



**THE MINISTER OF HIGHER EDUCATION, SCIENCE AND INNOVATION,
PROFESSOR BLADE NZIMANDE'S STATEMENT ON THE
ALLEGATIONS CONTAINED IN THE REPORT OF THE ORGANISATION
UNDOING TAX ABUSE, 8 JANUARY, 2024**

Programme Director, Mr Veli Mbele;

Deputy Minister, Mr Buti Manamela;

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

DDGs Present;

Members of the media:

We welcome you all to our first media briefing of the year 2024. As you may be aware, our first media briefing of the year usually focuses on our state of readiness for the opening of the academic year.

Instead of updating the country on the state of readiness for the 2024 academic year, we regrettably find ourselves having to react to a report by the Organisation Undoing Tax Abuse (OUTA), which was released on 4 January, 2024.

This report contains serious allegations against me and Mr Enerst Khosa, the chairperson of the board of the National Student Financial Aid Scheme (NSFAS).

In view of the seriousness of the allegations contained in this report and the intention to tarnish my image and that of my Department and government, we thought that, in addition to the media engagement that we have already had on this matter, we should convene this special media briefing.

The purpose of this media briefing is to challenge the allegations contained in the OUTA report, refute the related distortions and take the public into confidence on what is really behind these allegations against me and Mr Enerst Khosa.

Firstly, I wish to once again assure the South African public that, as Minister of Higher Education, Science and Innovation I have never used any money from any of my Department's entities for the purpose of funding the South African Communist Party (SACP), as maliciously suggested in the OUTA report. Nor have I received any personal kickbacks from any of the service providers to NSFAS or any of the other entities falling under my departments.

I therefore wish to dismiss this baseless insinuation by OUTA, some organisations, including some sections of the media, that I as Minister was involved in some of form corruption at NSFAS. These are all lies that emanate from a malicious fight back campaign. My conscience is clear, and I have nothing to hide or fear.

As stated in my statement on 5 January, I reserve my rights to take the necessary legal action and I have voluntarily decided that I am going to subject myself to the relevant legal processes and ethics bodies of the African National Congress (ANC) and the South African Communist Party (SACP). I wish to once again state that, I have nothing to hide or fear.

Secondly, my track record in fighting corruption at NSFAS and our TVET colleges speaks for itself. My fight against corruption and maladministration dates back since the appointment of the Administrator at NSFAS where disciplinary processes were initiated against some employees following the discovery of some wrongdoing and financial misconduct by these employees.

With the current NSFAS Board, I have supported their initiatives to deal with ghost students who were benefiting from the scheme irregularly. I also directed the Board to implement the recommendations of the Werksman Report, without fear not any favour. Part of these recommendations is the termination of the contracts of the direct payment service providers.

Thirdly, as you may be aware, the SACP has already made its stance known on the false allegations contained in the OUTA statement and rejected them with the contempt they deserve. I also wish to place it on record that I do a lot of party-political fundraising, especially for the South African Communist Party as is the case I am sure with leaders of all our political parties.

However, with the strict guidance from the SACP, I am not permitted to raise funds from entities under our Departments or knowingly from service providers in that space.

As Minister, I also wish to remind the country that I have absolutely no role or direct influence in determining the allocation of training funds by any of the SETAs, including the Services SETA that is being mentioned in the aforementioned statement.

Fourthly, as stated, it is our view that, the allegations against me as Minister and the attacks on the chairperson of the NSFAS board, Mr. Khosa, are part of a nefarious fight-back campaign that is linked to success and measure I have taken to fight corruption and ensure clean governance at NSFAS. This campaign includes threats to the life and person of the NSFAS Chairperson.

You would recall that a finding was made by Werksmans Attorneys that the appointment of four direct payment service providers was irregular and that in line with the recommendations of the Werksmans report, the contracts of these service were to be terminated and that in doing so, we had to ensure that the students are not affected negatively.

It is our view therefore that the leaked recordings are part of a nefarious fight-back campaign that is meant to undermine and frustrate the decision of the NSFAS Board to start with the legal proceedings to terminate the contracts of these four direct payment solution service providers, as recommended by the Werksmans report.

We are also of the view that the publishing of this report and leaking of the recording is calculated to disrupt the smooth start to the academic year and have no regard for the plight and well being of poor and working class students.

As a public office bearer, I am fully sensitive to the public concern that the contents of the OUTA report and recordings has elicited. Mindful of this, I am seeking an urgent meeting with the NSFAS Board on Wednesday to further discuss and engage on this matter.

Together with the NSFAS Board, we are continuing to work with law enforcement agencies to ensure that all reported instances of corruption and maladministration at NSFAS, are properly investigated and that swift and decisive action is taken.

We are shocked by the reaction of some student organisations to this matter because we engage regularly with the leadership of the students. It concerns us that they may wittingly or unwittingly be aiding the nefarious agenda of organisations such as OUTA and the DA.

Ladies and gentlemen

Before I conclude my briefing this afternoon, let me indicate that 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 constraints to accessing education that was imposed by centuries of colonial and apartheid rule. There is no doubt that this government has made a decisive contribution towards a break with these reproductive legacies of the past.

Under my stewardship, the performance of NSFAS in achieving the goal of providing student access and success is remarkable, given the increase of loans and bursaries awarded for the poor and academically deserving students since the formation of the scheme.

In 2010 , TVET college students were included in NSFAS financial support for the first time.

In 2010, I 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.

Last year the NSFAS budget was at R47 billion, and it continues to grow over the medium term. It supported about 1.1million students.

Over 70% of undergraduate students in our public university system receive support from NSFAS and well over 90% of students in TVET colleges.

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%!

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

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.

In the current financial year, NSFAS is funding 1,1 million students. This follows an unprecedented surge in the number of applications received by the scheme.

We are mindful of the application related challenges experienced by some students and in this regard, NSFAS has been working tirelessly to ensure that it improves on its processes for applications and ensuring quick turnaround times on funding decisions in preparation for the 2024 funding year.

As part of my oversight over NSFAS, this coming Wednesday, 10th January 2024 I will be meeting the Board of NSFAS to receive progress on the 2024 application process, the finalisation of the 2023 disbursements, the implementation of the accommodation pilot project and the phased implementation of the Comprehensive Funding Model, particularly the funding of the missing middle through the NSFAS Loan Scheme.

In conclusion, as Minister of Higher Education, Science and Innovation, I wish to assure the people of our country that I stand firm on my commitment to rooting out corruption and ensuring clean governance at NSFAS and all the entities under my Departments and will not allow any organisation or individual to distract me from this task.

I further wish to assure the people of our country and in particular, the students and stakeholders in our Post School Education and Training sector that I remain committed to ensuring that we have a smooth start to the 2024 academic year. I will be having the first of two press conferences later this

week to inform the country and our stakeholders on our preparedness and readiness for the start of the 2024 academic year.

Most importantly, I remain committed to ensuring that the over one million poor and working class students, who are dependent on the National Students Financial Aid Scheme, receive the necessary financial support to pursue their studies.

I once more urge current and prospective students to finalise their applications before 31 January, 2024.

End

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