



PROJECT REPORT

NSFAS STUDENT ACCOMMODATION

4 MARCH 2026

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INTRODUCTION

1. The Organisation Undoing Tax Abuse (OUTA) is a civil society organisation that collects information, facts and evidence, and based on that facts make findings and recommendations. OUTA can, at best, expose irregularities, maladministration and corruption, and then share its findings with law enforcement agencies and relevant stakeholders.
2. On 5 December 2023, OUTA released an investigation report that covered several matters relating to the National Student Financial Aid Scheme's (NSFAS) student accommodation programme.¹ The report covered the following:
 - 2.1 The **tender that was published by NSFAS for the development of a student accommodation portal to centralise the management of available student accommodation**. The evaluation of the tender and the appointment of four (4) solution providers were covered in detail and it included an analysis of the companies that were appointed;
 - 2.2 The **tender that was published for the appointment of thirty nine (39) service providers to inspect and accredit accommodation** that was registered on the student accommodation portal by institutions and private accommodation providers; and,
 - 2.3 The **student accommodation off-take agreements** that was advertised in November 2022. This initiative aimed to enable property owners to enter into 20-year lease agreements with NSFAS to provide accommodation to NSFAS beneficiaries.
3. The current report should be read as a follow up report on the report of December 2023 and is based on additional information that was gathered in the past 24 months.

¹ <https://www.outa.co.za/blog/newsroom-1/nsfas-slow-to-tackle-student-accommodation-timebomb-1306>

HISTORICAL BACKGROUND

4. In September 2011, the report on the Ministerial Committee for the Review of the Provision of Student Housing at South African Universities established that the accommodation of students was broader than the mere provisioning of beds; it was about establishing living, learning and social communities. The report also highlighted the shortage of student accommodation in the country.
5. In September 2015, the Minister of Higher Education and Training published the “Policy on the Minimum Norms and Standards for Student Housing at Public Universities”². The policy was developed in response to the findings of the Ministerial Committee’s report and had to be applied to all institutions of higher learning.
6. Government also approached and pleaded with the private sector to invest and develop student accommodation³. The private sector responded positively and from 2016, invested billions of rands in developing student accommodation that met the DHET’s standards to alleviate the shortage and growing demand.⁴
7. In 2018, the NSFAS transitioned from a loan system to a fully subsidized bursary scheme for qualifying poor and working-class students. This new model covers the full cost of study, including tuition, accommodation, and living allowances, requiring no repayment. The guidelines of the DHET bursary scheme for students at public universities, is attached hereto as **Annexure “A”**.
8. The accommodation allowance for qualifying NSFAS beneficiaries was initially capped at an amount equal to the cost of internal university accommodation

² <https://www.gov.za/documents/notices/higher-education-act-policy-minimum-norms-and-standards-student-housing-public>

³ <https://www.gov.za/speeches/minister-nzimande-calls-increased-public-private-partnership-deliver-critically-needed>

⁴ <https://arenaevents.africa/booming-student-housing-market-a-boon-for-investors-say-experts/#:~:text=Growthpoint%20Properties%2C%20the%20largest%20local%20real%20estate,the%20way%20with%20award%2Dwinning%20student%20accommodation%20developments.>

up to a maximum amount of R60 000 per academic year per student which made it affordable for students and viable for landlords. More investments in student accommodation took place and new residences were developed⁵

9. In January 2023, the former minister of Higher Education, Mr Blade Nzimande, announced a 25% reduction in student accommodation fees for private accommodation. It went from R60 000 to R45 000 per annum per student. This sudden decision to lower the contribution for student accommodation was not done in consultation with accommodation providers or stakeholders and came as a surprise to the market.⁶
10. In terms of the minimum norms and standards, private accommodation providers had to supply fully furnished accommodation that included free electricity, water and Wi-Fi, 24-hour security, cleaning services, compliance with health and safety requirements and municipal by-laws were also required. With unreliable electricity supply between 2018 and 2023, many landlords installed alternative power supply equipment. Together with annual increases in municipal rates and taxes, water and electricity prices and other essential services and expenses, accommodation providers found it very difficult to lease and maintain their accommodation at a 25% lower rate.
11. The situation turned into a national crisis and many students could not afford to pay the difference between the NSFAS contribution for accommodation and the rental rates asked by landlords. Furthermore, NSFAS adopted a policy where its beneficiaries were prohibited from making “top-up” payments to secure their accommodation. This led to student protests and many young people who could not be placed in private accommodation and had to sleep in university libraries, lecture halls and even on the streets.⁷

⁵ <https://growthpoint.co.za/pressoffice/thrive-student-living-opens-new-doors/>

⁶ <https://pdby.co.za/a-night-outside-the-palace-src-leads-a-demonstration-against-the-nsfas-accommodation-cap/>

⁷ <https://www.dailymaverick.co.za/article/2023-04-06-universities-and-srcs-still-working-to-find-solutions-to-nsfas-funded-students-housing-crisis/>

12. From 2018 until 2020, NSFAS was under administration. In December 2020, Minister Nzimande appointed Mr Andile Nongogo as the CEO of NSFAS and shortly after that appointed a new board with Mr Ernest Khosa as the chairperson. The NSFAS board and executives developed a new strategy for the organisation and adopted a student-centred model in terms of which all the payments of student allowances and accommodation would be centralised within NSFAS and be managed by NSFAS itself.⁸
13. Firstly, four service providers were appointed to manage and facilitate the payment of student allowances. This tender was investigated by OUTA and we identified irregularities with the evaluation and award of the contracts. An investigation by Werksmans attorneys followed which confirmed the OUTA findings. The report recommended the termination of the services of Mr Nongogo who left NSFAS in October 2023. Shortly thereafter another report by OUTA exposed Mr Khoza having meetings with individuals linked to the direct payment providers and he later resigned.
14. Secondly, two tenders were advertised to appoint service providers to enable NSFAS to accomplish the inspection of properties suitable for student living and to manage private student accommodation.
15. As a result, 39 companies were appointed to inspect properties that had been registered by accommodation providers and four companies were appointed to develop and manage an online student accommodation portal where property owners could register their beds.
16. In addition to the 25% rate decrease, student accommodation providers were forced to pay a registration fee when registering their properties on the NSFAS student accommodation portal. NSFAS was very clear that no bed will be made available to a student if it was not registered on the portal and inspected and graded by the accommodation accreditation agents. It was also adopted as NSFAS policy that 5% of the amount that would be paid to landlords for

⁸ <https://www.youtube.com/watch?v=Sk0iCzJuGOU>

rent, will be retained for the services of the solution providers who managed the student accommodation portal. In essence, the private accommodation providers actually received 30% less for renting out their beds to NSFAS from 2023, and in addition had to pay a fee to register every bed on the NSFAS accommodation portal.

17. The centralisation of the management of student accommodation and accreditation of properties did not come without problems and concerns. NSFAS is mandated by the NSFAS Act to assist students financially who come from poor and low-income households in South Africa. Never in their history did NSFAS manage or facilitate student accommodation. These functions were performed by universities and TVET colleges and NSFAS was only mandated to pay for the student accommodation.
18. The new approach opened the door for maladministration and corruption that will be illustrated in this report.
19. The accreditation by the agents appointed by NSFAS, led to incorrect data regarding the number of beds and the quality of properties. The management of the student accommodation portal by four solution providers appointed by NSFAS, often resulted in late or non-payments to landlords. This had a snowball effect; several landlords struggled to pay their municipal accounts and other compulsory services that had to benefit students like Wi-Fi, electricity, security and cleaning services.⁹
20. There were reports of landlords who threatened to evict students because of non-payment of rent by NSFAS.¹⁰ It was also reported in the media that landlords in some instances demanded sexual favours from students in exchange for accommodation. DHET and NSFAS strongly condemned the exploitation of vulnerable students and any acts of gender-based violence against students and launched an investigation into the allegations. NSFAS

⁹ <https://www.dailymaverick.co.za/article/2025-08-05-landlords-threaten-legal-action-as-nsfas-fails-to-pay-r62m-in-student-accommodation-fees/>

¹⁰ <https://www.dailymaverick.co.za/article/2025-05-01-nsfas-fails-to-pay-rents-landlords-evict-students/#:~:text=In%20Nelson%20Mandela%20Bay%2C%20The%20Herald%20recently,of%20students%20over%20three%20months%20of%20unpaid>

stated that it will blacklist, terminate contracts of guilty landlords, and assist students in filing criminal charges.¹¹ To date, no report has been released regarding these investigations or actions by NSFAS and we are not aware of any criminal complaints that have been filed.

21. In the past 3 years, several new appointments were made at NSFAS and DHET:
 - 21.1. When the erstwhile NSFAS CEO, Mr Andile Nongogo's service contract was cancelled in October 2023, the then CFO Mr Masile Ramorwesi was appointed as acting CEO. He acted as CEO until a mutual separation agreement was signed between Mr Ramorwesi and NSFAS in June 2024.
 - 21.2. The former chairperson of the board, Mr Ernest Khosa resigned on 11 April 2024. Shortly after the resignation of Mr Khosa and on 14 April 2024, Minister Nzimande dissolved the board and placed NSFAS under administration. Mr Freeman Nomvalo was appointed as the NSFAS Administrator.
 - 21.3. On 3 July 2024, after the national elections, President Ramaphosa appointed Dr Nobuhle Nkabane as the Minister of Higher Education. On 21 July 2025, Dr Nkabane was replaced by Mr Buti Manamela as the Higher Education minister.
 - 21.4. In February 2025, the minister appointed a new NSFAS board with Dr Karen Stander as the chairperson. In October 2025, Dr Stander however resigned as the NSFAS chairperson and in November 2025, Dr Mugwena Maluleke was appointed in an acting capacity to chair the NSFAS board.
 - 21.5. From the time when a new board was appointed, NSFAS has not appointed a permanent CEO. Mr Waseem Carrim who was originally appointed as the CFO, acted as CEO from February 2025 to date.

¹¹ <https://www.sanews.gov.za/south-africa/nsfas-urged-act-swiftly-against-student-exploitation-landlords#:~:text=Higher%20Education%20and%20Training%20Deputy,students%20in%20exchange%20for%20accommodation.>

22. Despite the termination of service contracts, resignations, new appointments, another administration period, a newly appointed board and 2 new ministers, there is still no effective and efficient solution for the streamlined management and payment of student accommodation by NSFAS.
23. All the events as described above as well as ongoing allegations of corruption and fraud in the student accommodation sector, moved OUTA to do further investigations into the alleged irregularities within the student accommodation space. In the past 2 years, OUTA has received additional information regarding student accommodation issues. OUTA also submitted several successful requests in terms of the Promotion of Access to Information Act (PAIA) to NSFAS. With all the additional information available, this report should be regarded as a follow-up report and an extension of the investigations done before and reported on in December 2023.

THE PURPOSE OF THIS REPORT

24. The purpose of this report is *inter alia* the following:
 - 24.1 To expose corrupt activities, maladministration and irregularities regarding the evaluation, adjudication and award of student accommodation tenders and contracts within NSFAS;
 - 24.2 To expose fraud and corruption that were committed during the inspection and grading of accommodation by the accreditation agents, property owners and solution providers;
 - 24.3 To expose the maladministration committed by the solution partners while managing the student accommodation portal;
 - 24.4 To expose how solution providers, accreditation agents, property owners and NSFAS officials listed sub-standard properties as acceptable student accommodation;

- 24.5 To expose that in certain instances students were housed in accommodation that does not comply with minimum norms, standards and guidelines as set out by DHET;
- 24.6 To expose that in certain instances municipal bylaws and safety regulations were ignored;
- 24.7 To expose that millions of rands were irregularly paid to service providers and landlords;
- 24.8 To raise concerns that students in certain instances might have abused the accommodation provided to them; and
- 24.9 To expose how an emergency within the student accommodation sector was possibly created and how the off-take agreements was probably developed as a “solution” for this emergency.
- 25. This report will be shared with:
 - 25.1 The NSFAS board to inform them of the findings made by OUTA during its investigations and to enable the board to make informed decisions and to take appropriate action against service providers, accommodation providers and NSFAS officials;
 - 25.2 The Minister of Higher Education and Training and DHET officials for their attention;
 - 25.3 The Higher Education Portfolio Committee in Parliament for members to take note of the corrupt activities, maladministration and irregularities at NSFAS regarding student accommodation and assist them in their oversight role over the executive and NSFAS;
 - 25.4 The Special Investigations Unit (SIU) to assist them with further investigations. In August 2022, the President issued Proclamation R88 of 2022, authorising the SIU to investigate allegations of corruption and maladministration within

- NSFAS. This report together with all the evidence and additional information will be handed to SIU;
- 25.5 The South African Revenue Services (SARS) to assist them to establish whether all the parties were tax compliant or not. Billions of rands were paid to service providers and property owners and these individuals and companies are obliged to declare their income and pay the necessary taxes. This report together with additional information will be handed to SARS;
- 25.6 The Auditor General of South Africa (AGSA) to assist them with their audit on NSFAS and to establish if there were any procurement irregularities, unauthorised, fruitless and wasteful expenditure; and
- 25.7 The South African Police Service (SAPS). This report will form the basis for a request for criminal investigations by SAPS into allegations of corruption, fraud, theft and extortion against service providers, NSFAS officials, landlords and students. OUTA also received information and allegations of misconduct by students and landlords that include drug and prostitution related activities, non-compliance with municipal bylaws and other criminal activities. Some of this information could not be verified and therefore it will be submitted to SAPS for further investigation.
26. A further purpose of this report is to inform all stakeholders of the irregularities found in student accommodation and to discourage those who made or are still making themselves guilty of any unlawful practices, misconduct and irregularities, to continue with such activities. OUTA wants to ensure that taxpayers' money is spent on what it is intended for - the payment for safe and decent student accommodation.
27. NSFAS receives approximately R51 billion a year to carry out its legal mandate. Most of these funds are used for three purposes – to pay the tuition fees, to pay allowances to beneficiaries and to pay accommodation for students from poor and low-income families and communities. It is therefore crucial that these funds be safeguarded from corruption, fraud and theft.

APPOINTMENT OF STUDENT ACCOMMODATION SOLUTION PROVIDERS

28. On 11 February 2022, NSFAS advertised a Request for Proposal (RFP), SCM023/2021, for the provision of an online student accommodation solution for NSFAS students. The closing date for the bid was 15 March 2022.
29. The purpose of the bid was to procure the services of a suitable service provider to supply the customisation, configuration, implementation, support and maintenance of an online platform that would manage student accommodation for NSFAS funded students studying at institutions of higher learning across South Africa. The core capabilities of this system had to include the ability for students to apply for accommodation with an accredited accommodation provider; the processing and placements of students and accurate record keeping of all transactions between NSFAS, students and accommodation providers.
30. In terms of the RFP, the successful service provider must provide the solution at no cost to NSFAS. Once the platform is utilised by the different parties (private accommodation providers, institutions who own accommodation, students), the service provider's costs will be covered by payments received from the different users. It was further stated in the RFP that any additional fee split might be arranged between NSFAS and the service provider
31. According to the statistics published in the RFP, NSFAS paid R11,417 billion towards accommodation costs for 391 848 students in 2021.
32. Twenty (20) entities submitted their bids and the Bid Evaluation Committee (BEC) invited fourteen (14) bidders to present their solutions to the committee.
33. The number however changed when a re-evaluation of Training Young Minds (TYM) was done by the Chairperson of the BEC, Mr Masile Ramorwesi. TYM was subsequently also invited to present their solution to the BEC.

34. Recordings of the BEC meetings in OUTA's possession revealed that when the bidders were invited to demonstrate their proposed solutions, the CEO at the time, Mr Andile Nongogo, was present and commented on the presentations.
35. In August 2023, NSFAS appointed Werksmans Attorneys to investigate allegations against Mr Andile Nongogo that were related to Bid No SCMN022/2021 (direct payments of student allowances). Werksmans found that Mr Nongogo was present when the bidders did their presentations to the BEC and that he did in fact participate in evaluating the bidders. In the Werksman's report it is stated that *"The CEO seemingly decided to involve himself in the entire process of considering the tender process, from evaluation to award, with no regard to procedures"*.
36. Werksmans also found that *"It was inappropriate for the CFO, as head of the SCM Unit, to be part of the BEC in that his oversight functions are necessary at the BAC phase of the process. In fact, National Treasury has given guidance on the CFO's involvement in the procurement process"*.
37. During the evaluation of this tender for a student accommodation solution, the same irregularities occurred; the CEO participated in the evaluation of bids and the CFO was appointed to chair the BEC.
38. The tender was awarded to 4 solution providers, namely:
 - 38.1 Xiquel Group (Pty) Ltd (Xiquel);
 - 38.2 Training Young Minds (Pty) Ltd (TYM);
 - 38.3 New Dawn Technologies (Pty) Ltd (NDT); and
 - 38.4 Profecia IT (Pty) Ltd (Profecia).
39. Recordings of the BEC meeting revealed that functionality, price and the time it will take to deliver the solution, were the key factors considered when the recommendation was made for the appointment of a solution provider.

40. After deliberations by the BEC members, it was finally resolved that two (2) solution providers would be recommended for appointment:
- 40.1 Xiquel Group's bid was ranked first after evaluation. Its price of R5,1m was the cheapest and according to their bid, the solution could be ready in four (4) months; and
- 40.2 Training Young Minds, who was initially disqualified, was also recommended based on their ability to have a solution ready within 1 month after appointment.
41. Although the BEC recommended the appointment of just two (2) solution providers, the NSFAS board approved the appointment of four (4) solution providers. An explanation for the appointment of four (4) companies instead of two (2), could not be obtained from NSFAS. In February 2023, Service Level Agreements (SLA) were signed between NSFAS and the four (4) solution providers. Some of the key definitions and obligations of the SLA were the following:
- 41.1 The **contract price** is defined as the price payable to the supplier for the full and proper performance of the contractual obligations;
- 41.2 A **corrupt practice** is defined as the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution;
- 41.3 The **effective date** of the contract is the date that the solution goes live;
- 41.4 A **fraudulent practice** is defined as a misrepresentation of facts to influence a procurement process or the execution of the contract to the detriment of any bidder;
- 41.5 The **term** of the contract is from the effective date for a period of five (5) years;

- 41.6 No costs incurred by the provider, will be paid by NSFAS. The revenue for the provider will be based on the utilisation of the solution by the relevant parties, and these recouped funds will be shared with NSFAS determined by a fee split percentage;
- 41.7 The once off fee or registration fee paid by the accommodation providers when they request to have their premises accredited, will be split between the accreditation agent (80%), NSFAS (15%) and the solution providers (5%);
- 41.8 Additional revenue will be generated by charging the accommodation providers a monthly system licence fee which will be 5% of their monthly rental amount owed by NSFAS. This fee will be deducted automatically by NSFAS from the accommodation provider and will be split between the solution provider and NSFAS on an 80/20 basis; 80% shall accrue to the solution provider and 20% shall accrue to NSFAS;
- 41.9 When the signing the SLA, the solution provider undertook to provide services of a high level with particular attention paid to professionalism, integrity, due care, skill, diligence and good faith;
- 41.10 The solution provider is also obligated to inform NSFAS of any actual or perceived conflict of interest related either directly or indirectly to the provision of services;
- 41.11 NSFAS is obligated to pay all invoices timeously where applicable, failing which the solution provider shall be entitled to suspend the provision of services until payment is duly made;
- 41.12 The solution provider shall acknowledge all written instructions from NSFAS in writing within 24 hours of receiving such instruction and attend weekly / bi-weekly / monthly or quarterly briefing sessions with NSFAS to update each other on progress made in meeting the required scope of work;
- 41.13 The solution providers shall always strictly comply with all applicable data protection laws and take appropriate technical and organisational measures

to prevent the loss of, damage to or unauthorised use of data provided by NSFAS;

- 41.14 The solution provider shall not sub-contract any part of the service and / or its obligations under this agreement to a third party, unless agreed to by NSFAS in writing. The solution provider remains solely liable for the performance and successful completion of the scope of work in term of the agreement;
- 41.15 Any unlawful conduct including corruption, extortion and embezzlement is prohibited and the solution provider shall not pay or accept bribes or participate in other illegal inducements in business or government relationships; and
- 41.16 The solution provider shall keep and maintain proper financial records and accounts for the duration of the agreement period and will allow NSFAS or its duly authorised representatives to inspect documentation, books or accounts.
42. Attached to the SLA is a description of the services and service levels that the solution providers and all relevant stakeholders must adhere to as well as the technical requirements of the solution that will be utilised by the different parties.
43. A copy of the SLA including the services schedule between NSFAS and one of the solution providers, New Dawn Technologies, is attached to this report and marked as **Annexure “B”**.
44. All four (4) solution providers signed similar agreements.
45. It is clearly stated in the services and service levels document attached to the SLA that upon confirmation that a student is registered at an institution and the lease agreement was duly signed by the student and the accommodation provider, NSFAS will disburse monthly payments towards the student’s accommodation in line with the lease agreement.

46. The system managed by the solution providers had to be integrated with the NSFAS student allowance calculator that is under NSFAS control and upon confirmation that the student has been registered, the student calculator will disburse allowances directly to the accommodation providers. It does not appear that the **solution providers** were tasked anywhere in the SLA to disburse payments to accommodation providers.
47. Each of the solution providers were allocated specific provinces to manage student accommodation. Several accreditation agents were assigned to the different solution providers and the solution providers were mandated to manage the accreditation processes as executed by the accreditation agents.
48. After the release of OUTA's report in December 2023, new information was received regarding the solution providers. There were also several media statements released by NSFAS regarding the management of student accommodation with reference to the role and function of the 4 solution partners.
49. In the December 2023 report, OUTA exposed how one of the solution partners, Profecia IT (Profecia) was possibly compromised with a conflict of interest. The OUTA report revealed that:
- “One of the directors of Profecia IT (Pty) Ltd, Mr Ebenezer Kwamena Smith, is also a director of two other companies, Adam Fae (Pty) Ltd and Fort Brook (Pty) Ltd. The other director, Mr Kwasi Asare-Baah, is also a director of Fort Brook (Pty) Ltd. Adam Fae (Pty) Ltd was appointed as a NSFAS accommodation accreditation agent and Fort Brook (Pty) Ltd is an accredited NSFAS accommodation provider”.*
50. The OUTA report further stated that:
- “Mr Smith is also related to a director of another accommodation accreditation agent, Mr Godwyn Gura Ahumah Jnr Smith of GG&G Consulting Engineers. The involvement of Mr Smith as the developer of the online platform for the management of student accommodation, facilitator and chairperson of*

meetings between NSFAS and accommodation providers, an active accommodation accreditation agent and a student accommodation provider, raises a red flag and was overlooked or intentionally ignored by NSFAS”.

51. Shortly after the release of the 2023 report, OUTA received a letter from Profecia’s attorneys. The letter indicated that the attorneys acted on instruction of Profecia IT (Pty) Ltd, Fort Brook (Pty) Ltd), Adam Fae (Pty) Ltd, Mr Ebenezar Smith and Mr Kwasi Asare-Baah in their personal capacities.
52. The attorneys confirmed that Profecia was appointed as a solution partner of NSFAS, that Fort Brook was indeed an owner of a property that was offered to NSFAS as student accommodation and Adam Fae (Pty) Ltd was appointed as one of the accreditation agents for NSFAS.
53. The attorneys also confirmed that Mr Smith and Asare-Baah were directors of Profecia and Fort Brook, the property owners that was accredited for NSFAS student accommodation and that Mr Smith is a director of Adam Fae that was appointed as an accreditation agent.
54. It was also confirmed that Mr Smith’s brother is a director of a company GG&G Consultants (Pty) Ltd that was also appointed as a NSFAS accreditation agent.
55. The attorneys allege in their letter that Mr Smith made a disclosure to several NSFAS officials that he is a director of the company Fort Brook that owns student accommodation, that he is a director of a company Adam Fae that was appointed as an accreditation agent and that he was a director of Profecia that was appointed as one of the four solution partners of NSFAS.
56. The attorneys demanded *inter alia* that OUTA must supplement its report to show that there was no perceived or actual conflict of interest and that Mr Smith was not involved, directly or indirectly in the business of GG&G Consultants.

57. No proof of any disclosure was furnished to OUTA. There was also no disclosure in the Adam Fae bidding documents received from NSFAS. OUTA is of the opinion that there was a definite conflict of interest, and it should have been taken into consideration by NSFAS (if they had knowledge of this) when the bids for the accreditation agents and the solution partners were evaluated and adjudicated. OUTA informed the legal representatives of Mr Smith that:

“The facts as set out by OUTA and confirmed by you, points in our view to a conflict of interest which was “overlooked or intentionally ignored” by NSFAS”.

58. The NSFAS Supply Chain Management Policy is very clear on when there is a conflict of interest and when a service provider should be disqualified to perform a service. Paragraph 6.6.1 (a), (b), (b)(i), (b)(ii) and (b)(iii) states the following:

6.6.1 Conflict of Interest

- (a) Consultants should not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of not being able to carry out the assignment in the best interest of the State.
- (b) Without limitation on the generality of this rule, consultants should not be hired under the following circumstances:
 - (i) A firm, which has been engaged by the Executive Officer or delegated official, to provide goods, services or works for a project and any of its affiliates, should be disqualified from providing consulting services for the same project.
 - (ii) Similarly, a firm hired to provide consulting services for the preparation or implementation of a project and any of its affiliates, should be disqualified from subsequently providing goods or works or services related to the initial assignment (other than a continuation of the firm's earlier consulting services for the same project, unless the various firms (consultants, contractors, or suppliers) are performing the contractor's obligations under a turnkey or design-and-build contract.
 - (iii) Consultants or any of their affiliates should not be hired for any assignment which, by its nature, may be in conflict with another assignment of the consultants. As an example, consultants hired to prepare an engineering design for an infrastructure project should not be engaged to prepare an independent environmental assessment for the same project and consultants assisting a client in the privatisation of public assets should not purchase nor advise purchasers of such assets.

59. OUTA responded to the attorneys of Mr Smith and indicated that it will not change or retract any of the statements made in the report. To date, no further correspondence was received regarding the said demands.

60. The involvement of Mr Smith and/or Profecia with the business of GG&G Consultants where it appears that GG&G Consultants were favoured above other accreditation agents will be outlined in the section on accreditation agents below.

61. OUTA also stated in the December 2023 report that TYM was originally disqualified in the early stages of its bid evaluation, but after the intervention of the CFO Mr Ramorwesi, TYM was allowed to proceed to the next phase of evaluation and was eventually appointed as one of the solution partners.
62. Training Young Minds (Pty) Ltd was registered on 3 November 2017, with registration number 2017/492611/07. The company's registered address is at Omsa House 11, Aimee Street, Reuterhof, Randburg, Gauteng. The registered address was changed to Randburg on 4 February 2025. Previously, when the bid was awarded to TYM, the company operated from 30 Douglas Road, Songloed, Klerksdorp in the North West province. The founder and sole director of the company is Nthabiseng Tshegofatso Mosena.

| COMPANY SUMMARY | | | |
|---------------------|----------------------|-------------------|-------------|
| Name | TRAINING YOUNG MINDS | Status | IN BUSINESS |
| Registration Number | 2017/492611/07 | Registration Date | 2017/11/03 |

| DIRECTORS AND OTHER SUMMARY (1) | | | |
|----------------------------------|--|----------------|--|
| ACTIVE | | | |
| Name | ID/Reg. Number | Type | Status |
| MOSENA, NTHABISENG TSHEGOFATSO | [REDACTED] | DIRECTOR | ACTIVE |
| INACTIVE | | | |
| No Inactive directors to display | | | |
| Registered Address | OMSA HOUSE 11 AIMEE STREET REUTERHOF RANDBURG GAUTENG 2194 | Postal Address | OMSA HOUSE 11 AIMEE STREET REUTERHOF RANDBURG GAUTENG 2194 |

63. According to TYM's website¹² the company was founded in 2018 and is an accredited skills development and training provider. The company developed software to do real time tracking and monitor attendance, location and progress of students and training. TYM provides online and in-person training to learners. TYM was accredited by Services SETA as a Skills Development Provider on 18 March 2019.
64. Nowhere on its website is any indication that TYM is a solution partner of NSFAS or that the company developed a student accommodation management platform.

¹² <https://www.trainingyoungminds.co.za/>

65. It was however established that TYM submitted a bid to Construction SETA (CETA), Bid No 006-2020/2021 for the leasing of office space for the CETA head office.



Bid Submission Register

1. BID NO: 006-2020/2021 – Leasing of office space for CETA Head Office.

22 June 2020 @ 11h00 AT CETA HEAD OFFICE

| | BIDDER'S NAME |
|---|--|
| 1 | Growthpoint Securitisation Warehouse Trust |
| 2 | Tribugenix (Pty) Ltd |
| 3 | Marwick and Gould Consulting cc |
| 4 | Training young minds (Pty) Ltd |
| 5 | Tecino Trading 22 (Pty) Ltd |

66. It appears that TYM was not only a professional skills development provider as indicated on its website, but it also became involved with property rentals and student accommodation platform development.

67. A directory report retrieved from the Consumer Profile Bureau (CPB) revealed that Nthabiseng Tshegofatso Mosena was employed at a company called Mbhetse Investments from January 2020 until February 2021.

68. The sole director of Mbhetse Investments is Lesego Modise. Her maiden name was Motlhamme. She is also the sole director of a company called MEMS Business Consulting (Pty) Ltd (MEMS), with registration number 2016/024928/07. MEMS, like TYM is also an accredited skills development provider at Services SETA from 19 March 2019. On the MEMS Facebook page, several advertisements were posted for a business advisory programme that MEMS presented and that it was fully sponsored by Services SETA¹³.

69. On the TYM Facebook page, several posts were found where the courses and programmes that was presented by MEMS, were advertised. It is clear that TYM supported MEMS in its skills development endeavours.

¹³ <https://www.facebook.com/MemsBusinessConsulting/>

70. OUTA established that Lesego Modise is a business partner of Mr Andile Nongogo, the former CEO of NSFAS. They are co-directors of a company called Bahati Manor (Pty) Ltd with registration number 2018/482462/07. The registered address of the company, 8 Pecanwood Drive, Pecanwood Golf Estate, is the physical address of a guest house also known as Bahati Manor.

| COMPANY SUMMARY | | | |
|---------------------|----------------|-------------------|------------------------------------|
| Name | BAHATI MANOR | Status | ANNUAL RETURN FINAL DEREGISTRATION |
| Registration Number | 2018/482462/07 | Registration Date | 2018/09/11 |

| DIRECTORS AND OTHER SUMMARY (2) | | | |
|----------------------------------|----------------|----------|--------|
| ACTIVE | | | |
| Name | ID/Reg. Number | Type | Status |
| MOTLHAMME, LESEGO | [REDACTED] | DIRECTOR | ACTIVE |
| NONGOGO, ANDILE SYDNEY | [REDACTED] | DIRECTOR | ACTIVE |
| INACTIVE | | | |
| No inactive directors to display | | | |

| AUDITOR SUMMARY | | | |
|-------------------------------|--|----------------|--|
| No auditor summary to display | | | |
| Registered Address | 8 PECANWOOD DRIVE HARTBEESSPOORT DAM HARTBEESSPOORT DAM GAUTENG 0216 | Postal Address | 8 PECANWOOD DRIVE HARTBEESSPOORT DAM HARTBEESSPOORT DAM GAUTENG 0216 |

71. Information received from a whistleblower alleged that TYM was appointed as a NSFAS solution partner because of pressure from Mr Andile Nongogo. TYM was disqualified in the first phase of evaluation, but the BEC chairperson instructed the committee members that TYM should be re-evaluated. TYM was one of four winning bidders to develop and manage a student accommodation portal for NSFAS and awarded a contract for five (5) years that is worth millions after the alleged intervention of Mr Nongogo.
72. Although the core business of TYM was skills development training, it was stated during the evaluation of the tender that TYM had already developed a student accommodation portal and could go live in a month after the tender was awarded. This creates the suspicion that TYM might have had prior knowledge about the specific requirements of NSFAS when its bid was submitted.
73. The relationship between these entities and individuals were never disclosed and should be fully investigated by law enforcement agencies.

REQUEST IN TERMS OF PAIA

74. To enable OUTA to do further investigations into NSFAS student accommodation accreditations and properties that were graded by the accreditation agents, a PAIA request was submitted to NSFAS in 2025 for official information on student accommodation accreditation related matters.
75. The purpose of the PAIA request was to get more information on the appointment process that was followed by the accreditation agents as well as all the bids that were submitted. In the OUTA report of 5 December 2023, some of the service providers who were appointed were flagged as not being competent to perform the services as required by NSFAS. The report also highlighted that some of companies that were appointed did not have the experience as required and that some companies were connected to other service providers who were appointed by NSFAS under suspicious circumstances.
76. It was important for OUTA to establish how many beds were inspected and accredited by the accreditation agents and if it was enough to satisfy the need as published by NSFAS in its tender documents.
77. It was also important to establish where the properties are situated that were inspected, if it complies with the minimum norms and standards as set out by DHET, and who were the owners and/or managing agents for the accredited properties.
78. Finally, OUTA wanted to establish:
 - 78.1 what were the costs related to the inspections done by the accreditation agents and if it was in line with the rates as it was agreed on in terms of the Service Level Agreements (SLA) between NSFAS and the service providers;
 - 78.2 who managed the payments to the accreditation agents; and
 - 78.3 what the role of the student accommodation solution providers was.

79. A copy of the records and/or information that were requested from NSFAS is attached hereto and marked as **ANNEXURE “C”**.

EVALUATION AND ADJUDICATION OF ACCREDITATION AGENTS

80. On 30 June 2022, Mr Krishen George, Senior Manager Supply Chain Management Unit informed members of the Bid Specifications Committee (BSC) of the bid specifications for the appointment of a panel of service providers to accredit student accommodation. He also informed the BSC members that the tender is part of the 2022/2023 annual procurement plan and that the requirements and specifications have been reviewed and approved by the CEO. See below email.

From: Krishen George <KrishenG@nsfas.org.za>
Sent: Thursday, June 30, 2022 10:15
To: Mpho Matlala <MphoM@nsfas.org.za>; Kirstin Barth <KirstinB@nsfas.org.za>; Justice Nkoana <JusticeN@nsfas.org.za>; Gershon Hutchinson <GershonH@nsfas.org.za>; Alison Warren <AlisonW@nsfas.org.za>; Keegan Kayser <KeeganK@nsfas.org.za>
Cc: Zuki Tsétswa <ZukiT@nsfas.org.za>; Suzanne Adams <SuzanneA@nsfas.org.za>; Craig Petersen <CraigP@nsfas.org.za>; Mxolisi Tshelu <MxolisiT@nsfas.org.za>
Subject: Bid specifications for approval- Panel of service providers to accredit student accommodation
Importance: High

Dear BSC members

Trust all is well.

Herewith bid specifications: Panel of service providers to accredit student accommodation. This tender is part of the approved 2022/2023 annual procurement plan, and the requirements and specifications have been reviewed and approved by the CEO.

It is quite urgent.

Please do review and provide your comments/approval (indicating any interest to declare), by COB 1 July 2022.

Kind regards

Krishen George CA (SA)

Senior Manager
Supply Chain Management Unit

T: (021) 763 3200 M: +27 71 898 1418 W: www.nsfas.org.za
2nd Floor, House Vincent, 10 Brodie Road, Wynberg, Cape Town, 7800
f t i



81. On 5 July 2022, NSFAS advertised tender SCMN003/2022 for the appointment of a panel of service providers to accredit student accommodation for a period of five (5) years.
82. On 7 December 2022 after all evaluations were done, the Bid Evaluation Committee (BEC) resolved to appoint a panel of 45 student accommodation

accreditation agents. It was further resolved that NSFAS will aim to standardise the pricing for all appointed service providers and negotiate an acceptable price which would be done after the meeting of the Bid Adjudication Committee (BAC). It will then be presented to the CEO for an award.

83. The BAC met on 9 December 2022 and supported the recommendation of the BEC for rates to be standardised through price negotiations and that the final approval will be done by the CEO. The BAC also recommended the appointment of 45 service providers to the panel.

| | | |
|-----|--|-----------|
| 4.2 | <p>BEC Resolution:</p> <ol style="list-style-type: none"> 1. <i>BEC agreed with the appointment of forty-five (45) bidders into panel of accredited student accommodation.</i> 2. <i>BEC resolved that NSFAS aims to standardize the pricing for all appointed service providers, and therefore NSFAS reserves the right to negotiate the pricing offered by the bidders, which would occur following BAC and presentation to CEO for award.</i> 3. <i>As per the bid document if there are any other elements not included in the pricing table but required during contract negotiation stage and/or during the contract period, this will be agreed to between both NSFAS and the appointed service provider (s) and added accordingly.</i> | |
| 5. | No other matters | |
| 6. | <p>Closure</p> <p>The Chairperson thanked everyone for their participation in the meeting and closed the meeting at 14h05</p> | MR |

APPROVED



CHAIRPERSON

Date: 07 December 2022

84. On 25 January 2023, after tax compliance verifications were done, the CEO Mr Andile Nongogo, approved the appointment of 39 service providers to the panel for student accommodation accreditation agents.

85. A copy of the internal NSFAS memo for approval of the appointments and signed off by the CEO is attached hereto and marked as **ANNEXURE “D”**.

APPOINTMENT OF ACCREDITATION AGENTS

86. The following 39 entities were appointed as official NSFAS accreditation agents for the inspection and grading of institution owned and private student accommodation:

- 86.1 3T LA Seretlo JV
- 86.2 690 Signature Group (Pty) Ltd
- 86.3 Adam Fae (Pty) Ltd
- 86.4 Akau Property Consultants (Pty) Ltd
- 86.5 Avex SA 481 CC
- 86.6 Chandla Consulting (Pty) Ltd
- 86.7 Classy Trade and Invest 1222 CC
- 86.8 Divine Inspiration Trading (Pty) Ltd
- 86.9 Dunmarsh Investments CC
- 86.10 Durapi Consulting (Pty) Ltd
- 86.11 Elandivect (Pty) Ltd
- 86.12 Entsika-Tocolite JV
- 86.13 Fidmart (Pty) Ltd
- 86.14 GG&G Consulting Engineering (Pty) Ltd
- 86.15 GLE Interiors (Pty) Ltd
- 86.16 Innate-Safiri Property & Asset Management (Pty) Ltd
- 86.17 Iqhayiya Design Workshop (Pty) Ltd
- 86.18 Kendisa Trading CC
- 86.19 Khethakanye Trading and Projects 110 CC
- 86.20 Khumzi Investments (Pty) Ltd
- 86.21 Laphumi Langa Projects (Pty) Ltd
- 86.22 Lomahayihayi Enterprise (Pty) Ltd
- 86.23 LTM Building Solutions (Pty) Ltd
- 86.24 Masha Designs Architects (pty) Ltd
- 86.25 Masston Construction Projects (Pty) Ltd
- 86.26 Muofhe Properties (Pty) Ltd
- 86.27 NPS Management Solutions (Pty) Ltd
- 86.28 Ongoti Risk Management Services (Pty) Ltd

- 86.29 Peptha Projects (Pty) Ltd
- 86.30 Reliant Consulting (Pty) Ltd
- 86.31 RNMM Property Group (Pty) Ltd
- 86.32 Siyakha-Isizwe Trading Enterprise 84 CC
- 86.33 Siyaqhoba Business Enterprise (Pty) Ltd
- 86.34 Student Housing Advisory Panel (Pty) Ltd
- 86.35 Synergetic Consulting (Pty) Ltd
- 86.36 Talin Project (Pty) Ltd
- 86.37 TKR Student Accreditation (Pty) Ltd
- 86.38 Vuv' Amu (Pty) Ltd
- 86.39 Wabane Holdings (Pty) Ltd

87. All the successful bidders received letters of award from NSFAS. The letters were dated 10 January 2023 and signed by Mr Krishen George in his capacity as the Senior Manager: Supply Chain Management.

88. The award letters stated that the recipients were appointed to accredit student accommodation for a period of 5 years and that the contract is renewable. The rates offered to all the successful bidders were the same at the following rate matrix:

Accordingly, NSFAS has determined the following accreditation rate matrix that you will be contracted for, that you will bill NSFAS upon successful accreditation of the accommodation provider.

| Description | Amount (per bed) (VAT included) |
|--------------------|---------------------------------|
| One (1) to 20 beds | R160 |
| 21 to 50 beds | R120 |
| 51 to 100 beds | R100 |
| More than 100 beds | R80 |

89. The service providers were also informed that the rates included Value Added Tax (VAT) and all traveling costs and that NSFAS will not be liable for any other costs incurred while the service provider performs its duties. It is important that the South African Revenue Service (SARS) confirms that the VAT payments and claims of the 39 accreditation agents who were appointed, are in good order.

90. NSFAS further confirmed the provinces where every accreditation agent will do inspections as per the indication given in their bid documents.

ACCREDITATION AGENT SERVICE LEVEL AGREEMENTS

91. The letters of award were followed by a Service Level Agreement (SLA) between the service providers and NSFAS. The clauses of importance for this report are listed and discussed below:
- 91.1 Clause 3.10 determines that 1 February 2023 is the effective date for the agreement to commence;
- 91.2 Clause 3.13 determines that the Chief Executive Officer will represent NSFAS in this agreement and for other functions as described in the SLA;
- 91.3 Clause 7.1.2 determines that the policy on the minimum norms and standards for student housing at public universities as published in Government Gazette number 39238 on 29 September 2015¹⁴ shall be used as the guideline and benchmark when performing the accreditation;
- 91.4 Clause 8.2 confirms the rate that NSFAS will pay to the service provider for each inspection that is done. The rate in the SLA is the same rate as in the letters of award;
- 91.5 In Clause 9.1.1 and 9.1.2 the service provider undertakes that it has the required knowledge, skills and expertise to fulfil its functions and that it will provide a professional service with integrity, due care, skill, diligence and good faith;
- 91.6 In Clause 9.1.3 service providers undertake to adhere to the Financial Intelligence Centre Act 38 of 2001 (FICA) and the Prevention of Organised Crime Act 121 of 1998;

¹⁴ <https://www.gov.za/documents/notices/higher-education-act-policy-minimum-norms-and-standards-student-housing-public>

- 91.7 Clause 10 relates to the obligations of the service providers and *inter alia* states that only suitably qualified, trained and competent persons will provide the services;
- 91.8 Clause 10.1.6 specifically states that the service provider will inform NSFAS of any actual or perceived conflict of interest related directly or indirectly with the provision of accreditation services;
- 91.9 Clause 14 describes the performance management of service providers and gives NSFAS the right to continuously monitor and evaluate the work of service providers and the right to cancel the contract with a service provider when it is found that the quality of work deteriorated during the contract period;
- 91.10 Clause 23 states that the service provider may not sub-contract any part of the service and its obligations under the SLA to a third party, unless NSFAS agreed to it in writing. The service provider remains solely liable for the performance of the services and the successful completion of the scope of work in terms of the SLA;
- 91.11 Clause 28.2 prohibits any unlawful conduct, including corruption, extortion and embezzlement. It furthermore states that the service provider shall not pay or accept any bribes or participate in other illegal inducements in business or government relationships. The service provider shall conduct its business consistent with fair and vigorous competition and in compliance with all applicable competition and anti-corruption laws; and
- 91.12 Clause 36 again stated that service providers should take note of the implications of contravening the Prevention and Combatting of Corrupt Activities Act 12 of 2004. NSFAS is, according to the SLA, committed to conduct business ethically and is constantly introducing proactive measures to ensure that unlawful and unethical business practises are appropriately responded to.
92. All the accreditation agents signed similar SLAs in February 2023. The effective date of the agreement was 1 February 2023.

93. NSFAS clearly emphasised the importance of complying with anti-corruption laws and the prohibition of unlawful conduct which all the appointed service providers agreed to.

NSFAS STUDENT ACCOMMODATION PILOT PROJECT

94. On 8 December 2023, NSFAS released a media statement and announced that the board held successful engagements with several institutions of higher learning regarding onboarding of institutions onto the student accommodation pilot project. The board decided to include a total of 22 TVET colleges and 17 Universities in the pilot project.
95. The board formally announced the appointment of the 4 solution partners and stated that the Minister of Higher Education, Mr Blade Nzimande, brought out a directive that all institutions should not enter into long-term lease agreements with private accommodation providers in order to enable the NSFAS accommodation processes to proceed.
96. The board made an urgent call to accommodation providers to apply for accreditation in order for them to offer their student accommodation to NSFAS beneficiaries. NSFAS made it clear that if private accommodation is not registered on the NSFAS student accommodation portal and accredited, NSFAS beneficiaries will not be allowed to stay there and NSFAS will not pay for the unaccredited accommodation.
97. The institutions that were onboarded on the NSFAS student accommodation pilot project were the institutions as published by NSFAS on 8 December 2023.



Herein is the list of institutions that will form part of the NSFAS pilot project in 2024:

| TVET COLLEGES | UNIVERSITIES |
|--|---|
| <ul style="list-style-type: none"> - Port Elizabeth TVET College - East Cape Midlands TVET College - Buffalo City TVET College - King Sabatha Dalindyebo TVET College - King Hintsa TVET College - Motheo TVET College - Central Johannesburg College - Ekurhuleni East TVET College - Ekurhuleni West TVET College - Tshwane South TVET College - Tshwane North TVET College - Sedibeng TVET College - Thekwini TVET College - Coastal TVET College - Majuba TVET College - Umfolozi TVET College - Mopani TVET College - Vhembe TVET College - Letaba TVET College - Gert Sibande TVET College - Ehlanzeni TVET College - Northlink TVET College | <ul style="list-style-type: none"> - University of Fort Hare - Walter Sisulu University - Nelson Mandela University - Central University of Technology - Tshwane University of Technology - Vaal University of Technology - University of Pretoria - University of Johannesburg - University of Zululand - Durban University of Technology - Mangosuthu University of Technology - University of KwaZulu Natal - University of Limpopo - Mpumalanga University - Sol Plaatje University - University of Western Cape - Cape Peninsula University of Technology |

NSFAS BENEFICIARIES – THE NUMBERS

98. OUTA requested NSFAS to provide the number of beneficiaries who were approved to receive funding and the number of beneficiaries who stayed in NSFAS paid accommodation for 2023, 2024 and 2025. The official information received from NSFAS appears in the table below.

| NSFAS Beneficiaries | 2023 | 2024 | 2025 |
|--|-------------|-------------|-------------|
| Total number of beneficiaries registered to receive NSFAS funding | 773 512 | 838 318 | 806 382 |
| Total number of beneficiaries registered at TVET colleges | 263 642 | 277 688 | 239 969 |
| Total number of beneficiaries registered at universities | 509 968 | 560 934 | 566 523 |
| Total number of beneficiaries funded for institutional owned accommodation | 124 196 | 111 353 | 72 172 |
| % Beneficiaries accommodated at institutional owned accommodation | 16% | 13% | 9% |
| Total number of beneficiaries funded for private owned accommodation | 338 661 | 401 338 | 425 053 |
| % Beneficiaries accommodated at private owned accommodation | 44% | 48% | 53% |
| Total number of beneficiaries funded for private & institutional owned accom | 462 857 | 512 691 | 497 225 |
| Total % beneficiaries accommodated and paid for by NSFAS | 60% | 61% | 62% |

99. According to the official information received from NSFAS, for the past 3 years NSFAS was paying the accommodation for approximately 60% of its total beneficiaries.
100. The NSFAS tender document that was published in July 2022 stated that across the nine provinces, there is a need for an estimated 400 000 beds for NSFAS beneficiaries. This number included private and institutional owned accommodation. As shown in the table above, NSFAS paid for 462 857 beds in 2023, for 512 691 beds in 2024 and 497 225 beds in 2025. This is on average 90 000 more beds per year as what the need identified in 2022 was.
101. If private student accommodation is analysed in isolation, it appears that the need in 2022 was approximately 285 000 beds, but NSFAS paid for 338 661

private beds in 2023, for 401 338 beds in 2024 and 425 053 in 2025. The number of private beds NSFAS paid for was on average 100 000 beds more than what the identified need was.

102. On 21 October 2025, NSFAS presented an update on student accommodation payments for the 2025 academic year at the Financial Aid Practitioners of South Africa (FAPSA) conference.
103. FAPSA is an umbrella body of all financial aid practitioners representing both higher education and training colleges in South Africa. Since its inception in 2001, FAPSA played a pivotal role in determining what best practices and processes would be in assisting financial aid offices, NSFAS and donors in the management and administration of funds within the industry.
104. OUTA believes that with this presentation (attached hereto as **Annexure “E”**) NSFAS used updated figures up to at least September 2025. These figures should therefore compare well with the figures NSFAS submitted to OUTA around the same time in 2025 after the successful PAIA request.
105. Although the figures presented at FAPSA only reflect the figures for the universities and TVET colleges on the student accommodation pilot project, it is concerning how much it differs from the figures provided to OUTA. OUTA believes that a thorough audit by the AGSA is necessary to obtain the true numbers and to establish how much money was spent on student accommodation. It does appear that NSFAS lost control over spending on student accommodation and does not have accurate records themselves. It is also possible that NSFAS paid for beds that did not exist or for students that did not qualify for accommodation.

106. According to the presentation at the FAPSA conference, NSFAS paid R3,242,308,463.80 to 12 universities and its private accommodation providers for the accommodation of 81 512 students at an average of R39,777 per student for 8 months of 2025.

| InstitutionName | InstitutionTyp | NumOfStudents | TotalDisbursed |
|----------------------|----------------|---------------|-------------------------|
| DURBAN UNIVERSITY | University | 2874 | 120 792 060,09 |
| NELSON MANDELA ME | University | 11626 | 492 115 641,47 |
| SOL PLAATJE UNIVERS | University | 12 | 494 489,61 |
| TSHWANE UNIVERSITY | University | 751 | 31 870 254,00 |
| UNIVERSITY OF FORT | University | 3169 | 134 279 218,23 |
| UNIVERSITY OF JOHAN | University | 3399 | 150 581 295,58 |
| UNIVERSITY OF KWAZI | University | 14443 | 610 284 960,69 |
| UNIVERSITY OF LIMPO | University | 642 | 22 416 406,96 |
| UNIVERSITY OF MPUM | University | 7299 | 262 814 396,13 |
| UNIVERSITY OF ZULUL | University | 7121 | 255 875 164,80 |
| VAAL UNIVERSITY OF | University | 10645 | 466 810 732,98 |
| WALTER SISULU UNIV | University | 19531 | 693 973 843,26 |
| Total for UNI | | 81512 | 3 242 308 463,80 |

107. Five universities that were part of the pilot project as announced by the NSFAS board in December 2023, was not included in the list presented at FAPSA. These 5 universities namely the University of Pretoria, Mangosuthu University of Technology, University of Western Cape, Central University of Technology and Cape Peninsula University of Technology opposed the pilot project and chose to manage its own student accommodation rather than to be managed by the solution providers.
108. NSFAS presented at FAPSA that an amount of R1,280,890,263.74 was paid for accommodation of 48 127 students at 46 TVET colleges at an average of R26,614 per student for 8 months in 2025. In 2023 NSFAS announced that 22 TVET colleges would participate in the pilot project. With the presentation at FAPSA it appears that the solution partners now manage the student accommodation of 24 additional TVET colleges

| InstitutionName | InstitutionTyp | NumOfStudents | TotalDisbursed |
|--|----------------|---------------|-------------------------|
| BOLAND COLLEGE | TVET | 83 | 1651997,82 |
| BUFFALO CITY COLLEGE | TVET | 1732 | 56651337,9 |
| CAPRICORN COLLEGE | TVET | 287 | 7325567,08 |
| CENTRAL JOHANNESBURG COLLEGE | TVET | 3019 | 89104455,9 |
| COASTAL KZN FET COLLEGE | TVET | 2593 | 83072865,88 |
| COLLEGE OF CAPE TOWN | TVET | 224 | 6616120,64 |
| EAST CAPE MIDLANDS COLLEGE | TVET | 643 | 17815830,5 |
| EHLANZENI FET COLLEGE | TVET | 2562 | 75588431,57 |
| EKURHULENI EAST COLLEGE | TVET | 460 | 11510505,17 |
| EKURHULENI WEST COLLEGE | TVET | 205 | 6570980,3 |
| ELANGENI COLLEGE | TVET | 1633 | 53070786,63 |
| ESAYIDI FET COLLEGE | TVET | 736 | 16631179,92 |
| FALSE BAY COLLEGE | TVET | 26 | 629344,3 |
| FLAVIUS MAREKA FET COLLEGE | TVET | 362 | 7732096,28 |
| GERT SIBANDE FET COLLEGE | TVET | 1166 | 35127288,35 |
| GOLDFIELDS FET COLLEGE | TVET | 29 | 540324,26 |
| IKHALA PUBLIC FURTHER EDUCATION COLLEGE | TVET | 270 | 2723834,34 |
| KING HINTSA PUBLIC FURTHER EDUCATION COLLEGE | TVET | 525 | 11482620,72 |
| KING SABATA DALINDYANE FURTHER EDUCATION COLLEGE | TVET | 858 | 15248791,28 |
| LEPHALALE FET COLLEGE | TVET | 360 | 9242155,07 |
| LETABA FET COLLEGE | TVET | 514 | 10952429,37 |
| LOVEDALE PUBLIC FURTHER EDUCATION COLLEGE | TVET | 535 | 15233429,5 |
| MAJUBA COLLEGE | TVET | 4206 | 99510575,95 |
| MNAMBITHI FET COLLEGE | TVET | 253 | 4520799,58 |
| MOPANI SOUTH EAST FURTHER EDUCATION COLLEGE | TVET | 1103 | 26373491,64 |
| MOTHEO FET COLLEGE | TVET | 1475 | 28207979,28 |
| MTHASHANA FET COLLEGE | TVET | 54 | 1133566,54 |
| NKANGALA FET COLLEGE | TVET | 1108 | 30222096,13 |
| NORTHERN CAPE RURAL FURTHER EDUCATION COLLEGE | TVET | 16 | 318365,68 |
| NORTHERN CAPE URBAN FURTHER EDUCATION COLLEGE | TVET | 529 | 10752425,86 |
| NORTHLINK COLLEGE | TVET | 689 | 16494281,32 |
| PORT ELIZABETH COLLEGE | TVET | 1126 | 34806791,6 |
| SEDIBENG COLLEGE | TVET | 2633 | 57090619,73 |
| SEKHUKHUNE FET COLLEGE | TVET | 288 | 3305844,06 |
| SOUTH CAPE COLLEGE | TVET | 129 | 2250736,15 |
| SOUTH WEST GAUTENG FURTHER EDUCATION COLLEGE | TVET | 1514 | 49119642,75 |
| TALETSO FET COLLEGE | TVET | 105 | 1106016,5 |
| THEKWINI FET COLLEGE | TVET | 3347 | 98258438,1 |
| TSHWANA NORTH COLLEGE | TVET | 1898 | 41841298,94 |
| TSHWANE SOUTH COLLEGE | TVET | 2481 | 68303046,84 |
| UMFOLOZI COLLEGE | TVET | 3665 | 109105152,7 |
| UMGUNGUNDLOVU FURTHER EDUCATION COLLEGE | TVET | 788 | 19225818,53 |
| VHEMBE FET COLLEGE | TVET | 1457 | 33223358,04 |
| VUSELELA FET COLLEGE | TVET | 10 | 113199,48 |
| WATERBERG FET COLLEGE | TVET | 424 | 11001709,25 |
| WESTERN COLLEGE | TVET | 7 | 82636,32 |
| TVET Total | | 48127 | 1 280 890 263,74 |

109. With the presentation done in October 2025 and nearly at the end of the academic year, one could assume that the total number of students would not increase or decrease significantly. According to the official information supplied to OUTA with the PAIA request, NSFAS paid accommodation for 497 225 students. According to the presentation at FAPSA the solution providers managed accommodation of 129 643 students. This means that there were 367 582 students accommodated at the 14 universities and 4 TVET colleges whose accommodation were not managed by the solution providers. According to these figures the solution providers managed only 26% of the total NSFAS student accommodation.
110. NSFAS further reported that its solution providers who distributed the accommodation fees to accredited accommodation providers paid out an amount of R4,523,198,727.54 to accommodate 129 643 students up to October 2025.

| Partner | NumOfStudents | TotalDisbursed |
|----------------------|---------------|-------------------------|
| Training Young Minds | 11882 | 282 030 988,22 |
| Profecia IT | 41166 | 1 501 973 819,03 |
| Xiquel Group | 54598 | 1 907 103 835,58 |
| NDT | 21997 | 832 090 084,71 |
| Total | 129643 | 4 523 198 727,54 |

111. In terms of the SLAs between NSFAS and the solution providers, 5% of the total amount paid to accommodation providers will automatically be deducted from the payment to accommodation providers as a licence fee to use the student accommodation portal. According to the terms in the SLA, this licence fee would be shared between the solution providers and NSFAS on an 80/20 basis.

112. Based on the NSFAS figures presented at FAPSA, the fees for the solution providers and NSFAS as agreed to in the SLAs, are captured in the table below.

| Solution Provider | Total Paid to Accommodation Providers | Total Licence Fee (5%) | 80% accrue to Solution Provider | 20% accrue to NSFAS |
|--------------------------|--|-------------------------------|--|----------------------------|
| TYM | 282 030 988.22 | 14 101 549.41 | 11 281 239.53 | 2 820 309.88 |
| Profecia | 1 501 973 819.03 | 75 098 690.95 | 60 078 952.76 | 15 019 738.19 |
| Xiquel | 1 907 103 835.58 | 95 355 191.78 | 76 284 153.42 | 19 071 037.58 |
| NDT | 832 090 084.71 | 41 604 504.24 | 33 283 603.39 | 8 320 900.85 |
| Total | 4 523 198 727.54 | 226 159 935.84 | 180 927 949.10 | 45 231 986.50 |

113. This part of the agreement does not make any sense and was poorly drafted. It is however part of the agreement and therefor the AGSA and the SIU must investigate whether the solution providers paid back the R45 million to NSFAS for the 2025 academic year. The payments of prior years should also be verified and if it appears that the solution providers failed to meet its obligations, the funds must be recovered without delay.

114. The R180 million that was due to the solution providers was only for 8 months in 2025. It was also just for 26% of the total number of students that NSFAS paid accommodation for. It is fair to say that the solution partners will receive approximately R200 million per year for the pilot project. Over a five year contract period, approximately R1 billion will go towards the solution providers for only managing a quarter of the total NSFAS student accommodation profile. This amount is outrageous when it is considered that there are similar solutions and portals available in South Africa to manage student accommodation. NSFAS can acquire a similar and even better solution at a fraction of the amount that it will cost to pay the solution providers. NSFAS must seriously consider terminating the agreements with these third parties. Without the solution providers NSFAS will have more control over funds earmarked for student accommodation and accommodation providers will not have to forfeit 5% of their income.

THE COSTS FOR GETTING ACCREDITED

115. OUTA analysed the costs involved when private accommodation providers want to get their beds inspected and accredited by the 39 companies that were appointed as NSFAS accreditation agents. The data was received from NSFAS and compiled by the 4 solution partners.
116. The 4 solution partners managed the accreditation process and although not mandated to do so, they also paid the accreditation agents in accordance with the rates in the SLA between NSFAS and the accreditation agents.
117. The SLA between NSFAS and the accreditation agents made provision for the following rates:
 - 117.1 Less than 20 beds inspected at a specific property of an accommodation provider = R160.00 per bed;
 - 117.2 Between 21 and 50 beds inspected at a specific property of an accommodation provider = R120.00 per bed;
 - 117.3 Between 51 and 100 beds inspected at a specific property of an accommodation provider = R100.00 per bed; and
 - 117.4 More than 100 beds inspected at a specific property of an accommodation provider = R80.00 per bed.
118. Accommodation providers had to pay a specific fee when they registered their beds on the student accommodation portal before an accreditation agent would conduct any inspection. These fees had to be paid upfront directly to the solution providers at the following rates:
 - 118.1 1 to 20 beds = R200.00 per bed;
 - 118.2 21 to 50 beds = R150.00 per bed;
 - 118.3 51 to 100 beds = R125.00 per bed; and

- 118.4 More than 100 beds = R100.00 per bed.
119. The difference between the registration fee paid by accommodation providers and the rate offered to the accreditation agents in the SLA was 20% of the registration fee paid by accommodation providers. In the SLA between NSFAS and the solution providers it was agreed that of this 20%, the solution provider will get 5% and 15% will be paid to NSFAS.
120. OUTA requested NSFAS to provide the total amount of registration fees that was paid by accommodation providers to register their beds on the student accommodation portal. The information received from NSFAS revealed that the solution providers received a total amount of R7,298,424.93 in registration fees with the following amounts received by each solution provider respectively:
- 120.1 Profecia IT – R1,058,300.00;
- 120.2 Xiquel Group – R2,443,606.68;
- 120.3 New Dawn Technologies – R1,201,000.00; and
- 120.4 Training Young Minds – R2,595,518.25
121. When OUTA analysed the data that was prepared by the solution providers, it showed that collectively, the solution providers received R33,787,315 in registration fees from accommodation providers. The difference in the figures provided by NSFAS and the figures provided by the solution providers, leave a question mark over the financial controls exercised by NSFAS.
122. OUTA also requested all payments that were made to the accreditation agents. This information was also compiled by the solution partners who made the payments directly to the accreditation agents.
123. However, there were additional direct payments made by NSFAS to the accreditation agents. These payments appear strange because NSFAS

outsourced the collection of registration fees and the payments for accreditations to the solution partners. It is difficult to understand why and for what reason NSFAS made these additional payments to some of the accreditation agents. This should be further investigated by the AGSA.

124. OUTA analysed the payments and a detailed report is attached hereto as **Annexure “F”**. The table below is a summary of the payments made to each accreditation agent by the 4 solution providers as well as the additional payments by NSFAS from 2023 when the accreditation agents were appointed until 2025 when the information was provided to OUTA.

| ACCREDITATION AGENTS | PAYMENTS MADE BY * (ZAR) | | | | |
|----------------------|--------------------------|-----------|-----------|---------|---------|
| | *Profecia | *Xiquel | *New Dawn | *TYM | *NSFAS |
| 3T LA – Seretlo | 470,340 | 1,434,200 | 714,300 | 110,840 | 377,380 |
| 690 Signature | 0 | 0 | 31,840 | 0 | 82,760 |
| Adam Fae | 166,220 | 0 | 960 | 34,560 | 0 |
| Akua Property | 467,440 | 0 | 0 | 120,808 | 84,120 |
| Avex SA 481 | 21,040 | 681,180 | 0 | 0 | 122,360 |
| Chandla | 470,860 | 610,040 | 0 | 450,200 | 141,420 |
| Classy Trade | 0 | 0 | 0 | 0 | 0 |
| Divine Inspiration | 0 | 111,680 | 0 | 41,360 | 70,300 |
| Dunmarsh | 0 | 0 | 0 | 1,920 | 0 |
| Durapi Consulting | 48,120 | 0 | 0 | 44,640 | 44,920 |
| Elandivect | 214,340 | 1,870,020 | 0 | 0 | 62,720 |
| Entsika | 83,520 | 365,080 | 603,080 | 841,848 | 356,440 |
| Fidmart | 0 | 0 | 0 | 34,912 | 0 |
| GG&G Consulting | 1,015,680 | 28,440 | 80,560 | 284,008 | 106,240 |
| GLE Interiors | 0 | 88,940 | 22,400 | 108,464 | 31,920 |
| Innate Safiri | 22,560 | 0 | 0 | 19,680 | 0 |
| Iqhayiya Design | 4,480 | 0 | 0 | 45,200 | 0 |

| | | | | | |
|--------------------|---------------------|------------------|------------------|------------------|------------------|
| Kendisa Trading | 0 | 0 | 0 | 259,544 | 174,100 |
| Khethakanye | 6,240 | 0 | 0 | 0 | 11,360 |
| Khumzi | 667,740 | 0 | 0 | 0 | 15,520 |
| Laphumi Langa | 0 | 417,000 | 778,460 | 198,096 | 30,160 |
| Lomahayihayi | 0 | 0 | 0 | 0 | 0 |
| LTM Building | 0 | 0 | 0 | 56,720 | 0 |
| Masha Designs | 258,140 | 0 | 0 | 0 | 9,300 |
| Masston | 73,660 | 0 | 0 | 425,912 | 0 |
| Muofhe Properties | 0 | 0 | 0 | 0 | 0 |
| NPS Management | 624,940 | 150,680 | 17,220 | 1,382,376 | 198,300 |
| Ongoti Risk | 0 | 0 | 0 | 0 | 0 |
| Peptha Projects | 74,180 | 747,560 | 0 | 213,744 | 160,960 |
| Reliant Consulting | 0 | 0 | 0 | 209,504 | 139,880 |
| RNMM Property | 0 | 377,760 | 0 | 820,520 | 0 |
| Sayakkha-Isizwe | 3,000 | 0 | 0 | 0 | 0 |
| Siyaqhoba | 0 | 0 | 383,920 | 446,200 | 150,800 |
| Student Housing | 1,052,326 | 0 | 0 | 0 | 111,000 |
| Synergetic | 14,320 | 0 | 0 | 161,600 | 8,240 |
| Talin Project | 0 | 888,020 | 665,700 | 480,560 | 0 |
| TKR Student | 37,120 | 0 | 0 | 284,904 | 0 |
| Vuv'Amu | 0 | 615,620 | 0 | 0 | 0 |
| Wabane Holdings | 532,140 | 0 | 1,818,760 | 84,864 | 13,660 |
| SUB TOTAL | 6,328,406 | 8,386,220 | 5,117,200 | 7,162,984 | 2,503,860 |
| TOTAL | R 29,498,670 | | | | |

125. The total amount paid to accreditation agents by the solution providers as well as NSFAS, amounts to R 29,498,670.
126. The amount paid by the 4 solution providers to the accreditation agents was R 26,994,810. These payments were in line with the fees offered in the SLA between NSFAS and the accreditation agents. The balance of the registration

fees received from the accommodation providers namely R6,792,505, was kept by the solution providers.

127. In terms of the SLA between NSFAS and the solution providers, the solution providers had to pay 75% or R 5 094 378.75 to NSFAS. The AGSA and SIU should investigate this to make sure that the share of the accreditation fees was indeed paid to NSFAS.

NUMBER OF INSPECTIONS AND ACCREDITED BEDS

128. The official information received from NSFAS enabled OUTA to analyse some of the properties that were inspected and accredited by the accreditation agents. Although some properties were physically inspected by OUTA, it was impossible to physically inspect all the properties listed by the accreditation agents. Google Maps, Google Satellite and Google Streetview were used to obtain more information. Owners' details were verified at the different Deeds Offices and information received from the public was also used to analyse some properties.
129. The detailed list of the number of beds inspected and accredited were captured in **Annexure "G"** attached hereto. A summary of the number of beds accredited by each accreditation agent under management of the different solution providers are shown in the table below.

| ACCREDITATION AGENTS | NUMBER OF BEDS INSPECTED BY ACCREDITATION AGENTS AND MANAGED BY SOLUTION PROVIDER * | | | | |
|----------------------|---|---------|-------|-------|--------|
| | *Profecia | *Xiquel | *NDT | *TYM | TOTAL |
| 3T LA – Seretlo | 4 083 | 15 756 | 7 072 | 1 294 | 28 205 |
| 690 Signature | 0 | 0 | 398 | 0 | 398 |
| Adam Fae | 2312 | 0 | 6 | 432 | 2 750 |
| Akua Property | 4 428 | 0 | 0 | 1 169 | 5 597 |
| Avex SA 481 | 357 | 6 403 | 0 | 0 | 6 760 |

| | | | | | |
|--------------------|--------|--------|-------|--------|--------|
| Chandla Consulting | 5 207 | 6 509 | 0 | 4 176 | 15 892 |
| Classy Trade | 0 | 0 | 0 | 0 | 0 |
| Divine Inspiration | 0 | 1 022 | 0 | 487 | 1 509 |
| Dunmarsh | 0 | 0 | 0 | 12 | 12 |
| Durapi Consulting | 483 | 0 | 0 | 543 | 1 026 |
| Elandivect | 26 | 18 172 | 0 | 0 | 18 198 |
| Entsika Consulting | 1 019 | 2 668 | 5 771 | 8 476 | 17 934 |
| Fidmart | 0 | 0 | 0 | 245 | 245 |
| GG&G Consulting | 8 450 | 183 | 991 | 3 018 | 12 642 |
| GLE Interiors | 0 | 667 | 265 | 1 232 | 2 164 |
| Innate Safiri | 255 | 0 | 0 | 146 | 401 |
| Iqhayiya Design | 28 | 0 | 0 | 500 | 528 |
| Kendisa Trading | 0 | 0 | 0 | 2 731 | 2 731 |
| Khethakanye | 47 | 0 | 0 | 0 | 47 |
| Khumzi Investments | 6 580 | 0 | 0 | 0 | 6 580 |
| Laphumi Langa | 0 | 3 465 | 7 917 | 2 208 | 13 590 |
| Lomahayihayi | 0 | 0 | 0 | 0 | 0 |
| LTM Building | 0 | 0 | 0 | 594 | 594 |
| Masha Designs | 2 494 | 0 | 0 | 0 | 2 494 |
| Masston | 604 | 0 | 0 | 4 370 | 4 974 |
| Muofhe Properties | 0 | 0 | 0 | 0 | 0 |
| NPS Management | 6 439 | 1 104 | 84 | 12 699 | 20 326 |
| Ongoti Risk | 0 | 0 | 0 | 0 | 0 |
| Peptha Projects | 623 | 5 949 | 0 | 1 952 | 8 524 |
| Reliant Consulting | 0 | 0 | 0 | 2 352 | 2 352 |
| RNMM Property | 0 | 2 722 | 0 | 7 368 | 10 090 |
| Sayakha-Isizwe | 25 | 0 | 0 | 0 | 25 |
| Siyaqhoba | 0 | 0 | 4 583 | 4 754 | 9 337 |
| Student Housing | 10 352 | 0 | 0 | 0 | 10 352 |
| Synergetic | 106 | 0 | 0 | 2 018 | 2 124 |
| Talin Project | 0 | 7 606 | 6 365 | 5 020 | 18 991 |
| TKR Student | 450 | 0 | 0 | 2 887 | 3 337 |

| | | | | | |
|--|-------|-------|--------|-----|----------------|
| Vuv'Amu | 0 | 6 280 | 0 | 0 | 6 280 |
| Wabane Holdings | 4 394 | 0 | 18 009 | 825 | 23 228 |
| TOTAL NUMBER OF BEDS ACCREDITED | | | | | 260 237 |

130. Four of the accreditation agents who were appointed did not inspect a single property and 3 other agents inspected less than 50 beds. Their appointments by NSFAS should be questioned and an explanation is necessary why these service providers' contracts have not been cancelled for failure to perform as agreed in the SLA.

131. The total accredited beds reported by the solution providers with the data that was presented to OUTA, are 260 237. This number is however not a true reflection of the accredited beds. In several instances there were double entries or entries of the same property that was inspected by two different accreditation agents. These double entries should be audited and where two agents were paid for the same inspection or where an agent has been paid twice for the same inspection, the funds should be recovered from the accreditation agents. The estimated double entries are not more than 1000 beds.

132. It should also be mentioned that the total number of beds as indicated above, included institutional owned accommodation in some instances. Although it is not a large number (estimated at around 5000 beds), it should also be audited to establish the exact number of beds provided by private accommodation providers.

133. It is OUTA's opinion that there were approximately 250 000 beds available that were provided by private accommodation providers and that were inspected, accredited and graded.

134. The official information presented by NSFAS with OUTA's PAIA request, indicated that NSFAS paid the accommodation fees of 497 225 students in

2025. The official figures provided by NSFAS show that there are approximately 250 000 accredited beds available. It appears that in 2025 NSFAS paid for about 247 000 beds that were not accredited by the NSFAS accreditation agents.

135. It should be kept in mind that originally there were 17 universities and 22 TVET colleges that were identified to be part of the pilot project. The NSFAS presentation at FAPSA indicated that currently there are 14 universities and 46 TVET colleges that forms part of the pilot project that was managed by the solution providers.
136. It is therefore possible that the 247 000 additional beds that NSFAS paid for are situated at institutions that do not form part of the pilot project.
137. In the presentation that NSFAS did at the FAPSA conference, the number of students whose accommodation NSFAS paid at specific institutions were presented. In most instances there were more accredited beds available than what was needed and paid for. The table below shows the number of students that NSFAS paid for per institution against the number of beds accredited by the accreditation agents for that specific institution.

| Institution | Number of beds NSFAS paid for | Number of beds accredited |
|----------------------------------|--------------------------------------|----------------------------------|
| Nelson Mandela University | 11 626 | 16 068 |
| Walter Sisulu University | 19 531 | 21 464 |
| Fort Hare University | 3 169 | 6 205 |
| University of Limpopo | 642 | 3 083 |
| Sol Plaatjie University | 12 | 1488 |
| Tshwane University of Technology | 751 | 6 781 |
| Goldfields FET College | 29 | 304 |
| Motheo FET College | 1 475 | 5 193 |
| Waterberg FET College | 424 | 990 |
| Buffalo City College | 1 732 | 3 232 |
| Ikhala College | 270 | 477 |

| | | |
|----------------------------|-------|-------|
| Port Elizabeth College | 1 126 | 1 656 |
| Lovedale College | 535 | 943 |
| Northlink College | 689 | 1 239 |
| Flavius Mareka FET College | 362 | 1734 |

138. The data also showed that at a small number of institutions NSFAS paid for more beds than what was accredited. The question is why did the accreditation agents not inspect these properties when it was NSFAS policy not to pay for beds that were not accredited.

| Institution | Number of beds NSFAS paid for | Number of beds accredited |
|----------------------------|--------------------------------------|----------------------------------|
| Boland College | 83 | 66 |
| East Cape Midlands College | 643 | 608 |
| False Bay College | 26 | 19 |

139. Overall, it appears that as far as the student accommodation pilot project is concerned, the supply was greater than the demand. The oversupply of beds was confirmed by NSFAS in a circular notice 1 of 2026 released on 22 January 2026 where accommodation providers were informed that accreditation applications will close with immediate effect for KZN and Mpumalanga excluding 5 TVET colleges where there was still a shortage of beds. This oversupply of beds is in sharp contrast with the perception created by the DHET and NSFAS that there is a shortage of student accommodation in the country.
140. The only way that institutions, students, taxpayers and NSFAS themselves will be able to know exactly how many beds are needed, how many beds are available and what the conditions of student accommodation is in South Africa, will be to do a thorough audit and improve the communication channels between institutions, students, private accommodation providers and NSFAS.

141. OUTA's investigation shows that there are far too many uncertainties and incorrect figures in this multi-billion Rand industry. The students need decent accommodation and taxpayers need to be assured that its contribution towards student housing is well managed and utilised to pay for accommodation that comply with standards acceptable for all the stakeholders.

SUSPECTED CORRUPT ACTIVITIES

142. Besides the irregularities that took place during the evaluation and adjudication processes to appoint solution providers and accreditation agents and the doubt and suspicion on the number of beds available, there are also serious concerns about the standard of properties that were inspected, misrepresentations made by the accreditation agents and landlords on the number of beds in some properties, and the misuse of accommodation by a number of students.
143. It was impossible to analyse each and every accreditation that was done and to make sure that all of the approximately 250 000 beds comply with the standards as set out by DHET, therefor OUTA identified some "problem" properties and accessed samples of the accredited properties for purposes of this report
144. Take note that ownership information is in the public domain and can be verified at the deeds office. The properties mentioned in this report are all accredited properties that can be located on the NSFAS student accommodation portal.

21 APPELBLAAR, ARBORETUM, RICHARDS BAY

145. The property situated at 21 Appelblaar, Arboretum, Richards Bay was inspected and accredited by Elandivect (Pty) Ltd with Xiquel as the solution partner managing this listing. According to the data received from the solution

provider, there are 200 beds at the property that the owner registered and paid for to get inspected. After inspection this property received an A grading which means that the property complied fully with the DHET minimum norms and standards.

146. The property was purchased on 8 February 2014 for R700 000 by Mr XXXXXXX XXXXXXX XXXXXXX and Mrs XXXXXXX XXXXXXX XXXXXXX and registered in the Pietermaritzburg deeds office on 12 August 2014 with title deed T26829/2014.
147. The property name on the solution provider's list is stated as Amancwane. Mr XXXXXXX is the sole director of a company XXXXXXXXXX (Pty) Ltd with registration number XXXX/XXXXXX/07 and registered address at 21 Appelblaar, Aboretum, Richards Bay.
148. An OUTA representative visited the property in November 2025 and took the picture below of the house that, according to Elandivect, have 200 beds available.



149. A Google satellite image shows that the dwelling is the same average size as other properties in the area and it appears to be a normal 3 or 4 bedroom house.



150. It is improbable that this property houses 200 beds as declared by Elandivect (Pty) Ltd and if there are indeed 200 beds, we are concerned about the living conditions. OUTA is of the opinion that the possibility exists that this is a fraudulent submission made by the accreditation agent and owner.
151. In January 2026, NSFAS released a circular to all TVET colleges and universities to inform stakeholders that it came to NSFAS's attention that individuals engaged in the fraudulent sale of student lists to accommodation providers. A student list can be utilised to produce false rental agreements for a property like this.
152. The validity of this submission by Elandivect and any payments from NSFAS to the landlord/owner of this property should be further investigated. It should also be established if there are any lease agreements between students and the landlord and if the students are registered to study at either of the two institutions in Richards Bay namely the University of Zululand or Umfolozi TVET College in Richards Bay.

16 GARDENIA GROVE, ARBORETUM, RICHARDS BAY

153. The property situated at 16 Gardenia Grove, Arboretum, Richards Bay was inspected and accredited by Elandivect (Pty) Ltd with Xiquel as the solution partner managing this listing. According to the data received from the solution provider, the owner paid for the registration of 102 beds at the property. Elandivect certified that there were 102 beds and the property received an A grading.
154. The property was bought on 13 November 2022 by Umbomvu Transport (Pty) Ltd for R2 080 000.00. The property was registered on 17 March 2023 in the Pietermaritzburg deeds office with title deed T5728/2023.
155. Mr XXXXXXXX XXXXXXXX is the sole director of Umbomvu Transport (Pty) Ltd but was only appointed on 23 April 2025, more than 2 years after the purchase of the property. The former director of the company is XXXXXXXX XXXXXXXX who was appointed on 7 May 2018. She resigned on 23 April 2025 when her husband was appointed. The registered address of the company is 16 Gardenia Grove, Arboretum, Richards Bay.
156. An OUTA representative visited the property in November 2025 and took the following picture of the house that, according to Elandivect, has 102 beds



available. In the picture a sign is clearly visible with the words “Umbomvu Group Accommodation”, indicating that the property provides accommodation.

157. A Google satellite image of 2026 shows a clear view of the property with an indication to the Umbomvu Group.



158. It is not impossible, but highly improbable that the property has 102 beds available as declared by the owner and certified by the accreditation agent. OUTA is of the opinion that there is a possibility that this is a fraudulent submission.
159. The validity of this submission by Elandivect and any payments from NSFAS to the landlord/owner of this property should be further investigated. It should also be established if there were any lease agreements between students and the landlord and if the students are registered to study at institutions situated in Richards Bay.

563 ANTON LEMBEDE STREET, DURBAN

160. The Property at 563 Anton Lembede Street in Durban was inspected and graded by accreditation agent 3T LA-Seretlo JV. The data provided to OUTA shows that the property received an A grading and that there are 165 beds on the property.
161. The property was purchased on 30 June 2006 by Orion Properties 22 (Pty) Ltd for R6 000 000 and was registered on 18 December 2006 in the Pietermaritzburg deeds office with title deed T64561/2006.
162. Orion Properties (Pty) Ltd with registration number XXXX/XXXXXXX/07 was registered on 17 February 2006 and the current directors are Mr XXXXXXXX XXXXXXXX, Mr XXXXXXXX XXXXXXXX and Mr XXXXXXXX XXXXXXXX who is also the company secretary.
163. Mr XXXXXXXX and Mr XXXXXXXX are also directors of several companies in the education sector like Educor, Damelin, City Varsity and Icesa City Campus. The property at 563 Anton Lembede Street in Durban served as a training facility of Icesa Education.
164. The pictures below show the building from different angles as retrieved from Google Satellite images.





165. The following images show what appears to be the lecture rooms in the building. The images were posted by members of the public on Google Maps.



(Image – Andrew Burger – Nov 2021)



(Image – Andrew Burger – Nov 2021)



(Image – Andrew Burger – Nov 2021)

166. It is noted that there are no windows visible in the rooms.
167. On 25 February 2026 an OUTA representative visited the property and took the pictures below.



168. It appeared that the property is occupied, although no curtains were visible in front of any windows looking from the road passing the building.





169. A security guard at the entrance of the building was confronted but he could not confirm the status of the building. He was unable to confirm if the building is a training facility or a student residence.

170. OUTA questions the possibility of this building and structure being converted into an acceptable standard to accommodate students in rooms as prescribed by the minimum norms and standards of DHET. It is furthermore doubtful that it could house 165 students including ablution facilities and the other minimum requirements.

171. Further investigations should be conducted by NSFAS, the SIU and any other relevant law enforcement agencies to establish if the building does comply with all norms and standards of student accommodation and if the necessary regulations and bylaws of the eThekweni municipality was adhered to when the building was converted from an educational facility to a residential property.

25 MANTON CRESCENT, RESERVOIR HILLS, DURBAN

172. The property situated at 25 Manton Crescent, Reservoir Hills in Durban belongs to Mr XXXXXX XXXXXX who purchased it in 2007. The accreditation was managed by the solution provider Xiquel Group, and the property was inspected by Chandla Consulting who declared that there are 111 beds in the property and certified it with an A grading. According to the title deed (No T3585/2008) the size of the property is 1868 sqm.
173. OUTA used Google Satellite and Google Streetview to obtain more information regarding the building. The images below show that although it is a big double story building, it is doubtful that it can accommodate 111 students.



(Image captured 2026)



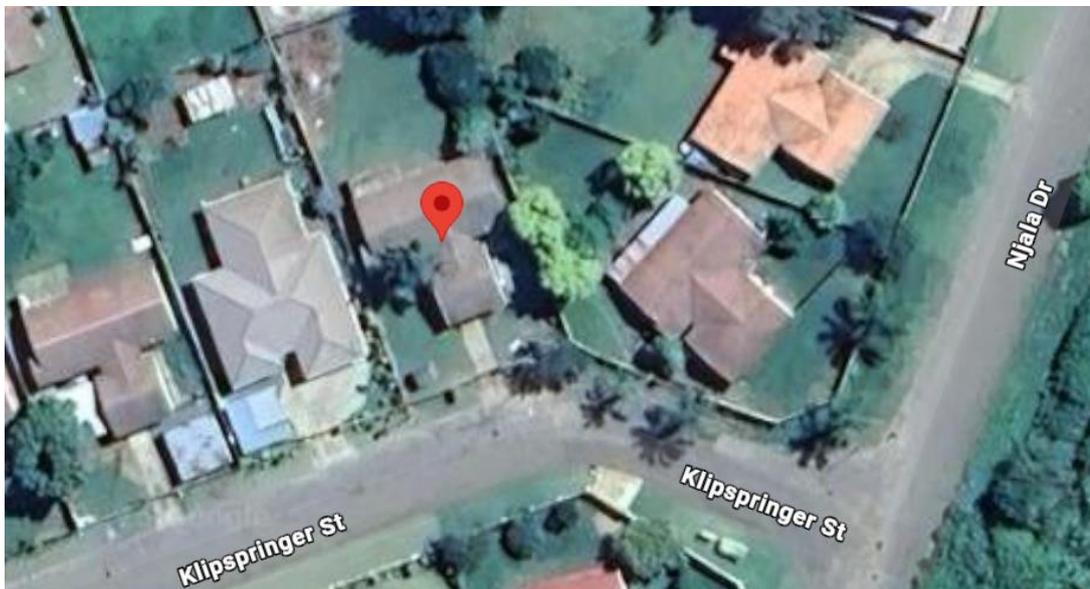
(Images captured November 2025)

174. OUTA is of the opinion that this is a possible fraudulent submission made by the accreditation agent and the property owner. The validity of this submission by Chandla Consulting, any lease agreements between students and the landlord and any payments from NSFAS to the owner of this property should be further investigated.
175. It should further be investigated if this property complies with the minimum norms and standards as prescribed by DHET and if all necessary regulations and bylaws of the eThekweni municipality are adhered to. It was reported in

the media that Mr XXXXXXXX was taken to court in 2016 for R400 000 in unpaid electricity and water usage and for signs of tampering with the electricity meter and illegally consuming electricity.¹⁵

25 KLIPSPRINGER STREET, VRYHEID, KZN

176. The property situated at 25 Klipspringer Street in Vryheid was inspected and graded by Avax SA 481 CC and was certified as a Grade C property with 60 beds. The owner of the property is Mr XXXXXXXX XXXXXXXXXXXX who purchased the house that is on a 905 sqm stand in May 2007 paid the registration fee for 60 beds. The property was registered in the Pietermaritzburg Deeds Office with title deed T33396/2007.
177. OUTA retrieved Google Satellite and Streetview images of the property. It appears that the property is a normal 3 or 4 bedroom house with minimal outbuildings as seen in the images below.



¹⁵ <https://XXXXXXXXXX/XXXXXXXX/XXXXXXX>



178. It is doubtful that this property can accommodate 60 students in accordance with the minimum norms and standards for student living. OUTA is of the opinion that the accreditation agent possibly submitted a fraudulent inspection report to the Xiquel Group who managed the accreditation process.
179. NSFAS and the SIU should investigate the validity of the accreditation report and the circumstances around the inspection of this property. It should further be established if there were any lease agreements signed between the landlord and students and if there were any payments made to the landlord.

1215 MF62 STREET, MADADENI F, NEWCASTLE

180. The property situated in Madadeni Block F at 1215 MF62 Street belongs to Mr XXXXXX XXXXXX who is a XXXXXXXXXXXX at the Newcastle Municipality. He purchased the property on 27 July 2023 for a R100 000 and it was registered in his name on 9 February 2024 in the Pietermaritzburg Deeds Office with Title Deed number T2711/2024.
181. According to the data received from NSFAS, this property was inspected by Peptha Projects on 2 occasions. The first inspection was done on 28 May 2025 and it was reported as non-compliant. A second inspection was done 6 weeks later on 8 July 2025 by Peptha Projects who certified the property as A

Grade with 24 beds. It appears that the owner paid registration fees for both inspections and that the accreditation agent was paid for both inspections.

182. OUTA retrieved images from Google Satellite and Google Streetview to obtain more information about the property. As seen in the images below, it appears that the property is not conducive for student living and it is doubtful that if it is still in the same condition that the property could receive an A grading.



183. NSFAS and the SIU should investigate the validity of the accreditation report and the circumstances around the inspection of this property. It should further be established if there were any lease agreements signed between the landlord and students and if there were any payments made to the landlord.

5 WALNUT ROAD, DURBAN CENTRAL, DURBAN

184. On 29 November 2023, a JSE listed company Delta Property Fund Limited informed its shareholders that the company entered into a sale agreement with Goldview Africa (Pty) Ltd to dispose of its property situated at 5 Walnut Road in Durban. The notice indicated that Mr Tim Liu is the beneficial shareholder of Goldview Africa and the purchase price was R46 million.
185. Goldview Africa (Pty) Ltd was registered on 16 September 2022 with registration number 2022/725108/07. The founding director was Mr XXXXXX XXXXXX who resigned on 8 November 2023. On the same date Mr XXXXXX XXXX and Mr XXXXX XXXXXX were appointed as directors of Goldview Africa. It appears that the company was obtained specifically for the purchase of the building 3 weeks after the appointment of the new directors. The purchase price was paid in cash, and no bond was registered to finance the sale.
186. On 1 March 2024, Mr XXXXX XXXXX resigned and the company appointed 3 additional directors namely Mr XXXXX XXXX (age 29), Ms XXX XXXX (age 30) and Ms XXXXX XXXX (age 32). It appears that all the directors are related.
187. Elandivect inspected and accredited the property in January 2025. The building received an A grading and was certified to have 816 beds.
188. OUTA received information from 2 sources that although it is not impossible, it would be very difficult to convert this office building into acceptable student accommodation that complies with the minimum norms and standards as set out by DHET.
189. Below are different images of the building as retrieved from Google Satellite and Google Streetview.



190. On 25 February 2026 an OUTA representative visited the building and took the pictures below.



191. These pictures were taken between 08:00 and 08:30 in the morning. If there were any students residing in the building, one would expect to see a lot of movement at that time of the day. During this time no one entered or exited the building.

192. A closer look at the main entrance revealed an exhibition of items for sale at the entrance of the building. It is suspected that these items belong to the hardware shop on the ground floor situated next to the main entrance.



193. To the right of the entrance several advertising boards were attached to the palisade fence. One of the advertisements was for available office space.



194. The number on the advertisement was phoned. The person who answered said that there are currently no offices available in the building because of renovations that are taking place. The person also said that the renovations was done for offices and not any accommodation.
195. According to the information received from NSFAS the owner paid R81 600 on 9 January 2025 to register 816 beds to be inspected and accredited. Elandivect did the inspection and accreditation and was paid an amount of R65 280. It is difficult to understand how this property could be accredited to house 816 students and be graded as A grade accommodation when a year later the building appears not to be occupied and apparently undergoing renovations.
196. NSFAS and the SIU should investigate the circumstances around the inspection and accreditation of this property and if there were any signed lease agreements between students and the landlord. It should further be investigated if this property complies with the minimum norms and standards as prescribed by DHET and if all necessary regulations and bylaws of the eThekweni municipality are adhered to.

197. It is noteworthy to point out that Mr XXXXXXXX XXXXXX is a director of different companies that purchased other buildings in Durban that were accredited for student accommodation. Mr XXXX's companies provide over 1000 beds to NSFAS beneficiaries.

**139 BOWEN AVENUE, UMBILO, DURBAN & 36 HYDER ROAD, UMBILO,
DURBAN & 44 HYDER ROAD, UMBILO, DURBAN**

198. The 3 properties situated at 139 Bowen Avenue, 36 Hyder Road and 44 Hyder Road in Umbilo, Durban are adjacent to each other as seen in the illustrations below.

199. The property at 139 Bowen Street belongs to Ms XXXXXXXX XXXXXX and was purchased in February 2018. The other two properties belong to Ms XXXX XXXXXXXX and were purchased in May 2019 and July 2020 respectively.

200. It appears that the properties were offered to NSFAS as one combined unit with the accommodation provider listed as Y&M Importers CC with registration number XXXX/XXXXXX/23. The sole member of the Close Corporation is Ms XXXXX XXXXXX.

201. The inspection for accreditation was done by Elandivect on 25 June 2024. According to the information received the property was accredited to accommodate 80 students and it received an A grading from the accreditation agent.

MAPS

| Satellite | Street |
|---|--|
|  |  |

PROPERTY INFORMATION

| | |
|---------|------------------------------------|
| Address | 139 BOWEN AVENUE, GLENMORE, DURBAN |
|---------|------------------------------------|

MAPS

| Satellite | Street |
|--|---|
|  |  |

PROPERTY INFORMATION

| | |
|---------|---------------------------------|
| Address | 44 HYDER ROAD, GLENMORE, DURBAN |
|---------|---------------------------------|

MAPS

| Satellite | Street |
|---|--|
|  |  |

PROPERTY INFORMATION

| | |
|---------|---------------------------------|
| Address | 36 HYDER ROAD, GLENMORE, DURBAN |
|---------|---------------------------------|

202. A Google Streetview image of 44 Hyder Road captured in February 2023 shows that the property appears to be a normal house with 2 garages on street level with a room on top of the garages and a single-story area to the right side of the building.



(Image February 2023)

203. In November 2025, an OUTA representative visited the property and took pictures of the dwelling. The number 44 can still be seen above the two garages which confirms that it is the same property. There were two floors constructed on top of the garage and the original part of the house. Curtains are visible in front of the windows, and it appears that there are people staying there while construction is ongoing in the front part of the stand.



(Images November 2025)

204. In another picture taken from just a few meters down the street, it is visible that the ongoing construction is a steel reinforced concrete slab on top of some pillars. It appears that the plan is to build another storey on top of the existing structure.



(Image November 2025)

205. When moving down the street with Google Streetview, captured in February 2023, to the next building at 36 Hyder Road, visible construction was taking place.



(Image February 2023)

206. A closer look at the construction at the back of the property reveals some pictures of another building at the back with a staircase going up to it. On the right-hand side there are excavations taking place. The structure does not appear to be safe and stable.



(Image February 2023)

207. The pictures taken by OUTA in November 2025 show that a 3-storey building was built on the site as seen on the Google images above and that construction was still ongoing.





(Images November 2025)

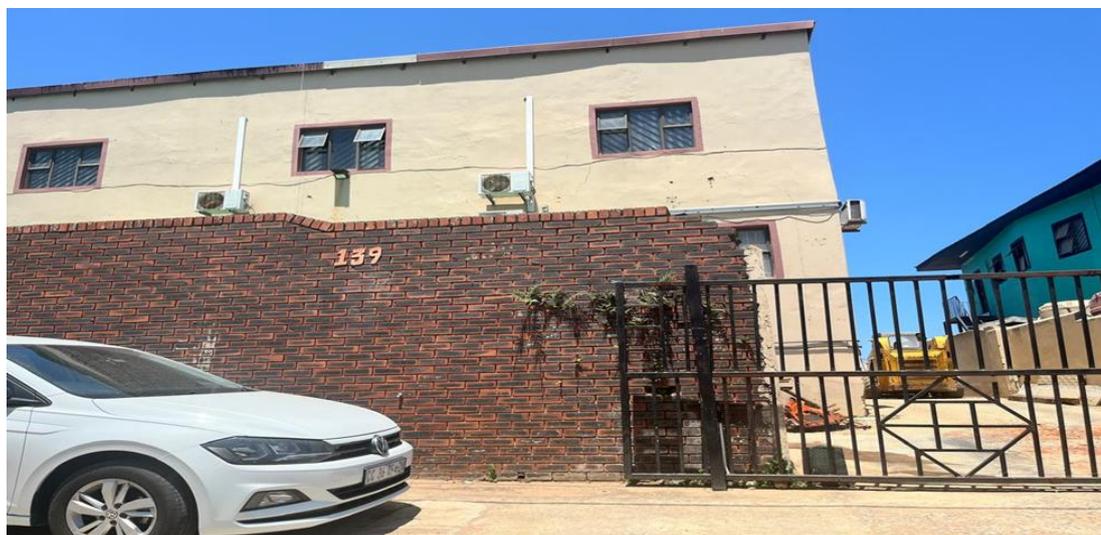
208. As with the building at 44 Hyder Road, there are also curtains in front of the windows and it appears that the building is occupied while construction is ongoing.

209. The Google images of May 2023 of 139 Bowen Street show a double storey building that is visibly occupied, although it also appears that there were still some clean-up and small-scale construction ongoing.



(Image February 2023)

210. The OUTA image of the same property shows that a gate has been installed, that there are curtains in front of the windows and that there is still construction equipment on site.



(Image November 2025)

211. The information received by OUTA alleges that no building plans were submitted for the construction that took place at these 3 properties. It is doubtful that the properties were re-zoned as student accommodation. OUTA is of the opinion that these structures do not comply with municipal by-laws and building regulations. There is also a concern about the safety of students who occupy these buildings.
212. The fact that Elandivect, the accreditation agent who inspected these buildings certified it as an “A” grade property with all health and safety measures in place, is shocking. NSFAS and the SIU should investigate the circumstances around the inspection and grading of the property and require all approved building plans and other related documents to show that all inspections by the authorities have been done. The eThekweni municipality should also be informed about the construction that took place at these properties to make sure that it is safe and conducive for student living.

18 – 20 LANGIBELELA STREET, POINT, DURBAN

213. The building situated at 18 – 20 Langibelela Street in Durban belongs to a Close Corporation, SEMO Investments CC. The sole member of the close corporation is Mr XXXXXX XXXXXX. The building was purchased in August 2002 and registered in the CC’s name on 30 October 2002 at the Pietermaritzburg Deeds Office with Title Deed number T61842/2002.
214. The building was inspected by Talin Projects with Xiquel as the solution provider managing this property portfolio. The property was graded a “B” and certified to have 112 beds.



215. An OUTA representative visited the building in November 2025. No access could be gained, but in a conversation with a security official at the building it was alleged that students rent out their rooms to prostitutes in the area who would use the rooms, especially during daytime.
216. These are serious allegations of misconduct and students possibly abusing their accommodation provided and paid for by NSFAS. We will request NSFAS and the SIU to investigate this further.

5 PICKERING STREET, POINT, DURBAN

217. The building situated at 5 Pickering Street in Durban is owned by the XXX XXXXXX Family Trust who purchased the building in March 2011. The property was registered in the name of the trust in the Pietermaritzburg Deeds Office with Title Deed number T29045/2011.
218. The building was inspected twice by 2 different accreditation agents. On 9 April 2024 Peptha Projects inspected the building and gave it a “C” grading. Three months later on 20 July 2024, the building was inspected again by Elandivect who gave it an “A” grading. Both accreditation agents reported that there are 186 beds in the building.

219. It should be established why the building was graded a “C” and 3 months later an “A” and if there was any improvement and upgrading done by the owner. An OUTA representative visited the building in November 2025 and took pictures of the building that was compared with a February 2023 Google Streetview image. It does not appear that there was anything done to the exterior of the building, and the 2 pictures appears very similar.



(Image February 2023)



(Image November 2025)

220. While visiting the premises, the OUTA representative was informed by security officials at the building that, as with the previous property, students were also renting out their rooms to prostitutes. According to the security guards at the building, the area is known for high levels of criminal activity. Students are exposed to safety risks such as mugging, assaults, drug-related incidents, and other criminal threats. This undermines their well-being and sense of security.
221. It is also noteworthy to reveal that Mr XXXX XXXXXX, a trustee of the trust that owns the building is the father of Mr XXXXXX XXXXXXX, the sole member of Classy Trade and Invest 1222 CC who was also appointed as an accreditation agent. Although Classy Trade did not carry out any inspections, OUTA is of the opinion that a conflict of interest should have been declared when Classy Trade submitted its bid to NSFAS for evaluation and adjudication.
222. It appears that most of the reportable issues came from properties in the KZN province, which is managed by Xiquel, the solution provider for student accommodation in KZN.

223. It also appears that several of the properties that were accredited with issues as identified above, were inspected by Elandivect. This company was already flagged in the 2023 OUTA report with the following notes:

“Elandivect was a shelf company until 2022 when the directors bought it from Shelf Company Warehouse. They were appointed as directors of the company just 2 weeks before the tender was advertised. The company website was also developed in 2022.

Although Hlengiwe Nonsikelelo Lubuzo is one of the directors, her husband is the CEO of the company.

Majalefa Michael Khakhathiba, the other director of the company and the Operations Director of Elandivect, is employed at SASSETA and a former employee of the AGSA.

It is doubtful if the company have the necessary experience, skills and personnel as required in the RFP, if the directors were only appointed weeks before the tender was advertised.”

224. The following concerning issues were also identified that should be further investigated by NSFAS and the SIU:

214.1 Several accommodation facilities currently housing NSFAS-funded students are not formally approved for student accommodation by municipalities. These buildings often do not meet institutional or NSFAS accreditation criteria, resulting in environments that may not be conducive to academic success or safe living.

214.2 Several properties lack approved building plans or do not comply with municipal building regulations. This presents structural risks and increases potential liability for NSFAS, institutions, landlords and service providers.

- 214.3 Certain buildings are zoned or rated for residential use while being operated as business premises. This constitutes non-compliance with municipal regulations. Lower residential rates also create unfair financial advantages for property owners and can contribute to reduced investment in building maintenance or safety upgrades.
- 214.4 Multiple buildings show evidence of poor maintenance, including structural decay, non-functional facilities, pests and unhygienic conditions. These conditions negatively affect students' health, comfort and dignity. Several properties have reported inconsistent or complete lack of basic services such as running water and electricity. This creates severe challenges for students attempting to study, maintain hygiene, or carry out daily living activities.
225. The properties shown and discussed in this report are just a few identified by OUTA with issues that need attention from NSFAS. There are literally hundreds more that should be inspected again to make sure that it complies with the minimum norms and standards. A more comprehensive list with summaries of the identified properties will be handed over to the SIU for further investigation.
226. Although a huge number of properties with issues, as discussed above, were identified, this report will be incomplete if no mention is made about properties of high standard and in compliance with the norms and standards as set out by DHET.
227. There are properties recently developed exclusively for student accommodation that is of excellent quality and standard. There are also properties that were converted from office blocks to student accommodation where the owners went out of their way to make sure that they comply 100% with all municipal bylaws and health and safety regulations. These private student accommodation owners should be commended and NSFAS beneficiaries should embrace the quality of their accommodation.

228. It is a costly and high endurance environment to successfully own, maintain and manage student accommodation and it is therefore extremely necessary for NSFAS to pay these landlords on time and to develop procedures and policies that will eliminate third parties that run up costs and do not contribute towards a non-corrupt and clean business environment, but are only involved for the money.

NSFAS STUDENT ACCOMMODATION OFF-TAKE AGREEMENTS

229. OUTA holds information regarding efforts by NSFAS to offer so called off-take agreements to institutions of higher learning, accommodation providers, developers, investors and all relevant individuals or groups that is available in the public domain, that was obtained with a request for information in terms of the Promotion of Access to Information Act (PAIA) and submitted by whistleblowers.
230. For years the alleged shortage of student accommodation has been a burning issue in South Africa. Although the development of student accommodation multiplied in the last decade, there is according to DHET and NSFAS still a shortage of quality accommodation that is conducive for student living.
231. It appears that NSFAS developed a solution for the student accommodation shortages in the form of off-take agreements together with long term lease agreements. This solution, however, was developed under very suspicious circumstances and requires further investigation.
232. On 23 November 2022, NSFAS presented a value proposition to the Higher Education Portfolio Committee to increase student accommodation capacity by offering off-take agreements where NSFAS will agree to rent 80% or more beds in a property of an accommodation provider for an extended period of time. With these proposed off-take agreements NSFAS would aim to eliminate the student accommodation availability concerns. NSFAS informed the Portfolio Committee that this off-take proposition was supported by a legal opinion.

233. NSFAS advertised the invitation to apply for off-take agreements on 13 October 2022 with a closing date of 10 November 2022, which was extended to 2 December 2022.
234. OUTA received information that letters were mailed to several successful applicants for off-take agreements during 2023. These letters were also a topic of discussion during a recorded meeting between the NSFAS Chairperson at the time, Mr Ernest Khosa, and Mr Thula Ntumba and Joshua Maluleke. OUTA released an investigation report in January 2024 on the recorded meetings where the Chairperson discussed confidential NSFAS information with third parties.¹⁶

PAIA REQUEST

235. On 16 April 2025, OUTA submitted a PAIA request to NSFAS, requesting the following documents and information:
- 235.1 A copy of the case study or research report that enabled the NSFAS board to consider and resolve to offer off-take agreements on student accommodation, to institutions of higher learning, accommodation providers, developers, investors and all relevant individuals or groups;
- 235.2 A copy of the terms and conditions for the off-take agreements for student accommodation;
- 235.3 A copy of the NSFAS board resolution that resolved to publish / advertise and offer off-take agreements for student accommodation for NSFAS beneficiaries, to institutions of higher learning, accommodation providers, developers, investors and all relevant individuals or groups to submit their applications online;

¹⁶ <https://www.oua.co.za/blog/newsroom-1/minister-nzimande-and-nsfas-chairperson-should-resign-1314>

- 235.4 Copies of all applications that were submitted for off-take agreements, including business cases received by NSFAS;
- 235.5 Copies of all evaluations done by NSFAS against the mandatory criteria and the point scoring system for all applications;
- 235.6 Copies of all communiques/correspondence sent to all successful and unsuccessful applicants;
- 235.7 Copies of all off-take agreements concluded and signed between NSFAS and successful applicants;
- 235.8 Copies of all proof of payments made to successful applicants; and
- 235.9 Copies of all letters of authorisation to any NSFAS official to sign letters of engagement and/or off-take agreements on behalf of NSFAS.
- 236. NSFAS replied on 23 June 2025 to OUTA's requests and advised OUTA as follows:
 - 236.1 Following a diligent search of NSFAS records, no proof could be found of any case study or research report that could have enabled the board to consider offering off-take agreements to institutions of higher learning, accommodation providers, developers or investors;
 - 236.2 NSFAS could also not find any copies of the terms and conditions for the off-take agreements;
 - 236.3 OUTA was further informed that no board resolution could be found to advertise the off-take agreements and that the erstwhile CEO, Mr Andile Nongogo, proceeded with the advertisements without board approval;

- 236.4 Despite a diligent search by NSFAS, only one of the applications or evaluations of applications for off-take agreements could be found;
- 236.5 No NSFAS official was authorised or mandated to conclude off-take agreements on behalf of NSFAS. NSFAS provided OUTA with copies of all the letters that were sent to successful applicants as well as all the letters sent to unsuccessful applicants. These letters were all signed by Mr Nongogo;
- 236.6 There was a total of total 94 letters sent to successful applicants and 400 to unsuccessful applications. Some of the successful applicants received more than one letter because they applied for several properties to be evaluated. Most of the letters to successful applicants were addressed to companies but there were also a few individuals who received letters. The list of successful applicants who received letters from NSFAS is attached as **Annexure “H”**; and
- 236.7 NSFAS confirmed that no off-take agreements were ever concluded and no payments were made to any successful applicants.

LETTERS TO APPLICANTS

237. According to the metadata of the documents, the letters to the successful applicants were prepared and authored by a person called Tshepang Thamae¹⁷ on 11 August 2023.
238. The letters were dated 8 August 2023 and addressed to a specific company or individual which included the email details of the recipient.
239. The physical address of the properties that were proposed by the applicants, was captured in the letters. However, in some instances these addresses were

¹⁷ A diligent search for a Tshepang Thamae who is or was employed at NSFAS did not yield any positive results. It appears that it is possible that the author of all the letters that were distributed to the applicants, Tshepang Thamae, was not an NSFAS official.

very vague and incomplete which made it difficult to locate the property for further investigation.

240. The body of all the letters to successful applicants were identical with the following message:

“Thank you for participating in the online application and evaluation of NSFAS’ new venture into property via offtake agreements.

We are pleased to inform you that in the outcome of the evaluation conducted; your proposal was found acceptable to our needs.

There will be, however, a next phase, as stated in the advertisement, which will involve National Treasury for compliance with the relevant provisions of the Public Finance Management Act.

Communication regarding the next phase will be forwarded in due course.”

241. All the letters were signed by Mr Andile Nongogo in his capacity as the NSFAS CEO.

242. A copy of one of the letters to a successful applicant is attached as **Annexure “I”**.

243. The 400 letters to the unsuccessful applicants were also created by Tshepang Thamae. These letters were created on 10 and 11 August 2023.

244. After an analysis of the unsuccessful letters, there were several reasons given to the applicants why their applications were not accepted by NSFAS. The following requirements were identified which unsuccessful applicants failed to address in their applications:

- 244.1 80% and above of the beds will cater for NSFAS beneficiaries;

- 244.2 Funding secured - in principle agreement;

- 244.3 An undertaking that the proposed accommodation meets the minimum norms and standards on student accommodation;

- 244.4 Project to be used as training space during construction or development
- 244.5 Ownership of or the right to use the proposed accommodation;
- 244.6 The potential for economic development in the proposed area;
- 244.7 Addressing other socio-economic issues;
- 244.8 Creation of employment;
- 244.9 The proposed project timelines;
- 244.10 The property promotes a student village concept;
- 244.11 Addressed the shortage of beds (i.e if there is demand in the proposed area);
and
- 244.12 The cost structure (i.e. rental fee) within the NSFAS threshold.
- 245. An example of a letter addressed to an unsuccessful applicant is attached as **Annexure “J”**.
- 246. The reasons given to applicants for an unsuccessful application, gives you the impression that NSFAS did an evaluation of all the applications. However, NSFAS could not provide any of the applications or evaluation results when OUTA submitted its PAIA request. One would expect NSFAS to safeguard almost 500 applications and to keep records of the evaluations that were done and by whom.
- 247. Considering that the author of the letters might not have been an NSFAS employee, that there was no board resolution or any other form of authorisation for this project, that none of the applications that were submitted to NSFAS could be found and that there were no records of the evaluations, makes it difficult to believe that everything was done in accordance with

NSFAS policies and procedures. Although NSFAS' CEO at the time presented this initiative to the Higher Education Portfolio Committee, there is no proof that this was an authorised and approved NSFAS project. Furthermore, the legal opinion Mr Nongogo referred to at the meeting with the Portfolio Committee, is untraceable.

248. When the letters were sent out, NSFAS did not have approval from National Treasury to go ahead with the project. It was stated in letters to the successful applicants that before implementation of the agreements there will be another phase which will involve National Treasury for compliance with the relevant provisions of the Public Finance Management Act.
249. OUTA wrote to all the successful applicants and requested further information on their applications. Only a few applicants responded to the request and OUTA is grateful for their cooperation as it assisted us with our investigation.

TIMELINE OF EVENTS

250. To fully understand the sequence of events and the suspicious nature of this project by NSFAS, it is important to look at the timeline of events and actions taken by certain role players who were involved with the NSFAS student accommodation off-take agreement project.
251. On 14 October 2022, NSFAS placed an advertisement in the Mail & Guardian publication under the heading: ***“Applications for NSFAS student accommodation off-take agreements”*** as seen below.

SPECIAL REPORTS / 14 OCTOBER 2022

Applications for NSFAS student accommodation off-take agreements

By Special Reports

252. In this advertisement NSFAS invites institutions of higher learning, accommodation providers, developers, investors and all relevant individuals or groups to apply for off-take agreements in the provision of student accommodation for NSFAS beneficiaries.
253. There was a statement in the advertisement that the off-take process was not available to accommodation providers who were already providing accommodation to NSFAS beneficiaries at the time of the invitation and stressed that it was for underdeveloped and yet-to-be-developed accommodation facilities.
254. NSFAS further indicated that the granting of off-take agreements will be subject to National Treasury approval, the presentation of a sound business case by the applicants and that there must be a demand for the accommodation in the proposed area.

255. NSFAS also published certain mandatory requirements. It emphasised 80% or more of the proposed beds in a building should exclusively cater for NSFAS beneficiaries, that the accommodation must meet the minimum norms and standards and that the cost per bed should not exceed R45 000 per annum.
256. NSFAS directed potential applicants to its website to apply for the off-take agreements and to upload all required supporting documentation.
257. Applicants were notified that all requests will be evaluated by NSFAS against a combination of predefined mandatory criteria and a point-scoring system. NSFAS will, after the evaluation process, engage with all successful applicants to draft, negotiate, complete and sign the off-take agreement.
258. Applicant were also notified that applications will close on 10 November 2022.
259. The advertisement as published in the Mail & Guardian on 14 October 2022 can be seen below.

The National Student Financial Aid Scheme (NSFAS) invites institutions of higher learning, accommodation providers, developers, investors and all relevant individuals or groups who seek to apply for off-take agreements in the provision of student accommodation for NSFAS beneficiaries. Please note that this process is not applicable to accommodation providers who are currently providing accommodation to NSFAS beneficiaries. It is for underdeveloped and yet-to-be-developed accommodation facilities.

- *The granting of the off-take agreements will be subject to:*
- *National Treasury approval*
- *Sound business cases*
- *Meeting the minimum requirements and points*
- *Demand for accommodation in the proposed area.*

NB: NSFAS reserves the right to partially provide off-take agreements for lesser spaces and/or beds than what is applied for.

- *Mandatory requirements:*
- *Over 80% of the proposed beds should be catering to NSFAS beneficiaries*
- *The proposed cost per bed should not exceed R45 000 per annum*
- *An undertaking that the envisaged accommodation will meet the*
- *minimum norms and standards.*

Please visit www.nsfas.org.za to apply and ensure you upload all required supporting documents.

Upon completion of the online application form

All requests will be evaluated by NSFAS against a combination of pre-defined mandatory criteria and a point-scoring system, following which the outcome thereof shall be communicated to the successful parties.

NSFAS shall then engage the successful parties to draft, negotiate, complete and sign the relevant take-off agreement.

Applications will close on 10 November 2022. All applicants must submit all the required supporting documents including business cases where applicable. The process to accredit existing accommodation is a separate one and its commencement will be announced in due course.

260. A few of the statements made by NSFAS in this advertisement need further scrutiny:
- 260.1 According to the advertisement, the proposed cost per bed should not exceed R45 000 per annum. At the time of publication, the standard fee paid by NSFAS for private student accommodation was R60 000 per annum per student. However, on 31 January 2023, the Minister of Higher Education at the time, Mr Blade Nzimande, announced that the fee paid by NSFAS for student accommodation would decrease from R60 000 to R45 000 per annum per student. It appears that NSFAS had knowledge already in October 2022 that there would be an announcement by the Minister to lower the NSFAS contribution with 25% in 2023.
- 260.2 The reduction in fees in 2023 was not accepted by many accommodation providers and that resulted in less accommodation being available for NSFAS beneficiaries. The unavailability of accommodation for NSFAS students turned into in student protests at the start of the 2023 academic year and left many students stranded without a roof over their heads.
- 260.3 The off-take project then appears to be the perfect solution for a student accommodation crisis. Was the reduction of 25% in accommodation fees part of a strategy that would make the off-take project a viable proposition to overcome any student accommodation shortages? Was the student accommodation emergency in 2023 planned and intentionally created by NSFAS' board and executives to make it easier to obtain approval from National Treasury for the off-take agreements?
- 260.4 From the public's point of view, the fact that there were accommodation providers that were willing to accept a fee of R45 000 per annum per bed when the rate at the time was R60 000, looked attractive. It looked like a huge saving and a cost-saving plan would probably receive support from Treasury, the Department of Higher Education and the public at large.

261. The advertisement and evaluation of off-take applications took place between October 2022 and August 2023. The initial closing date for submissions of applications was 10 November 2022. This closing date was extended until 2 December 2022. At all relevant times, Mr Andile Nongogo was the CEO and the Chairperson was Mr Ernest Khosa of NSFAS.
262. In January 2024, OUTA released a report on recordings of meetings between the NSFAS Chairperson, Mr Ernest Khosa, and Mr Thula Ntumba and Mr Joshua Maluleke¹⁸. The first of 2 meetings that were recorded took place on 15 August 2023. Mr Nongogo was placed on compulsory leave by the NSFAS board on 16 August 2023.
263. During the recorded conversation, Mr Maluleke asked Mr Khosa about certain letters that Nongogo had to sign. Mr Khosa responded that he saw the letters but cannot understand why the letters weren't signed and sent out by the CEO.
264. Mr Khosa stated:
- “If the CEO wants to change a decision that has been taken, he is fighting. I saw the letters. Those things.... Yesterday he was asking if I must take his laptop and I said are you crazy. I cannot take your things. I saw the letters. As a matter of fact, I have contributed in shaping the letters and I added a few things.”*
265. In a media article published by City Press on 22 October 2023, Mr Nongogo was quoted to say that his suspension was linked to lucrative off-take agreements between companies that were handpicked by a senior government official and the NSFAS chairperson. Mr Nongogo alleged that he received a list from Mr Khosa and a ministerial advisor a few months before he was suspended and was put under pressure to ensure that the companies on the list received the off-take agreements.
266. Mr Nongogo further alleged that he became aware that his electronic signature was used after his suspension without his permission to issue student

¹⁸ <https://www.oua.co.za/blog/newsroom-1/minister-nzimande-and-nsfas-chairperson-should-resign-1314>

accommodation off-take agreement letters to twelve potential service providers.

267. Some of the successful applicants who replied to OUTA's the request for more information regarding the off-take letters, stated that they received the letters on or about 20 August 2023 from an email Offtakeagreement@nsfas.org.za.
268. It appears that at the time the letters were mailed to the successful applicants, Mr Nongogo was already on leave of absence. It does however appear that he did not hand over his NSFAS laptop when he left NSFAS on 16 August 2023.
269. The owner of the email address Offtakeagreement@nsfas.org.za and who registered the email at NSFAS is unknown to OUTA.

SUSPICIOUS SUCCESSFUL APPLICANTS

270. During the recorded meeting between Mr Ernest Khosa, Mr Thula Ntumba and Mr Joshua Maluleke, Mr Maluleke asked Mr Khosa about the progress of the letters that were to be signed by Mr Nongogo. Mr Maluleke's interest into these letters appeared strange, given the fact that Mr Maluleke's role during the meeting was not very clear.
271. As alluded to above, Mr Nongogo was quoted in the media that he was put under severe pressure by Mr Khosa and a DHET official to sign off-take letters that were addressed to specific persons. Mr Nongogo also alleged that his electronic signature was used without his consent to sign these letters. He mentioned that there were 12 names given to him to ensure that they received off-take letters.
272. The above mentioned events prompted OUTA to look deeper into the successful applicants to establish if any of the recipients could be linked to NSFAS or DHET officials.

273. There were several companies/individuals identified who received letters that should be further investigated by law enforcement agencies due to their business connections with NSFAS and/or DHET officials, persons who are occupying political positions, individuals who are connected to Mr Joshua Maluleke, persons who were identified by whistleblowers and submitted the information to OUTA, and people who were identified not to be the legitimate owners of properties which were submitted to NSFAS.

AQUARELLA INVESTMENTS

274. Aquarella Investments 68 (Pty) Ltd, with registration number 2005/012832/07, received a letter dated 8 August 2023 from NSFAS that its proposal submitted for an off-take agreement, was successful. The letter was sent via email to dmosia@yebo.co.za. The address of the property was Erf 1499, Bluegumbosch, Phuthaditjhaba, Free State. The metadata of the document showed that Tshepang Thamae created the letter on 11 August 2023 at 10:17:48. The letter was signed by Mr Andile Nongogo in his capacity as the NSFAS CEO.
275. OUTA's investigations revealed that the company has one active director, Mr Diau Daniel Mosia who is also a director of several other companies.
276. His directorship in 2 specific companies, Eggsential Foods (Registration number 2018/340921/07) and Dipalemo Amazotsho Agro Enterprises (Registration number 2016/108722/07) is of particular interest. In both these companies, one of Mr Mosia's co-directors is Mr Nqabekaya (Nqeba) Nqandela.
277. Mr Nqandela was a special advisor for Minister Blade Nzimande during his tenure as the Minister of Higher Education & Training from 2009. In 2012, he was appointed by Minister Nzimande as the Administrator for the Local Government SETA. When Nzimande was appointed as Minister of Transport, Nqandela was appointed as the Transport Department Administrator in the North West province. Currently, he is Minister Nzimande's special adviser in the Department of Science & Innovation. Mr Nqandela is also a director of the

Dr Blade Nzimande Foundation. It appears that Mr Nqandela and Minister Nzimande had a close relationship for more than a decade.

278. A business associate of a senior DHET official should not have been awarded an off-take agreement with NSFAS, an entity reporting to the Department of Higher Education. If the relationship was not declared, it could constitute a conflict of interest.
279. According to deeds office data, Aquarella Investments 68 is the owner of 3 properties. Two properties are in Harrismith in Kwazulu-Natal and the other property is a smallholding in Bloemfontein in the Free State. No evidence could be obtained that the approved property in Bluegumbosch, Phuthaditjhaba was owned by the company.
280. According to a property owner search on Erf 1499 Phuthaditjhaba, the property belongs to the Maluti-A-Phofung local municipality (Title Deed T17185/1999). In the Free State Provincial Gazette of 11 July 2025, a general notice was published for the rezoning of Erf 1499 from “Community Facility” to “General Residential”. It does appear that the property as mentioned in the NSFAS letter to Aquarella did not belong to Aquarella or Mr Mosia and that at the time of the NSFAS letter the property was classified as a community facility which belonged to the municipality.
281. The approval of Aquarella’s application for an off-take agreement should be investigated by law enforcement agencies as well to establish how a company was awarded an off-take agreement for a property they were not the owners of and whether the close relationship between Mr Mosia and Mr Nqandela played any role in the allocation of an off-take agreement or not.

MKHOSI HOLDINGS (PTY) LTD

282. Mkhosi Holdings (Pty) Ltd with registration number 2004/012465/07 received 3 letters informing the company that its application for off-take agreements for the 3 different properties, were successful. The letters were all dated 8 August 2023 and was prepared by Tshepang Thamae on the same date. The letters

were all sent to percy@datacomb.co.za and was signed by Mr Andile Nongogo.

283. The 3 properties stated in the letters were:

283.1 168 President Brand Street, Rynfield AH, Section 2, Ekurhuleni;

283.2 R517 & R57, Phuthaditjhaba; and

283.3 278 Riverbend Gardens, Bedworth Park, Vanderbijlpark

284. The director of Mkhosi Holdings is Mr Serges Ditutu Kanda. He was appointed as a director on 16 January 2023. At the time of the applications for off-take agreement to NSFAS, Mr Percy Dumisani Mkhosi was also a director of the company. He later resigned on 3 February 2025. It appears that the letters from NSFAS to inform Mkhosi Holdings that it was successful with its proposals was mailed to Mr Mkhosi at percy@datacomb.co.za. Mr Mkhosi is also a director and CEO of Datacomb, an economic development consultancy based in Johannesburg.

285. A possible explanation why Mr Joshua Maluleke requested feedback from Mr Ernest Khosa when they met in August 2023 regarding the letters to be signed by Mr Nongogo (as discussed in Par 269 *supra*), could be because he and Mr Serges Kanda are business partners and co-directors on several companies. They are also active business partners and co-directors with Mr Douglas Ramaphosa, the brother of President Cyril Ramaphosa.

286. The description of 2 of the 3 properties mentioned in the letters are very vague and it is difficult to establish exactly where they are situated. The property in Ekurhuleni however, could be identified and it was established that 2 private persons purchased the property on 16 November 2023. Mr Mahomed Aslam and Mr Zahir Hassan Khan bought the property for R3 000 000 from Mr and Mrs Sandford. The title deeds show that the property was registered in the names of the Sandford family from 1989 when Mr Sandford's father bought the property. No link could be established between Mkhosi Holdings and the property in Ekurhuleni. We will request law enforcement agencies to

investigate Mkhosi Holdings and its directors' link, if any, to this property and the position of the other two properties allegedly being owned by Mkhosi Holdings.

BEYOND PANAROMIC INVESTMENTS (PTY) LTD

287. Beyond Panaromic Investments (Pty) Ltd with registration number 2022/315959/07 07 received a letter informing the company that its application for an off-take agreement was successful. The letter was dated 8 August 2023 and was prepared by Tshepang Thamae on the same date. The letter was sent to bpi@beyondpanaromic.com and was signed by Mr Andile Nongogo.
288. The company has 2 directors. Ms Keolebogile Mable Selebano and Mr Tebogo Timothy Modise were both appointed on 22 February 2022 and the registered address of the company is at 1114 Cobbles, The Village Eye of Eikenhof, Johannesburg. Ms Selebano married her co-director, Mr Modise and according to her identification document her surname is now also Modise.
289. The property NSFAS approved for the off-take agreement is situated at 27 Davies Street, Doornfontein, Johannesburg. According to the Johannesburg Deeds Office the property belongs to Iskam (Pty) Ltd, a company with registration number 1944/016890/07 who purchased the property in December 1950 and was registered in the name of the company with Title Deed T9925/1950.
290. Iskam has 1 active director, Mr Gary Hilton Abraham, who was appointed on 1 May 1987. OUTA contacted Mr Abraham to enquire if he was aware that the property was approved by NSFAS for a student accommodation off-take agreement. Mr Abraham informed OUTA that he has no knowledge of the off-take agreement and that Iskam is still the owner of the building.
291. OUTA contacted Beyond Panaromic Investments to enquire about the building it proposed to NSFAS for an off-take agreement. Ms Modise replied that Beyond Panaromic Investments was not the owner of the building but that there was an offer to purchase and that the owner is aware that they wanted

to convert it to student accommodation with 148 beds. As mentioned before, Mr Abraham denied having any knowledge about a sale or student accommodation.

292. Ms Modise submitted an Offer to Purchase (OTP) to OUTA that was signed by herself and Mr Modise. There was no signature for the seller. The date on the OTP was filled in as July 2023, and the metadata of the document indicates that the document was produced on 23 July 2023. The OTP is attached hereto and marked as **Annexure “K”**.
293. The closing date for applications for an off-take agreement was December 2022, at least 6 months before the OTP was produced.
294. The circumstances around this application must be further investigated, together with the suspicion that Mr Modise is possibly a family member of Ms Lesego Modise, a business associate of Mr Andile Nongogo.

MMS PROPERTY TRUST

295. The MMS Property Trust with registration number IT1045/2021 received a letter informing the trustees that their application for an off-take agreement was successful. The letter was dated 8 August 2023 and was prepared by Tshepang Thamae on the same date. The letter was sent to info@mmspropertytrust.co.za and was signed by Mr Andile Nongogo.
296. The trust has 2 trustees, Mr Malwandla Solly Siweya and Ms Mbali Dawn Hlope.
297. Mr Solly Siweya was involved with alleged National Lottery Commission (NLC) corruption and the SIU obtained a freezing order on a house in Sable Hills, Pretoria, registered to the Malwandla Siweya Family Trust. There were also several other allegations of corruption involving Mr Malwandla for millions of Rands.¹⁹

¹⁹ <https://groundup.org.za/article/luxury-homes-and-a-farm-seized-in-new-lottery-crackdown/>

298. Ms Mbali Dawn Hlope was a politician who served as the Member of the Executive Council (MEC) for Sports, Arts, Culture and Recreation from May 2019 to October 2022 and then as the MEC for Social Development from October 2022 until June 2024. She was not reappointed as MEC after the 2024 provincial elections.
299. The property NSFAS approved for the off-take agreement is situated at 9648 Ugilonko Circle, Pimville, Soweto, Johannesburg. According to the Johannesburg Deeds Office the property belongs to Fiona Madi who purchased the house in 2019 from Joseph and Mary Zodwa Hlope, the parents of Mbali Dawn Hlope. According to pictures on Google Maps the property is currently housing students. It is evident that the property does not belong to the MMS Property Trust, Mr Siweya or Ms Hlope.
300. NSFAS and the SIU should investigate this further to establish if there were any fraudulent attempts to obtain an off-take agreement from NSFAS.

KRMS ARCHITECTS

301. KRMS Architects (Pty) Ltd received a letter informing the company that its application for 2 off-take agreements were successful. The letter was dated 8 August 2023 and was prepared by Tshepang Thamae on the same date. The letter was sent to info@krmsarchitects.co.za and was signed by Mr Andile Nongogo.
302. The two properties listed in the letters were situated in Kimberley in the Northern Cape and Alice in the Eastern Cape. The property descriptions were vague and it is difficult to determine where exactly it is situated
303. This matter should be investigated further by NSFAS and the SIU to establish if the application of KRMS complied with the requirements and if the properties that were approved really existed and if they were indeed suitable for student accommodation.

304. As previously stated, OUTA sent letters to all the successful applicants with questions related to their applications. We received responses from a few successful applicants. The most significant answer received was that none of them received any further feedback from NSFAS after the letters to notify them of their successful applications. This took place during period that Mr Nongogo's service contract was cancelled. This increased the probability that Mr Nongogo and Mr Khosa worked on the off-take agreements without involving the NSFAS procurement system and personnel. It may also explain why NSFAS could not provide OUTA with information on the processes that were followed or any other official documentation.
305. We believe that the SIU and the NSFAS board must investigate the conduct of Mr Nongogo and Mr Khosa further.

FINDINGS

306. This report by OUTA should not be seen as the only source of wrongdoing and maladministration. Further investigations ought to uncover more irregularities and corrupt activities by all stakeholders,
307. OUTA found the following:
- 307.1 The appointment of the 4 solution providers was irregular because of the CEO's presence and his direct involvement during the evaluation and adjudication phase of the bids;
- 307.2 The appointment of Training Young Minds was irregular. TYM was appointed despite being disqualified in the first round of evaluation already;
- 307.3 Profecia IT failed to disclose a conflict of interest when it accepted an appointment as a solution provider, an accommodation provider and an accreditation agent. It is a clear violation of paragraph 6.6.1 (a), (b), (b)(i), (b)(ii) and (b)(iii) of the NSFAS Supply Chain Management Policy;

- 307.4 NSFAS neglected to do a thorough due diligence on the bidding companies before they were appointed as accreditation agents. Several of the bidding companies lacked the experience, skills and qualifications to carry out the tasks as set out in the tender document;
- 307.5 NSFAS neglected to continuously monitor and evaluate the work of the accreditation agents which would have ensured that accreditation agents' performance of services and the completion of the scope of work, were in line with the SLA and that accreditation agents didn't appoint sub-contractors. For example, some of the accreditation agents did not inspect and/or evaluate one property;
- 307.6 Official figures received from NSFAS after OUTA's PAIA request, revealed that:
- 307.6.1 There were 806 382 NSFAS beneficiaries in 2025. 566 523 beneficiaries studied at public universities and 239 969 beneficiaries studied at TVET colleges. {There is a difference of 110 beneficiaries in the figures that NSFAS provided to OUTA};
 - 307.6.2 In 2025, NSFAS paid for 72 172 beneficiaries who were accommodated at accommodation owned by public institutions, and paid for 425 053 beneficiaries who were accommodated in private student accommodation;
 - 307.6.3 From 2023 to 2025, NSFAS paid for accommodation of approximately 60% of its beneficiaries. From 2023 to 2025, NSFAS paid on average for 100 000 beds more than the number of accredited beds that were available;
 - 307.6.4 A conclusion can be drawn that NSFAS paid for 367 582 students to stay in accommodation not accredited by the NSFAS accreditation agents;

- 307.6.5 NSFAS paid a total amount of R4 523 198 727.54 for 8 months in 2025 to accommodation providers who were part of the student accommodation pilot project;
- 307.6.6 NSFAS paid accommodation fees at an average of R39 777 per beneficiary per month for university students, and R26 614 per beneficiary per month for TVET students;
- 307.6.7 For 8 months in 2025, the 4 solution providers held back a total amount of R 226 159 935.84 from accommodation providers in lieu of licence fees for the use of the student accommodation portal. This amount represents the 5% automatically deducted from rental fees for accommodation providers;
- 307.6.8 The 4 solution providers had to pay NSFAS an amount of R45 231 986.50 in lieu of licence fees for the use of the student accommodation portal, and R 5 094 378.75 in lieu of registration fees paid by accommodation providers;
- 307.6.9 The accommodation providers (as a collective) lost an estimate amount of approximately R680 million in 3 years because they were forced to use a system designed by 4 service providers;
- 307.6.10 The property owners (as a collective) paid R33 787 315 to register their beds on the student accommodation portal;
- 307.6.11 The accreditation agents were paid R29 498 670 in total to inspect and accredit 260 237 beds;
- 307.6.12 The solution providers paid R26 994 810 to the accreditation agents and NSFAS paid an additional R2 503 860 to the accreditation agents. There is no explanation why NSFAS paid additional amounts to the accreditation agents;

- 307.6.13 Four of the accreditation agents who were appointed, did not inspect a single property and 3 other agents inspected less than 50 beds;
 - 307.6.14 Several double entries of inspections occurred which will bring the total number of beds down to approximately 250 000;
 - 307.6.15 At most universities and TVET colleges there were more accredited beds than what was needed by NSFAS beneficiaries and paid for by NSFAS;
 - 307.6.16 At a small number of institutions, NSFAS paid for more beds than what was accredited;
 - 307.6.17 There is serious doubt about the correctness of the number of beds that are available and whether the so-called shortages of beds for NSFAS beneficiaries existed; and
 - 307.6.18 Several properties that were inspected and accredited by accreditation agents were falsely certified. It appears that the number of beds were inflated and some properties did not adhere to municipal bylaws or the minimum norms and standards as set out by DHET.
- 307.7 NSFAS advertised student accommodation off-take agreements without board approval;
- 307.8 During a public presentation at FAPSA, NSFAS revealed that in 2025 it paid the accredited accommodation of 129 643 students at 12 universities and 46 TVET colleges. A conclusion can be drawn that NSFAS paid for 367 582 students to stay in accommodation not accredited by the NSFAS accreditation agents;

307.9 NSFAS approved 94 off-take agreements. Some of the successful applicants were for individuals linked to NSFAS and DHET officials; and

307.10 A student accommodation emergency was created by NSFAS and DHET when the accommodation fees for private accommodation were decreased. It created an opportunity for off-take agreements to be considered a viable solution.

RECOMMENDATIONS

308. OUTA recommends that:

308.1. The NSFAS board, after considering this report and the SIU report, considers:

308.1.1. Initiating an independent investigation into the 3 main aspects that were discussed in this report, namely the student accommodation portal, accommodation accreditation and the off-take agreements;

308.1.2. Terminating the contracts between NSFAS, the solution providers and the accreditation agents;

308.1.3. Instituting criminal complaints against NSFAS officials and service providers who are found guilty of misconduct and corruption; and

308.1.4. Instituting criminal investigations against landlords who made themselves guilty of any misconduct and corruption.

308.2. The AGSA takes cognisance of the contents of this report which may assist them during the next audit of NSFAS. The AGSA should focus specifically on the payments to solution providers, accreditation agents and accommodation providers;

308.3. SARS uses this report to initiate an evaluation/investigation into the tax affairs of all the service providers who were involved with student accommodation; and

- 308.4. The Higher Education Portfolio Committee in parliament uses this report to enhance their oversight over NSFAS and DHET with a specific focus on all aspects of student accommodation.
309. The contents of this report and all additional information from OUTA, will also be shared with the SIU to assist them with their investigation into NSFAS.
310. This report will also be shared with the Minister of Finance for his attention.