



## **STATEMENT ON THE ANNOUNCEMENT OF THE SECOND APPLICATION PERIOD FOR FINANCIAL AID IN 2017**

**15 December 2016**

Good morning ladies and gentlemen of the media, and thank you very much for coming to this briefing.

Today marks 15 days since the National Student Financial Aid Scheme (NSFAS) closed the centralised application period for all application for the 2017 financial assistance for students wishing to further their studies at any of the 26 public universities or 50 TVET colleges.

Indeed, many young people – from rural to urban areas throughout the country - took time to visit all our applications centres to apply since applications were opened from the 01 August 2016 up until the 30 November 2016.

Ideally, we would have liked to wait until the matric results are released before we make any further announcement regarding the 2017 outcome of the applications. However, looking at the numbers of applicants received, looking at the number of calls we receive on a daily bases through our call centre, and the pressure on our higher education institutions to communicate the outcome of NSFAS to their students, we thought it would be important to address the nation on few issues. We also understand that all parents and learners would like to know what will be the next step since applications are now closed.

In the history of NSFAS, this is the first time all applications for financial aid are centrally sent to our office in Cape Town, where the funding decisions will be made. We come from the era where we worked with the universities and the colleges to make these funding decisions. Now we have centralised the system, only NSFAS will make the decision of who is funded and who is not funded. As we celebrate our 25 years of existence, as the Scheme of government, we are proud of this milestone.

Ladies and gentlemen,

You will recall that we began with the transformation of NSFAS in 2013. In 2014, the new model was piloted with approximately 15% of the NSFAS-funded student population in the 2014/15 financial year, with plans to roll it fully to all institutions in the 2016/17 financial year. In essence, when we started this process, 85% of the student population remained with the old system.

We are proud to report that we are on track. We have migrated most of the 85% into the new system. This means that they do not have to ever apply for financial assistance ever again.

We can confirm that, as we stopped counting applications by close of business yesterday, a total of 233 470 were received in order. This number includes both applications made through our website/online form and the manual or paper applications form.

129 382 applications we completed and submitted using myNSFAS account on our website, while 104 088 were manual applications that were completed by hand with supporting documents attached to the form and were submitted together through fax; post or by email. We are still counting and continue to capture.

We can confirm that our website became one of the most visited website ever. On the 28th of September 2016, we recorded over 26 000 unique users in one day - users

visiting our website for the first time. A month later, on 28 of November, two days before the closing date of applications, we recorded over 48 500 unique users - almost double our old record. In the last 30 days, we had 435 096 unique users on our website, while we had over 7, 9 million page views recorded. We have recorded the highest volume in NSFAS history in just one month and we have tripled on our volume our system survived.

As you can see from these numbers, our Online Applications Portal has experienced a heavier than estimated and expected active user load. This load has ranged between 4000 and 5000 active users at any one time. It has resulted in slow response times and intermittent timeouts which in turn would have affected students applying and therefore for the abnormally high level of calls to the Contact Centre.

Simultaneously, we have also experienced an extremely high flow of incoming applications via email (in the order of tens of thousands). Nonetheless, our system has never crashed.

Following the closing of applications, thousands of learners continued to enquire about a possible extension to the applications deadline, because they had not been able to send their applications. As a result of this, the NSFAS executive management engaged with most of our key stakeholders – the department of higher education and training, department of basic education, department of social development, student leaders, vice-chancellors and college principals, registers and financial aid directors to see what can be done to ensure that those who couldn't apply are given another opportunity.

The call by these groups of stakeholders to extend the application period was strong. It gained momentum with each day that passes. On our social media pages, most of the grade 12 learners and some of the students complained about a number of issues and asking a second chance.

We then took it upon ourselves as the executive management of the Scheme to explain to the stakeholders, especially the universities, the implications and the challenges that come with extending the online applications deadline.

We thank the Department of Social Development and Department of Basic Education for assisting us with database of all the learners who set for NSC exams this year and those who are on the social grant database. This will assist us to improve how we rank and evaluate the students who should be prioritized for financial aid. This simply means that support and money follows the learner; secondly, more vulnerable and learners from poor households will receive financial assistance. As communicated by government earlier this week, indeed matriculants who are currently receiving a social grant and are accepted in institutions of higher learning will no longer go through a means test to qualify for financial aid from NSFAS. We are awaiting for results.

### **Opening of the second phase of applications**

After considering all the submissions by our stakeholders, NSFAS executive management decided that it was best to open the second and last application window of application for financial aid as follows.

- NSFAS will re-open for 2017 applications for all learners who have not applied during the 01 August – 30 November 2016 window period;
- Applications for students who wish to study at TVET colleges will open from the 09 January 2017 and close on 14 February 2017; and this is meant to coincide with release of matric results.
- Applications for students who wish to study at universities will open from 09 January 2017 and close on 20 January 2017.

Although NSFAS will accept paper applications, universities and TVET colleges are encouraged to assist students to submit online applications during these application periods. This will speed up the process of evaluation and funding to students.

The second phase of application period will not affect the first phase of the applications that were already received by 30 November 2016. For students who already applied by the recent deadline of 30 November 2016, NSFAS is still evaluating and processing all applications and will communicate the outcomes to students as of the 05<sup>th</sup> of January 2017. For those who will submit applications from 09 January 2017, outcome of applications will be communicated from 01 February 2017.

We are calling on all young people who missed the first application phase this year and need NSFAS financial support, to take advantage of this second opportunity and submit their applications for financial assistance as soon as possible. Online applications can be done on the NSFAS website, while manual applications can be sent via fax, post or email, as with the recent application phase. This is now time to start collating all your supporting documents so that the applications process is smoother.

Ladies and gentlemen,

NSFAS would also like to that this opportunity to share important information with our students regarding the payment of allowances for their food, traveling, books, and private accommodation. NSFAS is rolling out the implementation of sBux, which is a cell phone banking solution that we have introduced to distribute funds directly to individual students for these allowances. Through sBux, a student will be able to access funds on his/her mobile phone, using a security pin and password to access his/her personal account.

This means that students who qualify for NSFAS loans or bursaries will receive allowances in the form of cell phone vouchers to pay for food, traveling, books and

private accommodation. While NSFAS pays tuition fees directly to institutions, we will give allowances for these expenses directly to the students via their cellphones, using sBux. Students will be able to spend these vouchers at NSFAS-registered merchants who have signed up on the sBux programme.

Up to this stage, more than 3 334 merchant outlets have signed in on the sBux programme. These merchants include Shoprite, Boxer, Checkers, Spar, and USave outlets, all of which allow students to redeem their sBux vouchers and buy groceries. Students can also purchase books at registered book merchants using the same process.

Students who are accepted to sBux will receive an SMS welcoming them to sBux. They will follow the prompts and enter their ID number in order to be verified, following which they will receive a password. Two days later, funds will be available in their account for usage. The top 10 book suppliers are also registered in this platform. We will continue looking for ways to improve the disbursement of allowances to students.

Ladies and gentlemen,

We need to emphasise that, when we talk disbursement of the NSFAS allowances at 50 TVET colleges and 26 universities, we talking huge transactions and a one size fits all policy on this disbursement of allowances cannot be applicable due to the unique circumstances inherent within certain Institutions. This is also one of the most difficult spaces we are managing and we are trying our level best to ensure that our students are assisted without delays.

For example, in the TVET sector, where NSFAS pays for transport allowances for students who commute between home and the college, the absence of public transport service providers prevents NSFAS from using sBux to disburse travel/cash allowances to students – such as in the West Coast area.

Under these circumstances, normally the process would be that NSFAS will pay the College, and the College will apply the Bursary Guidelines on NSFAS to pay for

transport through the local service providers of their choice. Note that this solution helps mitigate a drop in enrolment at this particular College.

For the university sector, some of the universities would formally request the NSFAS Board to delay the provision of sBux services. These requests, if made in time, are based on the submissions before the Board. However, these Institutions will be instructed to accredit their respective landlords at least by 31 May 2017.

If Institutions have failed to specifically request (in writing) a deferral of sBux until 2018, sBux will be used to disburse all allowances at these Institutions in 2017.

Our students will also make use of sBux vouchers to buy prescribed books and any other assistive devices. However, I must emphasize that books allowances are not applicable at TVET Colleges because they are supplied centrally by the Department of Higher Education and Training.

The sBux system will also be used for food allowances, where applicable, at all Institutions, unless specifically requested by institutions to delay this system. Some of the universities such as the University of North West, their own cafeteria will be integrated with sBux during the course of 2017 in preparations for the 2018 academic year.

2017 will become the transition year for private accommodation allowances and all Institutions not using sBux in 2017 will be instructed to accredit their landlords by 31 May 2017. For Institutions that have residences, ALL accommodation (including private accommodation landlords) will be paid directly to the institutions.

We will spend most of the 2017 academic year resolving all private accommodation challenges such as landlord accreditation, system development to “lock” students to landlords, dealing with legal considerations and other related matters.

Operating hours during the festive season

NSFAS will not be closing for this festive season. We have dedicated this month of December to deal with all the applications received so that we have the assessment completed before the matric results are released. To respond speedily and effectively to

the application project, we have implemented several operational changes, including the extension of business hours for our contact centre to operate from 08 AM to 05 PM, Mondays to Fridays, and from 08 AM to 04:30 PM on Saturdays. We have also employed more than 60 temporary staff members who will work night-shift to capture all the manual applications received. We have also approved overtime for permanent employees to help in the processing and capturing of manual applications.

In conclusion, we would like to thank our partners who made the applications project a success. We are grateful for the support provided by the National Youth Development Agency (NYDA) when they opened their centres to assist learners with NSFAS applications. We also thank the Vodacom Foundation for availing their 81 ICT centres across the country, for the support and assistance of learners with online applications. We thank the Department of Social Development through the Isibindi Programme, National Association of Child Care Workers who also partnered on this initiative by dispatching NSFAS application forms to all the 278 Isibindi sites which were servicing matric students. We also thank the Department of Basic Education for their assistance with the NSC data.

Last but not least, we are thankful to the Bohlabela Local Municipality in Bethlehem in the east of the Free State province, for their support in distributing NSFAS manual application forms to rural schools in their area, and helping learners to apply. We would not have achieved this success without them. We will continue to enter into more partnerships with other organisations going forward.

I Thank You

Panellists:

1. **Msulwa Daka, Executive Officer**
2. **Richard Mackinnon-Little, Chief Information Officer**
3. **Kagisho Mamabolo, Head of Marketing & Communications/ Spokesperson**

All paper applications forms can be posted to this address: NSFAS Loans & Bursaries Department, Private Bag X4, Plumstead, 7801. All faxed applications can be sent to this fax number: 086 644 2822. All emailed applications can be sent to this email address: [apply@nsfas.org.za](mailto:apply@nsfas.org.za). Tel 086 006 7327