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LEGAL

## SIU to cancel R2.5m NSFAS lease

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THE Special Investigating Unit (SIU) will soon institute legal action to cancel the lease agreement the National Student Financial Aid Scheme (NSFAS) signed for its headquarters in Cape Town.

NSFAS is paying R2.5 million per month for the office rental, a move that raised eyebrows with the higher education portfolio committee.

Higher Education Minister, Nobuhle Nkabane, told Parliament that work was under way to move NSFAS out of its headquarters and set-up regional offices in provinces.

Additionally, Nkabane said the entity's lawyers will provide advice on whether it would be required to pay fines or suffer additional fees for terminating the rental lease agreement after completing their legal opinion in the examination of the lease agreement.

DA MP Desine van der Walt raised the issue of the office lease agreement when the SIU appeared before the portfolio committee on higher education, to report on the investigation it is conducting at NSFAS and other institutions within the higher education sector.

Van der Walt lamented that Nkabane had gone public five months ago to state that the office lease agreement would be cancelled.

"We have not heard yet," Van der Walt said.

The NSFAS offices are being used by Parliament for meetings of its portfolio committees because there are not enough boardrooms in the precinct since some of its buildings were razed by fire.

"It is hypocritical that we have a minister of Parliament who stands up and say we are going to terminate the contract, that we actually go there and have Foreshore View (building) students don't have access to."

"I am shocked that there are other leases that should have been utilised. Public Works can clean them, maintain them, and then utilise them much cheaper. I guarantee you, it will be much more accessible for those we cater to in this environment," Van der Walt said.

Committee chairperson Tebogo Letse confirmed that Nkabane told them that the lease agreement would be cancelled, but that did not mean NSFAS was going to vacate immediately.

"It is not a delay tactic. It is a process that must be followed so that the system runs smoothly," Letse said.

The SIU has confirmed that it will institute litigation to cancel the office lease agreement.

Chief legal counsel Ntuthuzelo Vanara said after receipt of the investigation report that pointed to some irregularities, the corruption-busting body has prepared and obtained the requisite approvals to bring an urgent application, which was in two parts.

"Part A is to interdict the enforceability of the lease agreement because contractually NSFAS is bound to deliver on that lease agreement in terms of payment of rentals because they occupy the building. That is subject to the Part B, which is the main application, which is targeted at the decision to award the tender to this company for the leasing," Vanara said.

He, however, said the SIU was awaiting confirmation from NSFAS in terms of finding an alternative accommodation.

"We do not want to disrupt their operations. We received confirmation that they do have their own building. As to why they moved to leased premises is again one of the issues we are interrogating for purposes of understanding the justifiability of such decision."

Vanara said NSFAS has since indicated that they may in a month be able to vacate the leased premises.

"We should then soon lodge our application, which will save if we are successful because as I understand this lease agreement is for 10 years."

"If we are able to obtain that interdict and set aside that decision, we will save NSFAS millions of rand," he said.