

## MEDIA STATEMENT

DATE: Wednesday, 17 March 2021

TO: All media

ATTENTION: News Editors/ Reporters

### MINISTER NZIMANDE CONTINUES ENGAGEMENTS WITH STAKEHOLDERS ON THE COMMENCEMENT OF THE 2021 ACADEMIC YEAR

The Minister of Higher Education, Science and Innovation met on Monday, 16 March with Universities South Africa (USAf), and further engagements until yesterday, to discuss the current funding shortfall and student funding and debt challenges in the higher education and broader post school education and training sector.

The meeting acknowledged the general state of the South African economy and severe constraints imposed by both the strained fiscal situation and the impact of Covid 19, on the funding of critical aspects of the post-school system, including university subsidies and student financial aid. Vice-Chancellors expressed their full understanding of severe financial stresses on many families as a result of the general economic situation in the country.

Both Minister and Vice-Chancellors affirmed the principle that affordable higher education must not take place at the expense of the underlying sustainability of the system therefore the need to balance the two imperatives remains critical.

It was also agreed that the public needs to understand that the higher education sector is already under financial stress because of declining subsidy levels and the current reprioritization of funding to compensate for the National Student Financial Aid Scheme (NSFAS) shortfall. Therefore, any further debt relief measures must take into account the underlying stability of the system and differential capacities of individual institutions to absorb debt.

Against this important background, USAf affirmed its commitment to work with the Department of Higher Education and Training on three interventions.

Firstly, all 26 universities have committed to using several debt relief mechanisms on a case by case basis to enable academically-deserving students to register and complete their studies without undermining the underlying financial stability of each institution.

Specific attention is being given to the plight of senior students who are NSFAS bursary recipients before the 2018 NSFAS policy framework and the 'missing middle' income students where severe financial difficulties may be experienced.

Minister Nzimande called on all institutions to use mechanisms it has to address this difficult issue.

Secondly, Vice-Chancellors from all 26 universities affirmed their ongoing commitment to constructively engage with student leadership structures at institutional level to continue to find solutions to the matters affecting registration of students, including financial matters.

Thirdly, it has been agreed that a task team will be established urgently to begin work on a longer-term solution to support a comprehensive and sustainable student financial aid system. This process will begin immediately and aim to address both the challenges that are likely to face the system in 2022 and the development of a long term, sustainable student funding model and ecosystem.

This work will be done collaboratively with the rest of the PSET system to ensure that we make the best use of the intellectual capacity in the higher education system.

“We must work together as a system to collectively identify the medium to long term trajectory to a sustainable and stable student funding policy and to addressing the other issues relating to the funding of the higher education system,” Minister Nzimande said.

The Minister further said the Vice Chancellors, Ministry and Department are committed to working together closely to develop long term solutions for the benefit of the South African Post School Education and Training sector.

The Department will further communicate and consistently update the public on further developments.

Minister Nzimande re-iterated his commitment to further engagements with student leaders including through the Ministerial Task Team.

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