

VC Keynote Address to the Financial Aid Practitioners of SA (FAPSA) 18th conference

Good Morning

It is a pleasure to address this gathering of Financial Aid practitioners and stakeholders today. We are meeting 20 years after the promulgation of the NSFAS Act in 1999. Since then the scheme has grown from R441 million in 1999 to just over R2 billion in 2009. Today, 20 years later, the scheme disburses bursaries in excess of R30 billion. These are not small figures and we have a duty of care to the South African tax payer and the millions of students in the system and those still to come that we manage the funds transparently and prudently.

It is pivotal then that we reflect on the progress made over the years and how a gathering of FAPSA can plot the future of this key sector.

NSFAS was formed to deal with the three social ills of poverty, unemployment and inequality that plagues the South African economy. Our economy is still facing the same challenges 20 years later with the unemployment rate having risen from 27.1% in the first quarter of 2019 to 27.6% which is a half a percentage increase. This increase is the highest since quarter 3 of 2017. The youth unemployment climbed to 55.2% from 54.7%, this is the ticking time bomb of our country.

Why is it that we continue year in and year out, to experience the same administrative hurdles in the bursary dispensing? It begs the question of whether we have appropriately diagnosed the root cause of some of the operational glitches, or we are just dealing with the symptoms.

Programme Director, the theme of your conference is *Free Education – The future of Financial Aid Offices* but really there is nothing new about the discourse on Free Education. As far back as 2009, The Ministerial Review of NSFAS, recommended the introduction of free education and the sector had a decade to prepare for it.

FAPSA contributed to the development of the means test during the NSFAS loans days, and you developed a process that defined the missing middle and quantified the need to eradicate historic debt. That test continues to be in use today and now you need to apply your minds again to the new set of challenges that face your sector.

The role of financial aid practitioners is more relevant than ever before. With the rising unemployment rate and an increase in bursary allocations from the state, there is a natural tension and Financial Aid Officers have an ethical duty to ensure that funds are utilised for the purpose it was intended for.

The shift from loans to bursaries present new challenges and opportunities for the sector. The introduction of the living allowance brought with it the payment of student allowances



in cash format, which included books, meals and accommodation. At the coalface of this rollout, university Financial Aid administrators were uniquely placed to see the positive and negative impact with regards to the payment of allowances in cash format. Some of the concerns from them are;

- **Books**
Should students use the cash for other things other than books, it could affect the throughput rates of Universities. The TVET Colleges do not receive book allowances and they are cushioned from this risk.
- **Meals**
The same applies to meals, what guarantee do we have that the allowance, which more than adequately budgets for meals, is being used for this?
- **Accommodation**
We have anticipated that some of the students will be evicted from their private residences for failing to pay their rent.

These are some of the lessons learnt from year one of implementing the living allowance. It is clear that students must take responsibility for the financial and academic futures while also being educated on financial management.

Other solutions may lie in the obvious.

- Better communication between Higher Education Institutions, NSFAS and the Department of Higher Education and Training
- Better communication to students
- Synchronised IT systems
- More responsibility from students
- And more support from management for the Financial Aid practitioners who are dealing with unrealistic student demands

On the last point, I know that Financial Aid practitioners are often the first to be blamed and targeted when systems fail us and student tempers rise. We appreciate the work that you do. You have a moral obligation not just to your institutions but also to the thousands of students whose lives you change daily. Keep up the good work!

Thank You

