

PwC Education Newsletter #3 | November 2022

Welcome to our third edition of the PwC Education Newsletter. Happy reading!

A word from our Advisory Lead for Education, Thaniya Isaacs



Thaniya Isaacs

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In this edition, we reflect on our highly anticipated 28th Annual Education conference which took place on 5 and 6 September this year. We also launched our 2022 PwC Vice Chancellor Survey and our inaugural Voice of the Student Survey. Both surveys delve into current topics, each from their unique perspective, and illuminate some key trends.

In our Education and the Economy column, Christie Viljoen explores the role of entrepreneurship in addressing the ever-increasing graduate unemployment rates and the need for curriculum transformation. Our EdTech Corner recounts the events at our conference Tech Stream as well as the latest in cyber security news, while our Assurance and Tax Matters looks into understanding how ESG and carbon tax are starting to become more relevant in the education sector.

Finally we explore the outreach work that PwC has been involved in impacting on education.

This was an eventful and busy quarter. We hope you enjoy this edition!

Spotlight: The 28th Annual Education Conference



Despite the stormy weather that welcomed Cape Town spring, delegates from across the country joined us in Cape Town for our annual Education Conference. The theme this year was **accelerating education in the digital age for sustained outcomes** and boasted a rich lineup of both local and international speakers, a number of panel sessions, and the launch of the 2022 PwC Vice Chancellor Survey and inaugural Voice of the Student Survey.

Speakers and panels explored a variety of topics:

- Higher education and its role in addressing the skills challenge now and into the future, within the context of digital disruption, rising graduate unemployment and the burgeoning youth population in Africa
- The role of emerging technology in teaching and learning, and the potential impact and opportunity that emerging technologies, such as the metaverse, present in higher education
- The economic context and trends and what this means for education in the country
- The shift from jobs to skills and the emerging skills needed in the job market today
- Internationalisation and the impact on the local higher education sector and the need for policy change
- Key trends arising from the PwC 2022 VC Survey and inaugural Voice of the Student Survey

Break out sessions allowed a deeper dive into the latest tax, ESG and accounting issues, and emerging technologies with an opportunity to experience and experiment with these at the event.

If you missed the event, please don't be concerned...you can watch it [here](#) on our website along with some of our conference highlights.

[Find out more](#)

Education and the Economy

Transforming the curriculum to provide graduates with entrepreneurship skills to change their society

In part one of our 'Education and the economy' series (published in the July 2022 newsletter), we analysed South Africa's challenges in terms of labour skills and the environment for entrepreneurs. This was again underscored by PwC's just-released EMEA Private Business Attractiveness Index 2022 which evaluated 33 different jurisdictions on their attractiveness for private businesses and entrepreneurs. South Africa ranked 25th overall out of 33 countries in the Europe, Middle East and Africa (EMEA) region, ranking in the bottom third of territories for both education and skills, as well as the private business landscape.

With 12.5 million unemployed and discouraged adults in South Africa, it would be highly beneficial for the country to have a business environment that is supportive of entrepreneurs — the driving force behind the small, micro and medium enterprises (SMMEs) that create more than two-thirds of all jobs worldwide. But to achieve this, and see South Africa's ranking improve in the EMEA context, we need South Africans with entrepreneurship skills.

[Find out more](#)



Workforce of the Future: Pivoting from Jobs to Skills

Successfully delivering on an organisation's strategy means being able to secure the skills it needs, in an ever-changing and competitive job market. Skills are the golden thread that run through an organisation. They are the constant, underlying theme for the workforce of the future, and are recognised as the employee currency of the future. Ideally work should be parcelled out to employees to enable a company to reap the benefits, which include obtaining vital insight into the skills gaps and people being successfully matched with roles and projects. The benefits also include the opportunity to design career paths based on the life-cycle of a skill that will enable people to understand and navigate careers that suit them. There will be greater transparency in talent processes as skills form the basis on which roles individuals play in an organisation, development and certification, reward, and career progression.

[Find out more](#)



EdTech Corner

Cyber criminals and hackers are the main culprits digitally impacting South African organisations

PwC's newly launched **Digital Trust Insights 2023: A South African Perspective** report, reveals that several organisations across South Africa and the continent at large, listed cyber criminals, hackers and their competitors as the top three threat actors affecting their organisations.

The survey, which was conducted globally by PwC, encompasses the results of over 3,500 business, security and IT leaders in various industries across more than 60 territories. Of these, 134 organisations in Africa participated, with 68 being South African-owned organisations.

Some of the report's key findings from Africa are:

- 71% of organisations in South Africa and across Africa are seeing increases to their cyber budgets in the 2023 financial year.
- Since 2020, organisations globally, across Africa and South Africa said they were most impacted by increased exposure to cyber-attacks due to an increase in digitisation.
- South African organisations say they expect third-party breaches, hack-and-leak operations and attacks on Operational Technology and Industrial Internet of Things to significantly increase in 2023, compared to 2022.

When asked what would make the biggest difference in transforming cybersecurity across their organisation in the next 12 to 18 months, respondents stated the following:

- **South African organisations:** leadership that drives cybersecurity throughout the organisation.
- **Organisations across Africa:** educating the board on cyber risks.
- **Global organisations:** ensuring all non-cybersecurity employees



understand the potential cyber implications of their actions.

For more information, please engage with the results of our [2023 Global Digital Trust Insights](#) report.

Tech Breakout session at PwC's Education Conference

This year saw PwC host the first ever dedicated Tech Stream session at our annual Education Conference — and what a success it was.

We were joined by two of our global partners in Microsoft and Salesforce, who contributed with speaking engagements as well as stands to host and engage delegates.

The underlying theme of the Tech Stream was emerging technology, providing delegates with an immersive experience for technologies such as the Metaverse and Virtual and Augmented Reality, and their potential use cases for education. PwC demonstrated virtual reality headsets and apps, TechAdaptika demonstrated their version of the Metaverse for education and Microsoft wowed the audience with the HoloLens 2 headset with various augmented reality showcases.

The use cases for emerging technology in teaching and learning are endless. If you missed the conference or would like to have PwC do a specific demo for you, please reach out to [Quintin Hawes](#).



Assurance and Tax Matters

Environmental Tax and ESG in the Higher Education Sector

Carbon tax must be levied in respect of the sum of the scope 1 greenhouse gas (“GHG”) emissions of a taxpayer. The GHG emissions resulting from fuel combustion activities, industrial processes and fugitive emissions expressed as a carbon dioxide equivalent are taxable. A person conducting an activity in South Africa resulting in GHG emissions above the prescribed thresholds will be subject to carbon tax. From a university's perspective, the applicability of one such activity may arise simply through the installation of several back-up generators on campus, as a source of back-up power supply, in instances of ‘load-shedding’.

On 26 October 2022, the Minister of Finance delivered the Medium-Term Budget Policy Statement (MTBPS) and introduced several tax bills. The National Treasury has indicated that support for climate change mitigation and adaptation measures will increasingly feature in budget policy in the period ahead. Universities ought to be mindful of the impact that environmental tax and environmental policy will have on higher education institutions going forward — especially when one considers the carbon tax rate trajectory that has been tabled as part of the October 2022 MTBPS (see Table 1).

With the Climate Change Bill on the horizon, we will see the introduction of a mandatory carbon budgeting system — with a proposed penal provision of R640/tCO₂e for taxpayers who exceed their assigned carbon budget. It is crucial for universities to decide on their approaches to reduce GHG emissions, what infrastructure changes will have the most impact, and what strategy is in place to lead them to prioritise sustainable goals and outcomes. Higher Education Institutions would benefit from factoring in the risks and opportunities associated with ESG, sustainable development goals and environmental sustainability.

Table 1: Carbon Tax rate trajectory

Tax Period	Revised Rate (R/tCO ₂ e)
2022	144.00 (current)
2023	159.00
2024	190.00
2025	236.00
2026	308.00
2027	347.00
2028	385.00
2029	424.00
2030	462.00
2031 onwards	TBC

Insights

Just launched: 2022 PwC VC Survey

The future of work has arrived and the digital age has disrupted the higher education sector globally and locally, with COVID-19 serving as an accelerator. While many institutions across the globe experience a return to campus, the concept of channelling education content across digital platforms and digitally enabling the learning experience is here to stay. The extent of this adoption, its impact on the sector and learning outcomes, is yet to fully unfold. Our survey this year starts to explore the sector's intent on digital adoption both in its operations as well as the student experience, while continuing to monitor other factors, such as the growing financial constraints that local universities are operating within.

[Find out more](#)



Just launched: Inaugural Voice of the Student Survey

Since the onset of COVID-19, the higher education sector has experienced a myriad of digital disruptions — many of which were accelerated by the pandemic. While many institutions globally have experienced a return to campus, our research shows that the channelling of education content across digital platforms and digitally enabling the learning experience is here to stay. However, the extent of this adoption, its impact on the sector and learning outcomes is yet to fully unfold. The Voice of the Student survey explores the education sector's intent on digital adoption both in its operations and the student experience. By adapting to the needs of the future student while at the same time holding true to sound academic pedagogy and quality learning, the sector can pave the way for increased access to higher education and address skills uncertainty to prepare students for the world of work.

[Find out more](#)



Events

Stellenbosch Business School Event

The Stellenbosch Business School, in partnership with PwC hosted a Consulting Club Event on the state of higher education in South Africa: Challenges, trends and technology. The panel included the University of Stellenbosch's Prof Jonathan Jansen, Thaniya Isaacs, a partner at PwC as well as Quintin Hawes. As a panel, they held a discussion on the current state of higher education in South Africa, as well as the challenges, trends and technologies that are shaping the country's future. This was an event of note and with it came profound and necessary discussions on the outlook of higher education in the country.



Investing in Education: PwC Corporate Social Responsibility



Technical and Vocational Education and Training (TVET) Work-Based Experience (WBE) Programme Awards

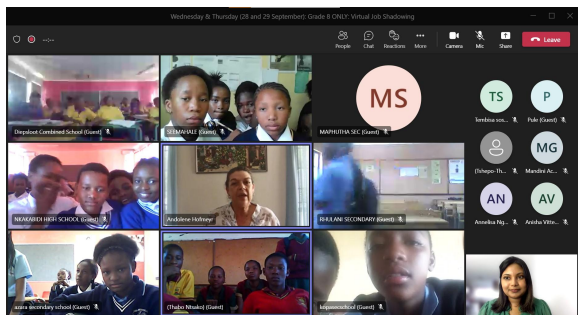
On 16 September 2022, Ekwurhuleni West College (EWC) in collaboration with PwC and ABSA held the EWC TVET awards ceremony. The event was used to recognise and thank all the students who participated in the Tertiary Vocational Education and Training (TVET) Work Based Experience (WBE) — 'Ready to Work' — programme focussed on Digital Upskilling and Personal Mastery modules for final-year students geared towards the new world of work. The programme included topics such as navigating change, the impact of digitisation in the workplace, managing finances, and CV writing skills amongst others. The commitment and dedication demonstrated by the students was highly commendable. As PwC, we remain committed to making a difference and providing opportunities for students to be successful in a competitive working environment. We wish all the students who participated in the programme all the best as they start their new journeys in the new world of work.



Youth Accelerator Programme (YAP) Cohort 2 Launch

Following the success of the Youth Engage Programme, which ran from October 2021 - April 2022 and consisted of 36 youth from two reputable youth agencies (SAYouth (Harambee) and Yes4Youth), five of the youth were offered positions as part of the Youth Accelerator Programme which started on 1 October 2022. The YAP programme is a bridging programme that provides the youth with exposure to our Consulting business as they prepare to join the 2023 Foundation for the Future programme.

With the focus being on unemployed youth with entrepreneurial skills, the five youth demonstrated strong digital capabilities, eagerness to learn and agility. As they progress through the YAP programme, they receive on-the-job mentorship to embed their learning and enhance their skills.



PwC/UNICEF Collaboration: Techno Girl Trust Job Shadowing mentorship

Techno Girl is a programme that provides young women aged 15 - 18 years, from underprivileged areas, an opportunity to receive mentorship, undertake job shadowing and receive career guidance with an emphasis on STEM opportunities. PwC had the opportunity to facilitate Techno Girl's virtual job shadowing workshops with grade 8 and 9 learners from schools across Gauteng on topics such as Building Resilience, Time Management and Goal Setting. The workshops were well attended and PwC received positive feedback on the impact we made in this collaboration with UNICEF.

How we can help you

Facing challenges? We are here to help...

PwC is geared to assist education institutions with their strategic intent. We invest both locally and globally in solutions tailored to the Education sector, including digital accelerators to help institutions adopt new ways of working faster. Our range of services include:

- **Curriculum transformation** in higher education using our tried-and-tested Molecular Adaptive Learning approach and Collaborative Project-Based learning
- **Digital transformation**, including enhanced student-centred experiences as well as back-office automation and optimisation
- Provisioning of the **PwC Integrated Education Management Solution (IEMS)** — a holistic, end-to-end digital platform for education institutions. From student information management, learning management, to an ERP, IEMS has it all
- Harnessing the power of data — from responsible **AI solutions**, **machine learning** and enhancing the use of data analytics
- **Financial sustainability**, revenue diversification and cost optimisation
- Organisational alignment and **culture transformation**, readying institutions for the demands of the [workforce of the future](#)
- **Cybersecurity**, helping you stay ahead
- Tax and finance advice
- **ESG** — helping you achieve your net zero goals
- Repurposing and optimising capital infrastructure



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