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#FeesMustFall

The mid-October student protests caught the media headlines, and brought to light many of the broader national issues which also impact higher education and students generally. The call for a 0% increase in fees, which was then effected, was welcomed in many quarters – although the sustainability of the move has been questioned.

In 2012 the TEE College Board of Directors opted not to increase fees for 2013. Some fee amounts were rounded to the nearest R10 to make payments a little easier, and as the Dip.ThMin was beginning its phase-out those fees were reduced significantly. The Board was aware of the knock-on effects of the earlier global financial catastrophe and sought to keep fees as manageable as possible, although this decision then required the Board to pass the College's first deficit budget in 20 years. The Board of Directors then kept fees at that same level for 2014 – two years in a row with a 0% increase and long before the national call for such.

TEE College is not publically funded in any way; it is a creation of the churches for the churches. Technically it is a registered Private Higher Education Provider. This means that it is regulated by government, but that it gets nothing from government to assist the College's work or its students. We therefore have to find a way that is fair and affordable.

In setting fees we ask the question: Is TEE College "simply cheaper" than other institutions, or are we "as cheap as possible"? We have opted for the latter. This has meant a staff reorganisation over the past two years (with some departures), streamlining and automating processes, sourcing service providers and negotiating rates to ensure quality service together with affordability, evaluating our expenses to reduce costs, etc. In addition our 'economies of scale' mean that substantial student enrolments enable us to be cost effective.

The part that has been spiralling out of control is student debt – fees not paid. This is where students who opt for the instalment option do not fulfil their obligations. In 2015 the College has been very deliberate in following up outstanding accounts – but there has been minimal positive response. By 30 September the fees for the year should have been settled yet we faced a shortfall of 2.4 million rand in outstanding fees.

The College has an operating budget of approximately nine million rand. 85% comes from student fees. Donors contribute 1.2 million rand which is used for programme development and to sponsor student fees in general (all students benefit from that). The difference comes from the interest earned off the fees that were paid up-front (those who got the Option A discount). Ultimately this means that those who do pay also end up paying for those who don't (through the annual fee increases) – and the Board believes that this is unjust and must change.

THEOLOGICAL EDUCATION BY EXTENSION COLLEGE

Registered with the Department of Higher Education and Training as a Private Higher Education Institution under the Education Act (71 of 1997) (2008/HE08/002). A registered non-profit Company (2007/030481/08)

A Board of Directors meeting authorised two decisions in principle. That when students fail to meet their instalment obligations then they are not offered any instalment option in the future – they must then pay their fees up-front in full; and that students who refuse to make arrangements for their debt will be handed over for debt collection. Grace was extended to October 31st to allow people to resolve 2015 debt ahead of the 2016 academic year. Given the varied and even destructive practices of some debt collectors, we are talking to companies who assist people through debt rescue and debt counselling.

This particular issue sits in a wider context of growing unemployment, a shrinking economy, rising costs of living, etc. TEE College is not a registered Credit Provider and therefore does not enter into Credit Agreements nor performs “means testing”. This makes it possible for people to sign up for what they might not be able to afford – and we have no way of knowing that until they default. The Board is currently debating whether we remove the instalment option entirely and require that all fees be paid up-front in full.

This will place a burden and hardship on those who rely on an instalment option and have faithfully fulfilled their obligations. Such a move will drastically impact college enrolments which is also our primary income source. The first step in resolving this predicament was outlined in the letter sent to all students together with their September 2015 statement: known defaulters will not be offered the instalment option going forward. Those who have managed their instalments responsibly will still be offered the instalment option for 2016.

The Directors have a duty to keep the College functional and affordable so that those who start studies with TEEC can be assured that the College will still be in operation when it is time to graduate. For 2016 fees will be increased modestly and the accumulating student debt will be contained. That will leave the Board of Directors with the flexibility to freeze or even decrease future fees, as they have done in the past.

More than that the College continues to develop and refine its programmes for the benefit and extension of ministry through the churches of Southern Africa. The College has a proud history of providing contextual and relevant theological education for the past four decades, and we intend to continue that tradition for God’s future ministry in our sub-continent.

Board of Directors
TEE College