



National Student Financial Aid Scheme

10 Brodie Road, House Vincent, 2nd Floor, Wynberg, Cape Town, 7800  
Private Bag X1, Plumstead, Cape Town, 7801  
Tel No.: 0860 067 327 | 021 763 3200 | Email: media@nsfas.org.za

## OFFICE OF THE CHIEF EXECUTIVE OFFICER MEDIA RELEASE

### FOR IMMEDIATE RELEASE

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### Statement by Minister Naledi Pandor on general updates regarding the phasing in of free education through NSFAS

Members of the media  
Ladies and Gentlemen

We are in the second quarter of the 2018 academic year, which is a significant year in the higher education sector, as government started to roll out free higher education for the first time since the establishment of our democracy. Following the announcement by the former President, that government will start implementing free education in this academic year, a lot of work was done by my Department as well as NSFAS to ensure that our students benefit from this new policy, and also to ensure a smooth transition with the 76 institutions of higher learning in the country.

Given the short time that all stakeholders had between the 16th of December 2017 and January 2018, NSFAS and the Department had to work throughout the end of the year in preparation for the free education policy implementation when the academic calendar started. By the time the announcement of free education was made, NSFAS had already taken applications from students from disadvantaged backgrounds, for financial assistance in 2018. I therefore would like to provide the following updates:

- From 01 August 2017 to 30 November 2017 – which was the NSFAS application window period for 2018 – NSFAS received a total of 410 000 applications. Of these applications, 259 000 were university applicants and 151 000 were TVET college applicants;
- From the 259 000 university applicants, 204 000 met NSFAS funding criteria, of which 178 000 applicants were first entering students and 26 000 were senior students who needed funding to continue with their studies;
- From these university applicants, we have funded 112 000 students as at the current moment. This funded group consists of 95 000 first time entering students and 17 000 continuing students;
- The remaining 92 000 applicants (83 000 first time entering students and 9 000 senior students) qualified for funding but could not be funded because they have not been confirmed as registered at any university;
- On the TVET colleges side, out of the 151 000 young people who applied for funding, 138 000 met the NSFAS funding criteria, of which 136 000 were first time entering students and 2 000 were continuing students. We have funded 83 000 students from this number, with 81 000 of them being first time students and 2 000 being senior students; and
- The remaining 55 000 applicants (54 000 first time entering students and 1 000 senior students) qualified for funding but could not be funded because they have not been confirmed as registered at any college.

Ladies and gentlemen, those are the numbers of students who were not funded by NSFAS before, and applied for funding for the current 2018 academic year. In total, NSFAS is currently funding 195 000 students at public universities and TVET colleges, who are receiving funding for the first time.

We have returning students who were funded by NSFAS in the previous years, who are still continuing with their studies at universities and TVET colleges this year. This group of students did not have to apply for funding. The number of these students who continue to be funded by NSFAS, stands at 216 000. 174 000 of them are studying at universities, while 46 000 of them are studying at TVET colleges.

This number of returning students is based on the registration data we have received so far. The total number of funded students for this year will only be confirmed once all student registration data has been received from all institutions. By end of last week, the funded students tally stood at 411 000, and still counting.

My department has made available a funding budget of R21.5 billion to NSFAS to provide financial support to these students for the 2018 academic year. Of this amount, R5.1 billion has been set aside to assist students at the 50 TVET colleges, and R16.4 billion will assist students at the 26 public universities. This financial support is in the form of registration and tuition fees that are paid to the institutions, and monthly allowances that are paid directly to individual students for books; meals; private accommodation and transport.

In order to assist institutions to process the administration and registration of our students efficiently without delays and hassles that have plagued institutions at the beginning of every academic year, NSFAS disbursed tranches of upfront payments to the 26 universities, totalling more than R2 billion. NSFAS also paid TVET colleges total upfront payments worth R929 million for the same purpose.

In addition, NSFAS has also processed upfront payment of student allowances at thirteen institutions for the months of February, March and April so that our students can pay for their private accommodation and meals, and buy books. The normal process followed is that NSFAS only pays monthly allowances to students after their institutions have sent student data to NSFAS. We have experienced delays and challenges between NSFAS and institutions in that process as it is ICT based. These delays and challenges meant that students would have waited longer before receiving their allowances. The payment of upfront allowances was to avoid compromising students due to problems that were not in their control. NSFAS is running a dual model in 2018:

- One is for returning and continuing students the funds are still limited to a total cap of R76 000 per student per annum, and the qualifying criteria remains R122 000 household annual income. Funding is for full cost of study for the full programme at N+2 to complete the course; and

- The other is for new or first time entrants to higher education or even first NSFAS applicants entering first year in 2018 – the funding is for full cost of study for the full programme at N+1 to complete the course. We appeal to the fee free beneficiaries to make sure they sign their NSFAS Bursary agreements between April and May, as this will be the only way that the bursary offer will be finalised and around which the rest of allowances and tuition fees will be paid. We thank the universities, TVET colleges, students and the South African public in enabling implementation of the fee free education policy. We are making progress, updating systems, and are hard at work to ensure effective implementation of the policy that will bring relief to poor families and certainty to students.

As I draw to conclusion, I would like to highlight that our funding processes for this year is still work in progress, as we will still provide financial assistance to more students who will register for semesters and trimesters at different institutions throughout the year. At this moment, I would like to thank the NSFAS management and employees for the continued good work they are doing in ensuring that the R21.5 billion funding budget of 2018 is spent on all eligible students to mark a successful first year of our free education dispensation.

In order to adequately plan for the 2019 applications NSFAS is consolidating lessons from the 2018 applications cycle. NSFAS has contracted independent auditing firm Ernst & Young, to assist them with the reviewing of internal processes to enhance its operations for better efficiency. Thank You..

#### **Issued by**

NSFAS and University of Fort Hare Marketing and Communications.

#### **Media Enquiries:**

For NSFAS Ms Phatisa Ntlonze, Media Liaison Officer - 078 144 5980 or email [media@nsfas.org.za](mailto:media@nsfas.org.za)

For UFH Mr Khotso Moabi, Manager: Marketing & Communications - 086 628 2026



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