

(c) it is in the best interest of the institution.

(6) An employee may not on behalf of that public higher education institution contract with himself or herself or any entity in which he or she has a direct or indirect financial or personal interest.

(7) Contracting referred in subsection (6) relates to conduct that is aimed at receiving any direct or indirect personal gain that does not form part of the employment relationship contemplated in subsection (1).” 5

Amendment of section 47 of Act 101 of 1997

3. Section 47 of the Higher Education Act, 1997, is hereby amended by the substitution in subsection (1) for the words preceding paragraph (a) of the following words: 10

“An independent assessor appointed under section 44 must, within [30 days] a period determined by the Minister, but not exceeding 90 days and on the terms of reference specified by the Minister—”.

Insertion of sections 4A and 4B in Act 56 of 1999 15

4. The following sections are hereby inserted in the National Student Financial Aid Scheme Act, 1999, after section 4:

“Intervention by Minister

4A. (1) The Minister may issue a directive to the board to take such action specified by the Minister if the NSFAS— 20

- (a) is in financial difficulty or is being otherwise mismanaged;
- (b) is unable to perform its functions effectively due to dissension among board members;
- (c) has acted unfairly or in a discriminatory or an inequitable way towards a person to whom it owes a duty under this Act; 25
- (d) has failed to comply with any law;
- (e) has failed to comply with any directive given by the Minister under this Act; or
- (f) has obstructed the Minister or a person authorised by the Minister in performing a function in terms of this Act. 30

(2) A directive contemplated in subsection (1) must state—

- (a) the nature of the deficiency;
- (b) the steps which must be taken to remedy the situation; and
- (c) a reasonable period within which the steps contemplated in paragraph (b) must be taken. 35

(3) Before making a decision under subsection (1) the Minister must, subject to the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)—

- (a) give notice to the board of the intention to issue a directive;
- (b) give the board a reasonable opportunity to make representations; and 40
- (c) consider such representations.

(4) (a) If the board fails to comply with the directive within the stated period, the Minister must dissolve the board and appoint an administrator to take over the functions of the board.

(b) For the purposes of paragraph (a), sections 17A, 17B and 17C apply with the changes required by the context. 45

(5) If the Minister appoints an administrator in terms of subsection (4), the administrator may perform all the functions of the board and an employee must comply with a directive given by the administrator.

(6) The cost associated with the appointment of an administrator shall be for the account of the NSFAS.” 50

Insertion of Chapter 2A in Act 56 of 1999

5. The following Chapter is hereby inserted in the National Student Financial Aid Scheme Act, 1999, after Chapter 2:

“CHAPTER 2A

Appointment of administrator 5

17A. (1) Notwithstanding any other provision of this Act, the Minister may, after consultation with the board if practicable, appoint a person as administrator to take over the management, governance and administration of the NSFAS and to perform the functions of the NSFAS if—

- (a) an audit of the financial records of the NSFAS or a report by a Ministerial Committee reveals financial or other maladministration of a serious nature or the serious undermining of the effective functioning of the NSFAS; 10
- (b) any other circumstances arise that reveals financial or other maladministration of a serious nature or the serious undermining of the effective functioning of the NSFAS; or 15
- (c) the board requests such appointment.

(2) The Minister may only act in terms of subsection (1)(a) or (b) if the appointment of an administrator is in the interests of the NSFAS and higher education and training in an open and democratic society. 20

(3) (a) The Minister appoints an administrator for such period as may be determined by the Minister but such period may not exceed two years.

(b) The Minister may extend the period contemplated in paragraph (a) once for a period not exceeding six months.

Assistance to administrator 25

17B. An administrator appointed in terms of section 17A may, with the approval of the Minister, appoint any other person with suitable knowledge and experience to assist him or her in the performance of his or her functions.

Remuneration and allowances 30

17C. The Minister, with the approval of the Minister of Finance, may determine the remuneration and allowances to be paid to the administrator and to any other person appointed in terms of section 17B.

Dissolution of board

17D. The board is dissolved from the date the Minister appoints the administrator in terms of section 17A(3)(a).” 35

Repeal of section 23 of Act 56 of 1999

6. Section 23 of the National Student Financial Aid Scheme Act, 1999, is hereby repealed.

Short title 40

7. This Act is called the Higher Education Laws Amendment Act, 2011.