



**TRANSCRIPT FOR
COMMISSION OF INQUIRY INTO HIGHER EDUCATION AND
TRAINING**

WEDNESDAY – 23 NOVEMBER 2016

QUORUM/SPEAKERS

Chairperson : Judge J Heher

Member(s):

- Advocate G Ally
- Ms. L. Khumalo

Presenter(s):

- Mr. Alberto Lai Wing (President - Financial Aid Practitioners of South Africa)
- Ms Maupe Penyenye (Deputy President - Financial Aid Practitioners of South Africa)

Head Evidence Leader : Advocate K Pillay

Evidence Leaders:

- Advocate. T Mabuda
- Advocate. M. Lekoane
- Advocate. M. Zulu

Expert(s):

- Prof. T. Mosia
 - Dr. G. Simpson
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TRANSCRIPT

JUDGE J. HEHER: Good Morning. Yes Ms Lekoane. Are we ready to start?

ADV. M. LEKOANE: We are Judge and Mr Mabuda is going to be leading the witnesses today.

JUDGE J HEHER: Thank you

ADV. T. MABUDA: Thank you Chair. As Ms Lekoane has indicated, today's Presenters are from FAPSA, which is the Financial Aid Practitioners of South Africa. I will request the presenters to place their names on record.

MR. LAI WING: Good morning. My name is Alberto Lai Wing, I'm the FAPSA President.

JUDGE J HEHER: Yes

MS. PENYENYE: Good morning. My name is Maupe Penyenye, I'm the Deputy President of FAPSA.

JUDGE J HEHER: Thank you Ms Maupe. Does either of you have any objection to taking the oath? Are you both going to speak in this hearing or is it just Mr Lai Wing who is going to present?

MR. LAI WING: I will be doing all the talking Judge

JUDGE J HEHER: I'm sorry

MR. LAI WING: I will be the one presenting

JUDGE J HEHER: You'll be doing the whole thing? Do you swear that the evidence that you will give would be the truth, the whole truth and nothing, but the truth. If you do raise your right hand and say so help me God.

MR. LAI WING: I do. So help me God

JUDGE J HEHER: Thank you very much. Yes Mr Lai Wing

MR. LAI WING: Can I proceed?

JUDGE J HEHER: Well, how would you like the witness to proceed?

ADV. T. MABUDA: Chair, the Presenter has prepared a presentation. So you can proceed with your presentation and we'll ask.....

JUDGE J HEHER: Yes, if you would like to start and Mr. Mabuda would probably ask you questions at various times if he thinks that things need clarification. Thank you

MR. LAI WING: Good morning Honourable guests, colleagues. Just an introduction – the Financial Aid Practitioners of South Africa, abbreviated as FAPSA, and commonly referred to as FAPSA. FAPSA was established in 2001, the principal office of FAPSA; a non-profit organisation incorporated under the applicable laws of the Republic of South Africa; is set up at a location to be determined by the [indistinct] executive committee from time to time. Our goals and objectives are as follows:

[mixed voices]

The goal of FAPSA is to promote the best practice for Student Financial Aid Administration that will keep up to date with current and future developments and issues in this field of service. The specific objectives of FAPSA are two:

- Promote professionalism, preparation, best practice, effectiveness and networking of Financial Aid Practitioners, Administrators and Counsellors of Student Financial Aid in Tertiary institutions, provincial and national government departments, parastatals, corporate organisations and others in tertiary institutions, government departments, foundations, private and community organisations concerned with the support and administration of student funding and financial aid.
 - Serve as a national forum and act as a focus and debate for the expression of views on matters relating to the development, funding and conduct of student funding.

ADV. T. MABUDA: Sorry Mr Lai Wing before you proceed; which government departments are members of your organisation.

MR. LAI WING: The department of Education.....higher education

ADV. T. MABUDA: Just that department?

MR. LAI WING: We've got the national Department of Social Development; Funza Lushaka which falls under DHET. There's the National Department of Agriculture, Forestry, Fishing and Farming that also is a member and attends our conference every year as well.

ADV. T. MABUDA: How many members do you have in your organisation?

MR. LAI WING: It's basically the 23 Universities; the 50 TVET colleges and the government departments as well as other stakeholders – those stakeholders that offer services in the management of food and book allowances on behalf of institutions like Intellicard, Edu-Loan and NSFAS as well is one of our members at the conference.

ADV. T. MABUDA: Thank you, you can proceed.

JUDGE J HEHER: While you are dealing with this question, let me try to understand this. Are you telling me that, let us say the University of the Witwatersrand is a member of your organisation?

MR. LAI WING: That's correct judge

JUDGE J HEHER: Now setting aside the universities and the.....are TVET colleges members?

MR. LAI WING: That's correct

JUDGE J HEHER: They are. Alright. I assume there are quite a number of individual members as well are they?

MR. LAI WING: Yes there are.

JUDGE J HEHER: Who are they? What sort of people are they? Where do they come from? Why they are there?

MR. LAI WING: The individual members are your companies like Intellicard, Edu-loan now known as Fundi. It's basically your vendors that offer services to students at the various institutions in the form of management of the book allowances. We have sBucks from NSFAS as well that is a member. That's basically it judge.

JUDGE J HEHER: sBucks is a member?

MR. LAI WING: Yes they joined us this year.

JUDGE J HEHER: Just explain to me something. If I look up there, can I see sBucks, does it exist? Or is sBucks an institution or.....I thought sBucks was simply an instrument of NSFAS

MR. LAI WING: Yes it is

JUDGE J HEHER: Well then how can it be a member?

MR. LAI WING: No joined under the NSFAS umbrella – my apologies.

JUDGE J HEHER: I see. Now, are the majority of people Financial Service Providers – the majority of members I should say?

MR. LAI WING: The administrators of funding within the higher education institutions and the TVET colleges – that’s the majority of our membership. Am I understanding the question correctly?

ADV G ALLY: I’m just as confused. Perhaps let me try it differently. At the University of the Witwatersrand, you have Financial Aid Officers who are members of FAPSA. It is not the University of the Witwatersrand that is the member?

MR. LAI WING: That’s correct

JUDGE J HEHER: Well I’m sorry but you told me the university was a member.

MR. LAI WING: It’s the members of the Financial Aid Office – my apologies. I understood the question incorrectly.

JUDGE J HEHER: Well look; if I go to the university and I say: I’m looking for FAPSA – where will they send me?

MR. LAI WING: They will send you to the Financial Aid Office not to the executive.....

JUDGE J HEHER: Who’s Financial Head Office?

MR. LAI WING: Financial Aid Office of the institution. The staff within Financial Aid are the members of FAPSA from the respective institutions.

JUDGE J HEHER: Staff within Financial Aid are the members of FAPSA? Who pays the staff?

MR. LAI WING: The institution pays the staff.

JUDGE J HEHER: The University?

MR. LAI WING: Yes

MS. L KHUMALO: Judge can I assist? Do you have Head Offices where you run FAPSA – does FAPSA have its own offices?

MR. LAI WING: No we don’t. What happens is an Executive Committee is elected every 4 years. That committee will then decide who the President is, the Deputy and the additional members in terms of the Secretary General. And they will work.....the offices where they work from at the respective institutions.

MS. L KHUMALO: So it’s conducted electronically and when do you physically meet?

MR. LAI WING: We have a conference annually in June, usually we choose the last week in June.

MS. L KHUMALO: What’s the frequency of them?

MR. LAI WING: It's once a year.

MS. L KHUMALO: Okay

JUDGE J HEHER: Now again I'm not trying to be difficult because I understand how FAPSA would come together, but I'm trying to find more about the individual members of FAPSA. Now would you find for example on the premises of the University of the Witwatersrand – a Financial Adviser who's working there independently; let's say Mr Smith, who's acting as a Financial Adviser on the premises. Would you find such a person – does he run a business on the premises with the permission of Wits?

MR. LAI WING: No

JUDGE J HEHER: No. So if I want to talk to the people who are working in the Financial Aid Office, what people will I find there?

MR. LAI WING: You'll find the Financial Aid Officers, the Seniors, the HODs, and the Managers or directors of the Unit.

JUDGE J HEHER: Now are they employees of the University?

MR. LAI WING: Yes

JUDGE J HEHER: In every case?

MR. LAI WING: Yes

DR. G SIMPSON: Sorry Judge could I maybe assist here?

JUDGE J HEHER: Yes. Just put your name on record please.

DR. G SIMPSON: Sorry it's Genevieve Simpson. The Financial Aid office is the office where the students would go to, to for instance get help with doing the NSFAS applications and those types of things. So they are employed by the university to assist the students.

JUDGE J HEHER: That I now hear and I understand that. I was concerned that we maybe dealing with a whole variety of competing individuals whose common interest is the provision of financial aid for reward.

MR. LAI WING: No

JUDGE J HEHER: No. Okay. Thank you

MS. L KHUMALO: On the presentation by the task team, they said that all the Financial Aid Practitioners have created this formation – so are there other people who do not form part of this.....FAPSA but who are Practitioners on campus. Is it necessary that everybody must belong to this.....any other Practitioner?

MR. LAI WING: No it's not necessary. What happened...in 2001 a small group of individuals from various intuitions came together, had what you call a meeting at that time and then developed an organisation called FAPSA. The interest was basically to represent the interests of Financial Aid Officers within the respective institutions. So Financial Aid Officer from an institution is forced to be a member of this organisation. Am I understanding correct?

MS. L KHUMALO: Yes but I think what we're trying to find is there another organisation of similar nature that exists out there?

MR. LAI WING: Not that we are aware of – No.

MS. L KHUMALO: But are all Financial Aid Practitioners members of this?

MR. LAI WING: Yes that is correct, from the different institutions.

MS. L KHUMALO: And who recognises this – is it under the societies and parties in the council? How does Council view it per institution?

MR. LAI WING: I don't know how Council views per institution but we basically.....in terms of our membership and our organisation, we are a non-profit organisation but like I said – our core focus is to look at the interests.....to determine what is best practice for institutions and to assist NSFAS in that process, in the management of loans and bursaries throughout South Africa.

MS. L KHUMALO: Okay

JUDGE J HEHER: You and Ms Maupe, are you employed by FAPSA or are you employed by university or.....who employs you?

MR. LAI WING: We are both employed by institutions. All executive members are employed by various institutions. I for example work at the University of Fort Hare, she works at UNISA.

JUDGE J HEHER: Thank you very much – that's helpful

MS. L KHUMALO: So in terms of admin costs and all related costs – the individual varsity carries that, say you are going to a conference, who pays for that?

MR. LAI WING: The institution pays for the conference fees for each delegate that will be attending the conference

MS. L KHUMALO: Okay. So the Council recognises the existence of this?

MR. LAI WING: That's correct. We were a member of the Presidential Task Team as well last year in the #Fees Must Fall campaign

MS. L KHUMALO: We saw that. That's why we wanted to know what value.....is it a Persuasive Value or is it a Mandatory Value?

MR. LAI WING: There's no mandatory.....say again sorry?

MS. L KHUMALO: Your value to the institutions, is it Persuasive but it's not Mandatory?

MR. LAI WING: That's correct.

MS. L KHUMALO: Ok

JUDGE J HEHER: Thank you Mr Lai Wing, that's most helpful. Would you like to continue?

MR. LAI WING: Thank you. I'm continuing with the Goals and Objectives, that's on Slide 3.

- To promote and encourage programmes which are non-student development, cultural diversity and leadership.
- Serve effectively and efficiently, the interests and the needs of students, institutions, government departments and sponsors through coordination of plans and programmes, pertinent to student financial aid.

- Facilitate communications between educational institutions and agencies and organisations, which provide student aid funds.
- Promote research, publications, conferences, workshops, symposiums and other related activities and maybe desirable or necessary to fulfil the purposes of FAPSA.
- Analyse and review IT system enhancements, management policies and related tools in financial aid, and to then collectively refer proposals to relevant organisations, structures and bodies.

Our membership is as follows:

There are four classes of members of FAPSA namely; the institutional members, affiliate members, constituent members and student members.

JUDGE J HEHER: Now just give us an example if you please. I can understand what an institutional member might be, but tell me – what is the affiliate member?

MR. LAI WING: The affiliate members are companies such as Edu-loan, Fundi, that for various institutions – they manage the food, books and meal allowances on behalf of the institutions

JUDGE J HEHER: Constituent Members?

MR. LAI WING: The constituent members, that's when we refer to our government departments – DHET, Social Development and so forth.

JUDGE J HEHER: And student members, how do students become members of this – what do they have to do with funding students?

MR. LAI WING: The student members, we usually.....not every year but once in a while we invite the SAUS members – the national SRC body to attend our conference and assist in input in moving forward in trying to assist students to develop – what we term the best systems available for students within the market and give NSFAS advice on that. We effectively cannot dictate to NSFAS what systems they should use but we are there as an advisory role.

JUDGE J HEHER: I understand. Thank you.

ADV. T MABUDA: Before you proceed, is SAUS the only student organisation that you recognise or you work with?

MR. LAI WING: We do recognise all the different students' bodies but in terms of.....within financial aid at most institutions, we deal directly with the SRC and the SRC at all institutions for our members of SAUS – SAUS is the national SRC body.

ADV. T MABUDA: Thank you

MR. LAI WING: Ok. FAPSA since inception....initially the Tertiary Education Fund of South Africa, it was known as TEFSA – was established to fund historically disadvantaged students with academic ability. In 1996, TEFSA was requested to manage NSFAS and it resulted in the establishment of the National Student Financial Aid Scheme Act No. 56 of 1999, which incorporated TEFSA, and the first NSFAS board was convened in August 2000. According to the NSFAS website, NSFAS challenges were: enormous backlogs in access to higher education; request from institutions for increased funding; huge expectations that transformation will immediately bring higher education within everyone's reach; conflict between students and higher education institution administrators over the payment of fees. Institutions had to establish Final Aid offices to administer NSFAS funding.

This is just a brief background, the processes since TEFSA was established, since 2001 up until 2010, then I'll do another session from 2011 to 2014. Between the years 2001 and 2010, most processes were manual but communication was excellent during that period. Application numbers were manageable, Funders, Donors were limited at a time. A radical restructuring of the higher education sector took place. The number of universities was cut from 36 to 23 through the incorporations and mergers. Some creating huge institutions – universities aimed at breaking down Apartheid's racial divides and transforming the sector. Challenges include not only fair distribution of funding but also combining rules and procedures. As we stated, FAPSA was established in 2001; the National Credit Act came on board in 2005 – it was introduced. In 2007, FET Colleges were added to the NSFAS funding categories. Funza Lushaka became available in 2007/2008. In 2010, the Ministerial Report on the review of NSFAS was established. Then from 2011-2014, donors were added rapidly, adding bursaries and different SETA organisations. Increase in the FET funding, introduction of the final year donor programme took place in 2011. Rapid increase in applications and protests; more exposure in the media took place at the time. Introduction to the online LAF submission was introduced at UJ, TUT and Boland College.

JUDGE J HEHER: Sorry LAF stands for?

MR. LAI WING: Loan Agreement Form system.

JUDGE J HEHER: Thank you.

MR. LAI WING: We saw various [indistinct] high staff turnover. The Piloting cap system took place at that time as well – that's in 2014. Less communication from NSFAS due to the number of institutions served, as a result of them bringing the FETs on board and having the universities that were currently under their umbrella. Communication became.....it wasn't as good as it was before 2011. This resulted into late and non-payment from NSFAS to various institutions. We saw an increase in the students' demand for funding especially in the form of allowances as well. Deadlines were short, final reports.....

ADV G. ALLY: Mr. Lai Wing

MR. LAI WING: Yes Sir

ADV G. ALLY: Before you continue. Can you just explain how that happens – the late or non-payment by NSFAS. Just give an example of and why it would be so.

MR. LAI WING: Okay. What happened is that....before NSFAS used to work on what we call – a 30 day turnaround time. From the moment the claim is submitted from an institution to NSFAS, there'd be a 30-day turnaround time for that claim to be paid to the respective institution. With all the FETs coming in on board and having all the universities already under their umbrella, payments were very late – we are talking a minimum of 3 months after the submission of claims; and 3 months was put in a good terms. Some institutions waited until November/December for payments to be made to them. And that created a backlog at institutions, and obviously our students.....our clients they were not.....

ADV G. ALLY: Perhaps a little more detail. Was the problem a data capturing problem; was it that there was no capacity by the people or analysis of the data that was the problem? In your opinion, what seemed to be the problem?

MR. LAI WING: In my opinion it was lack of capacity at NSFAS, at the time they had 13 staff members dealing with the 23 universities. And then the TVETs came on board and there was no increase in the

staff capacity at NSFAS at the time, even though they did submit proposals to increase the capacity of the staff at the time.

ADV G. ALLY: Thank you.

MR. LAI WING: Additional reports and information were needed by NSFAS, that is to ensure that the data was accurate and presentable. They were changing policies without notice and workshops that were run. Increased applications but less funding and more donors. To do more with less staff affected both NSFAS as well as Financial Aid Officers in totality. The late receipt of the Means-Test....the reason for the late receipt of the Means Test is that institutions were required to capture the NSFAS application forms on an annual basis.

Institutions would usually request these forms as early as September each year, in order to start processing the forms as early as October/November. This would therefore ensure that when the results are available, the assessments would be easy to be made at the various institutions; and then publish the results before students actually leave institutions. But with the submission of the late.....the means tests, institutions actually worked until closing and could only publish the results in the following academic year

JUDGE J HEHER: May I just have some clarity? These Means Tests; are they assessed by the universities and do they then get sent to NSFAS or are they assessed by the universities and NSFAS? How are they treated?

MR. LAI WING: They get assessed by both NSFAS and institutions. The Means Test is basically the formula that is used to derive whether the student is financially needy or not based on their family income.

JUDGE J HEHER: So does the university then do an assessment of an application by a student and his Means Test?

MR. LAI WING: That's correct

JUDGE J HEHER: And does it then send a report or an approval to NSFAS on that assessment, or what does it do?

MR. LAI WING: Institutions would capture the NSFAS application forms that were submitted to institutions. We will process the students into the system to determine the output of the Means Test. We then inform NSFAS that these are the students who qualify for funding for the respective academic year – we also inform them of the students who do not qualify. In terms of “Do not qualify”, there were students who do not meet a set academic criteria; and then there were the students whose parents could afford to pay for their studies that did not qualify for funding at the time.

JUDGE J HEHER: Is all the documentation sent through to NSFAS to enable it to conduct its own assessment?

MR. LAI WING: NSFAS would in the form of annual audits conduct assessment on the information that was captured by the various institutions. They wouldn't physically request the file at the beginning of the year after all the forms have been captured. They would in the form of their external auditors that they use at the time, send them to the institutions, and those Auditors will validate that the procedures, the process and the capturing of the Means Test took place was validated correctly and performed in the correct manner in terms of the rules and regulations set out by NSFAS.

JUDGE J HEHER: So essentially, by the time that it's audited by NSFAS – it's a done deal?

MR. LAI WING: That's correct

JUDGE J HEHER: So really if anybody is failing in this assessment of these Means Tests, it's the institutions?

MR. LAI WING: In which sense Judge?

JUDGE J HEHER: Well supposing there are misrepresentations being made on the strength of which financial aid is being granted for example.

MR. LAI WING: Ok. I understand that but what we also need to take into account is that any Financial Aid Officer at an institution, will capture what is delivered to them by the student in terms of the information. And therefore as a result, the Financial Aid Officer can't be held liable for capturing what is being given to the student, because he is literally accepting the information as it is. If a student indicates parents are unemployed; provides us with affidavits – at that time affidavits were accepted; certified copies of the IDs – brothers and sisters; they would capture exactly what is stated on the application form and the results would be the output that is received from the IT system.

JUDGE J HEHER: What sorts of tests were done.....spot checks to determine whether these results were accurate?

MR. LAI WING: Various institutions would do spot checks on students on an annual basis, they would do a sample to validate information of students.....

JUDGE J HEHER: Is that part of the Financial Aid Scheme that is being run at each university?

MR. LAI WING: The Financial Aid Office – that's correct yes.

JUDGE J HEHER: So is it the job of the Financial Aid Scheme to do the spot checks?

MR. LAI WING: Yes they do

ADV G. ALLY: Just to clarify in my own mind. You indicate late receipt of the Means Test; now a Means Test is a formula and the institution should have the formula, is that correct?

MR. LAI WING: That's correct

ADV G. ALLY: So you will have the Income divided by the Expenses of the Household. Now when you say late receipt of Means Test – who's being late, is it the Students themselves or are you saying NSFAS is late? I'm just trying to get that part right.

MR. LAI WING: NSFAS is late in the submission of the Means Tests to the institutions. What we need to understand is that the Means Test takes into account the Tax Tables. The Tax Tables are derived in conjunction with the Minister of Finance's speech every year. In relation to that, there's different parameters that NSFAS takes into account in terms of the household, the geographical locations. What NSFAS does as a body is they determine the allowances that are applicable to students on an annual basis. And institutions do not determine those specific allowances for students, for example your transport allowance is based on where you from, where you staying. On campus accommodation, it's straight forward, that is covered in terms of the Act, in terms of the formula. Then you have private accommodation for students coming from outside, you have the book allowances that are also determined. The institutions therefore in terms of the Means Test, that is incorporated in the formula and the formula technically changes from year to year.

JUDGE J HEHER: Are you telling us that what was late - was the actual provision of the formula from NSFAS so that the universities would be able to apply to the individual students?

MR. LAI WING: That's correct.

JUDGE J HEHER: I understand what you are saying, I just don't understand how anything can work on that basis. You have a huge variety applying each year - what in November, right through until February I suppose?

MR. LAI WING: No students apply every year, most institutions' closing date in the past used to be 30th September or.....some institutions would prefer the end of October but majority used to close applications at end of September to ensure that they can start capturing from October, November.....

JUDGE J HEHER: Are there no walk-in students who come later?

MR. LAI WING: With the lack of funding that was available at the time, it was difficult to accept a walk-in at an institution. If there were funding available, then institutions would accept walk-ins but most institutions applied the blanket approach principle where they would inform a walk-in that: should you wish to register at an institution, you are doing so at your own risk and you will be liable for the fees once you register for the respective academic year.

JUDGE J HEHER: Alright, so round about September, the students would apply, Universities would receive the applications including all the information relating to the Means Test?

MR. LAI WING: That's correct

JUDGE J HEHER: Yes. Now at some stage, the universities are placed in possession, or your Financial Officer is placed in possession of what would be regarded as the parameters for testing the means during any given year?

MR. LAI WING: That's correct

JUDGE J HEHER: That may happen in September/October I take it, or it may be delayed until some later stage?

MR. LAI WING: Yes

JUDGE J HEHER: And that's dependent on NSFAS?

MR. LAI WING: That's correct. At the time it was dependent on NSFAS

JUDGE J HEHER: Until when was that?

MR. LAI WING: Until the pilot system was introduced – in 2014.

JUDGE J HEHER: Ok, well let's just try and understand what happened there. And how late could NSFAS be in such circumstances?

MR. LAI WING: I think the latest we received the Means Test in one academic year was between mid-November and end of November

JUDGE J HEHER: Of the year in which the applications were made or in the following year?

MR. LAI WING: In the year in which the applications were made

JUDGE J HEHER: I see. So students would have to wait until sometime the end of November in that circumstance, to be informed what the obligations were to NSFAS.

MR. LAI WING: No the capturing of the NSFAS application from is the first part. The second part is the academic assessment of each student which occurs at the respective institutions depending on when the results are available at the respective institutions. Only then can the Financial Aid Office determine who qualifies in terms of the academic criteria as well as the financial need of the specific student who applied for financial aid.

JUDGE J HEHER: That I understand. So what then was the effect of the late NSFAS determination of the formula?

MR. LAI WING: It would result in Financial Aid Officers having to work overtime. You're working late hours to ensure that the forms are captured before we close each year. Some institutions would have to capture in January as well to ensure that they meet the deadline before registration starts the following academic year.

JUDGE J HEHER: When would students be informed as to the what the results of their application were?

MR. LAI WING: In principle you would prefer to inform the students as soon as the instituting closes which is normally the 15th of December at most institutions. But if you are unable to finalise the results and the capturing of the students, students only get informed early January.

JUDGE J HEHER: None of these deals with the actual receipt of money by anybody?

MR. LAI WING: No

JUDGE J HEHER: No. Are the Financial Aid Officers in anyway.....where they in anyway concerned with obtaining the payments for which NSFAS was responsible. In other words either for the universities or for the students?

MR. LAI WING: That's correct – for the University.

JUDGE J HEHER: For the Universities not for the students?

MR. LAI WING: It's for the University to process it on behalf of the student to the respective student account.

JUDGE J HEHER: So does that cover tuition and all the ancillary matters?

MR. LAI WING: Yes, can I just give a breakdown of what it covers?

JUDGE J HEHER: Yes please

MR. LAI WING: NSFAS basically if you are an on-campus residence student at an institution, it will cover your tuition fees; your on-campus residence fees; it will cover meal allowance as well as book allowance for that specific student. Then your second type of student would be the one who's staying in private accommodation. I'm just saying private accommodation, are the ones who cannot find on campus, and most institutions have a lack of on-campus accommodation. They would then seek private accommodation – they would receive the same benefits but your on-campus accommodation that would have been the income generator for the institution, now gets paid out to the student to pay the respective landlord. Some institutions would pay the landlord directly and they would also get a book allowance as well as a meal allowance.

Then you get a student who is staying at home, who travels in and out every day. They would literally get their tuition fees covered; they'll get a book allowance and they'll get what you call a transport allowance for taxi fare to and from campus each day.

JUDGE J HEHER: Ok. Were there delays in obtaining remittances from NSFAS in order to pay these various allowances?

MR. LAI WING: Yes there were

JUDGE J HEHER: And what is the extent of these delays?

MR. LAI WING: It would lead to on-campus students' protests at the various institutions, and the blame would always fall on the Financial Aid Officers at the respective institution. But what students wouldn't understand at the time was the fact that, the historically disadvantaged institutions who do not have reserves or cash flows to assist these students in the interim, upon waiting for the receipt of the payment from NSFAS. Those are the institutions that were struggling at the time and they didn't have any other choice, they had to wait for the payment to come from NSFAS before they could make the funds available to the students. But what institutions did not withhold from students was access to a book allowance. A book allowance would be issued to the student as soon as the Loan Agreement Form was signed. So if you sign the Loan Agreement Form today, you'd get your book allowance today, and you'll then have access to go purchase the books that you require to study for that respective academic year.

JUDGE J HEHER: What sort of delays were encountered in payment of these allowances?

MR. LAI WING: We had quite a few delays in terms of the receipt of payment, sometimes payment would be received in the following academic year. And as a result institutions, in terms of the student fees policy, wouldn't allow that specific student to register until the account was cleared or received written confirmation from NSFAS that the account for those students would be settled in due course.

JUDGE J HEHER: Alright. That was up until 2014 - and NSFAS introduced its pilot scheme. The pilot scheme I take it is the Students' Centred scheme?

MR. LAI WING: That's correct but there's a still a separation between what they call the Pilot Scheme and then you have the Non-Pilot. You have the Pilot and the Non-Pilot. The Non Pilot institutions do not.....the students at those respective institutions, do not apply online to NSFAS in terms of the online system, they apply to institutions. But as from this year, we were informed that that will no longer happen. All students who need financial assistance and require assistance, will have to apply online, on the NSFAS online system, and NSFAS would then determine whether the student qualifies in terms of the Means Test, financial need and as well the academics.

JUDGE J HEHER: So I take it it's not soon enough to determine whether the new system as you've just outlined is going to work properly or not?

MR. LAI WING: We have our concerns about that and I will address in the next few slides in terms of the new system

JUDGE J HEHER: Thank you. Between 2014 and 2016, were there improvements in the system, or did it simply drag itself along or did it get worse?

MR. LAI WING: In my opinion it got worse to a certain extent, students were affected negatively, those are our clients, and.....

JUDGE J HEHER: How were they affected negatively?

MR. LAI WING: The students that were for example on the pilot system, wouldn't receive their allowances on time. Some institutions reported to us that they were still waiting for allowances as late as August in that respective academic year. And we are talking about a book allowance, which is one of the crucial factors for any student to proceed in an academic year

JUDGE J HEHER: Now here you are sitting in the University as the Student Financial Adviser or the Financial Aid Officer, it's your job to liaise between the students and NSFAS,

MR. LAI WING: That's correct

JUDGE J HEHER: What do you do about these problems?

MR. LAI WING: Institutions would literally be on the phone.....would be contacting NSFAS on a daily basis, trying to resolve. But it came to a point where NSFAS instructed us to inform the students to call their call centre....

JUDGE J HEHER: In Cape Town?

MR. LAI WING: Yes, to deal with the inquiries. We were complaining on behalf of our students that they were not receiving allowances on time, this has affected their academic programme negatively. NSFAS then took a decision to say: no students need to call the Call Centre which they developed to deal with these inquiries. But that was unsuccessful, to date students are still complaining about not having access and their queries are not being resolved on time through the Call Centre at NSFAS.

JUDGE J HEHER: Now earlier you said to my colleague that you put problems down to lack of capacity. Now over the last 2 years, what do you put those problems down to?

MR. LAI WING: In my opinion it would be the systems used at NSFAS at the current moment.

ADV G ALLY: Let's try and understand that. Are you saying that the system isn't understood by the people using the system, and hence they are not able to assist the student – or what are you saying about the system?

MR. LAI WING: It came to our attention that....this was in 2015 last year, institutions were reporting that upon their visits to NSFAS, they would like to see reports of their respective institutions. And they were then shown spreadsheets, and they were then directed that this is the *modus operandi* that they were using, is that all data was captured on spreadsheets. Now our problem with spreadsheets is as follows, is if any staff member makes a mistake with one column, that whole file is corrupted and the whole process has to be started from the beginning again. We encourage NSFAS to develop an IT system that could formulate all these problems and can store all the data and capture that. And I think that is what they are currently busy working on because we've pushing this for the past 2 years to ensure that there is a programme that they can sue to show us that everything will be stored in the cloud environment, but by a click of a button will be accessible to the respective institutions.

ADV G ALLY: So and that will form a difference of opinion between you and NSFAS as to whether a spreadsheet should be used or some other IT system that can capture reliably the information?

MR. LAI WING: That's correct. The reason why I say an IT system is most institutions what we use, is a program called ITS – Integrated Tertiary Software. And the reason why we are comfortable with this program is that it's designed and specified to what we need from a program to develop the output that is required by NSFAS. We use NSFAS to capture these application forms, we will then

assess the data, we'll run various formulas on the IT system. And all information is stored in the background on ITS and it's easily accessible to anybody who'd wish to see a report on a specific donor or even the different loans and bursaries that are offered by NSFAS. You see within the Financial Aid Office, we link every student with specific donor codes. If the student is funded by Social Development, we'll create a donor code and we'll link that specific student that was approved by that donor to that code. At any given time, we'll then be able to run a report on that specific donor and give an output to that donor should they require that at any time.

ADV G ALLY: Okay now, as of now, NSFAS is capturing through the student-centred model. All those that were in the system will be on the new system, will be transferred to the new system. And new applicants have been asked.....the Matriculants have been asked to apply. Now are they using the ITS system for that or are they using a combination or are they using a spreadsheet?

MR. LAI WING: At the moment they are using a combination, they have met with ITS in 2015. And they have asked ITS to develop a program that will work for them in terms of the specs that they require. That is not yet been finalised and that is our biggest concern – students are applying online at the moment. And we receive a report on a weekly basis to say these are the number of students that have applied – there's an output in Excel to say these are the students that have applied. But the importance of that program to be finalised is critical to us, come January if we do not have a finalised list and we are not able to unblock students who meet the requirements – who qualify, it's gonna cause unnecessary tension between us and students on the campuses. The first point of access would be the Financial Aid Office for the students and obviously we'll have to deal with those inquires face to face on behalf of students.

JUDGE J HEHER: And what is your prognostication? Is it gonna work or isn't gonna work?

MR. LAI WING: In my opinion I'll be honest. My personal opinion is that they should have rolled this out in the phase of a period of 5 years, incorporating all institutions, putting necessary pressure on NSFAS itself. They currently do not have the capacity to deal with applications from all the institutions.....we are talking the 23 universities as well as the 50 TVET colleges. Senior students who are currently on funding this year, have been told that they do not have to apply but they can validate that the application is registered on the system. However upon them going to the system to validate that the application is there for security reasons, they are encountering problems. Few of them would receive a message to say that the ID number is invalid but it's a valid ID number. The other would be told: sorry you are not registered on the system and you need to apply, and when they try to apply, they cannot proceed. There are those technicalities and problems at the moment that we are faced with.

JUDGE J HEHER: So you are reserving your judgment on this are you?

MR. LAI WING: Yes I am

MS L KHUMALO: On the 'Increase in Student Demand', are all those qualifying students? Cause you are saying: but less funding and more donors. Is it qualifying students only?

MR. LAI WING: It's qualifying students only

MS L KHUMALO: So if it's applications not acceptances. It's just applications?

MR. LAI WING: In terms of the NSFAS applications?

MS L KHUMALO: Yes

MR. LAI WING: That's correct. You know about the missing middle that forms part of the system now at the moment. Those students will.....they will also apply with the intention to....their understanding is that they need to apply to form part of the missing middle funding. There's that communication and that misunderstanding. The missing middle is technically only going to be put out as a pilot next year and only certain institutions are targeted to run the missing middle funding model. That missing middle model only targets students in specific scarce skills like Medicine, Nurses, Pharmacists, your Accountants, your Scientists and your Engineers. So that excludes the Social Science and Humanities students, your Faculty of Art students at institutions and quite a lot of students will be excluded from that formula as well, in terms of being eligible to qualify for funding. But the perception at the moment is if your family income is below R600 000, you form part of the missing middle. Students are under the impression that they are eligible to apply for this funding and that is not the reality as how the programme will be rolled out in 2017.

JUDGE J HEHER: Has anybody taken steps to publicise how it will be rolled out?

MR. LAI WING: There is a reference group that was established. The Chairperson of the NSFAS board – Mr Sizwe Nxasana was mandated to run with that committee, I was also part of that committee. But they are now down to a technical team that is busy trying to finalise but in terms of communication to the students, I honestly can't say how far that has gone, in terms of indicating what will occur in 2017 and when the full roll-out will be. In terms of our meetings, how the full roll-out will occur only in 2018 but in 2017, a few institutions will be targeted and they will be referred to as the Pilot Institutions for the Missing Middle.

ADV T. MABUDA: Mr Lai Wing, were you a member of the Task Team in your personal capacity or as a representative of FAPSA?

MR. LAI WING: In my role as the FAPSA President, I was the member of that committee

ADV T. MABUDA: What do you see the role of.....this model is mostly centred on online applications, what do you think the role of Financial Aid Practitioners would be moving forward because in essence it seems to bypass Financial Aid Officers?

MR. LAI WING: Yes that's correct. Technically what they've done now is they've taken away the application procedure – the submission of the NSFAS application form at all institutions. But they are also doing a manual they are also doing a manual process where students who do not have access to the internet - which is our biggest concern, if I'm from the Eastern Cape for example, there's huge numbers of students who do not have access to the internet. Most of them do not understand how to work on the internet as well. That's our biggest concern at the moment because that means they will technically be denied an opportunity to progress in terms of their education.

We have raised that point with NSFAS and they have now made manual forms available, where those students have to collect at the respective institutions. They will then have to submit it at that institution as well, and the institution will then post that batch of forms to NSFAS. Our concern with that is that if the forms get missing, and it has happened in the past, where we've had claims that were sent to NSFAS they got missing by the various courier companies that were used by the institutions. And as a result, students who were in those batches, were denied funding for that respective academic year because the forms got missing and by the time that we were informed, the date for the submission of claims had passed already and we couldn't assist the students.

We as FAPSA we've requested NSFAS to give the Financial Aid Officers access to process on the online system on behalf of the student and then submit the form to them for further verification. But that's currently still under review at NSFAS, we haven't received any feedback in relation to that.

JUDGE J HEHER: Can you pick up your presentation despite our interruptions?

MR. LAI WING: I'll do so

JUDGE J HEHER: Thank you

MR. LAI WING: There are few achievements that we have to acknowledge also on behalf of NSFAS; is that the NSFAS' budget increased from 3.1 billion in 2009 to 8.1 billion in 2013. As of this year it's increased up to 14.5 billion. And next year it's expected to increase up to an estimated budget of 17.1 billion, that's for all HEIs as well as TVET colleges. The 2014 budget, in 2014 as I stated, over 9 billion for more 430 000 students at all 25 public universities and the 50 TVET colleges. Across SA, countless students who had normally not qualified for loans, are studying through NSFAS in partnership with universities and TVETs. Institutions invented ways through the card service providers to allocate allowances and manage those allowances on behalf of the institutions – that is the role of Eduloan and Intellicard that I mentioned earlier; Eduloan is now referred to as Fundi.

One of the achievements we recognise is that we survived the Credit Act, the final year programme, new donors and currently most funds are paid by NSFAS in answer to claims submitted by institutions. We also have to recognise that Pilot Institutions have also survived what we call the central application system. But there were critical issues that were discussed at our FAPSA conference in 2014 and they are as follows:

There was a high degree of uncertainty and that is where Advocate Mabuda brought into the question the role of Financial Aid Officers, that was our biggest concern is –were the staff going to stay employable or were they going to be retrenched at the respective institutions, that was a big concern within the environment. There was a heavy handed approach by NSFAS but some form of discussions took place after the FAPSA conference. Practical aspects in terms of our members.....

JUDGE J HEHER: [interjects] Sorry what do you mean by heavy handed approach in this context?

MR. LAI WING: NSFAS never came to our 2014 FAPSA conference in Pretoria. It was in Pretoria hosted by the University of Pretoria. And a lot of delegates felt, that as a result....that is where the level of uncertainty was raised because we use FAPSA as a benchmark for institutions to liaise with NSFAS to understand what exactly they want from us; what they require from us to assist them moving forward. That never happened in 2014, we rectified that and they came back on board in 2015. Even though it's not it's not where we want it be today, we are progressing in the right direction with our relationship with NSFAS.

Pilot Institutions must be allowed to sort out their problems – that was one of our concerns. Institutions raised their concerns of the processes, the issues of: spreadsheets going back and forth between the pilot institutions and NSFAS; the loss of files; students who qualify for funding – at NMMU for example in 2015, when NMMU was put on the pilot programme, only 40% of the students were informed that they qualify for NSFAS, resulting in queues for months to resolve the 60% of students who were not informed of the outcome of their application. We also proposed to NSFAS that no pilot institution should be added until the pilot was configured properly and that it was successfully running with those respective institutions. And FAPSA as an executive body, also took a decision to engage with the different pilot institutions and to try and sort the different problems that they have at their institutions. We also.....

JUDGE J HEHER: Sorry what are 'Chunks' if you don't mind me asking

MR. LAI WING: My apologies, the 'Chunks' refers to the problems and the hiccups they were facing at their various institutions

JUDGE J HEHER: I see

MR. LAI WING: Our members also advised us to approach HESA, which is now known as USAF, and communicate directly with the Board. Because our members at the time were not happy with NSFAS, they advised us to make direct contact with the NSFAS Board. In the past FAPSA used to have a seat on the NSFAS board, that seat was taken away from us in 2011.....2011 was the final year that FAPSA served as a member of the NSFAS board. We have requested to be reinstated but to date we haven't received a positive response to that request.

ADV T MABUDA: So were you given a reason why FAPSA was removed from the Board?

MR. LAI WING: No we weren't. We did request but we were never given an answer to that question.

ADV T MABUDA: Who makes that decision?

MR. LAI WING: When the NSFAS Board was established, FASPA wasn't in existence at that time and as a result, they couldn't predict that FAPSA would be established. And when FAPSA was established in 2001, we were offered a seat on the NSFAS Board at the time, but then it was taken away with the change in membership of the NSFAS Board. We are usually co-opted by the NSFAS Board to assist and move forward in terms of the administration of bursaries and loans in South Africa.

ADV T MABUDA: So the only time you do have communication with NSFAS is through your conference if they do attend?

MR. LAI WING: No, we as FAPSA Executives have an obligation.....we travel to NSFAS twice a year to meet with the Senior Management at NSFAS which includes the CEO – he'll usually chair that meeting. We will consult with all the institutions via email to ask them to submit their queries, problems that they would like us to address with the NSFAS management. And once we conclude our meeting with them, we will then via electronic mail report back to our various members as to the outcome of the meeting.

ADV M LEKOANE: Sorry Mr Lai Wing, if I may just take you back a bit. You say here that no more pilot institutions should be added to the piloting project, why is that?

MR. LAI WING: This is because of all the problems that were encountered by the institutions that were on the pilot at the time.

ADV M LEKOANE: These are capacity issues and what have you that you refer to?

MR. LAI WING: Capacity, system issues and the manner in which the allowances were managed on behalf of the students at those pilot institutions.

ADV M LEKOANE: Now the cost implications for those pilot institutions that you have to deal with.....that extra cost as a result of being one of the piloting institutions

MR. LAI WING: I'm not a member of the pilot institution – Maupé I think you can refer to that. UNISA is one of the pilot institutions – at the moment there are only 6 pilot institutions am I correct?

MS PENYENYE: 6 universities and 5 TVET colleges

MR. LAI WING: Yes 6 universities at the moment and 5 TVET colleges on the pilot system

JUDGE J HEHER: Can I interrupt you please; because we have had a presentation by NSFAS, explaining this, the pilot system to us. I am not sure whether it's the same system that's been explained to you. Are you aware of the system which divides the levels of students into "very poor/poor"

MR. LAI WING: The Quintile System?

JUDGE J HEHER: Is it the Quintile System? It's "Poor/Very poor.....the lower part of the missing middle and the upper part of the missing middle". And are you aware of a system which involves a diagonal loan provision running through these various divisions – which is a new approach to the funding?

MR. LAI WING: Yes...

ADV G ALLY: I think Chairperson that refers to Sizwe Nxasana's Ministerial Task Team Report

JUDGE J HEHER: That's right. This is the pilot that is going to be put into operation next year – which is sounds that you are aware of.

MR. LAI WING: Yes I am

ADV G ALLY: Because you are part of the reference group.

MR. LAI WING: The missing middle will form part.....their funding will be administered through a group called ISFAP, and that's how the missing middle funding will evolve. When the pilot system was at the institutions, they used to classify students according to what they refer to in education system as the Quintile System, where your Quintile 1 is students from the most disadvantaged areas. And the resolution thus taken on students at the Quintile 1 system would be that: if you are from a Quintile 1 school, you automatically qualify for full funding until the end of an academic year at an institution of your choice. Our problem with that was that it doesn't give a clear assessment of the students at the Quintile 1. We must take into account that we have Teachers there, Principals who prefer that their children study at the same school to make life easy for themselves in terms of transport to and from home. And obviously they'll have more surety to ensure that the kids are close by in terms of that.

Those Teachers and Principals earn a salary and in most cases do not qualify, at that time they wouldn't qualify for NSFAS funding in terms of the Means Test because their salary would be above the cut-off bracket which was determined by NSFAS at the time to be 122 000 per family. So what they derived is that if your family income exceeded 122 000, you were not eligible to qualify for funding at the time. That was a few of our.....

JUDGE J HEHER: But however you aware of the ISFAP proposal?

MR. LAI WING: Yes I am

JUDGE J HEHER: Thank you.

MS L KHUMALO: Sorry, what is your attitude as the Practitioners towards the pilot project?

MR. LAI WING: For the missing middle?

MS L KHUMALO: Yes the entire model as it is presented. Do you think it's slightly different from TESFA, is it an improvement of some sort?

MR. LAI WING: It's not an improvement of some sort, there's a lot of work that has to be done I have to admit that. But in 2009 when we met in Stellenbosch, our biggest request – and this is at the time was to develop a central application system, and our reasons for that was to eliminate fraud within the system. And then we felt that if you eliminate fraud in the system, students would lie on the application forms, we didn't have more than enough funding to assist students who actually qualify for funding.

So with the pilot system being introduced, we were excited to a certain extent but when institutions started working.....the institutions that were nominated to be on the pilot system when they started dealing with the system, there many hurdles that they had to cross to get the output that they require for students to be satisfied that yes they qualify, and these are the allowances; these are the benefits they qualify for in terms of the Means Test for any given academic year since 2014.

So in true sense, we want the central application system to work but the biggest debate that we have with NSFAS is that we were not consulted from the onset as to what the specs would be for the system. And the knowledge that they would require for that system to develop lies within the Financial Aid Offices. Majority of the people with the knowledge of the system are in the Financial Aid Offices and there's quite a few that's been in the Financial Aid Offices for a lengthy period, should I say that way, with more than 10/15 years' experience. All members of FAPSA were willing to assist NSFAS.....at the time we proposed to have a national workshop just to deal with the requirements for the system just to make sure that it works perfectly. That unfortunately did not happen at the time the system was developed

JUDGE J HEHER: So these reservations were put to the Reference Group I take it?

MR. LAI WING: No the Reference Group was only appointed this year

JUDGE J HEHER: I see. But the Reference Group is aware of these reservations?

MR. LAI WING: The Presidential Task Team was made aware of these reservations – that was the committee that sat before the Reference Group. The Reference Group specifically dealt with the Missing Middle.

JUDGE J HEHER: I see. And has anything been done about your reservations?

MR. LAI WING: At our recent FAPSA we had quite a fruitful session, we discussed requirements, specifications and that has been taken into account, and that is why NSFAS is working with ITS to develop the actual program that should be working for institutions in total cause that will develop an interface for institutions who are currently using ITS

JUDGE J HEHER: Thank you. Alright. Can you pick it up again please?

MR. LAI WING: I'll do that. Thank you.

ADV M LEKOANE: Sorry Judge. Just to go back to the cost of the pilot, maybe Miss Maupe can you indicate to us whether UNISA has noticed additional costs

MS PENYENYE: Thank you. Yes we did encounter a lot of additional costs. With regards to the internet, what we did at UNISA, we've created the Labs and put the computers specifically for the students to assist them in their application. So those computer Labs would run for the duration of the application, and even though the application has closed, we still have to kind of keep them open to assist those students to sign the Loan Agreement Form online. Most of the students do not have access to the internet, so internet usage at our institution is very high. Thank you

ADV M LEKOANE: And the institution is expected to cover those costs themselves or do they get an allocation from NSFAS or government

MS PENYENYE: No we don't get any funds from NSFAS

MR. LAI WING: Just to elaborate on that, the same would be in cases where institutions under pilot would encounter problems where they would be required to fly to NSFAS at their own expense to deal with these problems that were affecting the administration of the funding at their respective institutions. At one stage they were flying literally once a month, some institutions were twice a month at NSFAS, and obviously institutions had to cover the costs of those flights and accommodation for their staff members, to resolve these enquiries.

ADV T MABUDA: You indicate that there's provision made for manual applications. In terms of UNISA...obviously if you have a Lab on campus, it's a long distance institution, what happens to other students that are in the outlying areas?

MS PENYENYE: Okay what we've realised with the struggle that the students are having with the internet usage and being far away from.....okay they are off-campus but 90% of them, even if they've got access to the internet, the system is not that user-friendly for them. So they eventually end up being on the internet for hours trying to apply with no luck. So they even prefer to come to our campuses so that they can get the assistance in terms of applying for the funding. And the manual application, we don't necessarily promote that one because the experience that we had when we started to be on the pilot. We had too many manual application forms – I can say 60% of them we don't know what happened to them and NSFAS couldn't account for them. So to make sure the student doesn't kind of forfeit the academic year, we actually like try to enforce them to apply online.

ADV T MABUDA: Thank You

MR. LAI WING: Can I proceed?

JUDGE J HEHER: Yes of course

MR. LAI WING: Taking from 2015 to date. In 2015 more institutions were included on the NSFAS pilot. Funding nationally hit a new low, when comparing the demand to the amount of funding made available nationally. Students protests escalated to a new level, the #Fees Must Fall started in 2015 resulting in the closure of most HEIs. This process resulted in the 100s of millions in damages to state property and FAPSA made it clear that they condone the violence that erupted at the various institutions.

ADV G ALLY: I think you mean to say: You DID NOT condone the violence.

MR. LAI WING: [laughing] My apologies. Challenges faced by institutions in relation to NSFAS from 2015 to date is basically.....there continues to be poor planning from NSFAS; not taking into account institutional situations; taking into account the strikes that we were faced with last year as well this year; decisions are not communicated timeously for institutions to plan properly – if I may use an example, NSFAS wouldn't inform that there would be workshops for a specific project but institutions would literally be informed two days of the workshop, that obviously in terms of booking your flight, accommodation.....the institution had to cover the costs on behalf of staff members. There were institutions that unfortunately couldn't make it because due to budgets being depleted at their respective institutions. Institutions felt that they were taken for granted when decisions were not communicated correctly as well. Meetings were not planned properly and as I stated, they

were changed on an ad-hoc basis. Our last meeting that was held in Cape Town was communicated first to be a GWC, it was then moved to an unknown venue which was communicated a day before and that obviously affected a lot of the delegates who attended as they already booked accommodation close to the previously communicated venue. Currently there is a contract that institutions have to sign with NSFAS, moving forward with the new online system. And in that contract, it's delegating the responsibility to the institutions in terms of training Financial Aid Managers; and HODs are required to train the staff.....

JUDGE J HEHER: Train NSFAS staff?

MR. LAI WING: Train the Financial Aid Officers on what they call 'Train the Trainer' concept. We've objected to that and we've stated that cannot take place, and NSFAS has to come to the respective institutions and train the Financial Aid Officers in the respective institutions on what is required of them and what their new roles would be in moving forward on the online system. There's factors relating to online access for Financial Aid Officers to view the outcome of specific applications as well on behalf of the student in terms of inquiries received at the respective units.

The NSFAS database we feel is not updated regularly in terms of contacts at institutions. We've had staff members who left the industry quite a while back and we have new people that fulfil that role and they are obviously excluded in the communication sent to the respective institution and that is because the institution is still linked to the email address of the previous staff member. Yet institutions individually inform NSFAS of any changes within their respective units but those changes are not updated at NSFAS in terms of communication and correct contact details for a respective institution.

Institutions feel that the deadlines that are set are unrealistic – this year the Ke Kgodiso historic Loan Funding was introduced at all HEIs, historic was to cover the students that formed part of the shortfall between the 2013 and 2015 academic year. Institutions received huge allocations in respect of that specific fund and they were required to submit all their claims by the end of September in line with all other categories. But if you look at the value of historic debt compared to the value of other categories that were awarded to institutions, historic debt would in certain institutions be three times the value of the highest category, of the other categories that are funded by NSFAS in terms of the different bursaries and loans.

With historic debt for example, most institutions were faced with.....where students exited the system and the institutions had to try and trace the students. We used various forms of media; we published in different newspaper publications; we published the information on our different websites; we used various radio stations to broadcast this information but that wasn't as effective as we thought it would be. Then came August.....there's institutions who use a debt collection agency called Debt Tracker, we contacted our debt collectors and asked them if they could assist in tracing the students because they have the software to trace the students who are in the workforce and those who are out there. That proved to be effective but we were then hit with a students' protest on campus, that is the last week in August right through September.

Some institutions were closed right through October and obviously we are sitting now with Final Exams. And we requested that the deadline for historic debt Ke Kgodiso be extended to the end of November. Originally NSFAS agreed to extend it to the end of October, that didn't assist because with the various protests taking place. And then we took further, we submitted another formal request to NSFAS to extend it, they then extended until the 30th of November, but there are still

some institutions that are struggling to get hold of the students who qualify for this benefit in terms of historic debt as well at the Ke Kgodiso funding.

And also as FAPSA we were never consulted but obviously in our opinion we see ourselves as the eyes and the ears of the institution, and they rely on us to communicate with NSFAS and obviously expect NSFAS to communicate back to us and inform the institutions accordingly.

JUDGE J HEHER: Now it sounds to me as though there is quite a serious disconnect between you and NSFAS. It may be that these are just stumbling blocks, I don't know.

MR. LAI WING: At the moment it is stumbling blocks. If you look at the level of funding made available this year, it increased by 5.5 billion, it was 9.1 billion in 2014, we are sitting on 14.5 billion this year. The set criteria also, in terms of historic debt, there's different rules and regulations that have to be taken into account before they can actually approve a specific claim for an institution. And that's a time consuming process on its own, and NSFAS employed new staff members to deal with this specific criteria but those would then reject claims.....institutions would be fed up because their claims would be rejected and the reasons that were given to institutions were not acceptable to us. We'd for example receive a batch that reject.....let's just use a round figure – say a 100 students in a specific claim and they would say that those students do not meet the minimum 50% pass rate required by NSFAS to qualify for NSFAS funding. All those factors were already validated by the Presidential Task Team so that shouldn't be a reason for declining any form.....

ADV G ALLY: But that relates to the 71 000 and the 71 000 have been paid. The Presidential Task Team indicated that the historic debt for that purpose was 71 000, and NSFAS says 71 000 - the number was paid

MR. LAI WING: 71 000?

ADV G ALLY: Yes

MR. LAI WING: NSFAS to date has only paid out just over a billion to institutions of the allocation 2.5 billion.....

ADV G ALLY: No No - 71 000 students

MR. LAI WING: 71 000 students Yes

ADV G ALLY: And they say they have paid for that historic debt of those 71 000 students

MR. LAI WING: No they haven't. In order for an institution to be paid, the institution has to submit a claim on behalf of that student after they've signed the Loan Agreement Form. NSFAS can only pay for a student once we've submitted a claim. So if a student hasn't come in to the Financial Aid Office, they cannot pay us for that student. That is the process we have to follow in terms of receiving.....

ADV G ALLY: Now there could be between you and NSFAS – that's the institution. According to NSFAS or according to my understanding of Circular 6, there are various aspects. The third aspect in Circular 6 dealt with all students that were said to be qualifying and shouldn't be disallowed in terms of admission for that particular year. Now claims have been submitted by institutions for those particular students, and the interpretation of what is applying and not applying has caused this particular miscommunication, because according to NSFAS, it should be applied in a certain way – institutions say: no but we believe that do qualify because of XY and Z. So that was my understanding of the disconnect between the institutions and NSFAS.

MR. LAI WING: Yes that's correct

JUDGE J HEHER: Surely these problems like these arising that you have described; what you need is a Liaison Committee or Body between your organisation and the NSFAS management. So that when a problem like this arises, people who can actually make a difference can communicate with one another and say: this is the problem and NSFAS will then from its side be able to investigate and say: yes we have now investigated this problem, and this is the outcome. Or yes we have investigated this problem and this is the reason why we think it isn't a real problem or whatever. But surely it's not beyond the two bodies to set a Liaison Committee to deal with these sort of problems on a day to day basis.

MR. LAI WING: We do through DHET communicate these various problems that we encounter with the administration of the historic debt.

JUDGE J HEHER: Well not just that problem, the others that you have mentioned as well

MR. LAI WING: That's correct. The problem with NSFAS in my personal opinion to be honest is that staff is employed at NSFAS but do not go through a proper induction process where they should receive the required training to be able to fulfil that specific duty to administer and apply their minds in terms of the rules and regulations of the specific criteria. Historic debt, technically is a one year project that is implemented at NSFAS, it will not continue in 2016. The group of the individuals that are employed there, I met with them and they are young people in my opinion – in the range of 22, 21, 23 year olds. I feel that.....

JUDGE J HEHER: I'm not talking about your communicating with the young people at NSFAS. I'm talking about an executive member of your organisation communicating with an executive member of their organisation of the NSFAS. And A saying to B, this is the problem, and B saying I will investigate the problem, I'll come back to you and tell you what the answer is.

MR. LAI WING: I have done that in my personal capacity as an executive member of FAPSA

JUDGE J HEHER: And what happens?

MR. LAI WING: The issues were resolved after that meeting in relation to historic debt, and institutions then re-submitted the forms that were rejected, through the misunderstanding of the rejection of the claims. I was at NSFAS approximately 3 weeks ago to address these issues specifically pertaining to historic debt. I had institution that reported to me that 97% of their claims were rejected for one specific reason – an academic record was not attached. That requirement was eliminated at the FAPSA conference with NSFAS to state that: institutions will not be required to submit an academic record due to the fact that results were already verified and approved by the Presidential Task Team when the committee was established. That issue has been resolved and that institution has basically re-submitted ad their claims are being processed as we speak at the current moment.

JUDGE J HEHER: Could that sort of contact – that interconnection between you and NSFAS not be provided on an ongoing basis to solve problems?

MR. LAI WING: Yes it can

JUDGE J HEHER: Alright. Shall we go on please? What have you got now?

MS L KHUMALO: I wanted to check on the points you going to talk to now, and on the challenges that you were talking about. Having been part of the task team, there is a component there that talks about a vehicle that would deal with backlash administration. Do you this what you have presented here in the task team model - it's being addressed? Cause I see on the slide, the

Challenges and the next one you gonna be talking about the *Challenges and the Disadvantages*. So I'm saying the model that the task team is presenting, do you think it talks to these problems or does it seek to address these problems as you've put them here

MR. LAI WING: I think it seeks to address the problems that we are currently facing in the system

MS L KHUMALO: Does it do that though?

MR. LAI WING: It hasn't been tested by us to be honest – we're still waiting for the full roll-out of the programme to be implemented.

MS L KHUMALO: But in your participation in the task team, do you guys contribute to that?

MR. LAI WING: Yes we do

ADV G ALLY: Mr Lai Wing, perhaps after the break when we do have a break, I'll ask the evidence leaders to put up the slide dealing with 2017 going forward that NSFAS testified to in this commission, and get your comment on that, regarding what has been done and what they will be doing

JUDGE J HEHER: Sail on Sir

MR. LAI WING: Thank you. The institutions under pilot; these advantages were assembled by institutions that are currently under pilot, and they've submitted the following information to me. In terms of the advantages, they acknowledge the following that: the ease of the application handling, the result is that there was no need to keep piles of manual application forms at the respective financial aid office – that is an advantage at this stage. There was a streamlined claim system – claims are not done like in the old system but through a template through which....it's also used to confirm students' registration. Students don't have to form long queues for applications as well as the signing of the loan agreement forms, and the schedule of particulars for the different bursaries. Only new students would thus apply in the pilot system. Returning students as we said earlier are not expected to re-apply as they were told that they'd be guaranteed funding moving forward, provide they meet the set academic criteria.

The disadvantages that the pilot institutions are as follows: there tends to be a lack of accountability for manual forms directly posted NSFAS for capturing; the instability of the NSFAS online system; the lack of adequate call centre support – call centre agents are not properly trained in terms of NSFAS policies and processes and also not properly trained to deal with students coming from a diverse background; the time lapse that it takes to upload the registration data hence the delay in the populating of the loan agreement and the schedule of particulars. A loan agreement is for students who qualify for a loan and the schedule of particulars are those students who qualify for the different bursaries for scarce skills like Funza, etc.

Institutions on the pilot indicated there's poor data quality received from NSFAS on applicants; hence they see it as a challenge in using that data without first cleansing the process. Some institutions reported that they have to validate the data with their own systems and see if they were in sync with what NSFAS has supplied into them. Poor data integrity has also been reported in terms of students who migrated between the different funds, in effect the exchange of data between NSFAS and institutions once again. This year as I said earlier NSFAS communicated there'll be the full roll-out of the NSFAS online system. We were informed that this will take place and that everyone must inform new applicants that they will be required to apply online. We've raised our concerns as I stated, the manual forms then came into place to assist students who couldn't apply online. There

was a big confusion.....NSFAS informed institutions that with the roll-out online system, that they would be using sBucks moving forward. We had a big problem with this as most of us are contracted with our current service providers, and most of them were recently signed earlier this year – and those contracts run for a period of three years. They then gone back and re-thought that decision and informed us that we are allowed to continue with those service providers until the contract has come to an end, so that means institutions using Intellicard will continue administering the allowances for books, meals, private accommodation as well transport allowance until that contract has expired with Intellicard or Fundi-previously known as Edu-Loan.

But institutions in general have raised various concerns and listed them as follows: they are concerned about lack of capacity for the management and implementation of the NSFAS online system as well as the capacity of sBucks to effectively and efficiently manage the allocation of allowances to students.

Institutions further indicated that they were not happy with sBucks – institutions who are currently on the pilot system state that the allowance payments are inconsistent.....

JUDGE J HEHER: Before you go any further.....the sBucks, is this just an office of NSFAS which administers these sBucks system?

MR. LAI WING: That's correct

JUDGE J HEHER: I see. Thank you.

MR. LAI WING: We had donors such as the National Department of Social Development complaining that their students only received their allowances in June, for the past two years this has happened. This resulted in the students utilising all their funds and thus the burden becoming that of institutions. What would happen here is once the students receive their allowances in full in June/July; they automatically spend the full amount that's allocated to them for meals for the year. Then you go sit with a problem in August, where they say they don't have funds to buy food. We have to acknowledge that our students are adults and they have to take responsibility to a certain extent but.....it was communicated that the allowance would be allocated to students on a monthly basis and that never occurred for the specific donor – that's the report we received from the donor.

Student Representative Councils at various institutions also raised their voice against implementation of the sBucks system at their institutions. They were blunt about it and stated that they were totally against it. The SRCs at the various institutions also stated that they are not in favour of the roll-out of the new NSFAS online system. Their concern was definitely access to internet and students coming from disadvantaged areas not having access to apply for the NSFAS funding for any given year.

JUDGE J HEHER: Now this is quite a serious problem

MR. LAI WING: It is a serious problem

JUDGE J HEHER: And how is it being addressed?

MR. LAI WING: That is where the manual application forms were made available but the institutions that are handing out these manual application forms are still sitting with boxes at their institutions. So whether those students will be submitting them on time.....the closing date is the end of November, for the submission of the manual forms as well as applying online. And in my opinion NSFAS would definitely have to consider extending the closing date to accommodate these students, taking into account the various protests that occurred at various institutions. At the institutions

where students wanted to collect the manual application forms during the time of the protests, they were literally chased away from the campus. And as result because of the distance that they travel, it's not easy for any student to come from Matatiele to the University of Fort Hare, go back home and then be required to get taxi or bus fare to come back to the institution just to collect the form again.

JUDGE J HEHER: It does sound as though this is a ticking time bomb

MR. LAI WING: It is

JUDGE J HEHER: And what.....

ADV G ALLY: But you see and this is why I wanted you to comment on that. Now you are aware that NSFAS is using the National Youth Development Agency; they are using the Methodist Church; they are using SASSA offices for this manual process.

MR. LAI WING: That has not been communicated to any institution.

ADV G ALLY: This is why I say, we'll have your comments on what was presented to us

MR. LAI WING: Okay

ADV T MABUDA: Just before you proceed, what are the issues that students have raised in relation to the sBucks system?

MR. LAI WING: You see what happens is the Student Representative Councils at various institutions, they communicate with each other. Issues of allowances not being allocated to students on time, students are told the minute you sign your loan agreement form, you'll receive your allowance within 48 hours. As I indicated earlier, there's students from institutions who are up until August, still waiting for their book allowance to be allocated to them. Some students were allocated a duplicate book allowance, where they receive a book allowance for example today, they'll go utilise it tomorrow morning, they'll receive another R4 000 to utilise again. In terms of your book allowance, it's a once-off allowance; you should only receive it once-off, some students received it twice, and.....

ADV T MABUDA: Are those students complaining?

[laughter]

MR. LAI WING: That's the problem, they won't complain. And when NSFAS indicates to the student that you have to unfortunately pay it back because you utilised it, the student says: but sorry it's not my fault, it's your fault, you gave me the allowance twice, I thought it was my right to use it and I used it accordingly. There are issues where students.....

JUDGE J HEHER: So everybody throws up their hands and says: oh we'll forget about that one

MR. LAI WING: That's correct

MS L KHUMALO: But even if it's a double payment, it becomes part of the loan later?

MR. LAI WING: Yes. But students argue the fact that it's not their fault. And these cases literally land up in court where students deny that it's not their fault that the loan was allocated to them. It becomes a debate....but I think the key factor with the students and they key concern is the inconsistency and the way in which the sBucks system manages the issuing of allowances in terms of books and meals for the respective institutions. And for students to receive meal allowance in July

after the exams have been written in most cases is unacceptable. And that is where I receive a call from Mr Mothopeng – he is the Senior Manager for DSD nationally, He wanted an explanation as to why, and unfortunately I couldn't answer.....

JUDGE J HEHER: Sorry what is DSD?

MR. LAI WING: The Department of Social Department, my apologies. Those are questions that we cannot answer in our capacity, that is something that NSFAS has to answer to on their behalf

ADV M LEKOANE: And has FAPSA considered an alternative to the sBucks system to address these issues that are raised by students?

MR. LAI WING: Yes we have addressed these weaknesses and we have mentioned.....look we use, at Fort Hare we use Intellicard, Zululand uses Edu-loan. We have instructed them to consult with these.....well not instructed, we have advised them to consult with these companies to develop what we call a perfect system for students in the management of the allowances. And obviously that will improve the efficiency and the way they allocate these allowances to students on an annual basis. But what has happened at NSFAS in the past month – NSFAS has now put out a tender for the management of the allowances in the form of books, meals, private accommodation. And these companies are now afforded the opportunity to apply for that specific tender at NSFAS. Whoever is awarded must obviously be able to prove that they can manage and allocate allowances on time to the qualifying students.

JUDGE J HEHER: What do you think about that?

MR. LAI WING: The companies that I have mentioned have the ability to do it but the decision at the end of the day is based on who NSFAS will award the contract to

JUDGE J HEHER: I think I will apply

[laughter]

MR. LAI WING: As I stated, the manual submission of NSFAS applications has been implemented by NSFAS but as stated above, does not guarantee the student funding for the respective academic year; and responses to applicants still seems to be very slow. Communication between NSFAS and institutions has improved in the 2016 academic year but still requires a lot of work before it is the level that is required to be at, that's our opinion as FAPSA. The improvements we have observed from NSFAS for the 2016 academic year is as follows:

- They have definitely improved in the processing of claims and making payments to institutions – we have to acknowledge them for that.
- They have developed an updated manual and made it available to all institutions, that is both the TVET sector as well as the HEI sector. All institutions are in possession of that – it was given in printed format as well as in the CD format for whoever to save on their laptops or computers at work.

NSFAS has committed in improving its relationship with FAPSA. This was done at the 2016 FAPSA conference which was held in East London this year. But like we stated, we believe there's still a lot of work that has to be done and we are willing to assist and work together with NSFAS in moving forward to ensure that this relationship improves, and hopefully comes to the desired level it is required to be at the end of the day.

Our view on free education is as follows:

We support free education but we believe it should be made available to students from disadvantaged areas and not the so-called Missing Middle. Free education however we also believe should be aligned to strict terms and conditions as well as set academic criteria. Students who form part of the Missing Middle we believe should be offered loans to assist them in completing their studies as well

ADV T MABUDA: Mr Lai Wing, what types of terms and conditions did you have in mind?

MR. LAI WING: You know there has to be set academic criteria in order for students.....it's been discussions that have been happening in the background to say for example, if Student A passes his first year, what is the academic criteria that will be required for him to be considered again to receive a bursary in the following academic year to proceed. There is a debate about that.....some would say the student should obtain an overall average of 65% for example, and a result of that should be allowed to continue receiving the benefit of free education in the form of a bursary. However if the student doesn't meet for example the 65% average, then that student should be offered a loan provided they meet the 50% pass rate in terms of the NSFAS Act. That's just an example that we presented to them.

ADV T MABUDA: We know that there's an issue with under-preparedness of students when they enter university. Would such terms and conditions not serve to marginalise students that are coming from Quintile 1 schools for instance.

MR. LAI WING: No those are factors that we do take into account. These factors.....the 65% average applies to students going to the second year, but we also have technologies....some institutions have to consider creating bridging programmes for students coming from disadvantaged areas. For example if I sue Fort Hare – we have foundation programmes for Science and Agriculture. If a student doesn't meet the set-points required to start on the Entry Level 1, they go to a programme which we call the Foundation Programme for Science and Agriculture. In that programme, they get nurtured in terms of academics, study methods to ensure that they are in the correct study path. And by the time when they do the second half of their first year, they are well prepared to move forward in terms of that.

There are Thuthuka programmes that run at various institutions as well for Accounting students from disadvantaged areas. There is a normal Accounting Degree that will take a student 3 years; the Thuthuka Programme is run over a 4 year period to assist students from disadvantaged areas. But that's just a concept that has to be incorporated at various institutions to accommodate students in those.....but that's a very tricky question when it comes to institutions who do not have foundation programmes and have to consider students that enter university immediately after matric. We all have to admit that it's a huge step from Matric to first level at university.

Our way forward in terms of FAPSA is, we strive to continue to what we believe is the best practice to ensure that all Financial Aid Officers and students' needs are addressed. We will continue to support and offer advice to NSFAS through effective communication – that's one of our commitments, from our members as well. We will continue to submit proposals and recommendations to NSFAS for consideration and attempt to assist NSFAS in developing efficient and effective ways in the administration of bursaries and loans to financially needy students in South Africa. I am open for questions.

JUDGE J HEHER: Well my colleague, Commissioner Ally has asked that proposals put forward yesterday by Mr Nxasana should be made available and commented upon

ADV T MABUDA: Chair I do have a copy of the presentation by Mr Nxasana, I have it on USB...

ADV G ALLY: No my one relates to NSFAS management that did theirs, which indicate.....Mr Nxasana's is some other kind of....that's ISFAP. I just wanted to know, what I out to Mr Lai Wing was the issue of NSFAS and how they are dealing with the 2017 year. Do you have that Mr Mabuda?

ADV T MABUDA: I do have copies of the presentations from the NSFAS management, if we can maybe take a 5 minute adjournment so you can indicate which portion you are referring to, we can put it on the screen and the witness can comment on that.

ADV G ALLY: That's fine

JUDGE J HEHER: We'll give it 10 minutes. Thank you

ADV T MABUDA: Thank you Chair

.....ADJOURNMENT.....

ADV T MABUDA: Thank you Chair. I believe this is the slide that Commissioner Ally was referring to.

ADV G ALLY: Thanks Mr Mabuda. If you can go to the next slide please. Now this is the flight plan in terms of how we understood they'll be taking the process forward. So as of the 1st of August, they've been accepting online applications of the first entrants.

MR LAI WING: That never happened. The online system wasn't available on the 1st of August

ADV G ALLY: Fine. So perhaps we can go to the next slide cause there's issues here, and the following slide, there's a 76%.....the next slide, yes that one. NSFAS says 76% of NSFAS applications for 2017 have been through the online portal – that's what they are saying. You will see that on the left hand side, in relation to manual applications and the process, you will see the agencies that I mentioned to you, that will be used. According to you, you have no idea what this is or whether it's been implemented or not?

MR LAI WING: No we were not informed of these agencies being part of the process. We were purely informed that institutions will have to print the manual forms and hand them out to the students who wish to apply for financial aid in 2017.

ADV G ALLY: So as the Chairperson was saying, it does seem that there is a disconnect between the two, and this process is rolling out without you knowing about it which in my mind personally presents the problem of the students not knowing what is going on, except that this information says how many already applications have been received.

MR LAI WING: I have to contend that I can't say that 76% of the applications have been submitted. It could be the fact they are including the students who are currently on NSFAS funding in that percentage and that forms a huge amount in terms of that percentage. Institutions....a listing was emailed to us last week, on average institutions had approximately 450 applications received per the respective institutions on the spreadsheet submitted to them – that was last week's figures that was submitted to us. In terms of the manual application process, there has been what they call the Registrar's Meetings that they have been held on a monthly basis. This could have been communicated there but even so if it was communicated there, it should be done in writing to the respective institutions to fall down to the relevant people to be informed and kept up to date as per progress made by NSFAS in terms of the online system.

JUDGE J HEHER: So are you not aware of any of these NYDA centres; the Methodist Church; the SASSA Agencies and the 81 Vodacom application centres who are participating in this?

MR LAI WING: In my personal opinion I'm not

ADV G ALLY: Well It's actually not your business

[mixed voices] [laughter]

JUDGE J HEHER: Well I see your colleague is also shaking her head

ADV G ALLY: It actually would seem that you are being cut out of this particular process because it relates to the people in the rural areas like Eastern Cape, Cofimvaba or wherever, instead of going to Fort Hare or from Matatiele to Fort Hare, they would go to the NYDA offices or the Methodist Church in that particular area district, or the SASSA offices who have been.....so it would seem this is an avenue outside of the FAPSA vehicle

MR LAI WING: That's correct

JUDGE J HEHER: I would be surprised to find any of those centres in Matatiele I must tell you but there you are

ADV G ALLY: That's fine. The other issue I wanted to check you.....now you've heard of a phrase 'Top-slicing'?

MR LAI WING: That's correct, Yes

ADV G ALLY: And my understanding would be then, if you are the central agency dealing with students funds that you would be the ones that are applying this top-slicing?

MR LAI WING: In terms of the central application system or institutions individually?

ADV G ALLY: Institutions individually, so that would be members of your organisation?

MR LAI WING: That's correct. Top-slicing is a phrase that they've been trying to eliminate for years now. And the reason why institution implemented top-slicing was due to the lack of funding being made available. What certain institutions were doing in that case is that whoever meets the criteria, they would take the total allocation received for that academic year, and then they automatically split the value equally amongst all the students who qualify for funding. Whatever your debt due to the institution after that has been done, would be the liability of the student at the end of the day. That occurred, if I can use Fort Hare as an example, we did that up until 2009. From 2010 we decided as an institution we cannot afford to do this anymore, we have to implement full funding. Top-slicing was not assisting anybody, it was just creating more debt for the student itself, taking into account that they have to pay the institution and NSFAS when they start working. And a lot of institutions have since tried to eliminate top-slicing, and with historic debt and Ke Kgodiso funding becoming available, this shouldn't actually be a factor for consideration in the system moving forward. But then there is a concern with NSFAS that has to ensure that every student who meets a set criteria is considered to receive full funding for any given academic year – and that will be a challenge for them specifically.

ADV G ALLY: That's me. Thank you Chair

ADV T MABUDA: No further questions from us Chair

JUDGE J HEHER: Mr Lai Wing I thank you and your colleague. We appreciate the amount of work that's gone into this, and we will consider it in the course of weighing up the whole basis of university funding. Thank you very much.

ADV T MABUDA: Chair just before we conclude, just one last question. The decision to top-slice, is it made at Council level or is a decision that happens at your office?

MR LAI WING: It will be at what you call the Financial Aid Committee at the respective institutions. What of requirements of administering NSFAS funding at an institution, is to have what you call a Financial Aid Committee where the SRC is a part of that committee and these decisions have to be decided on as a collective unit, not an individual making a decision on behalf of the institution itself. The Financial Aid Committee would therefore look at all the funding that's made available; look at the number of students who qualify and meet the criteria for the various categories. If there's a shortage of funding, then they have to make a decision of what do we cover or do we just do the blanket approach where we take what is allocated and split it equally amongst the students and then move forward from there. But the Financial Aid Committee is the body of the institution that will make a decision into considering those factors.

ADV T MABUDA: Thank you

JUDGE J HEHER: Thank you very much indeed. We will adjourn until tomorrow morning

[end of presentation]