



Vice-chancellor pulse survey

A learning experience

October 2020



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Foreword

Since the outbreak of the COVID-19 pandemic and the strict regulations implemented to control its spread globally, many universities and other academic institutions were immediately brought to a standstill, with students, lecturers and support staff across the sector forced to learn, teach and work remotely.

To avoid total curriculum disruption, universities had to explore and find ways to best improve operations online by introducing technology-based pedagogy to ensure that learners had access to learning materials while remaining at home. In addition, universities have found themselves having to navigate issues such as their readiness to use this technology-based learning, while diligently managing declining cash flows from students and government subsidies and support.

According to UNESCO, approximately 1.5bn learners globally have been impacted by COVID-19 and in South Africa, 14.6m learners are affected by the pandemic.¹ This has resulted in many institutions rethinking almost everything they do from working to learning. Many have been catapulted into virtual learning scenarios and facilitating curriculum by using online classrooms to teach and using online tools that enable continuation of classes while adhering to government regulations and strict health protocols.

Given the South African context and socio-economic disparities that still exist within the education system, COVID-19 has become the catalyst in not only finding new ways of learning, but creating plans that cater for a wider range of students. The pandemic has become the enabler in creating more digitally-transformed tertiary institutions.

¹ "Education: From Disruption to Recovery." UNESCO. Last modified 8 September 2020.
<https://en.unesco.org/covid19/educationresponse/>

Overview

- Apart from the COVID-19 outbreak, South Africa's higher education sector is faced with new technological, financial and collaborative challenges in the new decade. These challenges and new areas for growth are some of the foremost priorities for vice-chancellors.

- New technologies and evolving student demands are forcing universities to think differently and to abandon the traditional way of doing things. In order to succeed, academic and research institutions will have to reimagine a different future for higher education. The pandemic is challenging institutions of learning to become more flexible and agile to these external demands.

Most importantly, universities will need to deliver services that are more staff-and-student-friendly and embrace the adoption of a digital and online approach. This means that students and staff should no longer have to navigate complex and unconnected technologies and processes.

- COVID-19 has brought about various challenges that will require the universities to act swiftly as many students may consider dropping out due to financial, health or family circumstances. Others may not have access to the internet or the necessary tools in their habitual areas. While the pandemic has certainly had an adverse impact on the socio-economic state of South Africa, it could nevertheless become the very catalyst for action in addressing the consequences of social inequalities.
- PwC conducted a survey among vice-chancellors of public universities in South Africa (15 responded) to ascertain the key opportunities, challenges and context surrounding the South African higher education sector in 2020, and amidst the COVID-19 pandemic. This survey served as an opportunity to research the political, environmental, and economic landscapes influencing higher education, as well as publishing a view based on robust qualitative and quantitative analysis of survey output from the higher education sector.
- This publication shares our insights on several of the challenges faced by South African academic and research institutions as well as how these challenges have resulted in new ways of thinking along with providing opportunities to reassess their future investment in technology and the wider formation of partnerships.
- The insights in this publication are supported by previously published research and analysis as well as a recent survey conducted by PwC's global education practice in which 17 global higher education leaders were surveyed regarding the impact and sustainability of higher education institutions. These results serve as a comparison and benchmark to global sector peers, where comparable.



Key themes that emerged from the survey



Digital agility

Technology has supported institutions during the COVID-19 pandemic with **53%** of institutions saying that technology helped them very well and the remaining **47%** believing technology had supported their institutions fairly well during the lockdown.



Financial sustainability

87% of institutions expect financial support from Government with **53%** expecting their revenue to increase between **5%** and **10%** as a result of Government subsidies or grants, while **13%** are preparing to receive no further financial support.



Crisis management

74% of respondents say they were prepared in some way for the effects of the COVID-19 pandemic, with **67%** believing that they were well prepared and **26%** confirming that they weren't prepared at all.

As many as 80% of respondents believe that a return to normal after the COVID-19 pandemic will take between one and three months, with the remaining **20%** expecting it to take six months or longer.



Digital agility

COVID-19 has accelerated the digital agility agenda of higher education around the world. All universities and academic institutions are having to rethink and embrace digital technologies in creating sustainable solutions for both students and academic staff. What does this mean for the future of higher education? There is no 'one size fits all' approach, while not acting at all could threaten the survival and relevance of an institution in a post COVID-19 world.

Key considerations

• The adoption of a digital approach

Distance learning has rapidly become the default engagement learning model for most universities and other academic institutions. There has been a shift from course delivery to online learning and many universities have provided laptops and data bundles to students who had relied on campus facilities to complete their coursework during the lockdown period.

The importance of completing the 2020 academic year remains a top priority and universities have had to ensure that no student is disadvantaged by having to study remotely. Approximately 61% of respondents of the Global Higher Education Leaders Survey believe that the best scenario for 2020/2021 will be a complete or blended online instruction programme.

• Embracing the new normal

Universities along with their students and staff must understand that embracing digital agility should be envisioned as an academic opportunity. COVID-19 has demanded a more personalised and flexible method of learning. Both staff and students from all disciplines need to be motivated and well equipped as academic programmes are adapted to a new and uncertain future.²

• A digitally sophisticated generation

Teaching and learning methods for students may need to be adjusted at a pace that suits the students' needs. Students may no longer thrive under a mandated academic structure. This means that the approaches to learning may need to be tailored according to an individual's needs.³

94% of global higher education leaders surveyed are responding to their priorities by using digital transformation for online delivery and remote studying and this was indicated as "Very Important" as a short- to medium-term action.⁴

85% of respondents indicated that they will continue with blended online learning or be fully online by 2021.⁵



2 "COVID-19 Has Accelerated the Digital Transformation of Higher Education." World Economic Forum. Accessed 28 September 2020. <https://www.weforum.org/agenda/2020/07/covid-19-digital-transformation-higher-educationpwc-higher-education-scenario-planning-considerations> <https://www.weforum.org/agenda/2020/07/covid-19-digital-transformation-higher-education>

3 "How Covid-19 Will Affect Students." The Mail & Guardian. Last modified 25 April 2020. <https://mg.co.za/education/2020-04-23-how-covid-19-will-affect-students>

4 PwC global survey findings presented at the "World Economic Summit 2020." "Times Higher Education." 3 September 2020. YouTube. n.d. <https://www.youtube.com/watch?v=IIC4ehraWsg>

5 "World Education Summit 2020."

Opportunities and obstacles in the age of digital disruption

During these turbulent times, universities have had to assess their readiness to implement technology solutions to enable them to continue the 2020 academic year. This means that universities have had to find a balance between traditional teaching methods and online learning to cater for the different student learning demands. Nevertheless, universities have realised that despite the challenges that have come with this digital disruption, it has also given them an opportunity to recover the academic year.

Opportunities

- COVID-19 may have redirected and amplified concerns and actions of universities or brought about a drastic shift in education market demands. It has forced universities to reshape and challenge their interests to guarantee short-term operational continuity through the use of technology while also ensuring long-term institutional viability.⁶
- Traditional methods of teaching are slowly being relinquished with focus now on providing enhanced access to online courses. As part of their preparation for and engagement with this digital disruption, the need for universities to offer new solutions in the area of digital teaching and learning is now urgent.⁷
- In ensuring that all students are able to continue studying remotely, there needs to be ongoing collaboration between telecommunication service providers, international collaborators, other stakeholders and universities.⁸ This will provide universities with the opportunity to refresh their strategies to focus on aspects that differentiate them. Ultimately, this will create an environment whereby universities can thrive by not only forming international partnerships, but have the ability to reach a wider number of students, which otherwise would not have been possible.

Obstacles

- COVID-19 has required the reskilling of lecturers and instructors in modes of online teaching, assessment and mentorship. Beyond this, students and lecturers have had to find new, innovative ways to ensure that teaching and learning goes beyond the mandated lecture times.⁹
- Some students want to return to campus due to their social circumstances. The reason for this often stems from issues around internet access and network connectivity. This essentially prevents a large contingent of the student population from benefitting in this digital age.



⁶ "Transforming Higher Education." PwC UK. Accessed 28 September 2020. <https://www.pwc.co.uk/industries/government-public-sector/education/digital-university.html>

⁷ "COVID-19 and the Digital Transformation of Education: What We Are Learning in South Africa." ResearchGate. Accessed 28 September 2020. https://www.researchgate.net/publication/340604511_COVID-19_and_the_Digital_Transformation_of_Education_What_We_Are_Learning

⁸ "COVID-19 and the Digital Transformation"

⁹ "Universities of Technology in the Post-COVID-19 Landscape." University World News. Accessed 28 September 2020. <https://www.universityworldnews.com/post.php?story=20200713153430109>.



Technology has supported institutions in times of turbulence and enhanced digital transformation

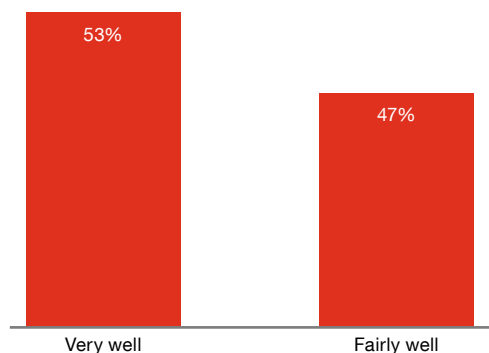
The preparedness of universities to face the challenges posed by COVID-19 in regard to completing the 2020 academic year brings into question the role technology has played in supporting institutions during the nationwide lockdown.

Overall, every respondent in our survey was of the view that technology has helped support their institution during the crisis. Fifty-three percent believe that technology supported them 'very well', with the remaining 47% feeling that technology has supported them 'fairly well'. It is important to note that none of the respondents selected the option of 'poorly', confirming that technology has played a significant role and has supported higher education institutions during the pandemic.

Universities were quick to embrace technologies that enabled them to continue operating during the lockdown. This included enabling 'remote working' measures and new ways of learning in the form of virtual online sessions. These measures have been crucial in helping institutions and students recover at least part of the academic year.

Ninety-four percent of global higher education leaders surveyed identified 'Digital transformation to enhance online delivery and remote working arrangements' as the number one action to consider in the short-to-medium term to meet the priorities of their respective institutions.

Figure 1: How well technology has supported institutions during the COVID-19 pandemic



Financial sustainability

Financial sustainability is a key priority for university leaders

According to UNICEF's Education Budget Brief for South Africa FY 20/21, the post-school education and training sector (technical and vocational colleges and higher education institutions) consumes about 7% of the country's resources and was the main beneficiary of additional increases to government baseline budgets.¹⁰ Therefore, the cost of delivering university education in South Africa is a substantial amount annually and these costs will continue to increase unless universities identify innovative ways of growing revenue and managing their operating costs.¹¹

The PwC Global Education Survey also highlighted that financial sustainability and cost containment is a key priority for leaders of universities and that, due to financially turbulent times, an increase in cost rationalisation initiatives is expected, as well as opportunities for partnerships and collaboration, and a thorough evaluation of discretionary spending to stay financially sustainable.

In addition to the financial constraints caused by COVID-19, limitations on annual fee increases as well as a significant increase in outstanding student debt are expected to place huge financial constraints on universities.

Ensuring long-term financial sustainability

Universities need to make every effort to be financially sustainable and explore all avenues in the quest to achieve this. There is a possibility that government grants may be reduced due to constraints faced by the fiscus, and student fee increases being capped in the low inflationary environment, thus alternative streams of revenue need to be explored. At the same time, universities will need to reconsider their operating costs and identify areas where cost efficiencies can be considered, as well as look at the repurposing of facilities and spaces.

Socio-economic disparities

COVID-19 has compelled universities to confront long-standing challenges of tuition affordability, perceived exclusivity and issues of access and transformation. Some students are located in remote rural areas, which may not provide a conducive space for fulfilling the learning experience. Facilitating a seamless teaching and learning experience for such students is a challenge that is at the top of priorities for universities to solve and will require additional resources through an intentional focus on third-stream revenue and wider partnerships.

¹⁰ "National Budget Brief South Africa 2019/20." UNICEF. 18 November 2019. <https://www.unicef.org/southafrica/media/2111/file/ZAF-Education-Budget-Brief-2019-20.pdf>

¹¹ "Funding of Public Higher Education Institutions in South Africa." PwC. Accessed 29 September 2020. <https://www.pwc.co.za/en/publications/funding-public-higher-education-institutions-sa.html>

Educational institutions' reliance on government grants and subsidies

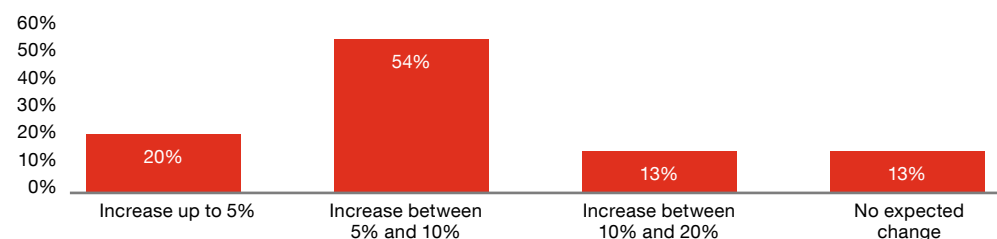
Universities are reliant on government grants and subsidies to fund fees for students that cannot pay for themselves. At many of the universities, government subsidies average more than 40% of the funding mix. Given the current climate and the severe financial constraints faced by the government, these grants may be reduced.

The majority of respondents (53%) indicated that they expect financial assistance from the government to increase between 5% and 10%. Twenty percent believe that this increase will be between 0% and 5%, whereas 13% expect it to be between 10% and 20%. In contrast, 13% of respondents believe that there would be no change in levels of assistance from government subsidies and grants.

In light of this, the sentiment that an increase in financial assistance from the government is expected, is surprising due to the phasing in of fee-free education and the lion's share of the government budget already being allocated to education. In the Minister of Finance's budget speech on 26 February 2020, he announced that R396bn was being allocated to the education sector. However, a decrease in this amount could occur given the pressures on the fiscus and expected budget deficit for FY 20/21.¹²

Universities are also dependent on the timeous payment of grants, which impacts on their cash flow. Some institutions have noted a delay in payment of certain earmarked funding, particularly infrastructure grants. Cash flow management will be an important focus area for universities, as cash flow deficits can be expected from privately-funded students.

Figure 2: Expected change in income from government grants and subsidies in the next financial year



Source: PwC analysis

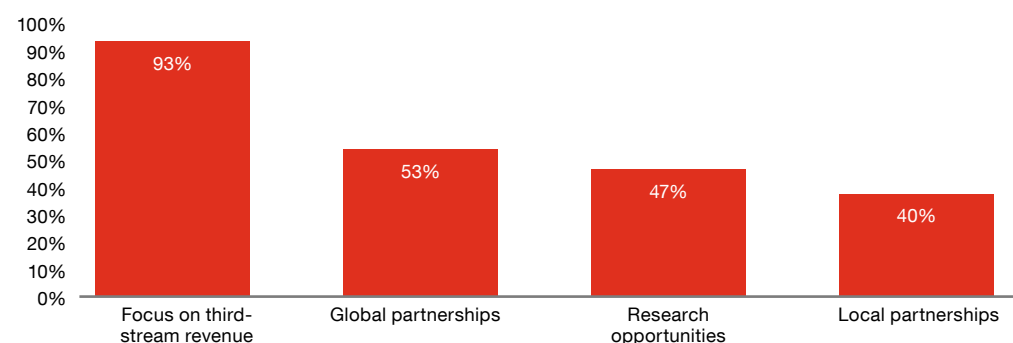
¹² "Focus on Supplementary Budget Speech 24 June 2020." PwC South Africa. Accessed 29 September 2020. <https://www.pwc.co.za/en/press-room/pwc-focus-on-supplementary-budget-speech-24-june-2020.html>

Universities are looking at alternative sources of revenue

The negative effects of COVID-19 on university operations are expected to cause a shortfall in revenue, which means universities will have to focus on alternative sources of revenue.

Based on the four options provided: 1. Focus on third-stream revenue, 2. Global partnerships, 3. Research opportunities, 4. Local partnerships, an overwhelming response of 93% indicated that they would be focusing on third-stream revenue. The responses on the options were as follows:

Figure 3: Options favoured to recover revenue shortfall



Source: PwC analysis

In addition to the above, institutions also identified the creation of an endowment to fund students and key university projects, and the possibility of dedicated fundraising and project grants. Due to the shortfall in revenue, respondents also indicated that urgent consideration needed to be given to savings and cost containment strategies, improving operating efficiencies and supporting students to improve throughput.

Revenue recovery is an important measure for all institutions as it allows for the follow-through of their strategic priorities. The level of success in following these strategies will impact how quickly universities can recover their fiscal health.

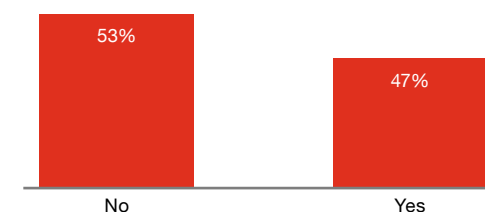
Universities will have to navigate cost containment measures and enforce debt recovery strategies

The importance of cost-management at universities is highlighted by the joint pressures caused by the effects of the COVID-19 pandemic and expected decline in student enrolments and pressure of the recovery of student debt.

When asked in what areas their respective institutions would consider implementing cost reductions, the majority of respondents noted that considerations would be made in the maintenance of facilities and equipment as well as focusing on reducing costs associated with faculty activities.

Forty-seven percent of respondents stated that their institution expects to, or has already, implemented a temporary hiring freeze and/or restructuring.

Figure 4: Institutions expecting to implement a hiring freeze or retrenchments



Source: PwC analysis

The financial sustainability of institutions is further impacted by the increasing student debt. More than half of respondents said their institution would resort to legal handover to recover any outstanding debt. While 38% of respondents also intimated at a possible write-off of student debt.

In January and March this year National Student Financial Aid Scheme (NSFAS) paid over R3.6bn and R1.3bn respectively as upfront payments to institutions. This allowed for NSFAS qualifying students to register without having to pay registration fees. NSFAS also made significant strides in reducing the number of incomplete applications from over 42 000 prior to lockdown to just under 12 882 as at 20 April 2020.¹³ This went some way into assisting some institutions with their cash flow.

The future sustainability of struggling institutions is at stake. As such, effective debt collection measures need to be considered, as well as understanding the costs of the institution. Additionally, implementing effective cost-containment measures and exploring alternative sources of revenue will also contribute to their financial sustainability.

While universities have faced increased pressure to reduce operating costs in the past, a culture of cost reduction will need to be further instilled across institutions to ensure optimal cost bases.

¹³ "NSFAS Allowances Update." National Student Financial Aid Scheme (NSFAS). 20 April 2020 <https://www.nsfas.org.za/content/media-releases/MEDIA%20RELEASE%20-%20NSFAS%20ALLOWANCES%20UPDATE.pdf>

Crisis management

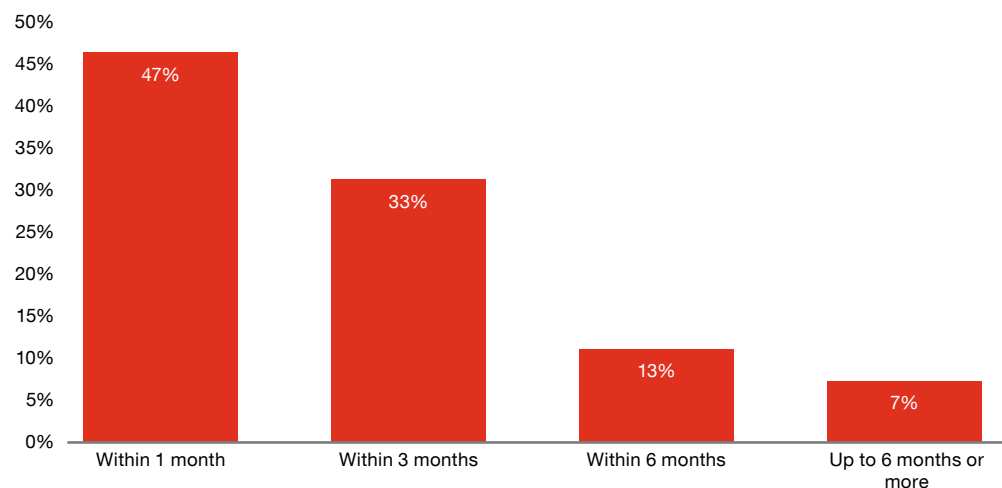
Higher education institutions have shown resilience and agility in the face of adversity

Nearly half of respondents believe their institution would be able to return to operating in some recognisable form of normality within **one month** of the COVID-19 pandemic coming to an end. **As many as 80% of respondents believe** that a return to normal would be possible in between **one and three months**.

Only 20% of respondents felt that this would **take up to six months or more to return to normal**.

The willingness of universities to implement a shorter time period of recovery, which would require intense and stringent government health protocols be put into place, demonstrates their commitment to enabling students to resume their studies.

Figure 5: Length of time respondents feel it would take institutions to return to normal after COVID-19



Source: PwC analysis

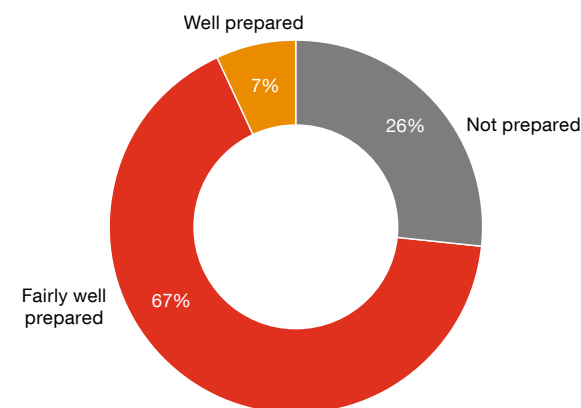


University operations are able to withstand times of crisis

Nearly 74% of respondents felt that their institutions were equipped to deal with the effects of COVID-19. Some said their respective institutions were either fairly prepared (67% of respondents) or well prepared (7% of respondents). The remaining 26% of respondents believed that their institutions were not prepared at all to deal with these effects.

Although a majority of institutions felt that they were adequately prepared, this might have a loose correlation to student success rates. Some students will yearn to be closer to campus as their living arrangements might not be conducive for academic success.

Figure 6: How prepared institutions were for the impact of COVID-19



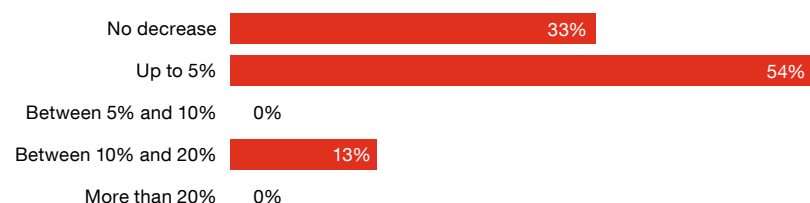
Source: PwC analysis

Expected decrease in enrolments due to the pandemic

Two-thirds of respondents expect a decrease in student enrolments. A decrease of up to 5% is expected by more than half of all respondents, while 13% are expecting a decrease of between 10% and 20%. The remaining third are not expecting a decrease in student enrolments.

Enrolment numbers affect government grants that are calculated according to the student base. Fewer students enrolled means a weaker chance of meeting financial targets for the current investment infrastructure. If student capacity remains the same or improves, institutions might have a stronger path to financial recovery. However, if the number of student enrolments decreases, this could have a negative impact on the finances of institutions that rely heavily on tuition fees as a source of revenue.

Figure 7: Expected decrease in enrolments



Source: PwC analysis

Transformation is required in academic and administrative processes

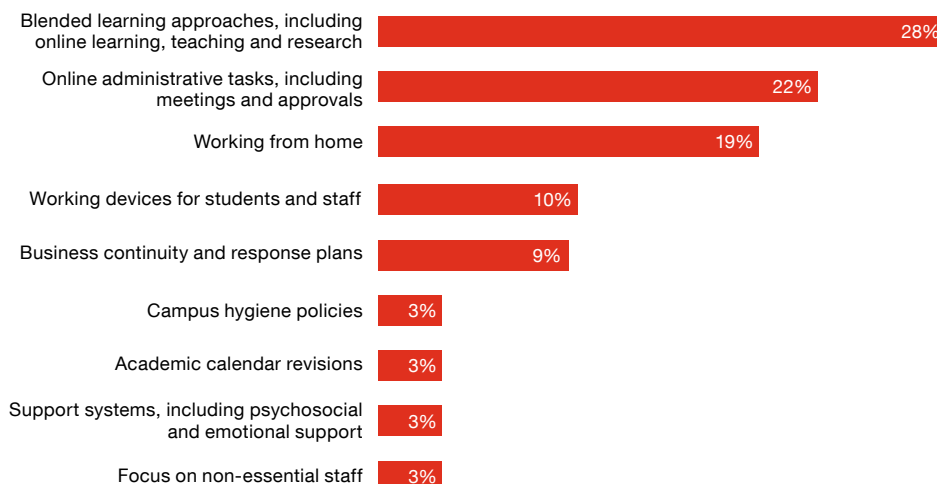
To deal with the effects of the lockdown, universities have had to implement academic and administrative changes.

Most survey participants noted that their institutions migrated learning to online platforms to enable students to continue with their studies without much disruption or delay. Respondents stated that, in order for this migration to be successful, staff had to be adequately trained to be able to facilitate learning using virtual platforms as well as sufficiently equipped with computers and data being moved to their homes to enable work-from-home measures.

Many of the larger universities ensured that their students were equipped with devices as well as data to be able to continue with their studies using a technology-based approach from the very early stages of the lockdown. However the universities with limited resources could not act as quickly and therefore encountered delays.

Most operational changes were aligned to either online operations, online learning, and working from home measures. The trend seems to be that technology has enabled new ways of working, learning, and teaching.

Figure 8: Academic and administrative process changes



Source: PwC analysis



Key challenges facing higher education institutions

Higher education institutions are faced with a number of different challenges highlighted by the respondents. Financial sustainability is the most pressing challenge these institutions face, which has only been amplified by the pandemic.

Financial sustainability

- Government funding
- Student debt
- Recovery of income from NSFAS

Influence of political and economic factors

- Institutional racism
- Economic downturn
- Student strike action
- Political instability

Strategy and operations

- Decline in student enrolment
- Capacity of academic staff
- Coherent and secure business processes
- Commercialisation

Reputational risk and sustainability of institutions

- Institutional sustainability
- Transformation processes
- University perception

Student experience

- Student accommodation
- Poor internet connectivity
- Procuring devices for online learning
- Unconducive learning environments

Government and international partnerships

- Growing strategic international partnerships and collaborations
- Inconsistent government partnership

Looking ahead

There are a number of approaches that universities could adopt in order to solve some of the challenges they face. These approaches may, however, be altered in accordance with the needs of each university as there is no one-size-fits-all solution.

Universities will have to choose what works and is most viable for them, but here are some approaches they could consider:

- **Digital transformation**

Universities have been forced to rethink ways of maximising output from their available resources by prioritising innovation on some of their core functions and support services. With the growing demands on student and staff expectation since the outbreak of COVID-19, universities will need to understand and address their digital poverty and consider what interventions can be adopted without risking the possibility of disadvantaged students being left behind.

- **Finance**

To ensure financial continuity, universities will most likely need to rapidly restructure their operations. For universities that were already facing financial constraints and operating with minimal headroom prior to the pandemic, it is certain that unanticipated expenses and the possibility of a decrease in enrolment may emerge, which will likely threaten their solvency.

Universities can look into the option of pursuing financial aid either through bank loans or government subsidies. Subsequently, they could work towards the development of budgets that support an operational expenditure budget model that will cater to new technologies and new ways of working.¹⁴ Ultimately, universities will need to implement a strict culture of financial discipline in a holistic manner without the expectation that the finance department alone would be able to achieve savings.

- **Partnerships and collaborations**

Universities may find that during this time there is a demand for them to operate in sync with businesses, commerce and society to realise their role as a strategic partner. It is imperative that they leverage these newly-formed partnerships to gain assistance in solving issues of financial vulnerability and possibly also intensify income-generation opportunities.¹⁵

International collaboration with other universities provides opportunities in research activities and creates possibilities for sharing of knowledge and expertise in a much more accessible and mutually beneficial manner.

Top strategic priorities in the short term

Completing the 2020 academic year is the top priority among a majority of respondents when asked about strategic plans for the next six months. This highlights the effects and toll that the COVID-19 crisis has taken on higher education in South Africa.

Apart from academic operations being disrupted, universities have also been strained financially and are seeking to maintain financial stability and sustainability in the short-term and to save money where possible, all while protecting their human resources from possible retrenchments.

New sources of funding are actively being sought out to help recover revenue shortfalls. Focussing on a third revenue stream, leveraging global partnerships and new research opportunities are the top choices among respondents on how to go about this.

In the midst of the COVID-19 pandemic, institutions are mapping a way forward to return to operating at some form of recognisable normality. As such, a key requirement for allowing institutions to return to a state of business as usual is to enforce stringent health and safety protocols, ensuring that staff and students are protected from the spread of the COVID-19 virus.

Ensuring the health and safety of students and staff helps to drive the case for increasing student enrolment and meeting required enrolment targets.

An integral part of completing the 2020 academic year has been for institutions to adapt to new ways in which students are able to learn. Part of this change has required institutions to implement online learning systems to enable students to carry on with studies from home and without feeling the effects of not having in-person lectures or support. For this change to be effective, an institutional and learning culture change within universities is required.

¹⁴ "Transforming Higher Education." PwC UK. Accessed 29 September 2020. <https://www.pwc.co.uk/industries/government-public-sector/education/digital-university.html>.

¹⁵ "Universities of Technology in the Post-COVID-19 Landscape." University World News. Accessed 29 September 2020. <https://www.universityworldnews.com/post.php?story=20200713153430109>.

In closing

University leadership teams must be commended for their stewardship during these uncertain times, but need to consider what impact COVID-19 has had locally and globally as well as what trends are emerging, and what this will mean for their institutions in the future.

COVID-19 has presented perhaps the greatest challenge the higher education system has seen in recent history. While the pandemic has upended university operating models, it also presents a vital opportunity to accelerate positive change.

Universities have had to embed agile working systems, build a dynamic learning environment for staff and students that embraces innovation, and align their governance models to encourage new ways of working. This has meant that established approaches are having to be fundamentally redefined at pace.

As the pace of change within the education sector continues to accelerate, institutions face increased risks. They are battling challenges they've never encountered before and are having to respond with agility and creativity to meet student demands and expectations with significantly reduced resources.

Moving beyond COVID-19

It is highly likely that the most resilient universities will be those that focus on a future beyond the pandemic and that have a clear understanding of their own identity and strategy in a post-COVID-19 learning and research environment. This will help inform their decisions as they move through the phases of the crisis. While some of the challenges faced by the higher education system pre-date COVID-19 — such as the slow adoption of technology and the nature of student delivery models — the need to address these challenges has been made even more urgent by the emergence of the pandemic.

Notwithstanding the challenges brought about by the pandemic, universities should not forget the bigger, longer-term picture when devising strategies. The anticipated technology trends, demographic shifts, political developments and socio-economic changes will not be going away.

Institutions need to think about these and other challenges when creating a resilient operating model that is fit for the future. Universities are likely to shift their attention to local social contact, offering a blend of online and on-campus learning, repurposing their campus infrastructure and facilities, and focusing on the affordability of offerings as students prioritise costs over considerations such as university rankings and prestige when deciding on which institutions to enrol at.

Over the short-to-medium term, the impact on higher education will largely depend on what type of economic recovery scenario the country faces and how long it takes. In the most optimistic scenario, there will probably be a once-off impact on student enrolment, a domination of online learning instead of face-to-face learning, a sharp immediate impact on the bottom line and an increase in additional expenses not budgeted for.

In the prolonged recession scenario, economic slowdown may create opportunities for graduate enrolment as jobseekers look for price-competitive education as a means of gaining a competitive edge. Online learning approaches will be more integrated with physical learning as institutions seek to be 'digital first' while incorporating essential face-to-face learning. There will also be sustained streamlining of spend to only 'essential' categories, alternative usage of university premises, emergence of new staffing models, flexible working arrangements for faculty, as well as streamlined support teams.

Some of the key opportunities will therefore lie in the following:

- Deepening of digital engagement across the student and faculty value chain
- Redefinition of digital learning and teaching methods for both students and lecturers that considers blended and non-blended learning methods
- Strengthening of existing propositions
- Identification of additional and alternative revenue streams
- Diversification of student base and international student concentration
- Assessment of the cost base to focus on costs that create differentiation

Ultimately, and far from being just a threat, COVID-19 has to be considered an impetus for accelerating long overdue changes within the South African higher education system.

Educational institutions will undoubtedly form a critical part of the country's post-COVID-19 recovery if they successfully align short-term financial sustainability with a clear view of long-term identity and purpose.

We would welcome an opportunity to discuss the results of the survey further with you should you be interested.

Acknowledgements

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