

Entry #95

How can South Africa build a fiscally sustainable student- financing model that enhances access to higher education?

Access to higher education is an economic necessity for South Africa, yet it's financing remains a challenge. The NSFAS increase in income threshold has led to significant increased, thus increasing the financial burden. As students we are not asking for free for all education but equitable distribution according to needs and backgrounds.

A change could be implemented in the NSFAS bursary scheme. The current bursary scheme you do not have to pay back any amount. With the deficit challenges in the fiscal budget, why not ask for a repayment of a percentage of the full tuition costs of their years studying, and that is only if you are well off. Set an income threshold for those who have to repay. With the way things are going currently, students being dropped from funding, this scheme is headed to extinction. To be quite honest, there are a lot of successful NSFAS alumni's who graduated and got well- paying jobs, all thanks to NSFAS, what harm does it cause to give back just a percentage of it. The application stats keep increasing year after year and the government can get all the help it needs. The aim of NSFAS, offering bursaries is to ensure higher education literacy, thus ensuring economic growth within country. NSFAS alumni's who decide to go overseas immediately can also be charged a certain percentage, to reduce brain drain. This is not to condemn anyone from going overseas but an investment to an individual who is going to contribute in a foreign economy is a waste. One of the aims of this funding is to ensure we participate in the economy through paying tax. With that tax comes funds to fund more students who want to reach that level.

The NSFAS scheme may seem proportionally distributed but the current threshold creates inequity. A household earning R350000 and a household earning R100000 are treated equally, yet their ability to afford university cost differs. Furthermore, learners from better resourced schools often have a higher chance of university acceptance thus claiming the bursary. To build a fiscally sustainable student-financing model, a new model can be introduced where for example a 100% bursary for households with an income threshold below R200000. An 80% bursary for households between R200000 to R350000 and so on. With this model, the most vulnerable will be fully protected while the state resources are stretched further.

As NSFAS alumni's we have less opportunities on merit bursaries in most institutions. The current NSFAS bursary model disincentivises academic excellence. High performing NSFAS alumni's who qualify for merit awards (75 % merit) do not receive the value of that reward as an allowance or refund, instead the institution benefits not student. For a financially sustainable model, these merit awards earned by excelling students should be received by the student instead of the institution saving. It can be paid out as a performance incentive. Currently the only people benefitting from these merit bursaries are students who are well off,

and get refunded as they are privately financed. A fiscally sustainable model must ensure that excellence is rewarded regardless of the funding means used. This ensures fair and equal access and success in higher education.

In conclusion, a fiscally sustainable student-financing model should balance equity, excellence and affordability. With the recommend solutions, academic excellence can be rewarded and continual inflow of funds is guaranteed through the successful Alumni's who are willing and able to give back to the next generation. This does not only enhance access but also sustains it.