



# NEHAWU WESTERN CAPE STATEMENT ON THE COLLAPSED WAGE NEGOTIATIONS AT NSFAS AND THE COLLAPSE OF GOVERNANCE AT COLLEGE OF CAPE TOWN

## MEDIA STATEMENT FOR IMMEDIATE RELEASE

**Thursday September 11, 2025**

The National Education, Health and Allied Workers' Union [NEHAWU] in the Western Cape convened a media briefing today to provide an update to its members and the public about the course action at the National Students Financial Aid Scheme [NSFAS] in light of the deadlocked wage negotiations, and the worrying developments at the Cape Town College which have led to collapse of governance.



National Student Financial Aid Scheme

*Photo credit: my.nsfas.org.za*

NEHAWU as the only trade union which has bargaining rights at NSFAS has been engaged in long protracted negotiations since March 2025 until July 2025 at the National Bargaining Forum as part of advancing the demands of workers in this institution. We entered this process genuinely and even made some trade-offs with the hope that we would eventually find each other with this employer, but sadly towards the end of July 2025, the management led by the Acting CEO have shown no willingness to listen to our proposals particularly on Cost of Living Adjustment, ex-gratia, and implementation of Job Evaluations outcomes instead hiding behind an outdated NSFAS Act of 1999 needing concurrence from the Minister of Higher Education and Minister of Finance.





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In fact all the time, we have been demanding the implementation, we are told to wait for submission of memo for concurrence by the two Ministers, a process which never moved from the expensive KPMG offices to these Ministers despite a memorandum having been approved by the then NSFAS Administrator, Mr. Freeman Nomvalo as early as 2023.

On the 01<sup>st</sup> August 2025, the NSFAS communication team released a media statement on behalf of the NSFAS Board with an intention of turning public against the union by creating a picture of a very irresponsible union, as we were to embark on lunchtime demonstrations as part of making society aware of the reason why NSFAS has been failing to reach its potential yet the blame is always placed on our members. These issues were not new matters but we have consistently raised them internally but the leadership paralysis has led to years with these following issues not resolved:

- NSFAS being plagued by maladministration, governance failures, irregular and patronage-based appointments, outsourcing, and system collapse.
- Millions being looted from student accommodation funding through middleman structures.
- Workers being threatened and undermined, while students suffer from unresolved queries and a dysfunctional system.

All of the above even when brought to the attention of the Board, we were met with a defensive response because they themselves know that amongst these questionable appointments includes the appointment of the current Acting CEO from NYDA at the time where there was moratorium on filling of vacancies, and the appointment of an individual we believe has closer ties to the Acting CEO in a non-existent post of the General Manager: Finance.





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As indicated the current management opted to deliberately engage in spreading fake news about the reason for our lunchtime demonstrations because they did not want the same students depending on NSFAS to know that behind the inability of NSFAS to deliver as expected is not workers but rather the ICT department and system failures which are as a result of the following:

- The ICT department being understaffed with no meaningful ICT appointments being made to strengthen systems under the current Acting CEO and the current Board. In fact, NSFAS does not have one ICT developer meaning that there is no one internally who can work on system issues.
- That when a student calls the contact centre, they may receive 3 different responses from 3 different people. Not because of these people but because the systems are dysfunctional.
- Disbursements are still being processed manually with no indication of change. Staff are forced to run scripts and carry out manual validations, which introduces high risks of error, delays, and potential manipulation.

The public must equally know that since the declaration of deadlock with the institution, and subsequently the mediation process, the union has made various proposals to resolve the current impasse, but the leadership paralysis of the current Acting CEO has led to the board baby-sitting him even on things within his ambit which do not need extra allocation from Treasury and in that process with the Board rejecting any proposal including the last one made by the CCMA Commissioner.





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Based on the rejection of the sound proposals made by the union, and the CCMA Commissioner, a strike certificate was issued leading to us giving a seven days' notice for a full blown strike action with effect from the 12th of September 2025. This is because workers have agreed that we shall not waver or concede an inch in our call for decent salaries, and better working conditions of our members.

As if the issue of the looming strike action was not enough, the acting CEO and the Board Chairperson opted to pour petrol on fire by recklessly addressing the media about fake news of NSFAS Head Office moving to Pretoria. We are correctly labelling such utterances as part of spreading fake news because the Board should have known that it is recklessness of the highest order to publicly pronounce this without having engaged the union on this plan as it will be altering the terms and conditions of the employment of workers.

We have now heard enough because it is clear that the acting CEO doesn't know how to run this institution, and the board is itself complicit hence we are calling for the Minister to intervene as we believe the current Board will not help him in his agenda to turn NSFAS around.

This strike action is therefore not a narrow fight back over wage increases but it is about assisting the Minister to turn NSFAS around speedily, but most fundamentally it is about stopping the arrogance of individuals which is now prevailing, wherein they think they can do as they wish without any push back. We will fight until our last drop of blood, and we shall not return to work until we are taken serious as a key partner in delivering better services to our people.





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Our demands cannot be belittled as they are justified considering that NSFAS workers have lost over 15% of their wages in the last 10 years noting the employer has not been equally paying them their pay progression to an extent that based on that alone NSFAS has saved millions meant for workers which also has led to their pensions being stagnant.

The last point we want to raise is that of the collapse of governance at the College of Cape Town which has led to the current principal being subjected to a process where he must answer about over the 20 misconduct charges which includes seconding his wife to a higher post. Now that we know the public has been following the meetings of the portfolio committee it will be important to indicate that we are fully in support of the Minister decision to open an inquiry in the collapse of governance at this important institution and agree that having a retired judge to deal with this situation speedily is the wisest decision to be made considering the seriousness of the issues being raised.



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