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| MEMORANDUM FROM THE PARLIAMENTARY OFFICE |

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 898**

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**INTERNAL QUESTION PAPER NO 9 OF 2021**

**Dr W J Boshoff (FF Plus) to ask the Minister of Higher Education, Science and Innovation:**

(1) Whether he will furnish Dr W J Boshoff with a summary of National Student Financial Aid Scheme (NSFAS) related demonstrations at university and technical and vocational education and training college campuses, comparing the year before administration had commenced with the two and a half years during which NSFAS was under administration; if not, why not; if so, what are the relevant details;

(2) whether he will make a statement on the matter?

**NW1062E**

**REPLY:**

1. It should be noted at the outset that student protests do occur on university campuses from time to time and relate to a broad range of issues. The National Student Financial Aid Scheme (NSFAS) and funding-related matters do sometimes feature in these protests, but are often institution-specific and appear to be NSFAS-related, but are not always.

In 2017, NSFAS introduced and implemented a new funding system for all universities, termed the “student-centred” model. The system was intended to provide an improved information technology platform for submitting and processing student applications, where students apply directly to NSFAS through an online application system and manage allocations to students.

While some changes to systems and processes at NSFAS resulted in students applying directly to NSFAS in 2017 with some of the preliminary funding decisions being concluded and communicated to students on time, the rest of the processes at NSFAS were subject to severe challenges and unacceptable delays.

NSFAS did not have the requisite capacity and technical knowledge required for the successful implementation of the new system. The information technology platform and systems built to manage the processes were not able to function effectively. There were huge delays in the exchange of registration data between NSFAS and universities, making funding decisions, and paying students on time. As a result of these challenges, there was much dissatisfaction across universities and the following universities experienced disruption of the academic activities during 2017:

The Vaal University of Technology, Witwatersrand, University of Limpopo, University of Venda, Sol Plaatje University, University of Cape Town, Cape Peninsula University of Technology, University of the Western Cape, Stellenbosch University, Walter Sisulu University, Rhodes University, Nelson  Mandela University, University of Fort Hare, Central University of Technology, University of the Free State, UNISA, University of Zululand, Durban University of Technology, University of KwaZulu-Natal, and Mangosuthu University of Technology.

In August 2018, an Administrator was appointed to, amongst others, deal with the operational challenges explained above, ensuring improved systems and policy controls, and addressing backlog issues from previous funding cycles. In the first period of administration, operations at NSFAS stabilised significantly, resulting in a comparatively smooth funding cycle for 2019, improved relationships between institutions and NSFAS, improved data exchange between NSFAS and institutions, and better controls being put in place to manage funding rules. There was also a significant improvement in payments to students, which, with the support of institutions, were paid on time to students for the first time ever. Reconciliations were also done monthly, which resulted in smoother administration of the funding scheme.

The Department developed guidelines on how the new DHET bursary would be implemented. Standards were set up early in January 2018 based on research that NSFAS had undertaken. These were communicated to the system but were not implemented by all universities in the same way.  In 2019, it was discovered that some universities did not implement the policy correctly for first-time entering students, and payments of allowances were made to students who did not qualify. NSFAS had no means to validate funded undergraduate courses in universities, and that a funded qualification management system was not in place. With a lack of controls at NSFAS, institutions were able to submit data that did not comply with the policy, such as allowance amounts not in line with the policy and qualifications that did not qualify for funding.

This led to some confusion and dissatisfaction and resulted in turmoil. Many demands made by students and protests were experienced on many campuses. It should also be noted that many universities had protests as a response to the call for a national shutdown by the South African Union of Students. The following universities experienced student protests:

The Mangosuthu University of Technology, University of Fort Hare, University of Zululand, the University of Venda, University of Mpumalanga, the Vaal University of Technology, University of Limpopo, Sol Plaatje University, University of Cape Town, Cape Peninsula University of Technology, University of the Western Cape, Stellenbosch University, Walter Sisulu University, Rhodes University, Nelson Mandela University, Central University of Technology, University of the Free State, UNISA, Durban University of Technology, and University of KwaZulu-Natal.

The government also made funds available to pay off the historic debt of NSFAS funded students incurred prior to the introduction of the DHET bursary.

The lack of policy controls at NSFAS had a significant effect. Closeout issues were still being addressed in 2020, and weaknesses in data controls persisted. There were delays in finalising appeals by NSFAS. Although there was a call for a national shut down by SAUS, the sector was relatively calm and only the following institutions had major disruptions:

Central University of Technology, North West University, University of Fort Hare, University of Venda, University of KwaZulu-Natal, University of South Africa, Central University of Technology, Durban University of Technology, Sefako Makgatho University, Sol Plaatje University, Tshwane University of Technology, University of Limpopo, University of the Free State, University of the Western Cape, University of Zululand, Vaal University of Technology, Walter Sisulu University and Witwatersrand University.

There is a significant improvement in terms of controls at NSFAS and the payment of allowances. The protests that are currently experienced by universities relate to the broader funding of the sector and in particular, matters relating to student debt of missing middle students.

The following table presents a summary of NSFAS matters that prompted recipients to demonstrate in Technical and Vocational Education and Training (TVET) colleges:

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| **2019** | **2020** | **2021** |
| Outstanding allowances | Outstanding allowances | Outstanding allowances |
| Late or non-disbursement of allowances | Late or non-disbursement of allowances | Late or non-disbursement of allowances |
| Migration to NSFAS wallet payment system | Migration to NSFAS wallet payment system | Migration to NSFAS wallet payment system |
|   |   | Issuing of laptops |

The main goal of the Department and NSFAS is to ensure that financial aid reaches the right student timeously. To this end, the value chain process is dependent on the active participation of all stakeholders regarding, amongst others, the following:

* Development and distribution of the bursary policy by the Department;
* Capacity building training of college officials by the Department and NSFAS;
* Accurate completion and timeous submission of a complete application by a student; and
* Timeous submission of the student registration data to NSFAS by colleges.

The Department, together with NSFAS, college management and Student Representative Councils collectively have a responsibility to address the issues reflected in the table above. The Department and NSFAS have put various mechanisms in place to address these issues such as developing standard operating procedures for the administration of college fees and allowances as well as the introduction of the NSFAS wallet payment system to expedite payment of allowances.

(2)    Yes.