**Memorandum from the Parliamentary Office**

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 342**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 19/02/2016**

**(INTERNAL QUESTION PAPER 2 OF 2016)**

**Mr D Bergman (DA) to ask the Minister of Higher Education and Training:**

(a) What was the quantum of funds that was set aside for scholarships and bursaries under the National Student Financial Aid Scheme but was ultimately not spent (i) in the (aa) 2011-12, (bb) 2012-13, (cc) 2013-14 and (dd) 2014-15 financial years and (ii) since 1 April 2016 and (b) what (i) are the reasons in each case and (ii) is being done to ensure that all scholarship and bursary money is awarded in each specified financial year?

**NW352E**

**REPLY:**

1. The amounts set aside for grants in the form of allocations, i.e. loans and bursaries, and the utilised and unutilised amounts for the financial years are set out in the table below**:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Period** | **Allocation** | **Utilised** | **Unutilised** |
| 2011-12 | R 6 446 162 143.00 | R 5 969 148 797.00 | R 477 013 346.00 |
| 2012-13 | R 7 897 127 056.00 | R 7 718 060 811.00 | R 179 066 245.00 |
| 2013-14 | R 9 332 096 983.00 | R 8 690 772 922.00 | R 641 324 061.00 |
| 2014-15 | R 9 744 064 387.62 | R 9 001 627 964.51 | R 742 436 423.11 |
| Since April 2015\* | R 9 874 948 322.00 | R 9 220 319 386.78 | R 654 628 935.22 |

**\*** It is assumed that question (a)(ii) should read “since April 2015”. The unspent amount for the current financial year (2015/16) is not yet finalised nor has it been audited, but it is a transactional amount based on actual payments made to date.

For the periods 2011-12, 2012-13, 2013-14 and 2014-15 financial years, the amounts reflected are as per the Quarter 4 financial overview submitted to the National Student Financial Aid Scheme (NSFAS) Board and Department of Higher Education and Training.

1. (i) Funds are allocated to a university based on a formula. Universities thereafter apply the NSFAS parameters and selection criteria to determine which students are funded, and for what amount. Universities, and Technical and Vocational Education and Training colleges then facilitate the process whereby students sign the contracts and submit to NSFAS for payment. The appropriateness of this formula and model was one of the factors that resulted in the new student-centred model, where the money follows the student rather than the institution. This could result in a situation where some universities have not spent their allocation and only notify NSFAS of this late in the financial year, at which stage it may not be possible to fund other students, as the academic year has ended. In many cases, funders may under-utilise committed funds for students which they pre-select and communicate to NSFAS.

It is important to note that all funding, which is not utilised in a given year, is rolled over to the next academic year to service payments for claims that are received late and re-submitted. In the case of funders, such as the Department of Social Development, these funds are then used to cover the first semester costs of students in the following year, which are then topped up based on their appropriation from National Treasury. In the event that funds are under-utilised by institutions, requests to shift funds between universities need to be reviewed and approved, and this limits the ability to more responsively direct funding to institutions where the need is greater.

(ii) The new student-centred model is currently being rolled out. Once in place, the funds will follow the student and allow students to attend institutions of their choice, subject to meeting the entrance criteria of an institution. This will give NSFAS the mechanism to ensure that all funds are allocated and where permitted, allow the shifting of funding more intuitively between funders.

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REPLY TO QUESTION 342 APPROVED/NOT APPROVED/AMENDED

Dr BE NZIMANDE, MP

MINISTER OF HIGHER EDUCATION AND TRAINING

STATUS:

DATE: