



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

2017 FEE ADJUSTMENT

This communication aims to clarify the announcement and recommendations made by Higher Education and Training Minister Blade Nzimande on 19 September 2016 regarding proposed university fees adjustments for the 2017 academic year.

Government is committed to the principle of affordable and quality higher and technical and vocational education and training.

Government has recommended that universities consider a fee adjustment of up to 8% for 2017.

Fee adjustment for the 2017 academic year:

- National Student Financial Aid Scheme (NSFAS) qualifying students, as well as “missing middle” students will experience no fee increase in 2017. Missing middle students are defined as dependents of families earning up to R600 000 per annum.
- Universities have been requested to cap fee adjustments for the 2017 academic year at 8% above the 2015 fee.
- Government will pay the fee adjustment of up to 8% on the 2015 fee for poor and missing middle students through a gap-funding grant.
- Students qualifying for the gap-funding grant will not be required to repay the fee adjustment. This is a grant and not a loan.
- The exact administrative process for applying for gap funding will be communicated to students and universities before the end of 2016.

EXAMPLE

If your tuition and university accommodation fees were R80 000 in 2015 and your university approves a fee adjustment of 8% for 2017, your fees will increase by R6 400. The total fee will be R86 400 in 2017.

If you are a NSFAS qualifying student

- Government will pay the gap-funding grant of R6 400.
- You will receive financial aid in the form of an upfront allocation (interest free loan) for your studies, which will cover the tuition and university accommodation fees of R80 000. Your loan amount will not increase.

If you are a student from a family with an income up to R600 000 pa

- Government will pay the gap-funding of R6 400. You will still be required to pay your 2015 fee of R80 000.

Government will not provide the gap-funding grant to students who receive scholarships and bursaries from the private and public sector. Respective funders or sponsors of these students will be required to pay the 2017 tuition fees determined by universities.

Students with a family income above the R600 000 threshold will be required to pay the 2017 tuition fees.

International students are required to pay full fees. SADC students will pay according to the current protocol.

Progress towards supporting financially needy students to access higher education at full cost of study

Government has made huge strides in providing upfront tuition fees to widen access to University Education, and free tuition at TVET colleges, for the poorest South Africans through NSFAS.

This needs to be expanded to cover the full cost of study for all NSFAS qualifying students who require it.

Over the past 20 years Government, through NSFAS, has provided grants and loans amounting to R59.7 billion to support students in their university and TVET studies. In 2016, 480 000 students are being supported to study through bursaries and loans.

TVET college education for poor students is tuition-free. NSFAS bursary funding for TVET college students increased from R318 million in 2010 to R2.3 billion in 2016; a huge 700% over 6 years!

University education is free at the point of access for poor students who qualify for NSFAS support. NSFAS loan and grant funding for university students increased from R2.2 billion million in 2010 to R6.4 billion in 2016, a substantial 300% over 6 years. This excludes other government funding that supports students at universities, such as the Funza Lushaka bursary scheme funded by the Department of Basic Education.

Students who qualify and receive NSFAS funding are not required to pay registration fees at universities.

NSFAS only charges interest on the loan amount one year after a student has successfully graduated or exited the education system. The interest is very low in comparison to commercial lending rates and is pegged at 80% of the REPO rate (currently 5.6%).

These loans (capital and interest) are repayable as soon as the student begins to work and earns more than R30 000 per year. The parents of the student are not responsible for repaying the loan. If the student does not secure gainful employment (they remain poor), the loan is written-off.

Up to 40% of the loan may be converted into a bursary each year of study, dependent on the student's year-end results. In the final year of study 100% of the loan is converted into a grant for successful graduation.

How does NSFAS work?

If a student is studying towards a three-year degree and is awarded a loan of R40 000 for the first two years of study, and successfully completes each year, then R16 000 will be converted into a bursary each year.

If this student is awarded a loan of R60 000 in his/her final year and successfully graduates, the R60 000 will be converted into a bursary.

This means that this student, who successfully completes his/her studies in minimum time, will have been provided with R140 000 to cover their cost of study upfront. On graduation 65.7% of the full loan due to NSFAS is effectively converted into a bursary and need not be repaid. Of the full amount provided, this student repays a loan of only R 48 000.

This is how access to higher education is being opened to poor students through state support.

ISSUED BY THE DEPARTMENT OF HIGHER EDUCATION AND TRAINING