



National Student Financial Aid Scheme

Statement by the Minister of Higher Education, Science and Innovation, Dr Blade Nzimande on the 2022 National Student Financial Aid Scheme (NSFAS) funding

24 June 2022

Programme Director, Mr Ishmael Mnisi
Deputy Minister of Higher Education, Science and Technology, Mr Buti Manamela;
Director-General of the Department of Higher Education and Training, Dr Nkosinathi Sishi;
Chairperson of the NSFAS Board, Ernest Khosa
NSFAS CEO, Andile Nongogo;
DDGs of the Department of Higher Education and Training;
NSFAS Executive and Staff;
Officials from the Department of Higher Education and Training; Student leadership;
Members of the media;
Ladies and Gentlemen:

At the beginning of the year, I announced that the National Student Financial Aid Scheme (NSFAS) would receive additional budget to ensure that all eligible students who have been registered to further their education at a TVET College or University for approved courses are supported.

Prior to my announcement, it was clear that NSFAS was unable to conclude funding decisions for new university students on the basis of available budget at the time. My Ministry then launched a major effort to engage the Minister of Finance and seek Cabinet approval for additional funding to meet the shortfall.

The total amount R47,3 billion was allocated to NSFAS following the funding shortfall, by the Department of Higher Education and Training for the 2022 academic year, to cover both TVET colleges and the public Universities. Once again, we would like to express our thanks and appreciation to Cabinet and National Treasury for this support.

I am happy to report that with funding certainty, NSFAS was able to timeously respond and release funding decisions to all qualifying students.

I wish, upfront, to thank the National Youth Development Agency (NYDA), together with the Education, Training and Development Practices SETA (which employed interns) for their assistance to our young people in their applications and queries with regard to NSFAS at the beginning of this academic year.

However, we continue to be constrained by prior challenges caused by the COVID-19 pandemic. As you might recall, my department had to provide support to the extended academic year and ensure that the NSFAS funded students continue with teaching and learning during the hard lockdown periods in the course of the pandemic.

In addition, many institutions had to use their own resources to ensure that they support the NSFAS eligible students while NSFAS was still awaiting the transfer of funds.

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In the absence of the upfront payments, we have noted the need to align the start of the academic year with the release of the NSFAS funds.

As a result, I instructed my Department and NSFAS to plan in a manner that will enable students to have funds at the beginning of the academic year. I am pleased to say that there has been considerable progress in this regard towards future academic years.

I made a call to all institutions to ensure that they finalise the submission of their registration data to NSFAS to ensure that there are no delays in processing the transfers. Most institutions heeded the call on time.

Today, I have received a report from the Chairperson of the Board and the CEO of NSFAS on the progress made thus far since our last announcement. The report received indicates significant progress made by the NSFAS in administering bursaries for students in the 2022 Academic year.

The report highlights the registration data received by NSFAS from 26 public universities and 50 TVET colleges and payments that have been made thus far.

One of the key guiding principles in the processing of the funding for all eligible students was the work done by both NSFAS and the Department of Higher Education and Training, in ensuring that the 2022 NSFAS Eligibility Criteria and Conditions for Financial Aid are approved, published and adhered to.

The funding policy is a very important instrument in guiding NSFAS processes in making funding decisions, applications and appeals. I must emphasise that the appeals process received much attention in the 2022 NSFAS Eligibility Criteria and Conditions for Financial Aid policy than ever before.

The policy is very clear on the categories and criteria for appeals. It addresses previous disparities on the application on the N+ rule between TVET colleges and university students.

The policy makes further provision for students who no longer meet the N+ Rule to be considered for funding if such a student is a university student who can prove that he/ she has 60 or less course credits to complete to complete a qualification. This is on condition the student obtains support from the institution.

NSFAS has now developed an appeals system that guides the students through the appeals process. While it took a while for the system functionality to be optimal, I am happy with the quality of appeals decisions made through this process.

For the 2022 appeals cycle, NSFAS has received at least 40 000 appeal applications. NSFAS reviewed and processed 28 000 of these appeals and communicated the outcome thereof.

Twelve Thousand (12 000) appeals could not be processed by NSFAS because no supporting documents were attached and submitted as required. This means NSFAS is unable to process and conclude these applications as they are not compliant with the minimum requirements.

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As of May 30, 2022, at least a total of R7, 2 billion had been paid to universities to cover all allowances including books, transport, accommodation, and living allowances for 498,942 students studying at universities. NSFAS has also paid R2,8bn to TVET colleges covering tuition and allowances for approximately 200,000 students.

NSFAS received the 2nd tranche of its budget allocation at the beginning of June 2022 which will be used to reimburse universities for tuition costs as these were not covered with available funds in the first payment. Universities are due to receive the 2nd quarter payments at the end of June 2022.

University Student Funding

All our 26 universities have submitted registration data to NSFAS as expected. A few universities must still resolve data exceptions to enable NSFAS to process registration data.

These exceptions relate to students who have not met the funding conditions when being assessed, including qualifications not properly approved and registered by the relevant authorities.

Furthermore, there are substantial duplicate registrations picked up across the system from universities and colleges for the same students.

Students must be advised on the importance of maintaining one institution where they are registered and to cancel whatever registration in other institutions.

The total value of registration student data received is R33,5 billion. This is a total commitment of 87% towards allocated funds.

NSFAS has confirmed funding for 691,432 students for the 2022 academic year, with 462,983 being female and 227,072 being male students.

There has been a new intake of 240,790 SASSA student in 2022 academic year alone (this exclude funded continuing SASSA students), and we will continue to support 1,770 students with disabilities who receive quite a comprehensive set of allowances from the NSFAS Fund.

Out of this number, three hundred and sixty-two thousand four hundred and eighty-two (362 482) Continuing Students with hundred and thirty-six four hundred and sixty (136 460) New Students have been funded during this period.

I must indicate that students registering in multiple institutions continue to be a challenge. We have found that 2,481 students have registered in more than one institution and NSFAS has received registration claims from more than a single institution.

To rectify this problem students are required to deregister in institutions that they are not studying at and submit evidence to NSFAS so that funds can be released to the correct institution.

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Another big challenge identified is where funding conditions are not met, students following incorrect academic pathways, registering on non-aligned qualifications and even new First Time Entering Students (FTEN) students who are registered on qualifications that are being phased-out.

The above requires all institutions and all students to strictly adhere to the approved NSFAS Eligibility Criteria and Conditions for Financial Aid funding without deviations. NSFAS will continue to work with institutions to ensure resolution to the anomalies in the system.

TVET College Student Funding

For 2022 TVET College bursaries, NSFAS projected a 10% growth in student numbers across all TVET academic cycles to an estimated 395,000 students. In this regard, NSFAS made provisional funding for 380,000 TVET College students.

To date, NSFAS received registration data for close to 200,000 students. This is at about 52% of expected and provisionally funded students in colleges.

In seeking to close the gap and understand the issues at College level, NSFAS deployed its staff in May to assist TVET colleges to submit registration data according to NSFAS requirements.

This intervention assisted in the improvement of data quality submitted by the TVET Colleges. However, this intervention is not sustainable as NSFAS does not have enough capacity to adequately support TVET colleges at various campuses in this particular way in the long-term.

There is a need to capacitate TVET college staff on NSFAS processes. To this end, NSFAS had committed to support colleges with a contribution of R500,000 per college in the short-term period to appoint financial aid officers.

One hundred (100) interns have been funded to capacitate TVET colleges with the help of the Insurance SETA and Foodbev SETA.

The main issue affecting the processing of students in TVET colleges, like universities, is the problem of multiple registration status and students following incorrect academic pathways.

To rectify this problem students are required to deregister in institutions that they are not studying at and submit evidence to NSFAS so that funds can be released to the correct institution. Where a student is registered in more than one institution, NSFAS will not be able to pay at all.

Another big challenge identified is where funding conditions are not met, students following incorrect academic pathways, registering on non-aligned qualifications and even new First Time Entering Students (FTEN) students who are registered on qualifications that are being phased out.

There were 4,287 unprocessed students not processed for payment by NSFAS because of these exceptions. NSFAS has started a reconciliation and data sharing exercise with institutions for the resolution of these identified exceptions.

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This issue will be sustainably resolved through systems integration between NSFAS and institutions and I am informed that already there is on-going work to resolve this issue.

I am pleased to indicate that the NSFAS Board has recently proposed new policy reforms to improve the efficiency of the Scheme which I have considered and agreed to. These policy changes have proved to be positive in improving service delivery.

NSFAS administrative, student accommodation and other related challenges

I recently have been inundated with complaints by students about student accommodation problems, particularly around evictions by landlords.

From 2023, NSFAS will take a proactive role in NSFAS funded student accommodation in order to ensure value for money – through standardizing the cost and quality by grading student accommodation, thus paying a standard rate based on the grading of each type of accommodation.

The centralization of student accommodation has been a subject of much debate in the sector. The challenges facing student accommodation vary from problems of quality, availability and safety, to challenges on how allowances for accommodation are being claimed for and used.

Through numerous engagements with students, student leadership bodies, educational institutions, and accommodation providers, it is clear that student accommodation remains a major challenge to resolve. This is the case in both private accommodation and institution owned-accommodation.

There are insufficient beds to accommodate students, and some institutions do not have sufficient quantities and quality of own accommodation.

The building of more infrastructure for student accommodation remains a priority for government, and I intend to accelerate such construction, including through partnerships with the private sector.

Further announcements will be made in this regard during the course of this years, including pilots to test various strategies and plans to significantly increase the number of student beds for both university and TVET college students.

Similarly, there are also instances where private -owned accommodation is not conducive for student accommodation and learning.

There is no uniformity in the cost structure of university-owned accommodation, whilst NSFAS pays for private accommodation based on the highest cost of accommodation for institutions.

In the last two years (2020, 2021) NSFAS spent an average R11,9 billion per annum on student accommodation funding. At least 420,000 students each year are in university and TVET accommodation. Out of this, approximately 43% was for institutional residences and 57% was for private accommodation.

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The average university residence accommodation cost per student increased from R 33,950 in 2020 to R41,714 in 2022 per annum. For TVET colleges, application of accommodation caps stabilized average accommodation costs to an estimated 24,125 in 2022.

The unregulated accommodation increases for private accommodation is a serious challenge for the sector and the students.

To manage increasing costs of student accommodation there is a need for a sector engagement that will facilitate regulation and centralization of funding norms and standards for student accommodation across the PSET system.

To this extent, NSFAS will host the Student Accommodation Summit, in Bloemfontein from the 27 to 28 June 2022.

All interested stakeholders in the student accommodation are invited to participate at the summit by visiting www.nsfassummit.co.za for more information.

The objective of this Summit is to create a platform for consultation with stakeholders in the student accommodation market.

The Summit will be a forum for exploring suitable solutions and conditions and guidelines for student accommodation accreditation, pricing, and other value-added services for the benefit of our students.

After the Summit, NSFAS is expected to develop a sustainable NSFAS Student Accommodation framework and effective instruments for the PSET to overcome the above challenges.

One of the most persistent complaints that I receive is the timely payment of allowances for student accommodation and unscrupulous syndicates seeking to defraud students of their allowances.

NSFAS has responded to this challenge by implementing direct disbursement of allowances into the bank accounts of NSFAS-funded students. However, this method is also not ideal as some students do not use this money for the purposes that it is intended for, thus risking the achievement of the educational goals that this money must be used for.

Service providers to assist with disbursement of allowances to students have already been appointed. NSFAS will initiate a pilot project at the beginning of July 2022 to perfect its system and processes. The pilot is expected to be for three (3) months after which this program will be fully rolled out.

This process will ensure timely payment of allowances and will introduce the necessary controls, efficiencies, and safeguards. NSFAS will provide the necessary further details in this regard.

One of the issues that I will be confronting as a matter of urgency, are those students who are benefiting illegally from NSFAS student funding by falsifying their information and documentation submitted.

We will be working with SARS and SASSA to continue to verify the data submitted by all students. Should it be established that students falsified their information, they will have to pay back the money they would have unduly received and criminal cases will be opened against such students and/or their parents.

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Corruption on this score will have to be fought relentlessly as it is disadvantaging poor students who get disadvantaged and excluded because of fraud and corruption by those who do not qualify. Our Director-General, together with NSFAS, will in the near future announce further details and actions in this regard.

It must be emphasised that NSFAS is not a social grant, but an education grant aimed at assisting students from working class and poor families to access university and college education. It is meant for educational purposes and nothing else, and it must be used only, and only, for such purposes.

On current developments in some of our institutions

I am pleased to say that our post-school education and training sector remains stable and focused on its core mandate of providing access to quality education.

I am however concerned about continuing instability in few of our post-school institutions, including at the University of South Africa (UNISA), Central University of Technology (CUT), Mangosuthu University of Technology (MUT), Vaal University of Technology (VUT) and Tshwane University of Technology (TUT). I remain seized with these challenges in these institutions.

Next week, I will be meeting with the Council of UNISA to discuss their response to the findings and recommendations of a Ministerial Task Team (MTT) on the business model of UNISA. Shortly after hearing the views of Council, I will, without any further delay, announce my response to the findings of the MTT, taking into account both the views of Council and other developments at this institution.

I am also determined to ensure that Council, Management and all other stakeholders remain focused on the core mandate of that institution - that of its academic project, including learning, teaching and significant improvements to its throughput and pass rates.

I am also concerned about instances of instability and destruction of property at UNISA. I have urged management to ensure that it continuously engages all stakeholders on all issues that affect the stability of the institution.

At the same time destruction of property and threats to the safety of people in the institution must be strongly condemned and swift action must be taken to stop this. I urge that swift action be taken by law enforcement agencies against all such destructive activities.

I will urgently be further communicating with the Council of MUT regarding my proposed actions to address the management issues and problems in that institution. I will make the necessary announcements by no later than the next 14 days.

I am in the process of engaging the Councils of both the CUT and VUT about actions that are required to stabilise these institutions as a matter of urgency.

I also wish to urge all stakeholders in our institutions that we need to protect the writing of examinations and that exams must not be used as a bargaining chip, as their disruptions threaten the future of our students, whose overwhelming majority want to study and graduate without any undue delays.

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Similarly, we must desist and strongly condemn, disruption of graduation ceremonies. Our institutions of higher learning are, at their core, places to prepare young people for a life of democratic citizenship, where we use the power of intellectual and social engagement to foster a world freed from the scourges of violence, hatred, discrimination and inequality.

For many communities, especially those with relatives studying at university for the first time in all generations of a family, graduation obtains an almost sacred meaning as it represents the collective achievements and sacrifices of past generations. To disrupt these ceremonies for families travelling from across vast distances, often from other countries, is a travesty of our democratic ideals. The majority of these graduands in our country today are in any case from working class families, and thanks to the role played by NSFAS in our country.

During the month of July, I intend engaging with all the trade unions organised in our post-school education and training sector, as well as SAUS, as part of our ongoing engagements with key stakeholders in the sector in order to ensure that our sector remains stable and focused on its core mandate of learning, teaching, research and community outreach. Shortly after engaging unions and students I will be engaging university vice-chancellors, and college principals (including in the CET sector).

I also wish to call upon all in our PSET sector to desist from destruction of property and any threat to life and limb in our institutions during protests. Destruction of property is nothing but an act of sabotage to our education system.

Destruction of such property does not only affect the education of current students, but compromises the educational interests of generations to come. This must simply not be tolerated and all needs to be done to ensure the protection of public property in our country and institutions.

On our part we will continue to do all we can, as we have outlined today, to ensure that we deal with all the administrative glitches and other problems in the running of our institutions. We are a listening and caring government.

On the Ministerial Task Team on student funding

Ladies and gentlemen

I have now received a final report from the Ministerial Task Team on student funding.

This brings to an end the Ministerial Task Team's (MTT) work of developing policy proposals for a long-term student financial aid policy that takes into account the comprehensive student financial aid needs of our post school education and training sector.

I now will be presenting the report to Cabinet for its consideration. I would like to take this opportunity to particularly thank Prof Mtose of the University of Zululand who ably chaired the MTT, and all the members of the MTT, as well as all those who participated in this exercise.

In conclusion, I have already requested the NSFAS Board to prepare for the opening of the application window for student funding for the 2023 academic year. The sooner NSFAS opens the application window period for funding, the better for having a good start to the 2023 academic year.

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Let me take this opportunity to thank the leadership of NSFAS and TVET colleges and universities and the many people working at universities and colleges to support students to succeed. Your hard work is valued and critical to the success of our students.

I would also like to thank the student leadership of our institutions, the trade unions in our sector, and the national student organisations for their support and co-operation.

I would also like to thank Dr Nkosinathi Sishi, the DG of our DHET for his able leadership of the department together with his executive management and all staff members. Our DG remains seized with swift attendance to all the problems in our PSET sector.

Thank you

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