



Technical & Vocational Education Training Colleges Governors' Council

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To:

The Secretary

Commission of Inquiry into Higher Education and Training

P. O. Box 13 Kempston Park

1620

31 May 2016

Re: TVET COLLEGES GOVERNORS' COUNCIL SUBMISSION: PRESIDENTIAL COMMISSION OF INQUIRY INTO HIGHER EDUCATION AND TRAINING (THE FEES COMMISSION)

Please find below the submission of the TVET Colleges Governors' Council (TVETCGC) to the Presidential Commission of Inquiry into Higher Education and Training (The Fees Commission). The source documents used in the submission are the Freedom Charter and the Constitution of the Republic of South Africa. Detailed source documents and rationale behind the submission will be provided when invited to provide an oral presentation to the Commission.

TVETCGC is willing to present the oral submission to the Commission if requested to do so and English will be a preferred language for such submission. The organisation will be represented by the National Office Bearers and we are flexible with the presentation timeframes and we will also accept the invitation to present in your offices or any other venue that might be conducive within the Gauteng Province.

Kind Regards,

A handwritten signature in black ink, appearing to be "Dr Zuma", enclosed in a circular scribble.

.....
Dr Zuma, PhD (TVETCGC National Deputy Chairperson)

For and on behalf of the TVET Colleges Governors' Council



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TVET COLLEGES GOVERNORS' COUNCIL SUBMISSION: PRESIDENTIAL COMMISSION OF INQUIRY INTO HIGHER EDUCATION AND TRAINING (THE FEES COMMISSION)

1. Background of the Organisation

The Technical Vocational Education and Training College Governors' Council (TVETCGC) is an organization composed of the chairpersons of TVET Colleges in South Africa registered with the Department of Labour as Employer Organisation. The strategic intent of the organization is to create a College Mindset which can serve as a foundation for the development of a Model College. The Mindset will also serve as a beacon for carving a strategy intended to guide the development and growth of TVET Colleges.

Our integrated strategy requires a review of the Strategic Vision, Mission, Values, Strategies, Systems and Policies with a view to ensuring alignment with the characteristics of the envisaged Model College: Excellence in: Governance, Empowering Leadership, Management, Teaching and Learning, and Community Engagement Programmes. Following a strategy towards a Model College avoids floundering and waste of time and resources. We seek to undertake research and scholarship within the framework of higher education to explore, determine and incorporate new knowledge.

2. Introduction

We acknowledge that the constitution of South Africa is a premise of the Freedom Charter which pronounces that education should be free to all citizens. The Freedom Charter however comes short of the modalities of how the funding of institutions should happen.

We therefore submit that there should be no conflict between the founding document, the Freedom Charter and the constitution of South Africa thereby supporting the call for free education in South Africa.

We acknowledge the strides taken by the government through funding models such as NSFAS and Skills Levy. However, these models and other existing funding models do not address the funding problems of free education the country is facing as a whole.

3. Submission

3.1 We submit that we support free education call for higher education as stated in the Freedom Charter and Section 29 of the Constitution of the Republic of South Africa.

3.2 It is undeniable that the state is responsible for providing the education funding through FISCUS. We therefore submit that the FISCUS should have a reasonable percentage increase of the Income, Capital Gains and PAYE Taxes and skills levy ring fenced for funding free education for all public institutions.

3.3 Furthermore, the resources ring fenced for funding private institutions according to Section 29(4) of the Constitution of South Africa should be recalled and be used to fund public institutions.

4 Proposed Funding Options

4.1 FISCUS

Education is the APEX programme of government of South Africa. This means that education is the highest priority of government and all resources should be channelled such that there is no unfunded mandate as far as education is concerned. While education is receiving reasonable percentage of the allocation, it is not equitable to the average GDP percentage allocation that developing countries ring fence for education. Hence it is not addressing the issue of free education in the country. Therefore, government must allow a sufficient percentage increase from the FISCUS allocation to fund free education. We acknowledge that there are competing interests and needs for the FISCUS, and therefore, we submit that should the percentage increase allocation not be enough to deliver free education, the options detailed below be explored.

4.2 Skills Development Levy

4.2.1 Increase of the skills levy percentage to 5% on the sliding scale.

4.2.2 Consolidation of all skills levies collected in the country to primarily focus on free education, where at least 65% skills levy collected must fund free education and the remainder fund skills programmes.

4.3 Funding of all private institutions by FISCUS

4.3.1 Subsidy provided by government to all private institutions from basic to higher education must be reduced and the resources should thereafter be reallocated to fund education in public institutions.

4.3.1.1 Section 29(3) of the Constitution of the Republic of South Africa states that everyone has a right to establish and maintain, at their expense, independent educational institutions. While Section 29(4) of the Constitution of the Republic of South Africa does not preclude

the government to subsidise such private institutions, it does not oblige the state to fund them.

4.3.1.1.1 This submission is on the basis that using a private institution is a matter of choice and affordability with a specific target market being persons who can afford to study in such institutions with or without the government subsidy.

4.4 Taxes

4.4.1 Government should explore possibilities of education tax through amending the current tax systems to cater for such an education tax fund.

4.4.1.1 Adding of a 1% percentage increase in the income tax and be ring fenced for education tax.

4.4.1.2 Adding of a 0.5% percentage increase in the PAYE tax and be ring fenced for education tax.

4.4.1.3 Adding of a 5% percentage increases in the Capital Gains Tax and be ring fenced for education tax.

4.5 NSFAS Capacity

4.5.1 NSFAS capacity must be strengthened as a matter of urgency to distribute education funds equitable and efficiently across the higher education sector including TVET Colleges, Community Colleges and Universities. This is in line with the NDP 2030 targets in growing higher education in order to respond to the country's skills needs.

4.5.1.1 The biggest sector of the higher education in South Africa should be the TVET Colleges as the skills machinery followed by Community Colleges offering basic skills and the Universities focusing on the higher level soft skills.

4.5.2 NSFAS should have improved debt collection systems to avail more funds for redistribution.

4.6 Institutional Independency and Autonomy vs Financial Funding Model

4.6.1 We submit that institutional independency and autonomy does not mean that government cannot regulate those institutions.

4.6.1.1 Independency and autonomy refer to academic freedom.

4.6.2 In the TVET sector, dual reporting and accountability of the colleges' principals is a problem as the principals have to account to the council and yet have an employer/employee relationship with the state.

4.6.2.1 This leads to principals choosing where to account and the department undermining governing college councils.

4.6.2.2 We therefore submit that principals should be appointed by councils and be fully accountable to the college governing body as statutory bodies of the college as per Section 10 of the CET Act of 2006 as amended.

4.6.3 Treatment of all Higher Education Institutions by the Department of Higher Education must be equal.

4.6.3.1 TVET institutions are not step children institutions who are after thoughts in everything e.g. funding, debt relief, infrastructure funding, etc.

5 Recommendation

5.1 We submit that we support free education call as stated in the Freedom Charter and Section 29 of the Constitution of the Republic of South Africa.

5.2 We recommend to the Commission that a sustainable free education model be phased in on incremental basis with effect from 2017.

5.3 We submit that the FISCUS should have a sufficient percentage allocation increase to fund the delivery of free education for all public institutions.

5.4 We firmly recommend the reduction of subsidy funding of private institutions according to Section 29(4) of the Constitution of South Africa.

5.5 There must be uniformity in the funding and distribution model by NSFAS for the universities, TVETs and Community Colleges. NSFAS is an agency that must holistically deal with the dispensing of the education funds and not the Department of Higher Education as this has been the major cause of strikes at the TVET Colleges.