



**ADDRESS BY THE CHAIRPERSON OF THE NATIONAL STUDENT FINANCIAL AID SCHEME (NSFAS), MR ERNEST KHOSA ON THE OCCASION OF THE NSFAS STATE OF READINESS FOR THE ACADEMIC YEAR 2023 HELD AT GCIS – PRETORIA**

31 January 2022

Programme Director Mr Ishmael Mnisi

Minister of Higher Education, Science and Innovation, Dr Blade Nzimande;

Deputy Minister, Mr Buti Manamela;

Director-General of the Department of Higher Education and Training, Dr Nkosinathi Sishi;

DDGs Present;

Fellow Board Members

NSFAS CEO Mr Andile Nongogo;

Chairpersons and CEOs of all our entities;

Chancellors, Vice Chancellors, TVET and CET Principals;

Labour Unions;

Student formations;

Members of the media;

Fellow South Africans

Good afternoon

As directed by the Minister Nzimande on the occasion of the media briefing held in this very auditorium that the National Student Financial Aid Scheme (NSFAS) must convene this briefing to provide details on the state of readiness of NSFAS, allow me this afternoon to exactly do that.

Before I provide details on our state of readiness, I would like to quickly take you through a 31 year history of the journey that NSFAS has traversed to this modern and gigantic student funding organisation it is.

It will be good for me to remind all South Africans as to the mandate of NSFAS. The National Student Financial Aid Scheme was established under the NSFAS Act (Act No. 1 of 1999) with the mandate of providing financial assistance to deserving beneficiaries who qualify for tertiary education.

As a scheme, NSFAS truly represents 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.

This is particularly important if we consider the structural and social legacies imposed over centuries of colonial and apartheid rule.

There is no doubt that this government has made a decisive break in these reproductive legacies of the past.

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

This is a clear indication that government has prioritised the student funding and broaden access to those sections of our communities who had no access to post school education and training.

The other notable milestone for the scheme has been the integration of all public universities and TVET colleges to the student-centred model wherein students apply directly to NSFAS for funding.

This transition required a significant increase in NSFAS resources and involved major changes to the systems and the processes of NSFAS to handle large number of student applications. I must indicate that the resources that NSFAS so required, was provided by this government.

Minister, NSFAS create almost universal access to post school education and training. This has been a near miracle given the state of disrepair that existed pre-democracy, where the majority of black South Africans had no limited or no access at all.

In 2017, government made a pronouncement, that saw the scheme transition from a loan administering scheme to a complete bursary. This meant that students funded from 2018 onwards need not pay the bursary money back to NSFAS.

In order to be equal to the task, as NSFAS we are hard at work to ensure the efficiency and effectiveness of our systems.

We are reviewing, the design and implementation a stable Information Communication Information (ICT) system, leveraging modern technologies and capabilities in order to deliver the NSFAS mandate seamlessly.

We are reviewing of all processes, operating and disbursement model. We are also reviewing our overall governance and management design to ensure the full execution of our mandate.

We have also Introduced a new performance management and accountability framework in a bid to establish a high-performance culture within the organization.

Most importantly we are determined to work more harder to improve our stakeholder relation and our media and communication plan. In this regard, we have established stakeholder management teams that services all our institutions and we have now finalised the development of our Communication and Marketing Strategy to ensure that we speak directly to our stakeholders in a better and more improved manner.

We have also reconfirmed the student centred model, which allows to focus on adding value to our beneficiaries to enable them to succeed.

In order for us to serve our students better, we will use modern communication platforms to service of students including implementing a 24-

hour call centre. I will share details of our communication channels at the end of my statement.

## **State of preparedness for the academic year 2023**

Ladies and gentlemen

### **Applications**

The new applications system enables automated processing of received applications and ensures correct eligibility assessment. The system has multiple channels that can be used by applicants and students to access NSFAS services. Channels activated are Student online portal (Web portal), Mobile application, USSD platform and WhatsApp. Applications for the national student financial aid scheme 's funding for the 2023 academic year will officially close by midnight today after opening for a period of four months. The extended application period was intended to accommodate the later than usual issuance of matric results. On this note we congratulate the class of 2023.

To date, NSFAS has received **1,587,968** applications from prospective beneficiaries. **613,909** applications have been provisionally funded, of which **338,320** are continuing-students and **275,589** are new applicants.

### **A thorough breakdown of the received applications and their status:**

- **210,679** applications are on assessment of financial eligibility, this is the process where funding is verified against the government 350k threshold, NSFAS use third party data from SARS to validate the information provided by the applicant.

- **149,202** are on awaiting academic eligibility, according to the NSFAS Eligibility Criteria and Conditions for Financial Aid student must attain prescribed academic success in order to continue to receive financial aid from NSFAS
- **273,746** applications are awaiting evaluation – NSFAS received more than 1,6 million applications this is the highest number received in the history of the NSFAS, while immediate funding decisions have been made for qualifying SASSA students, non-SASSA students must provide documentation to proof their household income. NSFAS must verify and confirm each of these applications based on the information provided, and confirm using the SARS data
- **98,805** applications withdrawn – these are application withdrawn by the student,
- **161,139** applications have been rejected due to not meeting funding criteria
- **1261** appeals have already been submitted

To assess funding eligibility NSFAS is reliant of third parties such as the Department of Home Affairs (DHA) – to confirm applicants' identity and parental information, the South Africa Social Security Agency (SASSA) – SASSA beneficiaries are automatically funded, the South African Revenue Services (SARS) – to confirm household income, and others such as DBE, credit bureaus, UIF and etc.

NSFAS has improved its systems to enable it to make real time funding decisions, at this stage NSFAS is able to make real-time funding decisions for SASSA beneficiaries, while it continues to engage with SARS while to enable the same for all its other applicants.

## **Budget allocation for the 2023 academic year**

## **BUDGET ALLOCATION FOR THE 2023 ACADEMIC YEAR**

At the beginning of last two academic years, we had started those academic years with some uncertainty due to budget shortfalls. This academic year and the next academic year there is budget certainty. The Government through the Department of Higher Education and Training (DHET) has allocated R47.6 billion for student funding, R38.6 billion for Universities and R8.9 billion for TVETs. The respective funding is received in four (4) tranche payments in the months of April, June, August, and October, annually. This means that all qualifying students who have been enrolled at a higher education institution will be funded. Furthermore, NSFAS is in a position to provide upfront payments to institutions, to allow for the payment of allowances, minimize the financial impact to institutions due to the fact that NSFAS beneficiaries are not required to pay registration data, this will assist institutions in particular HDIs and TVET colleges. .

NSFAS anticipates making upfront payments of approximately R3.5 billion (Universities) and R2.7 billion (TVETs).

## **Submissions of registration data between NSFAS and institutions**

Ladies and gentlemen

Our new institutional portal has enhanced data integration between NSFAS and all our post school education and training institutions. We are currently busy with standardization of our data integration.

To further enhance our data management in order to minimize the effort and time required to enable seamless integration between our internal systems, our new student allowance calculation system has two (2) components, one

on student registration data processing as received from institutions and the other on disbursements of funds/payment process.

This system is enabled to run and managed in “On-Platform” where internal systems integrate, and exchange of data is managed from the same ecosystem.

Minister we are indeed confident that for the 2023 academic year and going forward, will have a seamless way of managing our data both internally and externally.

## **NSFAS 2023 FUNDING ELIGIBILITY AND CRITERIA**

Ladies and gentlemen

For the 2023 academic year, certain policy changes have been introduced to amongst others progressively address existing disparities between TVET College and university beneficiaries’ bursary packages.

I however would like to restate the changes that the Minister has publicly announced in his media briefing on the 24<sup>th</sup> January 2023.



TVET college students studying occupational Programmes can only be funded for the cost of tuition for the duration of the qualification.

TVET College students who are registered on an occupational qualification may qualify for allowances ONLY if in simulated training, students registered on an occupational qualification that have an employment contract do not qualify for NSFAS allowances.

TVET college graduates will be funded for a university undergraduate qualification regardless of the benefit that they would have derived from the application of the N+ rule at a TVET college level. (On condition they did not exceed the TVET N+ Rule)

### **Academic eligibility**

- As of 2023 First Time Entering Students (FTENs) must achieve a course credit pass rate of 50%;
- Continuing university students must as of 2023 achieve a progressive course credit pass rate of 55%;
- Returning University students must meet ongoing academic eligibility requirements in order to remain funded by NSFAS;

- N+ Rule for distance university students will be reviewed as of 2024; and
- Academic progression criteria will increase from 55% to 60% over time

I will not repeat the issue of allowances for the 2023 academic year because the Minister has extensively touched on this issue.

However, what I can mention on allowances is that our Board directed the Executive Management to introduce processes that enable the entity to reduce the risk of abuse of its funds. Going forward, this will require major changes in the support NSFAS will offer beneficiaries.

On the issue relating to the process of payment of allowances:

- The payment of allowances will be made directly by NSFAS into the students' NSFAS bank account;
- NSFAS funded students are required to complete the NSFAS direct payment onboarding process to prepare for the payment of allowances into their account;

- Through the direct payment, NSFAS beneficiaries will receive their allowances for food, personal care, transport etc. through a NSFAS bank account;
- After being registered into the system, students will receive virtual and/or physical cards they will use to transact;
- Additionally, students will be able to make online transactions such as EFT, prepaid purchases, receive from and transfer money to other existing banks, just as with a normal bank account, and
- Other benefits include access to value-added services, ATM Cash withdrawals and as well as at retail stores.

To ensure that all NSFAS students are onboarded on our new allowance pay system, we have assigned NSFAS teams to institutions and our service partners will join us in visiting all the institutions from February 2023 to assist with the onboarding and query handling.

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Currently, the focus of the NSFAS teams is to encourage the university students to onboard the new system in the meantime as we prepare for university implementation later in the year.

I would like to request that the SRCs together with the student unions responsible for both our TVET colleges and universities work together with the teams to make this process seamless.

## **Assistive Digital learning devices (LAPTOPS)**

In the recent years, as an initial response to the COVID-19 pandemic, NSFAS launched the digital device program whereby through a formal procurement process, NSFAS delivered a significant number of laptops to TVET and University students.

NSFAS, however acknowledged that students not only require laptops to allow them to perform their day-to-day learning activities, but also to be provided with data in pre-determined timeframes.

It is to this end, that NSFAS is currently engaging mobile network operators to enter into partnership agreements with NSFAS, to develop a specified NSFAS student device package, which shall include a laptop and pre-loaded data on a monthly basis.

It is envisioned that the NSFAS students can then procure these discounted student packages with their NSFAS allowances, thereby reaping the benefits of being a NSFAS funded beneficiary.

NSFAS is aiming to conclude this process during the 1<sup>st</sup> quarter of the 2023 academic year.

## **Student Accommodation**

Ladies and gentlemen, I deliberately want to restate what the Minister has said about our expressed intention to centralise accreditation of private accommodation.

NSFAS has begun to implement her new policies on student accommodation following a consultation process and various board decisions. We received valuable inputs from stakeholders such as SAUS, USAF and SAFETSA. SAUS and SAFETSA have always been consistent on matters relating to bettering the welfare of students such as allowances and convenient accommodation.

On our last consultation with USAF, we received valuable inputs which include the following:

- The need to promote campus based accommodation
- A recognition that a solution to the accommodation crisis is not a one size fits all
- The sensitivity to ensure that implementation of our policies should not affect the stability of our institutions of higher learning.

We are grateful for these valuable inputs from the Vice Chancellors. This accounts for our stage process of implementing our policies and the consequent pilot of our accommodation intervention.

We are now hard at work, setting up and preparing for a fully blown intervention in a manner that will be resolute, firm and objective driven. The objective of our intervention in student accommodation is to ensure that a young girl from Mtititi in Limpopo, or from Inchanga in KwaZulu Natal, on

receiving an admission letter for academic studies at Fort Hare, knows exactly where she will be residing on the first night of her arrival on campus. This is as opposed to young people, who are admitted at our institutions having to start engaging with formal and informal real estate adjacent to universities to secure accommodation, their inexperience and lack of exposure notwithstanding.

The sooner we share the objective of employing accommodation as a critical variable for an environment for learning, the quicker we will realise there is no room for squabbling on the principle of providing student accommodation.

Let me illustrate the challenge of student accommodation a little further.

The growth of student enrolments in the past three decades have not been in tandem with the growth of campus based student accommodation. This has resulted in both the scarcity of convenient student accommodation and the rise of a variety of private residence for students. Some of these facilities are convenient and others are way sub standard and expose students to various vulnerabilities such as crime and lack of facilities that stimulate academic activities.

The case of Limpopo, Turfloop Campus would provide a picture of the accommodation crisis we have in our universities: By 1982, The University with an enrolment of about 4000 students, had accommodation facilities for about 3000 students. By 1990, the university had an enrolment of around 7000 students, with no new rooms built. In the meantime, the university got

reduced not only to a squatter camp, but to a squatting camp, with rooms that were meant for one student, occupied illegally by up to three students. Primus stoves and hot plates found their ways into student rooms, ablution facilities meant that 3 000 students could not cope. This led to a two months strike in 1990, which my colleagues from the SRC and I had a pleasure to lead. This resulted in an agreement to build some residences out of prefabricated materials now called Josephine Moshobane and other names. I remember we planted a tree. It was a bitter sweet memory when Professor Mokgalong walked the NSFAS Board to that residence and that tree about a year ago. The tree now more than 32 years old, stands high and green. The prefabs that were meant to be there for five years are still there. Today Turfloop has 23000 students. The only addition to the 1982 residences is a 367 bed residence nicknamed Nkandla.

In the Board's visits to institutions of higher learning, we observed the appalling state of student accommodation in many cases, including students staying in caravans in the Central University of Technology in Welkom, some residing in the neighbourhood of a cattle kraal in the Qwa Qwa Campus of the University of Free State and institutions where there is no accommodation at all, leaving students to scramble for shelter and to patch themselves wherever fate leads them as evident with the Letaba FET College in Tzaneen.

We have opened our accommodation portal on the 9<sup>th</sup> of December 2022 and appointed Forty-four (44) Accreditation Agents to start with the accreditation of accommodation.

Since the opening of the portal on 9th December 2022, there are about **1120** accommodation providers that have applied on the site, with **574 272** beds listed.

I must indicate that when implemented, our new centralised accreditation of accommodation will allow NSFAS to enter Lease Negotiations on behalf of students and pay landlords directly.

Our policy also makes provision for institutions that may wish to continue with the accreditation of private accommodation and related payments must apply to NSFAS.

For the successful start of the 2023 academic year, we have allowed all our institutions to implement their existing process to pay students directly and allocate accommodation. This arrangement excludes TVET colleges.

### **NSFAS beneficiaries' responsibilities**

Ladies and gentlemen, we have launched new platforms such as the NSFAS WhatsApp and USSD to help students track their application statuses. We hope students will utilise these platforms effectively to engage with us.

We have also seen that students are vulnerable to cyber-attacks, and they easily give their personal information to fraudsters. We therefore want to appeal to students that they must not share their personal information with



anyone. ***Students must always remember that no one from NSFAS will ask you for your pin.***

Students must also ensure that they complete their application. We have seen instances where students just create the **MYNSFAS portal** thinking that they have completed the application. Please ensure that you complete your application to enable us to further process your application.

Let me also indicate that students are funded for one qualification registered at one institution. Therefore, students should refrain from registering at two institutions for NSFAS funding. In case if a student has already applied, we appeal that such a student must de-register on time.

Students should also inform their institution and NSFAS should they receive other forms of funding.

## **NESFAS Contacts**

I want to encourage all those who have applied for NSFAS finding for 2023 to log onto their myNSFAS accounts to track their applications.

The great news is that NSFAS applicants can access their application updates at the tip of their fingers through a new WhatsApp line and a USSD code.

You can add NSFAS on WhatsApp **078 519 8006** Or dial **\*120\*67327** to track your 2023 application status.

This is NSFAS' way of simplifying the lives of applicants and students.

You can also contact us through our virtual Contact:

Email: [info@nsfas.org.za](mailto:info@nsfas.org.za)

Facebook: National Student Financial Aid Scheme

Twitter: @myNSFAS

WhatsApp: +27 785198006

USSD\*120\*673327#

As I conclude, I would like to take this opportunity to firstly recognize our first democratically elected President, Nelson Rolihlahla Mandela who, came up with the idea for this government-funded student financial aid model.

I would also like to thank our Minister, Dr Blade Nzimande for his stewardship. On behalf of the NSFAS Board, we are grateful to be led by a visionary leader like yourself. Inkomu Mphephethwa.

I also would like to thank all those who also played a role in making what NSFAS is today, including the past and present beneficiaries.

I also thank my fellow Board members and the Executive Management who are working tirelessly to turn the corner by steering NSFAS towards good governance in an effort of stabilising the institution.

To the leadership of students, both SAUS and SATVETSA and the management of all our institutions, collectively led through USAF and SACPO and the Labour Unions, thank you so much. Steering this organization to the right direction is possible with your continue support and guidance.

Lastly, my gratitude goes to our Portfolio Committee on Higher Education, Science and Innovation for their omnipresent oversight role.

**Ndzi khense ngopfu Inkomu swinene**

I thank you

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