

The ultimate victims of bad policy and bad legislation are the students

By **Chantel King MP** - DA Shadow Minister of Higher Education

Former president Jacob Zuma left the Department of Higher Education with major issues, which has become tricky to fix. His announcement on the 16th December 2017, of fee-free higher education ahead of the ANC's 54th national elective conference, has left the National Student Financial Aid Scheme (NSFAS) in a financially crippling crisis.

By raising the expectations of students through the #FeeMustFall protests in 2016 and the surprising announcement of fee-free higher education for poor students, the government should have had the foresight to note that the start of the following academic year would be critical and should have prepared accordingly with care and sensitivity, for the fallouts which ensued.

The clowning moves made by the Minister of Finance to steer clear of the higher education budget during his budget speech in February, was a clear indication that there were no funds and that NSFAS would be the casualty of the budget squeeze with a R6.8 billion cut.

At the height of student unrest just before the commencement of the 2021 academic year, there was still no finality on funding support for first year entrants and communication to returning beneficiaries. As we are addressing this house today, the University of Fort Hare (Alice campus) is marred by student protests due to the uncertainty looming around the NSFAS funding. Thekwini TVET college students are still uncertain if their dreams of being funded will be fulfilled and whilst more students are excluded financially, more empty promises are being made.

Section 29(1)(b) of the Constitution states that "to further education, which the State, through reasonable measures, must make progressively available and accessible", this raises the question if fee-free higher education is feasible.

Minister Nzimande, feasibility is not merely whether a project is affordable or doable but according to the Oxford dictionary, whether it is capable of being done and carried out or dealt with successfully in any way possible or practical.

Many are motivated by idealism, political or economic philosophy or a desire to further human rights. And while we honour such motives, each proposal must in the end, stand or fall by the degree of its practical application.

Fee-free higher education, while in its generosity, does not fulfil the criteria of being sustainable. We warned the Minister that as the actual budget implications of the scheme emerge, student funding will once again become dangerously unsustainable and universities and TVET colleges will once again be plunged into violence and forced to take on the financial burden of students with media duress at its neck. The Minister's duck and dive approach to

addressing the student funding, ultimately led to student protests at various institutions. The destruction of property and the loss of life can squarely be laid at his feet, due to the correlating and chain effects of his poor decision-making.

The ANC's policy of fee-free education at institutions of higher learning has led to an unsustainable increase in NSFAS student funding with R12.3 billion spent in 2017 to R38 billion spent during the 2020/21 financial year. Which begs the question: At which point do universities have to make a decision on quantity vs quality?

A R2.49 billion cut to university subsidies and R500 million reduction of TVET infrastructure funding to fund NSFAS, further exacerbate the funding crisis, where the missing middle remains excluded from funding and where funding to those who qualify is increasingly unreliable. Quantity over quality in the higher education sector takes center stage. With this policy, unfortunately will have a time limit. What will the ANC promises look like then?

The National Commission on Higher Education's report as well as the Heher commission report identified the risk that without financial support, any progress achieved through public funding reforms could be offset by inadequate and ad hoc financial aid policies that are not in line with institutional and tuition fee policies. Ironically, this is exactly what has happened with Minister Nzimande's announcement of 4.7% tuition fee and 6.7% accommodation fee increases amidst budget shortfall of NSFAS. A decision which will see more financial exclusions than financial inclusions.

Minister Nzimande, you were there when NSFAS was nationalized into a kind of state-owned enterprise with a bloated staff component and ballooning student debt. In 2009, Minister Nzimande seemingly implemented his cadre deployment plan through the appointment of a new CEO of NSFAS, thereby ensuring the de-professionalization of NSFAS.

NSFAS has been placed under two processes of administration. Minister Nzimande applauds their work and insists that it was a job well done. This is contrary to the Portfolio Committee on Higher Education's view and the Auditor – General's review of the 2018 to 2020 financial years presented to the committee which proved that the administration has the worst performance in years.

While students are defunded from NSFAS, with the entity disregarding student's financial plight, the entity racked up R50 billion in irregular expenditure, compared to R6.8 billion in 2019.

To add insult to injury, evidence of syndicated fraud and corruption led to 440 000 ghost students being funded. NSFAS is in a tight financial position, yet they are making payments to invisible students?

This is attributed to the failing ICT systems at NSFAS, which is not fit for purpose to support their core operations. The ICT system is not capacitated to deal with huge application numbers.

Technological challenges, data integrity and integration between disparate ICT systems resulted in data, system and process deficiencies being carried over since 2018.

The systems are expensive to maintain and supporting teams are based internationally, meaning foreign exchange differences have an impact on the cost of ICT support. The inability of NSFAS to procure and recruit local skills is laughable for an institution who fund students to obtain skills in demand in the job market.

The challenges at NSFAS are a direct consequence of decisions taken by a rogue president, the ANC's political point scoring and cadre deployment. The ultimate victims of bad policy and bad legislation are the students and institutions of higher learning collectively.

During my oversight visit at various institutions last month, it was evident how bad policy and decision making is impacting institutions. Students raised their concern that the cost of laptops and study material are increasing, meaning that there now has to be a choice between either study material or a laptop. I saw first years and returning students worried about their NSFAS pay outs. I spoke to pleading students studying postgraduate degrees, desperate for funding to secure a recognised qualification. I also spoke to institutional management concerned of increasing student debt and financial exclusions.

Minister, during your busy schedule, have you taken time out to speak to the female students of Msunduzi TVET College and Buffalo City College who were evicted by landlords due to NSFAS payments which did not come through? Have you spoken to the protesting students at WSU and Wits who were regarded as criminals while protesting for student funding? These are the consequences of fee-free higher education.

A review of the funding model should take center stage to avoid policy uncertainty.

A three-tiered system of bursary/loans should be introduced to ensure sustainability of NSFAS for future generations that will focus on:

- Giving students from low – income households the most comprehensive support;
- Providing proportional assistance to those in the missing middle; and
- Students from high income households to be self- funded.

The DA proposes a total review of the student funding model in optimizing funding to students by:

- Renaming the fund to the National Fund for Students (NFS) and bringing existing NSFAS funding and National Research Fund into the NSF fund;
- To ensure most students secure Income- contingent loans, convertible into bursaries on good academic performance, which will be repayable only when employment is secured at a specified income level;
- To mitigate skills shortage of critical skills and research outputs, funding should be geared towards students in these fields;
- The central application system for universities should be abolished and applications should be taken up by university financial aid offices; and

- Creating a funding database of students that need funding or crowdfunding, allowing companies to set filters to find the type of candidate they want to support for universities or college tuition sponsorship, learnership, apprenticeship or internship.

Minister, the irony is that you will leave a legacy of a dysfunctional and unsustainable financial aid scheme and the transformation of successful universities into low-level training institutions by continuously implementing bad policies of fee-free higher education.

Minister Nzimande, of all the things we learned from the Covid-19 pandemic lockdown is that our tax base has shrunk, leaving little room for budget increases. More students will need financial assistance and investment in critical skills which is of paramount importance to ensure higher education is confronting challenges in our economy and society.

The government must realize that higher education is both a private and a public good and a contribution to student finance is an investment and not merely an expenditure.

Minister Nzimande students are waiting on NSFAS payouts, appeal outcomes, N+2 rule clarification, missing middle funding and research certainty through post graduate funding which the cash strapped NRF can't offer. The status of these students is the status of the true measure of democracy.