**Memorandum from the Parliamentary Office**

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 1163**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 22/04/2016**

**(INTERNAL QUESTION PAPER 12 OF 2016)**

**Prof B Bozzoli (DA) to ask the Minister of Higher Education and Training:**

(1) (a) Who is chairing the task team looking into (i) the provision of a new model for the funding of the missing middle and (ii) the revamping of the model currently being used by the National Student Financial Aid Scheme (NSFAS) for funding poor students, (b) what are the terms of reference of the specified task team, (c) who is on the reference group for the specified task team, (d) what are the time lines for the (i) completion of the report of the specified task team and (ii) implementation of its recommendations and (e) which private sector bodies are involved in the specified process;

(2) does he intend to replace the NSFAS with a new organisation as a result of the work of the specified task team; if not, why not; if so, what are the relevant details?

**NW1302E**

**REPLY:**

1 (a) (i–iii) Mr Sizwe Nxasana is the Chairperson of the Ministerial Task Team.

 (b) The terms of reference of the task team is as follows:

 The Ministerial Task Team shall determine and advise on alternative financing and operating models for funding poor and “missing middle” students, having regard to:

* the Constitution of the Republic of South Africa;
* all relevant higher and basic education legislation;
* all relevant public policy, legislation and regulations;
* all findings and recommendations of the various Presidential and Ministerial Task Teams; and
* all relevant educational policies, reports and guidelines.

 In developing the proposals, the Ministerial Task Team must address the following issues:

* Whether or not the existing NSFAS Act, structure and mandate is still suitable to address the funding and other forms of support to poor and “missing middle” students;
* Raise sufficient funding from the public sector, private sector and other sources to offer a complete solution to fund poor and “missing middle” students at universities, and Technical and Vocational Education and Training (TVET) colleges;
* The feasibility of granting fully subsidised loans to poor students and loans with progressive reducing subsidies as household income increases for the “missing middle” students;
* The funding of occupations in high demand;
* Develop proposals which contribute towards the improvement of the success and graduation rates for poor and “missing middle” students and reduce drop-out rates; and
* Create an efficient and robust model with appropriate internal controls to minimise leakage, fraud and risk in the granting and disbursement of bursaries and loans to deserving students whilst improving collection of the loan portion granted to students.

 (c) The reference group will include but is not limited to high level membership from:

* Department of Higher Education and Training;
* Department of Planning, Monitoring and Evaluation;
* National Treasury;
* Department of Trade and Industry;
* Universities South Africa;
* Universities Council Chairs Forum-South Africa;
* Council on Higher Education;
* National Credit Regulator;
* South African Union of Students and other student formations;
* A representative from the Sector Education and Training Authorities; and
* National Student Financial Aid Scheme.

 (d) (i) The Ministerial Task Team must present its final recommendations and blueprint to the Minister of Higher Education by 30 September 2016.

 (ii) It is envisaged that the model will be piloted at universities which will be agreed upon with Universities South Africa and the Department by January 2017, and to be fully implemented in 2018.

 (e) Mr Nxasana is being assisted by the Banking Association of South Africa.

2. The Terms of Reference as indicated above stipulates that the Ministerial Task Team must advise on any possible changes to the NSFAS Act and rules, and present its final recommendations and blueprint to the Minister of Higher Education and Training by 30 September 2016 for consideration.

The Department as part of its mandate has included the review of the NSFAS Act in the 2017/18 financial year.

COMPILER/CONTACT PERSONS:

EXT:

DIRECTOR – GENERAL

STATUS:

DATE:

QUESTION 1163 APPROVED/NOT APPROVED/AMENDED

Dr BE NZIMANDE, MP

MINISTER OF HIGHER EDUCATION AND TRAINING

STATUS:

DATE: