

UCT Convocation Annual General Meeting

9 December 2020

Notices of motion

MOTION 1

Brought by: Kit Vaughan

Seconder: Dianna Yach

On an interim basis, the Alumni Advisory Board to serve as the Executive Committee of Convocation

The UCT Alumni Association is a voluntary association whose purpose includes the promotion of support for UCT from amongst its members, and to assist in fundraising activities for UCT. The affairs of the Association are managed by an Alumni Advisory Board consisting of the President of Convocation; members of Council elected by Convocation; seven additional members elected by the Alumni Association at its AGM.

MOTION 2

Brought by: Matsepe Tsiu

Seconder: Amy R Cunliffe

The University of Cape Town amends its treatment of students who complete their academic programmes but find themselves in arrears and unable to settle those arrears prior to Graduation, preferably within the next twelve months but definitely within the next twenty-four.

Handbook 12 of the University of Cape Town covers the subject of student fees and, as such, covers the current handling of situations wherein a student is due to graduate but still owes the University. Section 1.5 dictates, among other things, that a student in arrears to the University will be barred from graduating, will have his/her examination results withheld and will not be given an academic transcript.

I argue that the status quo, which has endured for many years, is flawed in at least two respects. The first respect is that, by doing as currently dictated in Handbook 12, the University effectively prevents a student from entering the skilled workforce, making use of the qualification earned and generating an income with which to settle his/her financial,

familial and other obligations effectively and within a reasonable amount of time. Given that the income one can earn as a member of the skilled workforce generally exceeds that which one can earn in the unskilled workforce, to which such an indebted student will be forced for want of any proof of his/her freshly earned and readily applicable knowledge and skills, said indebted student will then spend many more years than strictly necessary working in lower-paying jobs to gather enough money to settle a debt, which could likely have been settled within six to twelve months of steady income from a job in the skilled workforce and a well-structured payment plan.

The second respect is that, by doing as currently dictated in Handbook 12, the University effectively punishes a poor student for being poor, when said poverty is almost certainly not said student's fault. The handling in its current form serves to sustain the socioeconomic injustices that the University strives to eradicate. It is unbefitting the premier university in Africa to accept a student, educate said student, then hamstring said student at the very moment when said student is poised to step forward and forge a future for him-/herself using the knowledge, skills and confidence instilled in him/her by his/her teachers within the University. By perpetuating the status quo, South Africa – and the world at large – are denied the benefits of the energies, passions, competencies and achievements of all those indebted students. The dreams of their families are dashed apart by the cruelty of their circumstances and the cruelty of the institution that gave them hope only to snatch it away and hold it to ransom. For were it that the students and their families were able to raise the money to settle the debts, then surely they would, the better that their loved one could progress and lead the life more of his/her own making than that forced upon him/her as a consequence of being born into that less-resourced family. By continuing the status quo, the less-resourced are deprived even of those resources that they lawfully and rightfully have, while the more-resourced are enriched by the lack of competition and the tighter stranglehold afforded them upon the throat of the world. The overall losses to humanity are inexcusable and must be addressed, without delay.

The remedy I therefore propose is that all the outstanding debts of a student who qualifies to graduate be structured into a loan, similar in essence to a student loan from a bank, which shall then have a monthly interest rate applied to it not less than 1% per month (as dictated in Handbook 12), with a repayment term that shall be agreed between the student and the University after consultation to that effect. Once the undertaking has been concluded, the University shall then sell its rights to that stream of repayments (the bond that effectively will have been structured) to a partnering bank at the par value of that bond (i.e. the amount that the student owes). The student's obligation and repayments will then transfer to the partnering bank, the University will receive the money it is owed and the student will be at liberty to graduate and proceed to a higher-paying job that will

allow for rapid repayment of that student debt, which will be to the partnering bank, thus removing all related risk therefrom from the University.

The remedy I propose will respond in the following ways to the two objections stated above to the status quo.

With respect to the student, this remedy will allow the student to receive his/her examination results, access his/her academic record and graduate with the qualification that he/she would have earned. He/she will then be able to submit said academic record and degree certificate as the required proof of qualification to whichever prospective employers have extended an offer of employment conditional upon proof of successful completion of the requisite studies. Those offers will then become final, the student will accept the most preferable and begin garnering the necessary practical skills and work experience to advance in his/her field. Said student will also begin earning an income – one higher than would have been available to him/her in the unskilled workforce – and will then be able to use some of that income to make the necessary repayments to the partnering bank as per the agreed repayment plan, which will allow for settlement of the debt in less time and at less overall cost than would have been possible had the student instead been compelled to accept employment in the unskilled workforce. The student will be free to fulfil his/her true potential, while honouring his/her financial, familial and other commitments in the best manner possible.

With respect to the University, this remedy yields two benefits. The first is a balance sheet improvement – by selling the debts to the partnering bank at par, the University will receive the monies it is owed immediately, which will significantly reduce debtor balances and improve the cash position of the University as a non-profit institution of higher education and training. The relatively earlier realisation of the cash will avail more funds to the University sooner, which will not only reduce the need and inclination of the University to borrow money but will also allow the University to fund more and more ambitious projects – projects that a commercial institution would likely be unwilling to fund due to the lack of obvious expected financial benefits but which an academic institution would gladly fund due to the prevalence of obvious expected educational and academic benefits. The University will be better able to be a University by proceeding with this course of action.

The second benefit yielded to the University is more reputational and humanitarian. By implementing the remedy above, the University will add more graduates to the skilled workforce, which in addition to availing them more opportunities for bettering their lots and those of their families will provide the University with better statistics with which to once more assert its dominance as a leading educational institution. The improved

workforce outputs may also help when it comes to securing additional funding from donors and the State, as the University will then be able to demonstrate a better track record of effectiveness going forward. Not to mention that the University will be the first in South Africa to part ways with the punitive, oppressive and ruthless status quo that punishes poorer students (many of whom would be persons of colour, as per the enduring legacy of apartheid and colonialism today) and in so parting would lead the way to a better future for all by demonstrating unequivocally that, when it comes to matters of finances, the University – and indeed any university in this country – will benefit from a certain gentleness of engagement that also benefits its students. By implementing the remedy above, the University will set an example for other universities in South Africa and Africa at Large to follow, demonstrating once again why exactly the University of Cape Town is hailed as the premier university in Africa.

I conclude this motion by stating the following. Amending the handling of indebted graduate students by structuring their outstanding debts as loans, selling the rights to the loans at par value to a partnering bank and having the loan agreement ultimately be between the bank and the student works. The University receives its cash immediately, improves its debtor management by sheer virtue of having fewer debtors and transfers the risks and rewards of such debtor management to a financial institution that is better equipped to handle what is a fundamental aspect of its trade. The bank in question acquires new loans for its books, which it can be reasonably certain will be repaid in full and on time with a minimal amount of risk of default associated. And the student gets to monetise the qualification earned after years of dedication, determination and discipline in order to earn a living, fulfil all sorts of obligations and make a positive difference in the world as all UCT graduates are called upon to do. I fully believe that amending the handling in this manner is the right thing – and the smart thing – to do.

MOTION 3

Brought by: David le Page

Seconder: James Irlam

UCT should embrace a climate emergency investment plan

For seven years, the Fossil Free UCT campaign has been asking UCT, Africa's leading university, to stop breaking Africa's climate with its investments in fossil fuels. It is unseemly for an African university with a declared social mission to be investing in ways that disregard and destroy the livelihoods of ordinary Africans; and for a centre of excellence in climate research, it is a science communications disaster – rather like being a doctor who smokes in front of their patients.

South Africa is warming twice as fast as the global average and global actions by governments fall far short of what is needed to stop the 6C–8C of warming we face before 2100. Our current trajectory is a recipe for more droughts, more wildfires, more disease; less water, food, and wildlife; and catastrophically degraded natural infrastructure.

Divestment from fossil fuels is a global movement embracing well over a thousand institutions and over \$14 trillion in capital. Recent divestment commitments include eThekweni/Durban and the University of Cambridge. Divestment from coal, gas and oil is the right thing to do, it's consistent with UCT's stated values and mission, and its duty of care to students, and will most likely improve returns more than continued investments in Sasol.

In response to our campaign, the university has appointed a panel on responsible investment (the UPRI), to which this campaign was able to make recommendations in October – but which will put its own recommendations to Council only in September 2021. Who knows when and if they will be approved. In an accelerating climate emergency, the UPRI will have taken four years to make its first recommendations on responsible investment. When global emissions must be halved by 2030 to meet the Paris climate targets, every month of further delay is a kick in the teeth of future generations.

Two previous motions of Convocation have called for UCT to divest; and this past year, nearly one hundred academic staff, Cape Town school children and a thousand science students have written to and petitioned the new Council in support of divestment. Yet there has to date been no acknowledgement or response to these calls from Council. Our requests to directly present this cause to the joint investment committee and Council have been turned down. When it comes to the greatest human rights crisis facing humanity, this is not a university that listens.

Research from UCT's own Graduate School of Business shows that responsible investment in South Africa rarely goes beyond rhetoric. Professor Mariana Mazzucato, the head of mission-oriented research in the EU, says that real mission-based actions are by definition ambitious, risky and experimental. UCT now has the opportunity to align its investment practices with its declared intention to be a mission- and values-based institution.

We call on the Joint Investment Committee and Council to allow us to present our case to them directly, to clearly and publicly acknowledge the university's special responsibilities in a climate emergency, and to take actions consistent with the university's traditions, mission and values.

Divestment cannot happen overnight, but the university should kick off the divestment process by immediately diverting R300 million, less than 5% of the current endowment, to seed-fund a new SA equity fossil-free and socially responsible investment fund or funds this year. Offshore investments can be quickly reinvested in more sustainable funds. UCT should commence the reinvestment process in collaboration with other progressive universities, philanthropies and retirement funds; and publicly declare this climate emergency investment plan.