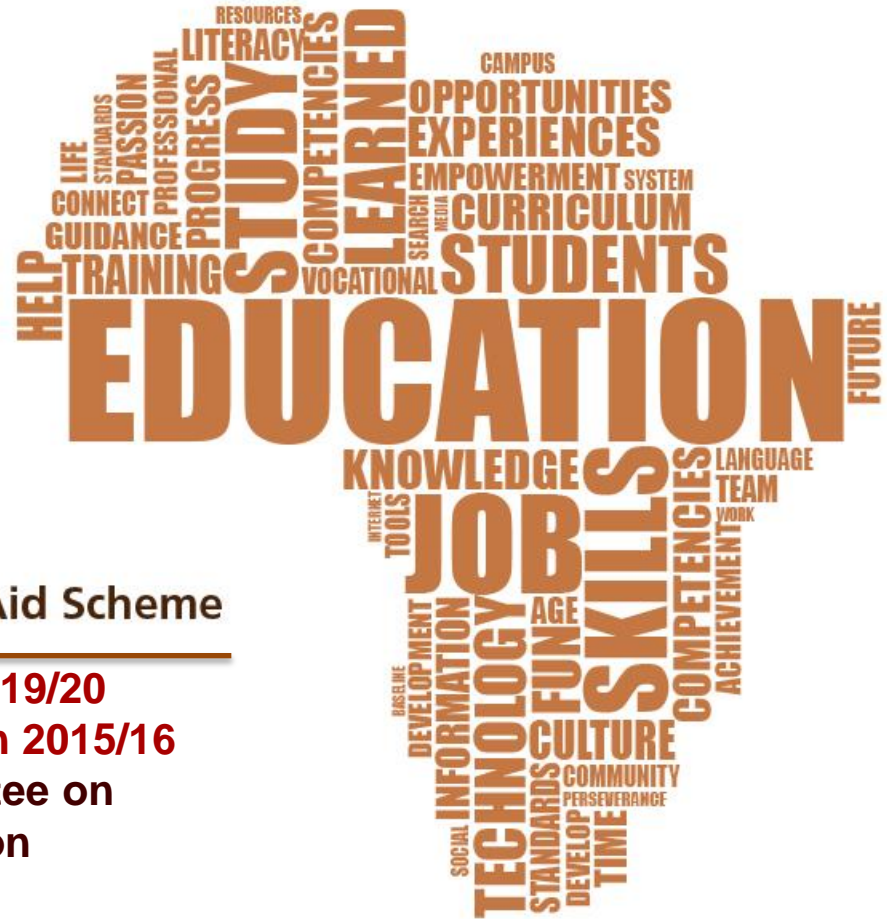




National Student Financial Aid Scheme

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**Strategic Plan 2015/16-2019/20  
and Annual Performance Plan 2015/16  
Briefing to Select Committee on  
Education & Recreation  
17 June 2015**



# Structure of Presentation





# NSFAS Mandate [NSFAS Act No. 56 of 1999]

## The functions of the NSFAS are:

- (a) to allocate funds for loans and bursaries to eligible students;
- (b) to develop criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister;
- (c) to raise funds as contemplated in section 14(1);
- (d) to recover loans;
- (e) to maintain and analyse a database and undertake research for the better utilisation of financial resources;
- (f) to advise the minister on matters relating to student financial aid; and
- (g) to perform other functions assigned to it by this Act or by the Minister.



# NSFAS Vision

NSFAS is a model public entity that provides financial aid to **all** eligible public university and TVET college students from poor and working class families.





# NSFAS Mission

The mission statement is made up of three distinct elements which describe why NSFAS exists, what we do, and the impact on our constituency:

- NSFAS exists to provide financial aid to eligible students at public TVET colleges and public universities.
- NSFAS identifies eligible students, provides loans and bursaries and collects student loan repayments to replenish the funds available for future generations of students.
- NSFAS supports access to, and success in, higher education and training for students from poor and working class families who would otherwise not be able to afford to study.



# NSFAS Values

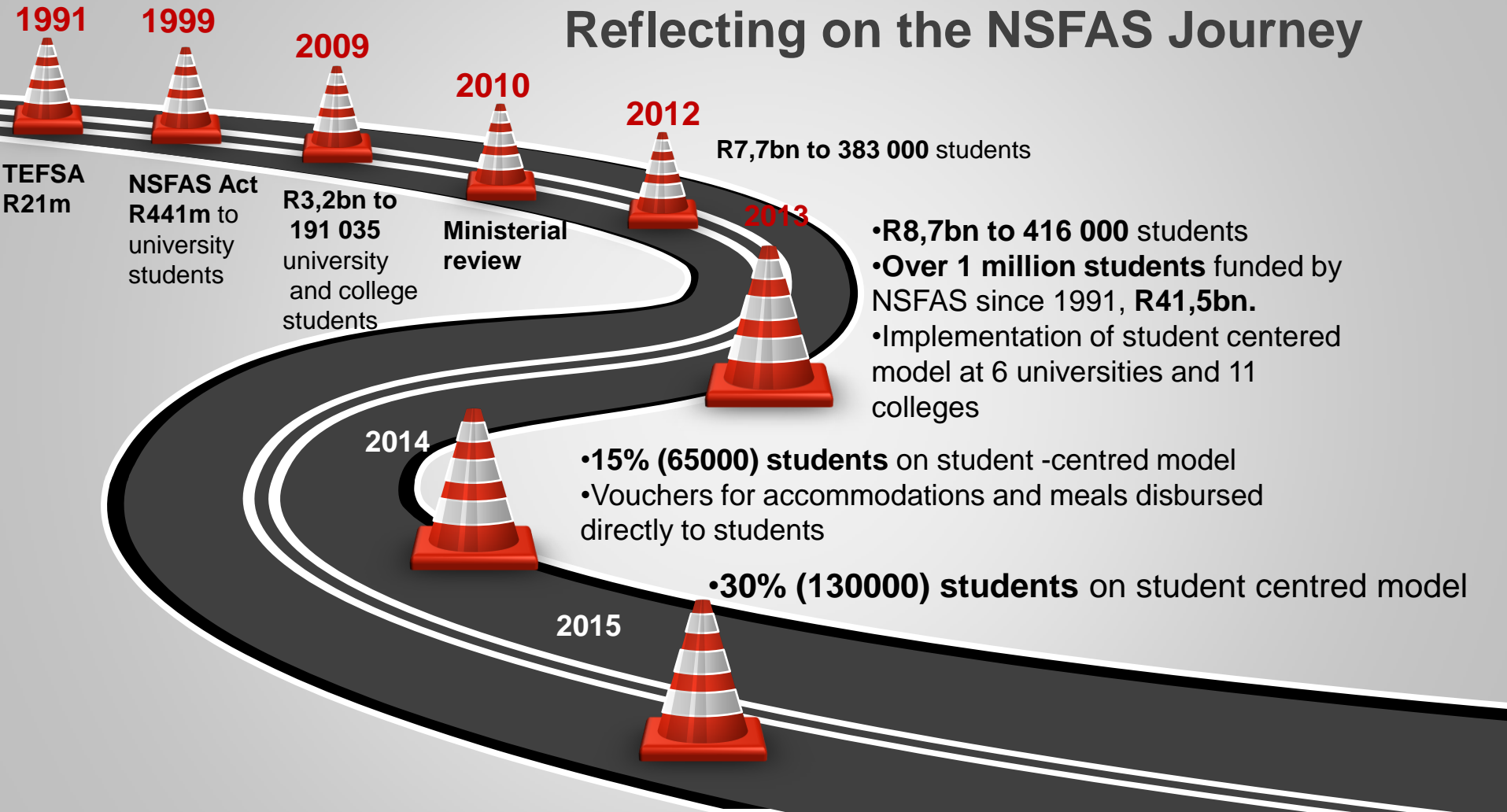
## External Values

- Accessibility
- Transparency
- Affordability
- Reliability
- Authenticity

## Internal Values

- Integrity
- Accountability
- Respect
- Innovation

# Reflecting on the NSFAS Journey





## Successes

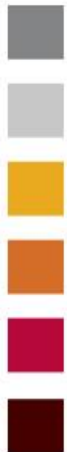
- Access to higher education to students from poor and working class family
- Over R50 billion disbursed since inception to approximately 1.5million students
- At inception NSFAS disbursed only loans
- Currently disbursing 59% bursaries and 41% loans
- Of these loans up to 60% can be converted to a bursary if the student passes all their courses for a three year degree
- Transformation from old to new student-centered model
- Ability to bring in other public sector players in this system
- Higher than average increases in allocation from national fiscus





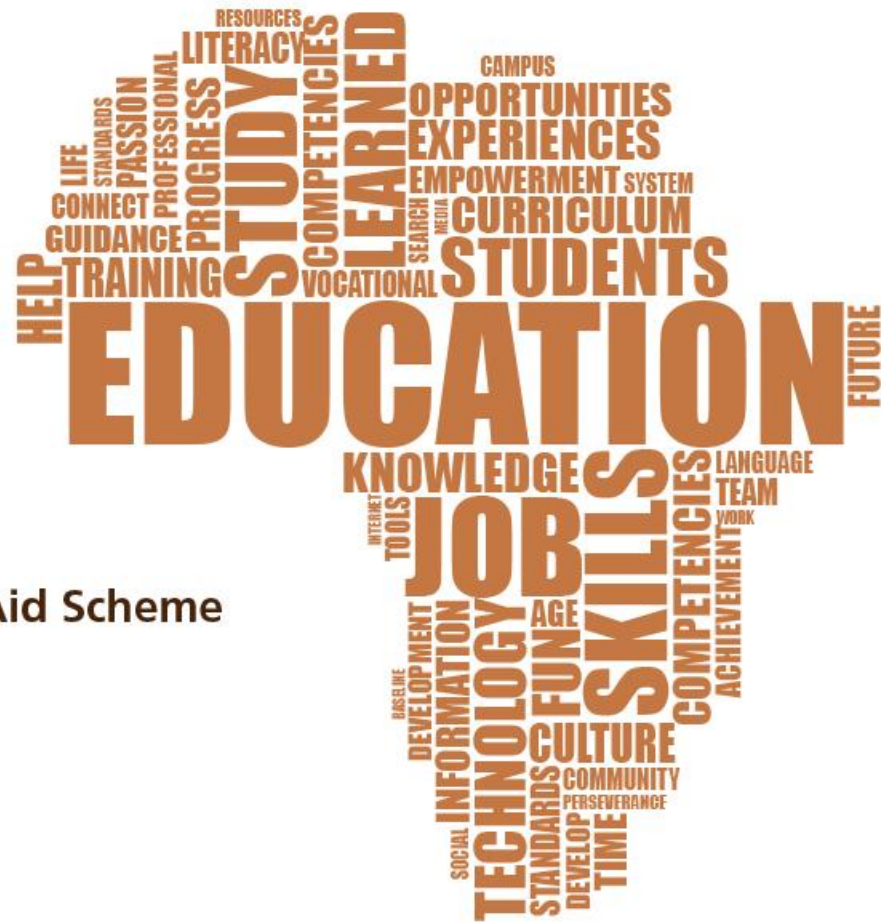
## Lessons Learnt

- Critical Partnerships (Universities, Colleges and Funders)
- Improve communication with all our stakeholders
- Opportunity to provide strategic insights on the impact of public sector investment in education and its relevance to NDP goals



National Student Financial Aid Scheme

2014 Review



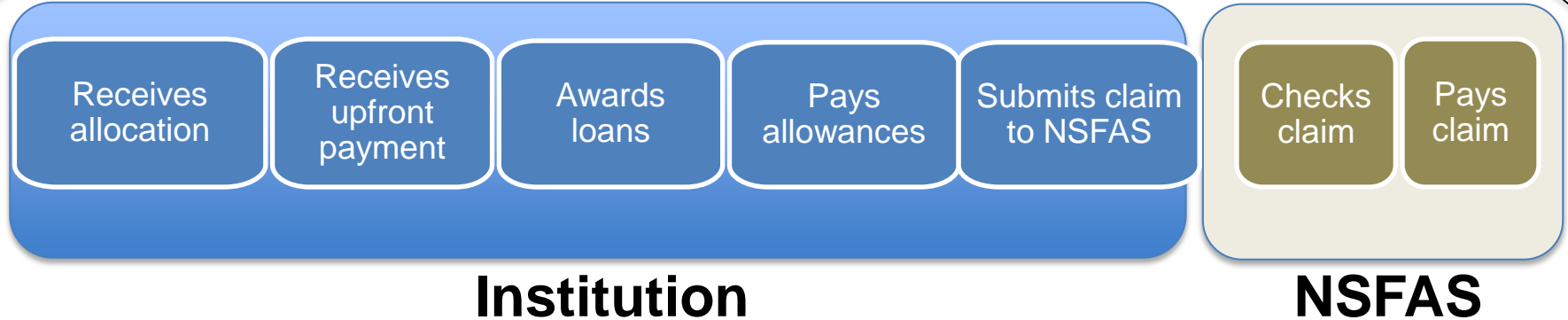


## 2014 Challenges

- Students with historic debt
- Not all students can be assisted
- Unfunded programmes e.g. B.Tech
- Implementation of the new student-centred model
- Student protests



## 2015 Process – Old Model



- No changes in process
- Affects about 85% of the NSFAS student population

# 2015 Process: New Student-Centred Model

## New model:

- Student Centred
- Allocations managed by NSFAS
- Student knows funding status before registration
- Apply once only for a course of study
- Affects about 15% of the student population

## New Applications

Student applies online

Ranked after results and provisionally funded

Registration

Signs online Loan Agreement

Allowances paid within 48 hours

## Returning Students

Confirm returning student listing

Ranked after results and provisionally funded

Registration

Allowances paid within 48 hours

# 2015 Preparations

- 30% upfront payment to universities (on request)
- 30% upfront payment to all TVET colleges
- Maximum funding per university student is capped at R67 200
- Dedicated funding for students with disabilities

# 2015 Allocations

Source	Amount
DHET - Universities	R4.1bn
DHET - TVET Colleges	R2.2bn
National Skills Fund (Provisional)	R800m
Department of Basic Education - Funza Lushaka	R1bn
Department of Social Development (Provisional)	R 200m
NSFAS Recoveries	R450m
Universities' own funding (Estimated)	R 200m
Sector Education and Training Authorities (Estimated)	R300m
Other Funders: Kwa-Zulu Natal Province; Eastern Cape Province; Department of Military Veterans (DMV); Department of Justice & Constitutional Development (DoJ & CD/TRC); Department of Agriculture, Forestry and Fisheries (DAFF).	R250m
<b>Total</b>	<b>R9.5bn</b>

# Allocations by Province

Province	TVE Allocation (R)	Percentage	University Allocation	Percentage
Eastern Cape	238,021,445.00 (8)	10.8	732,254,327.00 (4)	14.58
Free State	132,840,404.00 (4)	6.03	257,985,549.00 (2)	5.12
Gauteng	488,706,655.00 (8)	22.17	1,687,470,039.00 (7)	33.52
KZN	380,825,134.00 (8)	17.28	1,027,981,664.00 (4)	20.42
Limpopo	294,618,662.00 (7)	13.37	521,945,637.00 (2)	10.37
Mpumalanga	135,106,153.00 (3)	6.13	3,500.000.00 (1)	0.07
Northern Cape	45,181,565.00 (2)	2.05	3,500,000.00 (1)	0.07
North-West	141,666,415.00 (3)	6.43	190,073,495.00 (1)	3.78
Western Cape	238,182,559.00 (6)	10.81	609,211,830.00 (4)	12.10
<b>Total</b>	<b>2,204,000,003.00</b>		<b>5,033,922,561.00</b>	





## **University Allocations**

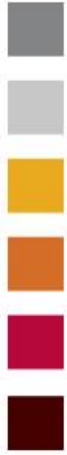
**R5,033,922,561**

**Upfront payments: R 966,197,323.75**

## **TVET College Allocations**

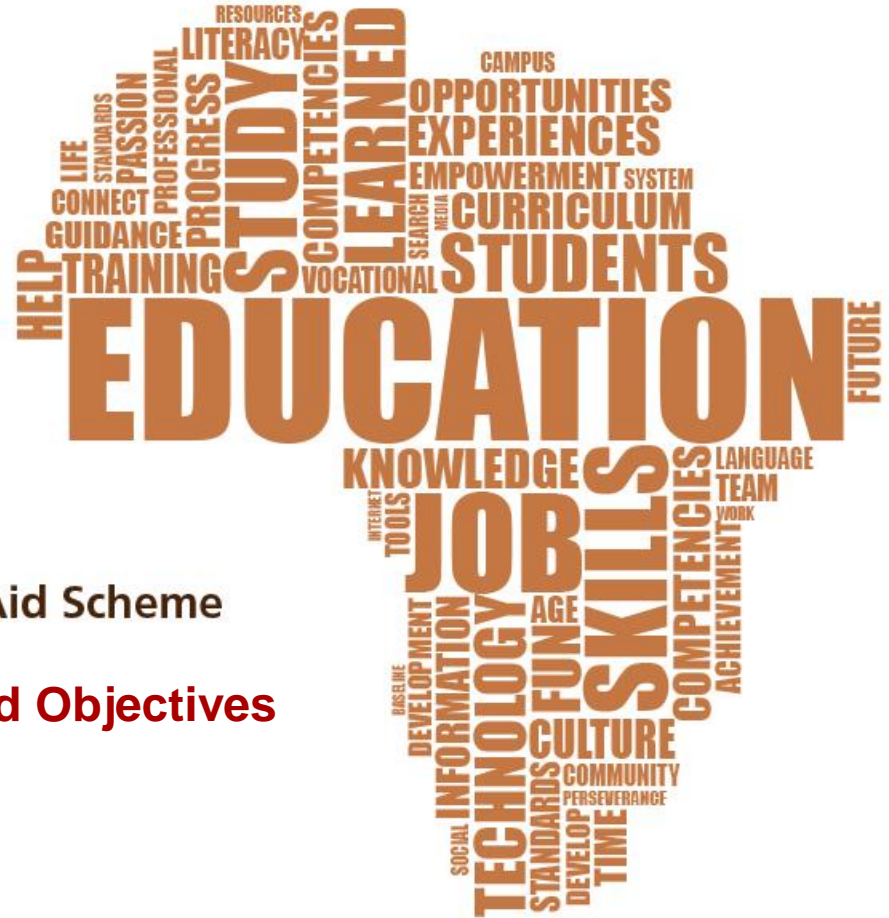
**R2,204,000,003**

**Upfront payments: R661,200,000.34**



National Student Financial Aid Scheme

## Strategic Goals, MTEF Budget and Objectives



# Key Strategic Considerations over the next 5 years

- **Improving internal efficiencies to ensure timely and accurate disbursement of funds to eligible students**
- **Rollout of the student-centred model**
- **Fund Raising**
  - Missing Middle
  - Private Sector Partnerships
- **Recoveries**
- **Minimizing financial leakages due to fraud in the system**

# Fund raising strategy

5 Focus Areas of Fundraising	Strategic Target
<b>Identification of new public and private sector funders</b>	<b>KPI</b>
	Raise funding from private sector.
	Generate income through the student centred model commission
	Increase funding from SETA's
	Increase funding from government departments
<b>Identification of new funders for students currently not eligible for NSFAS funding (Missing middle)</b>	Increase missing middle fund
<b>Consolidation of existing public sector funding for student loans and bursaries</b>	Increase number of governments departments placing bursaries at NSFAS
<b>Improve loan collections</b>	Increase in loan collections

FUTURE

WITH INI  
**TECH**  
 STANDARD  
 DEVELOPMENT  
 TIME

# Recoveries Strategy

- **Income contingent recoveries (min R30000p/a) on 3-8% depending on salary scale**
- **Decline in recoveries in 2014/15**
  - R547,122,580 (FY 12/13); R600,134,195 (FY13/14), 467,000,000(FY14/15)
- **Compliance with National Credit Act**
- **Recoveries strategy**
  - Communications strategy
  - Collections dedicated resources
  - Monthly payroll deductions
  - Employer debt buy back

# MTEF Allocation & Annual Budget

Programme	2014/15	2015/16	2016/17	2017/18
	R'000	R'000	R'000	R'000
<b>1. Administration</b>	<b>151,379</b>	<b>65,658</b>	<b>82,209</b>	<b>80,332</b>
<b>2. Student Centred Financial Aid</b>	<b>7,871,141</b>	<b>8,891,494</b>	<b>9,365,708</b>	<b>9,835,350</b>
2.1 Student Centred Financial Aid - Operations	35,460	115,220	129,796	137,642
2.2. Loans & bursaries	7,835,681	8,776,274	9,235,912	9,697,708
<b>Total</b>	<b>8,022,520</b>	<b>8,957,152</b>	<b>9,447,917</b>	<b>9,915,682</b>
<b>Spend on administration compared to loans and bursaries</b>	<b>2.38%</b>	<b>2.06%</b>	<b>2.30%</b>	<b>2.25%</b>

# NSFAS Strategic goals

MISSION  
VISION  
LESS  
DY  
TENGLES  
ANED  
CAMPUS  
OPPORTUNITIES  
EXPERIENCES

Strategic Outcome Oriented Goals	Goal 1: An efficient and effective public entity in providing student financial aid	Goal 2: Increased access to higher education and improved student financial aid environment
Goal Statement	To implement effective and efficient processes and operations to ensure stakeholder objectives are achieved	To Increase access to funding for eligible students by raising funds, maximising loan recoveries and creating a student centred loans and bursaries model through improved communication support for students and a central application process
Outcomes	<ul style="list-style-type: none"> <li>• Robust systems, processes and controls</li> <li>• Effective and efficient governance structures</li> <li>• Productive and engaged employees</li> </ul>	<ul style="list-style-type: none"> <li>• Increased funding</li> <li>• Improved recoveries</li> <li>• Financial support extended to more students</li> <li>• Improved stakeholder communications and relations</li> <li>• Client service management</li> </ul>
Performance Indicator	NSFAS receives a clean audit report annually	<ul style="list-style-type: none"> <li>• Increased total number of student loans and bursaries</li> <li>• Augmented capital available for disbursement</li> </ul>

FUTURE



# PROGRAMME 1

## STUDENT-CENTRED FINANCIAL AID



## STAKEHOLDER PERSPECTIVE

Strategic objective 1: Improve the disbursement of funds and allowances to students

Objective Statement 1: To progressively improve the efficiency of payments of tuition, residence fees, allowances and claims to students and institutions

Indicator	Baseline	2015/16	2016/17	2017/18
1.1. Increase in percentage of students in the student-centred model paid tuition and residence fees on the due date	New indicator	90%	95%	98%
1.2. Increase in percentage of students in the student-centred model paid allowances on the due date	New indicator	90%	95%	98%
1.3. Percentage of claims paid to institutions outside of the student-centred model on the due date	New indicator	100% of claims paid to institutions by 31 Dec	100% of claims paid to institutions by 31 Dec	100% of claims paid to institutions by 31 Dec
1.4. Upfront payment made to institutions outside of the student-centred model on the due date	New indicator	100% by 31 March	100% by 31 March	100% by 31 March

## STAKEHOLDER PERSPECTIVE

**Strategic objective 2:** Provide policy inputs on student financial aid

**Objective Statement 2:** To provide policy inputs on student financial aid by conducting research programmes and publishing the outcomes

Indicator	Baseline	2015/16	2016/17	2017/18
2.1. Number of research reports produced	New indicator	5 of research reports produced	5 of research reports produced	5 of research reports produced
2.2. Number of research projects published	New indicator	1 research project published	1 research project published	1 research project published
2.3. Number of policy briefs produced	New indicator	1 policy brief produced	1 policy brief produced	1 policy brief produced

## STAKEHOLDER PERSPECTIVE

**Strategic objective 3:** Improve key external stakeholder satisfaction

**Objective Statement 3:** To improve stakeholder satisfaction by improving stakeholder relations and communication for those stakeholders identified in section 6.2 of the Strategic Plan.

Indicator	Baseline	2015/16	2016/17	2017/18
3. Increase in percentage of satisfied stakeholders	New indicator	60% stakeholders satisfied	65% stakeholders satisfied	70% stakeholders satisfied

## FINANCIAL PERSPECTIVE

**Strategic objective 4:** Improve loan collections

**Objective Statement 4:** To improve loan collections incrementally each year

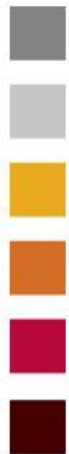
Indicator	Baseline	2015/16	2016/17	2017/18
4. Increase in loan collections	R338 820.613	R373m	2015/16 Actual + 10%	2016/17 Actual + 10%

## FINANCIAL PERSPECTIVE

**Strategic objective 5:** Increase funding raised

**Objective Statement 5:** To increase the pool of funding available for eligible student loans and bursaries incrementally each year through various fund raising mechanisms

Indicator	Baseline	2015/16	2016/17	2017/18
5.1. Number of new funders secured	14	5	5	5
5.2. Increase in funding raised from current funders	R1,051,163 billion (excludes special additional R1billion grant)	R105m	2015/16 Actual + 10%	2016/17 Actual + 10%



# PROGRAMME 2 ADMINISTRATION



## INTERNAL PROCESSES PERSPECTIVE

**Strategic objective 6:** Roll-out new student centred model

**Objective Statement 6:** To roll-out the new student centred model by increasing the percentage of students on the model

Indicator	Baseline	2015/16	2016/17	2017/18
6. Increase in percentage of students migrated to new student-centred model	15% of NSFAS students (65000 students)	30% of NSFAS students	50% of NSFAS students	75% of NSFAS students

## INTERNAL PROCESSES PERSPECTIVE

**Strategic objective 7:** Improve governance

**Objective Statement 7:** To improve governance standards by maintaining an unqualified audit with zero material statements

Indicator	Baseline	2015/16	2016/17	2017/18
AGSA audit opinion	Unqualified audit	Unqualified audit with zero material misstatements	Unqualified audit with zero material misstatements	Unqualified audit with zero material misstatements



## LEARNING AND GROWTH PERSPECTIVE

**Strategic objective 8:** Strive for a high performance culture and improved working environment

**Objective Statement 8:** To strive for a high performance culture by improving productivity and increasing employee engagement

Indicator	Baseline	2015/16	2016/17	2017/18
8.1. Increase in percentage of productive employees	New indicator	60% employees with rating of 3 and above	70% employees with rating of 3 and above	80% employees with rating of 3 and above
8.2. Increase in percentage of engaged employees	New indicator	50% employees engaged	60% employees engaged	65% employees engaged

## LEARNING AND GROWTH PERSPECTIVE

**Strategic objective 9:** Ensure information technology (IT) and organisational strategic alignment

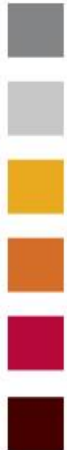
**Objective Statement 9:** To align organisational processes and information technology by achieving CGICTAS phase 3 status and maintaining the status thereafter

Indicator	Baseline	2015/16	2016/17	2017/18
9. Status level for CGICTAS achieved	New indicator	Achieve CGICTAS Level 3 - Full Conformance	Maintain CGICTAS Level 3 - Full Conformance	Maintain CGICTAS Level 4 – Continuous Improvement

**CGICTAS** - CORPORATE GOVERNANCE OF INFORMATION AND COMMUNICATION TECHNOLOGY ASSESSMENT STANDARD – Standards and norms for measurement of the management of and usage of information and communication technology (ICT) to enable a department/public entity in its service delivery efforts.

# Strategic Risks

- Number of deserving students far exceeds available funding
  - Student protests
- Timely disbursements of funds to students and institutions
- Fund Raising
- Low Recoveries
- Data Challenges – The data received from institutions is often not up to standard
- ICT Resourcing - Attracting and retaining key ICT Skills
- Timing – The time it takes for institutions to respond to NSFAS on submission of claims and data



# Questions and Discussion



LIFE STANDARDS PASSION PROFESSIONAL PROGRESS STUDY SKILLS COMPETENCIES EARNED OPPORTUNITIES EXPERIENCES EMPOWERMENT SYSTEM CURRICULUM CAMPUS STUDENTS FUTURE  
TECHNICAL STANDARDS DEVELOPMENT COMMUNITY TIME  
SKILLS COMPETENCIES LANGUAGE TEAM ACHIEVEMENT  
SKILLS COMPETENCIES ACHIEVEMENT