

Q&A – COVID-19: A CATALYST FOR INNOVATION IN EDUCATION INVESTMENT

KELLY JOSHUA

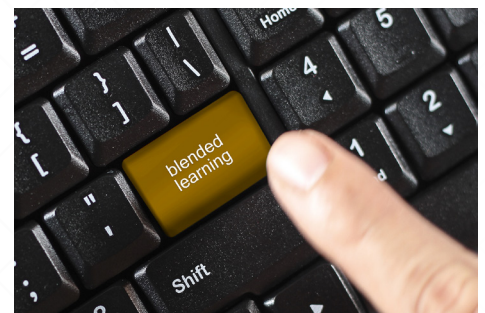
Head of Education Investments



The COVID-19 pandemic hit South Africa on 1 March 2020 and two weeks later President Cyril Ramaphosa announced the closure of schools from the 18th March 2020.

It is without a doubt that the COVID-19 pandemic has and will continue to have a significant adverse impact on the economic and social development in the country. As impact investors into education, we particularly endeavour to further align our investment objectives to resolving the country's education shortfalls at scale, using innovation and technology in the education space, long after the pandemic has passed.

We speak to Kelly Joshua, OMAI Head of Education Investments, to share her insights on the key themes relating to how innovative thinking has been critical in ensuring that no learner is left behind throughout the COVID storm.



WHILE COVID-19 HAS RESULTED IN SOME NEGATIVE SETBACKS, IT HAS FORCED OUR SCHOOLS TO SWIFTLY ADAPT BEYOND WHAT THEY THOUGHT WAS POSSIBLE IN A SHORT SPACE IN TIME

What do you see as the key themes that have emerged in education as a result of COVID-19?

At a high level, COVID-19 has acted as a catalyst in fast-tracking blended learning, especially in the affordable independent schools market. While COVID-19 has resulted in some negative setbacks, it has forced our schools to swiftly adapt beyond what they thought was possible in a short space in time. While ensuring that the schools uphold their contract in delivering quality education is critical for learners, it is also necessary for the financial livelihood of the independent education sector school operators to continually provide a service that parents value and are willing to pay for.

In the three months that COVID-19 has taken hold of our society, one of the key themes has been the realisation that, if done correctly, a blended learning strategy can enhance the learning experience and is not that complicated to implement.

Another development has been the launch of new online schooling products, such as that recently introduced by Curro. Although we are seeing similar models being launched, the reality is that it is still costly (varying between R3 000 – R5 000 pm excluding internet costs) for the

affordable segment of the market. However, online schools coupled with tech education certainly offer areas of opportunity worth exploring within affordable parameters.

With that said, the case for investing in physical school buildings still holds – especially in the short to medium term and especially within the affordable market context. The purpose of schools goes beyond academics. It serves as a platform for learners to develop holistically, equipping them with the necessary skills to be functioning members of society as well as honing their talents, be it in art, culture or sport.

Schools further serve the lower-income communities with an essential service, especially in households where both parents are required to work and it is not safe or possible to leave a child at home to facilitate schooling without supervision.

With this view and supported by the recent announcement by the UK Prime Minister, of a ten-year transformative school rebuilding programme, we believe that in SA, the right balance between investing in physical and digital education infrastructure is imperative.

Within your portfolio, what practical innovations have been implemented in schools ranging from middle-income to lower-income schools that may have been less technologically enabled?

Practically, all our school operators have implemented some form of remote learning. For certain schools that had adopted a blended learning model prior to the pandemic, older learners had access to devices which made the transition significantly easier. These schools quickly set up a virtual classroom with Google Classroom and utilised this to load daily tasks and interact with learners.

With the uncertainty around learner access to devices, WhatsApp became the app of choice given its low data usage and certain providers not charging for data usage on the app. Teachers were able to set up working groups and send videos, links and pdf documents for parents and learners.



Schools shared reworked timetables with parents so that they were aware of when their children had to be online and what was required of them. In most schools, teachers availed themselves until six in the evening to address learner queries. Although challenging, teachers need to be commended for trying to find ways to engage learners during this difficult time.

Once lockdown restrictions were lifted and management teams were allowed to go back to schools, schools had begun printing learning packs for parents to pick up from the school, if they did not have access to a device or could not afford data.

In addition, the teachers have been sharing the Department of Basic Education provision of online resources, applications and radio as well as television broadcast lessons. In order to ensure that teachers can engage in remote learning and schools are supporting teachers with data bundles.

Can you share some of the various ways in which you have extended support to the schools during the various levels of lockdown?

Since the pandemic first hit, there has been constant and robust engagement with school operators as well as parents. While there is continued uncertainty around how schools will operate for the remainder of the year, all our schools have successfully managed to implement the necessary work-from-home protocols and various distance learning programmes.

Not all school groups going into lockdown had a blended learning strategy in place. Management teams were forced to adapt quickly and initially it felt like they were all feeling their way through the dark. In order to facilitate a more efficient way of adapting to the change in landscape, the Schools Fund created a platform for management teams to share information with one another. The sharing of lessons learnt, tools and best practice to enable learners to continue learning remotely has proven to be invaluable.

From the outset, the Fund and school operators took a stance that we would try our best to avoid any cutting back on salaries or staff during this period. Other costs

are constantly being evaluated in terms of necessity to ensure that cash is reserved where possible. The Fund has taken the view that it is most important to ensure that our schools continue to operate and therefore has undertaken to assist each entity in the most appropriate way should cash flow shortfalls arise.

How have the learners coped with this new environment and what measures are the schools putting in place to prepare for the opening of schools to all learners?

The uncertainty around the virus, continued schooling and the necessary safety protocols that have been implemented, has created a lot of anxiety amongst learners.

All schools in the portfolio adhere to the national health and safety protocols to ensure the protection of learners and staff to the best of their ability. Schools have implemented daily temperature checks for everyone entering the campus; isolation facilities for learners/ staff with high temperature readings; compulsory protective gear for all learners and staff; two sanitisers in each classroom; disinfecting each classroom regularly; class splits to maintain social distancing requirements; and identifying teachers, parents, learners and guardians with pre-existing conditions and discouraging them from returning to school. Some of the larger schools have ensured that there is a trained nurse on site to assist with the screening as these additional tasks are very difficult to expect teachers to do in addition to teaching. Schools have also engaged psychologists on a contract basis to potentially assist learners dealing with loss and anxiety during this period.

Being independent schools, our schools were flexible enough to adjust their timetables and put in place all the necessary health and safety measures to enable them to receive learners ahead of the phasing-in prescribed to government schools. The portfolio schools had planned to receive all grades by the 6th of July 2020. Schools have also been understanding of those learners who have not opted to return to school out of health concerns.

Distance learning is continuing in all schools indefinitely. For the younger learners and those constrained by access to devices and data, schools have printed learning packs that parents have to pick up and return on either a weekly or bi-weekly basis.

The Fund is very proud of the learners who have managed to innovate during this difficult period. One of our Grade 9 learners at Canaan College in Umlazi township, Durban, took it upon herself to start her own business of manufacturing and selling face masks in her community. In the first two months, she has managed to sell over 200 masks, excellently encompassing the school's teaching motto See, Think and Innovate.

Can you share insight into some of the relief programmes and initiatives that are in place or planned to be implemented to assist vulnerable parents and pupils?

Parents have felt the pain as a result of COVID-19, especially in the lower-income households where many cases of salary and job cuts have been experienced. We have taken the decision to avoid discounting school fees, but instead deal with the inability to pay school fees on a case-by-case basis. All our operators have developed payment plans for struggling parents, effectively stretching the balance of the outstanding fees over the remainder of the year, in addition to initiating their own relief programmes to aid struggling parents. Some examples include Royals Schools, who have set up a Relief Fund to assist parents through donations and food vouchers.

If anything, COVID-19 has further highlighted the inequality in our society. More affluent schools and learners have been able to easily switch to online learning, while the majority of our country's learner population either do not have access to devices and/or cannot afford data.

Within the Schools Fund we have tried to find ways to improve access within our schools.

Our BASA school in Protea Glen Soweto purchased tablets for Grade 11 and 12 learners to enable them to have devices to facilitate distance learning, given the crucial

nature of the grades. The BASA school services lower-income households and access to devices was a major stumbling block for learners during lockdown. Even with schools open, due to social distancing requirements, not all Grade 11 learners are at school for the full five-day week. On their days at home they are now able to participate more easily in blended learning. Two Oceans Academy in Grassy Park Cape Town has taken the same action as BASA, but due to the size of the school being a third of BASA, they have managed to purchase devices for the entire school and pre-loaded them with content. Many of these learners had no choice but to use cellphones previously. This became complicated if there was more than one learner in the household and if parents had to return to work and take their cellphones with them.

The Fund itself is trying to leverage off the Old Mutual platform to negotiate reduced data costs for our learners with all major service providers.

In conclusion, due to the negative impact of COVID-19 on the financial health of the working population, there is likely to be an increase in demand for affordable quality education through a potential downward migration into the affordable space.

With our second education fund, EduFund, having a mandate that extends across tertiary education, skills training and ancillary education services, we are also encouraged to capitalise on new innovative investment opportunities emerging in education. We have seen continued interest from investors and we continue to communicate and engage them on the developments in the education investing sector, which has proven to be resilient and has demonstrated its ability to innovate through the pandemic. We anticipate that this will lead to the unlocking of new investment opportunities that aim to deliver commercial as well as sustainable returns for our investors and the communities we operate in.