



**Working Paper Series 5:
What is a reasonable baseline for establishing
a relative value for meal allowances?**

NSFAS Policy Brief 2

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LIST OF ABBREVIATIONS

BRICS	Brazil, Russia, India, China, South Africa
CPI	Consumer Price Index
DHET	Department of Higher Education Training
FCS	Full Cost of Study
HE	Higher Education
NSFAS	National Student Financial Aid Scheme
UCT	University of Cape Town
UFS	University of the Free State
UKZN	University of KwaZulu-Natal
TVET	Technical and Vocational Education and Training

EXECUTIVE SUMMARY

This paper will consider approaches for the determination of a relative cost of a meal, as a means to informing a policy view on meal allowances in terms of National Student Financial Aid Scheme (NSFAS) policy. The themes that emerge through this paper will serve as important yardsticks to determining how much money is needed for a reasonable meal allowance. This was desktop research conducted through a review of the available literature and was informed by some analysis undertaken by Shoprite and Spar on the breakdown of the cost of the nutritious meal and on current institutional allowance structures.

This report outlines three different perspectives that will be used to contextualise the determination of a NSFAS meal allowance. The first perspective is a commercial view from two of the merchants that sBux is currently using to disburse meal allowances to students. From the data received, the price per meal can vary between R30 to R92 per day, depending on the type of meal consumed. The institutional practice view looked at how the meal allowances are determined in different institutions – with submissions from three institutions whose meal allowances range from R1 300 to R1 600 per month, and whose annual increases are based on different parameters. It also reflects on results from a survey undertaken both with financial aid officers and with university Vice Chancellors. The last perspective will cover the economic view in terms of data produced by StatsSA on household consumption expenditure by population groups. Findings show that almost one fifth (18, 4%)¹ of annual household consumption expenditure is generally spent on food and clothing consumer price index. The inflation rate in South Africa is much higher for food, and therefore any determination on meal allowances will need to take this into consideration.

It is obvious that what NSFAS offers needs to be aligned with inflation in food prices. The amount of funds provided by the NSFAS to the needy students should be re-assessed based on realistic food prices and the cost of living. It is recommended that the meal allowance be capped across the board in all Universities and Technical Vocational Education and Training colleges (TVET), and determined as part of the annual parameters for NSFAS funding.

¹ Statistics South Africa. (2012) *Income and Expenditure of Households 2010/2011*. Pretoria: StatsSA

INTRODUCTION

The South African government provides financial aid to students through the National Student Financial Aid Scheme (NSFAS)² and aims to make a difference by providing a sustainable financial aid system for study loans and bursaries. It is therefore intended to enable students to complete their undergraduate studies, which in turn, will improve their employment prospects and consequently result in economic independence, including food security³. However, in a report issued by the Department of Higher Education and Training (2011), the majority of student leaders who were interviewed indicated that the funding provided by NSFAS is inadequate to fund student fees, accommodation and food. Subsequently, it has been documented that large numbers of South African students experience great financial difficulty⁴. The cost of food is substantial for those with limited financial resources. These limited funds dictate what students on financial aid are able to purchase and how they allocate their disposable income⁵. In a sample of Australian students in 2011, students who were food insecure were more likely to rent, board or share accommodation and their coping strategies included having a part time job and borrowing money and food⁶.

According to a local 2012 newspaper article, of the approximately R33bn spent by South African students, only 15% is spent on textbooks⁷. In this report, it was established - through research conducted by youth marketing company Student Village in collaboration with UNISA's Department of Marketing and Retail Management - that food is the main expense. Researchers found that, on average, a tertiary student spends R3 268 a month - or about R39 216 every year, and of this, R712 is food, followed by rental costs with the balance being a combination of cell phone costs, alcohol and general groceries. However, it should be noted that most of those interviewed seemingly relied on their parents for their living allowances, and this survey was not specifically designed to assess the spending patterns of NSFAS-funded students⁸.

² Letseka, M. & Maile, S (2008) *High University drop-out rates: A threat to South Africa's future*. HSRC policy brief. Pretoria: HSRC

³ Hughes, R., Serebryanikova, I., Donaldson, K. & Leveritt, M. (2011). *Student Food Insecurity: The Skeleton in the University Closet*. Nutrition & Dietetics (68) 27 – 32

⁴ Department of Higher Education and Training (2011). Cluster Media Briefing. Pretoria: DHET

⁵ Hughes, R., Serebryanikova, I., Donaldson, K. & Leveritt, M. (2011). *Student Food Insecurity: The Skeleton in the University Closet*. Nutrition & Dietetics (68) 27 – 32

⁶ Ibid

⁷ Mngoma, S. (2012). *SA students love food, brands, booze*. News article published by City Press. 2012-04-08. Accessed <http://www.news24.com/SouthAfrica/News/SA-students-love-food-brands-booze-20120407-2>

⁸ Mngoma, S. (2012). *SA students love food, brands, booze*. News article published by City Press. 2012-04-08. Accessed <http://www.news24.com/SouthAfrica/News/SA-students-love-food-brands-booze-20120407-2>

However, despite there being a worldwide trend for decreased government support for higher education and increased costs for students and families⁹, the South African government has done relatively well in providing access for the poor into higher education through NSFAS. This full cost of study provision has included a relative value for extra-to-tuition costs such as books and meals since as early as 2006. The question of whether this is enough will always arise, particularly given the increasing pressure on the NSFAS funds to support students more holistically so that they are able to focus their efforts on their studies without being hungry, as many media articles in recent years have attested to.¹⁰

This paper will investigate how much it costs to buy a relatively decent meal as a mechanism for determining a reasonable allowance in terms of National Student Financial Aid Scheme (NSFAS) policy. There are two different categories of meal allowances. These are off-campus and on-campus meal allowances; off-campus students are those who stay at home or in off-campus private accommodation, while on-campus are students who stay in university residences. The meal allowances offered by institutions vary in terms of the estimated costs due to the regional and provincial disparities. Therefore, the themes that emerged on this paper will serve as important yardsticks to determine how much money is needed for meal allowance. This was a desktop research exercise based on the review of the available literature, the breakdown of the cost of the nutritious meal undertaken by Shoprite and Spar, and an analysis of submissions received by various institutions. The databases used are Sabinet online, journals, books and various newspapers.

This report consists of three perspectives that will be used to contextualise the current NSFAS allowances paid, as a means of informing recommendations on future policy. Firstly, it will present the commercial view of the cost of a reasonable daily food allowance as presented by two of the merchants that sBux is currently using to disburse meal allowances to students. It is then followed by the institutional practice view that will zoom in the utilisation and actual spend by students using sBux, how the meal allowances are determined in different

⁹ Marcucci, P.N. & Johnstone, B.D. (2007). *Tuition Policies in a Comparative Perspective: Theoretical and Political Rationales*. Journal of Higher Education Policy and Management, 29 (1), 25-40.

¹⁰ Including, but not limited to, the following articles: <http://mg.co.za/article/2014-09-11-vut-plunged-into-crisis-as-students-go-hungry>; <http://www.politicsweb.co.za/news-and-analysis/students-go-hungry-as-fort-hare-crumbles--yusuf-ca>; <http://witsvuvuzela.com/2014/06/06/delayed-bursary-payments-leave-education-students-hungry/>; <http://www.sowetanlive.co.za/news/2012/03/26/students-go-hungry>; <http://www.sabc.co.za/news/a/b1166880497c74a9b845b9623266b54e/Poor-university-students-dont-perform-well-due-to-hunger>;

institutions in terms of the cost of food per day, and the view of institutions in standardizing meal allowance. The last lens that will be adopted will cover analysis presented by StatsSA on household consumption expenditure by population groups, consumer price index, the food inflation rate and comparison between urban and rural food prices.



Figure 1: 2015 University students spending patterns
Source: In SA Student Spent Report 2015

A COMMERCIAL LENS FOR COSTING A MEAL ALLOWANCE

i. Food cost per day

According to the data that was received from sBux, R 92 086 617.43 was disbursed in 2015 academic year for meal allowances to approximately 20 000 students¹¹. This amounts to an effective spend of R 4 600 per student over 10 months, with the actual allowances allocated averaging at about R600 per student per month. It should be noted that the allowances allocated to students are currently determined by the institutions, and that students may use their meal allowances interchangeably with the cash allowance allocated. In most cases, students will receive either a meal allowance or a cash allowance, but not both.

¹¹ This information is from sBux report for 2015. Although there are 48 795 students who used sBux during 2015, not all of these students use sBux for meal allowances, with approximately only 20 000 accessing meal allowances through sBux. This amounts to approximately R600 per student per month based on institutional policies.

ii. A costing scenario from Shoprite

Shoprite followed the following set of assumptions to determine the total costs of the meal allowance:

- how much it will cost to buy daily meals from a retailer or buying the raw ingredients and then the student prepares his/her own meal?
- if students they prepare their own meals, does it include expenses such as electricity?
- exclude certain products – for example, seafood that is not always available based on the location of the student, or that are high cost value food or where there are ingredients that can easily trigger allergies.

Shoprite provided two sets of estimates for the costing of a meal per student per day:

- R80 per day (R15 for breakfast, R30 for lunch and R 35 for supper)
- R92 per day (R20 for breakfast, R30 for lunch and R42 for supper)¹².

iii. A costing scenario from Spar

Spar is one of the merchants that sBux is using for students to access their meal allowance. According to Spar, students spend roughly R30 to R50 for each meal depending if it is an on-the-run meal or a proper one¹³.

THE INSTITUTIONAL PRACTICE LENS

This view outlines how each institution determines their meal allowances, as this differs from institution to institution. Not all institutions are covered in this section.

i. Current meal allowances payable

a. *University of Cape Town (UCT)*

The UCT meal allowance is R1 600 per month – amounting to R16 000 for all programmes except health sciences from 2nd year: as their academic year is longer, the students receive 11 months of meal allowances (R17 600 per annum).

¹² This information was obtained from Abrie Van Staden from Shoprite.

¹³ This information was obtained from Bronwen Bramford. Retail eCommerce Manager from Spar.

For 2016, the 3 meal catering charge is R17 300, with the exception being the Medical residence and 2 other specific residences. The allowances are determined by the Undergraduate Studies Funding Committee, and at this stage the allowances are increased annually by a percentage normally between 8 and 10%. However, not all allowances may be increased if there are budget constraints.

b. University of Free State (UFS)

In the UFS, to enable a student to pay his/her class fee account (tuition and accommodation); the Financial Aid Committee determines an amount for meals and books per student. The UFS yearly increases this amount with more or less the increase in class fees. If a student receives a substantial amount for books and meals he/she will in many cases not be able to settle his/her class fee account unless NSFAS increases the maximum amount of a loan drastically. The UFS have provided a copy of pricing schedule for the successful tenderer for their catering services (Appendix A).

c. University of KwaZulu-Natal (UKZN)

According to UKZN Student Funding, it is anticipated that in 2016 UKZN students on financial aid received will receive a meal allowance that ranges from R1200 to R1800. This gives each student access to R40 to R60 per day to spend on food¹⁴. UKZN have established a task team to determine and finalise a proposal for reasonable costs for food per day.

d. Other

It should be noted that a recent online survey undertaken by NSFAS with the financial aid officers using Survey Monkey shows significance variance in terms of what is currently offered as a meal allowance by the 17 institutions which responded: the figures vary from R2 000 for the year to R 16 000, with the average meal allowance calculated as R 8 381 per student.

Munro et al. (2015) explains it is possible that many students on financial aid use their meal allowance to supplement textbook allowances, pay for stationery, photocopying and other study expenses, cover travel costs, fund food for family members where the student is the head of the household and supplement living expenses for family members in cases of unemployment.

¹⁴ All this information was extracted from the emails that were sent by institution financial aid officers

ii. Standardization of the meals allowances - inputs from universities

Annexure B shows inputs from different universities on the matter of standardising the meal allowance¹⁵. The majority of Universities are supportive of the standardization of food allowances, but did raise a few critical points. These include the following:

- The need to ensure adequate consultation with the universities as this impacts on their engagements with their students, and any residential arrangements in place;
- The need to ensure fair provincial or regional variation – especially as costs of food may differ significantly across provinces or between rural and urban university settings;
- The need to consider a minimum value for meal allowances where students are not staying at home, to ensure that students' nutritional needs are adequately catered for; and
- The need to consider any unintended consequences of standardization in respect to the number of students that may be funded, particularly for universities whose current allowance values have been reduced to allow for more students to access funding.

iii. NSFAS Handbook accommodation and food allowance recommendation

The NSFAS Handbook 2016 provides recommendations annually for accommodation and food allowances on the basis of the means test tables which are updated annually. These are noted below:

a. *On campus (as per the student fee account)*

In catering residences/hostels: Residence fees as set by the university as per the student fee account, which includes the cost of meals.

In self-catering accommodation: the accommodation fees as set by the university as per student fee account and set food allowances determined by NSFAS.

The recommended food allowance for this is R6 627 for the 2016 academic year

¹⁵ These inputs were received from the Vice Chancellors of the universities in September and October 2015 in response to a request for input on the standardization and calculation of the meals allowances.

b. Off campus (includes private accommodation)

At home: a set accommodation allowance as determined by NSFAS.

The recommended allowance for this is R8 377 for the 2016 academic year- this includes provision for transport to/from campus.

For students from out of town (private accommodation): a set accommodation and food allowance as determined by NSFAS

The recommended allowance for this is R14 255 for the academic year¹⁶.

iv. Projected meal allowances as reported for historic years

According to data held by NSFAS, meal allowances were first included in the full cost of study (FCS) calculation in 2006. While the amounts amongst institutions have varied significantly since 2006, the average meal allowance has grown significantly since 2006:

	Minimum value	Maximum value	Average	% change
2006	R 3 000.00	R 15 000.00	R 9 577.00	
2007	R 8 300.00	R 15 000.00	R 11 393.87	+19%
2008	R 8 481.85	R 16 188.00	R 11 715.98	+3%
2009	R 9 673.04	R 26 500.00	R 13 928.03	+19%
2010	R 4 886.13	R 25 800.00	R 13 742.49	-1%
2011	R 5 270.55	R 25 600.00	R 15 539.09	+13%
2012	R 10 000.00	R 26 000.00	R 16 875.87	+9%
2013	R 5 000.00	R 28 800.00	R 15 859.59	-6%
2014	R 1 500.00	R 28 800.00	R 15 810.37	-0.3%
2015	R 2 000.00	R 28 800.00	R 16 593.26	+5%

Variations in these average amounts cannot be directly accounted for, but it is interesting to note that as the demand for funding has exceeded the available funding for students, institutions have generally constricted the allowance

¹⁶ NSFAS 2016 handbook

payments for food – the only exceptions being where the food costs are included as part of the residence costs.

Research published by the Human Sciences Research Council in 2010 demonstrated that a lack of finance was one of the most dominant reasons provided for students leaving higher education prematurely. This cohort study of a group of students at selected universities concluded that poverty was “the most important issue” to be addressed in remedying student dropout rates¹⁷. It is therefore critical that the issue of determining an appropriate value for meals to adequately support students’ nutritional needs is addressed.

AN ECONOMIC VIEW - STATISTICAL EVIDENCE FOR MEAL ALLOWANCES

This section looks at economic/statistical view, zooming in how annual household consumption, consumer price index and overall inflation and food inflation can affect the determination of meal allowance for NSFAS students. The pricing of basic food stuffs is likely to increase in the short-term and there is already evidence that, over the past three months, the price of basic food items have increased by 9% on average.

The food price monitoring organisation Pietermaritzburg Agency for Community Social Action, whose statistics are in line with StatsSA, warns the rise in food prices is expected to continue beyond current levels as the impact of the current drought will only be felt at the next harvesting season¹⁸. When one unpacks the various Consumer Price Index series in the StatsSA database, an interesting contradiction between food price inflation in rural and urban areas emerges. The Consumer Price Index for food in rural areas is generally higher, with inflation (year on year) being generally higher than in urban areas. The rising food prices have an impact on poorer households who spend a much greater share of their monthly budget on food.

i. Household consumption expenditure by population groups

The figure that follows shows that almost a fifth (18, 4%) of annual household consumption expenditure is generally spent on food and clothing. Black African

¹⁷ Letseka, M., Cosser, M., Breier, M. & Visser, M. (2010) *Student retention and graduate destination: higher education and labour market access and success*. Cape Town: HSRC Press

¹⁸ Hosken. G (2016) *Your basket of basic food is going to cost a lot more a lot*. Accessed on 18 March 2016 available at [sooner.http://www.timeslive.co.za/thetimes/2016/02/02/The-hunger-games](http://www.timeslive.co.za/thetimes/2016/02/02/The-hunger-games)

households spent a far larger proportion on food and clothing than their coloured, Indian/Asian and white counterparts. Over a quarter (26,7%) of household expenditure for black African households was spent on food and clothing while in contrast, white households spent less than a tenth (9,2%) of their expenditure on food and clothing¹⁹.

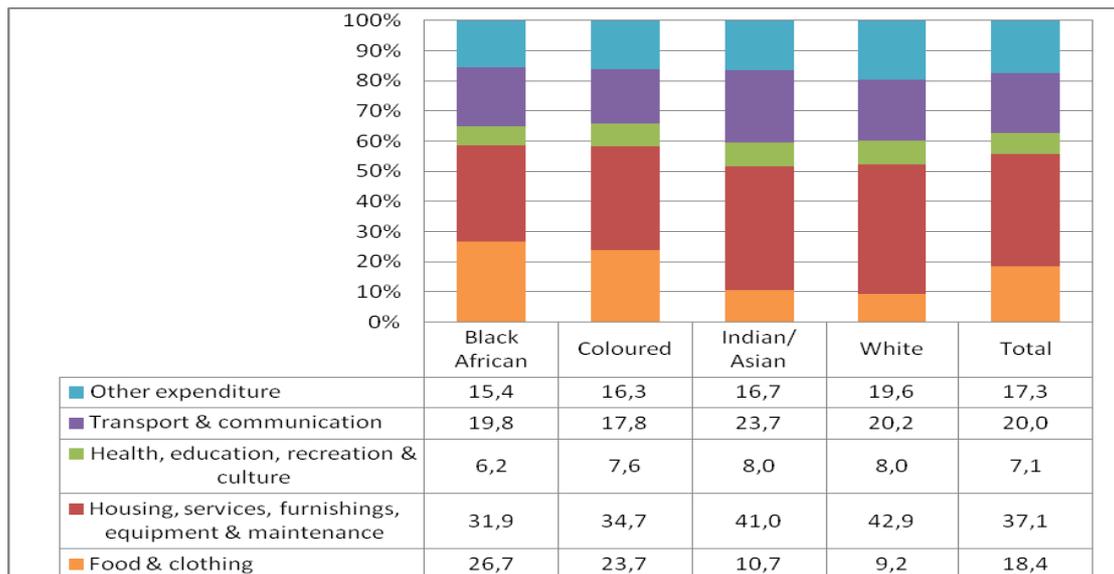


Figure 3: Percentage distribution of annual household consumption expenditure on broad expenditure groups by population group of household head

Source: StatsSA Income and expenditure of households 2010/2011

An understanding of these expenditure patterns provides a sense of how the relative value of the full cost award should be split, and may suggest that a meal allowance that is more than 20-25% of the value of the award would be well in excess of what may be required.

ii. Consumer Price Index

The January 2015 Consumer Price Index (CPI) released by Statistics South Africa (Stats SA) showed that the headline CPI (the raw inflation figure as reported through the Consumer Price Index (CPI) that is released monthly by the Bureau of Labour Statistics²⁰) was 4.4% between January 2014 and January 2015.

¹⁹ Statistics South Africa. (2012) *Income and Expenditure of Households 2010/2011*. Pretoria: StatsSA

²⁰ Investopedia (2016) *What is a Headline CPI?* Accessed on 18 March 2016 available at <http://www.investopedia.com/terms/h/headline-inflation.asp>

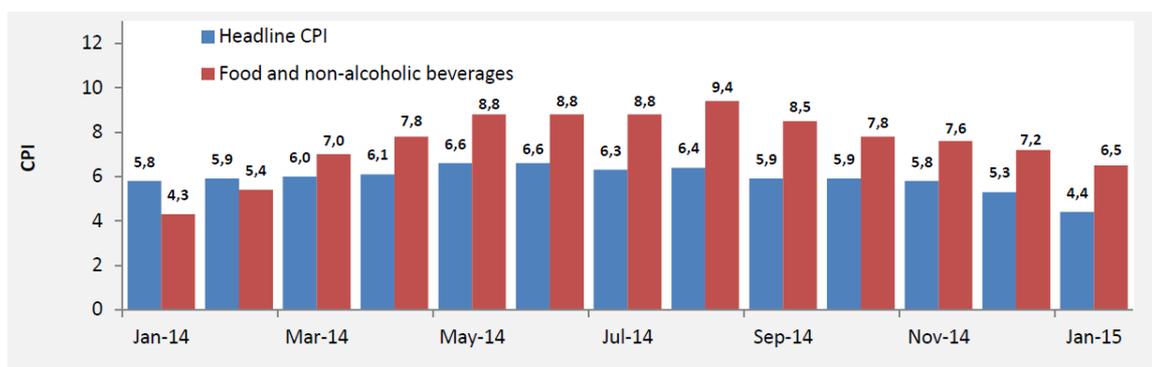


Figure 4: Headline CPI and food and non-alcoholic beverage CPI for 2014–2015 (year-on-year)
Source: Food Price Monitor 2015

The headline CPI excludes food inflation because the headline CPI is not calculated annually. The year-on-year food and non-alcoholic beverage price index increase was 6.5% in January 2015. Figure 4 above shows trends in year-on-year headline CPI and food and non-alcoholic beverage inflation rates from January 2014 to January 2015²¹. There is substantial in-year variation – from 4, 3% to 9, 4% - in the food inflation index, and although this cannot be reasonably predicted in advance, any decision on the meal allowance should take into account the impact of in-year increases and decreases in food prices.

iii. Overall inflation and food inflation: South Africa and selected countries

The table below shows the year-on-year overall inflation and food inflation rates for January 2015 in South Africa and selected countries.

South African overall headline inflation for January 2015 was 4.4%. Food inflation was at 6.5% during the same period. South African food inflation was accounted for by increases in fish, meat and cold beverages. In comparison with other sub-Saharan African countries, South Africa and Namibia are the only two countries where food inflation is higher than the overall inflation – and this may be because Namibia has its exchange pegged to the ZAR²².

Country	Overall Inflation (%)	Inflation: Food, non-alcoholic beverages (%)
South Africa	4.4	6.5
Botswana	4.3	2.5

²¹ Food Price Monitor 2015

²² Ibid

Country	Overall Inflation (%)	Inflation: Food, non-alcoholic beverages (%)
Zambia	7.9	7.4
Turkey	7.2	10.97
Namibia	4.5	6.5
United States	-0.1	3.40
United Kingdom	0.3	-2.5
Brazil	7.1	8.0
Russia	15.0	22.8
India	5.1	6.1
China	0.8	1.1

Table 2: Overall inflation and food inflation during January 2015
Source: Food Price Monitor 2015

For most of the countries profiled, food inflation is higher than the overall inflation index, the only exceptions being Botswana, Zambia and the United Kingdom. South Africa's food inflation rate is relative compared to the other countries, and falls mid-way within the BRICS countries – with Brazil and Russia both having higher food inflation indices, and in fact having higher overall inflation indices. The implication of this is that NSFAS needs to give consideration to pegging its' annual increases on the food inflation index and not the overall inflation indicator. It also implies that changes in food prices are not likely to be linked directly to food pricing in other countries, or in particular, with South Africa's immediate neighbours.

iv. Comparison between urban and rural prices

This section compares the prices of selected food items in the rural and urban areas for January 2015, as indicated in the table below:

Product	Rural Food Prices January 2015	Urban Food Price January 2015	Price difference R/Unit
Full Cream Long Life Milk 1L	12.03	12.59	0.56
Loaf of Brown Bread 700g	9.57	10.29	0.72
Loaf of White Bread 700g	10.31	11.42	1.11
Maize Meal 5kg	32.4	33.73	1.24
Margarine 500g	17.89	21.68	3.79

Product	Rural Food Prices January 2015	Urban Food Price January 2015	Price difference R/Unit
Rice 2kg	23.62	23.45	-0.17
Sunflower Oil 750ml	14.59	17.25	2.66
Ceylon/Black Tea 62.5g	9.89	9.68	-0.21
White Sugar 2.5 kg	29.63	26.31	-3.32
Average			0.68

Table 3: Comparison between urban and rural food prices (selected food items)
Source: Food Price Monitor 2015

Food items showing the largest price differences in January 2015 were basic foodstuffs such as margarine, sunflower oil, a loaf of white bread, maize meal, a loaf of brown bread and full cream milk long life. Of the nine items surveyed above, six are costed higher in the urban areas, with only three having a higher cost in the rural areas (rice, black tea, white sugar). This indicates that rural consumers paid more for these three food items than urban consumers, but that overall costs for basic foodstuffs appear to be higher in the urban areas. NSFAS may therefore need to consider geographic specificities when it allocates the amounts for meal allowances – and this is consistent with the views expressed by the universities in their support of a standardised set of meal allowances. This table also demonstrates the extent of the price elasticity of food items that may constitute a basic meal.

CONSIDERING A POLICY RECOMMENDATION FOR NSFAS

The amount of funds provided by NSFAS to needy students should be re-assessed based on realistic food prices and the cost of living. Insufficient funding and scarce resources have been the mantra of the higher education system in South Africa. The extent to which students can access the support needed to succeed must be investigated and assessed from multiple angles that extend beyond a narrow view of teaching and learning.

a. Should a meal allowance be included in the full cost of study?

The FCS should take into consideration the projected increases and adjustments for meals allowances, especially where these are included as part of the residence costs. Meal allowances need to be adjusted annually at par with food inflation, but should also take into account the costing of a residence meal at each of the universities, as this will provide a perspective on regional variations in prices.

b. Should NSFAS determine a standard value for meal allowances across all institutions?

Allowances for meals, books and/or transport where applicable needs to be standardized across all universities and determined by NSFAS annually. These allowance values would need to be updated into the university financial aid administration system and the claims submitted by universities would need to specify what portion of the loan or bursary amount is for tuition and residence, and the portion paid as allowances. At this stage, it is not intended that universities not on the student centred model would need to change their allowance disbursement system to S-Bux, only that the allowances payable would be as determined by NSFAS. It is recommended that when all the universities have been on-boarded to the student centred model that a meals allowance standard and policy has been determined, and implemented across all universities through the sBux (or any other) platform.

c. How much is enough given the factors considered in this paper?

From a commercial perspective, it would seem that a recommended daily allowance of between R60 and R80 would be sufficient – this would translate into approximately between R2000 to R2400 per month taking into considerations the geographic specificities. However, this would potentially equate to a value of R24 000 per annum, which in the current year is more than 20-25% higher the maximum capped award that NSFAS has approved. Such an allowance would therefore place pressure on the system to fund fewer students in order to ensure that more students could be offered a meal allowance of this value.

According to Department of Higher Education and Training (DHET) guidelines for the Technical Vocational Education and Training (TVET) College funding programme for 2016:

Accurate and fair distribution of the bursary funds is of paramount importance. These principles are applied to the enrolment figures finalized by the end of February of each year. In order to promote access to and to gradually expand the College system to accommodate more students, it is recommended that Colleges should earmark at least 80% of the bursary allocation to cover the College fees of eligible students and 20% of the total bursary allocation to cover travel and accommodation allowance²³.

²³ Department of Higher Education and Training (DHET) 2016: Rules and guidelines for the administration and management of the Department of Higher Education and Training TVET programme.

While the current NSFAS Handbook indicates that meal allowances for 2016 should be from R6 627 for the 2016 academic year, it is clear that institutional practice in 2016 is widely varying, dependent not only on geographic factors linked to the costing of foodstuffs, but may also be related to legacy pricing systems that from the outset have positioned the provision for meals allowances at a higher rate. It should however be noted that any amount determined needs to be reasonable given that – in 2016 - students only receive R71 800 in total, which has to first preference tuition, residence and books, then food.

CONCLUSION

Higher education fees are arguably expensive and poses insurmountable barrier to many South Africans wishing to pursue education beyond Matric level. Given the poverty levels in South Africa the discourse on free higher education for poverty alleviation has been of paramount importance.

In terms of policy, there is a need for the review of NSFAS meal allowance and the specific focus should be on revising the overall amount that NSFAS offers for meal allowance. While preliminary indications are that there is inconsistency in how meal allowances are calculated, more research needs to be undertaken to determine a common standardization of meal allowances. Universities need to be robustly engaged on how best to determine the optimum meal allowance given that they play a critical role in determine the overall costs of food in their residences.

It should be noted that the amount of funds provided by the NSFAS to needy students should be re-assessed based on realistic food prices and the cost of living. Insufficient funding and scarce resources have been the mantra of the higher education system in South Africa. Given the factors that contribute to high attrition rates in higher education, NSFAS needs to consider seriously the extent to which the provision of adequate allowances for meals may mitigate drop-out and poor academic success rates.

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ANNEXURE A: SUBMISSION FROM UFS

The table below represents the submission in response to a tender for the provision of meals for students in residence. It provides an institutional view on the price of a reasonable meal for students on campus. Two scenarios are presented – a budget plan and a normal plan.

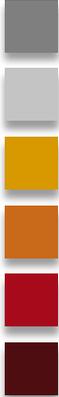
ITEM	PORTION SIZE	Price Per portion Cost VAT inclusive	Retail Price VAT inclusive
BUDGET BREAKFAST:			
Fried Eggs	2	2.77	3.20
Bread/ Toast (Brown, whole wheat & White)	2 slices	1.16	1.40
Margarine/Butter	2 x 7g	1.74	2.00
Protein (bacon/mince/Vienna/sausage/Russian)	60-80g	4.89	5.83
Price VAT inclusive		R10.56	R12.43
NORMAL BREAKFAST:			
Cereal (All Bran/Corn Flakes/ Rice Krispies/ Muesli)	1.5 cup	5.69	6.65
Eggs (fried or scrambled)	Scrambled 1.5; Fried 2pp	2.74	1.40
Bread/Toast (Brown, whole wheat & white)	2 slices	1.16	1.40
Margarine/Butter	2x7g	1.74	2.00
Protein (bacon/mince/Vienna/sausage/Russian)	60-80g	4.89	5.83
Price VAT inclusive		R16.22	R19.08
BUDGET MAIN MEAL:			
Protein (Choice of 2)	130-300g	13.59	15.70
Starch (Pap/Rice/Samp)	180g	1.20	1.45
One vegetable or salad	180g	5.06	5.85
Price VAT Inclusive		R19.84	R23.00
NORMAL MAIN MEAL:			
Protein (Choice 2)	150-300g	13.59	15.70
Starch (Pap/Rice/Samp)	180g	1.20	1.45
Two vegetable/salad or one vegetable and one salad	180g + 180g (Total 360g)	10.11	11.70
Price VAT Inclusive		R24.90	R28.85
Total Price VAT Inclusive Budget plan			R 35.43
Total Price VAT inclusive Normal Plan			R 47.93

ANNEXURE B: SUBMISSIONS FROM UNIVERSITIES ON STANDARDISATION OF MEAL ALLOWANCES

MUT	<p>MUT has no problem if the allowances are standardized. The deviation by the FAC was aimed at addressing the high number of students who need financial assistance. The objective was to accommodate as many students as possible into NSFAS funding. We would like to highlight that the unintended consequence of standardizing allowances is that the number of students receiving NSFAS funding might decrease substantially.</p>
US	<p>Allowances for food, books and transport (where students stay at home and commute every day) can be standardized across all universities and determined by NSFAS annually. Minimum and maximum amounts for allowances per student should be set. It is important to set minimum allowances to prevent top-slicing of the allocations to individual students.</p> <p>Stellenbosch University set the following allowances for 2016 – meals = R15 000 (equivalent to the cost for meals in a SU residence per annum); books = R5 000; transport = NSFAS allowance for students who stay at home.</p>
CUT	<p>The CUT has maintained its maximum allowances unchanged from 2014 to 2015 for books, meals and transport. This was to enable the University to fund more students with the limited resources allocated from NSFAS. Funding for approved NSFAS students by the University includes full tuition, meals, books and accommodation.</p> <p>Standardization may not result in a fair distribution and may compromise other student's quality of life as the cost of living is not necessarily the same across all provinces. Thus, NSFAS needs to take the provincial cost of living into account in determining the rates. The proposal to set maximum amounts for allowances per student is accepted on the understanding that there will be consideration of the varying cost of living in each province. There might be a need for NSFAS to consider setting a minimum so as to ensure that the student's basic needs are covered by the allowances.</p>

Research and Policy Working Paper 5 – What is in a meal allowance?

DUT	In principle, the university supports the standardization of allowances (meals, books and/or transport) across all universities. However, in determining the initial amount, it is imperative that the university is consulted. It is felt that a standardized amount may allow more students to be funded as there could be savings from those universities that provide for a generous allowance.
Rhodes	The increasing demand each year pushes the prices up. Our off campus accommodation is not among the cheapest in the country. On average the monthly rental is R2500 and this excludes electricity and water. Providing a standard allowance that does not take the location of the University into account as well as other socio economic factors will leave our indigent students stranded. Where possible, the University always strives to align off campus allowances to the actual costs of off campus accommodation in their towns to ensure that the students are not stranded. Providing a standard allowance regardless of the location will result in some students getting more than they require while others will fall short each month.
NWU	The NWU welcomes the standardization of allowances but are of the opinion that more consultation should take place. Living costs may also differ from region to region and must be taken in consideration. The large number of applications received versus the allocation received, forced universities to reconsider the amounts available for allowances annually. The introduction of standardized allowances might have a significant impact on the number of students assisted. The phase in of allowances should be considered if additional funding is not made available.
SPU	Meals for SPU students are included in their Accommodation Fee. Will meal allowances be paid for students staying off campus (private residence/s)? NSFAS should set maximum amounts for allowances per student).
UNISA	UNISA supports a standardized allowance across all institutions for book allowances. The food and transport allowance should be determined by the area at which the student is studying. The allowances should be researched and be determined by NSFAS.
SMU	NSFAS should standardize allowances across the board, and that they should set maximum amounts for allowances per student.



UCT	UCT would appreciate feedback on what the value of the allowances are envisaged at, as this impacts on what the institutions have set as reasonable for their students. While we encourage the standardization of allowances to combat inconsistencies in the system, further discussions with the respective institutions would assist in refining the policy.
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