

PC Higher

PORTFOLIO COMMITTEE ON HIGHER  
EDUCATION AND TRAINING, 14 OCTOBER 2015

**2014/15  
Annual Report  
Presentation**

NSFAS: Toward a  
student-centred  
approach

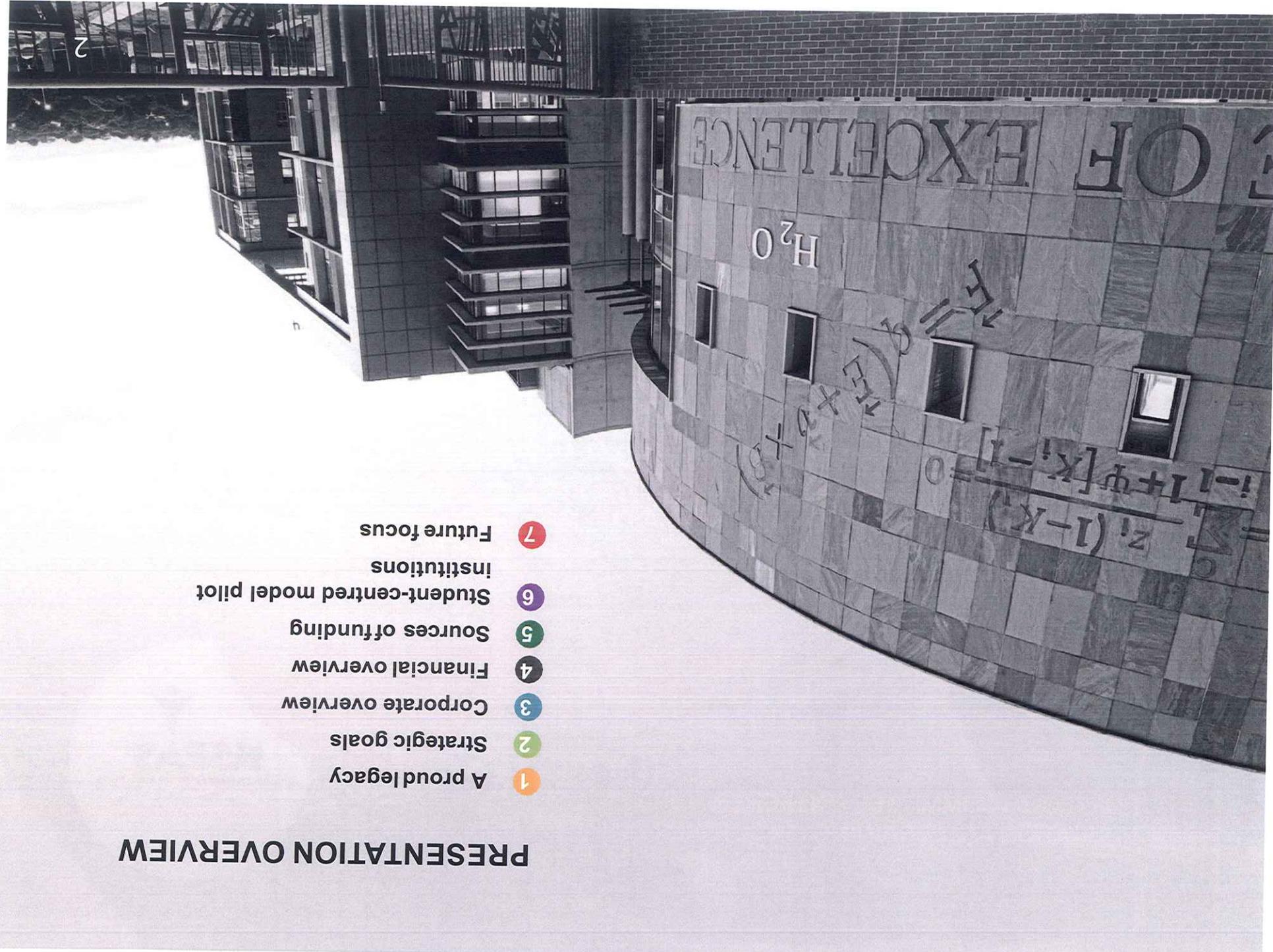


National Student Financial Aid Scheme

## PRESNTATION OVERVIEW

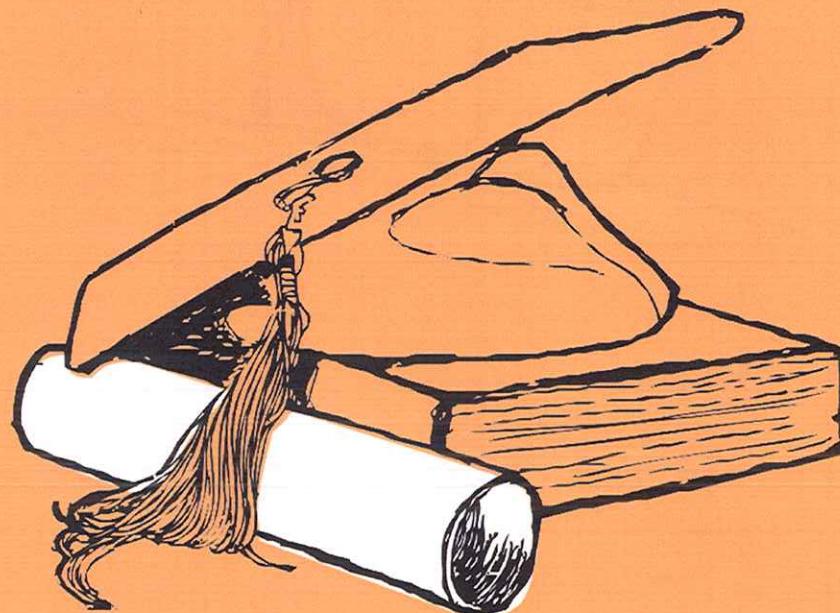
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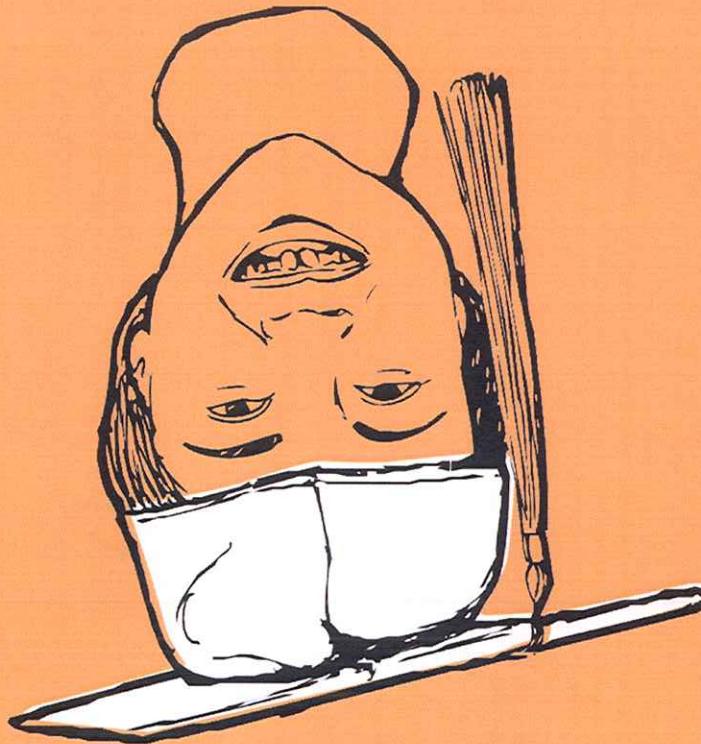
- 1 A proud legacy
- 2 Strategic goals
- 3 Corporate overview
- 4 Financial overview
- 5 Sources of funding
- 6 Student-centred model pilot
- 7 Future focus



# **VISION**

**A model public entity that provides financial aid to all eligible public university and Technical and Vocational Education and Training (TVET) college students from poor and working class families.**





To transform NSFAS into an efficient and effective provider of financial aid to students from poor and working class families in a sustainable manner that promotes access to, and success in, higher and further education and training, in pursuit of South Africa's national and human resource development goals.

## MISSION

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## A PROUD LEGACY

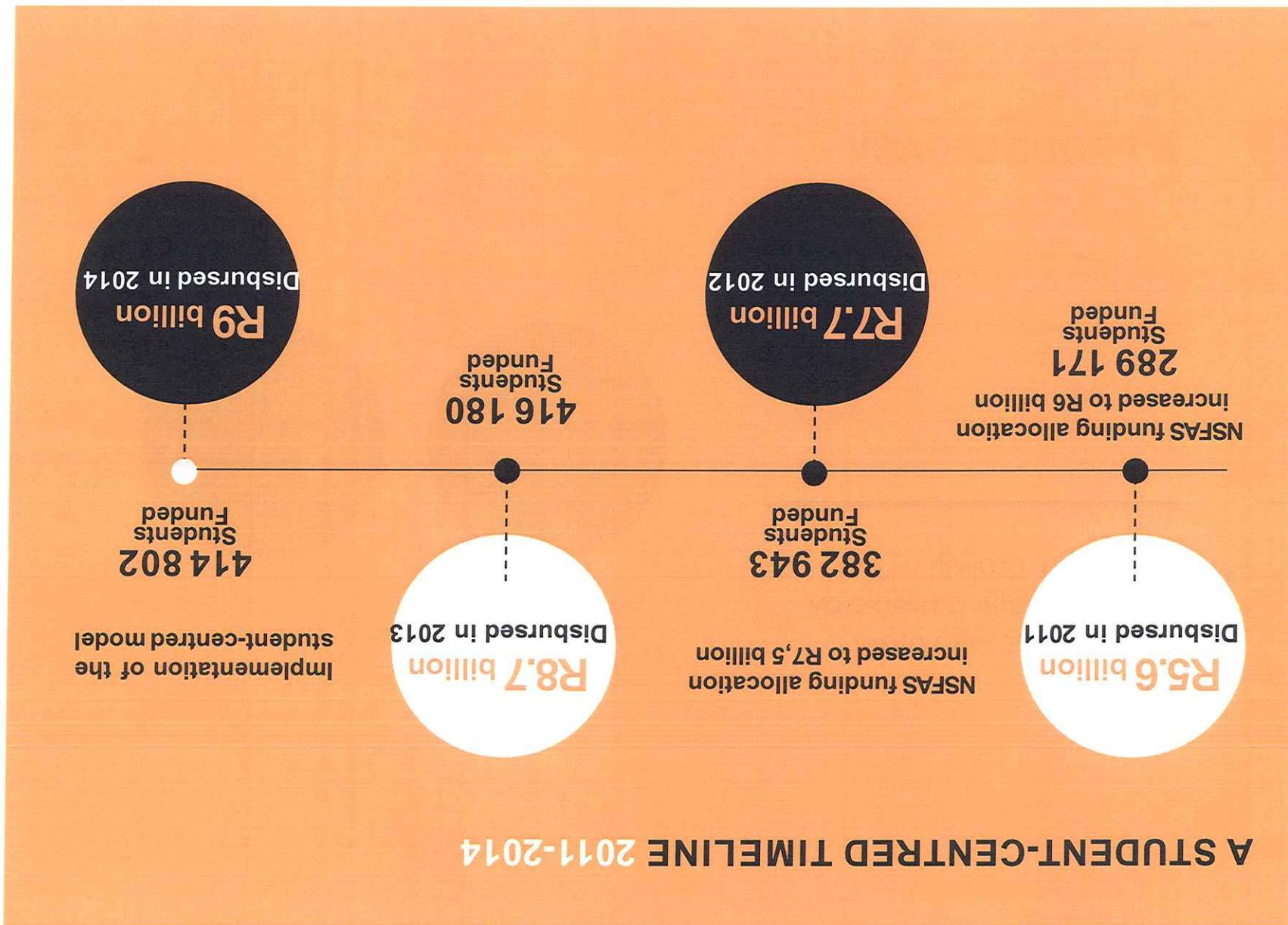
NSFAS provides financial aid to all eligible public university & Technical and Vocational Education and Training (TVET) college students from poor and working class families

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Significant growth of the Scheme made possible by partnerships with other funders

R50 billion  
Disbursed since 1991

1.5 million  
Students assisted



**R19 billion  
disbursed in the  
first 20 years**

**R31 billion  
disbursed in he  
last 4 years**

## **DR BLADE NZIMANDE, MP**

Minister of Higher Education and Training

The achievements of the NSFAS are remarkable and represent a major success in terms of Government's redress agenda. It is also an example of best practice in promoting the access of previously disadvantaged students into higher education.



## STRATEGIC GOALS

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### STRATEGIC GOAL 1:

An efficient and effective public entity in student financial aid and administration

#### PERFORMANCE INDICATOR

NSFAS receives an unqualified audit report annually

### STRATEGIC GOAL 2:

Access, success and progression to contribute to improving both throughput and pass rate

#### PERFORMANCE INDICATOR

Increased total number of student loans and bursaries

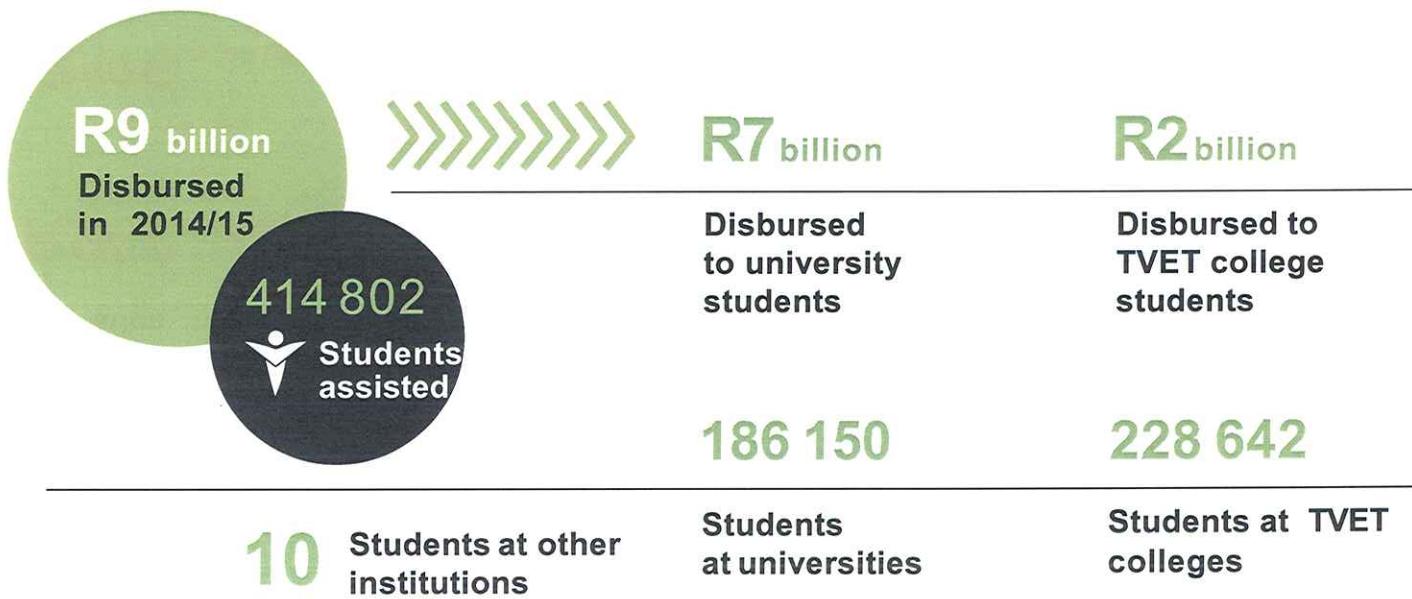
### STRATEGIC GOAL 3:

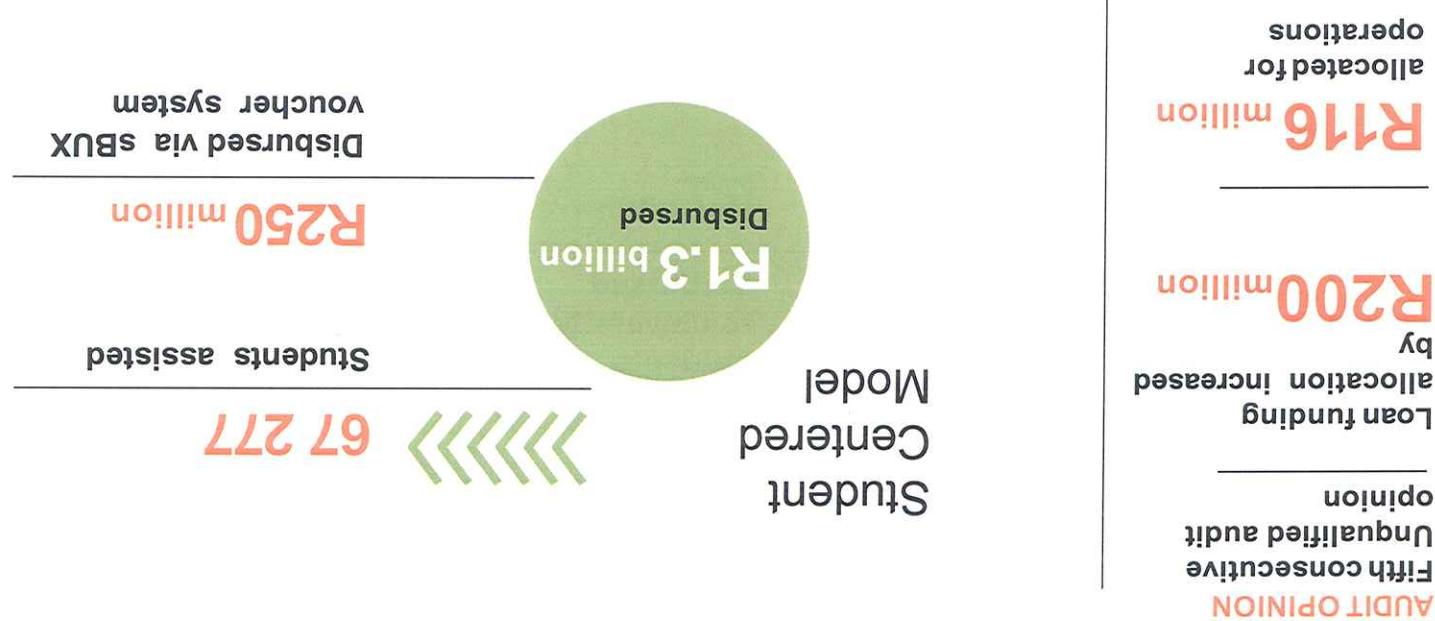
Improved student financial aid environment

#### PERFORMANCE INDICATOR

Increased total number of student loans and bursaries

## 2014/15 PERFORMANCE HIGHLIGHTS





## PERFORMANCE HIGHLIGHTS (CONT.)

## **STRATEGIC OBJECTIVES:**

### **SUMMARY OF PERFORMANCE**

Achieved	<b>21.4%</b>	
Partially achieved	<b>64.3%</b>	
Not achieved	<b>14.3%</b>	

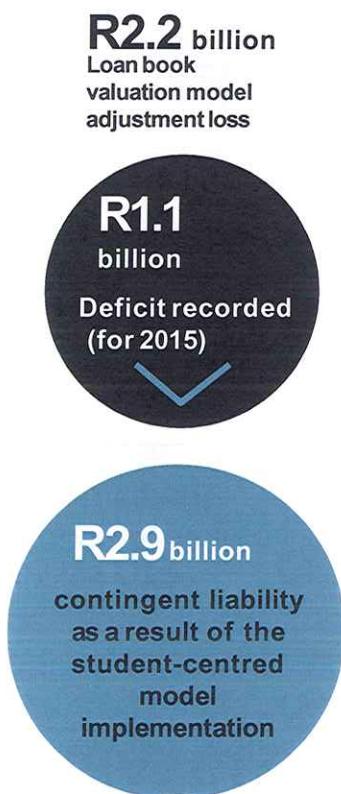
## CORPORATE OVERVIEW

### ADOPTION OF FIVE-YEAR STRATEGIC OUTLOOK:

Strengthening compliance with laws and regulations as well as financial and performance reporting in line with auditor general expectations

- Improved stakeholder satisfaction
- Enhanced employee engagement
- Focus on policy and research
- Turning around negative trajectory of loan recoveries
- Student-centred model rollout

## FINANCIAL OVERVIEW



Loan book with a cumulative nominal value of **R21.3 billion** & a fair value amount of **R6.1 billion**

**R1.4 billion**  
Fair value amount is net of social benefit component

Fair value amount disclosed in the statement of financial position is net of impairment loss of **R598 million**

**R116million**  
Administration income for 2015  
**33%**  
year-on-year growth from **R87 million**

**1.89**  
low administration expense to awards ratio

**R7.9 billion**  
Grants income (for 2014)

**R8.8 billion**  
Grants income (for 2015)

11% year-on-year growth



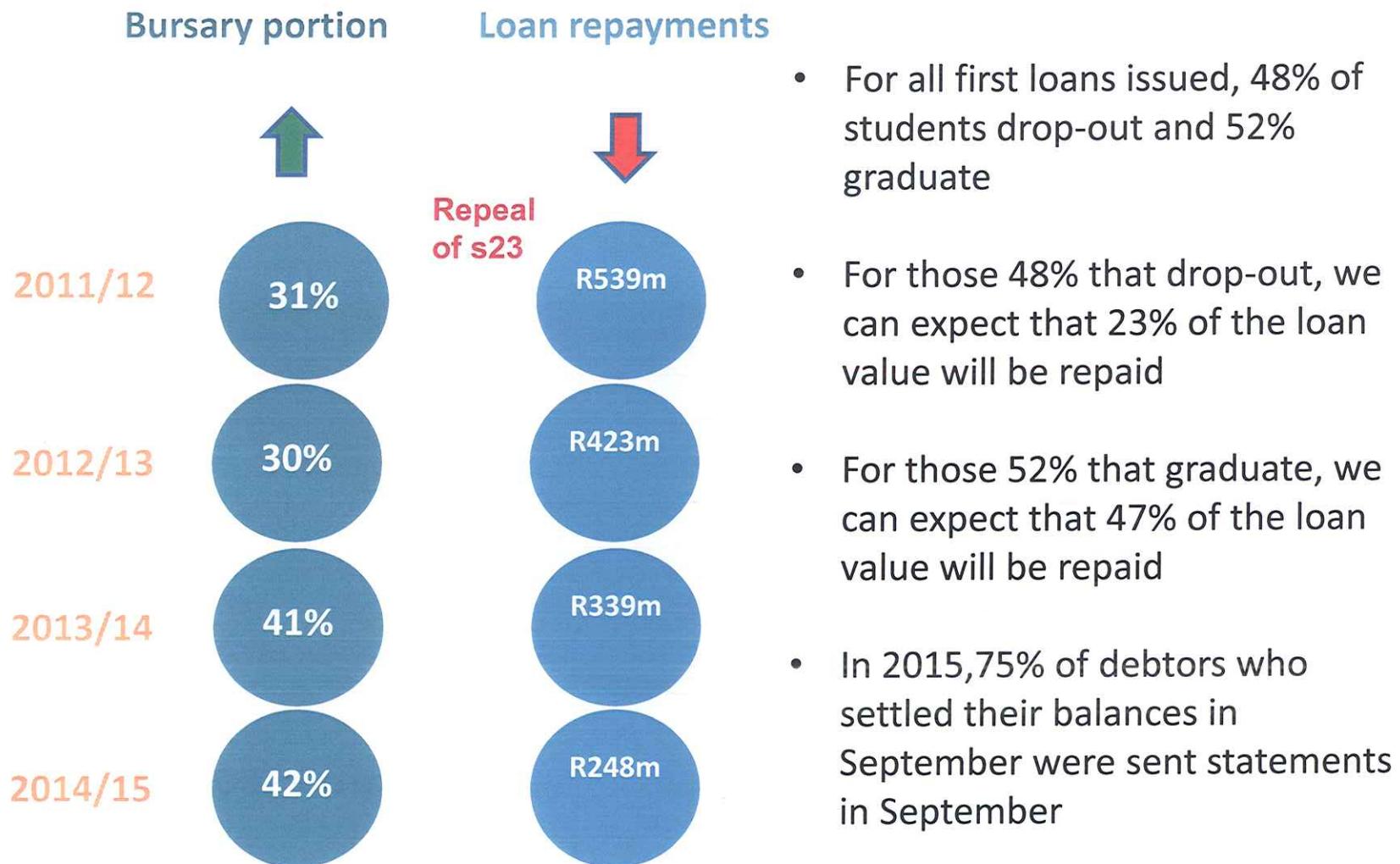
R1.5 billion cash & cash equivalents as income balance

R1.1 billion for upfront payments for student fees

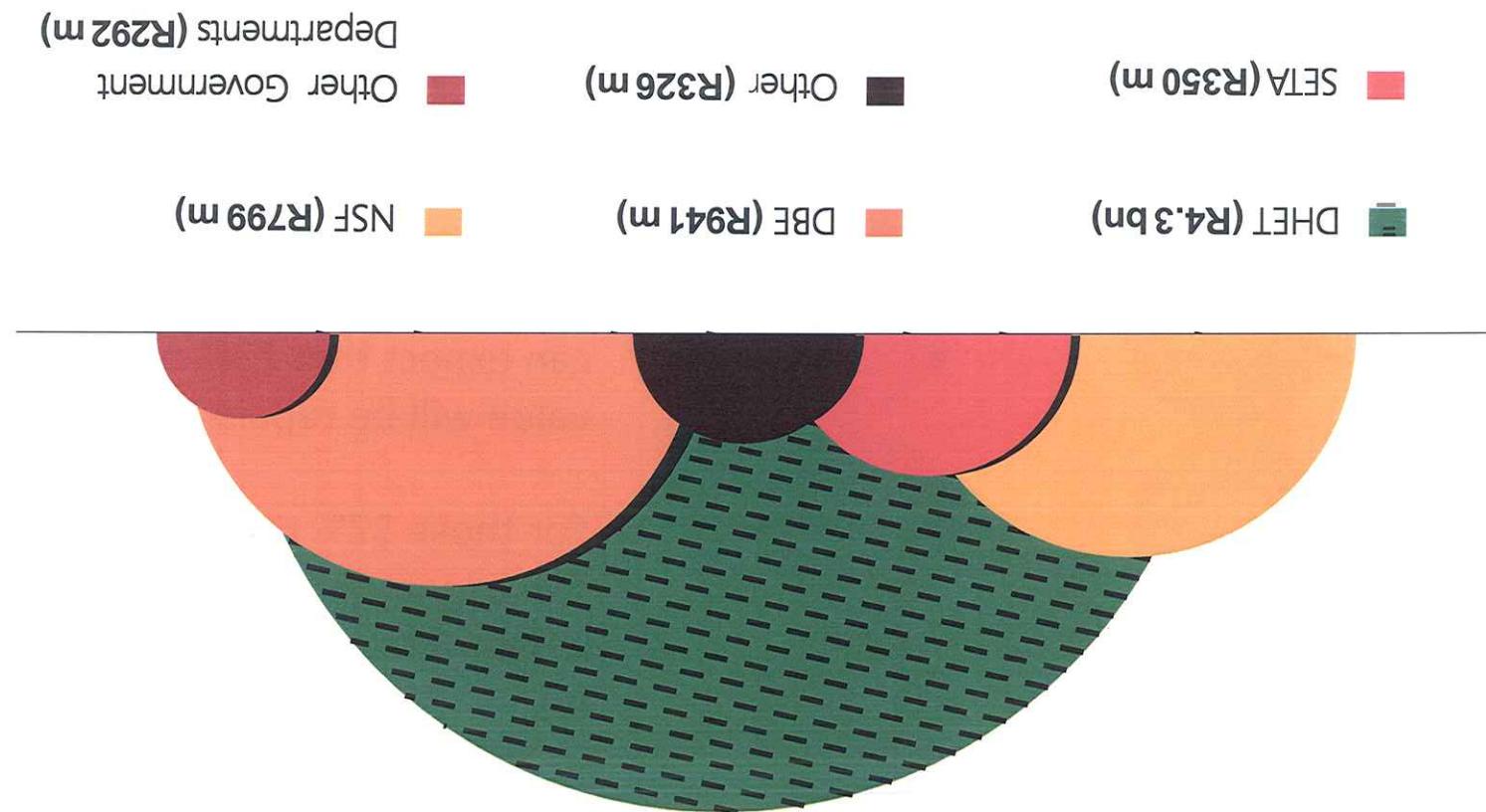


## FINANCIAL OVERVIEW (CONT.)

## FINANCIAL OVERVIEW (CONT.)



## SOURCES OF FUNDING



# **REPORT OF THE AUDITOR GENERAL**

## **1. EMPHASIS OF MATTERS:**

- Restatement of corresponding figures
- Significant uncertainties
- Material fair value and impairment adjustments

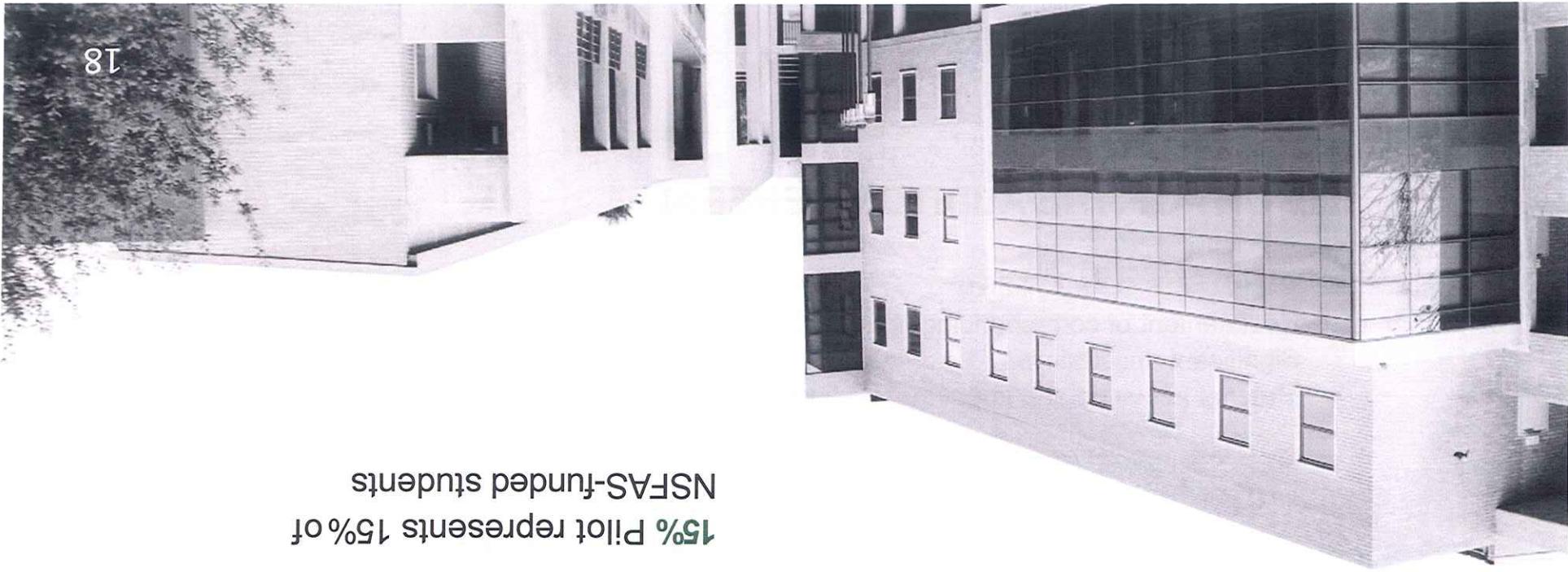
## **2. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

## **3. PREDETERMINED OBJECTIVES – PROGRAMME 2 – STUDENT CENTRED FINANCIAL AID**

- Usefulness of reported performance information

## **4. ADDITIONAL MATTERS:**

- Achievement of planned targets
- Adjustment of material misstatements
- Compliance with legislation
- Financial statements
- Revenue management
- Internal control
- Leadership
- Financial and performance management



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## STUDENT-CENTRED MODEL

UNIVERSITIES:  
NMU, Venda, Soi Platje, Mpumalanga,  
UNISA, DUT

UNIVERSITIES:

## PILOT INSTITUTIONS

NMU, Venda, Soi Platje, Mpumalanga,  
UNISA, DUT

UNIVERSITIES:

TVET COLLEGES:  
Motsepo, King Hintsa South  
Cape, Umfolozi, Ekuhuleni East

15% Pilot represents 15% of  
NSFAS-funded students

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R1.3 billion  
paid via the  
pilot model



R19 billion  
Disbursed in the  
first 20 years

R19 billion

# 7

## FUTURE FOCUS



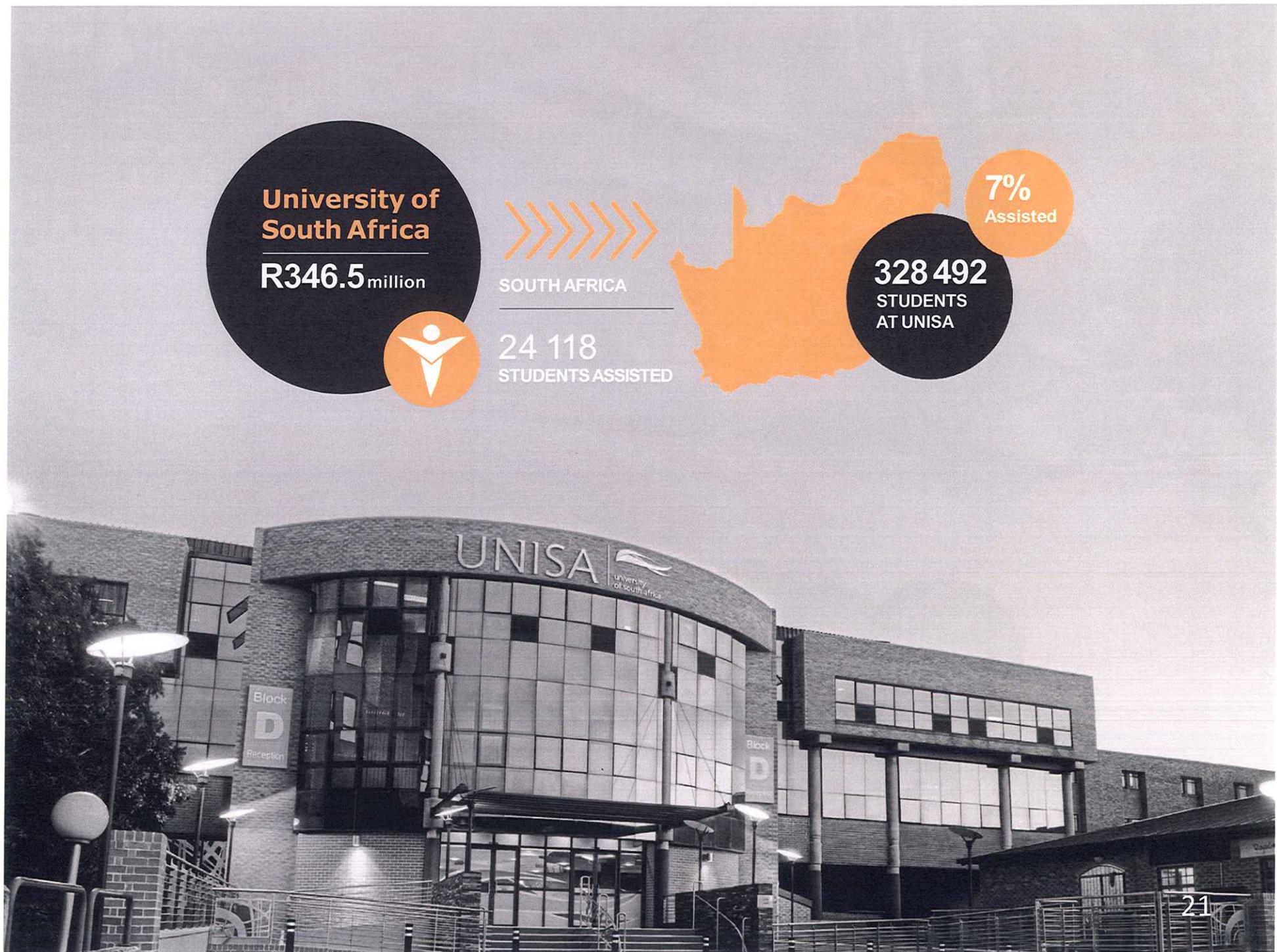
**Increase funding for student financial aid through fundraising and improving recoveries**

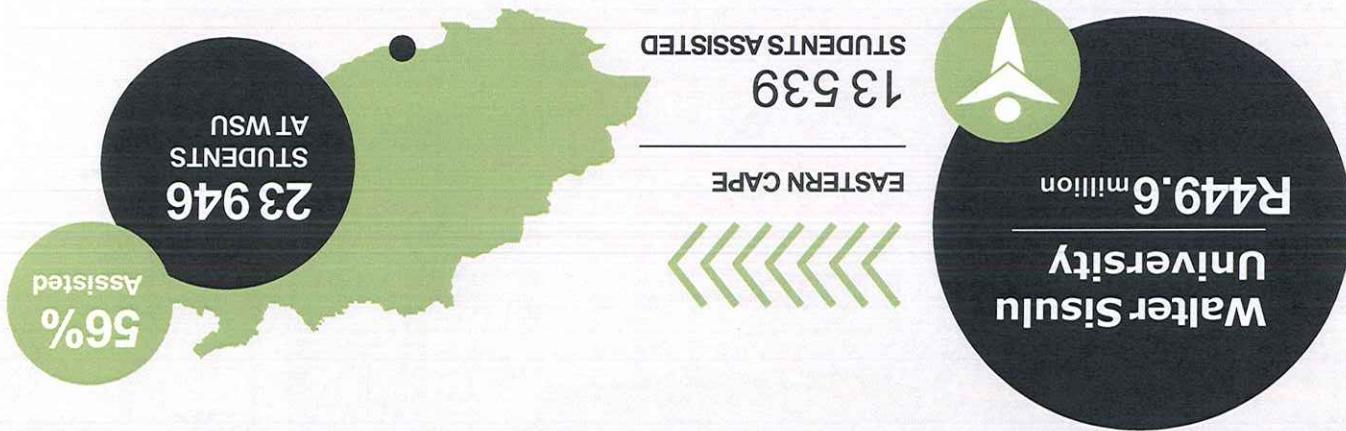
**Rolling out new student centred model to 100% of NSFAS students by 2019**

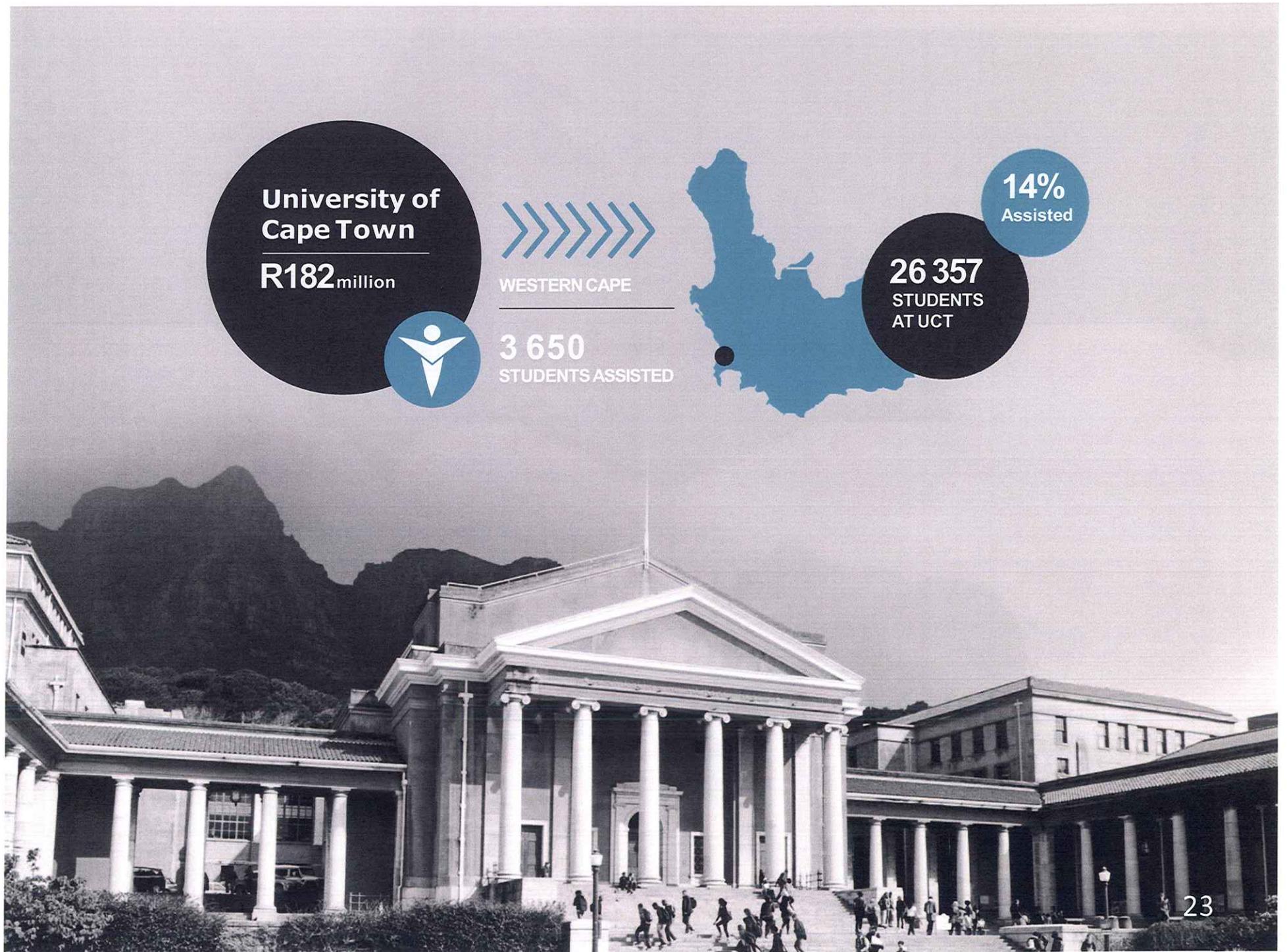
**Develop a product for the Missing Middle**

**Improving relations with students & maintaining collaborations with current funders**













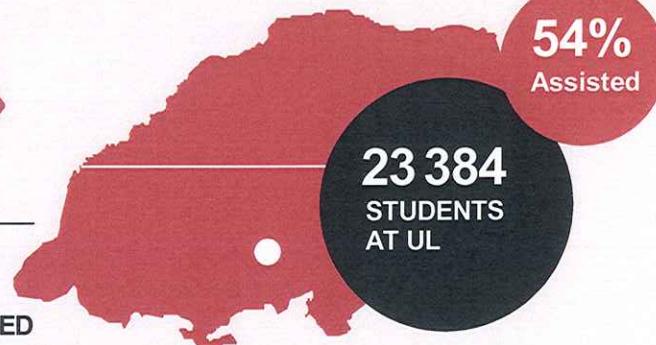
**University of  
Limpopo**

**R424.6 million**



LIMPOPO

**12 548**  
STUDENTS ASSISTED



**54%**  
Assisted

**23 384**  
STUDENTS  
AT UL



## Questions