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the school for the creative economy

06/10/2017

Dear Parents and Fee Payers,

I trust that you are well and having a fruitful 2017. It has been a very exciting year for AFDA as we listed on 3 October as part of the Stadio-Multiversity on the Johannesburg Stock Exchange. The AFDA executives and co-founders, believe that this is an important part of **AFDA's ambitions to be part of a private university and as part of the leadership that will** develop the College of the Arts for the Creative Economy aspect of an alternative university option for prospective and current learners across various campuses in South Africa. Stadio and AFDA have a number of key synergies, which include a passion for developing the potential of young South Africans, providing students with a unique integrated learning experience that is networked, developing the appropriate skills for a fast expanding local and global economy and contributing to both nation building and building the industries of our country in such a way that our graduates are able to be globally competitive.

Like all university and Higher Education institutions, private Higher Education relies heavily on student fees for a large portion of their revenues to cover the ever-escalating costs of education. However, it is important to note, that private Higher Education, does not receive the 30-80% subsidy that our existing 21 government sponsored universities receive (excluding research funding). Irrespective of the subsidy, government universities have been prevented from further fee increases based on the education inflation index, a government **university practice which has been stopped by the current 'fees must fall' protests and the call** for a free higher education (both of which are currently part of the Department of Higher Education Inquiry, delayed, but soon to be announced).

If one considers the approximate 4 basis point difference between the consumer inflation index and the education inflation index, (see graph below) it becomes evident that the root of the current crisis, which we are experiencing in government universities, is that without the necessary fee increases, universities and Higher Education institutions, not only run the risk of having to lower standards, but also the potential of financial bankruptcy and a lack of capacity to develop the university as required to meet the demands of the future.

AFDA as we know, is a unique outcomes-based institution which prides itself on its progressive student-centered learning environment which produces large networks of work-ready specialists and generalists; most of which have the capacity to originate and service content production in an economically feasible manner that continues to grow the local entertainment in a significant fashion. (See www.alumni.afda.co.za and News on www.afda.co.za)

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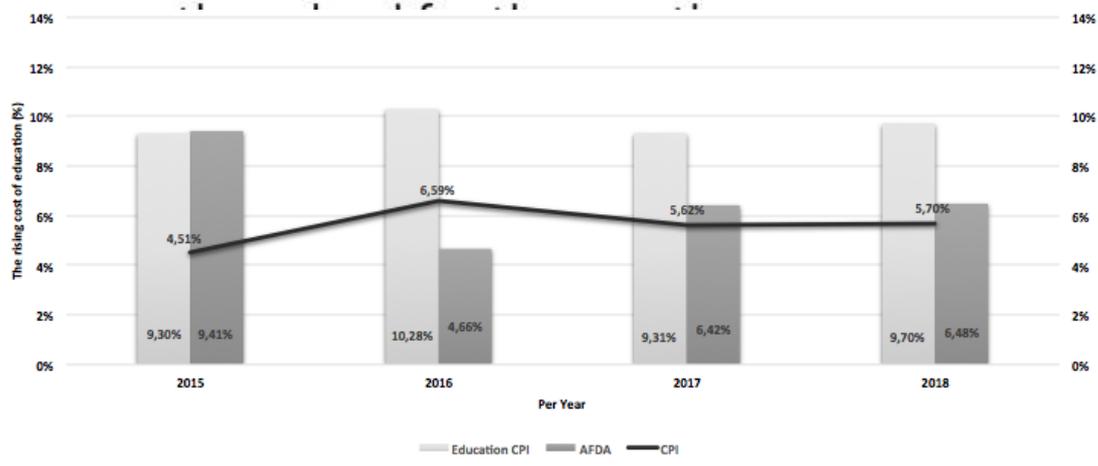
Directors: B Passchier, G Holmes

AFDA is the South African School of Motion Picture Medium and Live Performance, and is registered with the Department of Higher Education and Training as a private higher education institution under the Higher Education Act, 1997. Registration certificate no. 2001/HE07/012. Reg. No. 1999/024588/07

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In light of the ever-increasing annual staff, equipment and facility costs, AFDA has consistently attempted to minimize the annual increase in tuition fees over the years based roughly on the forecasted inflation rate and various considerations of the state of the economy. That said and considering the financial reality of the growing gap between current tuition fees and the education inflation index, we have no choice but to adjust the annual tuition fees as listed in the AFDA 2018 Fee Structures (downloadable off www.afda.co.za).

Thank you once again for entrusting the development of South Africa's young creative talent in the hands of AFDA. We will endeavor, together with you and your child/bursary benefactor, to create a critical axis for the development their potential as key participants in the creative economy of the future.

Yours faithfully and with thanks,
Garth Holmes.

(AFDA co-Founder and Chairman of the AFDA Institutional Senate).

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