



higher education
& training

Department:
Higher Education
REPUBLIC OF SOUTH AFRICA

**NATIONAL SKILLS DEVELOPMENT STRATEGY AND
SECTOR EDUCATION AND TRAINING AUTHORITIES
BEYOND 2016 WITHIN THE CONTEXT OF AN
INTEGRATED, DIFFERENTIATED POST-SCHOOL
EDUCATION AND TRAINING SYSTEM**

**PRESENTATION TO THE PUBLIC SECTOR TRAINERS'
DEVELOPMENT FORUM**

6 OCTOBER 2015

Purpose

To present the following:

- *“National Skills Development Strategy (NSDS) and Sector Education and Training Authorities (SETAs) beyond 2016 within the context of an integrated, differentiated post-school education and training system”*
- The re-establishment of SETAs for a period of two years whilst consulting on the document.
- Extend the current NSDS III for the same period.

Summary

- Current NSDS III which guides disbursement of skills levy expires on 31 March 2016. (*should there be NSDS IV?, if yes, what form?*)
- Current term of SETAs ends on 31 March 2016. (*do we need SETAs? If yes, how should they be structured?*)
- Re-establishment of SETAs for two years and extend the current NSDS III for the same period 31 March 2018
- Concurrently the proposed policy document will be consulted, finalised and a detailed implementation plan developed

Strategic Focus

- Better serve the national priorities of government by prioritising skills development of occupations in demand. *Example; the country needs more artisans-*
- Striking a balance between sectorial priorities and national priorities
- Strengthen the role of government departments on SETA Boards
- Address efficiency and effectiveness of the SETAs
- Support the National Development Plan (NDP), National Growth Plan (NGP), Industrial Policy Action Plan (IPAP), Operation Phakisa, etc.

Problem Statement

Addresses two clusters of problems:

1. Efficiency and effectiveness of the current system

- Many SETAs are not achieving targets
- Governance challenges- *three SETAs under administration, could be more.*
- R2,6 billion not committed in 13/14 R360m 14/15
- Each SETA has its own system and procedures
- The SETA systems are very complicated
- SETAs have uneven capacity-*there good SETAs there are also very bad ones*
- Employers and unions complain about these issues

Problem Statement

2 Integration of skills development into the post-school education and training system

- Golden opportunity to be embraced- White Paper propagates the integration
- Labour market actors + education and training providers need to speak with one voice = SETAs to facilitate
- Bridge the divide between the responsiveness and access/ quality of the provision of Education and Training
- Complementarity between levy grant system and voted funds

Alternatives considered

(a) Option 1: Minimal change

Does not address the problems

(b) Option 2: Cluster SETAs

Six “mega-SETAs”, efficient BUT disruptive and skills not integrated into Post-School Education and Training (PSET) system; still a “silo” system

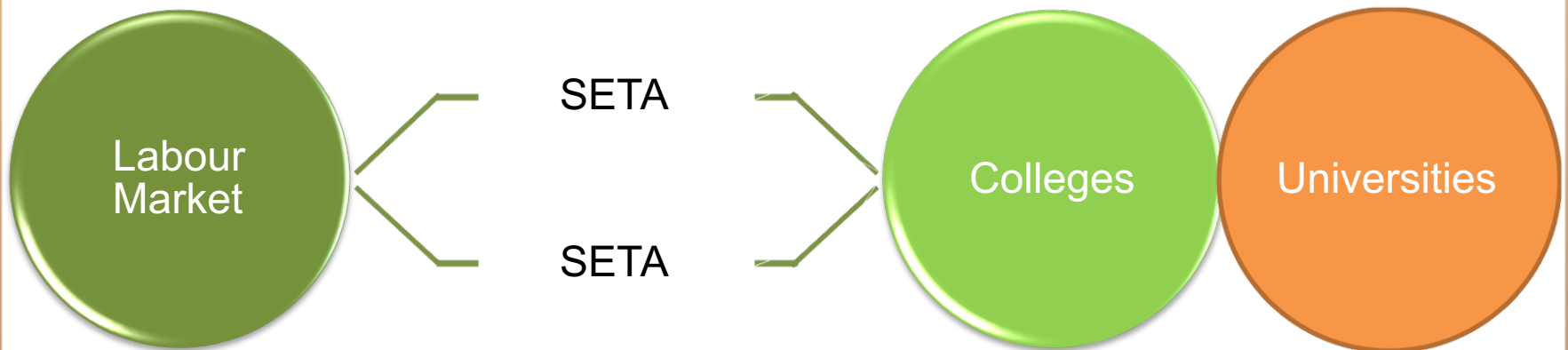
(c) Option 3: Skills Council

One Council for skills, functions to be performed by other bodies; still a “silo” system

(d) Option 4: SETAs as an integral part of the larger PSET system

Option 4: Proposed

SETAs as intermediaries: They must stand between the labour market and the public provider education and training system to facilitate communication and collaboration.

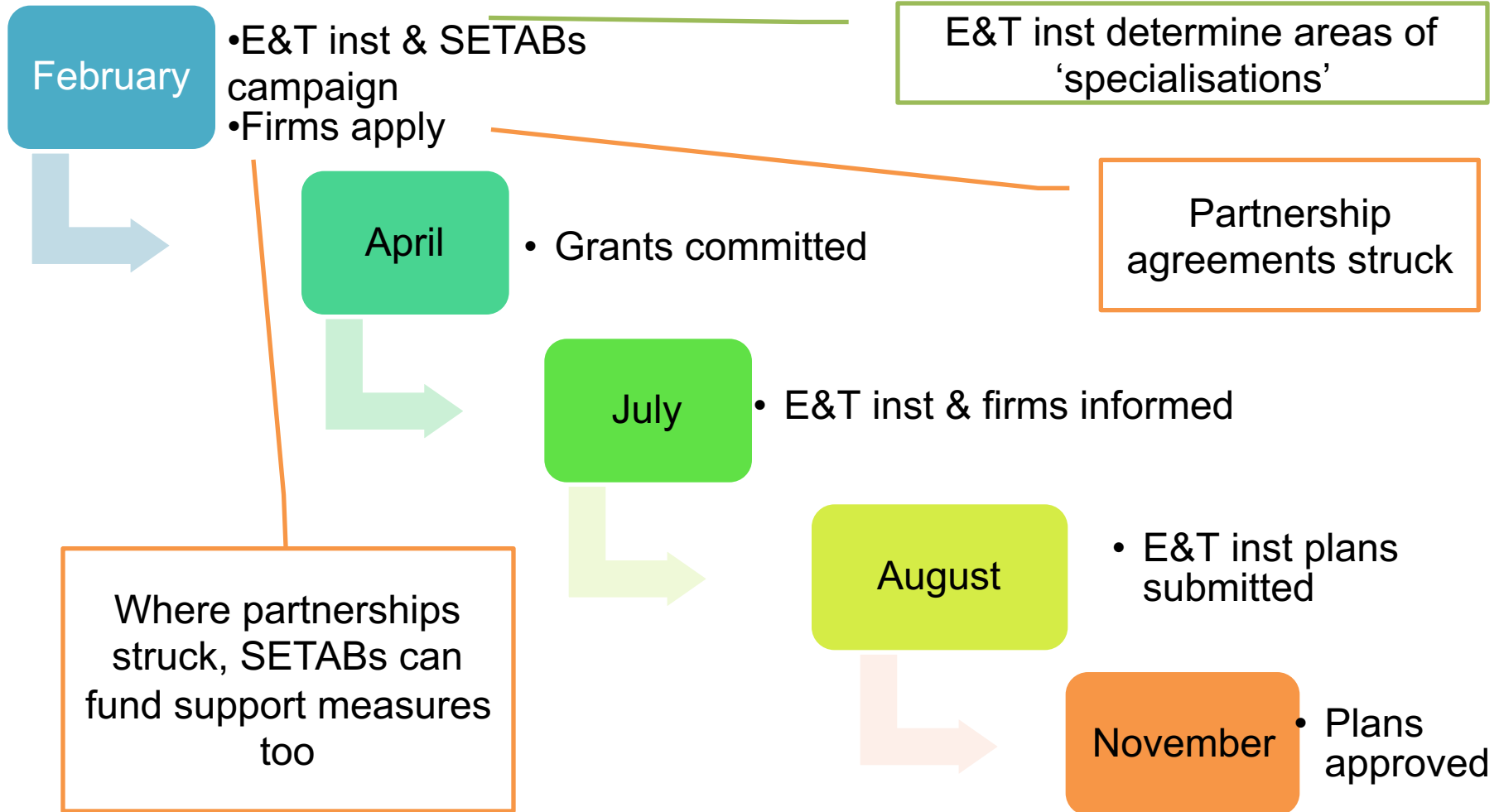


Option 4 - Roles of SETAs (White Paper)

The primary roles of SETAs post-2016 will be to:

- Determine the skill needs of employers by occupation using the OFO in their sector, report to Occupational Teams under DHET for cross-sectoral consolidation and analysis. (DHET will consolidate across sectors, generate national scarce skills list and inform providers);
- Support the development of institutions to meet these needs (from qualification design to qualification delivery);
- Secure workplace-based learning opportunities for learners; and
- Support institutional and workplace-based learning of the current workforce.

Option 4 - Annual Planning and resourcing cycle



Option 4: Proposed

- Sector Education and Training Authorities (SETAs) will become Sector Education and Training Advisory Boards (SETABs)
- % of SETA discretionary grants to be centralised and ring-fenced in NSF and will be disbursed with the advice from SETABs taking national priorities into account
- SETABs still receive levy funds for their administration, mandatory grants to employers and sector priorities

Option 4 : Proposed

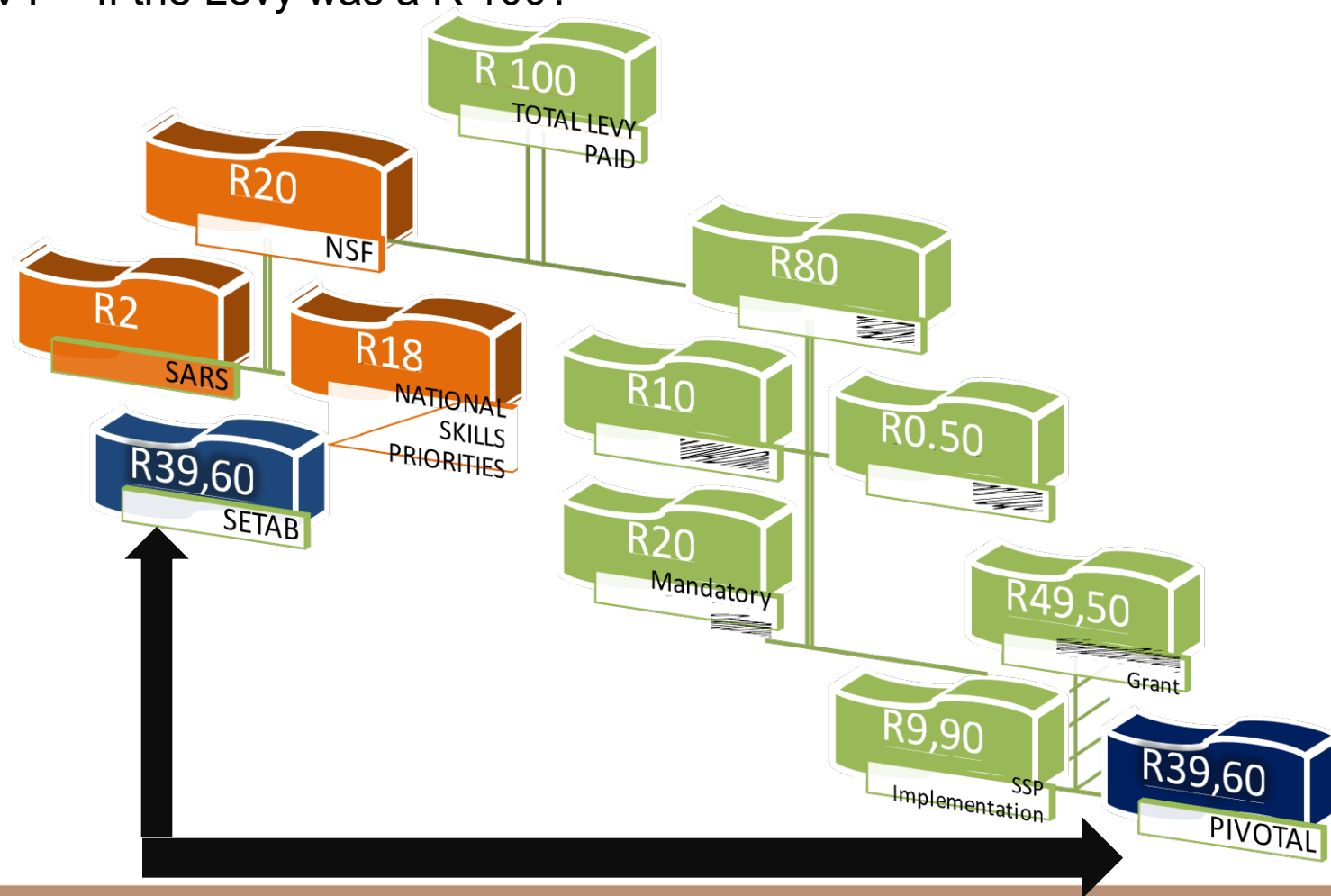
- Build shared service model and streamline functioning of grant payments.
- SETABs be established as permanent structures
- Alignment to what White Paper proposes.
- Build Skills Planning Unit centrally
- SETAB scope and boards remain the same in general, but stronger role for government departments especially for Sector Skills Plans
- Government departments prepare training plans in line with methodologies and templates set nationally to permit response
- National Skills Authority will monitor SETABs

Option 4 -SETAB role regarding grant allocations

- SETABs will manage the following grant funding (as shall be specified in the SETAB Establishment Govt. Gazette);
- **Administration budget** – although a portion of this will support the shared services unit;
- **‘Mandatory’ grant** (to become known as Workplace Skills Planning Grant) (20%);
- **Sectoral component of Discretionary Grant** (currently 20%) to become known as Sector Specific Grant to be used for sector-specific initiatives;
- **Projects** funded from the National Skills Fund (applications from SETABs, supported by Boards, will need to be managed).

Option 4 -SETAB role regarding grant allocations

LEVY – If the Levy was a R 100?



NSDS IV (2016 – 2021): To steer planning and resources

Educated, skilled and capable workforce for inclusive growth

- **At a first level of detail - Output targets:**
 - ✓ Targets for managers (e.g. focus on the public sector and SMMEs e.g. y% of public servants have required professional designations);
 - ✓ Targets for professionals (e.g. as percentage of 1000 population);
 - ✓ Targets for associate professionals;
 - ✓ Targets for service and clerical workers;
 - ✓ Targets for the trades (e.g. 30 000 artisans per year by 2030);
 - ✓ Targets for plant and machine operators;
 - ✓ Targets for trained elementary workers.

NSDS IV: To steer planning and resources

Educated, skilled and capable workforce for inclusive growth

- **At a second level of detail**, targets for individual priority occupations under each heading (cf. national scarce skills list)
- **As a third order set of targets**, general measures to improve the access & throughput of learners entering and succeeding in relevant qualifications linked to occupations in demand e.g. lecturer development, equipment, infrastructure, work placement etc.
- **And as a fourth level**, a strategy for each priority occupation is outlined, in relation to identified Centres of Specialisation

Pre-Consultation undertaken

- Document was presented to the Economic Sector Employment and Infrastructure Development (ESEID) Directors-General cluster, engagement with National Treasury and workshop with ESEID Departments
- Written inputs were also received from ESEID Departments and incorporated
- It was also presented to Cabinet seeking approval to circulate for consultation.
- The National Skills Authority has also been consulted on 11 September 2015
- The Minister will publish it in the Government Gazette inviting comments
- Consultation plan has been developed, and a targeted consultation will be undertaken from 22 September 2015
- The SETA CEOs were consulted on 23 September 2015

Conclusion

- The document will be circulated for public and key stakeholders
- The comments are expected on or before 15 December 2015
- Once public input has been received and considered, a final policy document will be prepared including:
 - ✓ an implementation plan
 - ✓ organisational and personnel implications
 - ✓ financial implications
 - ✓ legal implications
- Implementation will be from 1 April 2018



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Thank You