

New chair for NSFAS

5 August 2015 - Sizwe Nxasana was recently appointed as the Chairperson of the National Student Financial Aid Scheme (NSFAS) for a term of four years, from 1 August 2015 to 31 August 2020.

About Sizwe Nxasana

Mr Nxasana is currently the Chief Executive Officer (CEO) of FirstRand Bank Ltd and FirstRand Holdings. A chartered accountant by profession, he is an accomplished businessperson and entrepreneur with experience in the telecommunications and financial sectors. He served as the CEO of Telkom from 1998 to 2005. In 1989, he founded the accounting firm, Sizwe & Co, and later joined forces to form Nkonki Sizwe Ntsaluba, South Africa's foremost black accountancy practice.

He holds several honorary doctorates from South African universities and was recently awarded the Doctor of Accounting Science degree (HonorisCausa) by the Walter Sisulu University for his contribution to the growth, development and transformation of the accounting profession in South Africa.

His passion is about education transformation

Mr Nxasana is passionate about the transformation of education in South Africa. He is the co-founder of the National Education Collaboration Trust, a National Development Plan initiative formed in 2013 to support the objectives of government in the basic education sector.

There is no doubt that NSFAS remains the primary tool that is used to ensure access for academically deserving, poor and needy students to higher education and training. It provides financial assistance in the form of loans and bursaries to eligible students at public universities and Technical and Vocational Education and Training (TVET) colleges.

NSFAS funding reaches R9.5 billion in 2015/16

The funds allocated to NSFAS have increased substantially, from R441 million in 1999 to R9.5 billion for the 2015/16 financial year. NSFAS has to administer these loans and bursaries and recover the loans from students once they are employed and earn in excess of R30 000 per annum. NSFAS represents one of government's major successes in addressing past inequalities and expanding the opportunities to access higher education to thousands of people who would not otherwise be able to attend university.

NSFAS challenges

Despite the considerable investment in financial aid, NSFAS continues to confront the following challenges of meeting the full extent of need in this critical area:

- Despite significant increases in the NSFAS allocations, the reality is that available resources are not adequate to meet the needs of all students who are already in the system and eligible for NSFAS loans and bursaries
- Inefficiencies in the administration of loans and bursaries at universities and TVET colleges
- Implementation challenges with the new student centric model currently piloting at 11 institutions
- Failure of leadership to put in place an effective strategy to collect all revenue due to NSFAS. Loan recoveries from student debtors have decreased significantly from R372.3 million in the 2013/14 financial year to R261.2 million in the 2014/15 financial year
- Inability of NSFAS to raise funds as per its mandate

- Limited human resource and requisite expertise, and the capacity of both management and leadership to ensure that the entity meets its mandate in terms of the NSFAS Act
- The entity has not been able to ensure that adequate and skilled resources were employed and has put the operations of NSFAS at considerable risk
- Failure of leadership and management to effectively provide oversight and manage financial and performance reporting, compliance with relevant legislation, lack of internal controls and policies to govern its operations which opens up the entity to fraud, both at NSFAS and institutions
- NSFAS has not developed supportive relationships with its stakeholders and donors, and measures to improve the administration of donor funding take significant time to bear fruit, to the detriment of eligible students.

Mr Nxasana brings a wealth of experience and expertise to his new role as the chairperson of the NSFAS. His experience in the financial sector, as well as his background as a chartered accountant, makes him the ideal person to lead NSFAS to address its challenges and deliver on its mandate.

Working together with the Board and management of NSFAS, Mr Nxasana is expected to put in place the necessary measures that will enable NSFAS to become a model public entity that complies fully with the provisions of its governing legislation, including the NSFAS Act.