

ADDRESS BY THE MINISTER OF HIGHER EDUCATION, SCIENCE AND INNOVATION, DR BLADE NZIMANDE ON THE OCCASION OF THE NATIONAL STUDENT FINANCIAL AID SCHEME 30TH YEARS CELEBRATION HELD AT GALLAGHER ESTATE-MIDRAND

1 December 2022

Deputy Minister Buti Manamela;  
Chairperson and Members of the Portfolio Committee of Higher Education, Science and Technology;  
Director-General of the Department of Higher Education and Training, Dr Nkosinathi Sishi;  
Deputy Directors-General of the Department of Higher Education and Training;  
NSFAS Chairperson, Mr Ernest Khosa;  
NSFAS Board members present;  
NSFAS Executive Officer, Mr Andile Nongogo;  
Former CEO's and Administrator of NSFAS;  
Founding team of TEFSA  
The leadership of USAF;  
The leadership of SACPO;  
My advisors and Ministry Staff;  
NSFAS senior managers and staff;  
Leadership of our public institutions;  
Student leadership;  
NSFAS beneficiaries – past and present;  
Distinguished guests;  
Members of the media;

Good evening

I am delighted and proud to address you today at this momentous celebration of one of our most important government interventions in the democratic era: thirty years of student financial aid to support students from poor and working class communities to access and succeed in higher education and training.

This is truly a joyous occasion as we celebrate the many lives profoundly impacted by the National Student Financial Aid Scheme (NSFAS) and its predecessor the Tertiary Education Fund of South Africa (TEFSA).

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

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 of NSFAS.

My gratitude also goes to all former presidents of a democratic South Africa, my former and current Cabinet colleagues, my Department of Higher Education and Training, former and current NSFAS Board and Management for their continued support and commitment to expand educational opportunities for our students.

Ladies and gentlemen

As we are to celebrate the achievements of NSFAS today, our celebrations takes place in a month in which our country's attention is on the 16 Days of Activism on violence against women and children - which is an annual international campaign that starts on 25 November and runs until 10 December, Human Rights Day.

As a sector we therefore need to ensure that we join all these activities because our sector is also affected by the gender-based violence and femicide pandemic. Statistics indicate that 10% of national reported rape cases emanate from our institutions?. Therefore this is a key concern for our sector.

Amongst other interventions, our department through Higher Health, has published the Policy Framework to address GBV in the PSET System to, amongst others, promote the safety of all students and staff by putting in place comprehensive prevention and awareness programmes intended to raise the importance of policies and services addressing GBV, as well as other measures to prevent incidents of GBV.

I have also asked Higher Health to conceptualise a campaign in which we want to foreground the role of boys and men in the fight against gender violence and femicide. The campaign will be aligned to the UNESCO campaign on the role of Men and Boys in Promoting Gender Equality.

I therefore want all of our entities to play a role in the implementation to this campaign.

Another fact which I would like to highlight is the impact of COVID-19 in the work and operations of the NSFAS.

A major implication of the economic impact of COVID 19 has been illustrated by the fact that NSFAS experienced a shortfall on its funding for 2021.

The R35 billion budget which was allocated, was utilised to cover the extended academic year of 2020 and the department provided an additional R6.4 billion to address this shortfall.

The shortfall, to a large extent was driven by the fact that NSFAS had to continue paying allowances, even though students were not on campus. This formed part of the strategy to facilitate students' access to multimodal teaching and learning.

The conditions of the overall economy at this time surely also has implications for the proportion of individuals that will be eligible for funding and thus we continue to expect even further increases in the demand for NSFAS funding going forward.

In dealing with the impact of COVID -19, NSFAS activated its business continuity plan in order to facilitate the continuous funding to students, resolution of student applications queries, processing of appeals and general assistance to institutions using virtual platforms to administer funding.

It is befitting today that all of us gathered there today congratulate the swift response by the NSFAS Board, its management and all employees who worked tirelessly to decrease the negative impact of the pandemic in our PSET system.

I should also thank the NSFAS Board and the Executive Management are turning the corner by steering NSFAS towards good governance in an effort of stabilising the institution and improving audit outcomes.

This is evident by an improvement in NSFAS financials as per the outcomes of the Auditor General's report. This is a substantial achievement and a step in the right direction for the entity.

Ladies and gentlemen

By United Nations Educational, Scientific and Cultural Organisation (UNESCO) standards, South Africa continues to spend a large share of its national budget on education (both schooling and post-schooling).

Spending on education as a proportion of overall government expenditure was 22.7% in 2019/20 and Gross Domestic Product (GDP) at 7.2% in 2019/20 far exceeding the benchmarks set by UNESCO, which recommends allocating 15-20% of public spending to education and 4-6% of GDP to education.

In relation to student financial aid, South Africa has one of the most generous and progressive support systems specifically supporting students from poor and working class backgrounds in the world today.

As a scheme, NSFAS truly represents one of the most progressive efforts by the democratic government to systematically break the legacies of inter-generational social inequality in access to and outcomes of, higher education. This is particularly important if we take into account 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. This is abundantly clear if we can simply look at several generations of NSFAS recipients now having successfully graduated, found meaningful employment and starting their own businesses, raising families, serving communities and our country proudly.

Many of these past recipients are sitting in this venue tonight. Many of them serve in the most senior positions of the public and private sector. We can be singularly proud of this achievement.

It is further reflected in the massive and still growing levels of investments put in by Government since the dawn of democracy into South Africa's student financial aid scheme .

Through the Tertiary Education Fund of South Africa (TEFSA) financial provision to support students from poor and working class backgrounds to access higher education was provided from 1991.

In 1991, a total of 7240 students benefited from TEFSA funding to the value of R33 million. By 1995, over 43 000 students were receiving TEFSA funding.

In 1996, the National Student Financial Aid Scheme (NSFAS), established and administered by the Tertiary Education Fund of South Africa (TEFSA) was established.

In 1997, the first White Paper on the transformation of higher education was released and it emphasised the importance of ensuring that students were not excluded from financial aid on the basis of their socio-economic status.

In relation to NSFAS, it was established through an Act of Parliament as an independent statutory body in 1999 and by the year 2000, 83 251 students were receiving support of approximately R437 million.

In the National Plan for Higher Education in 2001, further attention was provided to the need for support for financial aid, including in specialised areas.

In 2010, TVET college students were included in NSFAS financial support for the first time. In this year 125 899 students were funded, and the NSFAS budget grew to R1.76 billion.

In 2010, we initiated the process of the first Ministerial review of NSFAS. In the years following this review, continued effort was provided to ensure increased allocations to NSFAS, and additional allocations were provided to address student debt.

By 2014, NSFAS funding had grown to R8.96 billion, supporting 414 802 students in universities and TVET colleges.

In 2018, as government we introduced a new fully-subsidized model of student funding, which has now been in place for five years.

Through this model, students not only receive support for tuition fees, but receive additional support for living and accommodation expenses and learning materials support.

By 2020, NSFAS funding was supporting 765 740 students with a total budget from the State of R37 billion.

This year the NSFAS budget is at R47 billion, and it continues to grow over the medium term.

Over 60% of undergraduate students in our public university system receive support from NSFAS and well over 90% of students in TVET colleges. V

The percentage growth in NSFAS funding over the five-year period from 2015 to 2020 was 299% and if you consider the period from 1991 at the inception of TEFSA to 2020, the growth rate in student numbers is 6908%!

In 2021, the Ministerial Committee of Inquiry that I appointed to look into the business processes, systems and capacity of NSFAS spoke of the “important role of NSFAS in extending the reach of social justice to the marginalised of our society and took the view that such a role is worthy of being defended”.

Indeed, it is, and the figures provided above show just how important the financial aid provisions from the State distributed through TEFSA and NSFAS have been over the years.

The inspiration for these commitments are drawn directly from the Freedom Charter, grounded in the Constitution of our country, and highlighted in the vision of our post-apartheid education policy.

This includes a commitment to expand access to further and higher education, with a recognition that the State has a responsibility, through reasonable measures to make higher education progressively available and accessible.

Section 29 (1) of our Constitution is a reflection of the content of the Freedom Charter, which asserted:

Education shall be free, compulsory, and universal for all children;  
Higher education and technical training shall be open to all by means of allowances and scholarships, awarded on the basis of merit.

Our preoccupation as the Department of Higher Education and Training has been over many years to develop mechanisms on how the State can ensure the right to further education through reasonable measures, progressively made available and accessible through our university, TVET and Community Education and our Sector Education and Training Authorities (SETAs).

To make further education available of course means that the post school system must be expanded to provide sufficient spaces for study.

Our university system has grown to accommodate approximately 1.1 million students.

In line with our plans through the National Development Plan, we plan to grow and diversify the higher education and training system, in particular placing great emphasis on the growth of the TVET college and community college system to accommodate more and more young people who require access to further education.

Ladies and gentlemen

Whilst we should acknowledge that limited infrastructure – classes, residences, equipment – still prevent full expansion of the system’s total growth requirements,

our institutions must continue to prioritize access policies foregrounding learners from disadvantaged backgrounds to ensure that opportunities are not denied on their basis of their economic and social circumstances.

Access to higher education has also been understood as being about epistemological access to fully integrate learners from all backgrounds into the academic system and that system itself reflecting their diverse worlds.

There has been significant investment in foundation provisioning at universities, and a range of related initiatives have been and are being supported, with the aim of improving the success rates of all students, and to address the “articulation” gap between school and higher education.

As you know, we are currently doing work to ensure the development of a more comprehensive new model for student financial aid that will ensure access to a wider range of students including children of the poor, working class and lower middle-class families.

Our government is hard at work to put in place a long-term sustainable model in place and call upon the cooperation and participation of all critical stakeholders – in the PSET system, the private and public sectors – to work towards this goal.

National cohort studies

Ladies and gentlemen

Our own cohort studies conducted using system-wide HEMIS data collected by the Department of Higher Education and Training, provides evidence of the critical role of financial aid in student success.

The Department started undertaking national cohort studies, including a specific study on NSFAS funded students in the 2016/17 financial year.

These cohort studies focus on tracking first time entering undergraduate students over a 10-year period to determine the percentage of students that have dropped out from their studies or who have completed their studies.

The NSFAS cohort study considers any student who received NSFAS funding at any point in time during their studies.

The report published in February 2022 covered the 2000 to 2019 national undergraduate cohort for public higher education institutions confirmed that students who have received financial assistance at any point during their studies, perform significantly better than the general national cohort.

While the national cohort shows a dropout rate of 32.4%, the NSFAS rate is 20.8%.

While the national throughput rate is 61.2% for this cohort, the NSFAS throughput rate is 71.3%. This provides a clear indication of the importance of financial support for student success in higher education.

It is also important to mention that NSFAS provides specialised funding to students with disabilities, and I am very proud of the continued work that NSFAS does to ensure that students with disabilities and who come from poor and working class backgrounds are also able to access post-school and higher education and training and are supported to succeed through the specialised funding that they receive.

### Impact of NSFAS funding

Now let me turn to some of the other stories of the impact of NSFAS funding.

NSFAS beneficiaries are active and productive members of our society, working across the public and private sectors, in a huge range of fields, as managers, teachers, lawyers, administrators, social workers, health care professionals and entrepreneurs.

One thing that they all have in common is that they grew up in working class and poor households, where accessing university or college would have been impossible without financial assistance.

Our commitment as a democratic government to transforming our post-school education system and ensuring that no student is excluded from access has yielded huge results.

It is not an option for our post-school education and training system to remain the preserve of only those who can afford to pay. In a deeply unequal society like that of South Africa, something significant needed to be done.

Our former late President Nelson Mandela said:

“Overcoming poverty is not a task of charity, it is an act of justice. Like slavery and apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings.”

Though there are many such stories, I want to present to you the testimonials of two of my staff in the Department of Higher Education and Training who were beneficiaries of NSFAS:

“I would not be where I am today if it was not for NSFAS. My entire cohort of friends were supported through NSFAS funding. I had to borrow R500 to register in my first year from a teacher. I was able to receive funding in subsequent years to support my studies, and I did not have to rely on support from others while I was studying. This taught me financial independence and respect for the funding that I received. I continue to pay back my NSFAS loan, which I know contributes to support for new generations of students. I am so grateful for the opportunity that I had, which has led me to a career in the public sector and now being in the position to assist others through the work that I am doing.”

This is a testimony from an Assistant Director in my Department of Higher Education and Training.

Another Testimony from a Director in the Department:

“To be honest, without NSFAS funding, I wouldn’t have been where I am now...When all doors were closed it was the only mechanism that did not discriminate against me as it gave me an opportunity to study. Today I am paying it back with pride to ensure that the future generation of South Africans also receive the same opportunity as me, not to mention the fact that now I hold one of the most strategic positions in government, which supports the economic development and the socioeconomic aspects of the country.”

Ladies and gentlemen, these powerful stories reflect the importance of NSFAS funding for many of our brightest and most deserving young people.

I am proud and moved to hear these many stories across the length and breadth of our country, including the one I have had here today.

It is undisputed that many thousands of young people have benefited from NSFAS funding over the past thirty years. These stories, and many others, begin to show how this policy commitment is impacting on our society, 30 years on.

Closing remarks

In closing, I would like to thank everyone for attending this occasion where we are reflecting on one of the most profound policy and financial interventions in our higher education and training system.

Having heard these testimonies directly from the beneficiaries of NSFAS, it is undisputed that NSFAS has supported and continues to support better lives for many young South Africans.

The scheme has and continues to significantly contribute to the transformation of our post school education and training sector, and it has benefited to the socio-economic development of our country through the many recipients who have become active and hard-working members of our nation.

As the South African government, we commit to continue to support student financial aid and to ensure “that the daughter of a peasant can become a doctor, that the son of a mineworker can become the head of the mine, that a child of farm workers can become the president of a great nation.”

We will solder-on to build on the gains that we have made over the past thirty years of NSFAS funding. To the NSFAS Board, led by the Chairperson Mr Ernest Khosa, the Management team led by the CEO Mr Andile Nongogo and the entire staff complement of the NSFAS thank you very much for your contribution to the success of this important government entity.

Thank you.