

Chairperson's report

NATIONAL STUDENT FINANCIAL AID SCHEME

THIS ANNUAL REPORT REFLECTS THE PROGRESS AND work of the National Student Financial Aid Scheme over the last year and again emphasises its importance for the growth and development of South Africa as a nation and for individual South Africans. As the number of students assisted and the funds available for such assistance steadily grows it is necessary to take stock not only of the success of the Scheme but also the challenges for its future success and sustainability.

It is useful to remind ourselves of the purpose of NSFAS as specified in the preamble to the NSFAS Act, namely:

- to redress past discrimination and ensure representivity and equal access;
- to respond to human resource development needs of the nation; and
- to establish an expanded national student financial aid scheme that is affordable and sustainable.

In this respect NSFAS has handled its mandate with considerable energy and determination as evidenced by an enormous increase in the number of previously disadvantaged South Africans studying at higher education institutions. As a result graduates have been produced through NSFAS funding who are employed in a broad cross-section of the labour market from the private to the public to the non-governmental sectors. And, while not intending to be self-sustaining, the Scheme is now funding one quarter of all its recipients out of loan recoveries alone.

In South Africa students tend to choose to study in whatever field they wish, often being able to significantly switch courses main stream, without too much external pressure in the form of incentives or disincentives. The South African educational system allows a great deal of flexibility to select different courses of study at various levels in order to pursue one career or another.

Nevertheless there have been a number of initiatives aimed at being somewhat more directive, particularly from the Departments of Labour and Education supported by research especially from the Human Sciences Research Council. In this respect the Department of Education's Plan for Higher Education proposed shifts in the number of students enrolled in broad areas of study. The Department of Labour's document, "The State of Skills in South Africa" also looked at shifts that may be made in providing more adequately for



A handwritten signature in black ink that reads "S. Pityana". The signature is stylized and written in a cursive-like font.

Mr Siphon M. Pityana
Chairperson

NSFAS has handled its mandate with considerable energy and determination as evidenced by an enormous increase in the number of previously disadvantaged South Africans studying at higher education institutions

the South African Labour market. In this respect NSFAS supports the Department of Education's initiatives in enrolment planning to increase enrolments in business and commerce, and in science, engineering and technology.

We are conscious of the need to be more facilitative in offering assistance to needy students in particular by nudging them towards scarce skills areas of study where there may be more readily available employment opportunities. There has been some progress in this area. But this also requires the recognition that many poor students have been academically disadvantaged as a result of inadequate and discriminatory schooling, yet they have the potential to succeed provided they are given the opportunity to further their studies through bridging and foundation programmes offered by many institutions.

One area of potential for growth is with the private sector. We will explore partnerships where the private sector assists in identifying areas of specific need in the economy and is prepared to contribute both funds and sometimes time to monitor and mentor students. On the other hand the state, NSFAS in particular, would be prepared to enter into shared funding agreements to ensure that identified students are able to undertake their studies.

These public private partnerships would help increase the pool of funding for young people while simultaneously enhancing the co-ordination of financial support.

We also believe that past beneficiaries can play a very important role in the success of NSFAS. Graduates who have been assisted from NSFAS funding are to be found in key positions in all sectors of employment. Whilst their achievements are a key indicator of the success of NSFAS and government's commitment to student funding aid, equally important is the preparedness that the majority show towards paying back the loan portions of their awards. They do so with the complete assurance that every cent paid back to the Scheme is recycled into supporting funding for the next cohort of students entering higher education. During the rest of our term of office one of our objectives is to implement programmes in which we can seek ongoing contributions in one form or another from past beneficiaries of NSFAS assistance.

I would like to place on record my appreciation to the government, particularly the Department of Education and the National Treasury, for their ongoing support for NSFAS. I would also like to thank my colleagues on the Board of NSFAS, the CEO and all the staff for their hard work and commitment to ensuring that NSFAS continues to play a vital role in our country.