who compares the performance of universities in South Africa. Stellenbosch University's success rate performance of 86,7% for 2015 exceeds the Minister's target of 84%.

## Monitoring on the way forward – strategic management indicators

The Institutional Plan contains key overarching strategic management indicators (SMIs) with which we measure how we are faring in the realisation of our institutional goals. For each of our ISS priorities, themes and goals we describe specific strategic actions that are stipulated by each faculty and professional support service individually. The complete details are contained in the separate plans of each centre of responsibility for putting the actions into operation. In these plans the faculties and professional support service divisions indicate how they will achieve the goals of the institution by way of their action plans. All faculties and professional support services are jointly responsible for achieving the targets in the Institutional Plan and therefore work in an integrated manner according to our business model.

### Our strategic management indicators

| Strategic priority             | Strategic management indicator   | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015 | 2021 target |
|--------------------------------|--|-------|-------|-------|-------|-------|-------|------|-------------|
| Broaden access                 | Share of students from coloured, black and Indian population groups (%)  | 32,4  | 32,9  | 32,9  | 33,1  | 34,6  | 36,6  | 37,8 | 48,3        |
|                                | Share of permanent staff from coloured, black and Indian population groups (%)   | 38,4  | 39,4  | 40,0  | 41,0  | 43,0  | 43,2  | 43,8 | 54,0        |
|                                | Share of female permanent staff (%)  | 52,1  | 52,5  | 53,5  | 54,0  | 54,9  | 55,9  | 56,0 | 60,0        |
|                                | Undergraduate instructional offering in English (%)  |       |       | 45,8  | 48,2  | 51,1  | 58,4  | 62,9 | 75,0        |
| Sustain momentum of excellence | Undergraduate instructional offering in Afrikaans (%)  |       |       | 64,3  | 62,3  | 61,9  | 63,9  | 63,4 | 75,0        |
|                                | Permanent teaching and research staff with doctorates (%)  | 57,5  | 57,0  | 60,5  | 61,3  | 60,8  | 61,8  | 60,6 | 65,0        |
|                                | Ratio of weighted research outputs per full-time equivalent teaching and research staff member                                   | 1,74  | 1,75  | 1,83  | 2,41  | 2,33  | 2,50  | *    | 2,44        |
|                                | HEMIS-based success rate of undergraduate and postgraduate students (%)  | 83,8  | 83,2  | 83,4  | 84,9  | 85,9  | 85,1  | 86,7 | 85,0        |
| Enhance social impact          | Ratio of full-time equivalent students, weighted per level of study, per full-time equivalent teaching and research staff member | 25,31 | 25,53 | 25,39 | 25,85 | 24,57 | 25,44 | *    | 24,00       |
|                                | Third-stream income share of SU's total income (%)   | 27,6  | 28,2  | 28,0  | 29,4  | 27,7  | 31,4  | 39,0 | 32,3        |
|                                | Fourth-stream income share of SU's total income (%)  | 7,5   | 6,1   | 6,5   | 5,9   | 5,6   | 5,2   | 5,0  | 10,0        |
|                                | Share of personnel remuneration not funded via the main budget** (%)   | 34,9  | 38,1  | 36,4  | 36,6  | 38,1  | 35,9  | 39,5 | 45,0        |

\* 2015 results will be reported in 2016.

\*\* Funds consist of restricted and unrestricted funds. The difference between future restricted and unrestricted funds may affect the feasibility of the 2020 target. See "Available funds" further on under "Overview of our financial capital", page 33.

### Interpretation of our strategic management indicators

Our strategic management indicators (SMIs) serve the purpose of determining to what extent the University realises its strategic priorities, themes and goals, as defined in the Institutional Intent and Strategy 2013–2018 (see pages 8–9), during a given year.

Over the past seven years, we have progressed steadily with broadening access to the University. Thanks to wider implementation of parallel-medium instruction and interpreting, our English instructional offering increased from 58,4% (2014) to 62,9%. This contributed towards the 1,2% rise in student diversity to 37,8% over the same period. After initially dropping to 61,9% in 2013, the Afrikaans instructional offering increased to 63,4% in 2015, ensuring that Afrikaans students have the option to study in Afrikaans.

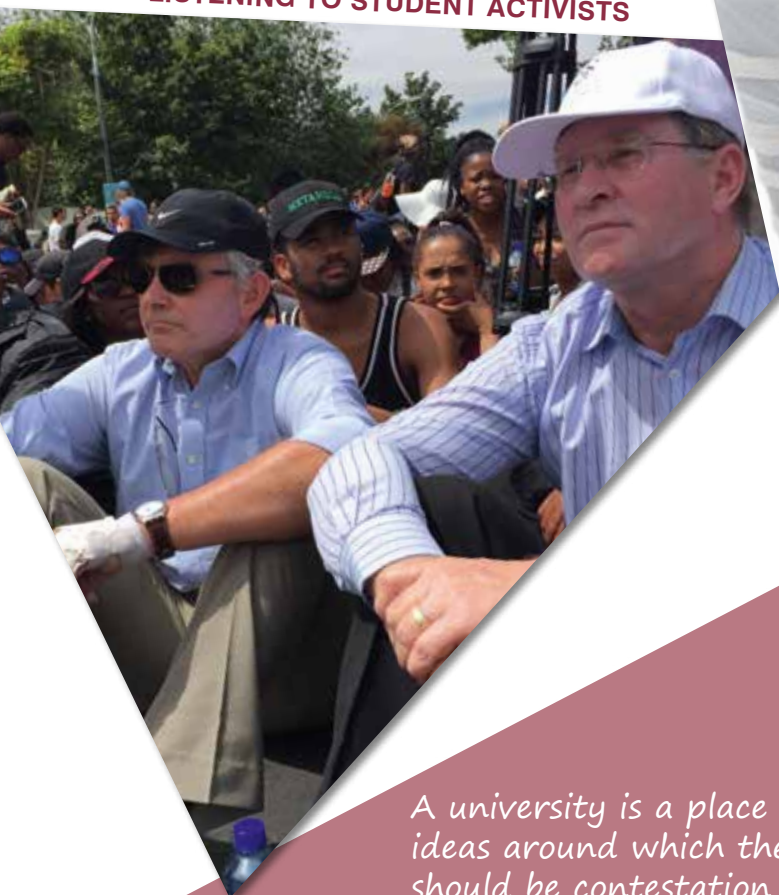
Staff diversity (43,8%) has improved systematically, indicating that, despite the challenges, the University's efforts are bearing fruit (see "Improving staff diversity" in the report of the Vice-Rector (Social Impact, Transformation and Personnel), page 53. Female permanent staff has increased slightly to 56%, although equitable representation at executive management and senior academic levels has not been realised yet.

The University is working hard to sustain its momentum of excellence. The University's capacity to offer postgraduate supervision and to generate publishable research results depends mainly on academic staff having doctoral qualifications. After dropping to 57% in 2010, the percentage of academic staff with doctorates increased to an all-time high of 61,8% in 2014, but sank back to 60,6% in 2015, probably due to academic staff retiring. In 2014, each full-time equivalent teaching and research staff member produced an average of 2,50 weighted research outputs (accredited publications and master's and doctoral graduates), exceeding the previous best of 2,44 in 2012. The success rate of our students, in other words, the percentage of students who passed the modules for which they had registered, was 85,1% in 2014, slightly lower than the 85,9% of the previous year (see "Student success" in

the report of the Vice-Rector (Learning and Teaching), page 42).

Growing into its role as a responsible corporate citizen, the University enhances its impact on society through integrated planning for financial and environmental sustainability. With an average of 24,44 weighted full-time students serviced by each full-time permanent research and teaching staff member, the University maintained a healthy balance between cost-effectiveness and a positive student experience. To keep student fees as low as possible and to be able to offer bursaries to more students, the University managed to sustain its income from sources other than the state subsidy, for example income from contract research, investment and commercialisation (26%) and from philanthropic donations (5%). The percentage of staff remuneration from these sources is 39,5%.

#### LISTENING TO STUDENT ACTIVISTS



*A university is a place of ideas around which there should be contestation in the search for answers – even if it makes us uncomfortable.*

#### RECTOR'S INAUGURATION





## Overview of our FINANCIAL CAPITAL

Mr Manie Lombard

Stellenbosch University is committed to strategic financial planning and management in view of the long-term financial sustainability of the institution. This strategic financial planning for sustainability is directed by the management mandate for the next five years. Since 2014 the systemic emphasis has been falling on the priorities of the Institutional Intent and Strategy for 2013 to 2018. In terms hereof the allocation of sources is directed by three strategic priorities and the accompanying objectives as drivers for sustainability, namely broadening access, maintaining momentum of excellence and increasing impact on society.

*The University succeeded in ending the 2015 financial year successfully amidst various factors which led to financial challenges that had to be overcome.*

These factors included the student protest against student fees and accessibility, protest by workers from outsourced services against service benefits, volatility of international economies and the impact thereof on exchange rates, third- and fourth-stream income and the current state of the South African economy. The effect thereof can already be seen in the 2015 results and especially in the leveling off of growth in third-stream income.

The budget process at the end of 2015 with respect to 2016 was characterised by countrywide marches and sit-ins as part of the #FeesMustFall campaign, which led to an announcement by President Zuma that there will be a 0% increase in student and accommodation fees for 2016 (against SU's budgeted adjustments of 11,5%). This has not had a material impact on the 2015 results as yet, other than the additional costs incurred in connection with the protests for, among others, additional security.

The budgeted deficit for 2016 as a result of the 0% increase in student and accommodation fees for the Main and Accommodation Budget amounts to R85,3 million and R28,2 million respectively, thus a total deficit of R113,5 million. Shortly after the announcement all universities were requested to forward a statement of their deficits, as a result of this announcement, to the DHET in order to determine what contribution they can make to the universities' deficits. SU received a contribution of R79,2 million. This was a once-off grant as part of the subsidy block grant. The rest of the deficit on the Main Budget was funded from the Council's discretionary funds (R15,2 million), R10 million cut on new institutional expenditure that was provided for the central funding of certain remuneration benefits from 2016 and the balance of the deficit on the Accommodation Budget from Accommodation Reserves. There is currently still a lot of uncertainty about 2017's subsidy grants. The pressure on this income stream as well as the resultant pressure on other income streams puts a lot of pressure on the University's expenditure and the sustainable defrayal thereof. The expenditure central to SU's business and strategies and those that we might want to stop doing, will have to be incisively analysed institutionally and also on faculty level over the next few years.

The 2015 reporting year was mainly characterised by:

- ▶ decrease in total income of 2,1% (33,6% increase in 2014) to R5 033 million (R5 140 million in 2014); income of a recurring nature, excluding realised profit on investments and interest and dividends, however, increased by 5,7% from 2014.
- ▶ levelling off in income growth from private donations, grants and research contracts which increased by only 4,7% (22,9% in 2014) to R1 126 million (R1 075 million in 2014);
- ▶ expenditure of a recurring nature which increased by 1,9% in 2015 (10,0% increase in 2014) to R3 698 million (R3 629 million in 2014);



- ▶ a total surplus of R1 317 million, against the surplus of R1 487 million in 2014;
- ▶ a surplus of R423 million (R250 million in 2014) if investment income and realised profit on investments are excluded; and
- ▶ surplus of R36 million on the main budget, the University's academic business as funded by the subsidy and student fees (the main components are explained below).

A total of R900 million of the abovementioned surplus of R1 317 million is attributable to restricted funds over which the Council has no discretion. The balance of the surplus relating to unrestricting council funds (R418 million) can be attributed to, among others:

- ▶ actual income for, among others, student and application fees that exceed the budgeted income in the University's main budget (R7,9 million) and actual expenditure for, among others, utility services, electricity costs, banking fees and postage that is less than the budgeted expenditure in the main budget (R28,2 million), thus resulting in a total surplus of R36,1 million on the main budget;
- ▶ factors such as higher than budgeted income from interest earnings and realised profit on the sale of investments totalling R499 million; and
- ▶ conservative spending with respect to operating expenditure as a result of uncertainty about long-term income expectations for the University, where the subsidy formula for Higher Education Institutions is currently being reviewed.

The 2015 financial results is furthermore the result of, among others:

- ▶ conservative, integrated budget planning within a rolling six-year financial plan, including a contingency reserve to be able to manage unforeseen events;
- ▶ the continuous redesigning and aligning of operating processes to ensure greater cost-efficiency, especially in the area of physical facilities; and
- ▶ the provision of strategic funds in support of new initiatives directed at realising the vision and objectives of the University.

*The abovementioned financial successes offer a good base for continued proactive financial planning and the refining of the financial model serving the University's strategic objectives and focus areas.*

### *Reporting standards*

These consolidated annual financial statements for the year ended 31 December 2015 were prepared in accordance with the Regulations for Reporting by Higher Education Institutions. In terms of Section 41(2) of the Higher Education Act, 101 of 1997 (as amended up to the Regulations for Annual Reporting by Higher Education Institutions dated 9 June 2014), universities are required to submit annual financial statements to the Department of Higher Education and Training that comply with International Financial Reporting Standards (IFRS). The University elected to apply IFRS even before the new Regulations were published, with transitional date on 1 January 2004.

In terms of Section 4(3)(b) of the Public Audit Act, 25 of 2004, the Auditor-General can audit any institution that receives public funding. The Auditor-General has, however, elected not to audit Stellenbosch University (personally), but has given additional instructions to the University's appointed external auditor, PricewaterhouseCoopers Inc., that must receive attention. These additional instructions include the audit of compliance legislation applicable to financial matters, financial management and other related matters, as well as the audit of performance against predetermined objectives, as agreed by the University and the Minister of Higher Education and Training. For the year under review, the ministerial enrolment targets as indicated in the table on page 26 were the only contracted objective with the Minister of Higher Education and Training.

### **Income**

The composition of the University's income per main component, expressed in value and ratio, appears in Table I, with comparative figures for previous years.

As is shown in Table I, total income decreased with 2,1% (33,6% increase in 2014) to R5 033 million (R5 140 million in 2014), while income of a recurring nature, excluding profit realised on investments and interest and dividends, however, increased with 5,7% from 2014.

**TABLE 1: GROWTH AND COMPOSITION OF INCOME, TOTAL AND PER MAIN COMPONENT, 2011–2015**

|  |           | 2011         | 2012         | Increase /<br>(Decrease)<br>2011 / 2012<br>% | 2013         | Increase /<br>(Decrease)<br>2012 / 2013<br>% | 2014         | Increase /<br>(Decrease)<br>2013 / 2014<br>% | 2015         | Increase /<br>(Decrease)<br>2014 / 2015<br>% |
|--|-----------|--------------|--------------|--|--------------|--|--------------|--|--------------|--|
| Total recurring income, of which:          | <b>Rm</b> | <b>3 252</b> | <b>3 332</b> | 2,5  | <b>3 849</b> | 15,5   | <b>5 140</b> | 33,6   | <b>5 033</b> | (2,1)  |
| Government grants                          | <b>Rm</b> | 1 224        | 1 202        | (1,8)  | 1 355        | 12,7   | 1 552        | 14,5   | 1 576        | 1,5  |
| % of income                                | %         | 37,6         | 36,1         |  | 35,2         |  | 30,2         |  | 31,3         |  |
| Student, accommodation and other fees      | <b>Rm</b> | 786          | 863          | 9,8  | 986          | 14,3   | 1 074        | 8,9  | 1 233        | 14,8   |
| % of income                                | %         | 24,2         | 25,9         |  | 25,6         |  | 20,9         |  | 24,5         |  |
| Private donations, grants and contracts    | <b>Rm</b> | 822          | 845          | 2,8  | 875          | 3,6  | 1 075        | 22,9   | 1 126        | 4,7  |
| % of income                                | %         | 25,3         | 25,4         |  | 22,7         |  | 20,9         |  | 22,4         |  |
| Sales of services and products             | <b>Rm</b> | 67           | 68           | 1,5  | 79           | 16,2   | 193          | 144,3  | 182          | (5,7)  |
| % of income                                | %         | 2,1          | 2,0          |  | 2,1          |  | 3,8          |  | 3,6          |  |
| Realised profit on disposal of investments | <b>Rm</b> | 136          | 132          | (2,9)  | 303          | 129,5  | 947          | 212,5  | 546          | (42,4)                                       |
| % of income                                | %         | 4,2          | 4,0          |  | 7,9          |  | 18,4         |  | 10,8         |  |
| Interest and dividends earned              | <b>Rm</b> | 196          | 214          | 9,2  | 237          | 10,7   | 289          | 21,9   | 348          | 20,4   |
| % of income                                | %         | 6,0          | 6,4          |  | 6,2          |  | 5,6          |  | 6,9          |  |
| Other                                      | <b>Rm</b> | 21           | 8            | (61,9)                                       | 14           | 75,0   | 10           | (28,6)                                       | 22           | 120,0  |
| % of income                                | %         | 0,6          | 0,2          |  | 0,4          |  | 0,2          |  | 0,5          |  |

**Government grants** consist of unearmarked subsidy income and earmarked grants, where the unearmarked subsidy income is earned based on a calculation according to a formula of the Department of Higher Education and Training. This formula is currently being reviewed and it is still uncertain what the impact of the amended subsidy formula will be on the income of the University. The unearmarked subsidy income is brought into account in the income for the University's main budget. Government grants also include grants from related government institutions, for example the National Research Foundation (NRF). Government grants increased with 1,5% (2014: 14,5%). The subsidy grant, however, showed an increase of only 2,9% in 2015, where the University received R11,8 million more than budgeted during 2015 (R3,5 million was earmarked for managing SU's enrolment planning within the 2% limit for approved enrolment figures). The lower than inflation increase in subsidy income puts the University's main budget under increasing pressure.

**Private donations, grants and contracts** increased with 4,7% (2014: 22,9%) to R1 126 million (2014: R1 075 million). The levelling off of growth is attributable to the difficult economic conditions and thus greater competition for available research sources. The weakening of the rand against major currencies did have a positive impact on foreign grants, but these profits are of a non-recurring nature. Another contributing factor is the pressure on academic staff members, who are also responsible for driving the University's research efforts. Various faculties are

at critical levels of lecturer:student ratios. The rate at which the third-stream income grew over the last few years since it has been receiving more focus, is therefore levelling off to sustainable levels within the current available resources.

Given the uncertainty regarding the unearmarked subsidy income, it is important that the income stream in respect of private donations, grants and contracts will contribute more to the University's total income over time. The recovery of support and institutional costs from third-stream activities through the Indirect Cost Recovery Rate is bringing relief to the main budget.

**Income from student and other<sup>1</sup> fees** increased with 14,8% from 2014. This growth was primarily due to the adjustment in student fees of 9,5% and growth in students above the budgeted levels. The fulltime equivalent growth in students for undergraduate students was 4,7% (increase of 5,8% against budget) and for postgraduate students 1,1% (increase of 0,3% budgeted). Factors such as the recent increasing costs of electricity, municipal rates and building costs above the normal consumer price index (CPI) had to be taken into account in the adjustment of student and accommodation fees.

The increase in student and other income<sup>1</sup> is also coupled with increasing growth in the provision for irrecoverable student fees. While outstanding student debt is not growing faster than student fees and amounts to 14,5% of student and other fees charged for 2015, it remains a challenge to collect student debt timeously. This pressure also increased

<sup>1</sup> Other fees include accommodation and membership fees, as well as other items that may be charged to student accounts, as approved by the Student Fees Committee.



at the end of 2015 due to the #FeesMustFall protests and student expectations of free higher education. SU has certain measures in place to manage outstanding student fees, including the following: students can, among others, not register for the next year of study before the previous year's outstanding fees are not settled, unless special arrangements are made; students also do not receive their degree certificates before outstanding study fees are paid; and the establishment of a collection office at the

University during 2013 is already paying dividends, together with improved control over methods to avoid anniversary of debt.

The University does not have much more space to grow student numbers substantially. The pressure on the sector for adjusting student and accommodation fees and the uncertainty regarding government funding will put a lot of pressure on this income stream in future.

**Figure 1: Total income per main component (R5 033m)**

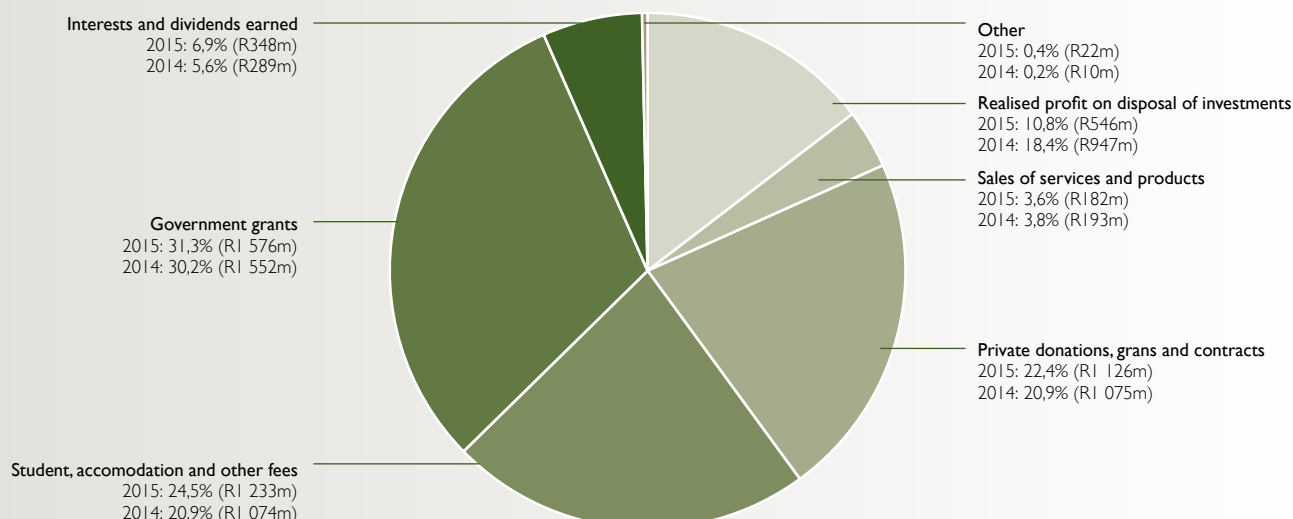


Figure 1 shows the composition of the University's income per main component, as well as the relative ratio to total income. If the profit realised on the sale of investments and exchange rate profits are not taken into account, there was no material change in the contribution year on year.

## Expenditure

The composition of the University's expenditure per main component, expressed in value and ratio, appears in Table 2, with comparative figures for previous years.

| TABLE 2: GROWTH AND COMPOSITION OF EXPENDITURE, 2011–2015 |           |       |       |                                     |       |                                     |       |                                     |       |                                     |
|---|-----------|-------|-------|-------------------------------------|-------|-------------------------------------|-------|-------------------------------------|-------|-------------------------------------|
|   |           | 2011  | 2012  | Increase / (Decrease) 2011 / 2012 % | 2013  | Increase / (Decrease) 2012 / 2013 % | 2014  | Increase / (Decrease) 2013 / 2014 % | 2015  | Increase / (Decrease) 2014 / 2015 % |
| Total expenditure of recurring nature, of which:          | <b>Rm</b> | 2 708 | 3 090 | 14,1                                | 3 324 | 8,0                                 | 3 653 | 10,0                                | 3 720 | 1,8                                 |
| Staff costs   | <b>Rm</b> | 1 302 | 1 455 | 11,8                                | 1 602 | 10,1                                | 1 730 | 8,0                                 | 1 939 | 12,1                                |
| % of expenditure  | %         | 48,1  | 47,1  |                                     | 48,2  |                                     | 47,4  |                                     | 52,1  |                                     |
| Depreciation  | <b>Rm</b> | 179   | 200   | 11,7                                | 222   | 11,0                                | 241   | 8,6                                 | 252   | 4,6                                 |
| % of expenditure  | %         | 6,6   | 6,5   |                                     | 6,7   |                                     | 6,6   |                                     | 6,8   |                                     |
| Finance charges   | <b>Rm</b> | 13    | 14    | 7,7                                 | 13    | (7,1)                               | 23    | 75,7                                | 17    | (26,1)                              |
| % of expenditure  | %         | 0,5   | 0,5   |                                     | 0,4   |                                     | 0,6   |                                     | 0,5   |                                     |
| Bursaries (nett)  | <b>Rm</b> | 253   | 270   | 6,7                                 | 316   | 17,0                                | 338   | 7,0                                 | 403   | 19,2                                |
| % of expenditure  | %         | 9,3   | 8,7   |                                     | 9,5   |                                     | 9,3   |                                     | 10,8  |                                     |
| Rent, maintenance and repairs                             | <b>Rm</b> | 105   | 123   | 17,1                                | 129   | 4,9                                 | 147   | 14,1                                | 212   | 44,2                                |
| % of expenditure  | %         | 3,9   | 4,0   |                                     | 3,9   |                                     | 4,0   |                                     | 5,7   |                                     |
| Other operating expenditure                               | <b>Rm</b> | 856   | 1 028 | 20,1                                | 1 042 | 1,4                                 | 1 174 | 13,0                                | 893   | (23,7)                              |
| % of expenditure  | %         | 31,6  | 33,3  |                                     | 31,3  |                                     | 32,1  |                                     | 24,1  |                                     |

**Figure 2: Total expenditure per main component (R3 716m)**

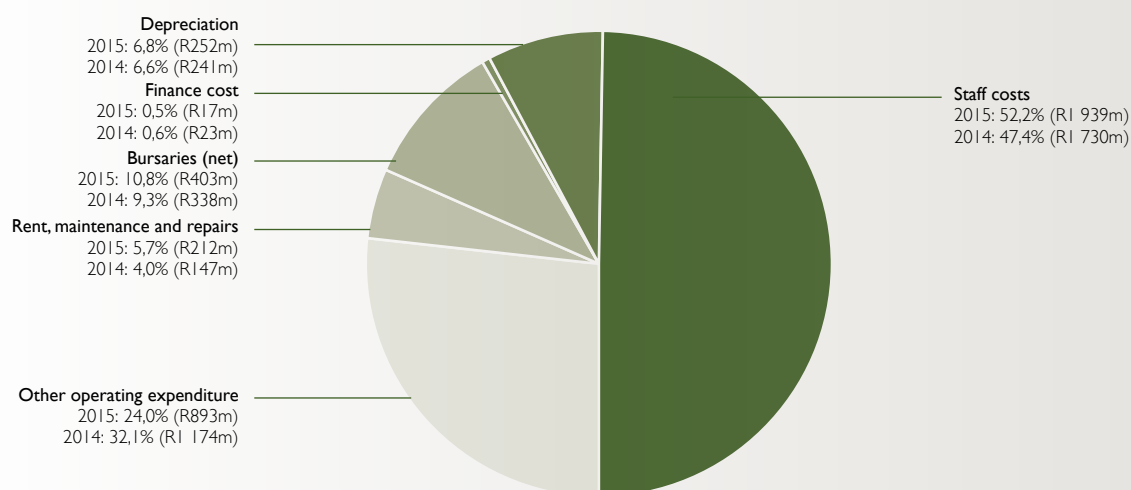


Figure 2 shows the composition of the University's expenditure per main component. There was no material difference in the composition of total expenditure during 2015 compared to 2014.

Total expenditure for 2015 increased with 1,7% (2014: 10,0% increase) to R3 716 million (2014: R3 653 million). The University's continued improvement of budget and operating processes is aimed at greater cost-efficiency and improved service delivery.

Furthermore, a large component of expenditure is also linked to direct expenditure on research contracts, so it will

fluctuate in line with income.

The increase in staff costs of 12,1% can be attributed to, among others, a salary adjustment of 6,0% in 2015 for all qualifying staff, an average growth of 4,2% in the number of fulltime permanent staff and the adjustment of remuneration levels relative to the base remuneration levels.

Bursary expenditure represents bursaries funded from external as well as internal sources. The composition thereof is as follows:

**TABLE 3: GROWTH AND COMPOSITION OF BURSARIES, 2011–2015**

|  |           | 2011  | 2012  | Increase /<br>(Decrease)<br>2011 / 2012<br>% | 2013  | Increase /<br>(Decrease)<br>2012 / 2013<br>% | 2014  | Increase /<br>(Decrease)<br>2013 / 2014<br>% | 2015  | Increase /<br>(Decrease)<br>2014 / 2015<br>% |
|--|-----------|-------|-------|--|-------|--|-------|--|-------|--|
| Total expenditure of recurring nature, of which: | <b>Rm</b> | 2 708 | 3 090 |  | 3 321 |  | 3 653 |  | 3 716 |  |
| Bursaries paid                                   | <b>Rm</b> | 921   | 482   | 14,2   | 531   | 10,2   | 588   | 10,7   | 659   | 12,1   |
| % of expenditure                                 | <b>%</b>  | 15,6  | 15,6  |  | 16,0  |  | 16,1  |  | 17,7  |  |
| Principal  | <b>Rm</b> | 253   | 270   | 6,7  | 316   | 17,0   | 338   | 7,0  | 403   | 19,2   |
| Agent  | <b>Rm</b> | 169   | 212   | 25,6   | 215   | 1,6  | 250   | 16,3   | 256   | 2,3  |

The University makes a large contribution to bursaries from the main budget annually. For 2015 it amounted to R115,0 million (2014: R110,2 million), and the spending thereof is included in the bursaries where we act as principal. In 2013 the Council also made a contribution of R25 million from discretionary funds over 5 years from 2014 to 2018 for granting recruitment bursaries. 38% of all students at the University receive bursaries and it covers 76% of their debt on average.

### Available Funds

Stellenbosch University manages its funds in order to ensure that it will continue as a going concern. Funds consist of restricted and unrestricted funds. Restricted

funds consist of operating, loan, endowment and fixed-asset funds with specific conditions for application. Unrestricted funds are those funds that the Council may use at its discretion. Within the pool of unrestricted funds are funds earmarked for specific purposes that cannot therefore be applied for purposes other than what it is earmarked for without question. An example of this is the University's Insurance Reserve Fund for which separate regulations exist, determining the application thereof, as well as the Strategic Fund of the University and the balance funds of environments earmarked in accordance with approved environment plans for strategic and operating objectives. Table 4 below shows the growth in available funds and long-term investments over the past five years.

**TABLE 4: GROWTH IN AVAILABLE FUNDS AND LONG-TERM INVESTMENTS, 2011–2015**

|                            |           | 2011  | 2012  | Increase /<br>(Decrease)<br>2011 / 2012<br>% | 2013  | Increase /<br>(Decrease)<br>2012 / 2013<br>% | 2014   | Increase /<br>(Decrease)<br>2013 / 2014<br>% | 2015   | Increase /<br>(Decrease)<br>2014 / 2015<br>% |
|----------------------------|-----------|-------|-------|--|-------|--|--------|--|--------|--|
| Available funds, of which: | <b>Rm</b> | 7 711 | 8 344 | 8,2  | 9 639 | 15,5   | 10 636 | 10,3   | 12 171 | 14,4   |
| Long-term investments      | <b>Rm</b> | 3 492 | 4 930 | 41,2   | 6 067 | 23,1   | 6 631  | 9,3  | 7 684  | 15,9   |
| as % of available funds    | <b>%</b>  | 45,3  | 59,1  |  | 62,9  |  | 62,3   |  | 63,1   |  |

**TABLE 5: COMPOSITION OF AVAILABLE FUNDS, 2011–2015**

|   |           | 2011  | 2012  | Increase /<br>(Decrease)<br>2011 / 2012<br>% | 2013  | Increase /<br>(Decrease)<br>2012 / 2013<br>% | 2014  | Increase /<br>(Decrease)<br>2013 / 2014<br>% | 2015  | Increase /<br>(Decrease)<br>2014 / 2015<br>% |
|---|-----------|-------|-------|--|-------|--|-------|--|-------|--|
| Total income                              | <b>Rm</b> | 3 252 | 3 332 |  | 3 849 |  | 5 140 |  | 5 033 |  |
| Restricted funds                          | <b>Rm</b> | 4 399 | 4 963 | 12,8   | 5 856 | 18,0   | 6 792 | 16,0   | 7 972 | 17,4   |
| Unrestricted funds                        | <b>Rm</b> | 867   | 1 032 | 19,0   | 1 243 | 20,4   | 1 287 | 3,5  | 1 663 | 29,2   |
| Earmarked reserves                        | <b>Rm</b> | 495   | 515   | 4,0  | 836   | 62,3   | 1 060 | 26,8   | 1 240 | 17,0   |
| Unearmarked reserves                      | <b>Rm</b> | 372   | 517   | 39,0   | 406   | (21,5)                                       | 227   | (44,1)                                       | 423   | 86,3   |
| Total funds available at market value     | <b>Rm</b> | 5 266 | 5 995 | 13,8   | 7 099 | 18,4   | 8 079 | 13,8   | 9 635 | 19,3   |
| Unearmarked reserves as % of total income | <b>%</b>  | 11,4  | 15,5  |  | 10,6  |  | 4,4   |  | 8,4   |  |

Table 5 shows the composition of the University's funds at market value, as well as the percentage of total income constituted by unearmarked reserves (thus available for application by the Council). Table 5 excludes the value of the property revaluation reserve and non-controlling interests.

Included in earmarked reserves is R297 million earmarked for maintenance backlogs and strategic gearing-up of the University's physical facilities by the Council during 2014. On 30 November 2015 the Council also voted R15,2 million for the defrayal of the deficit on the 2016 budget as a result of the 0% increase in student and accommodation fees.

The University's available funds and net asset value increased and is financially sound, but there are certain risks that have to be taken into account. Some of the most important risks identified are the unknown effect the expected change in subsidy formula will have on the University's first-stream income, the impact of the poor global economic situation on income from donations and research contracts, as well as students' ability to meet account commitments. The University will tackle these challenges through its strategic approach to financial planning and management.

### Liquidity

Transparent liquidity risk management implies the maintenance of sufficient cash and marketable securities, as well as the availability of credit facilities.

The ratio of current assets to current liabilities was as follows:

|   | 2015        | 2014        |
|---|-------------|-------------|
|   | <b>R000</b> | <b>R000</b> |
| Current assets                              | 943 660     | 808 313     |
| Current liabilities                         | 822 669     | 706 645     |
| Ratio current assets to current liabilities | 1,15        | 1,14        |

Cash investments amounting to R337 million (2014: R245 million), are also included in long-term investments. In order to cover possible liquidity risks the University is in a position to realise long-term investments at short notice.

**MR MANIE LOMBARD**

*Chief Director: Finance*

## Report of the CHIEF OPERATING OFFICER

Prof Leopoldt van Huyssteen



The Chief Operating Officer heads up a multi-dimensional responsibility centre that is aimed at creating and adding value for the operational activities of all faculties and divisions according to a cross-functional organisational structure throughout Stellenbosch University (SU).

All functions in the responsibility centre of Operations and Finance – from providing impressive physical infrastructure to accountable operating practices, a sustainable budget and the commercialisation of intellectual property – are future-focused and geared towards making and keeping SU an esteemed knowledge partner and particularly also a systemically sustainable institution.

As an enabler of most SU campus activities, this responsibility centre plays a strategically significant role in helping the University achieve its priorities of promoting its social impact and maintaining excellence.

During 2015, the operational environment made the following progress in pursuit of its strategic objectives.

### **The sharpening of business processes and fundraising for financial sustainability**

#### *Budgeting and planning for a sustainable financial future*

Thanks to competent budgeting and financial planning by the Finance Division this past year, SU's budget for 2016 to 2021 is fully aligned with the institution's integrated strategic planning. The continuation of the indirect cost recovery rate, which allows the University to recover from its clients the indirect costs associated with externally funded projects, also provides some financial leeway to the amount of R26 million. Gradually, budgetary allocations are creating space for improved student/lecturer ratios in some faculties as well as for the alleviation of the professional support service divisions' workload.

Although according to recent studies by Universities South Africa, SU is not among the most expensive universities

in the country, the institution further deepened and broadened its bursary support for its students:

| Bursary support  | 2000 | 2014 | 2015 |
|--|------|------|------|
| Percentage of students assisted                          | 19%  | 24%  | 24%  |
| Percentage settlement of beneficiaries' student accounts | 47%  | 76%  | 78%  |

Total bursary expenditure in 2015 was just over R650 million. Total student debt for both registered and non-registered students, which amounted to R178,4 million at the end of the reporting year, has remained at approximately 18% of total annual student and accommodation fees levied since 2007.

#### *Efficient business processes ensure integrity*

In terms of financial management, the financial system implementation project (Kuali) is being planned, and a full gap and process analysis is under way. Moreover, debt collection processes are being further expanded in order to include not only outstanding student fees, but also student loans and trade debtors. In addition, SU risk management processes were reviewed in conjunction with Deloitte. A risk management policy was drafted and approved, based on which an integrated assurance plan will be developed. Following updates and ongoing improvements over a number of years, SU now has a mature risk management system that is embedded across the entire institution (see Report on Risk Exposure, Evaluation and Management, page 59).

SU has a range of mechanisms to ensure the integrity of its business processes and financial information. For example, ongoing efforts to raise awareness of the external ethics hotline on the SU webpage have started to pay dividends, as various SU interest groups now make efficient use of this line, which is operated by Deloitte, in order to report any potential internal irregularities. Other mechanisms include the Audit and Risk Committee of Council, who oversees the annual internal audit programme and quality assurance, the Finance Committee, as well as external audits. The office of the Chief Operating Officer also strives to comply with King III and other reporting requirements, including those particularly aimed at higher education institutions.

### Providing, maintaining and upgrading functional, sustainable facilities

The Facilities Management Division continues to be actively involved in creating efficient new facilities and maintaining and refurbishing older ones.

Project specifications are characterised by modern finishes, customised furniture and equipment as well as 'green' elements to meet the requirements of 21<sup>st</sup>-century higher education. A prime example of this is the new Information Technology building completed in August. All IT departments, including the call centre, are now based in this facility with its energy-efficient and 'green' features and modern interior.

Up until 2021, the Campus Renewal Project aims to catch up on as much as possible of SU's maintenance backlog, which is a challenge at universities across the globe. In 2015, R52 million of the overall project budget

of R2,23 billion was made available to establish faculties and departments' needs and priorities and to agree on acceptable draft designs.

Construction on the lecture hall block of the Van der Sterr building that was damaged by fire earlier in the year already commenced. The rebuilt lecture halls will be ready in January 2017, and the rest of the building in May 2017. A comprehensive plan is being compiled for general upgrades to other teaching spaces over the next five years. Key priorities include the Chemistry first-year lecture halls, which are due for refurbishment in June 2016. Additional space is being created in the Arts and Social Sciences building through densification on floors 3 to 6. The construction schedule will depend on whether departments can be temporarily relocated for building work to be carried out. Another priority is the installation of wireless internet access (Wi-Fi) in lecture halls, which is systematically rolled out as part of the ICT project.

In terms of sport, service providers are currently being appointed for the most urgent projects, including upgrades to sports fields, changing rooms and clubhouse facilities, the establishment of a sports residence and the installation of floodlights. Project planning is already under way, and work will both commence and be completed in the course of 2016.

With regard to accommodation facilities, plans for the new residence and PSO hub that will be situated between Wilgenhof and Monica are well advanced. The planned date of occupation of these buildings, which will be constructed with funds from the Department of Higher Education and Training, is January 2018.

| Facility projects  | Anticipated commencement of construction |
|--|--|
| Engineering complex  | May 2016                                 |
| Library refurbishment, Tygerberg campus                        | June 2016                                |
| HB Thom theatre, Drama building and small theatre              | July 2016                                |
| New lecture halls and office extensions, Bellville Park campus | Second semester 2016                     |
| Research facility, Fisan building, Tygerberg campus            | March 2017                               |

| Description of Facilities Management achievement                | 2014       | 2015       |
|---|------------|------------|
| Number of maintenance calls completed                           | 45 959     | 47 290     |
| Number of small capital projects completed                      | 424        | 668        |
| Expenditure (Rm) on building maintenance                        | R178 m     | R215 m     |
| Expenditure (Rm) on completed capital projects                  | R343 m     | R440 m     |
| Amount of waste to landfill*                                    | 616 tonnes | 433 tonnes |
| Amount of food waste composted or used for fly larvae products* | 130 tonnes | 65 tonnes  |
| Amount of waste recycled (glass, paper, cardboard, plastic)*    | 672 tonnes | 534 tonnes |
| Number of downloads of the mobile facilities application        | 194        | 3 354      |

\* See "The pursuit of environmental sustainability", page 38.



To help staff and students find their way on campus, version 2 of SU's facilities application for cellular phones was introduced by the end of May. The application now offers navigation between Stellenbosch campus facilities, directions to Wi-Fi hotspots on campus, as well as access to examination timetables and navigation to examination venues.

The most prominent facilities risks and challenges were load shedding and campus security. Although SU started installing electricity generators in 2008 already, the needs of Stellenbosch campus had changed to such an extent that additional generators, an uninterrupted power supply and lighting were required to ensure sustained efficient operations in 2015. The unforeseen cost of renting generators and purchasing diesel amounted to R8,87 million. In terms of security, overall campus crime figures were lower in 2015 compared to 2014, mostly thanks to SU's full-time security services, closed-circuit television monitoring and awareness campaigns. The notable increase in incidents of mugging over the past two years seems to have been stemmed since April 2015, inter alia through a mobile action unit and crime whistles. Despite an increase in arrests made, the inefficient prosecution of suspects by the criminal justice system remains a concern. For this reason, the Campus Security Service will in future make available an investigative officer, who will work in conjunction with the police. In addition, amidst student activism and other protests on campus, the Campus Security Service's proactive contingency management helped ensure that day-to-day activities could proceed and be finalised in time for the graduation ceremonies in December, thereby preventing the derailment of the academic project.

### *Streamlined Maties Sport delivers good results*

With the approval of the strategic framework for sport, followed by the adoption of the sport business plan for 2015 to 2019, all key stakeholders now agree on SU's sport priorities. The business plan is supported by a prudent financial framework to ensure sustainability well into the future. In addition, sport activities were streamlined through the establishment of five operational units. The High Performance Sport Unit aims to produce winners in both team and individual sports, and to facilitate student athletes' academic success at the same time. The Centre for Human Performance Sciences facilitates research, academic collaboration and the use of technology in sport coaching and training. The Recreation and Active Lifestyle Unit seeks to increase participation in recreational programmes by 50% by 2019, and to develop new opportunities for social impact. The Events and Communications Unit aims to establish SU as a destination for top-class sporting events, while the Maties Gymnasium provides facilities for high-performance athletes as well as students and members of the public.

This more efficient operational structure is already paying dividends. Altogether 70% of SU's sporting codes achieved or exceeded their performance targets for the first year of their three-year plans. The Maties Parasport Club has produced three world champions, and Maties Athletics boasts one student world champion. Maties Cycling, Badminton, Swimming and Sevens won their respective USSA (University Sports South Africa) tournaments, while Maties Netball finished the Varsity season as runners-up.



*The Maties Parasport Club has produced three world champions, and Maties Athletics boasts one student world champion.*

## **The commercialisation of intellectual property and the creation of business opportunities**

The SU company Innovus is responsible for technology transfer, entrepreneurial support and development as well as innovation at the University. Under this company's guidance, SU's innovation portfolio and intellectual property are protected and commercialised through patenting, licensing and the establishment of spin-out companies.

With the support of Innovus, four new technology start-ups were established in the reporting year. In addition, Custos, a relatively new SU spin-out company, excelled by achieving second place at the Google Pitch Fest in Switzerland. The LaunchLab, where entrepreneurs such as Custos take their first steps as start-ups, officially became the Nedbank Stellenbosch University LaunchLab when it opened its much larger facility with more space, development opportunities and mentorship for entrepreneurs in May 2015 with the support of Nedbank and the Department of Trade and Industry.

A total of 23 licensing agreements were facilitated for SU technologies, including nine comprehensive licences. Wine yeasts developed by SU researchers again yielded excellent results and accounted for a considerable portion of licence income. Other innovations that significantly contributed to licence income included InductEx software, which was licensed by a number of companies globally, as well as the CIPLA-licensed probiotic Entiro. The cube satellite project again recorded excellent performance, as did SU's grain varieties.

A remarkable 58 new innovations were disclosed in 2015 compared to 39 in 2014 and 31 in 2013.

Further Innovus responsibilities include short-course management and the development of Maties Football. In terms of the former, more than 485 short courses were registered and approved, of which 138 (2014: 83) formed part of USB Executive Development's (USB-ED's) management and leadership development short courses. Approximately 7 600 student registrations were recorded for the short-course offering, with a further 4 954 (2014: 4 515) for the USB-ED offering. With regard to soccer, the Maties Football junior teams had a very successful year with the inclusion of three players in the national under-13 team, while the under-15 Maties team won the Kappa Cup.

## **The pursuit of environmental sustainability**

Sustainability activities continued in the seven areas of energy, water, waste, travel and transport, biodiversity and landscaping, equipment and computers as well as green building based on the Strategy for Creating an Environmentally and Ecologically Sustainable Campus at Stellenbosch University, which serves as the institution's sustainability plan for 2013 to 2018.

In terms of energy, consultants were appointed to explore the installation of solar panels on the rooftops of campus buildings. Rooftop solar panels have already been fitted to Engineering's Knowledge Centre, while Lentelus soccer field now boasts solar-powered lights. Energy-efficiency principles were followed in the construction of the new Information Technology building, and Matie Community Service and residence landscapes were equipped with energy-efficient streetlights. The refurbished heating, ventilation and air-conditioning system on Tygerberg campus is also expected to be much more energy-efficient.

With regard to water, consultants were appointed to investigate water consumption in campus residences. Permeable paving was used for campus roadways and parking areas to allow rainwater to infiltrate the ground-water systems. Wastewater and greywater from residence kitchens was analysed to improve wastewater quality, which has for example seen the installation of redesigned fat traps. In an attempt to reduce the volumes of water consumed, a more efficient, computerised, wireless irrigation and filtering system was also installed.

The three-bin system was launched on campus to improve waste minimisation and management. In the process, waste is now sorted at source as well as in campus refuse rooms so that less waste ends up on landfill sites. A total of 26 tonnes of biological waste was incinerated and 8 500 kg of chemical waste removed to landfill. In an effort to reduce the use of plastic water bottles, five new water fountains were installed on campus. Food waste from residence kitchens is intentionally diverted to produce compost and fly larvae products. In addition, a biogas digester was installed on Welgevallen experimental farm for research purposes as part of a project aimed at minimising effluent.

Tygerberg campus's innovative 'green tree tax' on air travel enabled the planting of 40 new trees on Tygerberg as well as Worcester campuses. A special focus was the inclusion of indigenous and endemic vegetation in SU landscapes in order to reflect the natural biome. Plants in landscaping projects are intentionally selected to suit the ecology and microclimate of the site and to make the landscape more water-efficient. Altogether 7 050 m<sup>2</sup> of new gardens and 2 050 m<sup>2</sup> of new lawns were laid out on Stellenbosch and Tygerberg campuses. To improve pest control and strengthen biodiversity on these two campuses, ten owl and bat boxes were also installed.

Checklists were developed for major upgrades and new building projects so as to ensure that the principles of green building are incorporated into the planning, design as well as the operation of buildings. Apart from the new Information Technology building, the STAG residence on Tygerberg campus is a good example of an environmentally friendly building.

# SU technologies transform society



## InductEx takes circuit layout to a new dimension

InductEx is a three-dimensional magneto-quasistatic inductance calculator for multi-terminal superconductive integrated circuit layouts. It has the ability to handle three-dimensional structures significantly faster than competing software.



## Vulamanz Water System makes drinking water safe

Inadequate access to safe drinking water threatens the health and well-being of more than a billion people, mostly in developing countries. The Vulamanz Water System uses patented Capillary Ultrafiltration Membrane Nanotechnology to produce high-quality drinking water.



## Surfactant Medical Technologies (SMT) delivers a breath of fresh air

The synthetic lung surfactant formulation consists of a combination of phospholipids and synthetic peptides, facilitating gaseous exchange through adsorption at the air-water interface of lung alveoli. Respiratory diseases may be treated with surfactants in order to avoid a decline in respiratory function and hospitalisation.



## POWASAVE irrigation system saves water and energy

The novel POWASAVE low-pressure water sprinkler for agricultural irrigation requires only 5% of the water pressure of conventional sprinklers, significantly reducing power consumption. More uniform water distribution and larger drop sizes reduce waste due to evaporation and wind drift.



## Unique spinal reduction table a long stretch ahead

A spinal reduction table is used to relieve pressure on injured spinal discs allowing them to heal. The mechanically integrated reduction table allows for a change in pull vector from flexion to extension, whilst gently and safely maintaining constant reduction to the patient strapped on the table. A uniquely designed arm and adjustable head support reduces the dislocation without entering the X-ray path.

### **The development of a campus mobility plan**

In early 2015, the process was initiated to reconsider SU's approach to transport based on the valuable lessons learned with the implementation of the 2010 Mobility Master Plan. This time, the institution opted for the use of internal academic expertise as opposed to external consultants, and the process commenced through the facilitation of PROJEktUS, SU's project management support office. In the first phase of the study – comprising a needs assessment on Stellenbosch, Bellville Park and Tygerberg campuses – users' transport needs, perceptions and expectations were established by means of a transport questionnaire, a trip diary and a smartphone application that is able to trace people's movements. The internal and external implications of the results will be analysed and incorporated into a new integrated transport plan.

At the same time, the operational activities in respect of mobility continued, with a particular focus on the parking management system and the management of daytime and night-time campus shuttle services. The shuttle service in particular requires ongoing change management in order to reconcile perceptions and expectations of the service with financial and other forms of sustainability. At a more practical level, planning is under way to supplement the current static commuter route map on SU's smart phone facilities application with a real-time function that will enable users to view the actual location of the shuttles on their respective routes.

### **Integrated planning, budgeting and reporting**

The University's integrated budgeting model contains approved operational inputs and outputs, guaranteed subsidy-unit values and operational targets for a rolling three-year period in order to ensure improved planning and stable execution.

In 2015, the budgeting process focused on improving the management model for third-stream and fourth-stream income budgets. The adjustment in student fees also required meticulous planning after President Jacob Zuma's announcement in October of a 0% increase in student fees for 2016 following the nationwide #FeesMustFall student protests. On 26 November, the Department of Higher Education and Training announced that R79,2 million of SU's resultant deficit of R113,2 million would be funded. The rest will be covered by cutting down on institutional expenditure (R10,4 million), a contribution from the accommodation reserve (R8,3 million) and SU Council funding (R15,2 million). Should the R79,2 million be added to the 2016 subsidy on a carry-over basis, the University will be able to sustainably manage the deficit.

Following the nationwide protests on the outsourcing of services, the University also concluded an agreement on viable sourcing of specialist services and suitable minimum remuneration levels with stakeholders.





# Report of the **VICE-RECTOR** (Learning and Teaching)

Prof Arnold Schoonwinkel

The responsibility centre for Learning and Teaching is among the most important contributors in establishing Stellenbosch University (SU) as the preferred institution for tertiary teaching and learning among all South Africans.

This involves a sustained emphasis on relevant teaching pedagogies for the modern-day student and the delivery of world-class graduates equipped to make a difference in Africa. Therefore, the responsibility centre, through its divisions, ensures that the University's teaching function is effectively supported and both student and staff learning promoted.

While pursuing its own aims, the responsibility centre remains committed to the strategic priorities and themes in the *University's Institutional Intent and Strategy 2013–2018* (IIS). The responsibility centre retains the overall responsibility to sustain the institution's momentum of excellence, which requires quality academic programmes, skilled and dedicated academics and essential support services to the entire University. In particular, the responsibility centre plays a key role in the co-curricular development and wellness of students, student recruitment, efficient academic administration, institutional research and planning, learning and teaching enhancement, as well as the sustained professional development of SU staff.

SU's 2014 Strategy for Teaching and Learning attempts to keep pace with the changing tertiary education landscape: On the one hand, it needs to take account of South African students' socio-economic realities; on the other, it must ensure that SU graduates are able to deliver world-class services and products. Mediating between this strategy and implementation is the responsibility centre Environmental Plan, which presents eight specific strategic focuses. The following sections report on the core activities undertaken in 2015 to achieve these eight focuses in support of the University's priorities and themes.

## **Excellence in learning and teaching**

As excellence partly depends on academics' skills and dedication, the responsibility centre pays particular attention to professional learning opportunities for academics. A significant milestone in 2015 was the launch of a revised Professional Educational Development for Academics (PREDAC) programme. The involvement of the vice-deans for learning and teaching lent credibility and disciplinary relevance to this programme. Lecturer training in the use of learning technologies was also strengthened, inter alia through a short course on blended learning and the development of online resources to enable effective utilisation of learning technologies. In addition, Senate adopted a final task team report on the implementation of an institutional system to reward, acknowledge and promote good teaching. Faculties are expected to include the task team's recommendations in their environmental plans with a view to 2016.

Excellent learning and teaching also requires quality assurance. During 2015, twelve academic departments and four support services divisions of SU were guided through a comprehensive self-assessment and external evaluation process as part of the University's fourth quality assurance cycle. Moreover, all the universities in the country are currently engaged in the initial phase of the Quality Enhancement Project (QEP) and have prepared reports for the Council on Higher Education for peer assessment in 2016.



## SU student module success rate (%)



### Student success

Student success is the product of a value chain of which every single component, no matter its size or significance, is aimed at students' academic success. The module success rate serves as a general quantitative measure of overall student success in academic terms.

Nevertheless, student success is supported and measured in many other ways as the following discussion of general support mechanisms to promote student success demonstrates.

#### *Information transfer, the application process and the welcoming of students*

In terms of information transfer, the Calendar was reformatted in the course of 2015 to ensure a more uniform, user-friendly publication. Ultimately, a proper Calendar set promotes student success by conveying programme and administrative information to students in an accessible way.

The application process was also improved with the development of an online application system for enrolled students in postgraduate programmes. This enables lecturers to continuously monitor how many applications have been received for a particular programme, and provides applicants with an easy application tracking function.

The year kicked off with a very successful Welcoming Programme, with the least number of incidents of unacceptable welcoming practices in the last two decades. Newcomer first-years were welcomed in a hospitable, friendly and dignified manner.

#### *Academic administration*

Particularly noteworthy in the area of academic administration was the vital contribution by various centres in the Learning and Teaching responsibility centre to successfully finalise the end-of-year examinations following a week-long postponement due to the nationwide campus protests. Thanks to the commitment of staff members, who had to work long and unusual hours, the vast majority of SU students were able to successfully complete the academic year, averting a potential crisis for the University's students.

#### *The co-curriculum*

SU realises that learning is not restricted to the classroom, but also occurs outside of class, in the co-curriculum.

For this reason, the Learning and Teaching Responsibility Centre collaborated on developing a co-curricular transcript to be issued along with students' degree certificates, similar to the European Union's diploma supplement. This transcript, for which the Rector's Management Team adopted a management code in July, acknowledges student achievements in the co-curricular environment and was issued for the first time at the December graduation ceremonies. It is intended to support students in their job applications and to facilitate the international recognition of qualifications.

The SU co-curriculum received further attention with the development of a complete co-curricular framework for SU's flagship residential initiative for senior students, Listen, Live & Learn (LLL). Based on experiential learning, it requires LLL students to design their own learning experience from a variety of programme and co-curricular offerings. The framework was piloted in 2015.

#### *Campus experience as part of healthy student communities*

SU continues to improve its seven ResEd (residential education) clusters to eventually serve as the primary organisational units for a holistic campus experience. A milestone in 2015 was the appointment of seven esteemed professors as academic heads for the respective clusters. This further strengthens the link between the academic (curricular) and residential (co-curricular) spheres. This development, along with the decision to build a hub for each cluster, represented a major boost for the cluster concept. Another ResEd initiative, multicultural education, was bolstered with the appointment of a full-time staff member to take charge of this function.

#### *Personal development and support*

The Learning and Teaching responsibility centre continued its efforts to offer all students opportunities for personal development and support, and thereby contribute to instilling SU's graduate attributes. In this regard, the innovative programmes of the Frederik Van Zyl Slabbert Institute for Student Leadership Development provide various platforms for the youth to expand their learning experience and leadership skills. The Institute currently serves more than 3 500 students per year with 13 accredited short courses – which will now be recorded on students' co-curricular transcripts – as well as two programmes. In 2015, the Institute's offering also found a ready market among participants from other higher

education institutions in South Africa. In addition, the SU leadership conference *SU Leads*, which the Institute hosted in September 2015, was an outstanding success, training nearly 2 000 student leaders and mentors in the course of a weekend.

The infrastructure of the Centre for Student Counselling and Development (CSCD) – another central agent for student development and support at SU – underwent significant improvement. In the process, CSCD buildings are converted into increasingly student-friendly spaces by means of technology such as flat screens and Wi-Fi hotspots. A further important development was the relocation of the HIV Office to CSCD in December 2015, where it is now known as the Equality Unit, offering a one-stop service for complaints regarding discrimination, sexual and other harassment as well as victimisation. The CSCD director also convened two task teams who respectively reviewed the sexual harassment policy and drafted the unfair discrimination policy. The Rector's Management Team approved the implementation of the policy protocol in November.

SU also had the remarkable honour of receiving international recognition for its BeWell mentorship wellness project at the 2015 Wharton-QS Stars Reimagine Education Awards. This campus-wide peer mentorship system was commended for its innovative contribution to enhance student success. The system consists of face-to-face mentoring sessions, gamified student websites and a sophisticated tracking and management information system.

#### Accurate management information

The efficient management and measurement of student success requires integrated management information, which is the primary objective of the SUN-i management

information system currently being developed by the L&T RC. During 2015, the focus was on providing and improving management information on student enrolments and qualifications, undergraduate programme applications and admissions, residence applications and placements, bursary and loan applications, retention and success rates, as well as module enrolments and examination results.

#### Size and shape of SU student body

SU's ideal size and shape is informed by realistic growth in student numbers, the desired composition of the student body, and an appropriate range of teaching and research offerings to meet the anticipated need in South Africa.

In pursuing such an ideal size and shape, the Learning and Teaching responsibility centre in 2015 endeavoured to attract a diverse pool of academically deserving students for possible admission to undergraduate studies and residences. By the end of September already, the total number of newcomer first-year applications with a view to 2016 exceeded the previous year's by 20,6%. The total number of applications received from coloured, black and Indian (CBI) newcomer first-years grew by 32,3%. Total admissions increased by 1,3% and CBI admissions by 10,6% compared to the previous year. The table below indicates these and a few other application and admission trends.

Approximately 8 000 first-year applicants vied for the 2 000 available residence spots. By mid-December, the target of 40% CBI residence placements had been exceeded (42,4%). In order to ensure a diverse yet academically strong first-year cohort in SU residences, the initial academic cut-off point for placement was set at an academic average of 80% for white males, 84% for white females, 70% for CBI males and 75% for CBI females.

#### Application and admission trends

|  |  | Intake 2015 | Intake 2016 | % increase from intake 2015 to 2016 |
|--|--|-------------|-------------|-------------------------------------|
| <b>Applications (newcomer first-years)</b> | Total applications by newcomer first-years         | 19 985      | 24 106      | 20,6%                               |
|  | Total applications by CBI newcomer first-years     | 11 104      | 14 691      | 32,3%                               |
|  | Complete applications by newcomer first-years      | 14 706      | 18 284      | 24,3%                               |
|  | Complete applications by CBI newcomer first-years  | 6 886       | 9 643       | 40,0%                               |
| <b>Admissions (newcomer first-years)</b>   | Total admissions (overbooking target 2016 = 9 879) | 10 409      | 10 541      | 1,3%                                |
|  | CBI admissions (overbooking target 2016 = 4 378)   | 4 113       | 4 551       | 10,6%                               |
|  | % CBI admissions                                   | 39,5%       | 43,2%       | 3,7%                                |
|  | % Afrikaans-speaking admissions                    | 33,6%       | 32,6%       | -1,0%                               |

#### All coloured, black and Indian (CBI) students at SU (%)



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## Increase multilingual programme offering

The Learning and Teaching Responsibility Centre remained hard at work pursuing the SU objective of expanding its multilingual academic offering in terms of the approved 2014 Language Policy. The following table indicates the 2015 module offering in Afrikaans and English respectively, along with previous and future targets:

|                               | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------------------------|------|------|------|------|------|------|------|------|------|------|------|
| % module credits in Afrikaans | 64,3 | 62,3 | 61,9 | 63,9 | 63,4 | 65,0 | 67,0 | 69,5 | 72,0 | 75,0 | 75,0 |
| % module credits in English   | 45,8 | 48,2 | 51,1 | 58,4 | 62,9 | 64,7 | 66,7 | 69,2 | 71,7 | 75,0 | 75,0 |

At a practical level, the Language Centre made a particularly significant contribution by offering credit-bearing courses on academic literacy, language acquisition and professional communication (3 000 students), writing consultations (4 000 students), short courses on academic writing (1 800 students), reading skills development (3 800 students), interpreting (10 700 lectures), translation, editing and document design services (1 400 transactions) and courses on isiXhosa in Education and Health Sciences. A noteworthy achievement in 2015 was the launch of the online subject-specific terminology list containing 6 000 entries in Afrikaans, English and isiXhosa.

In terms of institutional efforts, a task team made recommendations on how the issues raised by students in the Open Stellenbosch/Students' Representative Council memorandum of May 2015 may be addressed in the implementation of the Language Policy and Plan. The recommendations are based on the premise that all students should have equitable access to learning opportunities in Afrikaans and English. A representative task team will be convened in 2016 to review the Language Policy and Plan.

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## Programme renewal

Ensuring that SU presents relevant programmes in a cost-effective way requires regular reflection on the programme offering.

In this regard, the Programme Advice Committee in 2015 tabled 27 new programme submissions for external accreditation with a view to introduction in 2016 and 2017. The Department of Higher Education and Training also approved SU's programme qualification mix for further implementation in 2016, and all programmes not in line with the Higher Education Qualifications Sub-Framework will be phased out by predetermined target dates.

To further assist programme renewal and promote SU education leadership, the Vice-Rector (Learning and Teaching) and another eleven role-players in the L&T RC completed the *University of British Columbia Certificate on Curriculum and Pedagogy in Higher Education* as part of an international capacity-building programme (see <http://international.educ.ubc.ca/sotl/program-of-study/>). The programme aims to equip education leaders for the scholarship of teaching, learning and curriculum practice in their unique higher education settings. The process culminated in a discussion document that will serve as a guideline for a task team who will be working on an SU programme renewal strategy in 2016.

## Information and communications technology for learning and teaching

Integrated information and communications technology (ICT) is undoubtedly a requirement for 21<sup>st</sup>-century learning and teaching, and SU is no exception. Therefore, the University Council made available generous funding in May 2014 to entrench ICT in learning and teaching activities.

In 2015, this project was taken much further. A coordinator or team for blended learning was established in each faculty to integrate ICT with curricula in collaboration with faculty staff. A robust learning technology ecosystem was initiated and network infrastructure dramatically increased. An open-source system for video streaming and archiving was developed in conjunction with Google, while SU's very first MOOC (a free, open online course), which was designed on the FutureLearn platform, is ready to be introduced in 2016. In addition, the University's telematic platform dramatically extended its reach into the rest of South Africa and Africa.

ICT is also increasingly utilised to streamline SU administration. Communication with stakeholders mostly occurs by way of e-mail, SMS and web applications, and hard-copy correspondence constitutes less than 5% of all communication.

### New knowledge markets

SU aims to expand its knowledge base also to include other, new markets. ICT development creates alternative possibilities for teaching and learning, and may potentially meet the needs of students whose circumstances do not allow participation in SU's full-time teaching mode. A long-term objective has therefore been set to turn SU into a two-mode medium-sized university by 2030 – with full-time students as mode 1 and students from new knowledge markets, including learn-and-earn students, as mode 2.

In pursuing this objective, a task group is currently working to determine the characteristics and needs of, and an appropriate cost model for, mode 2 students. In preparation for the technological mediation that mode 2 teaching will require, one new postgraduate diploma that makes use of an innovative blend of personal and online virtual interaction was introduced in 2015. An undergraduate diploma and three master's-level programmes are also in the pipeline.

However, as this alternative teaching mode poses certain risks, SU will need to consider a different business model from that used for the traditional academic offering. The new knowledge offering may also distract staff from their existing programme and research focuses, which is why it will be vital for all stakeholders to understand that mode 2 teaching is supplementary and not intended to replace or overshadow mode 1 teaching.

### Bursary donations

To increase student diversity and reward excellence, it remains a priority at SU to render financial support to deserving students and students in financial need by means of undergraduate merit and recruitment bursaries, merit bursaries and postgraduate bursaries. The University also manages various bursary awards on behalf of external contributors.

During 2015, the University allocated more than R34 million to assist students in financial need, in line with its integrated bursary and loans plan for 2015 to 2018. This occurs by way of a bursary loan scheme based on the model of the National Student Financial Aid Scheme (NSFAS), as well as an assistance bursary fund to supplement the NSFAS allocation from the Department of Higher Education and Training. More than R80 million was also made available for recruitment bursaries to support top-performing CBI students.

### Composition of student body by field and level of study, 2015 (Data extracted June 2015)

| Levels per faculty                      | Number of students | %           |
|---|--------------------|-------------|
| <b>AgriSciences</b>                     | <b>1 938</b>       | <b>100</b>  |
| Postgraduate students                   | 529                | 27,3        |
| Occasional students                     | 41                 | 2,1         |
| Undergraduate students                  | 1 368              | 70,6        |
| <b>Arts and Social Sciences</b>         | <b>5 238</b>       | <b>100</b>  |
| Postgraduate students                   | 1 395              | 26,6        |
| Occasional students                     | 259                | 4,9         |
| Undergraduate students                  | 3 584              | 68,4        |
| <b>Economic and Management Sciences</b> | <b>8 129</b>       | <b>100</b>  |
| Postgraduate students                   | 3 221              | 39,6        |
| Occasional students                     | 294                | 3,6         |
| Undergraduate students                  | 4 614              | 56,8        |
| <b>Education</b>                        | <b>1 744</b>       | <b>100</b>  |
| Postgraduate students                   | 742                | 42,5        |
| Occasional students                     | 6                  | 0,3         |
| Undergraduate students                  | 996                | 57,1        |
| <b>Engineering</b>                      | <b>3 844</b>       | <b>100</b>  |
| Postgraduate students                   | 895                | 23,3        |
| Occasional students                     | 83                 | 2,2         |
| Undergraduate students                  | 2 866              | 74,6        |
| <b>Law</b>                              | <b>805</b>         | <b>100</b>  |
| Postgraduate students                   | 374                | 46,5        |
| Occasional students                     | 11                 | 1,4         |
| Undergraduate students                  | 420                | 52,2        |
| <b>Medicine and Health Sciences</b>     | <b>4 328</b>       | <b>100</b>  |
| Postgraduate students                   | 1 672              | 38,6        |
| Occasional students                     | 279                | 6,4         |
| Undergraduate students                  | 2 377              | 54,9        |
| <b>Military Science</b>                 | <b>583</b>         | <b>100</b>  |
| Postgraduate students                   | 79                 | 13,6        |
| Occasional students                     | 6                  | 1,0         |
| Undergraduate students                  | 498                | 85,4        |
| <b>Science</b>                          | <b>3 035</b>       | <b>100</b>  |
| Postgraduate students                   | 844                | 27,8        |
| Occasional students                     | 72                 | 2,4         |
| Undergraduate students                  | 2 119              | 69,8        |
| <b>Theology</b>                         | <b>506</b>         | <b>100</b>  |
| Postgraduate students                   | 300                | 59,3        |
| Occasional students                     | 6                  | 1,2         |
| Undergraduate students                  | 200                | 39,5        |
| <b>Grand total</b>                      | <b>30 150</b>      | <b>100</b>  |
| <b>Total postgraduate students</b>      | <b>10 051</b>      | <b>33,3</b> |
| <b>Total occasional students</b>        | <b>1 057</b>       | <b>3,5</b>  |
| <b>Total undergraduate students</b>     | <b>19 042</b>      | <b>63,2</b> |

**Qualifications awarded by type, 2015**  
(Data extracted March 2016)

| Qualification type                      | Number awarded | %            |
|---|----------------|--------------|
| Undergraduate diplomas and certificates | 94             | 1,2          |
| General first bachelor's degrees        | 2 206          | 28,1         |
| Professional first bachelor's degrees   | 1 394          | 17,7         |
| Postgraduate bachelor's degrees         | 71             | 0,9          |
| Postgraduate diplomas and certificates  | 1 285          | 16,4         |
| Honours degrees                         | 1 175          | 15,0         |
| Master's degrees                        | 1 366          | 17,4         |
| Doctoral degrees                        | 266            | 3,4          |
| <b>Total</b>                            | <b>7 857</b>   | <b>100,0</b> |

**Composition and size of student body by gender, 2015**

| Gender       | Number of students | %            |
|--------------|--------------------|--------------|
| Male         | 14 210             | 47,1         |
| Female       | 15 940             | 52,9         |
| <b>Total</b> | <b>30 150</b>      | <b>100,0</b> |

**Composition and size of student body by gender, 2015**

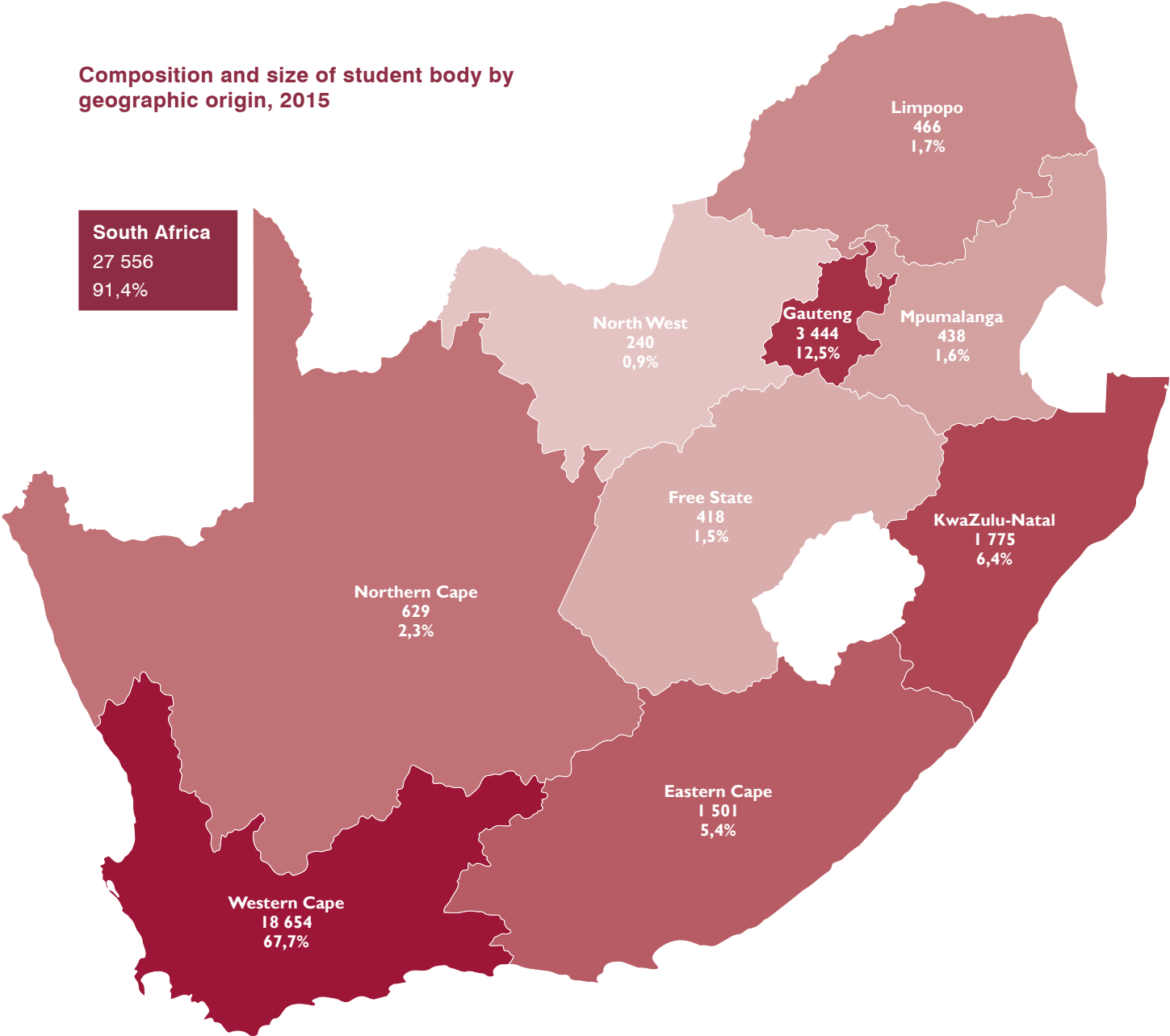
| Race         | Number of students | %            |
|--------------|--------------------|--------------|
| Coloured     | 5 238              | 17,4         |
| Black        | 5 355              | 17,8         |
| Indian       | 793                | 2,6          |
| White        | 18 764             | 62,2         |
| <b>Total</b> | <b>30 150</b>      | <b>100,0</b> |

**Composition and size of student body by home language, 2015**

| Home language               | Number of students | %            |
|-----------------------------|--------------------|--------------|
| Afrikaans                   | 12 754             | 42,3         |
| English                     | 13 316             | 44,2         |
| Afrikaans/English           | 339                | 1,1          |
| IsiXhosa                    | 964                | 3,2          |
| Other official SA languages | 1 595              | 5,3          |
| Other languages             | 1 182              | 3,9          |
| <b>Total</b>                | <b>30 150</b>      | <b>100,0</b> |

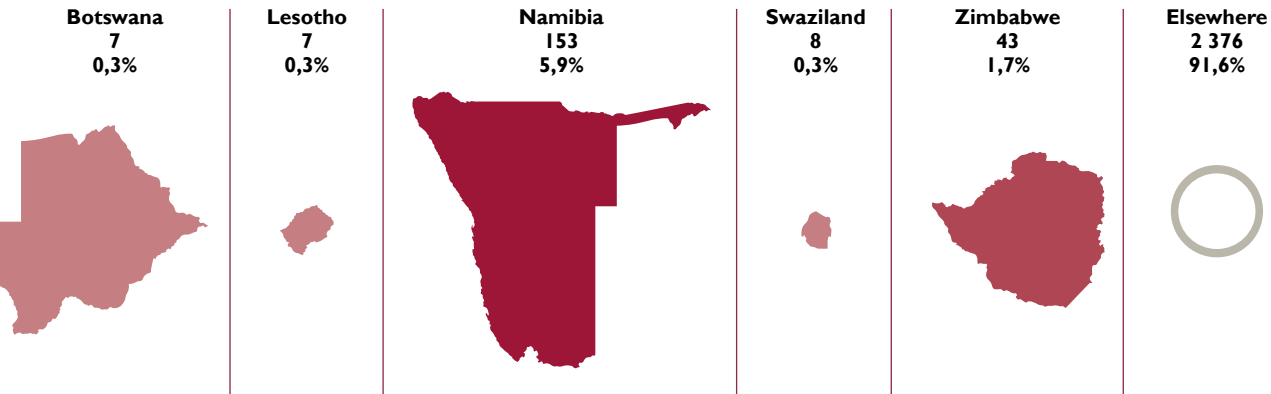


Composition and size of student body by geographic origin, 2015



Other Countries

2 594  
8,6%



Number of students  
30 150  
100%

# Report of the VICE-RECTOR

## (Research, Innovation and Postgraduate Studies)

Prof Eugene Cloete



Stellenbosch University (SU) aims to be a leading research-intensive university on the African continent.

The institution wishes to achieve this by pursuing excellence, remaining at the forefront of its chosen focus areas, gaining national and international standing based on its research outputs, and being enterprising, innovative and self-renewing. At the same time, however, SU research must be socially relevant. Ultimately, our research efforts are not only aimed at success, but also significance.

In this twofold pursuit of sustained academic excellence as well as social relevance, the responsibility centre for Research, Innovation and Postgraduate Studies responsibility centre is a key player. Through the activities of its various environments, the responsibility centre in 2015 further strengthened the University's status as a leader in the field of research. The following sections provide an overview of what has been achieved in this regard.

### Young academic stars

| Our achievements              | 2012 | 2013 | 2014 | 2015 |
|-------------------------------|------|------|------|------|
| Postdoctoral research fellows | 168  | 171  | 247  | 281  |

By developing a new generation of academics, the responsibility centre enhances the University's research capacity, rejuvenates the researcher cohort, and also contributes to the achievement of SU's transformation and diversity objectives.

One way in which this is accomplished is through a structured support programme for early-career researchers. Various components of this programme have been implemented over the past five years. In 2015, these were further strengthened with funding from the Department of Higher Education and Training's research development grant. The mentorship programme for early-career researchers, which matches approximately 60

young researchers with experienced research mentors, also continued. Two dedicated training opportunities were offered and more than 80 small research development awards made to early-career academic staff members. In addition, SU was awarded five positions in the nGAP (New Generation of Academics) programme.

Another tool utilised to expand the young researcher corps at SU is postdoctoral research fellows, which in 2015 amounted to 281. As the responsibility centre anticipates further growth in this cohort, a new policy on postdoctoral fellows was drafted and is currently awaiting institutional approval.

Emerging young researchers were further supported with three Social Hour conversations hosted in the Research Commons. This initiative, which seeks to establish a researcher community and support a new generation of academics, offers early-career researchers an opportunity to be inspired, exchange ideas, support one another and network. At the 2015 Social Hour events, young researchers received information on how to bridge the gap between research and starting your own business, career opportunities in the field of ecology, as well as health matters.

### Promoting research output

The Department of Higher Education and Training's official 2014 report again confirmed SU's status as the most research-productive academic institution in the country. The report indicates the weighted research output per full-time SU staff member (publications as well as postgraduate students) as 3,03 – the highest of all universities in South Africa for the sixth consecutive year. Also in terms of publication outputs per capita, SU is in first position nationwide with a figure of 1,50.

*By developing a new generation of academics, the responsibility centre enhances the University's research capacity, rejuvenates the researcher cohort, and also contributes to the achievement of SU's transformation and diversity objectives.*

| Our research output achievements   | 2012               | 2013               | 2014               | 2015                         |
|--|--------------------|--------------------|--------------------|------------------------------|
| Weighted research output per headcount   | 3,08 (first in SA) | 2,97 (first in SA) | 3,03 (first in SA) | *                            |
| Publication output per capita  | 1,36 (first in SA) | 1,47 (first in SA) | 1,50 (first in SA) | *                            |
| Ratio of weighted research outputs per full-time equivalent teaching and research staff member (Strategic management indicator; see page 27) | 2,41               | 2,33               | 2,50               | *                            |
| Times Higher Education World University Rankings   | 251–275            | 301–350            | 276–300            | 301                          |
| Times Higher Education's BRICS ranking   |                    |                    |                    | 11 (out of 200 universities) |
| Quarelli Symonds (QS) ranking  | 401–450            | 387                | 390                | 302                          |

\*2015 results will be reported in 2016.

The 2015/16 Times Higher Education World University Rankings places the University in 301<sup>st</sup> position, while SU ranks 11<sup>th</sup> on the BRICS university rankings. This puts SU in the second overall position in South Africa and Africa after it was ranked third a mere year ago. Moreover, the annual institutional research report, *Research at Stellenbosch University*, received an excellence award for the fourth consecutive year at the 2015 MACE (Marketing, Advancement and Communication in Education) conference.

The excellent achievements above were made possible through the special mechanisms implemented by the responsibility centre to support and promote research outputs.

#### *Conducive library spaces and open access*

Access to scholarly research material is critical in order to sustain and grow research. The SU Library and Information Service serves as an enabler of research and innovation through the acquisition, creation, dissemination and preservation of the full spectrum of research material.

As part of the campus-wide building and facility renewal, the central JS Gericke Library as well as the branch libraries of Medicine and Health Sciences, the Business School and

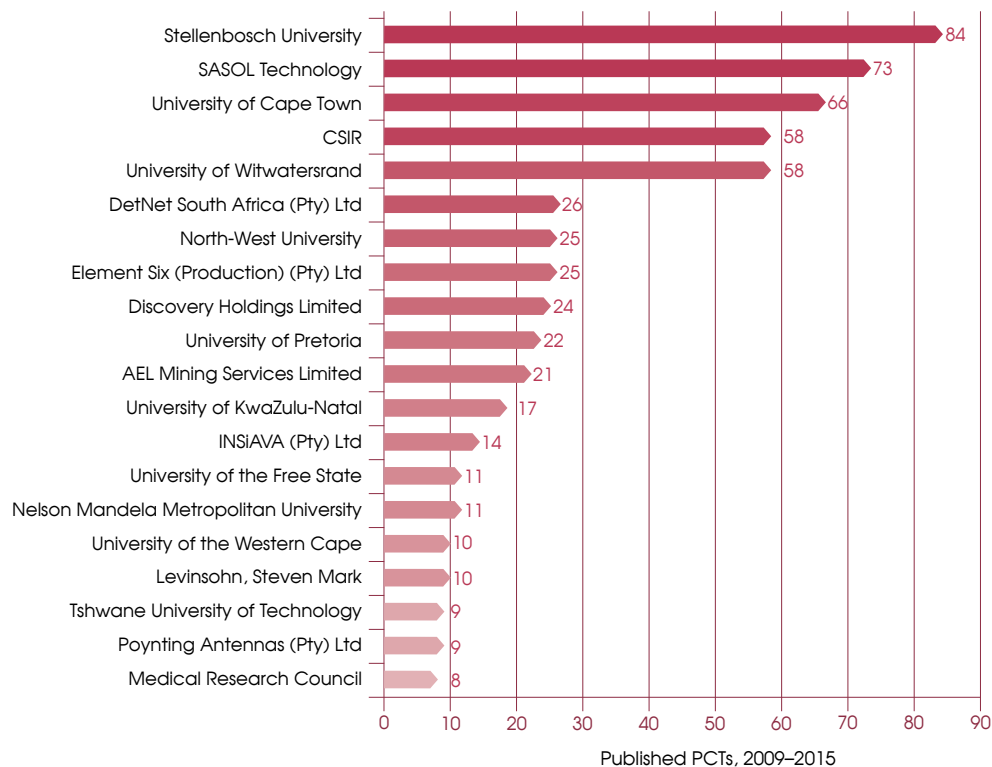
Theology have been included in the Campus Renewal Plan and the institutional plans of the respective faculties. This offers the Library an unparalleled opportunity to revisit its physical infrastructure in the course of the following five years. The objective is to create vibrant, flexible and technology-rich physical and virtual spaces that promote innovation, collaboration, access to expert library staff, social networking and quiet study.

The Library also continued to expand its open-access services. This included the hosting of SU-affiliated academic journal titles through SUNJournals, the centralisation and digital archiving of SU research outputs through SUNScholar, the hosting and managing of online conferences and the publication of conference proceedings through SUNConferences, payment of article/page fees in open-access journals, and the launch of SUNDigital Collections.

#### **Extending research innovation**

Innovation constitutes a vital component of SU's research success. It positions the University as a place of opportunity, attracting the best researchers and students from across Africa and the rest of the world. A good indicator of the state of innovation is the number of patent applications submitted by SU researchers. The following graph clearly shows that SU is a frontrunner in this field:

**Number of South African applications for Patent Cooperation Treaties (PCTs), 2009–2015**



The fact that SU's number of PCT applications even exceeds that of the Council for Scientific and Industrial Research (CSIR) is encouraging, and shows that the institution is creating new products and services that may contribute to economic and social improvement in the country. Through the facilitation of SU's technology transfer company Innovus, various patents were registered and licence agreements concluded for value-adding products in the field of agriculture, medicine and technology, to name but a few. For more information on SU innovations, please consult "Commercialising intellectual property and creating business opportunities" in the report of the Chief Operating Officer, page 35.

Innovus's successful exploitation of SU's intellectual property may be enhanced even further by expanding human capital and operating funds. Innovus is an important link in obtaining funding for SU researchers' development work from the Technology Innovation Agency (TIA) and is regarded as a strategic asset by SU.

### Research focus areas

| Our achievements                | 2012 | 2013 | 2014 | 2015 |
|---------------------------------|------|------|------|------|
| NRF A-rated researchers         | 11   | 13   | 13   | 13   |
| SARChI research chairs          | 18   | 18   | 19   | 24   |
| Other sponsored research chairs | 5    | 5    | 9    | 11   |
| Centres of excellence           | 6    | 6    | 7    | 7    |

In line with the 2014 White Paper for Post-School Education and Training, which places particular emphasis on niche research areas of national importance, the responsibility centre in 2015 continued to establish research entities and capacity that can have a real impact on the execution of the National Development Plan.

The University became home to five new research chairs. The chairs form part of the National Research Foundation (NRF) South African Research Chair Initiative (SARChI) and are funded by the Department of Science and Technology (DST). The five chairs – which all have female incumbents – represent specialised study areas relevant to the developing South African society, namely social-ecological systems and resilience (Prof Oonsie Biggs), gender politics (Prof Amanda Gouws), paediatric tuberculosis (Prof Anneke Hesseling), integrative skeletal muscle biology, physiology and biotechnology (Prof Kathy Myburgh) and the sociology of land, environment and sustainable development (Prof Cheryl Walker). SU now boasts a total of 24 SARChI chairs.

In terms of specialised research capacity, SU had the second highest number of NRF-rated scientists in the country in 2015, namely 372, including thirteen A-rated researchers. Prof Nulda Beyers (Paediatrics and Child Health) and Dr Wesaal Khan (Microbiology) were finalists in the DST Women in Science awards. Prof Bert Klumperman (Chemistry and Polymer Science), Dr John

Terblanche (Conservation Ecology and Entomology) and Ms Marina Joubert (Centre for Research on Evaluation, Science and Technology) were finalists in the prestigious National Science and Technology Forum awards. Ms Joubert went on to win the category "Communication for outreach and creating awareness by a team or individual". In addition, Dr Nuraan Davids (Education Policy Studies), Mr Ethan Newman (Botany and Zoology) and Prof Oonsie Biggs (Centre for Complex Systems in Transition) received NRF excellence awards.

### Generating research income through research partnerships

| Our achievements   | 2013                                | 2014            | 2015          |
|--------------------|-------------------------------------|-----------------|---------------|
| Research contracts | R477,1 m                            | R585 m          | R637,2 m      |
| NRF/THRIP          | R160,3 m                            | R198,3 m        | R224,1 m      |
| <b>Total</b>       | <b>R703,4 m</b><br>(2012: R531,5 m) | <b>R878,9 m</b> | <b>R860 m</b> |

The strategic objectives of the responsibility centre include generating sustainable research income through partnerships. Potential sources of research income are contract research (third stream) and philanthropic donations (fourth stream).

A total of 850 new research contracts (including multi-year contracts) were processed in 2015, amounting to a total monetary value of R1,187 billion. Through the Technology and Human Resources for Industry Programme (THRIP), SU's partnerships with industry were further strengthened with the submission of 62 funding applications. Of these, 95% were successful, which raised another R76,07 million for SU (R54,96 million from industry, and R21,11 million from THRIP).

Moreover, SU researchers submitted 34 new proposals to the very competitive European Union (EU) Horizon 2020 Framework programme. Eventually, SU researchers were involved in three new EU Horizon 2020 projects to the value of approximately R16 395 000 (according to the exchange rate on the day of allocation) involving more than 30 international consortium members.

### Maintaining postgraduate student success rate

| Our achievements                                 | 2013  | 2014  | 2015  |
|--|-------|-------|-------|
| Coloured, black and Indian postgraduate students | 46%   | 46%   | 47%   |
| Non-SA postgraduate students                     | 18,3% | 17,8% | 19%   |
| Master's degrees awarded                         | 1 301 | 1 293 | 1 366 |
| Doctoral degrees awarded                         | 225   | 234   | 266   |

A successful postgraduate student body is an important building block of any research-intensive university. In order to increase the number of postgraduate students of all ethnicities, as well as ensure their success, the responsibility centre has implemented a range of focused support mechanisms.

These include special postgraduate services and administration through the Postgraduate and International Office (PGIO). The PGIO supports both postgraduate student success and international academic mobility. In 2015, these two dimensions were successfully integrated by supporting a growing number of international postgraduate students (1% more than the previous year), completing a project on international doctoral education (FRINDOC) and awarding joint master's and PhD degrees in collaboration with international higher education institutions. In addition, new international university agreements were concluded with institutions in Spain, Turkey, Egypt, Germany, the Czech Republic, the Netherlands and the United States. The initial year of the preferential partnership with the Katholieke Universiteit Leuven was implemented, which resulted in a first think tank between 15 SU and 15 Leuven students who jointly reflected on "the city of the future". Student mobility was considerably enhanced: Through PGIO facilitation and funding, 170 mostly postgraduate SU students were able to participate in overseas exchange and summer school programmes. SU also continued participating in EU projects, including the student exchanges and the capacity-building programme in postgraduate supervision offered by Erasmus+ (the EU's education, training, youth and sports programme). Through the sustained efforts of the PGIO, 4 117 non-South African citizens had registered as SU students up until September 2015, of whom 60% hail from Africa. Of this group, some 2 000 enrolled for post-bachelor's programmes.

The Library and Information Service also contributed to strong postgraduate outputs. The Research Commons presented a number of specialised workshops aimed at postgraduate students, focusing on support throughout the research process as well as an increase in scholarly output.

### Information and communications technology further refined

The Information Technology Division's activities were aimed at self-assessment, risk management as well as groundwork for further service renewal and improvement.

After three decades in the Engineering complex, Information Technology moved into a new, state-of-the-art, environmentally friendly office complex towards the northern edge of the Stellenbosch campus. The building design includes an economical open floor plan, energy-efficient lighting, air-conditioning, a vertical garden and rainwater harvesting. The relocation was accompanied by a



very successful change facilitation process to prepare staff for their new work environment.

In terms of the Information and Communications Technology (ICT) in Learning and Teaching Strategy, Council in 2014 approved funding for the renewal of the University's core administrative information systems, namely the student information system and the financial system. This constitutes the first refresh of these systems in twenty years and is a major undertaking, as the systems continued to expand over this period. Originally, the intention was for SU to participate in the development and implementation of community source software by providing skilled human resources. However, towards the end of 2014, the Kuali Foundation created a commercial entity to develop software specified by the international higher education community. Consequently, SU spent most

of 2015 adapting to this change by negotiating contracts and scope with the new entity and attending specification workshops. Through cost-saving cooperation with North-West University on Kuali, the first SIS product – the curriculum management module – was developed, adding new and valuable functionality to SU activities. Technical and functional teams are set to make significant progress in 2016.

Information Technology also joined other research support divisions and researchers in a task team to determine researchers' ICT needs. In the process, very valuable information was collected and included in a strategy that will be submitted to the Rector's Management Team and Council in the course of 2016.

### Good management, communication and support minimised disruption



*Students of the School of Accountancy wrote letters of support to their lecturers whose offices were destroyed in the fire that gutted the top storey of the Van der Sterr building, seen in the background. Good management, communication and offers of space by other faculties, churches and private organisations minimised the disruption.*

# Report of the acting **VICE-RECTOR** (Social Impact, Transformation and Personnel)

Prof Nico Koopman



In 2015, the responsibility centre for Community Interaction and Personnel was renamed Social Impact, Transformation and Personnel.

This has firstly introduced a renewed emphasis on promoting the social impact of Stellenbosch University (SU) in order to reach the broader community, make a difference and be relevant to societies in South Africa, the rest of Africa as well as on other continents. At the same time, SU also acknowledges and embraces society's impact on the University and its activities.

Secondly, the new name signifies new momentum for transformation at SU. As every SU division is in some way involved in the transformation process, it is already fully integrated with all University functions. However, the need remains to establish specific units at SU exclusively aimed at and facilitating transformation. Treading in the footsteps of the Bill of Rights of South Africa, transformation ultimately envisages a society of human dignity. The three building blocks of human dignity are healing reconciliation, embracing justice and responsible freedom. This constitutional vision is realised in SU's principal transformation document, the *Institutional Intent and Strategy 2013–2018* (IIS), with our transformative aspirations to be excellent, inclusive, innovative and future-orientated. The values of the IIS, namely excellence, shared accountability, empathy, innovation and leadership in service of others, will support and guide us in building a society and institution of human dignity.

*Transformation renews and innovates. It provides energy and takes us onward and upward.*

In the third instance, a well-equipped, healthy and well-managed staff corps remains a priority. For this reason, the responsibility centre takes care in ensuring that a diverse SU staff corps is empowered with the knowledge, values and skills to help achieve the institution's aims. In this regard, creating a culture of caring, nurturing, empathy, encouragement and development is essential.

The following sections provide an overview of the work done by the realigned responsibility centre in the past year to achieve its strategic objectives through the activities of its various environments.

*Transformation by and at SU*

## TRANSFORMATION

## HUMAN DIGNITY

Healing reconciliation  
Embracing justice  
Responsible freedom

## SU VALUES

Empathy  
Leadership in service of others  
Shared accountability  
Innovation  
Excellence

### **Establishing comprehensive rural platforms**

Established comprehensive 2012 with an initial focus on health training, the SU Rural Clinical School in Worcester, situated some 50 km from the Stellenbosch main campus, serves as a prototype rural platform where the Faculty of Medicine and Health Sciences now also provides other faculties with the opportunity to collaborate in a transdisciplinary way.

The faculties of Law and Education were active on the Worcester campus in 2015 – the former through the activities of the Legal Aid Clinic, and the latter through student teachers who completed the practical part of their training in Worcester. The Legal Aid Clinic offers legal assistance to vulnerable people in the area, dealing with civil matters such as divorce, family violence, maintenance payments, evictions and labour disputes. Three staff members visit Worcester once a month and consult with 28 to 34 clients per visit (see Faculty of Law, page 74).

The plan is to involve more faculties in the platform and eventually also explore the potential development of other sustainable rural platforms.

### **Promoting society-centred scholarship**

The responsibility centre continued its efforts to encourage society-centred scholarship by offering SU academic and professional support staff an increasing number of opportunities for collaborative research as well as external exposure and engagement.

The Division for Community Interaction, which is now known as the Division for Social Impact and remains one of the cornerstones of the Research Centre, brokered between researchers of the City of Cape Town and SU in competing for research grants through the mediation of the Cape Higher Education Consortium. The same process will be followed with the Western Cape provincial government in 2016. Through regular community-of-practice meetings, the Division also brought together academics from different faculties to discuss their work and encourage interdisciplinary research. In addition, the Division facilitated SU academics' participation in national and international conferences, such as the International Symposium on Service Learning and the Talloires Network conference, after which participants proceeded to publish their papers in peer-reviewed journals.

The Campus Health Service (CHS) too continued to reach out and utilise its expertise to engage with the broader community. Apart from support services delivery at various institutional gatherings, CHS physicians were in demand at external events such as the Discovery World Triathlon Cape Town in April, the South African Rugby

Union's Under-18 International Series in August, the Cape leg of the Sevens World Series in December, as well as a range of national and international rugby matches on Newlands. CHS physiotherapists also support national teams for the Paralympic World Championships and the Africa Games. The fact that the Springbok rugby squad, the Sevens squad and the Stormers, SASCO's World Youth Championships athletes as well as all Matie Sport's high-performance athletes underwent cardiology and other screening at CHS before competing in their respective contests is further testament to the great regard for CHS's expertise beyond SU boundaries.

With American College Health Association (ACHA) and International Federation of Sports Medicine (FIMS) accreditation, CHS representatives were active on the international stage, including at the American College of Sports Medicine (ACSM) annual congress and at the Albany Medical University in New York. Dr Jo-Anne Kirby received World Rugby accreditation as a senior medical training officer, and Dr Pierre Viviers was awarded the very prestigious ACSM fellowship. International visitors to CHS included Prof James Skinner of the University of Indiana and Drs Doug McKeag, James MacDonald and Allison Brooks of the American Medical Society for Sports Medicine.

As its contribution to society-centred scholarship, the University Museum reached thousands of people with its public programmes and exhibitions in the course of the year. Twelve exhibitions were launched, including the culture-historical exhibition *Stellenbosch University: Past, present, future*, which is particularly appropriate in the run-up to the SU centenary celebrations in 2018, as well as exhibitions by Erhard Thiel, Herman van Nazareth, David Goldblatt, transformation-oriented exhibitions in the collection *New Home*, and an exhibition on protest art. The museum's culture-historical research also culminated in articles in accredited journals, and papers delivered at national and international congresses. Research results were further disseminated to the rest of the SU community and beyond by way of six short courses, 23 public lectures as well as specialist radio talks.

The Institutional HIV Office (IHO), which not only serves as the central point of contact for institutional HIV-related prevention and collaboration, but also manages to combine academic knowledge and social impact very effectively, actively reached out as a member of the Stellenbosch Health Forum Task Team and the SU Advisory Forum for Student Support Services. Nationally, the IHO also provided valuable input serving on expert panels for the development of so-called MSM (Men who have Sex with Men) and LGBTQI (Lesbian, Gay, Transgender, Bisexual, Queer/Questioning, and Intersex) programmes at all higher education institutions as well as the integration of HIV with higher education curriculums. Moreover, IHO staff attended two national conferences and delivered a total of five papers.



## **Broadening access and creating development opportunities**

The Division for Social Impact increased participation in SU activities by offering community partners access to the University's resources and facilities, and by jointly celebrating national days and special events. The Division also hosted another two Science & Society events to popularise science – one featuring high-school learners and SU academic stars, and the other with a local anti-substance abuse network and SU researchers in this field.

The SU Museum's programme *Access to visual arts* opened up a new world for a few hundred learners from previously disadvantaged schools. This programme offers learner transport, a guided tour of the museum, and educational discussions on selected artworks.

The annual SU *Woordfees* ("Word Fest"), another proud component of the Research Centre for Social Impact, Transformation and Personnel, virtually throws open SU's doors, inviting the broader community to come and enjoy the arts. The sixteenth *Woordfees* was hosted from 6 to 15 March and recorded the highest ticket sales of all Afrikaans art festivals (excluding on-site entry tickets at other festivals). The event broke all previous records, achieving 34% growth in overall sales. Every year, the festival places more emphasis on attracting a more diverse pool of visitors and a more integrated audience, and will in 2016 for the first time also make use of venues in Kayamandi and Idas Valley. *Woordfees* 2015 received a total of 21 *Fiësta* nominations for outstanding work at an Afrikaans festival – the highest number of all festivals. In addition, the Words Open Worlds (WOW) project, a symbiotic schools partnership initiative of the *Woordfees*, again helped broaden access to SU's academic offering by supporting approximately ten first-generation students with supplementary bursaries to the value of R30 000 per year per student.

The SU Choir, the oldest choir in the country, serves as a platform for choir members to achieve their potential, and offers valuable national and international exposure to many students who otherwise would not have had the opportunity. The choir with its 110 members from across all SU faculties and professional services is still ranked number one on the Interkultur world rankings.

The IHO made high-quality academic HIV training available to students, staff as well as non-governmental organisations by presenting 12 short courses. The development opportunities created by the IHO even extended beyond South African borders when two newly developed short course programmes were presented to two new American university partners.

## **Capacity-building for experiential learning and support to develop graduate attributes**

The Division for Social Impact's credit-bearing Short Programme in Service-Learning and Community Engagement continued to build capacity among academic staff. This programme deals with the experiential learning and teaching required to instil SU's desired graduate attributes in students and encourage collaborative research methodologies. Staff of the Division also taught on the professional postgraduate diploma and master's programmes in Higher Education, and offered individual assistance to academic staff who sought to improve their teaching skills.

In terms of student volunteering, the credit-bearing Short Course on Leadership through Community Interaction was again presented to student volunteers from SU and two other universities in conjunction with the Frederik Van Zyl Slabbert (FVZS) Institute for Student Leadership. SU regards student volunteering as a structured out-of-class learning experience that contributes to the development of the desired graduate attributes.

CHS also joined forces with the FVZS Institute in presenting the course "Sick and tired of being sick and tired" in the module "Students as agents of social change". This course emphasises the value of physical activity in preventing disease, as well as how students may apply this in communities to help alleviate the burden of disease in society. The IHO similarly collaborated with the FVZS Institute as well as the Listen, Live and Learn (LLL) houses, and also presented a staff course in partnership with the Disability Unit and the Transformation Office, in an effort to develop leadership skills and strengthen the graduate attributes.

## **Managing knowledge and other partnerships**

The Research Centre for Social Impact, Transformation and Personnel continued its work in 2015 to manage SU's partnerships with schools and other civil society organisations so as to ensure that the University's unique scientific resources become indispensable to its partners, thereby contributing to SU's sustainability.

The WOW project, which links up with the *Woordfees*, is SU's largest schools partnership project and the only one using language and the written and spoken word to reach and develop underprivileged learners. Through capable management, this partnership reached 282 270 people and 2 354 schools in the reporting year – some 40 000 more people and 600 more schools than in 2014. It also helped secure attendance of the *Woordfees* for 4 190 learners from 414 different primary and secondary schools. The WOW Day for Grade 12 learners attracted 1 448 matric pupils and 250 teachers from 88 different schools. The

WOW Spelling Festival for schools was hosted in all nine provinces, for the first time boasting Sanlam as presenting sponsor.

The University maintained its memorandums of understanding with the municipalities of Stellenbosch, Drakenstein, Hessequa and Saldanha Bay, as well as similar agreements with the City of Cape Town and the Western Cape government via the Cape Higher Education Consortium. This required regular contact and high-level meetings throughout the year.

Staff of the Division for Social Impact still actively brokers knowledge partnerships with community networks and forums. The Lückhoff School, which turned 80 in 2015, celebrated this milestone along with the Division by hosting a special event where 825 learners were treated to stories about the school's history. The Division's two SU Schools Partnership Forums, in collaboration with the Centre for Prospective Students and the Centre for Pedagogy (SUNCEP), also offered important institutional coordination and strategic direction to SU staff who were involved in school projects. An open invitation

to a community forum extended to the surrounding communities brought together a wide variety of representatives to exchange ideas on the development of Stellenbosch. Finally, the Division also strengthened its ties with the Idas Valley Ministers Forum and the Stellenbosch Welfare Organisations Coordinating Committee (SWOCC) by jointly reflecting on how SU could become more responsive to local needs.

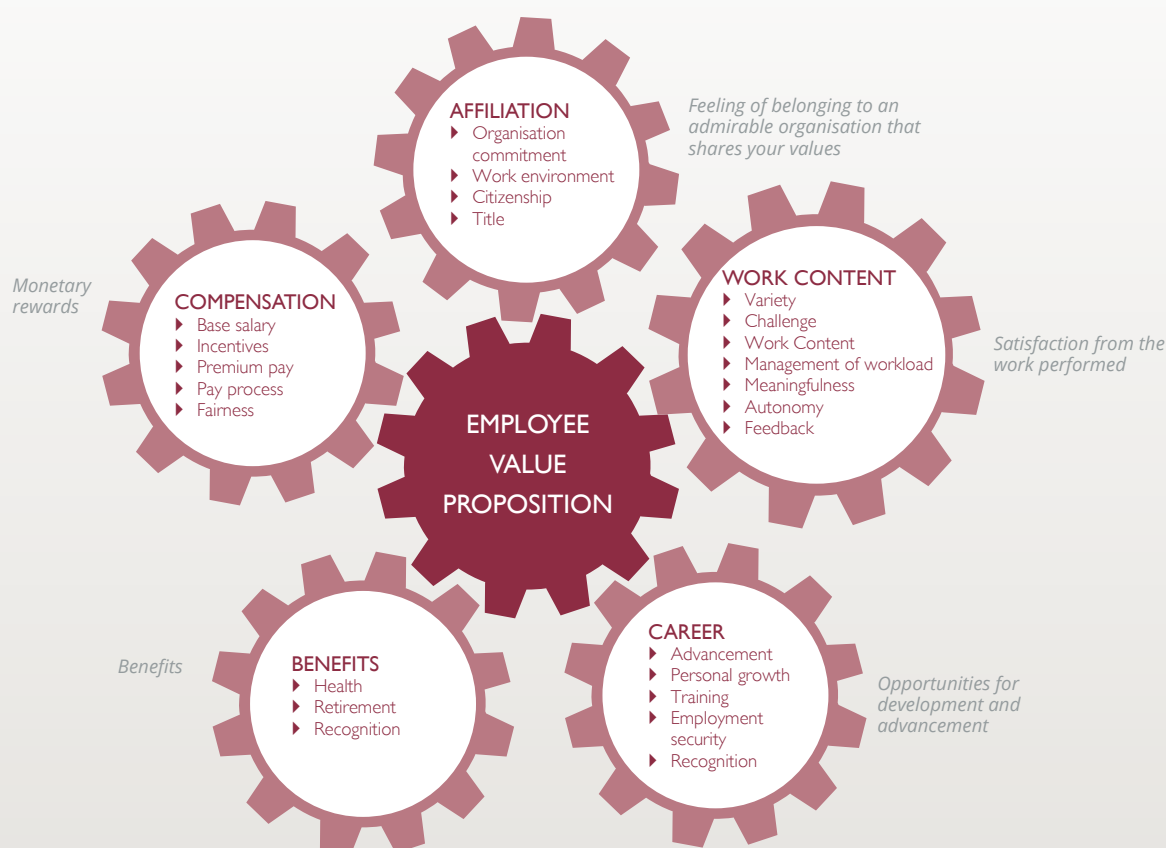
### **Adding to our value proposition with an improved staff corps**

#### *Good progress with employee value proposition*

As a key stakeholder in the sustained improvement of the SU staff corps, the Division for Human Resources focused on establishing the University as the preferred employer in the South African higher education sector. In this regard, SU's employee value proposition (EVP) is vital, and informed most of the Division's activities.

The EVP is a function of systemic wellness through the interaction between the following elements:

### **Elements of SU's employee value proposition**





### Personnel impact of protest action

However, Human Resources also encountered a number of unforeseen challenges in the last couple of months of the year. The protest action on student fees, mass action on the outsourcing of services, and the trauma suffered by staff as a result, placed significant pressure on the wellness functions of the Division. Fortunately, this was addressed efficiently and extremely professionally. Events are also planned to equip staff to cope with protest action.

The Division for Legal Services, an integral entity supporting and improving internal systemic interaction, was similarly affected by the challenges above. Although the Division, particularly the Legal Advice and Student Discipline Units, was overstretched at times, the function performed its duties successfully and pulled its weight to meet the University's needs with the assistance of external law firms. The added demands made on Legal Services as a result of the protest action confirmed many of the recommendations from the 2014 quality assessment and also identified other important priorities. These include the importance of an accelerated and complete revision of the student disciplinary code, as well as the need for a revised budget for the immediate future, considering the cost of legal services. Stakeholders in the Division and the Research Centre more broadly remain committed to finding a solution to the challenges of developing an appropriate legal compliance function and plan, and delivering support and advice within resource and funding constraints. The strengthening of the staff corps in the Division for Legal Services is regarded as a priority.

### Staff and student health

Campus Health Services (CHS) continued its core business, namely creating a healthy campus as a platform for staff and student success. In 2015, the Service had 27 328 consultations with students and staff. In terms of students alone, CHS received 3 613 more visits than in the previous year. A proactive immunisation drive against flu, one of the main reasons for visits to CHS, was implemented, resulting in a notable decrease in flu cases compared to 2014. Although there were no significant disease outbreaks on campus, the increasing number of newly diagnosed tuberculosis (TB) cases remains a challenge. In response, protocols in line with those of the Department of Health were implemented, particularly in respect of students in residence. As part of the occupational health programme, CHS also provides support in preventing TB among Medicine and Health Sciences students, inter alia through raising awareness, testing and supplying suitable masks.

A focused screening programme to ensure student and staff's health and safety was also implemented in all clinical focus areas of CHS in 2015. Various preventable diseases that may affect student and staff performance were identified and treated, with the most prevalent being diabetes and high blood pressure. Effective collaboration with Human Resources resulted in the implementation of baseline medical examinations for all new personnel appointments and the provision of medical aid health profile information, all contributing to the efficient management of diagnosed conditions. In addition, a comprehensive radiology service was established on campus in conjunction with external partners and the Division for Facilities Management.

### Employment equity profile of academic staff at Stellenbosch University

| Faculty                          | Black      | White      | Total      | Foreign nationals |           |           | Grand total  | Disabled | Percentages (%) |            |                   |           |
|----------------------------------|------------|------------|------------|-------------------|-----------|-----------|--------------|----------|-----------------|------------|-------------------|-----------|
|                                  |            |            |            | Africa            | Other     | Total     |              |          | Black           | White      | Foreign nationals | Disabled  |
| AgriSciences                     | 13         | 59         | 72         | 2                 | 11        | 13        | 85           | 2        | 18              | 82         | 15                | 2         |
| Arts and Social Sciences         | 34         | 141        | 175        | 3                 | 11        | 14        | 189          |          | 19              | 81         | 7                 | 0         |
| Economic and Management Sciences | 22         | 175        | 197        | 6                 | 3         | 9         | 206          | 1        | 11              | 89         | 4                 | 0         |
| Education                        | 24         | 24         | 48         |                   |           |           | 48           |          | 50              | 50         | 0                 | 0         |
| Engineering                      | 5          | 108        | 113        | 5                 | 4         | 9         | 122          | 2        | 4               | 96         | 7                 | 2         |
| Law                              | 6          | 24         | 30         |                   | 2         | 2         | 32           | 1        | 20              | 80         | 6                 | 3         |
| Medicine and Health Sciences     | 43         | 87         | 130        | 2                 | 7         | 9         | 139          | 1        | 33              | 67         | 6                 | 1         |
| Science                          | 26         | 106        | 132        | 10                | 30        | 40        | 172          |          | 20              | 80         | 23                | 0         |
| Theology                         | 6          | 17         | 23         |                   |           |           | 23           |          | 26              | 74         | 0                 | 0         |
| <b>Total</b>                     | <b>179</b> | <b>741</b> | <b>920</b> | <b>28</b>         | <b>68</b> | <b>96</b> | <b>1 016</b> | <b>7</b> | <b>19%</b>      | <b>81%</b> | <b>9%</b>         | <b>1%</b> |

## Employment equity profile of management and non-academic staff at Stellenbosch University

| Faculty/ division   | Black        | White      | Total        | Foreign nationals |           |           | Grand total  | Disabled  | Percentages (%) |            |                   |           |
|---|--------------|------------|--------------|-------------------|-----------|-----------|--------------|-----------|-----------------|------------|-------------------|-----------|
|   |              |            |              | Africa            | Other     | Total     |              |           | Black           | White      | Foreign nationals | Disabled  |
| AgriSciences  | 65           | 42         | 107          |                   |           |           | 107          | 1         | 61              | 39         | 0                 | 1         |
| Arts and Social Sciences                                    | 49           | 49         | 98           |                   |           |           | 98           |           | 50              | 50         | 0                 | 0         |
| Chief Operating Officer                                     | 255          | 148        | 403          |                   | 1         | 1         | 404          | 5         | 63              | 37         | 0                 | 1         |
| Development and Alumni Relations                            | 10           | 10         | 20           |                   |           |           | 20           |           | 50              | 50         | 0                 | 0         |
| Division for Corporate Marketing                            | 6            | 9          | 15           |                   |           |           | 15           |           | 40              | 60         | 0                 | 0         |
| Division of the Rector                                      | 2            | 2          | 4            |                   |           |           | 4            |           | 50              | 50         | 0                 | 0         |
| Economic and Management Sciences                            | 61           | 64         | 125          |                   |           |           | 125          |           | 49              | 51         | 0                 | 0         |
| Education   | 29           | 20         | 49           | 1                 |           | 1         | 50           |           | 59              | 41         | 2                 | 0         |
| Engineering   | 53           | 48         | 101          | 3                 | 1         | 4         | 105          |           | 52              | 48         | 4                 | 0         |
| Law   | 8            | 11         | 19           |                   |           |           | 19           |           | 42              | 58         | 0                 | 0         |
| Medicine and Health Sciences                                | 227          | 150        | 377          | 4                 | 6         | 10        | 387          | 1         | 60              | 40         | 3                 | 0         |
| Military Science  | 1            | 2          | 3            |                   |           |           | 3            |           | 33              | 67         | 0                 | 0         |
| Science   | 84           | 83         | 167          | 2                 | 2         | 4         | 171          |           | 50              | 50         | 2                 | 0         |
| Theology  | 8            | 8          | 16           |                   |           |           | 16           |           | 50              | 50         | 0                 | 0         |
| Vice-Rector (Learning and Teaching)                         | 131          | 148        | 279          |                   |           |           | 279          | 2         | 47              | 53         | 0                 | 1         |
| Vice-Rector (Research, Innovation and Postgraduate Studies) | 134          | 156        | 290          | 2                 |           | 2         | 292          | 1         | 46              | 54         | 1                 | 0         |
| Vice-Rector (Social Impact, Transformation and Personnel)   | 72           | 37         | 109          | 1                 |           | 1         | 110          | 2         | 66              | 34         | 1                 | 2         |
| <b>Grand total</b>  | <b>1 195</b> | <b>987</b> | <b>2 182</b> | <b>13</b>         | <b>10</b> | <b>23</b> | <b>2 205</b> | <b>12</b> | <b>55%</b>      | <b>45%</b> | <b>1%</b>         | <b>1%</b> |

# REPORT ON

## risk exposure, evaluation and management

Like any other organisation, Stellenbosch University (SU) too is exposed to risks from time to time that may disrupt the realisation of its strategic and operational goals and threaten sustainability.

Over the past six years, the University has developed risk management into a core aspect of corporate oversight. An embedded risk management model was adopted in 2009, in terms of which risks are identified in all divisions and are as far as possible managed where they arise. This model, which has been further refined over the years, was subjected to an internal audit in 2013. Proposals arising from the audit have since been implemented and risk assessment refined to provide for both initial and post-intervention assessment. The adoption of the Risk Management Policy by the University Council in 2015 now paves the way for the finalisation and approval of a risk management framework for SU.

Risk management underpins institutional management processes by continuously capturing risks in the University's electronic risk register for management review. Towards the end of 2015, a Reputation Advice Committee was established to attend to risks that could threaten the University's excellent reputation. Risks captured in the risk register requiring institutional management review are then referred to the Risk Management Committee, followed by the Rector's Management Team. The risk register is enclosed as an annexure to the Rector's risk management report that is submitted to Council's Audit and Risk Committee.

### Exposure to external risks

The external risks that may affect the University's core functions and that were considered by the Risk Management Committee in the year under review included the following education and training risks identified by the World Economic Forum:

- ▶ An increasing number of graduates leave university with exceptionally high debt.
- ▶ It is becoming increasingly common for young graduates to accept work for which they are overqualified.
- ▶ Students who regard a tertiary qualification as a high-risk investment will study further only if their families can afford it. Cost pressure impairs the achievement of qualifications as a means to counter inequality.
- ▶ Graduates who are not employed, and therefore cannot pay off their study debt, cannot start saving for their future.

- ▶ Rapid technological developments have made tertiary training via the internet and other electronic platforms more and more popular. Therefore, training increasingly occurs outside the context of residential universities.
- ▶ There is a growing expectation that universities should contribute to shrinking the gap between school and employment by adapting their programmes and keeping programme content relevant.

### The management of internal strategic risks

In dealing with internal risks, the Risk Management Committee maintains a fine balance between the demands of all the strategic objectives in the Institutional Intent and Strategy and the following material strategic focus areas:

- ▶ internationalisation;
- ▶ human resource matters, such as the retention of expertise and the diversity and transformation of the staff corps;
- ▶ inclusivity and the establishment of a transformation office;
- ▶ corporate image and branding; and
- ▶ further development of sport as an institutional asset.

The institutional risks to which the University is most exposed are reviewed every six months. Where it makes sense, operational risks are linked to the University's strategic priorities (see page 8) and assigned to a centre of responsibility. To reduce exposure to these risks, they are managed strategically in the medium to long term to an acceptable level of tolerance. The table below provides a summary of SU's high-order risks during the reporting year and the measures the institution has taken to manage them. SU's financial risks are addressed in the financial report (see page 133).

Internal risks that have been mitigated to reach acceptable levels were the shortage of space on campus to expand facilities, the sustainability risk for corporate entities and other centres; and a VAT fine on electronic resources.

**MR MANIE LOMBARD**  
*Chair of the Risk Management Committee (acting)*

## Risk management according to our strategic priorities

| Strategic priority             | High-order risk   | Our response   | Centre of responsibility                                       |
|--------------------------------|---|--|--|
| Broadening of access           | Lecture hall capacity is insufficient for growing student numbers*                  | <ul style="list-style-type: none"> <li>Construction of a new learning and teaching commons.</li> <li>SU Council made available R121 million.</li> <li>Approach potential sponsors continually for funding shortfall.</li> <li>Commons identified as one of the highest fundraising priorities.</li> </ul>  | Chief Operating Officer<br>Vice-Rector (Learning and Teaching) |
|                                | THRIP being transferred from the NRF to the Department of Trade and Industry (dti)* | <ul style="list-style-type: none"> <li>Immediate contact with NRF and dti concerning the impact on existing THRIP projects.</li> <li>Communication with researchers and industry partners to assess impact.</li> </ul>   | Vice-Rector (Research, Innovation and Postgraduate Studies)    |
|                                | Slow pace of institutional transformation   | <ul style="list-style-type: none"> <li>Establishment of a transformation office.</li> <li>Readjusting the focus of the portfolio of the Vice-Rector (Community Interaction and Personnel) to (Social Impact, Transformation and Personnel).</li> <li>Establishment of a transformation office and representative transformation committee.</li> <li>Finalisation of a transformation implementation plan.</li> <li>Regeneration of institutional culture.</li> </ul> | Vice-Rector (Social Impact, Transformation and Personnel)      |
|                                | Staff diversity   | <ul style="list-style-type: none"> <li>R70 million has been made available for diversification of senior academics in particular.</li> <li>Target of 40% representation of designated groups among academic staff.</li> </ul>  | Vice-Rector (Social Impact, Transformation and Personnel)      |
|                                | Student diversity   | <ul style="list-style-type: none"> <li>Targets for 2016 were already set by Council in February 2009.</li> <li>Top-up bursaries from some faculties' budgets to supplement recruitment bursaries.</li> <li>Ongoing efforts to create an inclusive student culture.</li> <li>Development of a compulsory 12-credit first-year module on transformation competence.</li> </ul>   | Vice-Rector (Learning and Teaching)                            |
|                                | Reduction in NSFAS bursaries  | <ul style="list-style-type: none"> <li>Negotiations on NSFAS funds already disbursed.</li> <li>R10,7 million made available from SU reserve bursary loan funds to enable students in financial need, primarily CBI students, to register.</li> <li>Request for additional funds from NSFAS.</li> </ul>   | Vice-Rector (Learning and Teaching)                            |
| Sustain momentum of excellence | Sustainable maintenance of physical facilities                                      | <ul style="list-style-type: none"> <li>Increase in main budget for maintenance.</li> <li>Council committee investigates maintenance backlog project.</li> <li>Sustainable maintenance included in the Campus Renewal Project.</li> </ul>   | Chief Operating Officer  |
|                                | Exposure to building and mountain fires*  | <ul style="list-style-type: none"> <li>Project to safeguard lofts completed.</li> <li>Mountain area plan drafted and implemented.</li> <li>Fire plans for both buildings and mountain areas were practically implemented during the Van der Sterr and mountain fires in 2015 (see photo on page 52).</li> <li>Experienced group of diverse role players on standby as contingency committee for fire management.</li> </ul>  | Chief Operating Officer  |
|                                | Heavy burden on professional support services                                       | <ul style="list-style-type: none"> <li>Systemic and integrated solutions according to the business plans of the relevant divisions, which are based on the Institutional Intent and Strategy, are being followed in collaboration with Human Resources.</li> <li>Task team to investigate modified personnel allocation formula for both academic and support services environments.</li> </ul>  | Vice-Rector (Social Impact, Transformation and Personnel)      |
|                                | Inadequate IT expertise and capacity  | <ul style="list-style-type: none"> <li>Investigation into organisational structure.</li> <li>Grouping of specialist knowledge resources.</li> <li>Additional post created for the key functions of security management development.</li> <li>Create leeway in the IT budget for key functions.</li> </ul>  | Vice-Rector (Research, Innovation and Postgraduate Studies)    |
|                                | Elsenburg issues  | <ul style="list-style-type: none"> <li>Vice-Rector (Social Impact, Transformation and Personnel) managing relationship with Elsenburg.</li> <li>Strengthening of relationship with Elsenburg and the Western Cape Department of Agriculture.</li> <li>Student protests at Elsenburg, along with their causes, are dealt with in so far as these affect the relationship between SU and Elsenburg.</li> </ul>   | Chief Operating Officer  |

|                                |  |  |                         |
|--------------------------------|--|--|-------------------------|
| Sustain momentum of excellence | Increased exposure to violent crime*           | <ul style="list-style-type: none"> <li>• Implementation of comprehensive preventative and responsive security strategy with visible patrols, cooperation with external partners and awareness campaigns among campus community.</li> <li>• SU is a founding member and active participant in the Stellenbosch Security Initiative (SSI) in conjunction with Campus Security, SAPS, Stellenbosch Municipality and nine private security firms.</li> <li>• Comprehensive communication initiative to promote security awareness among students and staff.</li> <li>• Mobile response unit active on campus at night.</li> </ul>  | Chief Operating Officer |
| Enhance societal impact        | Student and staff activism                     | <ul style="list-style-type: none"> <li>• Appropriate preventative measures to promote order and safety during gatherings.</li> <li>• Presentations on overarching transformation plan, the Institutional Intent and Strategy.</li> <li>• Continuous refinement of policies, procedure and actions to inform and manage application and approval processes for marches and gatherings.</li> <li>• SU, SAPS and Stellenbosch Municipality have agreed on a cooperative protocol to promote orderly and safe marches and gatherings.</li> </ul>   | Chief Operating Officer |
|                                | Inadequate investment in sport                 | <ul style="list-style-type: none"> <li>• Appointment of new Chief Director: Sport.</li> <li>• R10 million earmarked for the execution of the sport plan.</li> <li>• Overarching advisory committee.</li> <li>• Appointment of a high-level liaison officer, who will also be responsible for fundraising, is under way.</li> <li>• Prepare action plans in terms of which all students pay for the SU value proposition for sport and recreation. Students who participate in organised sport pay club fees for extra services and/or value proposition of their clubs.</li> <li>• Upgrade of sport facilities with funding from maintenance budget of Facilities Management as well as the Campus Renewal Plan.</li> <li>• Develop and adopt a strategy to channel funds from the main budget to Maties Sport sustainably.</li> </ul> | Chief Operating Officer |
| Compliance                     | Harm to commercial interests of the University | <ul style="list-style-type: none"> <li>• SU is committed to fostering a culture of transparency and accountability through compliance with the Promotion of Access to Information Act (No. 2 of 2000) (PAIA).</li> <li>• In 2015, the University received four requests made under the act, of which only one was refused as the disclosure of the requested record would have likely caused harm to the commercial interests of the University.</li> </ul>  | Chief Operating Officer |

\* These risks have an influence on our systemic sustainability



**Pioneering transplant**



## EXCELLENT AND LIFE-CHANGING

The Faculty of Medicine and Health Sciences announced in March 2015 that a team of pioneering surgeons from SU and Tygerberg Hospital had performed the world's first successful penile transplant in a marathon nine-hour operation.

**Resourceful research benefits game**



For her research towards a PhD in Animal Scienc in the Faculty of AgriSciences, Dr Liesel Laubscher measured the stress levels of blue wildebeest (gnus) with infrared video recorders and biotelemetry belts used by athletes. She compared the effect of two long acting tranquilizers on these animals when they are held in bomas prior to being moved. Stellenbosch University ranks among the top 100 institutions worldwide in agriculture and forestry, according to the QS World University Rankings by Subject for 2015.

**Residents of Die Vlakte remembered**



A permanent installation in the Faculty of Arts and Social Sciences building commemorates the forced removal of residents of Die Vlakte. Mrs Francis Jooste, an assistant at the Faculty, shows the Rector, prof Wim de Villiers (left), and the Dean of the Faculty prof Johan Hattingh, photographs of her relatives that were taken while they were still living in Die Vlakte.

# FACULTY REPORTS

The core business of Stellenbosch University is carried out by our ten faculties. Collectively, this core business comprises teaching and learning, research and innovation, and social impact.

Our core business produces beneficial outputs as follows:

- ▶ the business of teaching and learning delivers academically qualified students equipped for the world of work;
- ▶ the business of research and innovation generates new knowledge essential for the advancement of humankind; and
- ▶ the business of social impact enables the practical two-way sharing of knowledge with society.

Eight of our University's ten faculties are

situated on our main campus at Stellenbosch, namely AgriSciences, Arts and Social Sciences, Education, Engineering, Law, Science, Theology and the larger part of Economic and Management Sciences. The rest of the Economic and Management Sciences Faculty is situated on the Bellville Park Campus in the form of the University of Stellenbosch Business School and USB Executive Development Ltd. The last two faculties are the Faculty of Medicine and Health Sciences at the Tygerberg Campus and the Faculty of Military Science at the coastal town of Saldanha Bay. Details about these faculties may be obtained on the University's website at [www.sun.ac.za](http://www.sun.ac.za).

# Faculty of AGRISCIENCES

## Prof Danie Brink

*Acting Dean: Faculty of AgriSciences*



The Faculty of AgriSciences is a key stakeholder in addressing the growing challenges of South African agriculture and forestry, and ensuring that the country's natural resources are utilised and managed both ethically and scientifically.

The year 2015 was an exceptionally good one for AgriSciences, having been acknowledged as the top faculty for studies in agriculture and forestry on the African continent, 34<sup>th</sup> among the BRICS countries, and among the top 50 globally on the 2015 QS world rankings. This acknowledgement strengthens the Faculty's resolve to continue to offer quality education and applied research in agricultural sciences (see page 62).

### **Sustaining our momentum of excellence**

With regard to teaching, the Faculty maintained a strong first-year student intake in line with the enrolment objectives of the University and the Department of Higher Education and Training. AgriSciences made a concerted effort in the reporting year not only to improve the quality of the students it attracts, but also to ensure better distribution of students across the Faculty's eight programmes. Following research on areas of improvement to increase student success and teaching outcomes, a decision was made to introduce higher admission requirements for most of the Faculty's undergraduate programmes with a view to the 2016 intake, while at the same time improving student academic support in the form of monitoring and tutor programmes. Efforts to ensure that students are spread more evenly across the Faculty's programmes included further refining of enrolment targeting, which has seen a notable increase in student numbers in the previously undersubscribed crop and soil sciences programmes. As student demand for the food science programme far exceeds the available capacity, this programme will have to be managed particularly closely with a selection process from 2017 onwards. A more

even distribution of students should also strengthen the respective departments' postgraduate student numbers and enhance research capacity. In addition, all teaching programmes are undergoing curriculum renewal to improve teaching outcomes and facilitate better alignment between curricula content and stakeholder interests.

The number of postgraduate students continued its steady increase with 44 honours, 306 master's and 182 PhD students registering during 2015, while a record number of 38 PhD students graduated at the end of the year. To enhance research potential, the Faculty continues to co-invest in equipment, secure research funding for young academics, and support postdoctoral bursary applications. The Faculty had more than 30 postdoctoral research fellows in the reporting year, and plans to increase this number going forward. Efforts to improve the through-put rate of postgraduate students should result in improved long-term research outputs, human capacity development and financial viability.

In terms of specialised research, the Faculty is building multidisciplinary research themes focusing on sustainable agricultural production, resource management, agricultural water and waste management, and food and nutrition security. The four government-funded research chairs in respectively plant biotechnology, post-harvest technology, meat sciences and wine sciences generate the research outputs and new knowledge required to support the agricultural sector. Based on the important leveraging effect of these chairs within the Faculty, all departments have been tasked to try to establish a government or privately funded chair to enhance their research status in

their particular sectors. One such chair in applied pre-harvest deciduous fruit research was introduced in 2015 in collaboration with HortGro Science.

Fully aware that its staff is its biggest asset, the Faculty continues to develop systems aimed at enhancing the working environment and conditions of staff within tight budgetary confines. New labour legislation and a new directive to implement an employment equity plan for the Faculty are important implementation objectives in the years ahead.

### **Broadening access**

Providing the broadest possible access to a diverse pool of students and staff remains a priority. The relatively young average age of AgriSciences academic staff provides a unique opportunity to identify talent amongst the Faculty's coloured, black and Indian (CBI) postgraduate students, who are then supported to pursue an academic career and improve their employability at Stellenbosch University and other tertiary institutions. To further enhance academic staff diversity, AgriSciences utilises platforms such as the Rector's Strategic Personnel Fund and government's nGAP initiative to attract and appoint staff capable of contributing to the Faculty's teaching and research objectives.

Student diversity is improved through targeted recruitment, including at events such as the AgriFoods Expo on campus, which the Faculty hosts in partnership with the Produce Marketing Association, as well as through recruitment and marketing endeavours by the University's Centre for Student Recruitment. For the past three years, the Faculty has also presented an AgriSciences@Maties programme for high-school learners during the June holidays. Another focused project aimed at changing learners' perceptions about agriculture and recruiting top students for the Faculty is an initiative with high-school learners in the Robertson area. This project, which has been running since 2010 with the kind support of the Graham and Rhona Beck Foundation, provides learners with free psychometric testing to assist them with their career choices, and exposes them to broad agricultural sectors through visits to local agri-businesses and the Cape Town fresh produce market.

The Faculty also strives to provide educators and counsellors with access to important resources and information. The 2015 AgriFoods Expo included an information session for career counsellors and science and agricultural science teachers, briefing them on career opportunities and the increasing demand for expertise in the food production sector. Moreover, AgriSciences lecturers provide further training and development to Western Cape agricultural science teachers during the July holidays in collaboration with the province's education department.

Finally, access for students in financial need received a boost with the announcement by the international fertilizer company Yara that it would make available three postgraduate bursaries to students in AgriSciences. Two bursaries will respectively support studies in agronomy and horticulture, while the third will be awarded to a student from elsewhere in Africa or be utilised to drive innovation at SU.

### **Enhancing social impact**

Strongly committed to finding solutions to the development challenges of the country, the Faculty is actively engaging in industry, government and community interaction initiatives.

The Faculty maintains strong relationships with key industry stakeholders and is currently developing an 'industry hub' at the Welgevallen experimental farm. This will further strengthen ties between SU and industry, enhance the Faculty's applied research focus, and develop additional outputs that are of value to agricultural sector industries.

A land imbizo, the third of its kind since June 2012, provided a platform for leading agricultural role-players to engage in frank dialogue with leaders of the ruling party on agricultural and land reform matters. ANC Secretary-General Gwede Mantashe and a number of prominent government officials met with a group of leading commercial farmers as part of a series of imbizo engagements driven by the University's Standard Bank Centre for Agri-Business Development and Leadership in partnership with the In Transformation Initiative. Moreover, towards the end of 2015, the Faculty's Department of Agronomy received a visit from agriculture, forestry and fisheries Minister Senzeni Zokwana. The Agronomy Department is committed to collaborate with government on proposed projects in rural Eastern Cape to uplift communities and facilitate their advancement from small-scale subsistence to profitable farming. Discussions with the minister also touched on the compilation of a practical manual for small-scale farmers in their home language, which will place appropriate and valuable information on crop production at their fingertips.

Beyond South African borders, the Faculty strengthened its impact by extending its collaborative network to more universities and research institutes in various African countries and the East, where its academic interests continue to grow. Two members of the Faculty were also elected to the most senior leadership positions of international associations, with Prof Nick Vink now serving as president elect of the International Association of Agricultural Economists, and Prof Johan van Rooyen as president of the International Food and Agribusiness Management Association.



# Faculty of ARTS AND SOCIAL SCIENCES

## Prof Johan Hattingh

*Dean: Faculty of Arts and Social Sciences*



The Faculty of Arts and Social Sciences experienced 2015 as a challenging yet exciting year that required all role-players to apply new thinking to various issues, particularly to what the Faculty itself still needs to do to ensure that its programme offering, teaching and staff environment are and remain truly inclusive, innovative and future-focused.

However, despite the challenges, academic excellence was maintained and expanded, and the Faculty also participated in community interaction, serving society through its scholarship.

### **Sustaining our momentum of excellence**

Arts and Social Sciences staff members generally perform at a very high standard, but the following excellent achievements in the course of the reporting year deserve special mention.

Prof Arina Britz, a mathematician who previously worked for the CSIR, was appointed to a new research chair in artificial intelligence in the Department of Information Science in July. This chair forms part of a broader initiative of the CSIR's Centre for Artificial Intelligence Research (CAIR), with Profs Arina Britz and Bruce Watson, chairman of the Department of Information Science, as key collaborators. In addition, two of the five new research chairs awarded to SU through the South African Research Chair Initiative (SARChI) in September are located in Arts and Social Sciences: Prof Amanda Gouws (Department of Political Science) now holds the chair in gender politics, and Prof Cheryl Walker (Department of Sociology and Social Anthropology) the chair in the sociology of land, environment and sustainable development. A DST/NRF research chair in science communication, held by Prof Peter Weingart, was established in the Centre for Research on Evaluation, Science and Technology (CREST) to focus on the communication of science to policy

makers in particular. At the same time, the Centre for Science and Technology Mass Communication was set up in the Department of Journalism. The Centre serves as an interdisciplinary research, service, educational and training institution aimed at improving the science and technology communication skills of journalists and science communicators at research institutions, universities and similar organisations.

Staff members garnered prestigious awards with their outstanding literary work. Dr Willem Anker of the Department of Afrikaans and Dutch received the University of Johannesburg award, the WA Hofmeyr award and the kykNET/Rapport award for the novel Buys, as well as the Afrikaans Onbeperk award for innovative thought. Prof Stephanus Muller of the Department of Music and head of the Documentation Centre for Music (DOMUS) received the University of Johannesburg award for creative writing for his book Nagmusiek.

The Department of Sociology and Social Anthropology's innovative research project "Indexing the Human: From Classification to a Critical Politics of Transformation", which was launched in 2014, came to an end in its current format. The project, which consisted of a seminar programme, workshops and joint learning events, helped broaden participants' minds regarding the past and future of social anthropology and human sciences at SU and in the region. For more information, please consult the December 2015 edition of Matieland.





## Broadening access

### *Non-exclusionary multilingualism*

The language of instruction and administration featured prominently as the subject of intense debate both within and outside the University in the course of the year. The Faculty of Arts and Social Sciences conducted an in-depth study and eventually decided to adopt the principle of non-exclusionary multilingualism as premise for the Faculty's language practice in teaching and administration. This entails that communication within the Faculty occurs by way of various languages (Afrikaans, English and isiXhosa) and that this multilingualism is regarded as an asset. Non-exclusionary multilingualism serves as a sign of respect and mutual understanding among staff and students hailing from diverse backgrounds and circumstances.

*Our enrolment statistics for 2016 shows that although the number of first-time entering first-year students declined due to limiting the places available in our Faculty, the number of students from the designated groups (coloured, black and Indian, also CBI) is still growing.*

For 2015 we set ourselves a registration target of at least 333 CBI students, but overshot the target by registering 403 students.

### *Strategic appointments to promote staff diversity*

The diversity profile of the Faculty's staff received a boost when Arts and Social Sciences was awarded one position through the nGAP government programme, which is aimed at developing and supporting a new generation of academics. Mr Zimba was appointed to the position in the Department of Social Work.

The Faculty also received a Mellon award for the promotion of an inclusive professoriate. This award, which will take effect from 2016, provides for the support of senior lecturers and associate professors from the designated groups by securing teaching assistance and awarding postgraduate bursaries. This will enable these academics to focus on their research, which should in turn see an increase in the University's number of publications in academic journals and other research outputs.

## Enhancing social impact

### *Community interaction that heals*

Towards the end of the reporting year, a permanent installation was unveiled in the Arts and Social Sciences building to commemorate the forced removal of residents of *Die Vlake*, a Stellenbosch residential area that was located on the site where the Faculty's building stands today. This followed after the Faculty appointed a committee in December 2013 to design the installation. It consists of picture panels depicting the area and the daily lives of the former residents of *Die Vlake*, narrative accounts of former residents and their children and grandchildren, as well as a written outline of the historic context within which the events occurred (see page 62). The area was declared a white area in terms of the Group Areas Act in 1964, and approximately 3 700 people who had been classified as 'coloured' were removed from the Stellenbosch town centre over the period 1969 to 1970. With this installation, the Faculty acknowledges the pain and suffering experienced by residents when the University later assumed ownership of the land and built its own buildings on the site. For more details scan QR code.



### *Student activism as platform for dialogue*

This report would be incomplete without making mention of the various protest actions that occurred on campus in 2015.

*The demonstrations, which inter alia pertained to language, student fees, transformation and diversity, were mainly student-driven.*

The Faculty intentionally decided to respond with academic dialogue, and to attempt to offer proactive leadership in campus conversations on the sensitive issues that required the University and the SU community's urgent attention. It is important to have not only academic, but also practical campus conversations on sensitive issues, such as race, gender, sexuality, identity, religion, as long as this occurs within the framework of in-depth study, thorough argumentation, critical dialogue and creative practice.

# Faculty of Economic and Management SCIENCES

## Prof Stan du Plessis

*Dean: Faculty of Economic and Management Sciences*



Celebrating its 90th anniversary, the Faculty reflected on the progress made in its efforts to be regarded as the leading faculty of its kind in South Africa – one that is committed to the development of the rich human potential of the entire spectrum of the South African population, respected as an international role player, and acknowledged as a centre of excellence within the University.

### **Sustaining our momentum of excellence**

Realising that sustained student enrolments and success is essential to achieve excellence, EMS seeks to enrol 1 500 newcomer first-year students in undergraduate bachelor's degree programmes annually. Enrolments for 2015 fell slightly short of this target. To help stimulate growth, the Faculty has adjusted its programme offering for 2016.

At postgraduate level, the Faculty again delivered a record number of 22 PhD degrees in 2015. An area identified for improvement is the average time taken to complete PhDs, which led to the establishment of the Graduate School for Economic and Management Sciences (GEM) aimed at helping full-time PhD students graduate within three years. In 2016, it will reach the sustainable level of 30 students, while the first cohort will be graduating.

Our School of Accountancy's BAccHons class of 2015 demonstrated the quality of the School's tuition by obtaining a brilliant 94% pass rate in the first professional exam (Initial Test of Competence (ITC)) of the South African Institute of Chartered Accountants (SAICA). SAICA announced that we achieved the best pass rate in South Africa among the SAICA-accredited universities for students who had taken this examination for the first time.

Being SU's biggest faculty, EMS's large student numbers contribute to a cost-effective lecturer-student ratio. Subsidies (30,9%), tuition fees (33,1%) and total third-stream income (36%) combined, secured the Faculty an income of R641 million in 2015. The challenge is to continuously ensure that activities generating third-stream

income are integrated with the Faculty's core functions of teaching, research and social impact.

To promote student success, the Faculty has taken several measures, including a module mentoring programme, which comprised over 1 000 mentorships in 2015; tutoring programmes, as well as new technology platforms to enhance the classroom experience and facilitate learning. At the undergraduate level, the pass rate per module is a superb 82,9% for 2015.

In pursuing the University's priorities, the Faculty increasingly seizes opportunities for interdisciplinary collaboration such as the flagship Centre for Complex Systems in Transition housed in the Faculty. The Centre hosts several leading scientists and students from diverse disciplinary backgrounds, providing a vibrant hub for solution-orientated, transdisciplinary sustainability science.

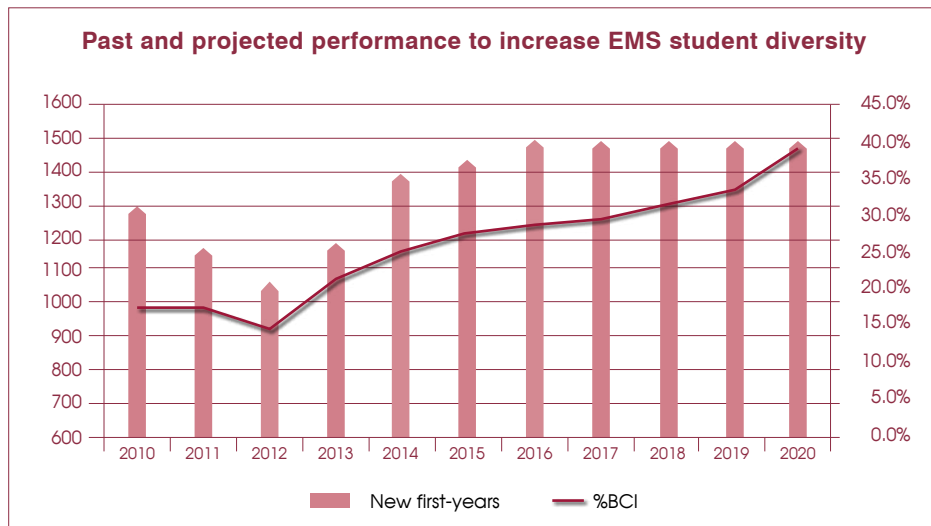
In terms of research excellence, the Faculty reached a new milestone in 2015 when 32 of its researchers were graded by the National Research Foundation (NRF). Through extensive initiatives to support and encourage staff to undertake research, the Faculty also managed to deliver the highest ever number of research outputs per academic, despite a staff body that has almost doubled over the last decade.

An important enabler of excellence is well-equipped facilities. In this regard, 2015 posed its share of challenges with a fire in the Van der Sterr Building. Although all lectures were able to resume within a week while personnel were temporarily accommodated elsewhere on

campus, office and lecture hall expansions as part of the renovation of the Van der Sterr Building means that new facilities will only become available for use after January 2017 (see page 52). Bellville Park campus is also pressed for space, and plans are afoot to optimise space. Another significant facility-related challenge is the roll-out of Wi-Fi capacity in learning environments such as lecture halls.

### Broadening access

With regard to student diversity, 24% of the Faculty's undergraduate students were from the coloured, black and Indian (CBI) sections of society. The aim is to increase this to 40% by 2020 through a wide array of projects, including the Project ZERO bursary scheme, the student ambassadors project, focused recruitment projects and the expansion of parallel-medium instruction. A huge milestone is that the complete Bachelor of Accounting (BAcc) programme up to the third year is presented in parallel medium, with BAccHons to follow suit in 2016.



Progress with enhancing diversity among the Faculty's academic personnel has been too slow. Altogether 13,9% of academic and 23% of total personnel (auxiliary services included) are coloured, black or Indian. The Faculty utilises the nGAP and the Rector's Strategic Personnel Fund to tackle staff diversity challenges, particularly to recruit and retain CBI academics in the various specialist subject areas.

To further build staff capacity and provide access to doctoral studies, the Global Excellence in Management (GEM) initiative was expanded in the reporting year by the initiation of STEM (Staff Graduate School for Economic and Management Sciences), an integrated four-year programme. This will give permanent staff members a structured framework within which to complete their doctoral studies and become researchers and lecturers. The first cohort of 11 staff members started this programme in 2015, forming an important part of the Faculty's strategy to increase the proportion of personnel with doctoral degrees significantly.

### Enhancing our social impact

The Faculty has a diverse range of projects through which it helps change society for the better. One of these, the Centre for HIV/Aids Management, makes a huge contribution through two unique postgraduate programmes (graduating more than 3 600 postgraduate diploma and 470 master's students respectively since the beginning of the programmes in 2001 and 2003), as well as community projects that promote HIV/Aids awareness in poor communities in particular. Other projects include Rachel's Angels, ACCERUS (Anti-Corruption Centre for Education and Research at SU), the Stellenbosch Good Governance Forum, the Small Business Academy of the University of Stellenbosch Business School, the Centre for Corporate Governance and a humanitarian logistics cooperation agreement.

With 90 successful years to look back on, the Faculty is more committed than ever to be both successful and significant in all its activities and its pursuit of the University's strategic aims.

# Faculty of EDUCATION

## Prof Maureen Robinson

*Dean: Faculty of Education*



Characterised by a significant research profile, a focus on education beyond the school environment, and an interdisciplinary approach, the Faculty of Education strives to play a leading role in education, both locally and globally, and to address educational challenges, particularly in the South African context.

In the year under review, the Faculty carried out a range of teaching and learning, research and community engagement activities in pursuit of Stellenbosch University's institutional goals.

### **Sustaining our momentum of excellence**

Having delivered 646 graduates in the year under review, the Faculty boasts a high retention rate, with more than 90% of undergraduate students completing their degrees in the minimum time of four years. A fully established tutor and mentoring system is also in place to support at-risk students. However, although the postgraduate throughput rate has improved significantly since 2012, less than 50% of master's students complete their degrees in two years, largely because they are also in full-time employment. This is currently the focus of much discussion and planning.

The Faculty continued its efforts to offer high-quality and innovative programmes. The Bachelor of Education (BEd), Postgraduate Certificate in Education (PGCE), BEd Honours and Advanced Certificate in Education (ACE) qualifications were redesigned in line with the national policy on the minimum requirements for teacher education qualifications. Already assented to by all structures at faculty and institutional level, these programmes will be implemented as soon as national approval has been obtained.

Technology in education received much attention, and the use of learning technologies, including staff support and the establishment of communities of practice, was expanded. The Faculty is planning a pilot Digital Literacy short course

in 2016, in which practising teachers will be invited to enrol. The course will focus on promoting both technological and pedagogical knowledge.

In the reporting year, the Faculty's vibrant research culture was further strengthened by the renewal and improvement of a number of staff members' National Research Foundation (NRF) ratings, representation on editorial and review boards, and engagement in public dialogue through the media. The Faculty's focus on post-doctoral appointments, regular participation in national and international conferences, and funded research projects bear evidence of our pursuit of excellence. Further evidence is the Faculty's improved rate of doctoral graduations, from 11 in 2013 to 23 in 2015. This was accompanied by a slight drop in Master's graduates, from 43 in 2013 to 37 in 2015. The Faculty is looking at the reasons for this, with one key reason being the fact that most master's students are also full-time teachers, with heavy responsibilities.

Excellence among members of the Faculty was acknowledged in various ways in the reporting year.

- ▶ Prof Yusef Waghid and Dr Liezel Frick were honoured by the Association for the Development of Education in Africa (ADEA) and the African Development Bank's African Development Institute (ADI). Prof Waghid was awarded the Outstanding Mentor of Education Researchers award, while Dr Frick received the Best African Accomplished Education Researcher award. Dr Frick was also recognised by Stellenbosch University for delivering three PhD students in one year.



- ▶ Dr Michael le Cordeur's research focus was acknowledged when the *Afrikaanse Woordelys en Spelreëls* was updated to include words in "Kaapse Afrikaans" as an acknowledged variant of Afrikaans.
- ▶ Dr Nuraan Davids received the NRF's 2015 research excellence award for female early-career or emerging researchers as well as an institutional research award in recognition of her high number of accredited research publications.
- ▶ The Faculty's Vice-Dean for Research, Prof Aslam Fataar, was awarded the high honour of distinguished professor at Stellenbosch University.

In 2016, the Faculty will further build excellence through programme re-design, significantly advancing the use of technology, promoting research focus areas and hubs, increasing postgraduate success and enhancing the culture of academic debate through regular seminars.

### Broadening access

The highly successful university preparation programmes HOPE@Maties and SciMathUS, which are offered by the Stellenbosch University Centre of Pedagogy (SUNCEP) based in the Faculty, continued to help broaden access to tertiary education. Nine HOPE@Maties learners who formed part of the first cohort to participate in the programme in 2012 graduated in December 2015, alongside 22 former SciMathUS learners.

The year 2015 also saw further improvement in the diversity profile of undergraduate students, with student recruitment being supported by the very successful Funza Lushaka bursary programme. This is expected to be further boosted by the new Department of Higher Education

and Training policy introduced in the course of the year, which now restricts first-year Funza Lushaka bursaries for Foundation Phase students to mother-tongue African language speakers only.

### Enhancing our social impact

Besides the HOPE@Maties and SciMathUS programmes, the Faculty's positive impact on society also includes the Area Health Education Centre (AHEC) programme for teacher professional learning and the Count-Me-In service learning project to improve Grade R to 3 learners' counting skills and number concept development.

In addition, in line with the Department of Education's priority of lecturer training, the first cohort of 13 students to complete the Postgraduate Diploma in Higher Education (Teaching and Learning) received their diplomas at the 2015 December graduation ceremony. This regionally taught collaboration with UWC and CPUT is the first of its kind in South Africa and is being expanded to a national partnership of universities.

To improve the quality of education and build a better future for the country's youth in line with the National Development Plan, the Faculty in 2015 continued to increase teacher training output and subject knowledge, improve school leadership and management, as well as train principals and teachers in underperforming schools and offer on-site mentoring and support.

Going forward, special attention will be given to creating a welcoming culture and to working within a framework of language inclusion in an effort to reach even bigger sections of society.

## FROM BROADER ACCESS TO STUDENT SUCCESS



Ms Nokwanda Siyengo, manager of the bridging programme SciMathUS, received her master's degree in Educational Support in December 2015. At the same ceremony, several former SciMathUS students received their Postgraduate Certificates in Education (PGCEs).

"To me, the programme is not just about bridging or access. The ultimate objective is seeing students graduate. Some of these students wouldn't have been able to study at university if they didn't take the second opportunity to improve their marks."

Here, Siyengo is pictured with Prof Wim de Villiers, Rector of Stellenbosch University, and PGCE students Stacey du Plessis, Tamsin Karma (who passed the PGCE cum laude) and Astrid Fisher.

# Faculty of ENGINEERING

## Prof Hansie Knoetze

*Dean: Faculty of Engineering*



### Continued growth

Over the past eight years, the Faculty of Engineering grew significantly in an effort by Stellenbosch University (SU) to reduce the dire shortage of engineers in South Africa. Growth continued in 2015 with first-year intake and graduate figures rising steadily. The award of 39 PhDs and 220 master's degrees, representing a solid 35% and 36% increase respectively, resulted in notable growth in the Faculty's research units.

Engineering was the faculty of science, engineering and technology (SET) with the highest contact time and credits at SU. That resulted in solid increases in student numbers and a significantly higher student:lecturer ratio, putting a heavy burden on its teaching staff. One of the steps introduced to lighten the workload of lecturing staff was to appoint considerably more academic staff in 2015, particularly younger academics.

### Improved offering and support

The increase in student numbers, massive advances in the field of new technology and the pressing need to provide well-rounded engineers, further inspired the Faculty to develop new methods of conveying information. To this end, greater emphasis was placed on applying information and communication technology (ICT) over the past year, with Engineering becoming trendsetters in this field at SU. A coordinator for mixed learning was appointed, while 16 projects were launched involving 30 lecturers and assistants. The Faculty followed this approach with the hope not only to increase lecturers' productivity in the context of larger classes and a higher student:lecturer ratio, but also to improve students' productivity and study successes through greater use of technology. The strategy relied heavily on videos, among other things, to prepare students for practical work, explain calculations and facilitate revision work. Video recordings were also made of certain lectures.

As engineering is a demanding and challenging field of study, the Faculty introduced various aids to improve student support over the years. The tutor programme introduced twelve years ago is a good example of additional assistance to first-year students who grapple with technical subjects. Since April 2015, Maties engineering students have had the opportunity to consult an educational psychologist appointed in the Faculty about academic and personal challenges.

### Infrastructure high on the agenda

The steady growth over the past eight years was one of the reasons why infrastructure was high on Engineering's agenda in 2015. Building work commenced on a modern, purpose-built study centre towards the middle of the year. Ingenious ways were found to convert the west wing of the parking area at the General Engineering Building into functional areas where students can work or relax quietly on their own, or in groups, in accordance with the required ECSA outcome for students. The study centre comprises rooms for group work, computer terminals, individual workstations, as well as an informal sitting and conversation area. Building work will commence on a larger more efficient cafeteria at the east wing in 2016.

This building project is only one of many introduced by the Faculty of Engineering. The Information Technology building is scheduled for renovation and will be refurbished for Engineering that has a critical need for additional space. The renovation of lecture halls and toilets, the refurbishing of new lecture halls, and general renovations and densification for the Engineering Building Complex are also on the cards. This almost half-century-old complex requires a lot of attention, especially in terms of meeting modern safety requirements.



## New centre

The Institute for Biomedical Engineering (IBE) established in August is a valuable addition to the Faculty's collection of purpose-designed centres and institutes. The IBE integrates the work of researchers from various departments of the Faculty with that of other departments in the University's Faculties of Science, AgriSciences, and Medicine and Health Sciences, as well as several other centres and institutes at Stellenbosch.

## Threats

A number of factors are putting the Faculty of Engineering at risk. First, the Faculty is deeply concerned about the wellness of its staff whose work overload over the years has taken a toll on their health. An external survey found significant signs of burnout among academics, while emotional exhaustion prompted by heavy workloads had a ripple effect on their personal lives.

Secondly, the low economic growth rate (particularly in the mining sector) is having a negative impact on the Faculty's third-stream income over the long term. In addition, zero increases in class fees will negatively affect the viability of engineering training, especially in the context of insufficient state subsidies for engineering faculties. A special campaign to explore donor funding was introduced in October when various engineers in senior positions were invited to a discussion forum in Gauteng. This initiative will be expanded in the next few years.

## Forecast

Despite various challenges, the Faculty of Engineering is determined to stay focussed on the University's Vision 2030. This involves, among other things, to improve diversity by increasing the intake of coloured, black and Indian (CBI) students significantly, i.e. to 40% by 2019, through targeted marketing and giving special attention to recruiting CBI academics.

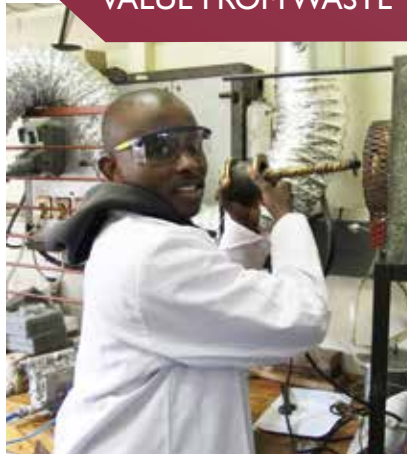
### HELIO 100 PILOT FACILITY AT MARIENDAHL



*The Solar Thermal Energy Research Group (STERG) in the Department of Mechanical and Mechatronic Engineering completed the Helio100 Project in 2015. This pilot project funded by the Technology Innovation Agency (TIA) involves the development of a completely South African heliostat system that uses a unique design comprising smaller, smarter and modular heliostats to overcome cost challenges. The pilot facility was constructed at Mariendhal, an experimental farm of SU, and was officially opened in September. STERG is the first university research group in the country to focus on solar thermal energy research.*

*An interdisciplinary group from the Department of Process Engineering and the Faculty of Science's Department of Chemistry and Polymer Sciences performs research involving waste tyres. This research effort, sponsored by the Recycling and Economic Development Initiative of South Africa (REDISA), has a focus on adding value to waste tyres, both from an environmental and economic viewpoint. Through separation processes and upgrading, a broad range of valuable products can be generated from waste tyres. South Africa has a stockpile of nearly 60 million waste tyres at various landfills and storage facilities, with 11 million being added to the problem annually.*

### VALUE FROM WASTE



Monwabisi Scott doing pyrolysis of waste tyres



Kirsty Henry does upgrading of pyrolytic char obtained from waste tyres

# Faculty of LAW

## Prof Sonia Human

Dean: Faculty of Law



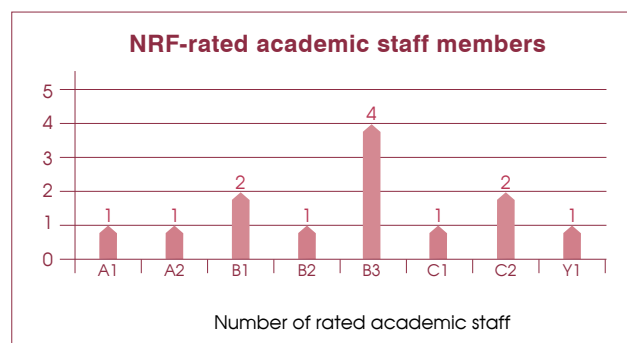
The Faculty's core business is to produce excellent students of law in the interest of the administration of justice and the country, and to promote the science of law through relevant quality research outputs.

Jurisprudence is a dynamic discipline that makes unique demands on faculty members, who not only experience growing pressure to ensure throughput, but also have to meet the increased demand for student-lecturer contact time in the first two years of study in particular. Within these circumstances, achieving the Faculty's objectives by respecting and managing the close relationship between world-class research and teaching is a significant challenge.

### Sustaining our momentum of excellence

The challenge of world-class research and teaching is inter alia dealt with by putting a premium on the development of our knowledge base, as is illustrated by the following achievements:

Prof Karin Calitz and Mr André Louw respectively received a C2 and C1 rating from the National Research Foundation (NRF). This brings the total number of NRF-rated staff members to 13, with A1 the highest evaluation possible (see the graph below) – an excellent achievement for a small faculty. Profs Geo Quinot and Zsa-Zsa Boggenpoel were honoured for their contributions to research. Prof Sandy Liebenberg was appointed as the Faculty's third distinguished professor.



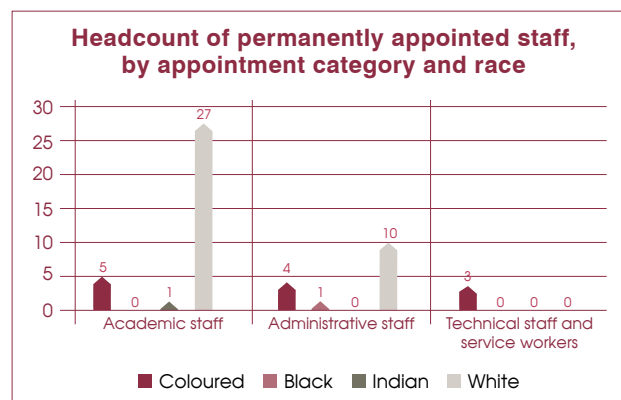
Young colleagues are provided with maximum opportunity to obtain their doctorates in the shortest possible time. The Faculty also draws on the expertise of extraordinary appointments and research fellows, such as Judge Emeritus Laurie Ackermann, Chief Justice Emeritus Sandile Ngcobo, Advocate Geoff Budlender and Lord Patrick Hodge.

To ensure the financial sustainability of the Faculty, research subsidy income needs to be maximised. The Faculty is under immense pressure in this regard, and a number of steps have been implemented in order to promote research activities and outputs.

### Broadening access

#### Staff

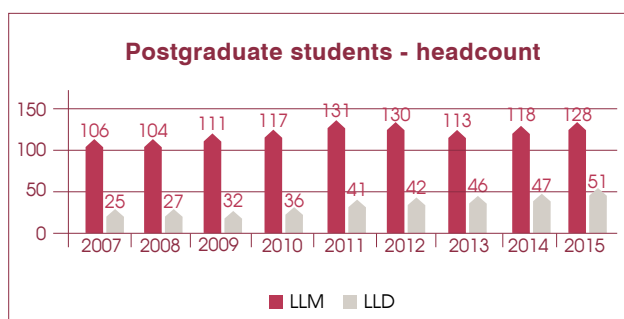
The appointment of more staff members from the designated groups still poses a challenge. The response to recent post advertisements has confirmed the acute shortage of experienced and competent legal academics available for appointment. The appropriate strategy is to focus on appointing younger, talented, aspiring academics who display potential and commitment.



## Students

Enrolment targets for first-year students are easily achieved. However, the high drop-out rate among coloured, black and Indian students in particular requires a reconsideration of the selection policy. The support programme for first-years in high-risk modules did not fully materialise in 2015, which also requires us to rethink the nature and scope of support offered to newcomer first-years.

The Faculty is concerned about the low LLM enrolment figures. The unsteady numbers may be ascribed to two factors, namely the trend among LLM thesis students to upgrade to doctoral studies, as well as the drop in the arrival rate of applicants for LLM programmes with a taught coursework component. Evidently, finances are an important determining factor among students from Africa in respect of the taught LLM programme.



The reality that needs to be considered in enrolment management is that postgraduate studies do not necessarily improve individuals' marketability. This means that the Faculty has to carefully devise a very specific strategy to make postgraduate studies an attractive option.

## Teaching offering, research and internationalisation

A proper comparison between the taught LLM programme, the postgraduate diplomas in Tax Law and Intellectual Property Law respectively and the research LLMs and LLDs is rather challenging. Nevertheless, the taught offering remains limited compared to that of the universities of Cape Town and the Western Cape. The Faculty does realise the importance of this programme in view of internationalisation; the growth in the postgraduate student body, particularly from Africa; the learn-and-earn student market, as well as diversity. Programmes of this nature are relatively labour-intensive, but if carried out with the necessary discipline, can ensure postgraduate student throughput. The research project may also serve as a platform for further LLD studies. The retention of the taught programme also makes sense to the extent that it serves the profession and promotes lifelong learning.

The SARChI research chair in property law, the Oppenheimer research chair in human rights and the

Anton Mostert research chair of intellectual property law attract postgraduate research and teaching, and deserve support in view of the targets set in this regard.

The taught LLM programme is already being marketed nationally to a certain extent. This equally applies to the aforementioned three research chairs. Focused efforts in terms of student recruitment from the Faculty's own ranks also seem to have the desired effect. The Faculty must work on an international marketing strategy.

On the whole, therefore, marketing of postgraduate studies and the awarding of bursaries will have to be scaled up, which will require urgent budgetary provision from balance funds as well as third and fourth-stream income sources.

## Enhancing our social impact

The Faculty's Legal Aid Clinic deserves special mention in this year's report. The High Court judgement delivered on Wednesday 8 July 2015 in favour of the Legal Aid Clinic's application regarding emoluments attachment orders was, in the words of the Rector, "an illustration of SU's endeavour to make a positive impact on society".

*In expanding the University's footprint to rural areas, the Legal Aid Clinic has been visiting the Worcester campus once a month since September 2013, offering legal assistance to vulnerable people in the area. Civil matters such as divorce, domestic violence, maintenance payments, evictions (from the town area and farms), labour disputes and other enquiries are dealt with by a team of three.*

While one staff member attends to all court proceedings, the remaining two consult with 28 to 34 clients per visit. The magistrate in Worcester accommodates the Legal Aid Clinic by scheduling all the office's court appearances to coincide with the staff members' visits to Worcester. From September 2014 to October 2015, the Legal Aid Clinic's Worcester office attended to 187 matters, of which 91 were finalised in this period. Without any active marketing, the Legal Aid Clinic's client base is steadily growing through good word of mouth from satisfied clients.



# Faculty of Medicine AND HEALTH SCIENCES

## Prof Jimmy Volmink

*Dean: Faculty of Medicine and Health Sciences*



The vision of the Faculty of Medicine and Health Sciences (FMHS) is to advance health and equality in South Africa and beyond.

FMHS aims to accomplish this vision by creating and sustaining a culture of transformative learning, and by supporting the generation, sharing and translation of knowledge that will promote health and development (see page 62). The Faculty's ultimate goal is to produce leaders and change agents committed to making a difference in South Africa and the world.

All decisions and activities at FMHS are underpinned by four strategic goals in its pursuit of SU's priorities:

- ▶ fostering a people-centred institutional culture that advances personal development, health and wellness, diversity, inclusivity and equality;
- ▶ excelling in the Faculty's core functions of education, research and innovation, and community engagement and service;
- ▶ ensuring financial and environmental sustainability; and
- ▶ increasing the Faculty's local relevance and global competitiveness.

### **Sustaining our momentum of excellence**

The Faculty continues to excel as a leader in research with extensive international collaborations as well as national and local partnerships.

The Faculty's research focus areas address some of the nation's most critical health challenges, including TB and HIV, reproductive health, mental health, non-communicable diseases, health systems strengthening, and injury, trauma and rehabilitation. Despite the unfavourable economic climate, FMHS research funding income reached its highest level ever in 2015 (R350 million).

FMHS researchers continue to be widely recognised with Profs Paul van Helden and Mark Cotton both receiving an A-rating from the NRF in 2015. This brings the Faculty's

NRF-rated researchers to 59 – four A-rated, 11 B-rated, one P-rated, 33 C-rated and ten Y-rated scientists – an increase of 10% from 2014. Moreover, FMHS now boasts five SARCHI research chairs following the awarding of the chair in paediatric tuberculosis to Prof Anneke Hesselting. Four of these five chairs have female incumbents. Other, endowed chairs have also been established, covering the fields of schizophrenia research, proteomics, bioinformatics, and sport and exercise medicine. In addition, five FMHS staff members, Profs Mark Cotton, Anneke Hesselting, Soraya Seedat, Gerhard Walzl and Rob Warren, gained University recognition as distinguished professors, bringing the Faculty's total number of distinguished professors to nine.

The number of doctoral students registering in and graduating from the FMHS showed an appreciable increase from 55 in 2004 to 186 in 2015 and from 11 in 2004 to 27 in 2015 respectively. The Faculty also strengthened support for postgraduate students and a growing number of postdoctoral fellows (from 9 in 2009 to 50 in 2015) through initiatives such as the establishment of a Tygerberg branch of the SU Postdoctoral Society and the Tygerberg Postgraduate Council Task Team.

In an effort also to integrate undergraduate students more fully with the University's research life, an Undergraduate Research Office was established in 2015 to support undergraduate research through developing relevant skills and facilitating access to appropriate resources. This will help prepare undergraduates to become productive and outstanding scholars.

### **Broadening access**

FMHS continues to strive for a more diverse staff and student corps. The Visit@Tygerberg initiative, which started in 2004, aims to increase the diversity of the Faculty's

undergraduate student corps in a sustainable manner. The success of this strategic initiative has been particularly evident in the cohorts registering to study medicine over the past five years. In 2015, altogether 144 out of 235 newcomer first-years in the MB,ChB programme were coloured, black and Indian (CBI) students. The following graphs provide an indication of the undergraduate and postgraduate student distribution in terms of race and gender in the reporting year.

To further ensure a welcoming and inclusive environment that is accessible to all, the Faculty introduced its Equality Champion (EC) initiative in July. ECs help create 'safe spaces' on Tygerberg campus where students and staff are able to talk about their concerns and any experiences of unjust or unfair treatment.

People development remains a top priority for the Faculty. In consultation with Human Resources, a bespoke leadership development course was developed for new heads of department and others with leadership potential, which is offered annually. FMHS also sponsored attendance of leadership courses for a number of undergraduate students. Further examples of capacity development activities in the Faculty included development courses for educators run by the Centre for Health Professions Education, and research development workshops conducted by the Division for Research Development and Support.

The Faculty also realises that a lack of funding impedes many students' entry into, or continued access to, tertiary education. Therefore, it made available R2,5 million in 2015 to support a bursary fund and loan scheme for students in financial need.

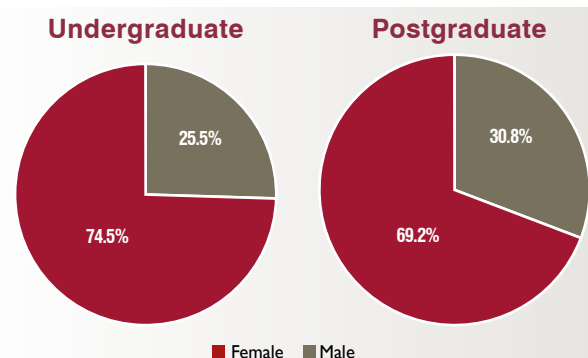
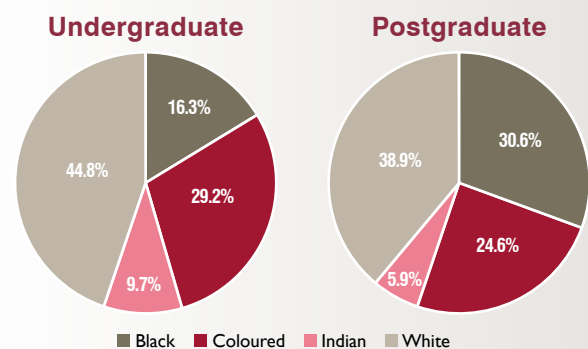
### Enhancing our social impact

Social accountability is an integral part of FMHS's core competency framework for graduates. The Faculty's staff and students participate in a variety of community-based development or service-learning activities. Recently, the new module The Doctor as Change Agent in Communities was also included in the fifth year of the MB,ChB programme.

*However, the science-for-society flagship of the Faculty remains the Ukwanda Rural Clinical School (RCS), which continues to set standards of excellence in training health professionals while at the same time bringing much-needed health service capacity to underserved rural areas.*

Among the many advantages that this unique and innovative training model offers is joint training of medical and allied health students, along with the promotion of inter-professional learning and teamwork. Equally important, however, as more than 50% of South Africans live in rural areas and have an equal right to quality health care, the RCS literally teaches where the patients are, providing medical students with real-life experience of rural health and immersing them in the realities of working and caring in a resource-limited environment. A comprehensive evaluation of the RCS, including a five-year longitudinal study, is currently under way.

Making its impact felt further afield, the Faculty has developed a firm African footprint, as evidenced by training and research collaborations with many partner universities on the continent. Its annual Africa Day showcases this work, while celebrating the Faculty's 'African-ness'.



# Faculty of MILITARY SCIENCE

## Prof Sam Tshehla

Dean: Faculty of Military Science



The Faculty of Military Science strives to be a leader in the field of military science by offering world-class military higher education, research, community engagement and professional military development.

Through its activities in 2015, the Faculty strengthened Stellenbosch University's position as a research-focused academic institution of excellence in military science, in line with the University's Vision 2030 and the Millennium Development Goals.

### Sustaining our momentum of excellence

In the reporting year, the Faculty successfully achieved its goals of ensuring excellence in its core business as well as maintaining its top international academic stature. The Faculty's research output increased significantly during 2015. The following excellent research output was in addition to several journal articles and other contributions authored and co-authored by the Faculty's academic staff.

- ▶ Prof Ian Liebenberg co-edited the book *A faraway war: 1975–1989* on the Angolan war with Prof Vladamir Shubin of the Russian Academy of Sciences' Institute of African Studies as well as the late Jorge Risquet from Cuba. Liebenberg also serves as editor of the occasional paper series for the Security Institute for Governance and Leadership in Africa (SIGLA@Stellenbosch). *Scientia Militaria*, the South African journal of military studies published biannually by the Faculty, has maintained its accreditation with the Department of Education, and remains a popular resource among scholars of defence and security.
- ▶ Profs Francois Vreġ and Thomas Mandrup co-edited the book *Towards good order at sea: African experiences*.
- ▶ Prof Ian van der Waag published *A Military History of Modern South Africa*.
- ▶ Prof Gielie van Dyk and Ms Gladness Shinga published *Factors involved in Combat Readiness*.

The Faculty was again very active as a partner in organising and hosting conferences and courses to further excellence and innovation in military science. A partnership between the Faculty and the Royal Danish Defence College saw the successful hosting of a fourth International Conference on Strategic Theory. The theme of the conference, which was hosted in September 2015 at the Stellenbosch Institute for Advanced Studies (STIAS), was *The African Standby Force: Beyond 2015*. Prof Van der Waag also organised the sixth Great War in Africa conference, co-hosted with the UK-based Great War in Africa Association in June 2015. Moreover, the Faculty's Centre for Military Studies (CEMIS) successfully organised and presented the seventh annual International Security Course (ISC) along with the Dutch Department of Defence as partners and funders. CEMIS also held its first ever Skype colloquium for a PhD student as part of a memorandum of understanding between Stellenbosch University and the Russian Academy of Sciences' Institute for African Studies.

To build staff capacity and further strengthen its position as a global academic citizen, the Faculty in 2015 continued its staff exchange programme with the universities of Coventry and Kader Has through the International Research Staff Exchange Scheme (IRSES).

With regard to student success, the Faculty maintained its performance, achieving a throughput rate of 70% for final-year BMil students for the academic year 2015. Altogether 54 of the Faculty's final-year undergraduate students received their degrees; two of whom passed cum laude; nine students received honours degrees, and one received a master's degree. One of the cum laude graduates, Captain Uri Badenhorst, received a sword of honour from the Military Academy. The sword of honour is awarded to a student who serves as outstanding academic and disciplined



soldier over the three years of the degree programme. In the academic year 2015, the Faculty also registered another two PhD students in Military History. This brings the total number of PhD candidates to six since the inception of this programme at the Faculty in 2014.

In terms of maintaining excellence in its programme offering, the Faculty currently awaits accreditation from the Department of Higher Education and Training for a Postgraduate Diploma in Defence Studies, which is to be offered in partnership with the South African National War College. Also, during the winter recess, the Faculty successfully presented the third Senior Military Management Programme (SMMP) in partnership with the South African National War College in Pretoria. As further testament to the uniqueness of the Faculty, a new undergraduate programme, BMil in Intelligence Studies, has also been registered, spearheading the development of service-specific graduate programmes.

Finally, the Faculty is still pursuing the expansion of the Military Academy's infrastructure in order to accommodate some 1 000 residential students. In addition, the Academy embarked on a refurbishment project of R240 million in January 2015 to bring all current infrastructure in line with the Occupational Health and Safety Act and to modernise all teaching and learning facilities. Among others, a connectivity upgrade from 2 to 25 megabytes per second (Mbps) is envisaged as an initial platform for blended learning, eventually growing to an ambitious 100 Mbps in order to facilitate e-learning for the Faculty's distance education programmes.

### Broadening access

As its contribution to broadening access to higher education for all, the Faculty is the sole provider of tertiary education

for officers of the South African National Defence Force (SANDF). This academic partnership with the SANDF through the MPhil programme in Security Management offers senior officers of the Department of Defence and senior managers within the security cluster an opportunity to gain access to further training and, consequently, better career prospects in the military. The programme is the most senior officer's course of the SANDF, and successful members are usually promoted to the military rank of brigadier general in line with international and African military trends. Twelve students are currently registered in this programme.

### Enhancing our social impact

As the Faculty is located in the community of Saldanha Bay, this is where its community interaction is at its most active. Among others, the Faculty serves as an advisor for various Saldanha Bay small business enterprises. In terms of a memorandum of understanding signed between Stellenbosch University and Saldanha Bay Municipality in 2014, the Faculty also continued to contribute to development in the area in the reporting year.

*The establishment of a good governance forum is one example of how the Faculty and Saldanha Bay Municipality work together to find knowledge solutions that could lead to a better life for all living in the municipal area.*



### Military and academic excellence

*General Solly Shoke, Chief of the South African National Defence Force, awards the sword of honour to Captain Uri Badenhorst for outstanding academic achievement and disciplined soldiership.*

# Faculty of SCIENCE

## Prof Louise Warnich

*Dean: Faculty of Science*



Through its programmes and activities, the Faculty of Science seeks to establish itself as a respected thought leader and knowledge partner in Africa and the international academic arena.

During 2015, it made great strides in its pursuit of this vision and Stellenbosch University's strategic priorities, with its staff and students excelling in numerous ways – from winning major awards and competitive grants, to adding two new research chairs and the establishment of a Bioinformatics programme.

### **Sustaining our momentum of excellence**

The Faculty prides itself on being a centre of excellence for both undergraduate and postgraduate training in the physical, biological and mathematical sciences. In addition to a large cohort undergraduates, 160 honours, 311 MSc and 239 PhD full-time candidates were enrolled at the Faculty in 2015, complemented by 104 postdoctoral fellows from South Africa (52), Africa (12) and the rest of the world (40).

The year under review saw two new research chairs being added to the Faculty's existing nine chairs. Prof Kathy Myburgh now holds the new SARCHI chair in integrated skeletal muscle physiology, biology and biotechnology, while collaborative efforts with the CSIR resulted in the implementation of a joint research chair in Quantum, Optical and Atomic Physics held by Prof Hermann Uys.

Several researchers managed to secure competitive grants in the course of the year. Prof Carine Smith was awarded a grant from the National Research Foundation (NRF) Blue Skies programme to develop a proof-of-concept method for targeted stem-cell delivery. Prof Mike Cherry obtained a grant from the NRF's Foundational Biodiversity Information Programme to study the effect of habitat fragmentation on faunal diversity in Eastern Cape forests. A R10 million grant from the Volkswagen Foundation was awarded to Prof Dirk Bellstedt to develop a method to reconstruct the evolution of central Africa over the past 20 million years. Proud to be held in high esteem, the Faculty's research publication

output for 2014 was at an all-time high at 253,35 units (2012: 248,81).

The Faculty realises that excellence also requires collaboration in order to enhance its international visibility and publication quality and deepen research in areas where it lacks skills or infrastructure. In the reporting year, the Faculty collaborated with nearly 700 institutions worldwide. One example is the Bioinformatics programme, which was established at SU through collaboration with experts from the Katholieke Universiteit Leuven in Belgium and the University of London.

Further strategic objectives to ensure excellent undergraduate teaching and student success included differentiated student support and innovative teaching and learning strategies, such as the flipped classroom, blended learning and the intensive use of information and communication technology. After a successful trial in the Chemistry programme to equip each graduate with desirable and enduring attributes through the graduate attributes development initiative, it was implemented in all undergraduate programmes.

Several researchers of the Faculty received recognition for research excellence. Prof Bert Klumperman received the 2015 SASOL Chemistry Innovator of the Year medal; Prof André de Villiers won the South African Chemical Institute's (SACI) Raikes medal, which is awarded to an outstanding researcher below the age of 40, and Prof Delia Haynes was awarded the Jan Boeyens prize of the South African Crystallographic Society for her distinguished contribution to the use of crystallography and other structural methods. The Havenga prize for life sciences, awarded by the *Suid-Afrikaanse Akademie vir Wetenskap en Kuns*, was awarded to Prof Leon Dicks.

Science students also excelled. Mr Ethan Newman received the NRF award for best next-generation male researcher while Mr Alem Gebru represented SU and South Africa at the Falling Walls Lab in Berlin, Germany. At the Physiological Society of Southern Africa's annual conference, Mr Itumeleng Chabaesele received the Wyndham award for best oral presentation by a postgraduate student.

Following a memorable 17 years and six months at SU, the Faculty bid farewell to former acting dean Prof Doug Rawlings at the end of 2015. Going forward, the Faculty is committed to build on the legacy of excellence created by Rawlings and other esteemed SU scientists going forward.

### Broadening access

The Faculty remains committed to educate an increasing number of young scientists in support of the South African government's initiative to create a knowledge society. By broadening access to the Faculty's teaching and research, including a more diverse group of students, the aim is to develop critical thinkers who will play an active role in the development of a successful multicultural South African society.

The diversity profile of the Faculty remains a challenge, however. Currently, 33,7% of undergraduate and 36,2% of postgraduate students are coloured, black or Indian. The focus on ICT in learning and teaching, as well as parallel-medium instruction and simultaneous interpreting has been intensified to broaden access and contribute to student

success. The Faculty has also launched recruiting actions and offered recruitment and postgraduate bursaries to top performing students from all population groups.

With regard to staff diversity, the NRF's Research Career Award (RCA) fellowships and the New Generation of Academics Programme (nGAP) provide good opportunities for recruiting young academics and increasing staff diversity (currently at 31%). In 2015, the Faculty was awarded four of the RCA fellows and one nGAP position. In addition, one full-time and two part-time appointments were made possible through the Rector's strategic personnel fund.

### Enhancing our social impact

To give further content to the University's ethos of 'science for society' and to ensure that the Faculty plays a positive part beyond campus also, its academic departments engaged in a number of social outreach activities, most notably the Department of Chemistry's chemistry outreach initiative SUNCOI, and the Physics Department's celebration of the International Year of Light. Researchers also contributed to popular science magazines such as *Quest* and the online platform *Conversation Africa*.

Through its Science Café Stellenbosch, a series of conversations about topical science issues launched at Woordfees 2015, the Faculty raised general awareness of and created interest in science. Another four Science Cafés held later in the year attracted up to 80 people at a time.



**Bringing science to the people**  
*Science Café Stellenbosch is an initiative of the Faculty of Science to promote public discussion of science matters. The first three conversations took place during Woordfees 2015. Pictured on the left (from left to right) are speakers Dr Oonsie Biggs, Dr Natasha Mothapo, Prof Mike Cherry, Prof Theresa Wossler and Prof Guy Midgley. Another four equally successful Science Cafés followed later in the year.*

### Strategic partnerships for science

*The Faculty of Science has strategic partnerships with more than 700 institutions in South Africa, Africa and the rest of the world to enhance its global visibility, build capacity and provide its students with development opportunities.*







## Faculty of THEOLOGY

### Prof Hendrik Bosman

*Dean: Faculty of Theology*

As the only theology faculty in the southern part of South Africa, Stellenbosch University's Faculty of Theology has the responsibility of honouring its important historical ties with partner churches, whilst at the same time being of service to churches and faith communities in general.

For the Faculty to be truly ecumenical, increasing access for all potential students who may be interested in and qualified for tertiary theological education remains a priority – even more so on a continent where religion and theological reflection are growing strongly.

With this in mind, the Faculty in 2015 continued its efforts to achieve excellence through diversity, as it believes that excellent scientific practice is served by a diversity of ideas, insights, perspectives, students and staff.

#### **Sustaining our momentum of excellence**

Already renowned for its academic excellence, professional theological education in line with the nature and purpose of the Christian faith, and the highest research output per capita at the University, the Faculty of Theology is enhancing its teaching and learning offering by applying technology in an innovative manner. In the reporting year, Prof Jeremy Punt and a capable task team led by Rev Nina Muller van Velden completed the MobiLex glossary project. Since August 2015, students can use their mobile devices to download some 370 translations and definitions of frequently used theological concepts in Afrikaans, English as well as isiXhosa. *MobiLex – Theology* is available on the Faculty's homepage at <http://www0.sun.ac.za/mobilex/>. Additional funding has also been allocated to develop a more sophisticated application, which will enable other universities to participate by adding to the glossary additional items in their languages. Several universities have already indicated their willingness to cooperate.

In another innovative step to maintain excellence in the Faculty, a teaching and learning hub was established to

coordinate teaching and learning, especially in students' first two years of study. This hub is linked to an existing support system of tutors and mentors.

On 19 October 2015, the Faculty hosted its first Russel Botman memorial lecture. It is hoped that this annual event, which was presented by Prof Dirkie Smit, with responses by Prof Mary-Anne Plaatjies van Huffel and Dr Beryl Botman, will preserve and honour the heritage of the late Prof Botman, the former Rector and Vice-Chancellor of Stellenbosch University and professor at the Faculty, and will become a platform for visionary dialogue and courageous thought leadership.

The #FeesMustFall campaign brought about dramatic changes in the country's higher education landscape in the course of 2015, inter alia resulting in a significant funding shortfall due to the 0% increase in student fees. In a bid to maintain its academic excellence despite dwindling resources, the Faculty in late 2015 convened a task team to develop a fundraising strategy that will proactively focus on dedicated (third-stream) research funding and (fourth-stream) philanthropic funding.

#### **Broadening access**

Purposefully working to welcome and nurture a diversity of students from different churches, theological traditions, cultures, languages and opinions, the Faculty is proud to be the most diversified on campus. Yet, there is still room for improvement. Undergraduate students are currently 52% coloured, 28% white and 20% black, while staff are 42% coloured and 58% white.

To further improve its diversity profile among students, the Faculty in 2015 reached an agreement with Huguenot College in Wellington for their Certificate in Theology, which is graded at level 4 of the National Qualifications Framework, to be used as a bridging course for access to the Faculty where the applicant achieves a mark of 65% or higher. At the same time, the Faculty is working on a programme to “grow its own timber” and promote greater transformation by making available bursaries to students who have the potential to provide an academic backbone for partner churches in future.

Also in the reporting year, a task team started its work on using social media to communicate to Grade 10 to 12 learners about the career options available in the Faculty. The team is developing a communication strategy to attract more and better applicants, thereby maximising access for all who comply with the Faculty's academic entry requirements.

### Enhancing our social impact

Apart from providing its students with excellent theological education, the Faculty also seeks to reach out to society and to understand and enrich the identity and ethos of churches in various, mainly African, contexts. To this end, it cooperates closely with theological colleges and seminaries in most parts of Africa. Locally, partnerships with the Lutheran Church and the *Volkskerk* have now been accepted in principle. The Faculty is working on the practical implementation of these partnerships, which will increase its number of church partners from four to six.

In line with the University's goal of practising “science for society”, the Faculty also continuously strives to serve communities by establishing networks, enhancing leadership through service, and developing public discourse. In this regard, centres and units such as the Beyers Naudé Centre for Public Theology (BNC), the Unit for Religion and

Development Research (URDR), the Ekklesia Ecumenical Centre for Leadership Development and Congregational Studies and the Network for African Congregational Theology (NetACT) are closely involved with partner churches and beyond.

*Through these platforms, the Faculty made good progress negotiating with church partners to develop processes for faith communities themselves to identify subjects that are relevant to them, for consideration as master's and doctoral research topics.*

Finally, staff of the Faculty devoted much time to planning an exhibition of artefacts found around the Faculty building, dating back from the Stone Age through to 1905, which will be opened in March 2016. The goal with the exhibition will be to stimulate an inclusive sense of history among all members of society, as well as to contribute to a sense of inclusivity and hospitality within the Faculty. Work also started on the development of a timeline to illustrate how the various forms of theological training merged to form the current Faculty of Theology, which is to be completed before the Faculty's birthday on 4 November 2016.

Going forward, the Faculty, in partnership with churches and SU authorities, will endeavour to constantly improve the educational environment it provides for all students interested in the various forms of theological reflection, generating hope in Africa amidst complexity and vulnerability.



### Russel Botman memorial lecture

*A platform for visionary dialogue*  
 Prof Dirkie Smit (second from the right) presented the first Russel Botman memorial lecture, while Dr Beryl Botman (second from the left) and Prof Mary-Anne Plaatjies van Huffel (far right) responded. On the far left is Prof Hendrik Bosman, Acting Dean of the Faculty of Theology.



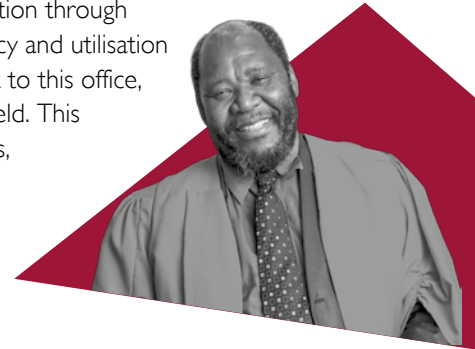


**THE UNIVERSITY  
ACKNOWLEDGES EXCELLENCE**

# Honorary DEGREES

In the reporting year, the University awarded seven honorary degrees – to Pali Jobo Lehohla, Prof Sampie Terreblanche, Judge Edwin Cameron, Judge Kate O'Regan, Prof Adam Small and Dr Japie van Zyl in December 2015, and in absentia to Prof Daniel Kahneman in March 2016.

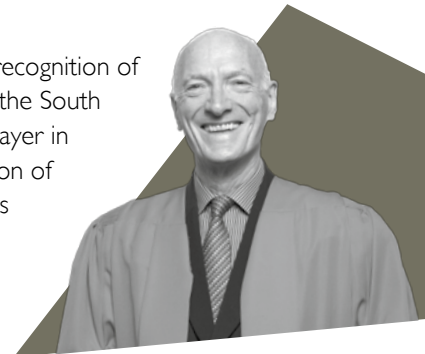
**Pali Jobo Lehohla**, South Africa's statistician-general, has made an ingenious contribution through innovative leadership to enhance Statistics SA's internal capacity as well as statistics policy and utilisation in Africa, with a special focus on the development of human capital. Upon appointment to this office, Lehohla set himself the task of drastically improving Statistics SA officials' skills in their field. This has seen the forging of innovative partnerships with various higher education institutions, including the Centre for Regional and Urban Innovation and Statistical Exploration (CRUISE) at Stellenbosch University.



**Solomon Johannes (Sampie) Terreblanche** was honoured for his outstanding contributions as profound analyst of Western socio-economic systems, his emphasis on social amelioration for all in multiple leading publications, his fearless advocacy for the abolishment of apartheid in South Africa, and his lasting impact on many an economics student as an inspiring lecturer. His emphasis on social amelioration for the broader community serves as a running theme in his scholarly work. His contribution to political transformation has also been aimed at social improvement for the disadvantaged majority.



**Edwin Cameron** has, through his unstinting professional and personal advocacy for the recognition of every person's dignity, freedom and equality, helped entrench these fundamental values in the South African legal system and beyond. As jurist and personal advocate, Cameron is a key role-player in South African and international law, inter alia for his exceptional role in securing the inclusion of sexual orientation as a prohibited ground of discrimination in the Bill of Rights, as well as his advocacy for persons with HIV/Aids.



**Kate O'regan's** progressive mind and unwavering commitment to the law, both within and outside the Constitutional Court, has brought justice particularly for women and other vulnerable groups of society. From her appointment as Constitutional Court judge in 1994 at the age of 37, until her retirement in 2009, she left an indelible mark with leading judgements. For the first 13 years of the court's existence, she was one of only two female judges. Many of her judgements aided the battle against discrimination against women and other vulnerable groups.



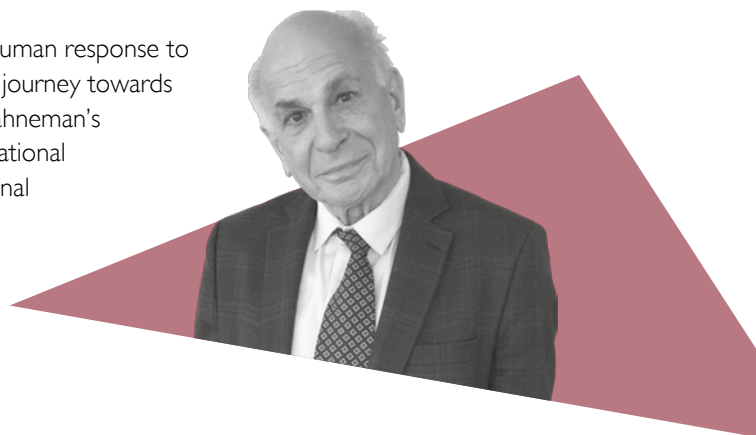
**Adam Small** was honoured for shifting the boundaries of South literature, enhancing the Afrikaans language, and sensitively though strongly articulating others hesitated to address, thereby becoming a voice for the voiceless. insistence on using *Kaaps* as a full-fledged language to articulate the experiences oppressed made him one of the first advocates for the recognition of all different variants of Afrikaans. In his work, Small addressed the burning of a segregated South Africa in a considered yet fearless manner.



**Jakob Johannes (Japie) Van Zyl** is the driving force behind many successful space projects, an ambassador for Africa and the University in probably the most advanced technological environment globally, and an inspiration for young scientists in Africa. This Namibian has established himself as one of the world's leading space scientists and has inter alia helped design the radar system that enabled the robot Curiosity to successfully land on Mars in 2012. His internationally acclaimed contribution to space research and programmes is living proof of what can still be expected from Africa.



**Daniel Kahneman** has done thought-provoking research on the human response to uncertainty, which is integral to Stellenbosch University's institutional journey towards transformation and the fostering of thought leaders for the future. Kahneman's research on the human response to uncertainty has enhanced international understanding of human behaviour at an economic, public and personal level. Particularly the prospect theory that this professor emeritus of Princeton University developed with his collaborator the late Amos Tversky has *overturned* the accepted notion of the "economic man" as well as several economic theories.



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## Chancellor's MEDAL

Dr Jacobus Charles Bender (Koot) Kotze is the recipient of Stellenbosch University's Chancellor's Medal for 2015 – the highest honour that the University can bestow on a student. The medal is awarded annually to a final-year or postgraduate student for outstanding achievements. The medal was awarded in absentia to Kotze at the Coetzenburg Centre on Tuesday 15 March 2016.

Dr Kotze received his MB,ChB degree cum laude on 8 December 2015 with an average of 81,42% across his six years of study. In this period, he passed 29 of his 31 modules with distinction and received numerous academic and merit awards, academic colours from the Tygerberg Student Council, the Rectors Award for outstanding academic achievement, as well as SU's merit bursary annually since 2010.

Ending at the top of his class in Family Medicine, Primary Care, Community Health and Disabled Care, Forensic Medicine, Paediatric and Child Healthcare, the Clinical Skills domain and Urology in his final year, he was named best sixth-year student. In addition, he received the award for the best MB,ChB dissertation.

However, Dr Kotze's academic excellence is not restricted to the classroom. His collaboration as the co-author of research projects, even though these were not required for his academic programme, attests to his commitment to the discipline. In the process, he has already built a record of publications in international journals and presentations at international conferences. At grassroots level, he has helped make medical science accessible to the general public by publishing a number of articles in the *Mail & Guardian*. As a tutor and mentor for fellow students, he also served as co-presenter of a workshop on undergraduate medical research for the South African Student Surgical Societies (SASSS) in 2015.

Being a prime example of the well-rounded graduate and engaged citizen that SU wishes to produce, Dr Kotze was a founder member of the TB advocacy group TB Proof, which received an international award in 2013, as well as an active member of the Safe Working Hours campaign. At Matie Community Service, he served both as a volunteer and volunteer trainer. His cultural involvement – including writing for *tMatie*, the Tygerberg campus newsletter; serving on the subcommittee for intra-campus communication; and co-founding the Meerhoff men's serenade group – earned him honorary colours for culture from the Tygerberg Student Council in 2015.



## Chancellor's AWARDS

Stellenbosch University's Chancellor's Awards recognise some of the leading academics at the institution for their sustained contributions to excellence in the fields of research, learning and teaching, and social impact.

**Dr Hendrik Ludolph Botha**, Senior Director: Student Affairs, was director and founder of the Centre for Education Development and the Division for Academic Development Programmes, among others. Under his leadership, academic development programmes were implemented across the institution; SciMathUS, a second-chance programme for learners in Mathematics, Physical Sciences and Accounting, was instituted; the Language Centre was established, and the Tracking System and First-year Academy were created, all of which contributed significantly to SU's strategic activities. The endearing and empathetic way in which Dr Botha managed to build bridges between SU's support services, academics, colleagues and students over the years is worthy of recognition.

**Ms Maléne Fouché** was promoted to Group Manager: Research Integrity and National Grants in the Division for Research Development in 2009. She makes an outstanding contribution in support of SU's research efforts, and her assistance and guidance of individual researchers in submitting applications to the National Research Foundation is commendable. She also manages a number of research ethics processes at the University and provides support to the research subcommittees of Senate. As such, she plays a critical role in the support, advancement and development of research at Stellenbosch University.

**Professor Hendrik Geyer** serves as chair of the Department of Physics, director of the Institute for Theoretical Physics, chair of the Organisation of Theoretical Physicists, and as board member of the South African Institute of Physics (SAIP). His dedicated efforts led to the establishment of the National Institute for Theoretical Physics (NITheP). As director of the Stellenbosch Institute for Advanced Studies (STIAS), he champions interdisciplinary

research. He endeavours to promote science among the public at large and received the Alexander von Humboldt fellowship and the SAIP silver medal.

**Professor Rachel Jafta's** unique scholarly expertise and exceptional leadership abilities have enabled her to contribute to Stellenbosch University as well as the non-governmental and private sectors. In 2007, she established Rachel's Angels, a mentorship programme that has helped 700 learners through matric and supports economically disadvantaged schools with strong leadership. In 2010, she founded the Cape Town Carnival, which attracts over 100 000 visitors annually and creates nearly 1 000 jobs. Prof Jafta's career demonstrates the powerful impact of scholarship in society.

**Professor Petri Meyer** has made significant contributions to learning and teaching, especially in helping to establish a course structure and content for the BEng degree programme. His research contributions include his leading role in the Institute for Electrical and Electronics Engineers (IEEE), over 100 peer-reviewed publications, and heading up one of the longest-running industry-funded research programmes in the Department of Electrical and Electronic Engineering, through which he collaborated with international groups in nine countries. He is also an inspiring postgraduate supervisor: Three of his PhD students received Chancellor's Awards, while 17 of his master's candidates graduated cum laude.

**Professor Stephanus Muller** has distinguished himself as an excellent and productive lecturer and supervisor, a far-sighted organiser and ground-breaking researcher. This is evidenced by his record number of master's and doctoral students, the development of the Documentation Centre for Music (DOMUS) into the most important research archive of its kind in the country, and his impressive publication record. In particular his book on the history of the EOAN Opera Group has gained him considerable acclaim. His publication *Nagmusiek*, a monumental study on the South African composer Arnold van Wyk, is arguably the most important musicological book in Afrikaans to date.

**Ms Debby Olivier** was the managing director of TRAC, a flagship Physical Science intervention programme of Stellenbosch University intended for high-school learners. Her exceptional commitment to TRAC's vision of alleviating poverty in our country by granting every learner the opportunity to excel led to a significant increase in the number of laboratories and sponsors, interactions with learners, and their successful enrolment for and graduation in tertiary science, engineering and technology



programmes. Through Olivier's persistent excellence, TRAC's achievements have received considerable exposure, including an excellence award from the National Science and Technology Forum (NSTF).

**Professor Harald Pasch**, the incumbent of the SASOL Research Chair in analytical polymer science and head of the Polymer Division, has developed the analytical group at the Department of Chemistry and Polymer Science into an internationally recognised centre of excellence for advanced polymer analysis. Two of his most recent publications are the first editions of the leading textbooks in the field. Prof Pasch has produced more than 300 peer-reviewed publications, is a frequent speaker at both national and international conferences, and is a dedicated mentor to more than 50 postgraduate students in Germany and South Africa.

**Professor Wessel Pienaar** has made a remarkable contribution as researcher and academic pioneer in the Department of Logistics. On his initiative as departmental chair, the Department of Transport Economics was recreated as the Department of Logistics with an innovative and relevant subject offering. He is regarded as one of the Faculty of Economic and Management Sciences' leading researchers and serves as president of *Die Suid-Afrikaanse Akademie vir Wetenskap en Kuns*. Prof Pienaar's research has inter alia resulted in important traffic engineering applications after the World Bank started applying his work.

**Professor Helmut Prodinger** is regarded as one of the fathers of modern analysis of algorithms and analytic combinatorics. Among his many scientific achievements, his work on digital systems has been particularly influential and has greatly enhanced our understanding of the asymptotic properties of digital systems. His ground-breaking work serves as an integral resource in his field, with a publication record of over 300 reviewed journal articles. This recipient of a gold medal and research award from the South African Mathematical Society also serves on various conference programme committees as well as the editorial boards of some of the leading journals in his field.

**Professor Lizette Rabe**, chair of the Journalism Department, has set herself the task of raising public awareness of the debilitating and potentially fatal illness of depression. She established the Ithemba Foundation in 2012, through which she promotes awareness to break down prejudice against this biological, clinical illness. She initiated a media campaign to advocate for replacing the morally judgemental Afrikaans term "selfmoord" (self-murder) with the more compassionate "selfdood" (self-

death). She has also invited communities to "hike for hope" in another awareness initiative, and has prepared the book *Hoop – 'n Troosboek* for publication.

**Professor Dave Richardson** has made excellent contributions to academic advancement in invasion biology. His research on plant invasion mostly concerns problems specific to South Africa. He has published 335 peer-reviewed articles and book chapters, and has been on Thomson Reuters's list of most cited researchers since 2014. Richardson is editor-in-chief of the premier journal *Diversity and Distributions* as well as director of the DST-NRF Centre of Excellence for Invasion Biology. He has supervised 21 master's and ten PhD students, and was elected vice-president of the Royal Society of South Africa.

**Professor Sarel Steel** has consistently delivered high-quality lectures, developed mathematical statistics at the University, and served as role model for generations of students. Since the inception of the Faculty of Economic and Management Sciences' contest for the most inspiring lecturer, he has been a finalist every year. Students enthusiastically attest to his role as statistician and role model in their education. He has developed curricula at the leading edge of the demanding field of mathematical statistics, of which a postgraduate module in Statistical Learning can only be matched by the world's very strongest mathematical statistics departments.

**Professor Karen Inge Theron's** multiple research outputs as the most senior horticulturist at SU and in South Africa are characterised by a well-balanced blend of fundamental science and practical applicability, which led to relevant technology currently used within the fruit and fynbos industries. Employing her leadership skills, this former chair of the Department of Horticultural Science helped bridge the gap between research and the end users of this technology. As lecturer, she also developed fundamental courses in deciduous fruit cultivation, trained 78 postgraduate students, and is the first incumbent of the HORTGRO Science/SU Research Chair in Applied Pre-harvest Deciduous Fruit Research.

**Professor Mark Tomlinson** is one of the world's leading scholars in early childhood development and mental health in children. His stature in the global public health field has been acknowledged by bodies such as the World Health Organisation. He has an outstanding publication record, and his high-impact research has the potential to change the lives of millions of people, especially children, in low- and middle-income countries worldwide. His contributions are both substantive and methodological, and he embodies the ideals of excellent, world-class scholarship.



# **ACCOUNTABLE CORPORATE GOVERNANCE**



# Corporate GOVERNANCE

Stellenbosch University was established in 1918 under Act 13 of 1916 when the Victoria College was converted into a university.

The University functions in terms of a value system that is set out in its *Strategic Framework and Institutional Intent and Strategy 2013–2018* and has been adopted by the university community. Financial management is based on a set of principles that was adopted by the Council on 19 May 2003.

Effective, efficient and transparent financial management and internal control systems are used to ensure the accuracy of the University's accounting records and the integrity of the data used for the preparation of financial statements.

There are inherent limitations to the efficiency of any internal control system, including the possibility of human error and the circumvention or subversion of control measures. Consequently even an efficient system of internal control can at best only provide reasonable assurance as far as financial information is concerned.

The internal and external auditors assess the effectiveness, efficiency and reliability of financial management and internal control systems. Weaknesses in the systems are brought to the attention of management and, where applicable, to the attention of the Audit and Risk Committee. Steps are taken diligently to rectify deficiencies of control and offer the opportunity to improve the system as and when deficiencies are identified. The University also has a formal procedure in place for reporting anomalies or fraud.

## **The University Council and subcommittees of Council**

The **University Council** (hereafter referred to as the Council) is comprised of academic and non-academic members, duly appointed and nominated in terms of the Statute of the University, the majority of whom are not staff members or current students of the University. The role of the Chair of the Council is separate from the role of the Rector and Vice-Chancellor of the University. The Chair of the Council was re-elected during 2013 to serve a further term as Chair of the Council from 2 April 2014 to 1 April 2018. Matters allocated to the Council for consideration and decision-making is set out in the

Statute of the University, either by established practices or in terms of the Higher Education Act, 1997. The Council is accountable to its various interest groups. The Council ensures that the University is managed in a responsible and transparent manner and is committed to sound management principles.

The Council of Stellenbosch University consisted of 29 members in 2015, five of whom were executive Council members, 13 independent non-executive Council members, five employees of SU, four of whom were appointed by government and two of whom were appointed by the students. The names of the members, their qualifications and terms of office appear on page 16–17.

The Council officially met four times during the reporting year. SU is proud to report that the Council meeting rate of attendance by members averaged 91% for the reporting year. The lowest rate of attendance was 79%.

The Council has created structures to ensure that its obligations to all interest groups are duly met at all times (see our governance structure on page 20). The following committees of Council play a direct role in the effective functioning of the University: the Executive Committee of Council; the Human Resources Committee of Council; the Remuneration Committee of Council; the Audit and Risk Committee of Council; the Social and Business Ethics Committee of Council; and the Investment Committee of Council. All the committees are formally constituted with written mandates and are mainly comprised of members of Council who are not staff members or students of the University.

The Council committees meet at different intervals, with some meeting before every Council meeting and others as and when required. As a whole, the Council committee meetings were well attended. The committees' rate of attendance averaged 87%.

The **Executive Committee of Council**, which meets at least five times a year, within its delegated powers makes decisions on behalf of the Council, deals with matters on behalf of the Council, advises the Council on policy decisions and in the period between Council meetings liaises with senior management on matters impacting the functions of the Council. The Executive Committee of the Council consists of six members, who are also members of the Council. Currently four positions are filled. The committee also fulfils a monitoring and control function on behalf of the Council in that it makes recommendations on the University's transformation targets and monitors implementation, makes recommendations on the annual operating and capital budgets, and monitors progress in

terms of the approved budgets and results. The committee is also responsible for ensuring that the University is financially sound and remains a going concern. This committee met six times during the reporting year. The committee has no matters pending. Pending matters on the agendas of other committees reporting to the Council through the Executive Committee will ultimately be included on its agenda and handled at that stage.

The Executive Committee's rate of attendance for 2015 averaged 90%.

The **Audit and Risk Committee of Council**, whose Chair and members are also members of the Council or are external individuals who have the required financial expertise to assist the Committee in the efficient execution of its duties, has been functioning since 31 October 2005 and consists of six members, as set out on page 17. Currently five positions are filled. The committee meets at least three times a year and the meetings are attended by the internal and external auditors and the University's senior management. The unrestricted access of the internal and external auditors of the University to the Audit and Risk Committee ensures their independence. The Audit and Risk Committee functions in terms of a written Council mandate and is accountable to the Council for the following:

- ▶ The safeguarding of assets;
- ▶ The operation of suitable systems of internal control;
- ▶ Risk management and risk control measures;
- ▶ Internal, external and forensic audits;
- ▶ Compliance with statutory requirements;
- ▶ Accounting policy;
- ▶ Financial reporting; and
- ▶ The position of the University as a going concern.

The Audit and Risk Committee's regulations and matrix were updated and approved by the Council during 2014.

The **Human Resources Committee of Council's** mandate include recommendations to the Council on matters concerning general staff policy, service contracts, pension funds, bonuses, performance appraisal frameworks, appointments and promotion and succession planning of members of senior management. The committee consists of five members, namely the Chair of Council (as chair), the Vice-Chair of Council, the Rector, a Council member not nominated by an interest group that represents employees or students and a council member who is nominated by employee interest groups. Currently all five positions are filled. Apart from the members of the committee, the Vice-Rector (Social Impact, Transformation and Personnel) and the Chief Director: Strategic Initiatives and Human Resources will attend the meetings and depending on the matters to be discussed, other people will also be invited to the meetings. The committee meets approximately four times a year.

The **Remuneration Committee of Council** is constituted from the Human Resources Committee of Council with the following members: the Chair of Council (not as chair of the Remuneration Committee), two Council members who are not employees of the University, the Rector and Vice-Chancellor and two ex officio members (without voting rights), namely the Chief Director: Strategic Initiatives and Human Resources, and the Manager: Remuneration and Benefits. The Remuneration Committee is responsible for considering matters concerning staff remuneration and fringe benefits and makes recommendations to the Council in this regard.

The **Social and Business Ethics Committee of Council** (SBC) of the Council came off the ground in 2015, after the Committee was formed at the end of 2014. The committee is comprised of five members, namely two non-executive Council members, two representatives from University management and one external member, who is also a member of the Audit and Risk Committee. The Chair of the committee is a non-executive Council member. The committee met at least four times in 2015.

The key function of the Committee is to serve as the social conscience of the University and to ensure that the University acts as a responsible corporate citizen. For that reason the Committee fulfils an ethical supervision function and continuously assesses the University through the eyes of the public. The Committee therefore has the function of overseeing how ethical the University conducts its business. The Committee has overall responsibility for establishing ethical values and associated codes of conduct and policies, to ensure that the principles of ethical business practice are adhered to and the impact thereof evaluated. The Committee makes the necessary announcements and recommendations in terms of its findings to the Council.

The Committee focused on training the Committee members in its first year of existence to ensure that the Committee members are empowered to interpret and perform the Committee's function and duties correctly. The key aspects that were considered in 2015 include, among others, the lack of an ethical code; the lack of availability and accessibility of policies for all interest groups; consideration of the risk register from an ethical management point of view; and the risks and challenges associated with student disciplinary processes.

The University does have an Assurance and Promotion of Ethically Accountable Research Policy. This policy is applied by three ethics committees (one each for research in relation to human participants, the care and use of animals, and environmental and biosafety) to ensure that researchers act in accordance with the relevant ethical norms in every relationship with subjects and objects during their scientific research. The ethical norms set out

in the policy already apply at the time of assessment of the purpose of the particular research and the formulation of the subject of research, and are also binding in respect of finance resources; clients; the community; the physical, biological and social environment; the safety of researchers and collaborators; and the personal responsibility of the researcher.

### Reporting under King III

The *King Code of Governance Principles* (King III) has been applicable to all business entities, including universities, since 1 March 2010. In August 2010 the University performed

an independent internal audit of the extent of compliance with the applicable King III principles. At that stage the University had already complied with the majority of the principles and since compiled a complete action plan with a view to implementing the outstanding applicable principles.

The University subscribes to the philosophy of leadership, sustainability and corporate citizenship as set out in King III. King III requires an explanation of areas of non-compliance by business entities who declare that they comply with the principles. As at 31 December 2015 the University did not comply with the following:

| Area   | Explanation   |
|--|---|
| Statute of the University                                    | Where the amended Statute, which complies with the Higher Education Act, does not meet the requirements of King III, compensating measures will be put in place for observing the purpose of the guidelines.  |
| Succession planning and talent management of Council members | Given that Council members are appointed by various interest groups based on specific expertise, talent management is not possible. Succession planning is done by the respective interest groups responsible for the appointment of their representatives in the Council.  |
| Council committees   | King III requires the various Council committees to review their regulations to perform a self-assessment annually. Taking into consideration that some of the committees by nature require only biannual meetings, which makes the annual review of these regulations impractical, the regulations are reviewed and adjusted as and when necessary.  |
| Remuneration disclosure                                      | Remuneration disclosure meets the requirements as set by the Regulations for Reporting by Higher Education Institutions, and King III requirements are currently not being met.   |
| Training register for Audit and Risk Committee members       | Given the expertise of the members and the positions they hold, additional training for Audit and Risk Committee members is not deemed necessary. Members will be required to confirm their continuous professional training and development on a regular basis.  |
| Combined audit insurance framework and reporting             | A combined audit insurance framework was developed by Management and the Internal Auditors and will be considered for approval by the Audit and Risk Committee of the Council during 2016.  |
| Policy on non-audit services                                 | The policy for non-audit services will be considered for approval by the Audit and Risk Committee of the Council during 2016.   |
| Ensuring compliance with legislation                         | The development and implementation of a compliance policy is dependent on funding and capacity and is also closely linked to the new reporting requirements in terms of the Regulations for Reporting by Higher Education Institutions, as well as the development of a risk management policy and framework. The responsibility for compliance is done on operational level in line with the embedded risk management model. |

Complying with the King III requirements is an ongoing process and complying with corporate governance principles is therefore evaluated continuously. The draft report of King IV was issued for comments on 15 March 2016. It is expected that the final report will be issued on 1 November 2016. The University already has processes in place to evaluate the implementation of the final report in order to ensure compliance.

### Information technology

The Information and Communication Technology (ICT) Management group helped establish improved control mechanisms over the past few years. Examples of this

include the formation of various committees for liaising with key stakeholders on learning and teaching, and research, as well as infrastructure. The ICT function is currently undergoing an extensive self- and peer assessment process. Any gaps in respect of management and/or control highlighted during this process will be addressed. Finally, an extensive set of information-related policies and regulations was recently developed and reviewed and is being submitted for approval. Matters on ICT control are currently placed on the Council's agenda by way of the Audit and Risk Committee's accountability for risk management.



## Student participation

The participation of students in decision-making is important to the University, as also set out in the Strategic Framework.

At a macrolevel students have a seat in the highest formal structures of authority, such as the Students' Representative Council representation in the Council, the Senate and the Institutional Forum. Students are also members of the faculty boards, the Student Fees Committee, the Honorary Degrees Committee, the Community Interaction Committee and the selection committees for the appointment of a rector and vice-rectors. Furthermore, students serve in various important working committees, such as the Bursaries and Loans Committee, the Central Disciplinary Committee, the Quality Committee, the Library Committee and the Student Accommodation Committee. Student representatives are appointed from the faculties to form the Academic Affairs Council (AAC), the Chairman and Vice-Chairman of which perform various representative functions in the area of the Vice-Rector (Learning and Teaching). They serve, among others, on the Academic Planning Committee and the Learning and Teaching Committee.

Various advisory forums – for instance for students with special learning needs or HIV/Aids or who are harassed or suffer from substance abuse – also avail themselves

of students' skills and knowledge. The Welcoming and Monitoring Work Group, who manages the welcoming of newcomer students, consists of various student representatives and all but one of the monitors are from student ranks. The Stellenbosch University Advisory Forum for Student Support Services (USASO) also includes student representatives.

The Student Councils of Stellenbosch, Tygerberg and the Military Academy assist with the leadership development of students. The Frederik van Zyl Slabbert Institute for Student Leadership Development at the Centre for Student Affairs presents leadership development opportunities for both positional leaders (also from residences and private student wards) and non-positional leaders. The constitution of the Societies Council makes provision for student societies, under the leadership of a member of the SRC, to play a more structured role in the development of a diverse and healthy student community.

The Chairs of the SRC and the AAC have bimonthly fixed meetings with the Vice-Rector (Learning and Teaching), in addition to ad hoc meetings arranged as and when required. Furthermore, the Executive Committee of the SRC meets with the Management Team of the Rector to discuss general management matters at least 10 times a year.



### SU students choose humanity

Two student leaders, Mr Stefan Laing and Ms Farai Mubaiwa, at the poster replacing the Verwoerd commemorative plaque removed from the Accounting and Statistics Building (formerly known as the HF Verwoerd Building). Ms Mubaiwa said: "Today is a good day, maybe late, but still a good day. This is a day that Stellenbosch University chooses humanity. We cannot preach inclusivity, and yet have non-inclusive remnants on our campus."

# Report of Senate TO COUNCIL

Senate, as a statutory body, made an important contribution to the positioning of Stellenbosch University as a fully-fledged 21<sup>st</sup>-century university in the year under review.

Contributions by the various committees of Senate, namely the faculty boards, Executive Committee of Senate, Appointments Committee, Academic Planning Committee, Library Committee, Honorary Degrees Committee, Social Impact Committee, Research Committee and the Committee of Learning and Teaching (see our governance structure on page 20), were discussed at the four Senate meetings held during the year. Thereafter, specific recommendations were made to Council.

Matters that received attention in the Senate meetings included the recommendation of a number of new academic programmes for approval by Council, the approval of doctoral topics for research, and the recommendation of a number of policies to Council (including the amended Language Policy). A recommendation was made to Council in connection with the appointment of a new Rector and Vice-Chancellor, and teaching activities and community activities related to academia were discussed.

On the basis of limited capacity and the large number of applications that are received, all the undergraduate programmes offered by the University have been selection programmes for the past few years. In order to broaden access to the University, parallel-medium instruction (teaching is offered in both Afrikaans and English in separate classes for the same module) and interpreting (lectures are offered in Afrikaans and simultaneously interpreted into English, or vice versa) have also been introduced in a number of programmes during the past year. This method of presentation is extended continuously. See "Increase multilingual programme offering" in the report of the Vice-Rector (Learning and Teaching), page 44.

## Programme renewal

The following new postgraduate programmes were approved by the Department of Higher Education and Training and accredited by the Council on Higher Education in 2015:

- ▶ MPhil (Disaster Risk Science and Development)
- ▶ BComHons (Information Systems Management)
- ▶ PGDip (Business Management and Administration)

- ▶ MPhil (Cardiology)
- ▶ MPhil (Gynaecological Oncology)
- ▶ MPhil (Maternal and Fetal Medicine)
- ▶ MPhil (Reproductive Medicine)
- ▶ PGDip (Disability and Rehabilitation Studies)
- ▶ PGDip (Health Care Management)
- ▶ PhD (Anatomy)

The following programme's curriculum was revised completely and turned into a shorter, professional degree, approved by the Department of Higher Education and Training and accredited by the Council on Higher Education in 2015:

- ▶ MBA

## The Senate of Stellenbosch University

The Senate consists of:

- ▶ the Rector and Vice-Chancellor (chair);
- ▶ the three vice-rectors;
- ▶ the Chief Operating Officer;
- ▶ two members of Council (nominated by the Council);
- ▶ the Registrar (secretary);
- ▶ all the full professors of the University;
- ▶ all departmental chairs who are not full professors;
- ▶ the two secundus deans of the Faculty of Military Science;
- ▶ five associate professors;
- ▶ three members of the Students' Representative Council;
- ▶ the member of the Academic Affairs Committee serving on the Students' Representative Council;
- ▶ two members of the academic staff who are not professors or associate professors;
- ▶ two members of the administrative staff;
- ▶ two members of the technical staff;
- ▶ deans and vice-deans who are not full professors; and
- ▶ the following additional persons declared by Council to be members of Senate: Chief Director: Strategic Initiatives and Human Resources; Chief Director: Finance; Chief Director: Facilities Management; Chief Director: Sport; Senior Director: Information Technology; Senior Director: Student Affairs; Senior

Director: Institutional Research and Planning; Senior Director: Library and Information Services; Senior Director: Research; Senior Director: Postgraduate and International Office; Director: Centre for Teaching and Learning; Senior Director: Social Impact; Senior Director: Prospective Students; Senior Director: Innovation and Business Development; and Senior Director: Learning and Teaching Enrichment.

Finally, it can rightfully be said that Senate delivered a comprehensive and expert contribution to the portfolios of Learning and Teaching, Research and Innovation and Community Interaction and Personnel in the period under review. For more details on these portfolios, see the

reports of the Vice-Rector (Learning and Teaching), page 41, the Vice-Rector (Research Innovation and Postgraduate Studies), page 48, and the Vice-Rector (Social Impact, Transformation and Personnel), page 53. Also see how the University acknowledges excellence through the Chancellor's Medal and the Chancellor's Awards on page 87 and 88.

**PROF WIM DE VILLIERS**  
*Chair of Senate*

### BRIDGING THE LANGUAGE GAP



*Stellenbosch bridges the language gap when welcoming new students, by offering an interpreting service. The interpreter uses a hand microphone while students listen through earphones.*







# Report of the INSTITUTIONAL FORUM

The Institutional Forum (IF) is a consultative body that is mandated by the Higher Education Act (section 31(1) of Act 101 of 1997) to advise the University Council on policy matters, including the implementation of the provisions of the aforementioned act and the national policy on higher education.

The activities of the IF consist of meetings where advice to Council is considered, as well as discussions between the IF Executive Committee and the Rector's Management Team. At times, the IF makes use of three task teams, namely the task team on diversity and equity, the task team on institutional planning and the task team on institutional culture, to expedite the performance of its functions. Members voluntarily serve on the task team(s) of their choice. As and when necessary, the task teams are supplemented with ad hoc groups. The task teams have the power to properly investigate matters assigned to them, and then to report on these to the IF, enabling the latter to provide Council with well-considered advice.

## **Composition of the Institutional Forum**

In accordance with the University Statute, the IF comprises 32 members – eight from each of the four sectors of governance and management, personnel, the student body and the community. The composition of the representatives from each sector is also stipulated.

## **Activities**

The IF discharges its normal functions by advising Council on policy documents and commenting on the University management's implementation of the Higher Education Act. To perform these duties, the IF Executive Committee and the full IF each has four meetings per year. Each Executive Committee meeting finalises the next IF meeting's agenda. The Executive Committee also attempts to meet with the Rector's Management Team prior to each IF meeting. In addition to these meetings, the IF chair – as part of the SU management team – in 2015 delivered a presentation on the IF's activities to the Parliamentary Portfolio Committee on Higher Education.

Moreover, apart from its statutorily prescribed duties and responsibilities, the IF continued to focus on particular matters as determined from time to time (such as accelerated transformation) with the aim of proactively submitting advice to Council for their consideration and further investigation. In its advice to Council, the IF seeks to

ensure that the strategic priorities of the University are duly considered at all times.

## **Transformation on campus**

The IF has committed itself to actively engage in initiatives aimed at accelerated transformation with a view to establishing a culture of inclusivity on the University's campuses. In this regard, a representative of the IF serves on the transformation committee.

## **National engagement**

The chairman also currently serves on a working committee of the Department of Higher Education and Training with the dual mandate to firstly develop a set of guidelines on the functioning of institutional forums in terms of the applicable legislation, and secondly, to draft rules and regulations for the envisaged establishment of a national forum of IF chairs.

## **Commentary on proposed policies**

Advice on newly drafted and revised policies was mainly provided by way of formal reports. University policies so considered were:

- ▶ the Risk Management Policy; and
- ▶ amendments to the opening remarks of Stellenbosch University's Language Policy.

The IF supports the overall intentions of the abovementioned policies. It did however propose technical and editorial adjustments to the Risk Management Policy and, for the sake of promoting excellence, recommended that all policy stakeholders be trained and empowered as a vital step to ensure effective implementation and application of the policy. Therefore, the IF requested that a concomitant risk management plan be drafted and implemented as soon as possible.

In light of the University's Vision 2030, in terms of which SU strives to be welcoming and inclusive, the IF appreciates the need to review aspects of the Language Policy and has therefore approved the proposed amendments, with comments to Council.

## In conclusion

The IF submitted commentary on and/or requests for the consideration of various other matters to Council, such as the drafting of personnel and student codes of conduct that may contribute to the establishment of an inclusive culture on campus.

In the year ahead, the IF will be continuing its normal, statutorily prescribed functions, but also aims to actively focus on promoting campus conversations on aspects regarding greater diversity and transformation. Formal reports on these endeavours will be submitted to Council.

## MR LE ROUX BURROWS

*Chair: Institutional Forum*



### SU PRESENTS BEFORE PARLIAMENTARY COMMITTEE

The vice-chair of Council, Prof PW van der Walt (above, fifth from the right), confirmed Council's commitment to and support for Management's initiatives regarding transformation and the language issue during a presentation before the parliamentary Portfolio Committee on Higher Education and Training on 1 September 2015. Above from right to left are Prof Nico Koopman, acting Vice-Rector (Social Impact, Transformation and Personnel), Prof Wim de Villiers, SU Rector and Vice-Chancellor, and Minister of Higher Education and Training, Dr Blade Nzimande.

Also present were Students' Representative Council chairs Mrr Axolife Qina (2016) and Stefan Laing (2015) (small photo), and Institutional Forum chair Mr Le Roux Burrows and executive manager: rectorate Dr Jerome Slamet.



# Report on purchasing and tendering

## PROCEDURES

The Purchasing and Provision Services Department is responsible for the development and implementation of a centralised purchasing policy and procedure on a fair, equitable, impartial, transparent and competitive cost-effective basis that ethically offers all service providers, representative of all communities, without discrimination on the grounds of race, gender or faith, the opportunity to conduct business with SU.

Within this framework and policy there are purchasing limits that determine when the purchasing of services or products must be put on tender or how many quotations must be obtained. Furthermore, a distinction is made between institutional, strategic and capital tenders and tenders that do not have an effect on the operation of SU as a whole, such as the purchasing of research equipment. Each of these types of purchases is subject to its own rules regarding the approvals needed before a tender may be put out and awarded. These rules are contained in SU's Purchasing and Tender Policy and SU's Rules with regard to Delegation of Authority and Responsibilities. Before each tender evaluation, the members of the Tender Committee must complete a declaration of interests form. If any member has a conflicting interest, they do not take part in the evaluation.

The following tenders for the purchasing of services, among others, were awarded during 2015: cleaning services and food services for Bellville Park Campus and the appointment of an agent to conduct the BBBEE evaluation of SU.

In all the above cases the tender committees' appointment was approved within the policy of SU. The tenders were evaluated and the appointments made within the policy of SU by the respective tender committees.

For cleaning services, the members of the committee were:

| Name              | Position   |
|-------------------|--|
| Mr D Prata        | Director: Facilities Management  |
| Ms A Rossouw      | Facilities Manager   |
| Ms G Arangies     | Head: Bellville Park Campus Management Services                          |
| Mr MJ Brooks      | Director Faculty Management: Faculty of Economic and Management Sciences |
| Mr H Swanepoel    | Director: Commercial Services  |
| Ms M Malan        | Senior Accountant  |
| Dr MJ Freeborough | Faculty Manager: AgriSciences  |

For food services, the members of the committee were:

| Name                  | Position   |
|-----------------------|--|
| Ms A Bayard           | Operations Manager: USB BE   |
| Ms G Arangies         | Head: Bellville Park Campus Management Services                          |
| Mr MJ Brooks          | Director Faculty Management: Faculty of Economic and Management Sciences |
| Mr H Swanepoel        | Director: Commercial Services  |
| Dr B Rabie            | Senior Lecturer  |
| Ms S Agenbag          | Senior Accountant  |
| Ms S Walbrugh-Parsadh | Head: International Office (USB)   |
| Ms GM van Zyl         | Senior Course Coordinator: USB   |
| Ms L Ferreira         | Administrative Officer   |
| Ms A Olivier          | Administrative Officer   |

For the appointment of a BBBEE agent, the members of the committee were:

| Name          | Position   |
|---------------|--|
| Mr J Kotze    | Director: Human Resources                                  |
| Ms A Murray   | Director: Financial Planning and Asset Management (Acting) |
| Mr C Bermosky | Legal Adviser  |
| Ms F Majiet   | Director: Financial Services                               |

In 2015, a number of capital projects were also put out on tender. The largest of these was the erection of Student Housing on Tygerberg Campus. The evaluation report of the Request for Proposals evaluation committee was submitted to the Finance Committee for recommendation to the Rector's Management Team for approval. The Rector's Management Team ratified the recommendation from the Finance Committee.

For the erection of student housing, the members of the committee were:

| Name            | Position  |
|-----------------|---|
| Ms M Walters    | Project Manager: Capital Projects                                     |
| Mr AC Kriel     | Manager: Capital Projects   |
| Mr K Matthew    | Manager: Strategic Initiatives  |
| Ms G Jacobs     | Manager: Strategic Initiatives  |
| Mr F Swart      | Manager: Spatial Management and Planning                              |
| Mr H Swanepoel  | Director: Commercial Services   |
| Mr M Smorenberg | Coordinator: Centre for Student Structures and Communities            |
| Mr ESA Mouton   | Director Business Management: Faculty of Medicine and Health Sciences |
| Mr A Bestbier   | Quantity Surveyor (External)  |



# **FINANCIAL REPORT**

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# University Council's Responsibility for **FINANCIAL REPORTING**

The University Council accepts responsibility for the integrity, objectivity and reliability of the consolidated annual financial statements of Stellenbosch University. The responsibility for the preparation and presentation of the annual financial statements has been delegated to management.

The Council is of the opinion that Stellenbosch University, including the subsidiaries, associate companies and trusts included in the consolidated annual financial statements, is operated as a going concern, and consequently the annual financial statements have been prepared on this basis.

It is the responsibility of the external auditor to express an independent opinion on the fair presentation of the consolidated annual financial statements, based on their audit. They had unrestricted access to all financial records and related data, including minutes of meetings of the Council and all Council committees.

The Audit and Risk Committee has confirmed that adequate internal financial control systems are maintained and that there were no material defects in the functioning of the internal financial control systems during the year.

The Council is satisfied that the consolidated annual financial statements fairly present the financial position, the results of operations, changes in funds and cash flows in line with the relevant accounting policies based on International Financial Reporting Standards (IFRS).

Between the year-end and the date of this report no material facts or circumstances have arisen that materially affect the financial position of Stellenbosch University.

The consolidated annual financial statements on pages 105 to 141 were approved by the Council and were signed by:

**MR GM STEYN**

*Chairperson of the University Council*

**PROF L VAN HUYSSTEEN**

*Chief Operating Officer*

**PROF DP DU PLESSIS**

*Chairperson of the Audit and Risk Committee*

**9 May 2016**

# Independent Auditor's Report to the Council OF STELLENBOSCH UNIVERSITY

We have audited the consolidated financial statements of Stellenbosch University set out on pages 105 to 141, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated income statement, statements of comprehensive income, changes in funds and cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

## **Council's Responsibility for the Financial Statements**

The Council of Stellenbosch University is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act of South Africa, and for such internal control as the Council determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used 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 financial statements present fairly, in all material respects, the consolidated financial position of Stellenbosch University as at 31 December 2015, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Higher Education Act of South Africa.



## Report on other Legal and Regulatory Requirements

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, we have a responsibility to report findings on the reported performance information against predetermined objectives for the selected objectives presented in the annual report, non-compliance with legislation and internal control. We performed tests to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, we do not express an opinion or conclusion on these matters.

### Predetermined objectives

We performed procedures to obtain evidence about the reliability of the reported performance information in the column "SU in 2015" in the table "Ministerial enrolment and effectiveness targets for 2019 and Stellenbosch University's (SU) performance, 2013-2015" set out on page 26 of the annual report for the year ended 31 December 2015.

We evaluated the reported performance information against the overall criteria of reliability.

We assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

We did not identify any material findings on the reliability of the reported performance information for the selected objectives.

### Achievement of planned targets

Refer to the annual performance report on page 26, table "Ministerial enrolment and effectiveness targets for 2019 and Stellenbosch University's (SU) performance, 2013-2015", for information on the achievement of the planned targets for the year.

### Compliance with legislation

We performed procedures to obtain evidence that Stellenbosch University had complied with legislation regarding financial matters, financial management and other related matters.

We did not identify any instances of material non-compliance with specific matters in the Higher Education Act of South Africa.

## Internal control

We considered internal control relevant to our audit of the financial statements, the information in the column "SU in 2015" in the table "Ministerial enrolment and effectiveness targets for 2019 and Stellenbosch University's (SU) performance, 2013-2015" on page 26 and compliance with legislation. We did not identify any significant deficiencies in internal control.

## Other Reports

### Audit-related services and special audits

123 Agreed-upon procedures engagements reports have been issued during the year under review on donor funding, Department of Higher Education and Training funding, Department of Trade and Industry funding, internal fund transfers and a confirmation of a donation. These reports covered periods ranging from 1 January 2005 to 31 March 2016. Five reports were in progress at the date of signing of this report covering periods ranging from 1 February 2015 to 31 March 2016.

23 Donor funding audit and non-audit assurance reports have been issued during the year under review, covering periods ranging from 1 January 2013 to 31 December 2015. Eleven reports were in progress at the date of signing of this report covering periods ranging from 1 January 2011 to 31 December 2015.

At the request of the South African Reserve Bank, a limited assurance audit was performed on imports. The report covered the period 1 January 2014 to 31 December 2014, and was issued on 24 April 2015.

*PricewaterhouseCoopers Inc.*

**PRICEWATERHOUSECOOPERS INC.**

*Director: D Adriaans*

*Registered Auditor*

*Stellenbosch*

**20 MAY 2016**

# ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated annual financial statements are set out below. The policies are applied consistently for all periods covered by these consolidated annual financial statements.

## 1. Basis of preparation

The consolidated annual financial statements of Stellenbosch University are prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated annual financial statements are prepared on the historical cost basis, as amended by the revaluation of investments available for sale, endowments and investment properties.

In the preparation of these consolidated annual financial statements in accordance with IFRS a number of critical accounting estimates are relied upon. Application of the University's accounting policies is at management's discretion. Areas requiring greater discretion, and areas involving significant assumptions and estimates, are discussed in note 1 to the consolidated annual financial statements.

### *Standards, interpretations and amendments to published standards applied for the first time during the year*

Certain new standards, amendments and interpretations relating to existing standards that have become compulsory for the financial year starting on 1 January 2015 and that the University has applied for the first time have been published. The amendments to and interpretations of the standards are as follows:

|                     |   |
|---------------------|---|
| Amendment to IAS 19 | 'Employee benefits', regarding defined benefit plans. |
|---------------------|---|

### *Standards, interpretations and amendments to published standards not yet effective*

Certain new standards, amendments and interpretations relating to existing standards that have become compulsory for accounting periods commencing on or after 1 January 2016 or later and that the University has not yet applied have been published. The University will apply these amendments in the applicable period, if relevant. The amendments to and interpretations of the standards are as follows:

|                                  |   |
|----------------------------------|---|
| Amendments to IFRS 10 and IAS 28 | 'Consolidated financial statements' and 'Investments in associates and joint ventures' on sale or contribution of assets (effective date postponed)               |
| Amendments to IFRS 10 and IAS 28 | 'Consolidated financial statements' and 'Investments in associates and joint ventures' on applying the consolidation exemption (effective date of 1 January 2016) |
| Amendment to IFRS 11             | 'Joint arrangements' on acquisition of an interest in a joint operation (effective date of 1 January 2016)  |
| IFRS 14                          | Regulatory deferral accounts (effective date of 1 January 2016)   |
| Amendment to IAS 1               | 'Presentation of financial statements' disclosure initiative (effective date of 1 January 2016)   |
| Amendments to IAS 16 and IAS 38  | 'Property, plant and equipment' and 'Intangible assets', on depreciation and amortisation (effective date of 1 January 2016)                                      |
| Amendments to IAS 16 and IAS 41  | 'Property, plant and equipment' and 'Agriculture' on bearer plants (effective date of 1 January 2016)   |
| Amendment to IAS 27              | 'Separate financial statements' on equity accounting (effective date of 1 January 2016)   |
| Amendment to IAS 12              | Income taxes (effective date of 1 January 2017)   |
| Amendment to IAS 7               | Cash flow Statements (effective date of 1 January 2017)   |
| IFRS 15                          | Revenue from contracts with customers (effective date of 1 January 2018)  |
| IFRS 9                           | Financial Instruments (2009 & 2010) (effective date of 1 January 2018)  |
| Amendment to IFRS 9              | 'Financial instruments', on general hedge accounting (effective date of 1 January 2018)   |
| IFRS 16                          | Leases (effective date of 1 January 2019)   |

Management is of the opinion that amendments to the above standards, amendments and interpretations will not have a material impact on the consolidated annual financial statements of the University in the following year.

## 2. Basis of consolidation

### *Subsidiaries*

All entities in which the University, directly or indirectly, has an interest of more than half of the voting rights, or otherwise is able to exercise control over activities, are included in the consolidated annual financial statements. The purchase method is used to bring the acquisition of subsidiaries to book. The cost of an acquisition is measured as the fair value of assets transferred and liabilities assumed at the date of the transaction, including any transaction costs. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value.

The surplus of the cost of acquisition over the fair value of the group's share of identifiable net assets is accounted for as goodwill. The results of subsidiaries acquired during the year are included from the date on which effective control has been obtained. Subsidiaries are deconsolidated from the date on which effective control ends.

SU recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Intergroup transactions, balances and unrealised profits on transactions between the University and its subsidiaries are eliminated. Unrealised losses are also eliminated and are treated as a potential indicator of impairment of the underlying asset. The accounting policies of subsidiaries are adjusted during consolidation, where necessary.

### *Associate companies*

An associate company is a company, other than a subsidiary, in which the University holds an investment and on which it can have a significant influence due to the nature and size of its investment. The results of associates have been accounted for by using the equity method. The equity method involves the recognition of the interest of the University and its subsidiaries in the postacquisition profits and losses of associate companies in the consolidated income statement and the postacquisition movements in reserves in the consolidated statement of comprehensive income.

The cumulative postacquisition movements are adjusted against the carrying amount of the investment in the associate company. The recognition of the share of the University and its subsidiaries in losses of associate companies is limited to the interest in the associate company. Additional losses are only recognised to the extent that the University and its subsidiaries have guaranteed the debt of the associate company.

Intergroup transactions, balances and unrealised profits on transactions between the University and its associate

companies are eliminated to the extent of the University's interest in the associate companies. Unrealised losses are also eliminated and are treated as a potential indicator of impairment of the underlying asset. The accounting policies of associate companies are adjusted, where necessary, in applying the equity method.

## 3. Foreign exchange

### *Functional and presentational currency*

Items included in the consolidated annual financial statements are measured by using the currency of the primary economic environment in which the University operates (the functional currency). The consolidated annual financial statements are presented in South African rand, the functional and presentational currency of the University.

### *Transactions and balances*

Foreign exchange transactions are accounted for at the exchange rate ruling on the date of the transaction. Profits and losses arising from the settlement of such transactions and the conversion of monetary assets and liabilities denominated in foreign currency are recognised in the consolidated income statement. These balances are converted at exchange rates ruling at year-end.

## 4. Property, books and equipment

Land and buildings mainly consist of stands, lecture halls, laboratories, residences and administrative buildings. Land and buildings are shown at historical cost less accumulated depreciation, excluding donations of land and buildings valued at fair value by sworn valuers at the date of donation. The University has applied the IFRS 1 exemption in terms of which the fair market value of buildings at the date of conversion (1 January 2004) is the deemed cost.

Historical cost includes direct costs associated with the acquisition of the item. Postacquisition costs are added to the original cost, or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the University and the cost can be measured reliably. All other repair and maintenance costs are recognised in the income statement in the period in which they are incurred.

Books and equipment are shown at cost, excluding donations of books and equipment that are valued at fair value by sworn valuers at date of donation.

Government grants received for infrastructure are recognised by subtracting the grant from the value of the asset.

Land is not depreciated, as it has an unlimited useful life. Other assets are depreciated by using the straight-line method to write off cost or revalued amounts to residual values over their useful life.

Residuals and depreciation rates are as follows:

|                    | Residual value<br>2015<br>% | Depreciation<br>2015<br>% | Residual value<br>2014<br>% | Depreciation<br>2014<br>% |
|--------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Land               | 100                         | -                         | 100                         | -                         |
| Buildings          | -                           | 1,3-20,0                  | -                           | 1,3-20,0                  |
| Computer equipment | -                           | 33,3                      | -                           | 33,3                      |
| Other              | 0-40                        | 5-25                      | 0-40                        | 5-25                      |
| Library books      | -                           | 100                       | -                           | 100                       |

The useful life of property, books and equipment is reviewed annually and, if necessary, adjusted.

If the carrying value of an asset is significantly in excess of its realisable value, it is written down to the realisable value.

Profits and losses on the sale of assets are recognised in the consolidated income statement and represent the difference between the proceeds and the carrying amount at the date of sale.

## 5. Intangible assets

Purchased computer software licences are capitalised at the cost incurred to obtain and use the specific software. This cost is amortised over the expected useful life of the software. The expected useful life of software falling into this category at year-end is 10 years. Postacquisition costs incurred in the maintenance of computer software are recognised as expenditure in the period in which incurred. Intangible assets include only computer software licences.

## 6. Financial instruments

Financial instruments include cash and cash equivalents, investments, loans and receivables, trade and other payables, borrowings and short-term debt instruments. Financial instruments are initially recognised at fair value, including transaction costs. Conventional buying and selling of financial assets are recognised at date of trade.

The University classifies its financial assets in the following categories: loans and receivables; investments available for sale; and financial instruments carried at fair value, with adjustments in the income statement through profit and loss. The classification is determined by the purpose for which the asset has been acquired. Management determines the classification at initial recognition.

### *Loans and receivables*

Loans and receivables are non-derivative financial instruments with fixed or determinable repayments not quoted in an active market. Loans and receivables are initially measured at fair value. Where amounts are only payable 12 months from year-end, they are included in non-current assets, otherwise in current assets.

Loans and receivables are shown at amortised cost by using the effective-interest-rate method and after provision for impairment of the outstanding amount. An allowance for credit losses is raised in the event of objective evidence that outstanding amounts will not be collected in accordance with the original terms. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the current value of the expected cash flows, discounted at the effective interest rate.

Significant financial difficulty and failure to pay outstanding debt are deemed indicators of impairment. The carrying amount of the asset is decreased by raising a provision. The amount of the impairment is recognised in the consolidated income statement as operating expenditure. When the debt or loan becomes irrecoverable, it is written off against the provision. Subsequent recoveries of any amounts previously written off are credited to the consolidated income statement against operating expenditure.

Trade and other receivables, excluding forward foreign exchange contract assets, are classified as loans and receivables.

Cash and cash equivalents, classified as loans and receivables, consist of cash on hand, call deposits, investments in money market instruments and bank overdrafts.

### *Investments available for sale*

Investments are classified as 'available for sale' and are shown at fair value by using relevant valuation methods. Investments are included in non-current assets, unless the University intends to dispose of the investment within 12 months from year-end. Purchases and sales of investments are recognised at the date of trade, ie the date on which the University commits itself to the purchase and sale. Changes in fair values are shown in the statement of comprehensive income. The difference between the net sale proceeds and the cost of the investment is transferred from the fair-value reserve to the consolidated income statement on disposal.

Investments are derecognised when the right to cash flow expires or is transferred or the University has transferred the significant associated risks and benefits of ownership.

A distinction is made between changes in value resulting from exchange rate changes and fair-value changes in instruments denominated in foreign currency and classified as 'available for sale'. Exchange rate gains and losses are recognised in the consolidated income statement. Movements in the fair values of these investments are recognised in the statement of comprehensive income.

The fair values of listed investments are based on current market prices. The University determines the value of unlisted investments and investments in respect of which there is no active market by using relevant valuation techniques.

The University determines at each year-end whether a financial asset has been impaired, provided objective evidence can be provided. A significant decline in the fair value of the investment below its cost over a period is indicative of impairment. If there is such evidence for investments available for sale, the cumulative loss is transferred from the fair-value reserve to the consolidated income statement.

The cumulative loss is calculated as the difference between the acquisition cost and the current fair value net of any impairments recognised in previous periods. Impairment losses recognised in the consolidated income statement are not reversed on later recovery.

#### *Derivative instruments*

Derivative instruments, including forward foreign exchange contracts, are classified as 'at fair value with adjustments through the income statement'. These instruments are recognised at fair value at the date the derivative contract has been entered into. In subsequent periods it is revalued at fair value. Profits and losses on derivative instruments are recognised in the consolidated income statement.

#### *Trade and other payables and short-term debt instruments*

Trade and other payables, excluding forward foreign exchange contract liabilities, are initially recorded at fair value. Thereafter they are shown at amortised cost by using the effective-interest-rate method.

#### *Interest-bearing borrowings*

Borrowings are initially recognised at fair value, taking into account any transaction costs incurred. After initial recognition borrowings are carried at amortised cost. Differences between the initially recognised amount and the redemption amount are recognised in the consolidated income statement over the term of the borrowings by

using the effective-interest-rate method. Borrowings are shown as current liabilities, except where the University has an unconditional right to defer payment for at least 12 months after year-end, in which case these are shown as non-current liabilities.

### **7. Research and development costs**

Research and development costs are recognised as expenditure in the year in which incurred, since both are inherent in the normal operations of a university.

### **8. Donations**

Donations are recognised at fair value at the date of the donation, based on external valuations.

### **9. Inventories**

Inventories, mainly comprising consumer goods and stationery, are shown at the lower of cost, on the basis of average cost, or net realisable value.

Cost excludes finance charges. Net realisable value is the estimated selling price in the normal course of business, less selling costs.

### **10. Impairment of non-financial assets**

Assets with an indefinite useful life are not depreciated or amortised and are subject to annual testing for impairment. Assets subject to depreciation or amortisation are tested for potential impairment if an event or change in circumstances indicates that the carrying amount of the asset may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value of an asset, less any selling costs, or its value in use. In the test for impairment assets are grouped at the lowest level for which there is a separate identifiable cash flow (cash-generating units). Non-financial assets previously impaired are reviewed at every year-end for potential reversal of previously recognised impairments.

### **11. Revenue recognition**

Income is recognised at the fair value of the amounts or goods received.

Donation income is accounted for when it accrues.

Student and accommodation fees are recognised as and when the service is provided.

Central government grants are recognised in the period for which they are received. Government grants are recognised where there is reasonable certainty that the grant will be received and that the University will meet all



the associated conditions. Government grants received for infrastructure are included in liabilities as deferred government grants and are credited to the asset when the asset becomes available for use, resulting in a decrease in the depreciation recognised in the consolidated income statement over the expected lives of related assets.

Research grants are recognised over the term of the research and based on the terms of the individual contracts.

Interest income is recognised on a time apportionment basis by using the effective-interest-rate method. On impairment of a debtor the University reduces the carrying amount to the recoverable amount. The recoverable amount represents the future cash flow, discounted at the original effective interest rate. This discount is recognised as interest over time. Interest income on loans in respect of which an impairment has been recognised is recognised at the original effective interest rate.

Interdepartmental income is eliminated.

Other income earned by the University is recognised on the following bases:

- ▶ **Dividend income** – when the shareholder's rights to receive a dividend vest, ie on the last day for registration in respect of listed shares, and when declared in the case of unlisted shares.
- ▶ **Rental income** – receipts in respect of operating leases are recognised in the consolidated income statement on a straight-line basis over the period of the lease.
- ▶ **Accidental sales and services** – are recognised in the period in which they accrue.

## 12. Leases

If the lessor retains the significant risks and benefits associated with ownership of a leased item, the item is classified as an operating lease. Payments in respect of operating leases are recognised in the consolidated income statement on a straight-line basis over the period of the lease.

The University leases property and equipment. Lease agreements where the University, as lessee, receives all the significant risks and benefits of ownership, are classified as leases. Finance leases are capitalised at the beginning of the lease term at the lower of the market value of the leased property and the current value of the minimum lease payments. Each lease payment has a liability and finance charges element and is apportioned accordingly. The corresponding lease liability, net of finance charges, is recognised in the statement of financial position. Property and equipment acquired by means of finance leases are depreciated over the shorter of the useful life or the lease term of the asset.

## 13. Investment properties

Investment properties are held to generate rental income and to achieve capital growth. Owner-occupied properties are held for administrative, tuition and research purposes. Differences in use distinguish owner-occupied properties from investment properties.

Investment properties are deemed long-term investments and are carried at fair value determined annually by external sworn valuers. Investment properties are not depreciated. Any change in value is recognised directly in the consolidated income statement.

Owner-occupied properties are recognised and measured in accordance with the accounting policy for property, books and equipment.

## 14. Provisions

Provisions are recognised when the University has a current statutory or constructive liability as a result of a past binding occurrence that will probably lead to an outflow of resources in the form of economic benefits to meet the liability, and a reasonable estimate of the amount of the liability can be made. Provisions are measured at the current value of the expected future expenditure to meet the liability, discounted at the market-related rate for similar provisions. Changes in the value of provisions due to passage of time are recognised as interest.

## 15. Staff benefits

### *Postretirement medical benefits and group life insurance scheme*

Retired employees receive postretirement medical benefits. Access to this benefit is restricted to employees appointed prior to 1 June 2002. All employees are required to participate in the group life insurance scheme. The expected costs of these benefits are recognised over the period of employment. The liability in respect of postretirement medical benefits is the present value of the liability at year-end less the fair value of plan assets and any adjustments for actuarial profits or losses and past-service costs. The liability is calculated actuarially by independent actuaries at least once every three years. Actuarial profits and losses are recognised immediately in the consolidated statement of comprehensive income.

### *Pension liabilities*

Contributions are made monthly to the US Retirement Fund, a defined-contribution plan for permanent employees of the University. A defined-contribution plan is a pension plan in terms of which the University makes fixed contributions to an external fund.

### *Long-service benefits*

After 25 years' service employees qualify for a gratuity valued at 50% of the employee's monthly salary (with a minimum value of R400 and a maximum value of R5 000). The University recognises a liability and the concomitant expenditure as and when the liability accrues.

## **16. Deferred taxation**

Deferred tax is provided by using the liability method. Deferred tax represents the tax effect of temporary differences between the tax bases of assets and of liabilities and their carrying values for financial reporting purposes. Current tax rates are used to determine deferred tax. Deferred tax assets are only recognised to the extent of their recoverability. Deferred tax is not provided if it arises from the initial recognition of assets and liabilities from transactions other than business combinations and at the date of the transaction does not impact accounting profits or losses or taxable income or determined losses.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

|  | Notes | 2015<br>R000      | 2014<br>R000      |
|--|-------|-------------------|-------------------|
| <b>ASSETS</b>                                    |       |                   |                   |
| <b>NON-CURRENT ASSETS</b>                        |       | <b>12 734 066</b> | <b>11 191 890</b> |
| Property, books and equipment                    | 4     | 4 804 319         | 4 343 353         |
| Intangible assets                                | 5     | 2 144             | 2 144             |
| Long-term investments                            | 6     | 7 684 108         | 6 630 731         |
| Investment properties                            | 7     | 29 860            | 29 270            |
| Investment in associate companies                | 8     | 6 405             | 5 003             |
| Long-term portion of trade and other receivables | 9     | 199 110           | 172 196           |
| Deferred tax                                     | 10    | 2 934             | -                 |
| Operating lease asset                            | 12    | 5 186             | 9 192             |
| <b>CURRENT ASSETS</b>                            |       | <b>943 660</b>    | <b>808 313</b>    |
| Inventories                                      | 11    | 4 086             | 4 331             |
| Trade and other receivables                      | 9     | 317 612           | 242 897           |
| Short-term portion of operating lease asset      | 12    | 4 368             | 4 505             |
| Cash and cash equivalents                        | 25    | 617 594           | 556 579           |
| <b>TOTAL ASSETS</b>                              |       | <b>13 677 726</b> | <b>12 000 203</b> |

|   |    |                   |                   |
|---|----|-------------------|-------------------|
| <b>FUNDS AND LIABILITIES</b>                      |    |                   |                   |
| <b>AVAILABLE FUNDS</b>                            |    | <b>12 171 421</b> | <b>10 635 988</b> |
| Unrestricted funds                                | 2  | 1 414 867         | 1 033 428         |
| Restricted funds                                  | 2  | 6 780 712         | 5 825 387         |
| Fair-value reserve                                | 2  | 1 439 162         | 1 220 213         |
|   |    | <b>9 634 741</b>  | <b>8 079 029</b>  |
| Property revaluation reserve                      | 2  | 2 538 731         | 2 538 731         |
| Non-controlling interests                         | 2  | (2 051)           | 18 229            |
| <b>NON-CURRENT LIABILITIES</b>                    |    | <b>683 636</b>    | <b>657 570</b>    |
| Interest-bearing borrowings                       | 3  | 112 531           | 110 835           |
| Staff benefits                                    | 27 | 571 105           | 546 735           |
| <b>CURRENT LIABILITIES</b>                        |    | <b>822 669</b>    | <b>706 645</b>    |
| Trade and other payables                          | 13 | 820 236           | 704 899           |
| Deferred tax                                      | 10 | -                 | 275               |
| Short-term portion of interest-bearing borrowings | 3  | 2 433             | 1 471             |
| <b>TOTAL FUNDS AND LIABILITIES</b>                |    | <b>13 677 726</b> | <b>12 000 203</b> |

## CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

|   | Notes | Educational & general<br>Unrestricted<br>R000 | Educational & general<br>Restricted<br>R000 | Educational & general<br>Total<br>R000 | Student and staff accommodation<br>Restricted<br>R000 | 2015<br>Total<br>R000 | 2014<br>Total<br>R000 |
|---|-------|---|---|--|---|-----------------------|-----------------------|
| <b>TOTAL INCOME</b>                                 |       | <b>2 552 065</b>                              | <b>2 188 239</b>                            | <b>4 740 304</b>                       | <b>292 539</b>  | <b>5 032 843</b>      | <b>5 140 345</b>      |
| <b>RECURRING ITEMS</b>                              |       |   |   |  |   |                       |                       |
| Government grants                                   |       | 1 177 920                                     | 397 600                                     | 1 575 520                              | -   | 1 575 520             | 1 552 284             |
| Student accommodation and other fees                |       | 783 768                                       | 164 687                                     | 948 455                                | 284 599   | 1 233 054             | 1 074 296             |
| Private donations grants and contracts              |       | 87 835  | 1 037 697                                   | 1 125 532                              | -   | 1 125 532             | 1 074 763             |
| Sale of services and products                       |       | 172   | 181 919                                     | 182 091                                | -   | 182 091               | 192 962               |
| <b>Subtotal</b>                                     |       | <b>2 049 695</b>                              | <b>1 781 903</b>                            | <b>3 831 598</b>                       | <b>284 599</b>  | <b>4 116 197</b>      | <b>3 894 304</b>      |
| Interest and dividends earned                       | 19    | 131 814                                       | 207 933                                     | 339 748                                | 7 940   | 347 688               | 289 411               |
| Profit on disposal of property, books and equipment |       | -   | 6 379                                       | 6 379                                  | -   | 6 379                 | 4 519                 |
| Realised profit on disposal of investments          | 20    | 367 138                                       | 178 606                                     | 545 744                                | -   | 545 744               | 946 819               |
| Equity profit in associate companies                | 8     | -   | 1 590                                       | 1 590                                  | -   | 1 590                 | 1 512                 |
| Foreign exchange gain                               |       | 3 418   | 11 827                                      | 15 245                                 | -   | 15 245                | 3 779                 |
|   |       | <b>2 552 065</b>                              | <b>2 188 239</b>                            | <b>4 740 304</b>                       | <b>292 539</b>  | <b>5 032 843</b>      | <b>5 140 345</b>      |
| <b>TOTAL EXPENDITURE</b>                            |       | <b>1 844 581</b>                              | <b>1 655 750</b>                            | <b>3 500 331</b>                       | <b>215 198</b>  | <b>3 715 529</b>      | <b>3 653 414</b>      |
| <b>RECURRING ITEMS</b>                              |       |   |   |  |   |                       |                       |
| Staff costs   | 15    | 1 197 349                                     | 713 806                                     | 1 911 155                              | 27 691  | 1 938 846             | 1 729 671             |
| Academic professional                               |       | 654 293                                       | 215 740                                     | 870 033                                | -   | 870 033               | 774 393               |
| Other   |       | 543 056                                       | 498 066                                     | 1 041 122                              | 27 691  | 1 068 813             | 955 278               |
| Other operating expenditure                         | 17    | 557 914                                       | 765 267                                     | 1 323 181                              | 183 914   | 1 507 095             | 1 658 582             |
| Depreciation and amortisation                       | 17    | 89 312  | 159 466                                     | 248 778                                | 3 585   | 252 363               | 241 384               |
| <b>Subtotal</b>                                     |       | <b>1 844 575</b>                              | <b>1 638 539</b>                            | <b>3 483 114</b>                       | <b>215 190</b>  | <b>3 698 304</b>      | <b>3 629 637</b>      |
| Loss on disposal of property books and equipment    |       | 6   | (14)  | (8)                                    | 8   | -                     | 941                   |
| Finance charges                                     |       | -   | 17 225                                      | 17 225                                 | -   | 17 225                | 22 837                |
|   |       | <b>1 844 581</b>                              | <b>1 655 750</b>                            | <b>3 500 331</b>                       | <b>215 198</b>  | <b>3 715 529</b>      | <b>3 653 414</b>      |
| APPORTIONMENT TO/(FROM) RESERVES                    |       | -   | 34 897                                      | 34 897                                 | (34 897)  | -                     | -                     |
| TRANSFERS (FROM)/TO RESERVES                        |       | (289 783)                                     | 332 227                                     | 42 444                                 | (42 444)  | -                     | -                     |
|   |       | <b>(289 783)</b>                              | <b>367 124</b>                              | <b>77 341</b>                          | <b>(77 341)</b>                                       | <b>-</b>              | <b>-</b>              |
| <b>SURPLUS FOR THE YEAR</b>                         |       | <b>417 701</b>                                | <b>899 613</b>                              | <b>1 317 314</b>                       | <b>-</b>  | <b>1 317 314</b>      | <b>1 486 931</b>      |
| Attributable to holding company                     |       | 417 701                                       | 907 330                                     | 1 325 031                              | -   | 1 325 031             | 1 474 852             |
| Attributable to non-controlling interest            |       | -   | (7 717)                                     | (7 717)                                | -   | (7 717)               | 12 079                |
| <b>SURPLUS FOR THE YEAR</b>                         |       | <b>417 701</b>                                | <b>899 613</b>                              | <b>1 317 314</b>                       | <b>-</b>  | <b>1 317 314</b>      | <b>1 486 931</b>      |

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED  
31 DECEMBER 2015**

|   | Educational<br>and general | Student<br>and staff<br>accommodation | Subsidiary<br>companies | Loan<br>funds | Endowment<br>funds | Fixed-asset<br>funds | Non-<br>controlling<br>interests | Total            |
|---|----------------------------|---------------------------------------|-------------------------|---------------|--------------------|----------------------|----------------------------------|------------------|
|   | R000                       | R000                                  | R000                    | R000          | R000               | R000                 | R000                             | R000             |
| <b>31 DECEMBER 2014</b>                   |                            |                                       |                         |               |                    |                      |                                  |                  |
| <b>Surplus for the year</b>               | <b>1 474 852</b>           | -                                     | -                       | -             | -                  | -                    | <b>12 079</b>                    | <b>1 486 930</b> |
| <b>Other comprehensive income</b>         |                            |                                       |                         |               |                    |                      |                                  |                  |
| Fair-value reserve                        |                            |                                       |                         |               |                    |                      |                                  |                  |
| - Realisation to<br>income statement      | (255 153)                  | (20 642)                              | -                       | -             | (613 494)          | (57 530)             | -                                | (946 819)        |
| - Adjustment for the<br>year              | 133 966                    | 15 665                                | 484                     | -             | 286 626            | 44 252               | -                                | 480 993          |
| Actuarial loss for the<br>year            | (29 769)                   | -                                     | -                       | -             | -                  | -                    | -                                | (29 769)         |
| Apportionment<br>(from)/to reserves       | (658 813)                  | 51 773                                | (8 770)                 | 11 587        | 638 806            | (34 040)             | (546)                            | -                |
| Transfers (from)/to<br>reserves           | (111 835)                  | (23 913)                              | -                       | 32 103        | (97 064)           | 200 709              | -                                | -                |
| <b>TOTAL<br/>COMPREHENSIVE<br/>INCOME</b> | <b>553 247</b>             | <b>22 883</b>                         | <b>(8 286)</b>          | <b>43 690</b> | <b>214 875</b>     | <b>153 392</b>       | <b>11 533</b>                    | <b>991 335</b>   |

|   |                  |               |              |               |                |                |                 |                  |
|---|------------------|---------------|--------------|---------------|----------------|----------------|-----------------|------------------|
| <b>31 DECEMBER 2015</b>                   |                  |               |              |               |                |                |                 |                  |
| <b>Surplus for the year</b>               | <b>1 325 031</b> | -             | -            | -             | -              | -              | <b>(7 717)</b>  | <b>1 317 314</b> |
| <b>Other comprehensive income</b>         |                  |               |              |               |                |                |                 |                  |
| Fair-value reserve                        |                  |               |              |               |                |                |                 |                  |
| - Realisation to<br>income statement      | (162 660)        | (12 870)      | -            | -             | (334 001)      | (36 212)       | -               | (545 744)        |
| - Adjustment for the<br>year              | 262 742          | 20 204        | -            | -             | 424 187        | 57 558         | -               | 764 691          |
| Actuarial loss for the<br>year            | (830)            | -             | -            | -             | -              | -              | -               | (830)            |
| Apportionment to/<br>(from) reserves      | (777 228)        | 80 536        | 4 586        | (2 440)       | 437 330        | 269 779        | (12 563)        | -                |
| Transfers (from)/to<br>reserves           | 72 528           | (42 443)      | -            | 31 829        | (153 892)      | 91 979         | -               | -                |
| <b>TOTAL<br/>COMPREHENSIVE<br/>INCOME</b> | <b>719 584</b>   | <b>45 427</b> | <b>4 586</b> | <b>29 389</b> | <b>373 623</b> | <b>383 103</b> | <b>(20 279)</b> | <b>1 535 431</b> |



# **CONSOLIDATED STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 DECEMBER 2015**

|   | Educational<br>and general | Student<br>and staff<br>accommodation | Subsidiary<br>companies | Loan<br>funds  | Endowment<br>funds | Fixed-<br>asset<br>funds | Non-<br>controlling<br>interests | Total             |
|---|----------------------------|---------------------------------------|-------------------------|----------------|--------------------|--------------------------|----------------------------------|-------------------|
|   | R000                       | R000                                  | R000                    | R000           | R000               | R000                     | R000                             | R000              |
| <b>BALANCE AS AT 1<br/>JANUARY 2014</b>       | <b>2 517 977</b>           | <b>124 486</b>                        | <b>4 160</b>            | <b>241 466</b> | <b>2 678 316</b>   | <b>4 071 554</b>         | <b>544</b>                       | <b>9 638 503</b>  |
| Surplus for the year                          | 1 474 852                  | -                                     | -                       | -              | -                  | -                        | 12 079                           | 1 486 931         |
| Acquisition<br>of interest in<br>subsidiary   | -                          | -                                     | -                       | -              | -                  | -                        | 6 152                            | 6 152             |
| Other<br>comprehensive<br>income for the year | (921 605)                  | 22 883                                | (8 286)                 | 43 690         | 214 875            | 153 392                  | (546)                            | (495 598)         |
| <b>BALANCE AS AT 31<br/>DECEMBER 2014</b>     | <b>3 071 225</b>           | <b>147 369</b>                        | <b>(4 126)</b>          | <b>285 156</b> | <b>2 893 191</b>   | <b>4 224 946</b>         | <b>18 229</b>                    | <b>10 635 988</b> |
| <b>BALANCE AS AT 1<br/>JANUARY 2015</b>       | <b>3 071 225</b>           | <b>147 369</b>                        | <b>(4 126)</b>          | <b>285 156</b> | <b>2 893 191</b>   | <b>4 224 946</b>         | <b>18 229</b>                    | <b>10 635 990</b> |
| Surplus for the year                          | 1 325 031                  | -                                     | -                       | -              | -                  | -                        | (7 717)                          | 1 317 314         |
| Other<br>comprehensive<br>income for the year | (605 447)                  | 45 427                                | 4 586                   | 29 389         | 373 623            | 383 103                  | (12 563)                         | 218 117           |
| <b>BALANCE AS AT 31<br/>DECEMBER 2015</b>     | <b>3 790 809</b>           | <b>192 796</b>                        | <b>460</b>              | <b>314 545</b> | <b>3 266 814</b>   | <b>4 608 049</b>         | <b>(2 051)</b>                   | <b>12 171 421</b> |

# **CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015**

|   | Notes | 2015<br>R000 | 2014<br>R000 |
|---|-------|--------------|--------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                |       |              |              |
| Cash received from government grants                      |       | 1 575 520    | 1 552 284    |
| Cash received from student accommodation and other fees   |       | 1 198 787    | 1 053 520    |
| Cash received from private donations grants and contracts |       | 1 125 532    | 1 074 763    |
| Cash received from sale of services and products          |       | 90 383       | 147 357      |
| Cash paid for staff costs                                 |       | (1 897 021)  | (1 699 422)  |
| Cash paid for inventories and services                    |       | (1 444 031)  | (1 754 187)  |
| Cash generated by operations                              | 24    | 649 170      | 374 315      |
| Plus: Interest received                                   | 21    | 268 738      | 197 983      |
| Dividends received  | 22    | 76 981       | 85 769       |
| Less: Interest paid                                       | 23    | (19 207)     | (23 042)     |
| Net cash inflow from operating activities                 |       | 975 682      | 635 025      |
| <b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>               |       | (917 326)    | (388 204)    |
| Addition to investments                                   |       | (767 299)    | (960 302)    |
| Surpluses realised on investments                         |       | 560 399      | 947 328      |
| Addition of subsidiary                                    |       | -            | 28 355       |
| Addition to property, books and equipment                 |       | (713 329)    | (408 385)    |
| Proceeds from sale of property, books and equipment       |       | 2 903        | 4 800        |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                |       |              |              |
| Increase/(Decrease) in interest-bearing borrowings        |       | 2 659        | (5 134)      |
| NET INCREASE IN CASH AND CASH EQUIVALENTS                 |       | 61 015       | 241 688      |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR    |       | 556 579      | 314 891      |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR          | 25    | 617 594      | 556 579      |

# Notes to the Consolidated Annual Financial Statements FOR THE YEAR ENDED 31 DECEMBER 2015

## 1. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates and judgements made by Management are evaluated continuously and are based on past experience and other factors, which include future expectations and are deemed reasonable under the given circumstances.

Management makes estimates and assumptions about the future. Consequently the accounting estimates used in the consolidated annual financial statements will not necessarily be in line with the actual outcome in subsequent periods. The estimates and assumptions below may have a material effect on the carrying amounts of assets and liabilities.

### *Staff benefits*

A number of assumptions are made in the provision for staff benefits. Refer to note 27 for the assumptions.

The main assumption is a healthcare inflation rate of 10,3% (2014: 8,4%). The effect of a 1% change in healthcare inflation on the 2015 consolidated annual financial statements will be as follows:

|                |   |
|----------------|---|
| Increase of 1% | 11,6% (2014: 12,1%) increase in past-service liabilities                                  |
|                | 12,9% (2014: 13,6%) increase in service and interest costs (contractual liabilities only) |
| Decrease of 1% | 9,8% (2014: 10,9%) decrease in past-service liabilities                                   |
|                | 10,8% (2014: 11,3%) decrease in service and interest costs (contractual liabilities only) |

The University's policy on retirement age states that employees retire at 65 years of age. After age 65 employment may be extended to a maximum age of 70, based on uninterrupted satisfactory performance. For computation purposes the normal and expected retirement age is therefore deemed 65 years.

### *Impairment of outstanding student fees and loans*

The annual provision for the impairment of student loans is based on the assumption that students can obtain loans in the market at prime (2014: prime) on average. This assumption is based on enquiries made at various financial institutions. Provision for impairment of outstanding student fees is based on historical trends.

### *Impairment of investments*

The University determines the significance of a fair-value decrease to below market value by taking into account the volatility of the specific instrument. A decrease to below the market value for longer than 12 months is deemed significant.

### *Useful life and residual value of property, books and equipment*

Land is deemed to have an indefinite useful life.

Consequently land is not depreciated. The useful life of other assets is estimated in terms of past experience and the features of the specific items.

The residual value of assets other than land is estimated in terms of past experience and the features of the specific items.

### *Market value of buildings*

Two methods are applied in determining the market value of buildings. The first is the directly comparable method, in terms of which value is determined with reference to the actual selling price of comparable property. The second is to base an evaluation on the potential rental income, taking into account the unique nature of the properties of the University and occupation rates.

The revaluation of buildings as at 1 January 2004 in terms of IFRS 1, First-time adoption of International Financial Reporting Standards, is based on the following key assumptions:

- ▶ The buildings will be placed on and traded in the market under normal market conditions.
- ▶ All the properties of Stellenbosch University will not be placed on the open market at the same time.
- ▶ Where there are title restrictions registered against properties that restrict or prohibit their sale, such title restrictions will be removed, where possible, by means of the Removal of Restrictions Act, 84 of 1967, before the properties are placed on the market.

### *Leave provision*

Employees are entitled to take their annual leave within 12 months (2014: 12 months) following the end of the relevant leave year. In addition, employees appointed before 1 January 2008 are entitled to accumulate a number of days, based on their post level, or to have

those days paid out. The balance expires after 12 months (2014: 12 months). In the case of employees appointed after 1 January 2008 annual leave not taken expires after 12 months (2014: 12 months). The leave provision of employees older than 60 years, however, is restricted to

the leave entitlement applicable to their post level at the age of 60. No leave may be accumulated post the age of 60. Historical trends in the number of days that has expired are used in calculating the leave provision.

## 2. FUND BALANCES

The accumulated balances as at 31 December are as follows:

|                                 | Restricted<br>R000 | Unrestricted<br>R000 | Property<br>revaluation<br>reserve<br>R000 | Fair-value<br>reserve<br>R000 | Non-controlling<br>interests<br>R000 | Total<br>R000     |
|---------------------------------|--------------------|----------------------|--|-------------------------------|--------------------------------------|-------------------|
| <b>2015</b>                     |                    |                      |  |                               |                                      |                   |
| Educational and general         | 2 147 831          | 1 214 381            | -  | 428 597                       | -                                    | 3 790 809         |
| Student and staff accommodation | 158 884            | -                    | -  | 33 911                        | -                                    | 192 795           |
| Subsidiary companies            | (709)              | -                    | -  | 1 169                         | -                                    | 460               |
| Loan funds                      | 314 545            | -                    | -  | -                             | -                                    | 314 545           |
| Endowment funds                 | 2 186 260          | 200 486              | -  | 880 068                       | -                                    | 3 266 814         |
| Fixed-asset funds               | 1 973 902          | -                    | 2 538 731                                  | 95 416                        | -                                    | 4 608 049         |
| Non-controlling interests       | -                  | -                    | -  | -                             | (2 051)                              | (2 051)           |
|                                 | <b>6 780 713</b>   | <b>1 414 867</b>     | <b>2 538 731</b>                           | <b>1 439 161</b>              | <b>(2 051)</b>                       | <b>12 171 421</b> |
| <b>2014</b>                     |                    |                      |  |                               |                                      |                   |
| Educational and general         | 1 771 438          | 971 273              | -  | 328 514                       | -                                    | 3 071 224         |
| Student and staff accommodation | 120 792            | -                    | -  | 26 577                        | -                                    | 147 369           |
| Subsidiary companies            | (5 295)            | -                    | -  | 1 169                         | -                                    | (4 126)           |
| Loan funds                      | 285 156            | -                    | -  | -                             | -                                    | 285 156           |
| Endowment funds                 | 2 041 153          | 62 155               | -  | 789 883                       | -                                    | 2 893 191         |
| Fixed-asset funds               | 1 612 144          | -                    | 2 538 731                                  | 74 070                        | -                                    | 4 224 945         |
| Non-controlling interests       | -                  | -                    | -  | -                             | 18 229                               | 18 229            |
|                                 | <b>5 825 387</b>   | <b>1 033 428</b>     | <b>2 538 731</b>                           | <b>1 220 213</b>              | <b>18 229</b>                        | <b>10 635 988</b> |

|             |             |
|-------------|-------------|
| <b>2015</b> | <b>2014</b> |
| <b>R000</b> | <b>R000</b> |

Restricted and unrestricted funds available are shown at book value in the statement of financial position. The market value of available funds, should the fair-value reserve be apportioned, is as follows:

|  |                  |                  |
|--|------------------|------------------|
| Restricted funds                       | 7 971 733        | 6 791 973        |
| Unrestricted funds                     | 1 663 008        | 1 287 056        |
| Earmarked reserves                     | 1 239 771        | 1 059 648        |
| Unearmarked reserves                   | 423 237          | 227 408          |
| <b>Funds available at market value</b> | <b>9 634 741</b> | <b>8 079 029</b> |

### 3. INTEREST-BEARING BORROWINGS

|   |                |                |
|---|----------------|----------------|
| One government loan at a fixed interest rate repayable in equal biannual payments ending 2018             | 306            | 411            |
| Various loans from insurance companies at varying interest rates and terms repayable in biannual payments | 43 968         | 45 234         |
| Bank facility for financing the University's various motor vehicle schemes                                | 40 837         | 38 387         |
| Lease liability   | 29 853         | 28 274         |
|   | 114 964        | 112 306        |
| Less: Portion repayable within one year   | (2 433)        | (1 471)        |
|   | <b>112 531</b> | <b>110 835</b> |

The maturity dates of interest-bearing borrowings are as follows:

|                            |                |                |
|----------------------------|----------------|----------------|
| Within one year            | -              | -              |
| Between two and five years | 44 155         | 43 004         |
| After five years           | 70 809         | 69 303         |
|                            | <b>114 964</b> | <b>112 306</b> |

The average interest rate on borrowings amounts to 13,6% (2014: 12,8%) at year-end.

Included in interest-bearing borrowings are motor vehicle loans of R 0,2 million (2014: R1,0 million), for which motor vehicles are encumbered (refer to note 4). Motor vehicle loans owing by employees are included in trade and other receivables (refer to note 9). All the borrowings, excluding the motor vehicle schemes, have fixed interest rates. Motor vehicle scheme rates are linked to prime.

The minimum lease payments are payable as follows:

|                               |               |               |
|-------------------------------|---------------|---------------|
| Within one year               | 4 472         | 4 066         |
| Between two and five years    | 22 830        | 20 755        |
| After five years              | 68 331        | 74 879        |
| Total payments                | 95 633        | 99 700        |
| Less: finance charges payable | (65 780)      | (71 426)      |
|                               | <b>29 853</b> | <b>28 274</b> |



**2015**  
**R000**

**2014**  
**R000**

The current value of lease payments is as follows:

|   |               |               |
|---|---------------|---------------|
| Within one year (additional interest capitalised) | (1 492)       | (1 580)       |
| Between two and five years                        | (3 192)       | (4 500)       |
| After five years                                  | 34 537        | 34 354        |
|   | <b>29 853</b> | <b>28 274</b> |

#### 4. PROPERTY, BOOKS AND EQUIPMENT

|                                    | 2015             |                          |                     | 2014             |                          |                     |
|------------------------------------|------------------|--------------------------|---------------------|------------------|--------------------------|---------------------|
|                                    | Cost             | Accumulated depreciation | Net carrying amount | Cost             | Accumulated depreciation | Net carrying amount |
|                                    | R000             | R000                     | R000                | R000             | R000                     | R000                |
| Land                               | 15 679           | -                        | 15 679              | 15 679           | -                        | 15 679              |
| Buildings                          | 4 751 845        | 673 462                  | 4 078 382           | 4 553 358        | 700 550                  | 3 852 808           |
| Computer equipment                 | 385 736          | 317 431                  | 68 305              | 346 067          | 280 892                  | 65 175              |
| Other equipment and motor vehicles | 915 815          | 273 863                  | 641 953             | 831 721          | 422 029                  | 409 691             |
| Library books                      | 576 588          | 576 588                  | -                   | 509 824          | 509 824                  | -                   |
|                                    | <b>6 645 664</b> | <b>1 841 344</b>         | <b>4 804 319</b>    | <b>6 256 649</b> | <b>1 913 295</b>         | <b>4 343 353</b>    |

|   | Land          | Buildings        | Computer/<br>equipment | Other<br>equipment<br>and motor<br>vehicles | Library<br>books | Total            |
|---|---------------|------------------|------------------------|---|------------------|------------------|
|   | R000          | R000             | R000                   | R000  | R000             | R000             |
| 2015 Reconciliation of the carrying amount:           |               |                  |                        |   |                  |                  |
| Cost at the beginning of the year                     | 15 679        | 4 765 280        | 346 067                | 831 721                                     | 509 824          | 6 468 571        |
| Less: Government grant                                | -             | (211 922)        | -                      | -   | -                | (211 922)        |
| Restated cost   | 15 679        | 4 553 358        | 346 067                | 831 721                                     | 509 824          | 6 256 649        |
| Accumulated depreciation at the beginning of the year | -             | (700 550)        | (280 892)              | (422 029)                                   | (509 824)        | (1 913 295)      |
| Net opening carrying value                            | 15 679        | 3 852 808        | 65 175                 | 409 692                                     | -                | 4 343 354        |
| Net additions and disposals                           | -             | 305 719          | 48 582                 | 284 632                                     | 74 395           | 713 328          |
| Depreciation per income statement                     | -             | (80 145)         | (45 452)               | (52 371)                                    | (74 395)         | (252 363)        |
| <b>Net closing carrying value</b>                     | <b>15 679</b> | <b>4 078 382</b> | <b>68 305</b>          | <b>641 953</b>                              | <b>-</b>         | <b>4 804 319</b> |

|   | Land          | Buildings        | Computer equipment | Other equipment and motor vehicles | Library books | Total            |
|---|---------------|------------------|--------------------|------------------------------------|---------------|------------------|
|   | R000          | R000             | R000               | R000                               | R000          | R000             |
| 2014 Reconciliation of the carrying amount:           |               |                  |                    |                                    |               |                  |
| Cost at the beginning of the year                     | 15 679        | 4 416 221        | 313 753            | 781 669                            | 454 895       | 5 982 217        |
| Less: Government grant                                | -             | (126 525)        | -                  | -                                  | -             | (126 525)        |
| Restated cost   | 15 679        | 4 289 696        | 313 753            | 781 669                            | 454 895       | 5 855 692        |
| Accumulated depreciation at the beginning of the year | -             | (651 549)        | (245 677)          | (352 220)                          | (454 895)     | (1 704 341)      |
| Net opening carrying value                            | 15 679        | 3 638 148        | 68 076             | 429 449                            | -             | 4 151 352        |
| Net additions and disposals                           | -             | 293 345          | 44 478             | 28 855                             | 66 302        | 432 980          |
| Depreciation per income statement                     | -             | (78 684)         | (47 379)           | (48 613)                           | (66 302)      | (240 978)        |
| <b>Net closing carrying value</b>                     | <b>15 679</b> | <b>3 852 808</b> | <b>65 175</b>      | <b>409 691</b>                     | <b>-</b>      | <b>4 343 353</b> |

The register containing full details of land and buildings is available at the offices of the University.

Included in other equipment and motor vehicles are motor vehicles with a carrying amount of R0,2 million (2014: R1,0 million) that are encumbered in terms of staff motor vehicle schemes at the respective banks (refer to note 3).

Included in land is property in Stellenbosch on which a notarial bond of R191,6 million (2014: R191,6 m) was registered. The rights in terms of the lease were ceded to the financier.

Work in progress to the value of R300,1 million (2014: R347,6 million) is included in the cost of buildings. No depreciation is recognised on work in progress.

The University rents property through a lease with a 15-year term and this is included in the costs and accumulated depreciation of buildings.

## 5. INTANGIBLE ASSETS

|             | 2015          |                          |                           | 2014          |                          |                     |
|-------------|---------------|--------------------------|---------------------------|---------------|--------------------------|---------------------|
|             | Cost          | Accumulated amortisation | Net carrying amount value | Cost          | Accumulated amortisation | Net carrying amount |
|             | R000          | R000                     | R000                      | R000          | R000                     | R000                |
| Oracle HRMS | 13 913        | 13 913                   | -                         | 13 913        | 13 913                   | -                   |
| Goodwill    | 2 144         | -                        | 2 144                     | 2 144         | -                        | 2 144               |
|             | <b>16 057</b> | <b>13 913</b>            | <b>2 144</b>              | <b>16 057</b> | <b>13 913</b>            | <b>2 144</b>        |

|   | 2015<br>R000 | 2014<br>R000 |
|---|--------------|--------------|
| Reconciliation of carrying value : Goodwill |              |              |
| Net Opening Carrying amount                 | 2 144        | -            |
| Purchase of subsidiary                      | -            | 2 144        |
| Net Closing Carrying amount                 | 2 144        | 2 144        |

**2015**  
**R000**

**2014**  
**R000**

## 6. LONG-TERM INVESTMENTS

The fair values of long-term investments as at 31 December are as follows:

|                  |                  |                  |
|------------------|------------------|------------------|
| Government bonds | 682 959          | 513 722          |
| Shares           | 5 999 848        | 5 524 060        |
| Listed shares    | 5 996 293        | 5 517 320        |
| Unlisted shares  | 3 555            | 6 740            |
| Fixed deposits   | 326 415          | 264 198          |
| Other            | 674 886          | 328 751          |
|                  | <b>7 684 108</b> | <b>6 630 731</b> |

A complete investment register is available to stakeholders at the offices of the University.

The average interest rate for purposes of valuation applicable to government bonds as at year-end was 8,7% (2014: 8,7%) and to fixed deposits 7,7% (2014: 7,7%).

The University's investment portfolios are managed by professional asset managers under the supervision of the Investment Committee of the Council.

## 7. INVESTMENT PROPERTIES

|                                    |               |               |
|------------------------------------|---------------|---------------|
| Net opening carrying amount        | 29 270        | 69 960        |
| Change in use                      | -             | (43 960)      |
| Revaluation during the year        | 590           | 3 270         |
| <b>Net closing carrying amount</b> | <b>29 860</b> | <b>29 270</b> |

On 7 February 2016 (2014: 3 February 2015) the value of all investment properties as at 31 December 2015 was determined by an external sworn valuer familiar with the revaluation of occupied apartment buildings. Income received from investment properties amounted to R1,9 million (2014: R1,8 million).

## 8. INVESTMENT IN ASSOCIATE COMPANIES

| Name                                       | Number of shares | Interest | Effective voting right |
|--|------------------|----------|------------------------|
| Unistel Medical Laboratories (Pty) Ltd     | 350              | 35,0%    | 35,0%                  |
| Stellenbosch Information Systems (Pty) Ltd | 112 500          | 7,8%     | 26,0%                  |
| Stellenbosch Nanofiber Company (Pty) Ltd   | 370              | 37,6%    | 37,6%                  |
| Custos Technologies (Pty) Ltd              | 370              | 30,0%    | 32,5%                  |
| GeoSUN Africa (Pty) Ltd                    | 30               | 25,0%    | 25,0%                  |

|             |             |
|-------------|-------------|
| <b>2015</b> | <b>2014</b> |
| <b>R000</b> | <b>R000</b> |

### 8.1 Unistel Medical Laboratories (Pty) Ltd

|  |              |              |
|--|--------------|--------------|
| The main objective of the company is the provision of human and animal genetic, diagnostic and testing services. |              |              |
| Balance at the beginning of the year   | 4 586        | 3 303        |
| Net share in profit of associate company   | 1 075        | 1 283        |
| Share of pretax profit   | 2 146        | 2 212        |
| Share of tax   | (633)        | (579)        |
| Dividends earned   | (438)        | (350)        |
| <b>Balance at the end of the year</b>  | <b>5 661</b> | <b>4 586</b> |

### 8.2 Stellenbosch Information Systems (Pty) Ltd

|   |          |          |
|---|----------|----------|
| The main objective of the company is the development and manufacture of microsatellites and satellite subsystems. |          |          |
| <b>Balance at the beginning and end of the year</b>   | <b>-</b> | <b>-</b> |

### 8.3 USB Executive Development Ltd

|  |          |          |
|--|----------|----------|
| The main objective of the company is the development and presentation of executive development programmes and provision of consultation services.                          |          |          |
| The University's interest in USB Executive Development Ltd increased to 54,8% on 14 April 2014. Consequently USB Executive Development Ltd is consolidated from that date. |          |          |
| Balance at the beginning of the year   | -        | 10 293   |
| Net share in (loss)/profit of associate company  | -        | (2 611)  |
| Share of pretax (loss)/profit  | -        | (2 611)  |
| Share of tax   | -        | -        |
| Dividend earned  | -        | -        |
| Change in control on 14 April 2014   | -        | (7 682)  |
| <b>Balance at the end of the year</b>  | <b>-</b> | <b>-</b> |

2015  
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#### 8.4 Stellenbosch Nanofiber Company (Pty) Ltd

|   |   |   |
|---|---|---|
| The main objective of the company is the commercialisation of nanofibre technology. |   |   |
| <b>Balance at the beginning and end of the year</b>                                 | - | - |

#### 8.5 GeoSUN Africa (Pty) Ltd

|  |            |            |
|--|------------|------------|
| The main objective of the company is the delivery of services to the solar power industry. |            |            |
| Balance at the beginning of the year   | 417        | 188        |
| Net share in profit of associate company   | 327        | 229        |
| Share of pretax profit   | 327        | 229        |
| Share of tax   | -          | -          |
| Dividends earned   | -          | -          |
| <b>Balance at the end of the year</b>  | <b>744</b> | <b>417</b> |

#### 8.6 Custos Technologies (Pty) Ltd

|  |              |              |
|--|--------------|--------------|
| The main objective of the company is to develop technology to dissuade consumers from illegally sharing purchased media. |              |              |
| Balance at the beginning and end of the year   | -            | -            |
| <b>Total investment in associate companies</b>   | <b>6 405</b> | <b>5 003</b> |

#### 8.7 Assets, liabilities and profits of Unistel Medical Laboratories (Pty) Ltd

|                          |               |               |
|--------------------------|---------------|---------------|
| Plant and equipment      | 5 111         | 3 911         |
| Intangible assets        | 1 166         | 1 208         |
| Current assets           | 12 560        | 10 002        |
| <b>Total assets</b>      | <b>18 837</b> | <b>15 121</b> |
| Non-current liabilities  | 548           | 642           |
| Current liabilities      | 2 109         | 1 377         |
| <b>Total liabilities</b> | <b>2 657</b>  | <b>2 019</b>  |
| <b>Income</b>            | <b>34 160</b> | <b>28 176</b> |
| <b>Profit</b>            | <b>6 455</b>  | <b>4 253</b>  |

#### 8.8 Assets, liabilities and loss of Stellenbosch Information Systems (Pty) Ltd

|  |            |              |
|--|------------|--------------|
| Plant and equipment and motor vehicles | -          | -            |
| Non-current assets                     | -          | -            |
| Current assets                         | -          | 3 731        |
| <b>Total assets</b>                    | <b>-</b>   | <b>3 731</b> |
| Non-current liabilities                | -          | -            |
| Current liabilities                    | -          | 3 341        |
| <b>Total liabilities</b>               | <b>-</b>   | <b>3 341</b> |
| <b>Income</b>                          | <b>-</b>   | <b>-</b>     |
| <b>Profit/(Loss)</b>                   | <b>824</b> | <b>-</b>     |



2015  
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8.9 Assets, liabilities and profit of Custos Technologies (Pty) Ltd

|                          |            |          |
|--------------------------|------------|----------|
| Non-current assets       | 42         | -        |
| Current assets           | 394        | -        |
| <b>Total assets</b>      | <b>436</b> | <b>-</b> |
| Non-current liabilities  | 100        | -        |
| Current liabilities      | -          | -        |
| <b>Total liabilities</b> | <b>100</b> | <b>-</b> |

8.10 Assets, liabilities and profit of Stellenbosch Nanofiber Company (Pty) Ltd

|                          |                |                |
|--------------------------|----------------|----------------|
| Non-current assets       | 3 657          | 3 101          |
| Current assets           | 1 954          | 1 384          |
| <b>Total assets</b>      | <b>5 611</b>   | <b>4 485</b>   |
| Non-current liabilities  | -              | -              |
| Current liabilities      | 38             | 328            |
| <b>Total liabilities</b> | <b>38</b>      | <b>328</b>     |
| <b>Income</b>            | <b>3 753</b>   | <b>1 955</b>   |
| <b>Loss</b>              | <b>(3 585)</b> | <b>(5 050)</b> |

8.11 Assets, liabilities and profit of GeoSUN Africa (Pty) Ltd

|                          |               |              |
|--------------------------|---------------|--------------|
| Non-current assets       | 327           | 342          |
| Current assets           | 1 514         | 1 758        |
| <b>Total assets</b>      | <b>1 841</b>  | <b>2 100</b> |
| Non-current liabilities  | -             | 150          |
| Current liabilities      | 61            | 560          |
| <b>Total liabilities</b> | <b>61</b>     | <b>710</b>   |
| <b>Income</b>            | <b>10 309</b> | <b>5 152</b> |
| <b>Profit</b>            | <b>1 392</b>  | <b>915</b>   |

**2015**  
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**2014**  
**R000**

## 9. TRADE AND OTHER RECEIVABLES

|  |                |                |
|--|----------------|----------------|
| Student fees   | 85 797         | 78 145         |
| Student fees due   | 178 351        | 151 323        |
| Less: Allowance for credit losses of student fees  | (92 554)       | (73 178)       |
| Student loans  | 107 504        | 106 291        |
| Student loans due  | 191 782        | 177 365        |
| Less: Impairment due to non-market-related interest rates  | (19 555)       | (17 741)       |
| Less: Allowance for credit losses of student loans   | (64 723)       | (53 334)       |
| Trade receivables  | 155 080        | 121 797        |
| Trade receivables due  | 159 747        | 124 257        |
| Less: Allowance for credit losses of trade receivables   | (4 667)        | (2 460)        |
| Motor vehicle loans  | 45 062         | 41 127         |
| Interest and dividends receivable on investments   | 15 687         | 13 718         |
| Insurance claim receivable   | 64 488         | -              |
| Other  | 56 010         | 54 015         |
|  | 516 722        | 415 092        |
|  | (199 110)      | (172 196)      |
| Less: Long-term portion of motor vehicle loans   | (27 793)       | (27 592)       |
| Less: Long-term portion of student loans, before taking into account allowance for credit losses | (171 317)      | (144 604)      |
|  | <b>317 612</b> | <b>242 896</b> |

Refer to note 29 for amounts outstanding by related parties included above.

All non-current receivables are receivable within five years from the financial year-end.

### Student fees

The largest component of outstanding student fees is due by former students. Debt is evaluated in terms of historical rates of successful collection. The probability of collection is taken into account and based on that an allowance for credit losses is recognised. The probability of collection decreases with the ageing of debt and consequently a higher allowance for credit losses is recognised for older debt. A higher percentage is applied to debt handed over for collection.

The age analysis of outstanding student fees for which an allowance for credit losses has been recognised is as follows:

|                            |                |                |
|----------------------------|----------------|----------------|
| One year                   | 81 922         | 72 850         |
| Between one and five years | 16 807         | 14 497         |
| Five years and older       | 8 070          | 4 872          |
| Handed over                | 71 552         | 59 105         |
| <b>Total</b>               | <b>178 351</b> | <b>151 324</b> |

The movement in the allowance for credit losses for student fees is as follows:

|  |               |               |
|--|---------------|---------------|
| Balance at the beginning of the year                 | 73 178        | 62 510        |
| Increase in allowance for the year                   | 19 621        | 17 533        |
| Amounts written off during the year as irrecoverable | (245)         | (6 865)       |
| <b>Balance at the end of the year</b>                | <b>92 554</b> | <b>73 178</b> |

The increase in the allowance for the year as well as irrecoverable debts written off is shown in the consolidated income statement under 'Other operating expenditure'.

### Student loans

Student loans are granted at rates below market-related interest rates. An impairment on outstanding student loans is calculated at recognition of the loan.

Students are categorised as redeemable or non-redeemable. A provision for impairment of their loans is based on historical information according to the category of the student. As at year-end student loans that were not redeemable amounted to R69,0 million (2014: R68,4 million) and no further allowance for credit losses was deemed necessary for this group. Redeemable students amounted to R122,7 million (2014: R108,9 million), of which R43,6 million (2014: R44,4 million) had not been overdue. No allowance for credit losses is deemed necessary for non-overdue loans. Overdue student loans amounted to R79,1 million (2014: R64,4 million). Overdue student loans are considered annually for possible creation of an allowance for credit losses.

The movement in the allowance for credit losses of student loans is as follows:

|  |               |               |
|--|---------------|---------------|
| Balance at the beginning of the year                 | 53 334        | 43 165        |
| Increase in allowance for the year                   | 11 389        | 10 479        |
| Amounts written off during the year as irrecoverable | -             | (310)         |
| <b>Balance at the end of the year</b>                | <b>64 723</b> | <b>53 334</b> |

The increase in the allowance for the year as well as irrecoverable debts written off is shown in the consolidated income statement under 'Other operating expenditure'.

### Trade and other receivables

As at year-end trade and other fully performing receivables amounted to R201,3 million (2014: R111,8 million).

Other receivables include a number of smaller receivables who do not have a significant history of non-performance and are of good standing. Due to the nature of income levied, mainly consisting of research-related income for which contracts are in place, receivables younger than four months are not considered for the allowance of credit losses. The age analysis of overdue receivables is as follows:

|                               |               |               |
|-------------------------------|---------------|---------------|
| - Between one and four months | 61 769        | 32 235        |
| - Older than four months      | 34 914        | 27 388        |
| <b>Total</b>                  | <b>96 684</b> | <b>59 623</b> |

Receivables older than four months are considered for an allowance for credit losses. The allowance for credit losses of receivables is as follows:

|  |              |              |
|--|--------------|--------------|
| Balance at the beginning of the year                 | 2 460        | 1 324        |
| Increase in allowance for the year                   | 10 205       | 1 712        |
| Amounts written off during the year as irrecoverable | (7 988)      | (576)        |
| <b>Balance at the end of the year</b>                | <b>4 677</b> | <b>2 460</b> |

### Motor vehicle loans

The recoverability of motor vehicle loans owed by employees is regarded as highly probable and consequently no allowance for credit losses is created for this category (refer to note 3).

### Interest and dividends receivable on investments

The amounts are receivable from the University's investment managers. The University's investment portfolios are managed by professional asset managers and hence the amounts are deemed fully recoverable.

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## 10. DEFERRED TAX

The movement in the deferred tax is as follows:

|  |              |              |
|--|--------------|--------------|
| Balance at the beginning of the year                   | (275)        | (680)        |
| Movement during the year:                              |              |              |
| Temporary differences on property, books and equipment | 3 209        | 405          |
| <b>Balance at the end of the year</b>                  | <b>2 934</b> | <b>(275)</b> |

|  |              |              |
|--|--------------|--------------|
| The deferred tax balance consists of the following:    |              |              |
| Temporary differences on property, books and equipment | 2 934        | (275)        |
|  | <b>2 934</b> | <b>(275)</b> |

A deferred tax asset is recognised for tax losses only to the extent that recovery is probable.

Subsidiaries of the University have deferred tax assets of R2,5 million (2014: R2,5 million) not recognised in the consolidated annual financial statements and those of the subsidiaries due to uncertainty relating to their recoverability. The movement in deferred tax for the year is included in 'Other operating expenditure'.

## 11. INVENTORIES

|   |              |              |
|---|--------------|--------------|
| Inventories consist of the following items: |              |              |
| Stationery                                  | 424          | 426          |
| Consumables                                 | 3 662        | 3 905        |
|   | <b>4 086</b> | <b>4 331</b> |

## 12. OPERATING LEASE ASSET

|  |              |               |
|--|--------------|---------------|
| The net operating lease asset is made up as follows: |              |               |
| Operating lease asset                                | 9 554        | 13 697        |
| Operating lease liability                            | -            | -             |
|  | <b>9 554</b> | <b>13 697</b> |

|   |          |          |
|---|----------|----------|
| The expected movement in the net operating lease asset is as follows: |          |          |
| Balance at the beginning of the year                                  | 9 554    | 13 697   |
| Payable within one year   | (4 368)  | (4 505)  |
| Payable within two to five years                                      | (5 186)  | (9 192)  |
| Payable after five years  | -        | -        |
|   | <b>-</b> | <b>-</b> |

## 13. TRADE AND OTHER PAYABLES

|  |                |                |
|--|----------------|----------------|
| Trade payables                                     | 57 821         | 40 076         |
| Student fees received in advance                   | 98 477         | 91 299         |
| Accrued remuneration costs                         | 49 039         | 45 381         |
| Accrued expenditure                                | 46 394         | 51 239         |
| Accrued leave liability                            | 154 488        | 138 656        |
| Income other than student fees received in advance | 145 701        | 144 178        |
| NRF deposits                                       | 63 400         | 63 400         |
| Interstructure balances (STIAS,WAT,MCS)            | 104 470        | 71 301         |
| Other  | 100 446        | 59 368         |
|  | <b>820 236</b> | <b>704 898</b> |

Refer to note 29 for amounts payable to related parties included above.

**2015**  
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**R000**

## 14. COMMITMENTS

As at 31 December commitments relating to capital contracts approved or orders placed for buildings, library books and journals were as follows:

|                            |               |               |
|----------------------------|---------------|---------------|
| Buildings                  | 30 143        | 96 825        |
| Library books and journals | 866           | 851           |
|                            | <b>31 009</b> | <b>97 676</b> |

Material non-cancellable rental contracts include the rental of student accommodation and the rental of smaller equipment. These contracts have varying terms.

|  |               |                |
|--|---------------|----------------|
| The following amounts are payable as at year-end in terms of non-cancellable operating leases: |               |                |
| Within one year  | 5 190         | 4 724          |
| Within two to five years   | 23 614        | 22 257         |
| After five years   | 68 331        | 74 879         |
|  | <b>97 135</b> | <b>101 860</b> |

## 15. STAFF COSTS

|   |                  |                  |
|---|------------------|------------------|
| Remuneration and fringe benefits  | 1 915 306        | 1 708 461        |
| Increase in provision for staff benefits                                  | 23 532           | 20 510           |
| Increase in provision for long-service benefits                           | 8                | 700              |
|   | <b>1 938 846</b> | <b>1 729 671</b> |
| Increase in provision for staff benefits included in comprehensive income | 830              | 29 769           |
|   | <b>1 939 676</b> | <b>1 759 440</b> |

The average number of fulltime, permanent university employees is 3 346 (2014: 3 211).

The average number of fulltime, non-permanent university employees is 1 437 (2014: 1 302).



## 16. STAFF COSTS: EXECUTIVE MANAGEMENT

The following information on amounts actually accrued during the financial year is supplied in order to comply with the Higher Education Act (101 of 1997, as amended) and the Regulations for Annual Reporting by Higher Education Institutions (section 7.8).

| Name                 | Position   | Nature                            | Total value<br>2015<br>R000 | Period         | Total value<br>2014<br>R000 | Period         |
|----------------------|--|-----------------------------------|-----------------------------|----------------|-----------------------------|----------------|
| Prof WJS de Villiers | Rector and Vice-chancellor                                   | Remuneration paid out             | 2 806                       | Apr – Dec 2015 | -                           |                |
|                      |  | Additional remuneration paid out  | 50                          | Apr – Dec 2015 | -                           |                |
| Prof HR Botman       | Rector and Vice-chancellor                                   | Remuneration paid out             | -                           |                | 1 628                       | Jan – Jun 2014 |
|                      |  | Bonus paid out                    | -                           |                | 241                         | Jan – Jun 2014 |
|                      |  | Leave paid out                    | -                           |                | 358                         | Jan – Jun 2014 |
| Prof JF Smith        | Vice-rector (Community Interaction and Staff)                | Remuneration paid out             | 455                         | Jan – Feb 2015 | 1 936                       | Jan – Dec 2014 |
|                      |  | Bonus paid out                    | -                           | Jan – Feb 2015 | 109                         | Jan – Dec 2014 |
|                      |  | Leave paid out                    | 98                          | Jan – Feb 2015 | 92                          | Jan – Dec 2014 |
|                      |  | Additional remuneration paid out* | 4 833                       | Jan – Feb 2015 | -                           |                |
| Prof ASM Karaan      | Vice-rector (Community Interaction and Staff) (acting)       | Remuneration paid out             | 684                         | Jan – May 2015 | 861                         | May – Dec 2014 |
|                      |  | Bonus paid out                    | 100                         | Jan – May 2015 | 68                          | May – Dec 2014 |
|                      |  | Additional remuneration paid out  | 288                         | Jan – May 2015 | 192                         | May – Dec 2014 |
| Prof A Schoonwinkel  | Vice-rector (Teaching and Learning)                          | Remuneration paid out             | 1 994                       | Jan – Dec 2015 | 1 823                       | Jan – Dec 2014 |
|                      |  | Bonus paid out                    | 113                         | Jan – Dec 2015 | 109                         | Jan – Dec 2014 |
|                      |  | Leave paid out                    | 1 120                       | Jan – Dec 2015 | -                           |                |
|                      |  | Additional remuneration paid out  | 100                         | Jan – Dec 2015 | -                           |                |
| Prof TE Cloete       | Vice-rector (Research, Innovation and Post-graduate studies) | Remuneration paid out             | 1 972                       | Jan – Dec 2015 | 1 860                       | Jan – Dec 2014 |
|                      |  | Bonus paid out                    | 113                         | Jan – Dec 2015 | 109                         | Jan – Dec 2014 |
|                      |  | Additional remuneration paid out  | 76                          | Jan – Dec 2015 |                             |                |
| Prof L van Huyssteen | Chief Operating Officer                                      | Remuneration paid out             | 2 520                       | Jan – Dec 2015 | 1 936                       | Jan – Dec 2014 |
|                      |  | Bonus paid out                    | 155                         | Jan – Dec 2015 | 109                         | Jan – Dec 2014 |
|                      |  | Additional remuneration paid out  | 680                         | Jan – Dec 2015 | -                           | Jan – Dec 2014 |
| Prof NN Koopman      | Vice-rector (Community Interaction and Staff) (acting)       | Remuneration paid out             | 685                         | Jun – Dec 2015 | -                           |                |
|                      |  | Bonus paid out                    | 72                          | Jun – Dec 2015 | -                           |                |
|                      |  | Additional remuneration paid out  | 479                         | Jun – Dec 2015 | -                           |                |

\*Includes severance package paid.

Payment to Council members for the attendance of Council and committee meetings:

| Paid to                    | Number of members | Attendance of meetings<br>Average value<br>R000 | Reimbursement of expenses<br>Total value<br>R000 |
|----------------------------|-------------------|---|--|
| Chairperson of the Council | 1                 | -   | -  |
| Members of the Council     | 30                | -   | 193  |

No remuneration is paid to members of the Council or committees for the attendance of Council and committee meetings.

2015  
R000

2014  
R000

## 17. TOTAL EXPENDITURE

Total expenditure includes the following:

| Depreciation       |                |                |
|--------------------|----------------|----------------|
| Buildings          | 80 145         | 78 684         |
| Computer equipment | 45 452         | 47 379         |
| Other              | 52 371         | 48 613         |
| Library books      | 74 395         | 66 302         |
|                    | <b>252 363</b> | <b>240 978</b> |

### Amortisation of intangible assets

-

406

| Other operating expenditure   |                  |                  |
|---|------------------|------------------|
| Bursaries   | 402 785          | 338 220          |
| Rent  | 59 030           | 38 318           |
| - Buildings   | 50 555           | 28 733           |
| - Equipment   | 8 475            | 9 585            |
| Maintenance and repairs   | 152 925          | 108 809          |
| Auditors' remuneration  | 4 139            | 4 342            |
| For statutory audit   |                  |                  |
| - Provision for current year  | 2 147            | 2 051            |
| - Underprovision in previous year   | 50               | 85               |
| For other audit services  | 1 785            | 2 055            |
| For other consulting services   | 157              | 151              |
| Internal audit  | 3 125            | 1 524            |
| Forensic audit  | 4 152            | 2 819            |
| Increase in provision for impairment of student fees, student loans and receivables | 32 982           | 21 973           |
| <b>Other expenditure</b>  | <b>847 957</b>   | <b>1 142 577</b> |
|   | <b>1 507 095</b> | <b>1 658 582</b> |

|                                  |         |         |
|----------------------------------|---------|---------|
| Bursaries managed by the US      | 658 729 | 588 427 |
| Own funds and research contracts | 402 785 | 338 220 |
| Agent relationship (incl. NSFAS) | 255 944 | 250 207 |

2015

R000

2014

R000

**18. RENT RECEIVED**

Material non-cancellable leases include the leasing of shops and houses. Contracts have varying terms.

|   |              |              |
|---|--------------|--------------|
| The following amounts are receivable as at year-end in terms of non-cancellable operating leases: |              |              |
| Within one year   | 4 368        | 4 331        |
| Within two to five years  | 5 186        | 4 862        |
|   | <b>9 554</b> | <b>9 193</b> |

**19. INTEREST AND DIVIDENDS EARNED**

|                    |                             |                |                |
|--------------------|-----------------------------|----------------|----------------|
| Interest received  | - operating investments     | 22 138         | 21 682         |
|                    | - non-operating investments | 97 731         | 66 509         |
|                    | - other                     | 150 838        | 115 451        |
| Dividends received |                             | 76 981         | 85 769         |
|                    |                             | <b>347 688</b> | <b>289 411</b> |

**20. REALISED PROFIT ON DISPOSAL OF INVESTMENTS**

|   |         |         |
|---|---------|---------|
| Profit realised from fair-value reserve | 545 744 | 946 819 |
|---|---------|---------|

**21. INTEREST RECEIVED**

|  |                |                |
|--|----------------|----------------|
| Amount receivable at the beginning of the year | 13 718         | 8 059          |
| Amount in income statement                     | 270 707        | 203 642        |
| Amount receivable at the end of the year       | (15 687)       | (13 718)       |
|  | <b>268 738</b> | <b>197 983</b> |

**22. DIVIDENDS RECEIVED**

|  |               |               |
|--|---------------|---------------|
| Amount receivable at the beginning of the year | -             | -             |
| Amount in income statement                     | 76 981        | 85 769        |
| Amount receivable at the end of the year       | -             | -             |
|  | <b>76 981</b> | <b>85 769</b> |

**23. INTEREST PAID**

|   |               |               |
|---|---------------|---------------|
| Amount payable at the beginning of the year | 1 982         | 2 187         |
| Amount in income statement                  | 17 225        | 22 837        |
| Amount payable at the end of the year       | -             | (1 982)       |
|   | <b>19 207</b> | <b>23 042</b> |

2015  
R000

2014  
R000

## 24. RECONCILIATION OF SURPLUS WITH CASH FLOWS

|   |                |                |
|---|----------------|----------------|
| Surplus according to the consolidated income statement          | 1 317 314      | 1 486 931      |
| Adjustments for:  |                |                |
| Realised profits on disposal of investments                     | (545 744)      | (946 819)      |
| Interest and dividends received                                 | (347 688)      | (289 411)      |
| Finance charges   | 19 207         | 22 837         |
| Profit on disposal of property, books and equipment             | (6 379)        | (4 519)        |
| Increase in provision for leave gratuity                        | 15 932         | 6 428          |
| Increase in provision for staff benefits                        | 23 540         | 21 210         |
| Increase in provision for impairment of student fees and loans  | 34 797         | 23 916         |
| Depreciation and amortisation                                   | 252 363        | 241 384        |
| Foreign exchange gain   | (15 245)       | (3 779)        |
| Increase in investment in associate companies                   | (1 590)        | (1 512)        |
| Loss on disposal of property, books and equipment               | -              | 941            |
| Donation of property, books and equipment                       | (46 896)       | (25 464)       |
| Operating income before changes in working capital              | 697 689        | 532 142        |
| Change in working capital                                       | 48 459         | (157 827)      |
| Increase in trade and other receivables                         | (142 902)      | (79 047)       |
| Less: Increase in receivables for outstanding investment income | 1 969          | 5 659          |
| Increase in inventories   | 245            | (1 200)        |
| Increase/(Decrease) in trade and other payables                 | 88 086         | (58 940)       |
| Decrease/(Increase) in operating lease asset                    | 4 143          | (24 299)       |
| <b>Cash generated by operations</b>                             | <b>649 170</b> | <b>374 315</b> |

## 25. CASH AND CASH EQUIVALENTS

|                                |                |                |
|--------------------------------|----------------|----------------|
| Favourable bank balances       | 280 452        | 291 165        |
| Short-term investments in cash | 337 142        | 265 414        |
|                                | <b>617 594</b> | <b>556 579</b> |

The average interest rate on cash and cash equivalents for 2015 amounts to 6,0% (2014: 3,4%).

|  |         |         |
|--|---------|---------|
| The University's facilities at banks reviewed annually | 161 700 | 169 520 |
|--|---------|---------|

As at year-end only a portion of the facility for motor vehicle loans was utilised. The portion that has been utilised is included in interest-bearing borrowings. Refer to note 3.

## 26. FINANCIAL RISK MANAGEMENT

The University's activities expose it to certain business and financial risks, namely market risk, credit risk and liquidity risk. The University's overarching risk management programme focuses on both the identified operational risks and the unpredictability of financial markets and is aimed at minimising the potentially negative impact on the University.

### 26.1 Business risks

The main business risks of the University, as identified by Management, are as follows:

- ▶ The pace of transformation and broadening of accessibility.
- ▶ Growing pressure on the unearmarked government subsidy to universities.
- ▶ Infrastructure constraints and the high cost of the ongoing maintenance of facilities and science equipment.
- ▶ Pressure on study fees due to sector wide protest actions ( #FeesMustFall ).

These risks are monitored continuously and appropriate steps are taken to manage them optimally.

### 26.2 Market risk

The activities of the University expose it to various market risks, including foreign exchange risk, price risk and interest rate risk.

#### (a) Foreign exchange risk

Owing to international transactions in currencies other than the South African rand (the University's functional currency), the University is exposed to foreign currency risk. This risk arises from future financial transactions as well as recognised assets and liabilities denominated especially in US dollar, pound and euro. Foreign exchange risk associated with future financial transactions is managed by taking out forward cover through forward foreign exchange contracts.

If the exchange rate had increased/decreased by 5,0% as at 31 December 2015, with all other factors remaining unchanged, the surplus for the year would have increased/(decreased) as follows:

|      |       |       |
|------|-------|-------|
| NOK  | 14    | -     |
| CHF  | 2     | -     |
| EURO | 104   | 259   |
| GBP  | 62    | 351   |
| AUD  | 14    | -     |
| SEK  | 12    | -     |
| USD  | 958   | 1 859 |
|      | 1 166 | 2 469 |

Forward foreign exchange contracts are entered into to manage exposure to exchange rate fluctuations in respect of certain transactions. A cautious approach to forward cover is maintained.

On 30 November 2015, the SU Council approved that exchange rate losses which arise due to the difference between the exchange rates used for budgeting purposes, and the actual exchange rate at which the Library's foreign payments are incurred, will be funded from the exchange rate profit generated from foreign investments.

In respect of foreign exchange transactions the following current assets and liabilities are not covered by forward foreign exchange contracts, as shown in the consolidated statement of financial position:

|                                   | Foreign exchange<br>2015<br>R000 | Rand value<br>2015<br>R000 | Foreign exchange<br>2014<br>R000 | Rand value<br>2014<br>R000 |
|-----------------------------------|----------------------------------|----------------------------|----------------------------------|----------------------------|
| <b>Trade receivables</b>          |                                  |                            |                                  |                            |
| NOK                               | 170                              | 286                        | -                                | -                          |
| CHF                               | 3                                | 45                         | -                                | -                          |
| AUD                               | 25                               | 273                        | -                                | -                          |
| SEK                               | 135                              | 239                        | -                                | -                          |
| EURO                              | 126                              | 2 082                      | 242                              | 3 234                      |
| GBP                               | 56                               | 1 247                      | 398                              | 7 022                      |
| USD                               | 1 260                            | 19 161                     | 1 059                            | 10 769                     |
| <b>Net foreign exchange asset</b> |                                  | <b>23 333</b>              |                                  | <b>21 025</b>              |

### (b) Price risk

The University is exposed to price risk in terms of listed investments available for sale. Should the local securities exchange (JSE) rise/fall by 10,0% as at 31 December 2015 and all other factors remain unchanged, the fair-value reserve for listed shares would have increased/decreased by R599,6 million (2014: R551,7 million). A securities exchange ("bond exchange") rise or fall of 10,0% as at 31 December 2015 would have resulted in an increase/decrease of R68,3 million (2014: R51,4 million) in the fair-value reserve for interest-bearing listed instruments.

The University is not exposed to commodity price risk.

### (c) Interest rate risk

The interest rate features of new and existing loans are continuously reviewed. The University did not enter into any interest-rate-derivative agreements for the years ended 31 December 2015 and 2014.

Should the interest rate on balances at banks as at year-end increase/decrease by 100 basis points, the surplus for the year would have increased/decreased by R6,2 million (2014: R5,6 million).

Should the interest rate on interest-bearing investments as at year-end increase/decrease by 100 basis points, the surplus for the year would have increased/decreased by R3,2 million (2014: R2,6 million).

Should the interest rate on the bank facility for the financing of the University's various motor vehicle schemes increase/decrease by 100 basis points as at year-end, the surplus for the year would have decreased/increased by R0,4 million (2014: R0,4 million).

### 26.3 Liquidity risk

Transparent liquidity risk management implies the maintenance of sufficient cash and marketable securities, as well as the availability of credit facilities. During 2012 the Investment Committee of the Council moved an amount of R750 million from short-term cash investment funds (money market) to long-term investment funds which, among others, contributed to a large decrease in the current assets of the University.

In order to cover possible liquidity risks the University is in a position to realise long-term investments at short notice. Cash investments amounting to R649,2 million (2014: R245,0 million) have also been included in long-term investments.

|                         | 2015<br>R000 | 2014<br>R000 |
|-------------------------|--------------|--------------|
| Current assets          | 943 660      | 808 313      |
| Current liabilities     | 822 669      | 706 645      |
| Operating capital ratio | 1,15         | 1,14         |



## 26.4 Credit risk

Credit risk mainly arises from outstanding student fees and student loans, trade receivables and cash resources. The largest component of outstanding student fees is due by former students. Trade receivables consist of a large number of clients and their creditworthiness is evaluated continuously by the University. Cash surpluses are invested only at reputable financial institutions. As at 31 December 2015 and 31 December 2014 there was no material credit risk for which adequate provision had not been made. Trade and other receivables are shown net of any allowance for credit losses.

## 26.5 Estimation of fair value

The fair values of listed investments available for sale are based on quoted market prices as at year-end. The quoted market price refers to the closing price on the last date of business before year-end. The fair values of unlisted investments not traded in an active market are determined by means of applicable valuation methods, based on market conditions as at year-end. Fair values of the remainder of the financial instruments are determined on the basis of discounted-cash flow models. The nominal values of trade and other receivables and payables and interest-bearing borrowings less impairments and allowances for credit losses are deemed as their fair values. Short-term debt instruments represent endowment funds where the donor may determine the application and time of application, and are measured at fair value.

Since 1 January 2009 Stellenbosch University has applied the adjustment to IFRS 7 for financial instruments shown at fair value in the statement of financial position. This adjustment requires that fair-value measurements are disclosed in accordance with the hierarchy below:

- Level 1      Quoted prices in terms of active markets for identical assets and liabilities.
- Level 2      Inputs other than quoted prices obtained directly (prices) or indirectly (derived from prices).
- Level 3      Inputs for assets and liabilities not based on available market data.

Assets as at 31 December 2015 shown at fair value:

|                   | Level 1          | Level 2      | Level 3  | Total            |
|-------------------|------------------|--------------|----------|------------------|
|                   | R000             | R000         | R000     | R000             |
| Government bonds  | 682 959          | -            | -        | 682 959          |
| Shares            |                  |              |          |                  |
| - Listed shares   | 5 996 293        | -            | -        | 5 996 293        |
| - Unlisted shares | -                | 3 555        | -        | 3 555            |
| Fixed deposits    | 326 415          | -            | -        | 326 415          |
| Other             | 674 886          | -            | -        | 674 886          |
|                   | <b>7 680 553</b> | <b>3 555</b> | <b>-</b> | <b>7 684 108</b> |

The fair value of listed investments, government bonds, fixed deposits and other investments is based on current market prices. Other investments mainly consist of cash instruments forming part of the University's long-term investment pool. The University determines the fair value of unlisted investments and investments for which there are not an active market by making use of relevant valuation techniques. As at 31 December 2014 government bonds, listed shares, fixed deposits and other investments were classified as level 1 and unlisted shares as level 2.

The fair value of financial instruments not traded on the securities exchange ("bond exchange") is determined by means of relevant valuation techniques. These techniques mainly take into account available market data. The use of entity-specific estimates is limited. Should inputs comprise available market data only, the instrument is shown at level 2. Specific valuation techniques include the use of quoted or dealer prices of similar instruments, taking risk factors into account.

Should any of the inputs not be based on available market data, the item is shown at level 3.

## 26.5 Estimation of fair value (continued)

### Financial liabilities

|                                    | Carrying<br>amount | Contractual<br>cash flow | < 1 year       | 1–5 years     | > 5 years      |
|------------------------------------|--------------------|--------------------------|----------------|---------------|----------------|
|                                    | R000               | R000                     | R000           | R000          | R000           |
| <b>31 December 2015</b>            |                    |                          |                |               |                |
| Interest-bearing borrowings        | 114 965            | 216 071                  | 13 300         | 99 951        | 102 814        |
| Trade and other payables           | 820 236            | 820 236                  | 820 236        | -             | -              |
| <b>Total financial liabilities</b> | <b>935 201</b>     | <b>1 036 307</b>         | <b>833 536</b> | <b>99 951</b> | <b>102 814</b> |

|                                    | Carrying<br>amount | Contractual<br>cash flow | < 1 year       | 1–5 years     | > 5 years      |
|------------------------------------|--------------------|--------------------------|----------------|---------------|----------------|
|                                    | R000               | R000                     | R000           | R000          | R000           |
| <b>31 December 2014</b>            |                    |                          |                |               |                |
| Interest-bearing borrowings        | 112 306            | 225 714                  | 12 193         | 94 508        | 119 013        |
| Trade and other payables           | 704 899            | 704 899                  | 704 899        | -             | -              |
| <b>Total financial liabilities</b> | <b>817 204</b>     | <b>930 612</b>           | <b>717 091</b> | <b>94 508</b> | <b>119 013</b> |

## 26.6 Management of available funds

Stellenbosch University manages its funds in order to ensure that it will continue as a going concern. Funds consist of restricted and unrestricted funds. Restricted funds consist of operating, loan, endowment and fixed-asset funds with specific conditions for application. Unrestricted funds are those funds that the Council may use at its discretion.

## 27. STAFF BENEFITS

### *Contributions to the University of Stellenbosch Retirement Fund (USRF)*

USRF, established on 1 November 1994 and managed in terms of the Pension Funds Act of 1956 (as amended), is a defined-contribution plan for permanent employees of the University. The fund is valued by independent actuaries at least every three years. As at 1 January 2016 USRF members totalled 3 401 (2015: 3 265). Membership contribution rates vary from 10% to 20% of pensionable earnings. The actuaries declared the fund financially sound. Total contributions paid amounted to R175,4 million (2014: R164,8 million). The most recent audit had been done for the year ended 31 December 2014 and an unqualified opinion was expressed.

### *Other benefits*

Post-retirement medical benefits are provided to certain retired employees. Access to this benefit is limited to employees appointed before 1 June 2002.

The group life insurance scheme provides life insurance at the death of the member. Membership of the scheme is compulsory for all permanent employees of the University.

Liabilities are calculated by the independent actuaries at least every three years and are reviewed annually. A complete actuarial valuation was performed as at 31 December 2015. The most recent valuation was performed on 25 January 2016. The next actuarial valuation will be performed no later than 1 January 2017.

The actuarial valuation method is the projected-unit-credit method. The main actuarial assumptions are as follows:

|   | 2015   | 2014   |
|---|--------|--------|
| Discount rate   | 10,7%  | 8,5%   |
| Medical inflation   | 10,3%  | 8,4%   |
| Group life inflation  | 9,8%   | 7,9%   |
| Salary inflation  | 9,8%   | 7,9%   |
| Retirement age  | 65,0   | 65,0   |
| Expected average retirement age                               | 65,0   | 65,0   |
| Age difference between principal member and spouse: continued | Actual | Actual |
| Age difference between principal member and spouse: active    | 4,0    | 4,0    |
| Income at retirement  | 75,0%  | 75,0%  |
| Proportion married at retirement                              | 90,0%  | 75,0%  |
| Maximum age for orphan contributions                          | 21,0   | 21,0   |
| Continuation at retirement                                    | 100,0% | 100,0% |

Reconciliation of the carrying amount:

|  | 2015              |                      |                | 2014              |                      |                |
|--|-------------------|----------------------|----------------|-------------------|----------------------|----------------|
|  | Medical liability | Group life insurance | Total          | Medical Liability | Group life Insurance | Total          |
|  | R000              | R000                 | R000           | R000              | R000                 | R000           |
| Liability at the beginning of the year               | 500 358           | 43 184               | 543 542        | 453 092           | 40 171               | 493 263        |
| Adjustments in the consolidated income statement:    |                   |                      |                |                   |                      |                |
| - Current service charges                            | 6 679             | 2 285                | 8 964          | 5 681             | 2 129                | 7 810          |
| - Interest charge                                    | 41 245            | 3 577                | 44 822         | 38 827            | 3 448                | 42 275         |
| - Expected contributions payable by the employer     | (28 170)          | (2 084)              | (30 254)       | (27 291)          | (2 284)              | (29 575)       |
| Adjustments in the statement of comprehensive income | 6 379             | (5 549)              | 830            | 30 049            | (280)                | 29 769         |
|  | <b>526 491</b>    | <b>41 413</b>        | <b>567 904</b> | <b>500 358</b>    | <b>43 184</b>        | <b>543 542</b> |

|   | 2015<br>R000 | 2014<br>R000  |
|---|--------------|---------------|
| <b>The actuarial loss is attributable to the following:</b> |              |               |
| Change in financial assumptions                             | 12 401       | 27 884        |
| Change in actuarial basis                                   | (28 378)     | 10 726        |
| Change in demographic assumptions                           | 23 256       | (8 841)       |
| Change in membership numbers and details                    | ( 6 449)     | -             |
|   | <b>830</b>   | <b>29 769</b> |

|  |                |                |
|--|----------------|----------------|
| <b>The liability at the end of the year is as follows:</b> |                |                |
| Continued members  | 397 549        | 362 905        |
| In-service members   | 170 355        | 180 637        |
|  | <b>567 904</b> | <b>543 542</b> |

The expected increase in the liability for the next 12 months for in-service members is R35,4 million (2014: R23,9 million).

#### *Long-service benefits*

After 25 years' service employees qualify for a gratuity to the value of 50% of the employee's monthly salary, with a minimum value of R400 and a maximum value of R5 000.

|  |                |                |
|--|----------------|----------------|
| <b>The liability at the end of the year is as follows:</b> |                |                |
| Active members   | 3 201          | 3 193          |
|  | <b>3 201</b>   | <b>3 193</b>   |
| <b>Total liability</b>                                     | <b>571 105</b> | <b>546 735</b> |

The history of staff benefits is as follows:

|                                  | 2015<br>R000 | 2014<br>R000 | 2013<br>R000 | 2012<br>R000 | 2011<br>R000 |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Current value of liability       | 571 105      | 546 735      | 495 756      | 484 332      | 411 181      |
| Actuarial loss due to experience | (28 378)     | 10 726       | 31 698       | 39 755       | 17 259       |

## **28. INCOME TAX**

The University is exempted from normal income tax in terms of section 10(1)(cA)(i) of the Income Tax Act. Some of the subsidiaries of the University are, however, liable for tax. Refer to note 10.

## 29. RELATED-PARTY TRANSACTIONS

### 29.1 The institutions below are deemed related parties of the University.

The consolidated financial statements as at 31 December 2015 includes the following trusts and partnerships:

|                              |  |
|------------------------------|--|
| <b>Name of Trust:</b>        | Stellenbosch Trust                         |
| <b>Nature of activities:</b> | Fund recruiting and investing of donations |
| <b>Loans to trust:</b>       | Zero                                       |

|                              |  |
|------------------------------|--|
| <b>Name of Trust:</b>        | The Stellenbosch Development Trust                             |
| <b>Nature of activities:</b> | Investment of property for educational and research activities |
| <b>Loans to trust:</b>       | Zero   |

|                              |  |
|------------------------------|--|
| <b>Name of Trust:</b>        | Stellenbosch Law Faculty Trust                                       |
| <b>Nature of activities:</b> | Promotion of Law Faculty for access to members of the general public |
| <b>Book value of:</b>        |  |
| - Investment                 | R100   |
| - Loan                       | Zero   |

|                              |  |
|------------------------------|--|
| <b>Name of partnership:</b>  | Stellenbosch Financing Partnership                     |
| <b>Nature of activities:</b> | Loan of funds in accordance with partnership agreement |
| - Investment                 | Zero   |
| - Loan                       | Zero   |

The University has the following investments in unlisted subsidiaries as at 31 December 2015:

|                                |                              |
|--------------------------------|------------------------------|
| <b>Name of Company:</b>        | Unistel Properties (Pty) Ltd |
| <b>Nature of activities:</b>   | Dormant                      |
| <b>Effective shareholding:</b> | 100%                         |
| <b>Bookvalue of interest:</b>  |                              |
| - Shares                       | R1 000                       |
| - Loan                         | Zero                         |

|                                |  |
|--------------------------------|--|
| <b>Name of Company:</b>        | InnovUS Technology Transfer (Pty) Ltd  |
| <b>Nature of activities:</b>   | Commercialising of intellectual property and sources from Stellenbosch University for research, educational and community interactions |
| <b>Effective shareholding:</b> | 100%   |
| <b>Book value of interest:</b> |  |
| - Shares                       | R1 000   |
| - Loan                         | Zero   |

|                                |  |
|--------------------------------|--|
| <b>Name of company:</b>        | USB Executive Development Ltd  |
| <b>Nature of activities:</b>   | Development and presentation of management development programmes and consultation |
| <b>Effective shareholding:</b> | 54,8%  |
| <b>Book value of interest:</b> |  |
| - Shares                       | R4 317 980   |
| - Loan                         | Zero   |

InnovUS Technology Transfer (Pty) Ltd, a full subsidiary of the University, has the following investments in unlisted subsidiaries and associates as at 31 December 2015:

|                                |                             |
|--------------------------------|-----------------------------|
| <b>Name of company:</b>        | Aquastel (Pty) Ltd          |
| <b>Nature of activities:</b>   | Development of aqua culture |
| <b>Effective shareholding:</b> | 100%                        |
| <b>Book value of interest:</b> |                             |
| - Investment:                  | R1 000                      |
| - Loan:                        | Zero                        |

|                                     |                                  |
|-------------------------------------|----------------------------------|
| <b>Name of company:</b>             | Sun Media Stellenbosch (Pty) Ltd |
| <b>Nature of activities:</b>        | Publishing and Printing services |
| <b>Effective shareholding:</b>      | 55%                              |
| <b>Book value of share holding:</b> |                                  |
| - Investment                        | R1 000                           |
| - Loan                              | Zero                             |

|                                |  |
|--------------------------------|--|
| <b>Name of company:</b>        | Stellenbosch Information Systems (Pty) Ltd                             |
| <b>Nature of activities:</b>   | Development and production of micro satellite and satellite subsystems |
| <b>Effective shareholding:</b> | 26%  |
| <b>Book value of interest:</b> |  |
| - Investment                   | Zero   |
| - Loan                         | Zero   |

|                                |   |
|--------------------------------|---|
| <b>Name of company:</b>        | Unistel Medical Laboratories (Pty) Ltd                                      |
| <b>Nature of activities:</b>   | Providing of genetic, diagnostic and testing services for animals and human |
| <b>Effective shareholding:</b> | 35%   |
| <b>Book value of interest:</b> |   |
| - Investment                   | R4 586 000  |
| - Loan                         | Zero  |

|                                |  |
|--------------------------------|--|
| <b>Name of company:</b>        | Unistel Technology (Pty) Ltd   |
| <b>Nature of activities:</b>   | Exploitation of Hysucat®- en Hysuwac® trademarks and waterfilter systems |
| <b>Effective shareholding:</b> | 100%   |
| <b>Book value of interest:</b> |  |
| - Investment                   | R1 000   |
| - Loan                         | Zero   |

|                                |   |
|--------------------------------|---|
| <b>Name of company:</b>        | Stellenbosch University Sport Performance Institute (Pty) Ltd |
| <b>Nature of activities:</b>   | Providing of sport related services                           |
| <b>Effective shareholding:</b> | 100%  |
| <b>Book value of interest:</b> |   |
| - Investment                   | R1 000  |
| - Loan                         | R1 692 000  |

|                                |  |
|--------------------------------|--|
| <b>Name of company:</b>        | Stellenbosch Nanofiber Company (Pty) Ltd |
| <b>Nature of activity:</b>     | Commercialising of nanofiber technology  |
| <b>Effective shareholding:</b> | 37%                                      |
| <b>Book value of interest:</b> |  |
| - Interest                     | Zero                                     |
| - Loan                         | Zero                                     |

|                                |   |
|--------------------------------|---|
| <b>Name of company:</b>        | Stellenbosch Wind Energy Technologies (Pty) Ltd |
| <b>Nature of activities:</b>   | Commercialising of wind energy technology       |
| <b>Effective shareholding:</b> | 100%  |
| <b>Book value of interest:</b> |   |
| - Investment                   | R1 000  |
| - Loan                         | Zero  |

|                                |                                     |
|--------------------------------|-------------------------------------|
| <b>Name of company:</b>        | GeoSUN Africa (Pty) Ltd             |
| <b>Nature of activity:</b>     | Service providers in sun technology |
| <b>Effective shareholding:</b> | 25%                                 |
| <b>Book value of interest:</b> |                                     |
| - Investment                   | R417 000                            |
| - Loan                         | Zero                                |

|                                |  |
|--------------------------------|--|
| <b>Name of company:</b>        | Launchlab (Pty) Ltd  |
| <b>Nature of activity:</b>     | Support on campus through networking opportunities, mentorship and affordable leasing tariffs in entrepreneurial environment |
| <b>Effective shareholding:</b> | 100%   |
| <b>Book value of interest:</b> |  |
| - Investment                   | R1 000   |
| - Loan                         | Zero   |

|                                |   |
|--------------------------------|---|
| <b>Name of company:</b>        | Surfactant Medical Technology (Pty) Ltd           |
| <b>Nature of activities:</b>   | Development of patented synthetic lung technology |
| <b>Effective shareholding:</b> | 50%   |
| <b>Book value of interest:</b> |   |
| - Investment                   | R1 000  |
| - Loan                         | Zero  |

|                                |  |
|--------------------------------|--|
| <b>Name of company:</b>        | Custos Media Technologies (Pty) Ltd  |
| <b>Nature of activities:</b>   | Providing digital right management for digital material which is copyrighted |
| <b>Effective shareholding:</b> | 30%  |
| <b>Book value of interest:</b> |  |
| - Investment                   | R1 000   |
| - Loan                         | Zero   |

Members of the executive management are also deemed related parties of the University. Refer to note 16 for a list of the executive management members and payments made to them during the year.

## 29.2 Transactions with related parties

Transactions with related parties include payment for administrative services and finance charges as well as investment income earned.

During the year stakeholders had no material interest in any material agreement of the University or any of its subsidiaries that could lead to a conflict of interest.

Transactions between Stellenbosch University and its subsidiaries are eliminated on consolidation.

The following related-party transactions took place between the University and related parties:



**2015**  
**R000**

**2014**  
**R000**

### 29.2.1 Income

|                           |         |         |
|---------------------------|---------|---------|
| <b>From subsidiaries:</b> |         |         |
| Contributions received    | 231 340 | 232 335 |
| Services                  | 19 415  | 19 824  |
| Interest                  | 975     | 801     |
|                           | 251 730 | 252 960 |

### 29.2.2 Expenditure

|                         |       |        |
|-------------------------|-------|--------|
| <b>To subsidiaries:</b> |       |        |
| Services                | 2 532 | 17 413 |
| Interest                | 580   | 348    |
|                         | 3 112 | 17 761 |

### 29.2.3 Amounts outstanding as at year-end

|                         |        |        |
|-------------------------|--------|--------|
| <b>Receivable from:</b> |        |        |
| Subsidiaries            | 29 307 | 11 597 |
|                         | 29 307 | 11 597 |
| <b>Payable to:</b>      |        |        |
| Subsidiaries            | 4 912  | 1 289  |
|                         | 4 912  | 1 289  |

### 29.2.4 Loans granted to related parties

|   |       |        |
|---|-------|--------|
| Stellenbosch University Sport Performance Institute (Pty) Ltd | 1 692 | 2 732  |
| Unistel Technology (Pty) Ltd                                  | -     | 4 970  |
| InnovUS Technology Transfer (Pty) Ltd                         | -     | 2 323  |
|   | 1 692 | 10 025 |

The loan to Stellenbosch University Sport Performance Institute (Pty) Ltd bears interest linked to prime and has fixed terms for repayment.

The loans to Unistel Technologies (Pty) Ltd and Innovus Technology Transfer (Pty) Ltd in 2014 bore interest linked to prime and were repayable by mutual agreement.

## 30. CONTINGENT LIABILITY

The University guarantees a percentage of the outstanding amount on mortgage loans of qualifying employees. The maximum exposure as at year-end amounts to R135 775 (2014: R430 398).

## 31. COMPARATIVE BALANCES

The following adjustment was made during the current year, which also impacted the comparative balances as follows:

Where the University, in accordance with IAS 18, acts as an Agent, the bursary income, and corresponding bursary expense, are not accounted for through the income statement. Previously, both the income and corresponding expense have been recorded.

The impact is as follows:

|   |         |
|---|---------|
| Decrease in private donations, grants and other contracts | 250 207 |
| Decrease in operating expenses                            | 250 207 |

# GLOSSARY

## Terms and definitions

|                         |   |
|-------------------------|---|
| A-rated researcher      | Researchers who are regarded as world leaders in their respective research fields.  |
| graduate attributes     | <p>In order to create sustainable hope in Africa, Stellenbosch University seeks to equip every graduate with desirable and enduring attributes in the course of his or her studies. A Stellenbosch graduate:</p> <ul style="list-style-type: none"><li>▶ has an enquiring mind (accepts responsibility for lifelong learning and the application of knowledge; thinks critically and creatively;</li><li>▶ is an engaged citizen at the local, regional and global level (acts accountably towards society and the environment; exercises efficient leadership; participates in a diverse, multilingual society; creates opportunities for others as a social entrepreneur);</li><li>▶ is a dynamic professional (applies and communicates knowledge; seizes opportunities and solves problems; innovates; uses sustainable and efficient technologies; behaves ethically); and</li><li>▶ is a well-rounded individual both socially and intellectually (utilises opportunities for personal growth – cultural, intellectual and in sports; seeks enriching experiences; takes informed and well-considered decisions).</li></ul> |
| blended learning        | A collaborative system of learning that integrates technologies such as web-based, satellite and mobile applications with face-to-face learning and teaching for greater flexibility ( <i>anytime</i> access) and mobility ( <i>anywhere</i> access). Blended learning enhances interaction amongst students, and between staff and students, while also improving access to resources.   |
| designated groups       | People who are coloured, black and Indian (CBI).  |
| dual-medium instruction | Classes are offered bilingually in Afrikaans and English; teaching takes place at least 50% of the time in Afrikaans and the teaching and learning material is, as far as possible, in Afrikaans and in English. Modules thus presented are marked with a T specification in the University's Calendar. Also see language specification.  |
| flipped classroom       | The flipped classroom is a pedagogical model in which the typical lecture and homework elements of a course are reversed. The term is widely used to describe almost any class structure that provides prerecorded lectures followed by in-class exercises. ( <i>Educause</i> , February 2012)  |
| Horizon 2020            | The European Union's biggest research and innovation funding programme to promote excellent science and industrial leadership, and to tackle social challenges. Funding is made available to a variety of projects over a seven-year period – from 2014 to 2020 – generally in a framework of three to four years per project.  |
| income stream           | <p>The University's financial capital is divided into four income or money streams, which are numbered for ease of reference. The four streams depend upon different financial inputs:</p> <ul style="list-style-type: none"><li>▶ <i>first-stream income</i>: state subsidy;</li><li>▶ <i>second-stream income</i>: student and accommodation fees paid by students;</li><li>▶ <i>third-stream income</i>: earned from (contract) research, investments, commercialisation and sales; and</li><li>▶ <i>fourth-stream income</i>: philanthropic donations and bequests.</li></ul>   |

|                                  |   |
|----------------------------------|---|
| interpreting                     | The class is presented entirely in either Afrikaans or English, and an interpreter simultaneously translates the lesson into the other language. The interpreter uses a headset or hand microphone, and students listen to the lecture through earphones.   |
| knowledge and other partnerships | The University establishes relationships through formal, institutional partnerships with civil society organisations, local governments or municipalities, the Western Cape provincial government, the Western Cape Department of Health, the national departments of Defence and Military Veterans, churches (Theology), Elsenburg (AgriSciences), etc. These partnerships are usually informed by a formal memorandum of understanding. |
| Kuali                            | Kuali is an open source administrative software solution for higher education institutions. It is home to software systems for financial management, research administration, student services, library management, business continuity and workflow. ( <a href="http://www.kuali.org">www.kuali.org</a> )  |
| language specification           | In the University's Calendar, all modules are marked with a language specification according to the University's Language Policy and Plan.<br>Further particulars at <a href="http://www.sun.ac.za/language">www.sun.ac.za/language</a>   |

| Language specification  | Characteristics   |
|---|---|
| The A specification<br>(Afrikaans as the principal medium of instruction) | - The teaching is done mainly in Afrikaans.<br>- The teaching and learning materials (textbooks excluded) are in Afrikaans and English as far as possible.  |
| The T specification<br>(Bilingual classes: 50% English and 50% Afrikaans) | - The teaching is done in Afrikaans for not less than 50% of the time. (Also referred to as dualmedium instruction.)<br>- The teaching and learning materials (textbooks excluded) are in Afrikaans and English as far as possible. |
| The E specification<br>(English as medium of instruction)                 | - The teaching is done mainly in English.<br>- The teaching and learning materials (textbooks excluded) are in English and in Afrikaans whenever possible.  |
| The A&E specification<br>(Separate 'streams' in Afrikaans and in English) | Teaching of separate classes that are presented entirely in Afrikaans or entirely in English. Also called parallel-medium instruction.  |
| A+i<br>E+i<br>(Classes interpreted to Afrikaans or English)               | Classes presented in Afrikaans are interpreted simultaneously to English and classes presented in English are interpreted to Afrikaans. See "interpreting".   |

|                                 |  |
|---------------------------------|--|
| module                          | A module is a set of classes or lectures, seminars or practicals forming a unit within a subject.  |
| parallel-medium instruction     | Instruction is offered in separate classes in Afrikaans and in English. Modules offered in this way are marked with an A&E specification in the University's Calendar.   |
| postgraduate bachelor's degrees | Bachelor's degrees which may be taken as second bachelor's qualifications, e.g. BPhil and the two- and three-year LLB degrees. This excludes Bachelor Honours degrees.   |
| programme                       | A combination of modules making up a curriculum for a degree qualification, for example BA, BEd, BEng, BAcc, BSc. Also known as learning programme, instructional programme or study programme. We differentiate between undergraduate programmes – the first university qualification in a certain field of study – and postgraduate programmes – programmes that follow on the first qualification, for instance postgraduate diploma, honours, master's and doctorate. We also differentiate between diploma programmes and certificate programmes. |

|                              |   |
|------------------------------|---|
| society-centred scholarship  | A scientific and societal approach to social impact, utilising transdisciplinary collaborative methodologies to build capacity.   |
| Technology Innovation Agency | TIA is a national public entity, funded by the Department of Science and Technology, that serves as the key institutional intervention to bridge the innovation chasm between research and development from higher education institutions, science councils, public entities, and private sector, and commercialisation.  |
| Vision 2030                  | The University, as a 21 <sup>st</sup> century institution, plays a leading role in the creation of an advanced society. Our goal of inclusivity focuses on the talents and contributions of individuals; innovation deals with the need specifically to address the challenges of a more sustainable future creatively; the energy of students and academics is directed at creating the future imaginatively from courageous efforts to tackle current problems and issues actively; discovery happens when theory and practice are interwoven in the education process; and the Stellenbosch experience delivers thought leaders that have a better insight into world issues, an innovative unlocking of creative abilities to solve problems, and an encouragement of meaningful action to serve society through knowledge. This all happens in a context of transforming the University to be future fit and globally competitive. ( <i>Stellenbosch University Institutional Intent and Strategy 2013–2018</i> , page 17) |

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## Abbreviations

|                              |  |
|------------------------------|--|
| BA                           | Bachelor of Arts   |
| BBBEE                        | broad-based black economic empowerment   |
| BEd                          | Bachelor of Education  |
| BEng                         | Bachelor of Engineering  |
| BSc                          | Bachelor of Science  |
| BScHons                      | Bachelor of Science Honours  |
| BEdHons                      | Bachelor of Education Honours  |
| CHE                          | Council of Higher Education  |
| CBI                          | coloured, black and Indian   |
| CHEC                         | Cape Higher Education Consortium   |
| CHS                          | Campus Health Service  |
| CPUT                         | Cape Peninsula University of Technology  |
| CREST                        | Centre for Research on Evaluation, Science and Technology                                  |
| CSIR                         | Council for Scientific and Industrial Research   |
| DHET                         | Department of Higher Education and Training  |
| DST-NRF Centre of Excellence | Department of Science and Technology and National Research Foundation Centre of Excellence |
| ECSA                         | Engineering Council of South Africa  |
| EMS                          | Economic and Management Sciences   |
| FMHS                         | Faculty of Medicine and Health Sciences  |
| FP7                          | 7th Framework Programme for Research and Technological Development                         |
| FVZS                         | Frederick van Zyl Slabbert Institute for Student Leadership Development                    |
| HEMIS                        | Higher Education Information Management System   |
| ICT                          | information and communication technology   |
| IF                           | Institutional Forum  |
| IFRS                         | International Financial Reporting Standards  |
| IHO                          | Institutional HIV Office   |
| <IR>                         | Integrated reporting   |
| IRDR                         | Integrated Research on Disaster Risk   |
| IIS                          | Stellenbosch University Institutional Intent and Strategy 2013–2018                        |
| LLL                          | Listen, Live and Learn houses  |
| nGap                         | New Generation of Academics programme  |
| NRF                          | National Research Foundation   |
| PCT                          | patent cooperation treaties  |
| PhD                          | Doctor of Philosophy   |
| Prof                         | Professor  |
| PSO                          | Private Students' Organisation   |
| RMT                          | Rector's Management Team   |
| SANDF                        | South African National Defence Force   |
| SARChI                       | South African Research Chairs Initiative   |
| SciSTIP                      | Scientometrics and Science, Technology and Innovation Policy                               |
| SMI                          | strategic management indicator   |
| SRC                          | Students' Representative Council   |
| Stell                        | Stellenbosch   |
| SU                           | Stellenbosch University  |
| THRIP                        | Technology and Human Resources for Industry Programme                                      |
| TIA                          | Technology Innovation Agency   |
| UCT                          | University of Cape Town  |
| UFS                          | University of the Free State   |
| UP                           | University of Pretoria   |
| USB-ED                       | USB Executive Development  |
| UWC                          | University of the Western Cape   |
| Wits                         | University of the Witwatersrand  |