



Monday, 05 December 2022

MEDIA STATEMENT BY THE CHIEF EXECUTIVE OFFICER OF UNIVERSITIES SOUTH AFRICA (USAf) ON RECENT DEVELOPMENTS AND ENGAGEMENTS WITH THE NATIONAL STUDENT FINANCIAL AID SCHEME (NSFAS) AND OTHER KEY STAKEHOLDERS

1. A meeting was held at Birchwood Conference Centre in Boksburg, Ekurhuleni, on 28 November 2022 comprising the Boards of Directors of Universities South Africa (USAf), the National Student Financial Aid Scheme (NSFAS), the Ministry of Higher Education, Science and Innovation, the Department of Higher Education and Training (DHET), and the South African Union of Students (SAUS).
2. Universities South Africa had requested the meeting with key stakeholders after raising several concerns with NSFAS and the DHET in respect of proposed changes on the direct disbursement of NSFAS funds to students, the issuing of student paid-for banking cards and services (that are currently free), challenging proposed financial capping of accommodation allowances, and an envisaged plan by NSFAS to accredit student accommodation without the assistance of universities. The said policy changes are contained in the 2023 NSFAS Draft Guidelines, approved by the NSFAS Board, that have been submitted to the Minister of Higher Education, Science and Innovation for approval.
3. The meeting highlighted the need for adequate preparation for the 2023 academic year and to systemically manage the large-scale proposed NSFAS policy changes incrementally with all stakeholders to ensure minimal disruptions across the university sector. USAf advanced its position for formulating joint risk mitigation strategies and ensuring that universities can register new and returning students without significant disruptions.
4. On the direct payment of allowances to students by NSFAS, a significant concern for this approach was the timing of the payments (and NSFAS readiness), considering that public universities start the academic year during January and February annually. Universities previously advanced student allowances from their resources on account of delays on the part of NSFAS. NSFAS assured Vice-Chancellors that they had made provision (estimated at R3,5 billion) for the payment of allowances for all NSFAS-supported students in the system between February and April 2023.

During deliberations, NSFAS agreed to pilot the direct payment of allowances to students at three universities. Other universities may apply to NSFAS for exemption, provided they have efficient processes and systems for disbursing allowances to students.

5. On NSFAS Student Accommodation Allocations, NSFAS plans to grade, cost and cap the cost of student accommodation, enter lease negotiations on behalf of students and pay landlords directly. NSFAS assured Vice-Chancellors that university residences would be prioritised and fully utilised in allocating student accommodation. In requesting universities to

partner with them in the accreditation of private residences, NSFAS also acknowledged that rurally based campuses might need to maintain the current accommodation approaches which respond to their unique contexts.

6. To mitigate the escalating cost of student accommodation, NSFAS has proposed to cap accommodation allowance of R45 000, excluding student meal allowances. USAf expressed concern that empirical data should underpin the capped accommodation allowances to ensure that students can access suitable accommodation to support their academic journey.

NSFAS agreed during the meeting that universities preferring to continue with their current accommodation arrangements (i.e., continue to accredit and allocate student accommodation and make the necessary student payments) must apply to NSFAS. When NSFAS is ready to take over these processes, it will issue a three-month notice to universities probably before the end of 2023.

7. Key Outcomes

NSFAS undertook to reconsider the implementation timelines in consultation with the Ministry and Department, given the identified risks associated with the proposed approach. Individual universities will be exempted if they apply to NSFAS based on specific criteria that NSFAS will communicate.

High-level engagements among stakeholders are envisaged to continue **bi-annually** from 2023 without precluding the continuity of the regular information-sharing meetings of NSFAS-DHET-USAf officials.

8. Concluding observation

The meeting was solution oriented. USAf looks forward to positive engagements with NSFAS regarding the process that will follow for universities wishing to be considered for exemption for the 2023 academic year. It is critically important that these matters be ironed out and communication to universities formalised before universities go on recess for the December 2022 break.

The USAf Board has since reaffirmed their continuing appreciation of state support to financially needy and academically deserving students in the university system. The Chair, Professor Sibongile Muthwa, underlined the value of an optimally functioning NSFAS in the higher education sector's stability, predictability and sustainability. "A well-functioning student financial aid facility advances the higher education transformation agenda by upholding inclusivity of student access, retention and success. The success of NSFAS equals the success of the post-school education and training sector."

9. Disclaimer from the USAf Board

It must be noted that even though the Higher Education Minister has yet to approve the envisaged policy changes above, NSFAS already announced in a media statement on 16 November 2022, the launch of their envisaged direct payment solution.

10. In attendance

Ten Vice-Chancellors, including the Chairperson, Professor Sibongile Muthwa, and the Chief Executive Officer of USAf, Dr Phethiwe Matutu, attended the 28 November meeting. Professor Derrick Swartz, as Ministerial Advisor, represented the Ministry of Higher Education, Science and Innovation. NSFAS was represented by its Board, including the Chairperson, Mr Ernest Khosa, Professor Phumela Msweli and the NSFAS CEO, Mr Andile Nongogo. From the DHET, the acting Deputy Director-General: University Education, Dr Marcia Socikwa, attended, accompanied by Dr Thandi Lewin, Chief Director: Institutional Governance and Management Support in DHET's University Education branch. The President, Mr Ndzoyiya and Secretary General, Mr Daweti, represented the SAUS.

Media inquiries:

Ms 'Mateboho Green (072 807 4677) – Universities South Africa

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