

BUSA SUBMISSION: NATIONAL SKILLS DEVELOPMENT STRATEGY III (NSDS III) FRAMEWORK

1. INTRODUCTION

Business welcomes the opportunity to comment on the proposed framework for the NSDS III. Business welcomes the new approach followed by the DHET to engage the stakeholders on the framework before finalizing the content of the NSDS III. The DHET is further supported in its approach of requesting the various industry sectors to make submissions on their sector skills plan (SSP) to form part of the broader NSDS. A sector driven skills development strategy should produce better outputs with a much better impact on the economy. This framework is therefore generally supported with the following comments and recommendations on various sections of the proposals.

2. SSP DEVELOPMENT AND APPROVAL BY LEADERSHIP OF THE STAKEHOLDERS

Business supports the principle of an SSP that is an outcome of full consultation by stakeholders and endorsement by stakeholder leadership. It must, however, be noted that the requirement that stakeholder leadership should sign the SSP was tried previously and had to be abandoned because in most sectors these leaders were not prepared to sign these documents, even if the leaders supported the SSPs. Business does not support this requirement. SETAs are statutory bodies in their own right and are therefore legal entities managed and led by a Board or Council. The stakeholders in the Board should sign the SSP and be held accountable for it. Asking non-Board / Council members to sign these is firstly, disempowering the Board / Council and stripping them of the fiduciary duties and secondly, it is equal to relegating this responsibility to people who cannot be held accountable.

It is therefore proposed that the SETA Boards/ Council should demonstrate proof of broad consultation with all stakeholders when submitting their SSPs.

The sign-off of the SSPs by the HRDSA-Council is not supported. This will mean the NSA as the Advisory Body of the Minister by the Act of Parliament is now null and void. The HRDSA-Council must only note the NSDS as a whole and should not engage at the level of sector skills plans.

3. LINKS TO MTSF GOALS

Business concurs that all efforts should be made to ensure that the SSP has links with the MTSF Goals in order to achieve the country's new economic growth and social development goals. This should be done within the context of understanding the delegated obligations of the SETAs. It is important to separate broader societal issues from SETA obligations. SETAs need to support IPAP and Rural Development, etc. However, such support must be skills development related and relevant to their work. SETAs should not be expected to do or embark on projects that are outside their scope, capacity and capability. An attempt to do this through NSF projects in NSDS I and NSDS II did not yield results and in fact, had no impact on the communities that were targeted. SETAs can refer to IPAP and the Rural Development strategy of government, to identify ways in which these strategies can be supported. Business would stress that such support must be limited to skills development projects and further that there must be clear sectoral differences since SETAs operate in different sectors. Those sectors that are already involved in rural development projects must be encouraged and supported instead of being re-directed to specific government projects.

4. INFORMATION DISSEMINATION

The requirement for SETAs to conduct occupational profiling is supported since such profiling will form the basis for a sector skills plan. The requirements to provide labour information services and guide to employment opportunities needs to be implemented within the context of the delegated obligations of the SETAs. SETAs may provide information on careers and employment opportunities within their sectors. SETAs should not be obliged to know available vacancies in their sectors and assist in the placement of work seekers but would voluntarily draw on this information to measure their progress in addressing skills shortages. This is a function of placement agencies. The guide to employment opportunities as proposed needs to be clarified and the role of the SETAs clearly demarcated.

5. THE NEW ENVIRONMENT OF NSDS III

The new environment where SETAs will operate along with other institutions under one executive authority creates conditions for easy collaboration on skills development delivery. The responsibility of each of these institutions and the role of government in the collaborative efforts must be clarified. SETAs should not be expected to fund the programmes of other institutions and the NSF should not be utilized to subsidise or fund projects that are the responsibility of government, for example, infrastructure and capacity building of FETCs. Skills funds must be used for skills development projects that are learning programmes directed at beneficiaries or unemployed learners.

6. STRATEGIC AREAS OF FOCUS FOR THE NSDS III

The principle of implementing a NSDS within the context of addressing equity and demographic imbalances of the past is supported. In NSDS I and II, equity and demographics were included as the foundational principles and SETAs had to report on the numbers of an agreed ratio (85% Blacks, 54% Women and 4% People with Disabilities). In the proposed NSDS III there is a need to clarify how equity impact, class, race, gender, age, disability and HIV/Aids will be measured.

Business supports the continuation of including equity and demographics as principles rather than a new success indicator. Firstly, the equity impact measure is already a function of the Employment Equity Act and should remain as such. Secondly, it will be very difficult to measure class and HIV/Aids even if one uses the LSM to measure class in skills development. Class is measured differently in different sectors and community settings/environments. These areas of focus are an example where there needs to be serious consideration and differentiation between societal issues and SETA obligations. It is possible for SETAs to collect data on race, gender, age and disability in their skills interventions. This will help to report the extent to which the demographics make up of the targeted population is reached it is not an impact measure.

There needs to be further clarity and agreement by all social partners on how this indicator will be practical.

For this reason Business is strongly opposed to reporting on the class status of trained people. Business also strongly opposes reporting on the HIV/Aids status of those who are trained as this is against the Constitution. HIV and AIDS is a non-disclosable disease and no one must be forced to disclose his/her status. Business strongly supports the implementation of programmes that support those who are affected and infected with the aim of reducing the pandemic.

The need to allow freedom of choice to use the most appropriate provider, public or private to deliver learning programmes, whilst the capacity of FETCs is addressed to ensure quality delivery of learning programmes, which are market related and fit for purpose.

7. CODE OF DECENT CONDUCT

The proposal of including a code of decent conduct in the NSDS is not clear and needs to be clarified. SETAs are already subjected to the PFMA and the King Code of Good Practice. The NSA is already developing a Code of Good Practice in Skills Development against which companies should be measured. Companies are also subject to the King Code. It is therefore not clear what this Code of Decent Conduct will mean and how it will be implemented.

It will be important to consider all current codes and their impact on the skills development environment before a new one is developed. It is also important to consider the impact of such a code on skills development.

8. LEARNING PROGRAMMES FOR DECENT WORK

The introduction of PIVOTAL programmes is supported as some SETAs are already supporting these programmes. There needs to be a consideration for those who do not support some PIVOTAL programmes because of their capacity but they are very supportive and implement training as will be shown in their WSPs. Such companies should not be disadvantaged.

8.1 Recognition of Prior Learning (RPL)

Business supports the notion of RPL with a caution that there is an urgent need to agree on the most appropriate criteria for implementing RPL. The lack of these criteria has led to inconsistencies in practice and further resulted in labour relations tensions in some industry sectors.

8.2 Raising the base

Business supports the idea of viewing functional literacy, numeracy and communication beyond the confines of the definition of ABET. It is a concern though that there is no common vision on functional literacy and numeracy. There is a need to work towards a common agreement of what is functional literacy and numeracy. Such a vision should be included in the National Skills Development Strategy.

8.3 Pivotal Occupational Programmes

The reporting success indicators on pivotal programmes is excessive and goes beyond the delegated obligations of the SETAs. It makes sense for SETAs to report on learners placed for workplace learning on such programmes as artisan training and learnerships. To expect SETAs to report on employment after training is asking them to report on circumstances beyond their control. SETAs have no control over labour market demand and specific company job vacancies. The role of the SETAs is to facilitate the training of a pool of sufficiently skilled people that is big enough to be absorbed by the labour market or to be self-employed. Can SETAs force the labour market to create jobs for 70% of the people they have trained? Once again it is important to separate societal issues from SETA obligations.

9. SKILLS DEVELOPMENT LEVIES

The main challenge for SETAs continues to be the disbursement of levies collected in large volumes. Clearly disbursement rate remains unacceptably low even though there is an improvement. Proper research needs to be conducted to come up with new proposals for the collection of levies and disbursement of grants so that the reserves can be managed at acceptable levels.

9.1 Seta Grants

Business is not opposed to the introduction of the PIVOTAL Grants from the WSP. Many SETAs are already supporting such programmes and companies should benefit from this grant. As mentioned above, the challenge remains the rate of disbursement. Business insists on a significant decrease in unspent funds by SETAs before a major change is introduced in the two types of grants (Mandatory and Discretionary). Reducing the Mandatory Grant by 10% may lead to a further accumulation of SETA funds given the current status of SETA reserves.

Business supports the principle of a gradual decline of mandatory grants over a period of time and an increase in discretionary grants only once SETAs (and NSF) can show that they are spending discretionary grants on training. As mentioned above this should happen when a better levy/grant model has been proposed and when SETAs have significantly reduced their reserves.

There will also be implications on Grant Regulations when this change is effected.

This framework is very silent about Government's expenditure on training and this is a major concern for Business. Government is the biggest employer in the country and no effort is made to demonstrate Government's commitment to skills development. This is against the principle of the Skills Development Act which states that the workplace must be used as a learning environment. It is imperative for Government departments to contribute towards the skills levy and be obliged to comply with the Act by submitting their WSPs and ATRs to their relevant SETAs.

9.2 Catalytic Grants

The Catalytic Grant is supported on condition that it supports direct training projects and beneficiaries of these projects. Catalytic Grants cannot support the infrastructure funding as this is the responsibility of government.

10. CONCLUSION

Business supports the new approach to the development of the new NSDS as this will yield more support and buy-in from all stakeholders who have participated in the development process. A reasonable response to the comments above will further build confidence in the NSDS development process.

