

# From the VC's Desk

Highlights | Thought Leadership

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## SMU Vice-Chancellor hosts NSFAS delegation to discuss issues of mutual interest



Sefako Makgatho Health Sciences University (SMU) Vice-Chancellor Professor Peter Mbatи hosted a delegation from the National Student Financial Aid Scheme (NSFAS) on Campus recently. The delegation from the Scheme was led by its Board Chairperson Mr Ernest Khosa, accompanied by the CEO Mr Andile Nongogo, members of the Board as well as the President and Secretary of the South African Union of Students (SAUS).

"It's a great pleasure to have you here. NSFAS plays a critical role in funding higher education. SMU relies largely on the support we get from NSFAS and I hope that possibly together we can find ways of resolving all challenges confronting us", said Prof Mbatи as he welcomed the delegation.

In his opening remarks the NSFAS Board Chairperson Mr Khosa explained that they are conducting visits to

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Universities and TVET colleges across the country as part of their efforts to engage with Management of Universities and Student Representative Councils. He mentioned that student funding was a source of instability and protests in many institutions of higher learning. "When this board was appointed last year, the first decision it took was that it cannot be business as usual, NSFAS cannot operate the same way. We have to find long term solutions. NSFAS role has changed and if we want to go anywhere with the new role of NSFAS we need to engage better, understand what the real problems are and get real input from universities" elaborated the Chair.

Khosa also bemoaned the withdrawal of private funders to universities saying perhaps their reasoning could be that government had taken over the funding of institutions. He said in the past these private funders played a huge role in the establishment of some universities.

Speaking during the visit, SAUS President Lubabalo Ndzoyiya explained that they came to SMU to observe the transparency of the process and to ensure that students were represented in the sessions. "In other institutions it is very difficult to find students and management to be around one table and discuss issues. We are very happy that at SMU there is no crisis for the VC to be in the same meeting with the SRC to discuss issues, it means there are no tensions, there is an easier way of finding solutions", said SAUS President.

According to Ndzoyiya, SMU is one of the institutions that they think is very much important to the discussion the Union is bringing to the sector about questioning the value of money invested by government in education whilst checking whether universities are responsive to the needs of the labour market and whether the market has enough space to absorb graduates.

He further said SMU is dealing with critical skills and SAUS wanted to know how the university plans to massify and widen access to ensure many young people are given skills in the sector that SMU operates in.

The Vice-Chancellor Prof Mbatи used the occasion of the visit to make a presentation to the NSFAS delegation to apprise

them of what is happening at the University. During this presentation, Prof Mbatи told the delegation that the University was relatively new with a student population of about 6 500 and staff compliment of about 2000 employees. He said the future plan is to have 13 500 students enrolled to break even and also diversify the products and qualifications offered.

Prof Mbatи spent some time talking about the major infrastructure projects that the University is currently undertaking to respond adequately to the needs and aspirations of both staff and students.

#### **Infrastructure and other Projects**

The Vice-Chancellor explained that the 2000 beds student accommodation being built by the University is progressing well. He also mentioned that funding has been secured for an additional 800 bed facility. "There are about 3000 new beds we are going to bring to campus in total once construction is completed", said Prof Mbatи.

The Vice Chancellor provided updates on the status of various infrastructure projects on campus including the bulk water project, perimeter wall, installation of high mast lights, CCTV cameras and a drone to complement the campus security efforts, renovation of various sporting facilities, building of pharmacy labs, maximization of library space and modernization of the facility, forklift upgrade of the campus ICT infrastructure, upgrades and maintenance of student residences, and tarring of the campus ring road. "A project to convert the farmhouse into a centre for Entrepreneurship, Research and innovation has been completed. This is an incubation centre where if staff and students have come up with innovative research we can take it out for commercialization", said a proud Mbatи. The Vice-Chancellor also hinted that there are numerous projects planned for the future pending the allocation of funding from DHET. Some of these projects include a new administrative building, as well as the refurbishment of the campus clinic. Other projects such as a mall and staff housing would be considered within a public private partnership model.





## Financial sustainability of SMU

The Vice-Chancellor emphasized that the university should be in a position to generate sufficient income and have cash reserves in order to improve its liquidity and solvency as well as to reduce reliance on state subsidies and grants. He said this would be achieved by putting in place a number of strategies such as developing cost containment measures, streamlining procurement processes and procedures, enhancing collection of student debt and obtaining positive audit outcomes among other things.

Mbati further elaborated that a new business model has been approved by Council and is set to change the status quo in so far as how the university sustains itself. Amongst the things the new business model seeks to achieve include; diversifying the qualification and product offerings of the university, increasing student enrolments numbers to 13 500, commercialization initiatives, attracting third stream income and looking at various options for student funding.

## Areas of potential improvement

The Vice-Chancellor implored the NSFAS to improve in certain areas such as providing feedback on historical debts, confirming funded students on time, and improving the turnaround time on issuing letters of confirmation.

Mbati revealed that SMU paid about R41 Million on behalf of NSFAS this year to ensure students do not experience difficulties while waiting for

the transfer from the scheme. NSFAS applauded SMU for this act and challenged other universities to follow the example of SMU.

The SMU SRC Treasurer General Mr. Prince Khumalo said the issue of late provision where money only becomes available in April is a serious challenge. The fact that the NSFAS list only becomes available around the first week of February whilst the academic calendar had already commenced is also a problem for students. He said all the factors lead to anxiety on the side of students as they are expected to continue with studies without allowances for groceries and books.

The Treasurer General asked NSFAS to provide more clarity about student accommodation fees particularly on clause 4.2.1 of the eligibility criteria that stipulates the amount of money NSFAS pays for accommodation through private providers.

*"We don't know what academic exclusion is at SMU, it's foreign to us, even though it places the university in a difficult position as it has to provide some money at the beginning of the year", said Ngcese.*

He thanked the University for making R41 million available as an advance to help students while waiting for allocations from NSFAS. Khumalo further called for the alignment of the University and NSFAS calendars.

SRC Deputy President Yanga Ngcese told the NSFAS delegation that SMU students have not experienced academic exclusion as the university allowed students every year to register without difficulties.

The Deputy President also said it's a norm at SMU for students and management to sit together and have discussions citing the Vice-Chancellor's open door policy as an example. Speaking about matters of access, the Deputy President raised issues about the quotas used to admit students in various courses and said that most students who are not successful to find space in other Schools such as Medicine, Pharmacy etc. end up pursuing BSc. She added that the SRC made available R1.2 million from its budget towards the hands of compassion initiative to help needy students.

Responding to the issues raised, NSFAS CEO Andile Nongogo said there is so much expectation on the side of the Scheme and that many of the issues raised by stakeholders are well known.

He appealed to everyone to understand and differentiate the role played by NSFAS as an implementing agent of government policy and the responsibility of government as the developers of the policy. "NSFAS implement government policy, there is a big difference between funding criteria and government policy. It is therefore government policy to determine the threshold of households and the decision to fund the first qualification only", said the CEO.

Nongogo said they sympathized with all institutions that embark on protests for NSFAS to give advance payments and however, emphasized that it was not possible to give upfront payments.

On the issue of the alignment of both the NSFAS and University calendars, the CEO explained that Treasury only releases money in April every year and that is the reason NSFAS cannot disburse before money is received. He however mentioned that they will robustly engage Treasury to look into this and reconsider as theirs is an exceptional case. "The challenge is that you cannot commit the organization when

you are not sure whether you will receive funds", said Nongogo.

The CEO explained to the Vice Chancellor that the issue of decentralization is something they are working on but cautioned that they are considering a hybrid model as opposed to full decentralization.

Furthermore, he explained that the 2018 decision to immediately convert NSFAS from a loan to a full bursary meant that they had to adjust even when their systems were not ready for that. He indicated that they also want to make real time funding decisions while conducting verification processes. He explained that there is a lot of fraud taking place with about 38 000 students in the past two years alone accessing funding from NSFAS when they were not supposed to.

Nongogo said his team is about to finalize on the issue of historic debt and the close out after having received files from the University and urged the Vice-Chancellor that where there is agreement amongst them, they should sign without any delays as this will help to unlock processes.

On student accommodation, the CEO said NSFAS spent R12 billion and that plans were underway to ensure value is derived out of this. The Scheme has currently put out a tender for the development of a portal where accommodation will be accredited and graded. This will help NSFAS determine how much it pays out for a particular grade of accommodation.

In closing the CEO said they agreed with many of the suggestions made by Prof Mbati on how things can be done differently. The delegation undertook a tour of some residences including the new 2000 beds student accommodation facility under construction.

