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 **Memorandum from the Parliamentary Office**

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 23**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 08/02/2018**

**(INTERNAL QUESTION PAPER NO 1 OF 2018)**

**Prof B Bozzoli (DA) to ask the Minister of Higher Education and Training:**

With reference to her reply to question 2463 on 5 September 2017 regarding the amount of debt owed to the National Student Financial Aid Scheme (NSFAS) by drop-outs, (a) what is the total number of students who dropped out whose debt adds up to R4,002 billion, (b) of this number, how many dropped out due to (i) academic exclusion, (ii) financial exclusion and (iii) other reasons, (c) what proportion of the debt owed by drop-outs has been repayable for (i) less than three years and (ii) more than three years, (d) what amount of the drop-out debt has (i) prescribed and (ii) been written off and (e) whether each amount has been included in the total amount of debt owed to NSFAS by drop-outs?

**NW27E**

**REPLY**:

The National Student Financial Aid Scheme (NSFAS) has provided the following responses to the questions posed.

1. The total number of students who dropped out is 122 769.
2. NSFAS does not currently require universities to provide the reasons for students dropping out. NSFAS defines a dropout as a student who has not formally graduated from the university at which he/she was funded and is currently not studying. Debtors are classified as either “studying”, “graduate” or “dropout” in the loan management system with no breakdown in terms of the reasons for a debtor having dropped out.

Using the Higher Education Management Information System (HEMIS) and information submitted by the universities annually, NSFAS is able to determine whether a funded student has graduated from an undergraduate programme of study. NSFAS does not currently have a mechanism to identify if a student has transferred to another university for continued studies, however it will be developing this capability in the future.

1. NSFAS debt becomes due and payable one year after a debtor has exited the higher education system, is employed and earns more than R30 000 per annum. Debtors are required to inform NSFAS as soon as their status has changed, i.e. they have exited the higher education system, become employed and earning above the repayment threshold. In terms of section 24 of the NSFAS Act No. 56 of 1999, as amended, NSFAS conducts a loan book matching exercise with the South African Revenue Service on a quarterly basis to establish the employment status and contact information of debtors where such information is available.

The table below shows the number of debtors who have dropped out of the higher education system, and the number of years that their debt has been repayable.

|  |  |  |  |
| --- | --- | --- | --- |
| **Less than 3 years** | **More than 3 years** | **Not yet due and payable** | **Total** |
| 31 627 | 67 348 | 23 794 | 122 769 |
| 26% | 55% | 19% | 100% |

1. None of the dropout debt was considered to have been prescribed as at
31 March 2017.

NSFAS only writes off debt in respect of individual debtors who are deceased or permanently disabled on receipt of death certificate and/or confirmation through the Department of Home Affairs in respect of deceased debtors and medical confirmation in respect of permanently disabled debtors. Data on write-offs in respect of debtors who have dropped out and are deceased or permanently disabled will require further analysis of the loan book.

1. Debt written off due to death or permanent disability are not included in the total amount of debt owed to NSFAS by dropouts.

**COMPILER DETAILS**

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**RECOMMENDATION**

It is recommended that the Minister signs Parliamentary Question 23.

MR GF QONDE

DIRECTOR–GENERAL: HIGHER EDUCATION AND TRAINING

DATE:

PARLIAMENTARY QUESTION 23 IS APPROVED / NOT APPROVED / AMENDED.

COMMENTS

PROF HB MKHIZE, MP

MINISTER OF HIGHER EDUCATION AND TRAINING

DATE: