

STATEMENT BY THE MINISTER OF HIGHER EDUCATION, SCIENCE AND INNOVATION, PROFESSOR BLADE NZIMANDE ON DEREGISTRATION OF THE EDUCOR COLLEGES

26 March 2024

Programme Director, Mr Veli Mbele;
Chairperson of the Council on Higher Education;
My special advisor, Mr Nqaba Nqandela;
DDGs Present;
Members of the media;
Fellow South Africans:

Over the past few days, my Department has been receiving a flood of media queries on our decision to cancel the registration of four Educor institutions, namely, City Varsity (Pty) Ltd, Damelin (Pty) Ltd, Icesa City Campus (Pty) Ltd and Lyceum College (Pty) Ltd.

We have also noticed that the overwhelming media and public interest in this matter. In response to all this, we thought we should call a media briefing, which would afford us the space and time to take the nation into confidence on the reasons for our decision to cancel the registration of the colleges I have mentioned.

Most importantly, we also thought that we should use this opportunity to outline the steps we have taken to deal with the compliance failures of these institutions and explain the steps we have taken in order to safeguard the interests of students and all other affected groups.

We must also state that, in addition to receiving an unusually high number of media queries on this matter, we also noticed that most of the media queries we received from the various media houses, were almost identical.

We therefore thought that, given the sheer volume of these media queries, their similarity, the intricacies of this matter and the imperative of communicating a coherent message, the most realistic approach would be to host a full media briefing.

Legal obligation

As it relates to the legal obligation of my Department, the Higher Education Act of 101 of 1997, as amended, empowers my Department to, among others;

- To provide for different categories of registration of private higher education institutions and the associated rights to extend the power to award diplomas, certificates and confer degrees to private higher education institutions; and
- To provide for the withdrawal and revocation of qualifications by public or private higher education institutions.

In line with the objects of the Higher Education Act, in 2016, I repealed the 2013 Regulations for the Registration of Private Higher Education Institutions and published new ones.

The new Regulations outline the application process, requirements for registration, responsibility of an institution and the appeals procedure that must be followed by individuals or entities that wish to register a private higher education institution.

Further to this, the Higher Education Quality Committee (HEQC) of the Council on Higher Education (CHE) is responsible for the accreditation of higher education programmes.

Cancellation of the registration of the Educor institutions

In line with these legal prescripts, on 26 July 2023, the Director-General, in his capacity as the Registrar of Private Higher Education Institutions, cancelled the registration of the following Educor Institutions-

- City Varsity (Pty) Ltd;
- Damelin (Pty) Ltd;
- Icesa City Campus (Pty) Ltd; and
- Lyceum College (Pty) Ltd.

These cancellations were carried out in accordance with the 2016 Regulations for the Registration of Private Higher Education Institutions and the applicable sections of the Higher Education Act.

Failure to comply

More specifically, these four institutions failed to comply with the following requirements of the Act and Regulations:

- Fulfil the requirements for registration contemplated in Section 57(2)(b) of the Act; and
- Discharge its responsibilities as required by Chapter 6 of the Regulations.

In particular, the Educor institutions have failed to submit their annual financial statements and the tax clearance certificates for the 2021 and 2022 years, as proof of their financial viability. We are now moving into the 2023 cycle.

The four Educor institutions were required to lodge an appeal with the Minister on or before 26 September 2023. They then requested an extension to 28 February 2024, and are now seeking a further extension.

In addition to failing to submit evidence of their financial viability to the Department, the four Educor brands can be deemed as dysfunctional and this is mainly measured against the daily complaints and grievances received from students, most of which remain unresolved.

In addition to this, the following serious issues were brought to my attention as Minister:

The Higher Education Quality Committee has withdrawn the accreditation of some programmes for City Varsity (Pty) Ltd, Damelin (Pty) Ltd and Lyceum College (Pty) Ltd.

Misrepresentation on Student Numbers

Educor (Pty) Ltd claims to have **50 000** learners in the system. This information is incorrect since the 2022 annual reports indicate the breakdown of student enrolment as follows:

Table 1: Student Enrolment

Institution	Student Enrolment
1. City Varsity (Pty) Ltd	540
2. Damelin (Pty) Ltd	4 012
3. Icesa City Campus (Pty) Ltd	145
4. Lyceum College (Pty) Ltd	8 399
TOTAL	13 096

Complaints received from Students

For some time, the Directorate has been receiving many complaints from students against the Educor institutions, most of which remain unresolved. These complaints relate to the following-

- Poor quality of teaching and learning;
- Lack of proper administrative support;
- Poorly qualified staff;
- Corruption and bribery;
- Lack of response for requests for refunds;
- Lack of professionalism;
- Exploitation of poor students;

- Non-payment of staff salaries; and
- Under-payment of staff salaries:

Complaints Received from Students on INTEC College (Pty) Ltd, Damelin Correspondence College (Pty) Ltd and SETA accredited programmes

These complaints extend to the other brands such as INTEC College (Pty) Ltd and Damelin Correspondence College (Pty) Ltd, which fall under the jurisdiction of the Quality Council of Trades and Occupations (QCTO). The QCTO has not been able to restore stability within these two institutions and students continue to be exploited.

These complaints also extend to the offering of the Sector Education and Training Authorities (SETA) accredited programmes. The SETAs have not been able to restore stability with the Educor institutions and students continue to be exploited.

Complaints Received from Students on Central Technical College

These complaints extend to their registration as Private Colleges. Our Directorate: Registration of Private Colleges has already issued these institutions with a notice of intent to cancel registration.

In November 2023, the Department's examination section suspended the exam centre registration for the site in Pretoria approved to Central Technical Colleges since staff members did not turn up for invigilation and many students have been left stranded.

Sudden Closure of Sites leaving Students Stranded

The sites of some institutions closed suddenly for reasons of failure to pay the rent, staff salaries and/or the municipality. These are the following:

- **City Varsity (Pty) Ltd** at Braamfontein: Closed because staff withdrew their services for non-payment of salaries and students were left stranded;
- **Damelin (Pty) Ltd**: The sites at Braamfontein, Port Elizabeth, Cape Town, East London closed suddenly since they were in arrears with the municipality and rental and students were left stranded; and
- **Lyceum College (Pty) Ltd**: The only site was closed due to an eviction order by the landlord for failure to pay the rent and students were left stranded.

Allegations of Corruption

On 08 January 2024, our Directorate: Registration of Private Colleges wrote to these four Educor institutions and requested them to respond to a list of allegations of corruption against them. To date, they have not responded.

Concern regarding students and the way forward

All stakeholders are expressing some sort of concern for the affected students. In this regard, the following must be noted:

- Educor will be given a phase out period in which to phase out pipeline students;
- Educor would have to reimburse students where it is due;
- The latest numbers of enrolled students as per the 2022 annual report is 13 096, not 50 000, as Educor claims;
- One challenge for students is the transfer of credits considering the RPL and Credit Accumulation Transfer policy; and
- Another challenge could be students repeating some modules or paying extra fees.

Conditions attached to the cancellation of registration

I now wish to conclude by outlining the conditions and obligations that the decision to cancel their registration imposes on these four Educor institutions:

- a) The cancellation of the registration of City Varsity (Pty) Ltd will take immediate effect;
- b) As of the date of this letter, City Varsity (Pty) Ltd must not enrol new students on any year of the programme;
- c) City Varsity (Pty) Ltd must phase out pipe-line students by 31 December 2023;
- d) City Varsity (Pty) Ltd must submit a teach-out plan which includes Items (a) to (f) below to both the Department and the CHE, within 2 weeks of the date of this letter;
- e) The teach-out plan must also include the number of learners in the pipeline and when learner records will be uploaded onto the National Learner's Records Database;

- f) The teach-out plan must indicate that returning students who did not complete the programme within the stipulated time will not be admitted post 31 December 2023 and that they would need to complete their programme at another institution; and
- g) Students must be informed accordingly.

Obligations of an institution on the cancellation of registration

An institution that has been notified by the Registrar that its provisional registration has lapsed in terms of Regulation 17(3) or that its provisional registration or registration has been cancelled in terms of Regulation 17 must-

- (a) inform its students within 14 days from the date of the Registrar's notice that its registration has lapsed or been cancelled and notify the students of the arrangements that will be made to safeguard their interests in terms of this regulation;
- (b) issue to each enrolled student a copy of his or her academic transcript as contemplated in regulation 25;
- (c) reimburse or compensate any enrolled student who has a lawful claim on the institution as a consequence of its ceasing to operate from funds established as contemplated in regulation 12(2);
- (d) make adequate arrangements for affected students to complete their programmes at a comparable public or private institution;

- (e) cease operating before or at the end of the academic year, and any institution that fails to comply is guilty of an offence in terms of section 66 of the Act.; and
- (f) ensure that no new students are enrolled after the date specified by the Registrar.

In conclusion, there is not much information available about the current leadership structure at Educor and there is no credible evidence to suggest that the management of Educor is working to improve or correct some of the serious governance and compliance failures I have referred to.

What we are seeing instead are students and staff being left stranded and we wish to urge the affected staff to seek the assistance of the Labor Court and the Commission for Conciliation, Mediation and Arbitration.

Under these circumstances and with the information at our disposal, it would be unconscionable to maintain the registration status of these four private institutions and allow ourselves to become complicit in gross governance and compliance failures.

Most concerning, by doing so, we would be failing as the Department in our obligation to protect the rights and dignity of students, who simply wanted to acquire an academic qualification with the view to improve their lives and that of their families.

End

Word count: 1879