



**UNIVERSITIES
SOUTH AFRICA**

REPORT TO THE PORTFOLIO COMMITTEE ON HIGHER EDUCATION, SCIENCE, AND INNOVATION ON INSTABILITY

1 March 2022

1. BACKGROUND

Over the last two decades, perennial systemic student funding challenges and policy uncertainty have resulted in sector instability that causes interruptions in learning at South African universities. Demonstrations at the beginning of every academic year have become normalised. These demonstrations are usually aimed at addressing challenges that are largely out of scope of control of universities and their Councils. University-specific issues on localised topics are attended to through university governance structures.

The 2022 academic year is set against the backdrop of the world emerging from the COVID-19 pandemic. As universities reopen to deliver contact tuition, a period of normalization is conceivably expected as universities migrate back to contact tuition modalities and on-campus life. The 2022 academic year has commenced with student protests at five¹ universities, and one² university reported protest action on an insourcing matter that has been resolved. UCT and NMU report that the academic programme is back on track.

¹ University of Kwa Zulu Natal, Durban University of Technology, University of Cape Town, University of the Free State and Nelson Mandela University

² University of Pretoria

2. SYSTEMIC CHALLENGES AND POLICY INSTABILITY, AS PRIMARY DRIVERS OF STUDENT PROTESTS

Several institutions are under severe financial stress due to ever-increasing student debt. This results in universities being cash strapped and financially exposed. Universities cannot enrol more students to generate additional revenue due to the required adherence to enrolment plans which in turn reflect the restricted capacity of universities and the state to expand the higher education system.

USAf has identified the following factors as crucial drivers of university protests.

2.1 STUDENT DEBT

USAf has on several occasions expressed its concern about the current student debt burden owed to public universities. Student debt was confirmed at R14 billion in 2019 and is currently estimated to be R16,5 billion³ (excluding NSFAS student debt that is dealt with separately). The debt servicing cost is approximately R1,2 billion per annum, which could have been directed at important university projects across the academy. At the beginning of 2021, the debt of students who were eligible to graduate was R7 billion, resulting in approximately 120 000 students being unable to graduate due to outstanding debt to universities.

Student debt impacts directly on student performance and student success. It also impacts on the sustainability of the institutions. USAf is of the view that sustainable solutions must be found to address the student debt challenge. Universities are required to maintain their status as going concerns, demonstrating the necessary resources to continue operating and staying afloat. DHET should lead a national project to produce a tangible solution to this challenge. The alternative is the unsustainable short-term solution of registering students with debt on the basis they will pay the owed amounts in the future. This leads to the annual expansion in student debt levels.

It is imperative to find a tangible solution as universities face increased risk exposure. Students must graduate and enter the labour market to contribute to South Africa's economic growth. Government and society must see the higher education system more generally as a site of

³ (DHET; 2022)

investment rather than one of expenditure. "That would be an investment in the future of young South Africans and the future of the nation".⁴

2.2 FUNDING MECHANISMS FOR MISSING MIDDLE & POSTGRADUATE STUDENTS

USAf has in the preceding twelve months noted the work that the DHET initiated to seek an implementable solution to assist students from 'missing middle', working-class households and other categories (including postgraduate) students that struggle to pay university fees and do not qualify for NSFAS or NRF bursaries. The absence of a national solution is a noticeable source of student anguish and upheaval at the beginning of each year. Students in the 'missing middle' category make up 15-20% of students across universities (and 6% of SA households).

The DHET reported that a Ministerial Task Team (Chaired by Professor Xoliswa Mtsose Vice-Chancellor of the University of Zululand) continues to model the costs of different policy options to assist Missing Middle students. Phase 1 of the project considered the historical overview of work done in the student financing area and explored the high-level policy options for the future.

DHET advised that a new policy framework for non-qualifying NSFAS students cannot be introduced in 2022. The DHET would provide further details following the conclusion of engagements within government and other stakeholders, including the South African Banking Association. Modelling work and options were presented to Cabinet in November 2021, and USAf has been advised by the DHET that work is continuing to prepare a final report to the Minister in April 2022.

The second phase of work involves broad financial modelling and research into several policy options for a comprehensive student framework of financial assistance, including support for all students in need, including missing middle and postgraduate students.

USAf looks forward to a workable and sustainable framework that will address this systemic challenge that has been identified as a significant contributor to student protests.

⁴ (Bawa, A; 2021)

2.3 UNIVERSITY VACCINATIONS MANDATES, COVID-19 CAMPUS RESTRICTIONS AND VACCINES UPTAKE

The COVID-19 pandemic will continue to pose challenges for universities in 2022. Universities will continue to apply a risk-adjusted strategy to mitigate the impact during the academic year, taking the DHET Guidelines 2021 into consideration. The return of students to campus depends on the rate of vaccinations among students and staff and national alert levels. The established partnership formation will continue with Higher Health, CHE, DHET etc.

It is important to note that the infection rates of students and staff at universities are lower than the national rate. Yet, the risks that flow from infected students returning to their communities are very grave, and most universities have isolation and quarantine facilities on campus. All outbreaks on campuses are managed in partnership with Higher Health, the NDoH and NICD. It is estimated students' vaccination rates are above 70% + of and that staff vaccination is in the 85-90% range⁵. Eighteen universities are vaccination centres, and the other eight are access points for the delivery of vaccinations.

USAf is in support of all staff and students being vaccinated on public university campuses. Ten universities have made decisions through their councils to implement vaccine mandates. These decisions are made using legitimate policies and procedures in the absence of a national government policy, USAf reiterates that the need for staff and students to be vaccinated is underpinned by sound scientific evidence. Each university will determine which is the most effective route to take to ensure maximum levels of vaccination. We are already witnessing that institutions with vaccine mandates appear to have higher vaccination rates.

2.4 ACADEMIC TRANSCRIPTS & QUALIFICATION COMPLETION CONFIRMATIONS

USAf has worked with universities in the preceding months to determine the feasibility of developing a national, sectoral approach in the referenced matter.

Following what is called an Own Initiative, USAf was subpoenaed to appear before the Public Protector of South Africa (PPSA) to participate in an Alternative Dispute Resolution process. This PPSA's own initiative came into being from a partnership with the South African Human Rights Commission to address the abovementioned issue that is seen to be a central feature of student demonstrations at the beginning of every academic year.

⁵ (Higher Health; 02/2022)

USAf indicated that the matter is on its immediate agenda, and it is committed to finding a solution in the interest of all parties concerned. The USAf presentation focused primarily on two issues:

- a. The importance of tuition fee income to the short and long-term sustainability of universities. A significant amount of data was presented. The point was also made that the institutions with the toughest rules have the lowest debt. (We should understand that there are other factors at play here, including the socio-economic profile of the students at the different institutions).
- b. Progress had been made in developing a consensus amongst the 26 universities in establishing a national approach to providing students with the information required for them to enter the labour market.

USAf is making advances in the development of a sector-wide approach to this issue that is raised by students at the beginning of each academic year. USAf and its Board are committed to a sustainable resolution. USAf's position is that parties must find a workable solution, agree on assisting students and safeguarding universities against incurred liabilities of outstanding student debt. USAf commits to finding a workable solution with all stakeholders in the first half of 2022.

2.5 NSFAS DELAY IN PUBLISHING ELIGIBILITY CRITERIA FOR 2022 AY / INACCURATE LISTS / APPEALS

USAf has a good working relationship with NSFAS and formally noted the positive strides made in the preceding 12 months.

The following matters have been noted by the USAf as having had a significant impact on university stability in the 2022 registration period:

- a. The delay in providing universities with data on eligible students – both new and returning;
- b. The delay in providing the revised funding guidelines for 2022 well after registration dates which impacted particularly FTEN students;
- c. The inaccurate and, in some instances, incorrect data that was provided to universities;
- d. The problems with the NSFAS portal, call centre and general support to both students and institutions created an extra administrative burden for Financial Aid Staff.

The above issues impacted the universities' timelines, sometimes resulting in registration having to be extended and/or a delay in the commencement of the academic term.

Further, the issues above resulted in incredible frustration and disgruntlement of applicants and students who are already very anxious about selecting or continuing their studies. As was visible in the sector, this frustration and despair also translated, in some instances, into student protests where, unfortunately, university campuses became the protest sites as a proxy of NSFAS.

Additionally, universities were deeply concerned about the delays from NSFAS becoming a pattern, as experienced in preceding years. It was acknowledged that systems sometimes fail or challenges cause difficulty with plans; the concern was, however, raised that there are repeated delays year after year from NSFAS that we must work collaboratively to pre-emptively address.

USAf accordingly proposed that quarterly meetings be held between the USAf public university Registrars' Forum, the DHET and NSFAS to enable a supportive and collaborative structure to create a platform for critical and collegial engagement. USAf will also continue to engage NSFAS on a continuous basis on unresolved matters affecting students.

2.6 DELAYS IN AWARDING STUDENT ACCOMMODATION

Due to the delays in receiving NSFAS data, several FTEN students were impacted by the delayed confirmation of their accommodation eligibility.

Universities have been working with students to ensure that no student is left without shelter, whilst NSFAS confirmations are being finalised.

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