

MEDIA RELEASE	NSFAS placed under administration: PSA demands stability, accountability and protection of employees and students
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The Public Servants Association of South Africa (PSA) noted the announcement by the Minister of Higher Education and Training that the National Student Financial Aid Scheme (NSFAS) has been placed under administration with immediate effect, following its persistent governance, financial, and operational failures.

According to the Minister, Professor Hlengani Mathebula has been appointed as Administrator to assume full control of NSFAS. This follows after a prolonged period characterised by board instability, resignations, and systemic breakdowns that have severely compromised the functioning of NSFAS.

The PSA is alarmed that the Minister has not consulted with concerned stakeholders before taking this important decision. The PSA has consistently raised concerns about the deepening crisis at NSFAS and the devastating impact on students and employees. NSFAS plays a central role in enabling access to higher education for poor and working-class students. Any failure in NSFAS directly threatens students' constitutional right to education and the livelihoods of employees tasked with implementing its mandate.

The placement of NSFAS under administration is an extraordinary and serious intervention, which reflects a profound failure of governance and oversight. Whilst the PSA acknowledges that decisive action by government may be necessary to restore functionality, such intervention must not come at the expense of employees' job security, working conditions, or labour rights. The PSA therefore calls for protection of NSFAS employees against arbitrary dismissals, unilateral changes to conditions of service, and intimidation during the period of administration. Immediate steps must be taken to ensure that allowances, tuition payments, and accommodation payments to students are not disrupted.

Those responsible for NSFAS governance failures, maladministration, and financial mismanagement must be held accountable, including former board members and executives, where wrongdoing is established. Government must present a credible, time-bound turnaround strategy to restore NSFAS to stability, good governance, and efficient service delivery. The PSA calls on the Minister to urgently provide a new funding model for students, noting that consultation with concerned stakeholders is a first step in the right direction.

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