

Portfolio Committee on Education : National Assembly

Budget Vote Hearings

23 June 2009

Sipho M Pityana

Chairperson, NSFAS

Background and Overview of NSFAS

- NSFAS established by NSFAS Act 1999 as a public entity under the Ministry of Education, to provide for distribution of loans and bursaries, and recovery of loans
 - TEFSA preceded NSFAS
- NSFAS Act since amended to include Further Education and Training Colleges (FETC)

Background and Overview of NSFAS

The main focus of NSFAS is contained in the preamble to the NSFAS Act:

- To redress past discrimination and ensure representivity and equal access
 - 2008 : 93% = African students
 - 2008 : 54% = female students
- To respond to the human resource development needs of the nation
 - Recent trend of increasing funds for scarce skills bursaries

Background and Overview of NSFAS

The main focus of NSFAS is contained in the preamble to the NSFAS Act:

- To establish an expanded national student financial aid scheme that is affordable and sustainable.
 - Increasing funds going to students
e.g. 2007/08 = R1,8 billion and 2008/09 = R2,5 billion
 - Increase in number of students assisted
e.g. 2007 academic year = 125 901 and 2008 academic year = 153 795
- Since inception R12,2 billion has been distributed by the scheme

Background and Overview of NSFAS

The main focus of NSFAS is contained in the preamble to the NSFAS Act:

- Costs for NSFAS administration service very low relative to amounts under administration

	2008/09	2007/08
Administration expenses	R 40 918 000	R 26 530 000
Administration expenses to awards ratio	1.64%	1.52%

Background and Overview of NSFAS

Functions in terms of the NSFAS Act:

- To allocate funds for loans and bursaries to eligible students
- To develop criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister
- To raise funds
- To recover loans
- To maintain and analyse a database and undertake research for the better utilisation of financial resources
- To advise the Minister on matters relating to student financial aid; and
- To perform other functions assigned to it by this Act or by the Minister.

Background and Overview of NSFAS

NSFAS funding sources

- Department of Higher Education and Training equals single largest contributor
 - Higher Education Institutions (HEIs)
 - Further Education and Training colleges (FETCs)
- DoE and other government departments, i.e. DSD, DOL, Agriculture and Eastern Cape Provincial use NSFAS for scarce skills bursaries
- International donors, corporate sector donors

Budgets 2007/08 and 2008/09

DoE core funding summary

Source of funding	2008/09				2007/08			
	Allocation	Paid	Unspent	%	Allocation	Paid	Unspent	%
Department of Education								
Dept of Education (incl NSFAS recoveries)	R 1 574 109 566	R 1 536 633 606	R 37 475 960	2%	R 1 356 127 800	R 1 323 072 043	R 33 054 957	2%
Dept of Education: Teachers (ring-fenced)	R 84 683 409	R 83 919 664	R 763 745	1%	R 66 000 000	R 60 200 205	R 5 799 795	9%
SAICA - Thuthuka Fund	R 18 465 401	R 18 465 401	R 0	0%	R 14 000 000	R 11 988 418	R 2 011 582	14%
Total	R 1 677 258 376	R 1 639 018 670	R 38 239 706	2%	R 1 436 127 800	R 1 395 260 666	R 40 866 334	3%

Budgets 2007/08 and 2008/09

DoE targeted funding summary

Source of funding	2008/09				2007/08			
	Allocation	Paid	Unspent	%	Allocation	Paid	Unspent	%
Dept of Education: Disability (100% bursaries)	R 18 568 571	R 7 274 235	R 11 294 335	61%	R -	R -	R -	0%
Dept of Education: Top-Up	R 39 000 000	R 21 241 437	R 17 758 563	46%	R -	R -	R -	0%
Funza Lushaka Teacher Bursaries	R 181 080 000	R 171 355 582	R 9 724 418	5%	R 120 000 000	R 110 528 265	R 9 471 735	8%
FET College Bursaries	R 233 444 340	R 220 743 200	R 12 701 140	5%	R 100 000 000	R 66 719 226	R 33 280 774	33%
Total	R 472 092 911	R 420 614 454	R 51 478 456	11%	R 220 000 000	R 177 247 491	R 42 752 509	19%

Budgets 2007/08 and 2008/09

Budget – Other funding summary

Source of funding	2008/09				2007/08			
	Allocation	Paid	Unspent	%	Allocation	Paid	Unspent	%
Communicare	R 100 221	R 94 560	R 5 661	6%	R 288 421	R 274 721	R 13 700	5%
Dept of Education: Reparation Fund	R 6 192 040	R 438 639	R 5 753 401	93%	R 5 743 012	R 97 583	R 5 645 429	98%
Dept of Agriculture Bursaries	R 12 316 248	R 10 678 963	R 1 637 285	13%	R 10 689 709	R 8 529 481	R 2 160 228	20%
Dept of Labour Ntabankula Bursaries	R 1 500 000	R 653 298	R 846 702	56%	R -	R -	R -	0%
Dept of Labour National Skills Fund	R 26 207 642	R 17 523 732	R 8 683 910	33%	R -	R -	R -	0%
Dept of Labour Disability Fund	R 24 321 189	R 18 837 390	R 5 483 799	23%	R 29 635 144	R 29 635 144	R 0	0%
Dept of Social Development	R 131 950 984	R 131 950 984	R 0	0%	R 50 000 000	R 42 764 070	R 7 235 930	14%
Eastern Cape Provincial Government	R 20 676 446	R 18 753 158	R 1 923 288	9%	R 18 323 644	R 17 007 953	R 1 315 691	7%
Irish Aid	R 1 776 366	R 1 703 403	R 72 963	4%	R 1 917 680	R 1 722 769	R 194 911	10%
Metallon Teaching Scholarships (NSFAS Recoveries)	R 301 495	R 301 495	R -	0%	R 1 229 702	R 1 229 702	R 0	0%
Nedbank Bursaries	R 14 700 000	R 12 836 376	R 1 863 624	13%	R 0	R 0	R 0	0%
Non-Government Organisations (NGOs)	R 7 950 000	R 7 571 809	R 378 191	5%	R 6 500 000	R 5 116 863	R 1 383 137	21%
South African Tourism Institute	R 60 000	R 27 746	R 32 254	54%	R 75 000	R 37 198	R 37 802	50%
Total	R 248 052 631	R 221 371 552	R 26 681 079	11%	R 124 402 312	R 106 415 485	R 17 986 827	14%
Institution Loan Administration	R 92 716 310	R 67 607 894	R 25 108 416	27%	R 88 347 333	R 75 190 892	R 13 156 441	15%
Institution Recoveries	R 6 600 000	R 6 089 748	R 510 252	8%	R 7 969 458	R 6 732 278	R 1 237 180	16%
Grand Total	R 2 496 720 227	R 2 354 702 318	R 142 017 909	6%	R 1 876 846 903	R 1 760 846 812	R 115 999 291	6%

Limitations under which NSFAS operates

Bursaries

- Higher Education bursaries tend to target scarce skills
 - The scarce skills academic admissions pool is a national challenge
- The uptake of a bursary depends on:
 - a. Student's choice of field of study e.g. HR is very popular but no bursaries
 - b. Academic admission requirements - numeracy and literacy requirements exclude many students

Limitations under which NSFAS operates

Bursaries continued...

- Donors determine academic admission criteria and exit conditions applicable on graduation – NSFAS not part of process of identifying students
 - e.g.1: DSD and DoE (FETCs) identify students, set selection and exit criteria and bursary amount
 - e.g.2: Nedbank bursaries only for particular courses of study at prescribed universities
- Bursary donors define terms and conditions of NSFAS's involvement
 - Donor leads bursary communication; NSFAS plays supporting role

Limitations under which NSFAS operates

Bursaries – NSFAS initiatives to assist with take-up

- Through the Financial Aid office, NSFAS encourages both first year and returning students to take up scarce skills bursary funding
- NSFAS NGO partners communicate information about bursaries to prospective students
- NSFAS communicates information via brochures and website

Limitations under which NSFAS operates

HEI Financial Aid Offices (FAO)

- NSFAS allocates bulk monies to HEI; FAO segments bulk funds for individual student awards
- NSFAS dependent on HEI/FAO
 - HEI solely responsible for offering a student an academic place (identifies academic potential)
 - FAO identifies financial need of student
- The relationship between the FAO and NSFAS is critical to the success of the undergraduate funding scheme

Limitations under which NSFAS operates

HEI Financial Aid Offices (FAO) continued...

- The FAO:
 - Identifies financially needy students by administering NSFAS Financial Means Test (FMT)
 - Advises students about different funding opportunities available
 - Manages and controls the NSFAS student loan agreement/bursary application process
 - Claims funds from NSFAS for verified student applications (NSFAS pays HEI which credits student fee account)

Limitations under which NSFAS operates

HEI Financial Aid Offices (FAO)

- At some HEIs, FAO makes smaller award to student than NSFAS recommended award size (in order to assist more students)
 - NSFAS raised concern with Minister in Board-approved document (30 September 2009) since insufficient funding can impact on the student's ability to study and graduate

Limitations under which NSFAS operates

HEI Financial Aid Offices (FAO)

- Crucial for FAO to be well resourced - BUT
 - Significant increase in total funds available via NSFAS but mostly no similar increase in staffing and other resources at FAOs
 - Compliance with National Credit Act (NCA) – accuracy of information on Loan Agreement Forms has created substantial additional work for FAOs
- Capacity constraints at FAOs and NSFAS limit opportunities to work together to identify additional ways of assisting students

**Unutilised funding table – DoE General Education, Teacher training
ring-fenced, Disability bursaries and SAICA partnership**



National Student Financial Aid Scheme

INSTITUTION	2008				2007			
	ALLOCATION R	PAID		BALANCE R	ALLOCATION R	PAID		BALANCE R
		R	%			R	%	
CAPE PENINSULA University of Technology (Bellville)	46 743 441	45 807 664	98	935 777	42 773 118	42 768 227	100	4 891
CAPE PENINSULA University of Technology (Cape Town)	47 667 482	47 529 733	100	137 749	40 185 000	40 185 000	100	0
CAPE TOWN, University of	48 781 291	48 490 395	100	290 896	41 520 143	41 496 718	100	23 425
CENTRAL University of Technology	49 170 961	48 792 261	99	378 700	43 059 000	43 052 458	100	6 542
DURBAN University of Technology	106 654 490	92 727 376	87	13 927 114	89 976 000	89 976 000	100	0
FORT HARE, University of	31 792 532	29 053 880	91	2 738 652	24 513 000	24 249 236	99	263 764
FREE STATE, University of	49 710 250	49 710 247	100	3	44 213 499	43 859 965	99	353 534
JOHANNESBURG, University of	136 347 816	135 668 223	99	679 593	118 170 000	111 364 628	94	6 805 372
KWAZULU NATAL, University of	123 619 257	123 520 378	100	98 879	108 221 000	108 220 064	100	936
LIMPOPO (Medunsa), University of	18 022 624	18 022 624	100	0	17 486 000	17 486 000	100	0
LIMPOPO (Turfloop), University of	72 312 554	72 293 711	100	18 844	53 908 050	52 431 500	97	1 476 550

Unutilised funding table – DoE General Education, Teacher training ring-fenced, Disability bursaries and SAICA partnership



National Student Financial Aid Scheme

INSTITUTION	2008				2007			
	ALLOCATION R	PAID		BALANCE R	ALLOCATION R	PAID		BALANCE R
		R	%			R	%	
MANGOSUTHU Technikon	48 811 357	48 243 247	99	568 111	39 305 000	39 305 000	100	0
NELSON MANDELA Metropolitan University	62 480 250	59 861 020	95	2 619 230	52 897 000	51 936 176	98	960 824
NORTH-WEST University	59 652 391	59 238 200	99	414 191	50 921 000	50 306 003	99	614 997
PRETORIA, University of	78 140 354	73 957 141	94	4 183 213	65 001 000	63 542 050	98	1 458 950
RHODES University	9 203 392	9 101 192	99	102 200	7 887 709	7 887 083	100	626
SOUTH AFRICA, University of	72 894 000	68 508 966	94	4 385 034	64 740 570	63 181 740	98	1 558 830
STELLENBOSCH University	14 940 946	14 887 714	100	53 232	14 763 882	12 334 300	97	2 429 582
TSHWANE University of Technology	190 719 374	183 908 955	94	6 810 419	167 113 000	167 107 738	100	5 262
VAAL University of Technology	80 027 357	79 273 462	99	753 895	69 003 000	59 970 628	87	9 032 372
VENDA, University of	66 181 956	60 649 982	92	5 531 974	46 102 170	43 896 894	95	2 205 275
WALTER SISULU University (Berlin)	26 188 118	25 116 152	96	1 071 966	20 793 000	20 780 260	100	12 740
WALTER SISULU University (Butterworth)	40 015 362	40 015 362	100	0	30 790 000	30 790 000	100	0
WALTER SISULU University (Mthatha)	39 953 108	38 721 653	97	1 231 455	34 001 000	33 981 474	100	19 526
WESTERN CAPE, University of the	55 063 374	52 662 993	96	2 400 381	45 364 000	40 775 098	90	4 588 902
WITWATERSRAND, University of the	66 977 000	66 887 917	100	89 083	58 237 000	50 965 425	88	7 271 575
ZULULAND, University of	53 755 911	53 642 456	100	113 454	45 182 860	43 411 000	96	1 771 860
Totals	1 695 826 947	1 646 292 903	97	49 534 044	1 436 127 800	1 395 260 666	97	40 866 334

FETC Bursary – Unutilised Funding

- FETC bursary scheme has only been running for 2 years
- Marked improvement on uptake of bursaries in 2008
- Primary relationship with FETCs managed by Department of Higher Education & Training
- NSFAS manages payment of bursaries to FETCs based on submission of Schedule of Particulars of students identified by FETC, award size and budget as determined by the Department of Higher Education & Training

FETC Bursary – Unutilised Funding

INSTITUTION	2008				2007			
	ALLOCATION R	PAID		BALANCE R	ALLOCATION R	PAID		BALANCE R
		R	%			R	%	
Boland College	3 234 000	3 183 161	98	50 839	1 050 000	927 969	88	122 031
Buffalo City College	4 283 000	4 234 345	99	48 655	3 100 000	994 483	32	2 105 517
Capricorn College for FET	7 439 000	7 429 612	100	9 388	3 750 000	3 001 631	80	748 369
Central Johannesburg College	5 348 000	5 332 565	100	15 435	2 050 000	1 206 834	59	843 166
Coastal KZN FET College	6 614 000	6 613 484	100	516	4 450 000	3 242 415	73	1 207 585
College of Cape Town	6 542 000	6 175 370	94	366 630	2 950 000	2 272 984	77	677 016
Eastcape Midlands College	4 016 000	4 011 328	100	4 672	2 000 000	979 187	49	1 020 813
Ehlanzeni FET College	5 150 000	4 794 532	93	355 468	1 450 000	1 369 748	94	80 252
Ekurhuleni East College for FET	10 194 000	10 174 540	100	19 460	3 900 000	1 608 180	41	2 291 820
Ekurhuleni West College for FET	7 588 000	6 805 400	90	782 600	2 600 000	1 050 881	40	1 549 119
Elangeni College for FET	5 402 000	5 401 681	100	319	2 050 000	1 672 525	82	377 475
Esayidi FET College	3 567 000	3 409 760	96	157 240	3 850 000	2 279 371	59	1 570 629

FETC Bursary – Unutilised Funding

INSTITUTION	2008				2007			
	ALLOCATION R	PAID		BALANCE R	ALLOCATION R	PAID		BALANCE R
		R	%			R	%	
False Bay College for FET	4 531 000	4 342 312	96	188 688	1 050 000	869 455	83	180 545
Flavius Mareka FET College	1 886 000	1 886 000	100	0	950 000	527 292	56	422 708
Gert Sibande FET College	5 467 000	5 406 683	99	60 317	2 750 000	2 403 907	87	346 093
Goldfields FET College	1 689 000	1 689 000	100	0	700 000	568 274	81	131 726
Ikhala Public FET College	2 175 000	2 108 021	97	66 979	1 850 000	1 080 402	58	769 598
Ingwe Public FET College	2 057 000	2 052 929	100	4 071	1 450 000	557 406	38	892 594
King Hintsa Pulic FET College	1 876 000	1 867 120	100	8 880	1 450 000	1 407 807	97	42 193
King Sabata Dalindyebo FET College	2 214 000	1 409 269	64	804 731	1 600 000	810 395	51	789 605
Lephalale FET College	2 103 000	2 102 951	100	49	600 000	579 305	97	20 695
Letaba FET College	3 928 000	3 923 868	100	4 132	2 250 000	1 505 891	67	744 109
Lovedale Public FET College	2 585 000	2 585 000	100	0	1 250 000	782 759	63	467 241

FETC Bursary – Unutilised Funding

INSTITUTION	2008				2007			
	ALLOCATION R	PAID		BALANCE R	ALLOCATION R	PAID		BALANCE R
		R	%			R	%	
Majuba College for FET	7 142 000	5 890 526	82	1 251 474	1 500 000	486 500	32	1 013 500
Maluti FET College	3 207 000	3 207 000	100	0	2 250 000	2 250 000	100	0
Mnambithi FET College	594 000	594 000	100	0	750 000	584 251	78	165 749
Mopani South East FET College	7 675 000	7 675 000	100	0	3 600 000	2 806 736	78	793 264
Motheo FET College	4 952 000	4 952 000	100	0	3 600 000	1 354 048	38	2 245 952
Mthashana FET College	3 722 000	3 647 653	98	74 347	1 650 000	1 480 385	90	169 615
Nkangala FET College	7 280 000	6 331 030	87	948 970	2 800 000	1 842 485	66	957 515
Northern Cape Rural FET College	4 645 000	4 642 100	100	2 900	1 900 000	1 663 973	88	236 027
Northern Cape Urban FET College	2 333 000	2 327 680	100	5 320	1 100 000	846 435	77	253 565
Northlink College	4 113 000	2 355 829	57	1 757 172	1 400 000	1 004 559	72	395 441

FETC Bursary – Unutilised Funding

INSTITUTION	2008				2007			
	ALLOCATION R	PAID		BALANCE R	ALLOCATION R	PAID		BALANCE R
		R	%			R	%	
Orbit FET College	6 364 271	5 791 612	91	572 659	2 300 000	1 739 250	76	560 750
Port Elizabeth College	5 274 000	5 274 000	100	0	2 800 000	1 305 635	47	1 494 365
Sedibeng College for FET	7 157 000	7 125 780	100	31 220	1 550 000	1 550 000	100	0
Sekhukhune FET College	3 333 000	3 284 905	99	48 095	1 350 000	951 863	71	398 137
South Cape College	3 719 000	3 575 015	96	143 985	1 300 000	738 526	57	561 474
South West Gauteng College	10 028 000	8 898 000	89	1 130 000	3 150 000	2 464 983	78	685 017
Taletso FET College	3 608 729	3 536 256	98	72 473	1 550 000	849 511	55	700 489
Thekwini FET College	3 334 000	2 627 642	79	706 358	900 000	711 125	79	188 875
Tshwane North College for FET	5 442 340	5 431 780	100	10 560	1 850 000	1 363 178	74	486 822
Tshwane South College for FET	9 998 000	9 473 055	95	524 945	2 750 000	2 448 927	89	301 073

FETC Bursary – Unutilised Funding

INSTITUTION	2008				2007			
	ALLOCATION R	PAID		BALANCE R	ALLOCATION R	PAID		BALANCE R
		R	%			R	%	
Umfolozi College for FET	3 429 000	3 403 749	99	25 251	1 500 000	1 364 273	91	135 727
Umgungundlovu FET College	3 102 000	3 102 000	100	0	1 850 000	607 246	33	1 242 754
Vhembe FET College	5 644 000	4 758 552	84	885 448	2 700 000	1 203 420	45	1 496 580
Vuselela FET College	3 853 000	3 367 388	87	485 612	1 650 000	600 568	36	1 049 432
Waterberg FET College	2 956 000	2 887 080	98	68 920	750 000	596 079	79	153 921
West Coast College	5 263 000	5 124 200	97	138 800	1 750 000	1 749 682	100	318
Western College for FET	5 388 000	4 520 437	84	867 563	650 000	456 487	70	193 513
Totals	233 444 340	220 743 200	95	12 701 140	100 000 000	66 719 226	67	33 280 774

NSFAS interventions regarding unutilised funding

- 2008/09 - NSFAS required each FAO to account for draw down on NSFAS funding in October 2008 and February 2009
- Unutilised funding identified by this process redirected to universities needing additional funds
- Based on FAO reporting, NSFAS informed Portfolio Committee in February 2009 that no significant amounts in NSFAS loans pool would be unutilised
 - However, poor accounting by some universities resulted in unutilised funds

NSFAS interventions regarding unutilised funding 2009 going forward



National Student Financial Aid Scheme

- NSFAS has written to all Vice Chancellors (VCs) and Rectors informing them that if institution does not use its NSFAS funding they will lose it
- VCs informed that:
 - Each institution to accurately account for draw down on NSFAS funding twice a year - end of first semester in July and end of second semester in September

NSFAS interventions regarding unutilised funding 2009 going forward



National Student Financial Aid Scheme

- By September each year 80% of loan agreement forms must be sent to NSFAS. This will allow NSFAS to make more realistic assumptions on unutilised funding.
- Strict enforcement of LAF deadlines to take place, including appealing to VCs.
- Redirection of unutilised funds to universities needing additional funds will continue
- NSFAS Board authorised the redistribution of unutilised 2008 funding in the 2009 academic year

DoE Top-Up funding 2008

R39 million – once-off funding to reduce student debt

- End 2008 Minister of Education allocated R39m to reduce student debt at those universities that thinly spread NSFAS awards in order to assist more students
- DOE and NSFAS worked on allocation model
- However, this funding only available at end of academic year so not all universities identified were able to take up the offer
- NSFAS Board recommended to Minister that identified universities should be able to use up this funding in 2009

DoE top up funding 2008

Utilisation of R39 million

INSTITUTION	ALLOCATION R	PAID		BALANCE
		R	%	R
CAPE PENINSULA University of Technology (Cape Town)	3 566 000	85 949	2	3 480 051
FORT HARE, University of	1 857 000	1 586 748	85	270 252
KWAZULU NATAL, University of	2 674 000	2 661 588	100	12 412
LIMPOPO (Turfloop), University of	1 226 000	59 486	5	1 166 514
MANGOSUTHU University of Technology	4 866 000	4 421 295	91	444 705
NELSON MANDELA Metropolitan University	1 968 000	382 165	19	1 585 835
NORTH-WEST University	1 374 000	1 368 168	100	5 832
PRETORIA, University of	2 229 000	0	0	2 229 000
TSHWANE University of Technology	3 306 000	0	0	3 306 000
VAAL University of Technology	2 786 000	2 279 446	82	506 554
VENDA, University of	3 380 000	3 236 357	96	143 643
WALTER SISULU University (Berlin)	617 262	318 860	52	298 402
WALTER SISULU University (Butterworth)	1 315 000	783 070	60	531 930
WALTER SISULU University (Mthatha)	2 598 738	2 591 748	100	6 990
WESTERN CAPE, University of the	2 191 000	0	0	2 191 000
ZULULAND, University of	3 046 000	1 466 558	48	1 579 442
Totals	39 000 000	21 241 437	54	17 758 563

Unutilised – students with disabilities

- In 2008 Minister of Education requested NSFAS to ring fence a budget to support students with disabilities
- The NSFAS budget includes funding for approved assistive devices that are essential for the student
- In 2008 NSFAS supported 860 students with disabilities

Unutilised – students with disabilities

Source of funding	Allocation	Paid	Unspent	%
Dept of Education: Disability (100% bursaries)	R 18 568 571	R 7 274 235	R 11 294 335	61%

Unspent funds arose because:

- Disability must be medically proven – NSFAS does not decide who is classified disabled
- Allocation of this funding dependent on number of students with disabilities registering at HEIs

NSFAS initiatives to improve access

NSFAS upfront payments to HEIs

Entering a university difficult for students without finances to pay required registration fees.

- Needy students given additional help through NSFAS upfront payment policy
 - universities may request up to 30% of their NSFAS budget in January, February and March to cover registration fees, food allowances, residence allowances, etc.

NSFAS initiatives to improve access

NSFAS DoE upfront payments to HEIs 2009

Institution	Utilised	Total Allocation	% (max = 30%)
FORT HARE, University of	R 7 135 000	R 33 541 000	21
FREE STATE, University of	R 13 428 750	R 58 688 000	23
JOHANNESBURG, University of	R 11 663 140	R 154 197 000	8
LIMPOPO (Turfloop), University of	R 1 267 870	R 69 531 000	2
NORTH-WEST University	R 13 860 000	R 58 914 000	24
TSHWANE University of Technology	R 65 414 300	R 218 077 000	30
WALTER SISULU University (Berlin)	R 5 033 940	R 30 041 000	17
WALTER SISULU University (Mthatha)	R 8 739 500	R 48 594 000	18
WITWATERSRAND, University of the	R 23 197 500	R 79 332 000	29
ZULULAND, University of	R 12 468 500	R 43 483 000	29

Annual Report 2007/08 and 2008/09

Strategic goals

- To provide access to higher education for financially needy South Africans who are academically able, in support of the country's HRD strategy, while making a contribution to the alleviation of poverty
- To raise sufficient funding to enable NSFAS to realise its strategic goals and objectives
- To develop a new allocations formula in line with the higher education needs and transformation imperatives, for the equitable distribution of funds through allocating funding in an optimum manner

Annual Report 2007/08 and 2008/09

Strategic goals

- To communicate NSFAS effectively with all its audiences, seeking to make NSFAS a funding channel of choice
- To ensure the effective governance, management and administration of NSFAS
- To provide effective and efficient human resource management and administration
 - to ensure that staff are competent to execute and support the NSFAS strategy and are managed in accordance with best current practices
- To implement e-business strategies to enhance collaboration with HEIs, thereby increasing the efficiency of the scheme

Business Renewal Project

E-business strategy

- NSFAS currently implementing electronic loan agreement form (LAF) system and reconfiguring back office systems so that:
 - Administrative burden of dealing with LAFs is dramatically reduced at FAOs and NSFAS
 - New system will provide more real-time information on draw down of NSFAS allocations, allowing for improvement in redistribution of unspent funds to institutions during academic year
 - New system meets requirements of NCA and National Credit Regulator's requirement for registration of loans within 30 days

Business Renewal Project

E-business strategy continued...

- Senior Counsel recommendation: NSFAS must register advanced electronic signature with Department of Communications. NSFAS will register as soon as Communication Department sets up modalities for such registration.
- NSFAS managing above project by re-prioritising operational budget.

Business Renewal Project

NSFAS office space

- NSFAS operation has grown year-on-year. Insufficient space in current building for expansion. Health and safety issues a concern.
- Public Works unable to meet NSFAS space requirements.
- Following Ministerial Review NSFAS will submit proposals to lease/rent alternative accommodation.

Annual Report 2008/09



National Student Financial Aid Scheme

	2008/09	2007/08
New grants*	R 1 748 604 000	R 1 389 482 000
New grant - FET colleges	R 200 000 000	R 100 000 000
Student loan recovery re-injected	R 396 999 000	R 294 860 000
Total awards	R 2 502 030 000	R 1 742 651 000

* During the year under review grants were received from the South African government via the Department of Education, the Department of Agriculture, the Department of Labour, the Department of Social Development, the Eastern Cape Provincial Government, and various other donors.

Annual Report 2008/09



National Student Financial Aid Scheme

	2008/09	2007/08
Bursary awards**	R 855 430 000	R 612 414 960
Bursary awards - FET colleges***	R 218 971 000	65 340 040

** Up to 40% of a loan may be converted into a bursary on the basis of academic performance.

*** FETC 100% bursary awards.

Facts and Figures

Number of awards granted to date

Year	No. of awards	No. of students
2000	82 069	72 038
2001	93 532	80 513
2002	99 873	86 147
2003	112 264	96 552
2004	113 693	98 810
2005	122 696	106 852
2006	124 730	108 417
2007	153 027	125 901
2008	182 497	153 795

Note:

2007 includes 12 371 awards to 12 283 FET students.

2008 includes 38 545 awards to 35 352 FET students, NIHE students and schools (Agriculture bursaries)

Number of students assisted through Funza Lushaka (higher education)

Year	Number	R-value
2007	3669	R110m
2008	5189	R171m

Number of students assisted through Dept of Social Development (higher education)

Year	Number	R-value
2007	1263	R42m
2008	3602	R131m

Facts and Figures

Repayments on student loans

Years	Recovered Money	Year	Recovered Money
1999/2000	R67,7m	2004/2005	R244,1m
2000/2001	R91,7m	2005/2006	R329,3m
2001/2002	R111,4m	2006/2007	R392,4m
2002/2003	R156,5m	2007/2008	R479,2m
2003/2004	R209,9m	2008/2009	R555,7m

Facts and Figures

Reinjection of repayments on student loans

Years	Re-injected funds	Years	Re-injected funds
1999/2000	R13,7m	2004/2005	R246,5m
2000/2001	R9,2mm	2005/2006	R261,3m
2001/2002	R149,3m	2006/2007	R296m
2002/2003	R150,0m	2007/2008	R295m
2003/2004	R168,8m	2008/2009	R397m

Revised goals 2009/10 going forward

- Expanding the pool of funds available for disbursement for student loans and bursaries
- Effectively managing the institutional utilisation of funds administered by NSFAS in any given year
- Strengthening internal efficiencies in the processing of student awards/claims to ensure that funding reaches target population
- Strengthening the quality of internal management and operations in line with changing funding patterns

Revised goals 2009/10 going forward

- Effectively communicating and managing the relationship with all NSFAS stakeholder groups and targeted audiences
- Undertaking research that informs the effective utilisation of available funds and serves to advise the Minister on matters related to student financial aid

NSFAS will align itself with the recommendations of the Ministerial review.

2009 Budget going forward

	YEAR 1 2009/10	% increase from PY*	YEAR 2 2010/11	% increase from PY*	YEAR 3 2011/12	% increase from PY*
	R		R		R	
Department of Education (DoE)	1 444 668 000	12%	1 591 359 000	10%	1 923 779 000	21%
General allocation	1 265 453 000	10%	1 380 825 500	9%	1 679 111 325	22%
Teacher (ring-fenced)	85 499 000	1%	91 625 500	7%	96 206 775	5%
Students with Disabilities (100% bursaries)	50 000 000	169%	74 300 000	49%	100 000 000	35%
SAICA partnership	18 000 000	13%	15 000 000	-17%	15 000 000	0%
Administration	25 716 000	25%	29 608 000	15%	33 460 900	13%
Funza Lushaka Bursaries (teacher work back)	400 000 000	119%	424 000 000	6%	449 440 000	6%
FET College Bursaries	300 000 000	29%	318 000 000	6%	337 080 000	6%
Other transfers						
Dept of Social Development - Social Work Bursaries	210 000 000	83%	222 600 000	6%	235 956 000	6%

2009 Budget going forward

	YEAR 1 2009/10	% increase from PY*	YEAR 2 2010/11	% increase from PY*	YEAR 3 2011/12	% increase from PY*
	R		R		R	
NSFAS re-injection of recoveries and interest	616 301 620	30%	730 996 699	19%	872 385 864	19%
via DoE/General allocation	555 381 499	30%	666 457 799	20%	799 749 359	20%
via Non-government Organisations	8 910 000	8%	9 622 800	8%	10 392 624	8%
via Institution recovery	7 128 000	8%	7 698 240	8%	8 314 099	8%
via Donor recovery	3 500 000	10%	3 780 000	8%	4 082 400	8%
Administration	41 382 120	50%	43 437 860	5%	49 847 382	15%

2009 Budget going forward

	YEAR 1 2009/10	% increase from PY*	YEAR 2 2010/11	% increase from PY*	YEAR 3 2011/12	% increase from PY*
	R		R		R	
Other funding	83 386 936	5%	89 273 891	7%	95 631 802	7%
Communicare	108 239	8%	116 898	8%	126 250	8%
Department of Agriculture	8 300 000	0%	8 300 000	0%	8 300 000	0%
Department of Labour (Ntabankulu Project - Bursaries)	1 500 000	0%	1 500 000	0%	1 500 000	0%
Department of Labour (National Skills Fund)	27 927 537	8%	30 161 740	8%	32 574 680	8%
Department of Labour (Students with Disabilities)	26 643 600	8%	28 775 088	8%	31 077 095	8%
Eastern Cape Provincial Government	18 907 560	8%	20 420 165	8%	22 053 778	8%



	YEAR 1 2009/10	% increase from PY*	YEAR 2 2010/11	% increase from PY*	YEAR 3 2011/12	% increase from PY*
	R		R		R	
Private sector	15 000 000	0%	15 000 000	0%	0	0%
Nedbank bursaries **	15 000 000	0%	15 000 000	0%	0	0%
Total	3 069 356 556	28%	3 391 229 590	10%	3 914 272 666	15%
Awards vs administration	3 069 356 556	28%	3 391 229 590	10%	3 914 272 666	15%
Loans and bursaries	3 002 258 436	28%	3 318 183 730	11%	3 830 964 385	15%
Administration	67 098 120	40% ***	73 045 860	9%	83 308 282	14%
* PY: prior year						
** Initial 3 year programme ends 2011						
*** Reflects increase in growth and responsibility						

Ministerial Review during 2009

30 September 2008 NSFAS presented a Board-approved document to the Minister responding to four questions from Minister:

- a. Allocation Formula** – find a more accurate way of determining need at institutions and establish the implications of changing the formula.
- b. Incentive for Excellence** – determine the implications of increasing a student's bursary portion if qualification is completed in minimum time -frame.
- c. Minimum criteria for continued support** – determining re-admission criteria across the country.
- d. Targeting of scarce skills** – implications of offering 100% upfront bursaries to students studying in fields considered to be scarce.

Ministerial Review during 2009

Amongst other things, NSFAS proposed :

- **A Change To Student Award Model** - working families that do not meet NSFAS Financial Means Test requirements but unable to raise finance for children's education can be accommodated by the scheme. Suggestion to use SARS Tax Table bands as measure to determine level of support. As family income moves up table, greater portion of NSFAS funding = loan.
- **Remove Expected Family Contribution** for poor students.

Ministerial Review during 2009

NSFAS proposals continued...

- Retain NSFAS policy of providing financial support for **n+2 years** nationally. (“n” is minimum qualification completion time set by university)
- Investigate practice by some universities of **thinly spreading NSFAS awards**, geared to give more students some financial support.

These proposals contributed to decision by Minister to undertake a review of NSFAS.