

**MINISTRY**

**HIGHER EDUCATION SCIENCE AND INNOVATION**

**REPUBLIC OF SOUTH AFRICA**

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| MEMORANDUM FROM THE PARLIAMENTARY OFFICE |

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 146**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 09/02/2023**

**INTERNAL QUESTION PAPER NO 1 OF 2023**

**Ms N N Chirwa (EFF) to ask the Minister of Higher Education, Science and Innovation:**

(1) What are the reasons that there has not been any analysis that adequately determines what amount is required by students to qualify for the National Student Financial Aid Scheme (NSFAS) in various institutions, taking cognisance of the financial differences based on geographical area as renting a room in Mamelodi does not cost the same amount of money as renting in Hatfield;

(2) whether his department intends to take any steps to resolve the financial difference suffered by the students who rely on financial assistance from the Government; if not, why not; if so, what steps;

(3) what are the details of who must carry the extra financial costs of accommodation for students who find themselves in institutions and environments that require much higher than the capped accommodation fee from NSFAS? **NW151E**

**REPLY:**

1. The most recent study by the **World Bank/IFC 2021**” Market Assessment: The Student Housing Landscape in South Africa” was used to estimate the NSFAS cap of R45,000.

According to the study student accommodation market in South Africa is categorised as follows.

1. **The first,** and lowest-income bracket, is the affordable and NSFAS student.

accommodation market.

1. **The second** market segment is the mid-student accommodation market. This market targets middle income students with an affordability range of between ZAR 3,000 – ZAR 4,500 per month. Such student accommodation typically provides larger sized bedrooms compared to the affordable and NSFAS market with auxiliary amenities and services such as student support services, entertainment areas and other social amenities and is often occupied by students who ‘top-up’ their NSFAS accommodation allowances**.**
2. **The final market segment** is classified as the upper-end student accommodation market and is typically integrated into a Purpose-Built Student Accommodation development. Such rooms or units are marketed as a premium package which consists of larger rooms, private kitchen and bathroom amenities and higher quality finishes than standard rooms. These premium packages may also include the use of student services and other amenities which may be included in the room price. The price point of upper-end student housing between ZAR 5,000 – ZAR 8,000 per month but can be as high as over ZAR 14,000 in some exclusive nodes and developments.

Given the diversified market for student accommodation, NSFAS settled for the middle ground with is the second market segment based on affordability.

**2.** Yes, there is a process through NSFAS to unpack the cost structure of various student accommodation segments to understand what the accommodation rental includes. This will assist government to negotiate with the landlords and institutions the type of costs that government will consider and fund for the NSFAS funded students. This process will also avoid incidences of double dipping from other grants offered by the Department to institutions.

Additionally, NSFAS is developing a grading process to be able to cater for costs where there are services offered over and above the Minimum Norms and Standards for Students Housing.

3. Institutions are requested to allocate accommodation that is within the cap for NSFAS funded students. NSFAS will be engaging also with accommodation providers to consider accommodating NSFAS funded students within the cap amount of R45,000.

**COMPILER DETAILS**

NAME AND SURNAME:

CONTACT:

**RECOMMENDATION**

It is recommended that the Director-General sign Parliamentary Question 146.

**DR NKOSINATHI SISHI**

**DIRECTOR–GENERAL: HIGHER EDUCATION AND TRAINING**

**DATE:**

PARLIAMENTARY REPLY 146 IS APPROVED / NOT APPROVED / AMENDED.

COMMENT/S

**DR BE NZIMANDE, MP**

**MINISTER OF HIGHER EDUCATION, SCIENCE AND INNOVATION**

**DATE:**