National Student Financial Aid Scheme

STATEMENT BY THE NSFAS ADMINISTRATOR, MR FREEMAN NOMVALO ON THE OCCASION OF THE MEDIA BRIEFING TO PROVIDE UPDATES ON NSFAS RELATING MATTERS AND ADMINISTRATIVE REFORMS

27 MAY 2024

Programme Director Mr Ishmael Mnisi
All NSFAS Stakeholder,
Members of the media;
Ladies and gentlemen

Good morning

This is my first public media briefing since my appointment as the NSFAS Administrator by the Minister of Higher Education, Science and Innovation, Prof Blade Nzimande, on the 12 April 2024.

I take this opportunity to thank the Minister for appointing me as the Administrator of this important organisation which is mandated to provide financial assistance to deserving students from the working class and the poor whose households would not have afforded to take them to either a TVET College or University.

The NSFAS is one of its own kind student support scheme which a holistic student support scheme and it is the biggest student financial scheme in Africa.

The Halyard, 4 Christian Barnard
Cape Town City Center, Cape Town, 8000
Private Bag X1, Plumstead, Cape Town, 7801

T: 0800 067 327
E: info@nsfas.org.za
W: www.nsfas.org.za

OFFICE OF THE ADMINISTRATOR
The appointment of Mr Sithembiso Freeman Nomvalo as the Administrator to the National Student Financial Aid Scheme is in terms of Section 17A to 17D of the NSFAS Act (Act 56 of 1999 as amended), effective from 11 April 2024 as published in the Government Gazette No. 50482 by the Minister of Higher Education and Training, Dr BE Nzimande.

Our budget for 2024/25 is in excess of R52 billion rands and we have received **1 944 538** applications for the bursary. These applications include continuing students.

We have received about **24 000 Loan Scheme** applications and we have already completed the financial eligibility assessment for all the applicants. We intend to communicate with the successful applicants not later than the 15th June 2024.

Regardless of some of its shortcomings that I will touch upon this morning, NSFAS truly represent one of the most progressive efforts by the government to systematically break the legacies of inter-generational social inequality in access to and outcomes of post school education and training.

Since 1991, NSFAS funding has grown from disbursing R21.4 million to almost R52 billon to fund children of the working class and the poor seeking to further their studies in public universities and TVET colleges.

It is undisputed that should this democratic government not have established NSFAS, many of the children of the working class and poor would not have received post school educational funding.

As the NSFAS Administrator, I am here to ensure that the dreams and aspirations of many young people out there are fulfilled through NSFAS. I would say that I

have succeeded to do so, when our STUDENTS access their allowances seamlessly and on always on time as well as the accommodation providers paid on time. NSFAS should not be a reason that hinders the smooth conduct of the post school education and training system, including the commencement of the academic year.

MANDATE OF THE ADMINISTRATOR

Ladies and gentlemen

We all know that today as I stand before you, having been appointed by Minister Nzimande, in terms of Section 1 A, 1 (b) of the NSFAS Act, with a fifteen (15) part mandate which includes the following:

1. To take over the governance, management, and administration of NSFAS for a period of 12 months (but subjected to renewal for another 12 months, depending on progress) from the date of the publishing of the Gazette, which is 12 April, 2024;

2. To ensure the effectiveness in terms of the finalisation of funding guidelines of the loan scheme for the Missing Middle;

3. To resolve the data integration challenges as a matter of urgency;

4. To finalise all the necessary funding decisions and outstanding payments, including those relating to student accommodation;

5. To ensure the reconciliation of funding data between Universities and TVET colleges and NSFAS;

6. To ensure that all the necessary agreements are in place and that students are accurately funded and recorded, and making sure that all NSFAS qualifying students receive funding;

7. To oversee the opening of the 2025 online applications process (both bursary and loan);

8. To ensure that all the necessary partnerships for managing the applications process are in place and can be effectively monitored, and develop and manage a communications plan for the application period;

9. To develop, in consultation with the Department, Universities and TVET colleges, an effective and realistic plan for the 2025 funding cycle and ensure that all parties understand all their roles and responsibilities, and any necessary implementation support is made available as needed;

10. To ensure that NSFAS pays adequate attention to both TVET Colleges and Universities, in all aspects of its core business processes;

11. To put in place the necessary management and governance controls to ensure that all risks of the 2025 student funding cycle are appropriately managed, with the support of the Department and institutions as necessary;

12. To ensure that adequate plans are in place to make funding decisions at the earliest possible time of the year as close to the period of registration as possible;

13. To manage the day -to -day work of NSFAS and steer the organisation to address its operational challenges fully. This will include the strengthening of structures, systems and policies that will ensure good governance and effective management of the core operational mandate of NSFAS;

14. To oversee all necessary forensic and other investigations necessary for the effective operation and management of the entity, and

15. To ensure that NSFAS communicates speedily and timeously to all the stakeholders, including through timely media statements and engagements to keep the nation abreast of its activities and decisions.

As per my appointment, I will be submit a written report to the Minister every three months on progress regarding my mandate, stability and continued functioning of NSFAS.

I should also indicate that I have thus far presented to the Minister my initial impression about the scheme and what ought to address urgently both from the governance and administrative issues.

STAKEHOLDERS ENGAGEMENTS

Ladies and gentlemen

Amongst my first point of call, I held numerous stakeholders engagements with the University South Africa (Usaf), South African Public Colleges Organisation (SAPCO), South African Technical Vocational Education and Training Student Association (SATVETSA), South African Union of Students (SAUS), National Education, Health and Allied Workers' Union (NEHAWU) and National *Union* of Public Service & Allied Workers (NUPSAW).

I also held consultations with the Special Investigation Unit (SIU), Public Service Commission (PSC), the Public Protector (PP), Auditor General South Africa (AGSA),Treasury, Banking Association South Africa (BASA), Student Accommodation Providers and Association.

I will continue to meet some stakeholder that are also critical to our work as the scheme.

PROGRESS ON MAJOR MANDATE FROM THE MINISTER

- We are finalizating the final list of NSFAS 2024 beneficiaries including the appeals process.

- We are reviewing our IT systems to improve our turnaround time and integration with our institutions.

- We are ramping up on the implementation of the Werksmans Report recommendations. I will give further details on this point later.

- We already begun the process for the migration of the students allowance payment system starting with the TVET cohort from end of May 2024. I will also provide further details later.

- A new student allowance payment mechanism for both Universities and TVET will be fully developed in by September 2024.

- We have also commenced with the audit of all outstanding 2023 payments. On Monday, 20th May 2024, we commenced to communicate with the first

cohort of affected students. Our intention is to conclude this process by June 2024.

- We now in the final stages of the appointment of specialised capacity to finalise the Close Out Project (2027-2022). We are also working very close of the Auditor-General South Africa (AGSA) to deal with all the material irregularities as a result of this project and other audit findings.

- We are also in the final planning face for the appointment of specialised capacity to finalise the implementation of the loan scheme for 2024 and beyond.

Ladies and gentlemen

I would like to provide a brief report on some of our key programmes.

TERMINATION OF DIRECT PAYMENT SERVICE PROVIDERS

NSFAS has taken significant steps towards implementing the recommendations of the Werkmans Attorneys report.

This report, which was commissioned by NSFAS, provide a comprehensive analysis of the scheme and identify areas for improvement, particularly in relation to procurement systems and management deficiencies.

Amongst the major procurement deficiencies identified, was in the appointment of direct payment service providers, namely, Ezaga Holdings, Coinvest Africa, Norraco Corporation, and Tenet Technologies.

This morning, I am happy to announce that the process to terminate these contracts have commenced with the filling of the necessary Court papers on the 24th May 2024. In the termination of these contract, NSFAS collaborated with the Special Investigation Unit (SIU).

Through our lawyers, we have communicated this decision to all the direct payment services providers today.

Furthermore, we have made significant progress in subjecting all implicated NSFAS employees in the report to appropriate disciplinary action. Where appropriate, we will also consider laying criminal charges.

PAYMENT OF ALLOWANCES

Universities

In order for NSFAS to keep up with the payment of monthly allowances to university students, universities were asked to assist with these processes until the end of July 2024. This payment arrangement underscores the schemes

commitment to students to receive uninterrupted monthly allowances with precision and without delays.

In our conversation with universities, the need for the smooth and efficient reconciliation between NSFAS and institutions is critical. This is the case for the payment already made and the future payment.

TVET Colleges

With regard to the TVET College student allowances, we have devised a payment mechanism to address the payment of allowances for TVET students. As it is the end of May, I'm pleased to announce that the payment that are currently being made are directly to students bank account as announced on the 26 April 2024.

We have requested all TVET students who do not have bank accounts to open the bank accounts with banks of their own choice to avoid delays in the payment of their allowances.

In terms of the data received thus far, a total of **211591** students bank accounts have been verified and a total of **7160** failed the verification checks, for various reasons including bank accounts that do not belong to students, for example, a parents bank account.

I therefore want to call upon all students who have already uploaded their personal

banking details and have received a notification through the myNSFAS portal indicating that the verification of their banking details have failed to please re-submit their correct banking details on the portal.

I must emphasise that the banking details provided must belong to the student to enable NSFAS to verify these against the student's details on our record and minimize potential risks.

We are equally mindful of challenges experienced by university students, however, this direct payment mechanism will currently be applicable to TVET college students. University students will continue to receive their allowance as through their institutions as arranged.

STUDENT ACCOMMODATION AND PAYMENT OF LANDLORDS

Ladies and gentlemen

One other critical issue that NSFAS is dealing with relates to student accommodation, particularly the outstanding payments to private student accommodation landlords.

NSFAS
National Student Financial Aid Scheme

I have received complaints regarding to this matter of outstanding payments for private student accommodation. To this effect, we have established a dedicated email and capacity to address all disputes or concerns from landlords.

I would like to call upon all landlords to continue to deposit their disputes or concerns only in so far as outstanding payments are concerned to this email address. The dedicated email address is as follows: **NSFASAccomProv@nsfas.org.za**

The initial call for submission date for the concerns was the 10th May 2024. I therefore would like to provide an extension to the 31st May 2024, for all the landlords to continue to deposit their concerns.

All enquiries received will now be processed and will be paid now end of May 2024. There may still be outstanding invoices at the end of May which will still need to be processed during the month of June.

As part of our proactive planning for future student accommodation, we have commenced with the planning for the national conference on future student accommodation. We intend to host the conference in September 2024 involving various stakeholders across the country including private and public accommodation providers.

The Halyard, 4 Christian Barnard
Cape Town City Center, Cape Town, 8000
Private Bag X1, Plumstead, Cape Town, 7801

T: 0800 067 327
E: info@nsfas.org.za
W: www.nsfas.org.za

OFFICE OF THE ADMINISTRATOR
The appointment of Mr Sithembiso Freeman Nomvalo as the Administrator to the National Student Financial Aid Scheme is in terms of Section 17A to 17D of the NSFAS Act (Act 56 of 1999 as amended), effective from 11 April 2024 as published in the Government Gazette No. 50482 by the Minister of Higher Education and Training, Dr BE Nzimande.

A Task Team involving all the student accommodation stakeholders has been established to serve as a consultative forum to address all issue relating to student accommodation. This Task Team is expected to report back in the September conference.

We do so in order to regularize private student accommodation to give greater certainty for future investments, safety of students and standardisation of private accommodation.

Linked to the accommodation issue is the issue of student transportation which has the potential to adversely affect the stability of teaching and learning in the PSET system if not addressed adequately. We have commenced consultation with transport providers to find a workable relationship with all stakeholders involved.

We are also mindful that there are current arrangement in various institutions from which lessons with be drawn in designing a more equable arrangement.

ASSISTANCE TO THE ADMINISTRATOR

In order to strengthen the office of the Administrator, I have appointed additional support for the Administration to assist me in different areas of my appointed mandate.

The support will shadow NSFAS Executives in finance, ICT, student accommodation and operations. These are some of the areas of concerns raised by the Minister which are part of issues in immediately need to deal with at NSFAS.

We have also finalised the governance framework for the Administration to ensure greater transparency and more objective decision making process. In the three weeks we will be putting capacity in various structure to ensure that the framework is functional.

To execute on all matters as per the terms of reference of Administration and to address capacity deficiencies, deal with long outstanding matter, such as, the submission of financial statements and the Close Out Report, additional capacity will be procured by the end of this month.

CLOSURE

In closure, NSFAS in joining the rest of our country in celebrating the 30th Anniversary of our democratic state, will be releasing a coffee table publication that looks at the evolution and the achievements of the scheme since its establishment in 1991. The publication will be available in all the NSFAS social media platform

and through the NSFAS website at www.nsfas.org.za. More information will be provided on the date of its public release.

Lastly, let me take this opportunity to thank all the stakeholders that I have thus far met and looking forward to those that I have not met as yet.

Like the saying goes: ***"Rome was not built in a day".*** This saying signifies that great achievements do not take shape overnight. They are a result of continuous efforts, planning and patience.

Thank you

END

The Halyard, 4 Christian Barnard
Cape Town City Center, Cape Town, 8000
Private Bag X1, Plumstead, Cape Town, 7801

T: 0800 067 327
E: info@nsfas.org.za
W: www.nsfas.org.za

OFFICE OF THE ADMINISTRATOR
The appointment of Mr Sithembiso Freeman Nomvalo as the Administrator to the National Student Financial Aid Scheme is in terms of Section 17A to 17D of the NSFAS Act (Act 56 of 1999 as amended), effective from 11 April 2024 as published in the Government Gazette No. 50482 by the Minister of Higher Education and Training, Dr BE Nzimande.