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| MEMORANDUM FROM THE PARLIAMENTARY OFFICE |

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 10**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 10/2/2022**

**INTERNAL QUESTION PAPER NO 1 OF 2022**

**Mr M G E Hendricks (Al Jamah-ah) to ask the Minister of Higher Education, Science and Innovation:**

(1) Whether, given that every year thousands of students are left with uncertainty on their applications with the National Student Financial Aid Scheme (NSFAS) for bursaries to see them through the academic year and that 2022 is no different as students and their desperate parents complain about being unable to reach NSFAS offices, he is aware of the administrative inefficiencies (details furnished) at NSFAS offices; if not, why not; if so, what steps does he intend to take in this regard;

(2) whether he will meet with four students (names and details furnished) and their parents who have been frustrated by the lack of efficient communication from NSFAS; if not, why not; if so, what are the relevant details;

(3) whether his department has ever executed oversight at the operations of NSFAS; if not, why not; if so, have the challenges been addressed;

(4) what has he found to be the reasons that the NSFAS administration are not delivering effective services? **NW14E**

**REPLY:**

1. NSFAS has improved its application processes, for the first time SASSA beneficiaries received real-time funding decisions. NSFAS has integrated its systems with SASSA, Department of Home Affairs (DHA) and the South African Revenue Services (SARS) to ensure accuracy and efficiency of funding decisions. It should be noted that NSFAS received approximately 900,000 applications of which 30% of the students received real-time funding decision. Using an example of four students is not a true and fair reflection of the performance of NSFAS. Whilst i am aware of some remaining challenges at NSFAS, NSFAS is addressing these matters.
2. As indicated above NSFAS, verifies household income through SARS data. All the students mentioned in the correspondence were advised by NSFAS of their funding decision and were deemed to not be eligible for NSFAS funding as their household income as per the SARS data is above the eligibility threshold.  NSFAS has an appeals process to cater for instances where economic circumstances might have changed between the submission of tax information and the time of application. All potential beneficiaries are given an opportunity to appeal as it is the case with the four potential beneficiaries that have been submitted.  The NSFAS records indicate that the four applicants have submitted an appeal on 4 February 2022 and will be processed by NSFAS accordingly.
3. Yes, the Minister appointed the Board with the responsibility of governance and operational oversight to NSFAS.  The Board advises the Minister of any challenges that the entity may experience. Furthermore, the DHET engages with NSFAS in various platforms to provide oversight and address any challenges that the entity might be facing. NSFAS submits quarterly reports to the Department on its performance.
4. The Ministerial Committee of Inquiry (MCI) submitted its report into the business processes, systems and capacity of the National Student Financial Aid Scheme (NSFAS) to the Minister of Higher Education, Science and Innovation on 11 March 2021. The Committee made a number of findings and recommendations.  The NSFAS Board provided the Minister with a written report on the areas where work is already underway to respond to the findings and recommendations of the report, planned actions in response to the report and the Board’s formal response to the report. The report was submitted to the Department on 24 November 2021. It should be noted that the administrative budget funding model of NSFAS has not moved with the increase in the demand for NSFAS funding and has not changed with the mandate of NSFAS from being a loan scheme to a full bursary scheme. NSFAS administration budget only accounts for 0.9% of the funds that it administers, while best practice is that administration budget should at least be 10%. This is a matter that is being addressed between NSFAS, DHET and National Treasury.