

National Skills Development Strategy

Implementation Report

1 April 2006 – 31 March 2007



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National Skills Development Strategy Implementation Report

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List of Acronyms and Abbreviations

ABET	Adult Basic Education and Training
ASGI-SA	Accelerated Shared Growth Initiative of South Africa
ATR	Annual Training Report (also known as the Workplace Skills Implementation Report)
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
CBOs	Community Based Organisations
Department	Department of Labour
DPSA	Department of Public Service and Administration
EAP	Economically Active Population
EPWP	Extended Public Works Programme
ESDA	Employment and Skills Development Agency
ETD	Education, Training and Development
ETQA	Education and Training Quality Assurance body
FET	Further Education and Training
HET	Higher Education and Training
INDLELA	Institute for the National Development of Learnerships, Employment Skills and Labour Assessment
ISOE	Institutes of Sectoral or Occupational Excellence
ISRDP	Integrated Sustainable Rural Development Programme
JIPSA	Joint Initiative on Priority Skills Acquisition
LFS	Labour Force Survey
MoU	Memorandum of Understanding
NGO	Non-Governmental Organisation
NLRD	National Learners' Records Database
NPI	National Productivity Institute
NQF	National Qualifications Framework
NRF	National Research Fund
NSA	National Skills Authority
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NVC	New Venture Creation
OFO	Organising Framework for Occupations
PWD	People with Disabilities
RPL	Recognition of Prior Learning
SAQA	South African Qualifications Authority
SARS	South African Revenue Service
SDF	Skills Development Facilitator
SDFW	Skills Development Funding Window
SDL	Skills Development Levy
SETA	Sector Education and Training Authority
SI	Success Indicator
SME	Small Micro Enterprise
SMME	Small Medium and Micro Enterprise
SSP	Sector Skills Plan
URP	Urban Renewal Programme
UYF	Umsobomvu Youth Fund
WSP	Workplace Skills Plan



List of SETAs

01	Financial and Accounting Services Education and Training Authority	FASSET
02	Banking Sector Education and Training Authority	BANKSETA
03	Chemical Industries Education and Training Authority	CHIETA
04	Clothing, Textile, Footwear and Leather Education and Training Authority	CTFL SETA
05	Construction Education and Training Authority	CETA
07	Education, Training, and Development Practices Education and Training Authority	ETDP SETA
08	Energy Sector Education and Training Authority	ESETA
09	Food and Beverages Manufacturing Education and Training Authority	FoodBev SETA
10	Forestry Industries Education and Training Authority	FIETA
11	Health and Welfare Sector Education and Training Authority	HWSETA
12	Information Systems, Electronics and Telecommunication Technologies Education and Training Authority	ISETT
13	Insurance Sector Education and Training Authority	INSETA
14	Local Government Education and Training Authority	LGSETA
15	Media, Advertising, Publishing, Printing and Packaging Education and Training Authority	MAPPP-SETA
16	Mining Qualifications Authority	MQA
17	Manufacturing, Engineering and Related Services Education and Training Authority	MERSETA
19	Security and Safety Sector Education Training Authority	SASSETA
20	Agricultural Sector Education and Training Authority	AgriSETA
21	Public Services Sector Education and Training Authority	PSETA
23	Services Sector Education and Training Authority	SERVICES
25	Tourism And Hospitality Education and Training Authority	THETA
26	Transport Education and Training Authority	TETA
27	Wholesale and Retail Sector Education and Training Authority	W&RSETA



Foreword

It is my pleasure and privilege to submit to you the second Implementation Report for the period 1 April 2006 to 31 March 2007 of the National Skills Development Strategy 2005 – 2010 unveiled by the Honourable Minister of Labour, Mr. MMS Mdladlana, MP on 3 March 2005.

Against the background of the vision ‘Skills for sustainable growth, development and equity”, we are proud to announce that the National Skills Development Strategy (NSDS) 2005 – 2010 is on track. Most annual targets are being met and exceeded and it is evident that almost all the indicators of the strategy were implemented in the various work places and in our social development interventions.

There are three areas that remain a challenge or where we are not entirely happy with the progress achieved to date namely the development of a national standard of good practice in skills development, Adult Basic Education and Training (ABET) targets and skills development overall equity targets. While there may be serious complexities in the development of a national standard, I believe that we have absolutely no excuse with regard to ABET and the agreed equity targets especially if we are to address the inequities created by the past apartheid system.

A number of impact studies are scheduled to be initiated during the 2008/09 financial year. We hope that the findings, will inform our thinking as we develop the National Skills Development Strategy, 2010 to 2015.

In responding to the skills shortage call we have aligned our skills development plans and interventions with the Accelerated Growth Initiative of South Africa (ASGI-SA) projects and the skills requirement as outlined by the Joint Initiative on Priority Skills for SA (JIPSA) chaired by the Deputy President, Ms Phumzile Mlambo-Ngcuka. We have concluded discussions on the Review on the National Qualifications Framework and will be preparing the necessary legislative provisions to give effect to the Joint Policy Statement. We have reprioritised our funding framework both at SETA and National Skills Fund levels towards artisan development in this country. This process will be complemented by the four new routes to attain artisan status and the necessary regulations, and the INDLELA repositioning strategy to ensure high quality artisan training in the country, moderation and assessment standards. We are also engaged in an exercise to review SETAs in an attempt to reposition them to contribute better targets towards the skills challenges faced by our country. We are also participating actively in other forums that are looking at the broader national human resources development interventions as we cannot solve this problem alone.

I want to thank all the skills development implementing agents, the SETAs, the National Skills Authority, the National Productivity Institute, Umsobomvu Youth Fund, the Department’s Provincial Offices and Labour Centres, our sister departments, the education and skills development provider community and the various workplaces for the good work and the support provided to the Department of Labour.

Lastly let me thank you and the Portfolio Committee Members on Labour as well as the Select Committee on Labour and Public Enterprises for the guidance you gave towards the realisation of the goals we set to achieve.



Dr V.M Mkosana
Director-General of Labour



Executive Summary

This report presents information on the performance of the implementing agents in achieving the targets of the National Skills Development Strategy (NSDS) 2005-2010. The introduction in **Chapter 1** illustrates the purpose of the report and description and roles of the NSDS implementing agents. This chapter further presents the manner in which implementation of the NSDS is monitored and evaluated and finally it provides information on labour market and employment trends. **Chapters 2 to 6** describes the performance of the NSDS implementing agents during the year under review. It is critical to note that in some instances the best projects are incorporated under relevant success indicators. For instance, under success indicator 4.1, a case study of employees of Shoprite in Limpopo has been included. The performance of the implementing agents in achieving equity targets is presented in **Chapter 7**. **Chapter 8** ends the report with the views of the National Skills Authority on the performance of the implementing agents in implementing the objectives of the NSDS 2005-2010.

During the year under review most of the targets were achieved. Highlights of the achievements on the NSDS targets are the following. A very critical achievement was realised when the Scarce and Critical Skills list was developed and placed on the Department's website. A significant increase has also been noted in large, medium and small firms which responded positively in improving the skills of their workers.

With regard to training the unemployed people, targets have been achieved, and in some instances even exceeded. Most important is that the target of the accreditation of training programmes (25%) has been exceeded as it stood at 36% in March 2007. The Umsobomvu Youth Fund (UYF) and Sector Education and Training Authorities (SETAs) have also played a vital role in ensuring that young people are supported and linked to business opportunities. Lastly, some SETAs exceeded their targets in ensuring that the provider institutions are operational, supported and accredited.

Although performance on the NSDS implementation during 2006/07 was good, there were challenges that the implementing agents had to deal with. For instance, youth placement did not meet expectations as per the set targets. It is therefore very critical that plans should be put in place to accelerate performance of this indicator in the coming year. Serious challenges were also experienced in implementing ABET programmes. Plans are being made to improve performance in this area of skills development. The other challenge that needs urgent attention is reaching equity targets, especially in making certain that people with disabilities register and complete learning programmes. Plans to accelerate delivery in all these areas were discussed with implementing agents and therefore significant improvement is expected in 2007/08.

Chapter One

Introduction

Purpose of the report

The purpose of this report is to provide information on progress with the achievements of the NSDS 2005-2010 targets. The report is based on the second year of implementation from 1 April 2006 to 31 March 2007. Performance information is provided in chapters 2 to 6 and it gives details on the performance against each of the five objectives.

This chapter provides an overview of the responsibilities of the SETAs and the National Skills Fund (NSF) as the main implementing agents of the NSDS. It also describes the contributions of other agents that are closely related to the Department, i.e. INDLELA, the National Productivity Institute (NPI) and the Umsobomvu Youth Fund (UYF). The last section of this chapter describes the key features of the labour market and employment trends, as the context within which the NSDS is implemented.

NSDS implementing agents

The SETAs and the NSF are the two main agents responsible for implementing the NSDS. They are supported by other institutions that are related to the Department, i.e INDLELA, the NPI and the UYF.

Sector Education and Training Authorities (SETAs)

The 25 SETAs were established by the Minister of Labour in March 2000 under the Skills Development Act, No 97 of 1998 (chapter 3). These SETAs were reduced to 23 after a review of their landscapes. These 23 SETAs were re-established for 2005 – 2010 and expressed their commitment to implementing NSDS II.

The main responsibilities of the SETAs are to develop Sector Skills Plans (SSPs), approve, register and promote learnerships, disburse mandatory grants to employers on the receipt and approval of Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs), disburse discretionary grants for projects that address specific sectoral needs identified in their SSPs, and administer income from skills development levies. SETAs are also responsible for quality assuring the provision of training and assessment in their sectors through their Education and Training Quality Assurance bodies (ETQAs).

SETAs are funded through the skills development levies (i.e. 1% of payroll) that private sector employers are required to pay to the South African Revenue Service (SARS). A total of 80% of the levies collected by SARS is transferred to the SETAs and the remaining 20% is allocated to the NSF. SETAs are required to spend at least 90% of the income from the levies on grants and skills development activities, and the remainder on administration. The Public Sector SETA (PSETA) is funded through a budget allocation from the National Treasury.

National Skills Fund (NSF)

The National Skills Fund (NSF) was established after the promulgation of the Skills Development Act in 1999. The primary purpose of the NSF is to fund projects identified in the NSDS as national priorities, as well as other projects related to the achievement of the purpose of the Skills Development Act, as determined by the Director-General of Labour. The Fund is managed by the Department and guided by the National Skills Authority (NSA).

In addition to the skills levy income, the NSF may be funded through other sources such as money appropriated by Parliament, donations and investments of the Fund. NSF funds are allocated through the Department's provincial offices, SETAs, and other disbursing agencies.



The contributions of the NSF towards implementing the NSDS objectives and success indicators (and the new funding windows) are described more fully in Appendix B.

Other NSDS implementing agents

The following are Department of Labour-related institutions that contribute towards implementing the NSDS:

The Institute for the National Development of Learnerships, Employment Skills and Labour Assessment (INDLELA) is a Directorate of the Employment Services and Skills Development Branch, and is mainly responsible for the assessment of artisans. This is linked to NSDS Objective 2, i.e. ‘promoting and accelerating quality training for all in the workplace’ Success Indicator 2.8. It is also linked to one of JIPSA’s priorities being to train **50 000** artisans over the next four years. INDLELA is also responsible for the training of national technical advisors, as well as the trainers in technical skills and in adult learning and for coordinating the activities of SMMEs through learnerships and skills programmes.

The **National Productivity Institute (NPI)** strives to improve the productive capacity of South Africans through consultation, education and implementation. It is supported by government, business and labour. The main contribution of the NPI is in respect of NSDS Objective 2, Success Indicator 2.1. The NPI also contributes to improved productivity within enterprises and the acceleration of economic growth. This is mainly done by training Skills Development Facilitators (SDFs), entrepreneurs and SMMEs to ensure that workers and employers adopt more effective and efficient production methods.

The **Umsobomvu Youth Fund (UYF)** facilitates skills development among young South Africans and promotes job creation through investment in youth development and entrepreneurship programmes. The UYF focuses on NSDS Objective 4 in assisting young people to *‘participate in integrated learning and work-based programmes to acquire critical skills and enter the labour market and self-employment’*. The UYF also assists with the placement of young people in workplaces to reduce the youth unemployment rate in the country.

Monitoring and evaluation of the NSDS

Agreements and monitoring systems

The implementation of the NSDS is monitored and evaluated through annual agreements between the Department and the implementing agents. These agreements set clear targets and specific deliverables in relation to NSDS success indicators. Implementing agents are required to report on their achievements against these targets on a quarterly and annual basis. The reports are consolidated into NSDS Quarterly Monitoring Reports, which are submitted to the NSA and other user sections in the Department. The four NSDS quarterly reports are then integrated into the annual NSDS implementation Report.

In respect of the SETAs, the Director-General of Labour and the Chairpeople and Deputy Chairpeople of the SETAs sign Service Level Agreements (SLAs) before the start of each financial year. The 2006/07 SETA SLAs were concluded between the Department and SETAs by 31 July 2006. The SLAs were concluded after the start of the financial year. In principle, agreement was reached on targets set by SETAs prior to the start of the 2006/07 financial year, but the SLAs had to be referred back to SETAs to ensure alignment of the SLAs to priorities identified within the Accelerated Shared Growth Initiative of South Africa (ASGI-SA), and for SETAs to outline how the NSDS targets in the SLAs will support ASGI-SA.

The SLA Regulations require that the Director-General should on an annual basis by the end of July forward to SETAs SLA requirements. These requirements are then used to develop SETA performance scorecards to evaluate, assist and guide SETAs to improve their performance continuously against NSDS II success indicators.

The scorecards are designed for a period of five years related to the NSDS II but include annual and progressive data. The Performance Scorecard methodology has been developed and is improved annually in collaboration with the NSA and SETAs to measure the performance of SETAs towards the achievements of the NSDS II. The SETA scorecards for 2006/07 are attached as **Appendix C** at the end of this report.

Research studies on the NSDS

Each success indicator of the NSDS II has an imbedded impact measurement. This is to ensure that the impact of the implementation of the success indicators are measured which amongst others include placement of learners who participated in different learning programmes. It is against this background that the Department has appointed the Human Sciences Research Council (HSRC) as a research partner for a period of 20 months to conduct such an impact assessment. The Labour Policy and Labour Market Programmes Branch of the Department has already commissioned various NSDS related research projects through the HSRC. The research evaluates whether the beneficiaries did indeed achieve the intended benefits from the various skills development interventions. A separate report will in due cause be made available once the research projects are concluded by HSRC. The research findings will be consolidated to inform the NSDS Implementation Report.

Labour market and employment trends

Perspective on the labour market

In this section, trends in the labour market are reviewed. The statistics used are mostly derived from the Labour Force Survey (LFS) results over the past six years (from 2001 to 2006). The significance of these LFS results may be associated with the outcomes of the NSDS objectives. Research will still be commissioned to establish the impact of the NSDS on labour market trends.

Employment and unemployment trends

Figure 1.1 indicates that from September 2005 to September 2006 the economically active population (EAP) increased by 403 000, from 16 788 000 to 17 191 000. This is an 11.7% increase which implies a massive increase in labour force participation. From this, 57% (229 710) of new entrants in the labour force were females. This is as a result of an increase in female labour force participation rates over the same period.

It is also noted that the South African economy grew at an unprecedented level –above 4%. This raises some hope to most discouraged work-seekers to return and participate in the labour market.

The number of employed people rose by half a million (500 000) between September 2005 and September 2006. In the same period, the following provinces have shown an increase in percentage-points of absorption rates as indicated in **Table 1.1**: Western Cape (3.6%), Northern Cape (2.3%), Eastern Cape (0.7%), KwaZulu-Natal (3.8%) and Mpumalanga (1.8%). Overall, the continued expansion in employment resulted in the creation of 1.6 million jobs in the labour market between September 2001 and September 2006.

Relatively, the number of unemployed people (using the official definition¹) decreased from 4.4 million in 2005 to 4.3 million in 2006, indicating a decrease of 2.3%. See **Figure 1.1**.

¹ The unemployed are those people within the economically active population who (i) did not work during the seven days prior to the interview, (ii) want to work and are available to start work within two weeks of the interview, and (iii) have taken active steps to look for work or to start some form of self employment in the four weeks prior to the interview.

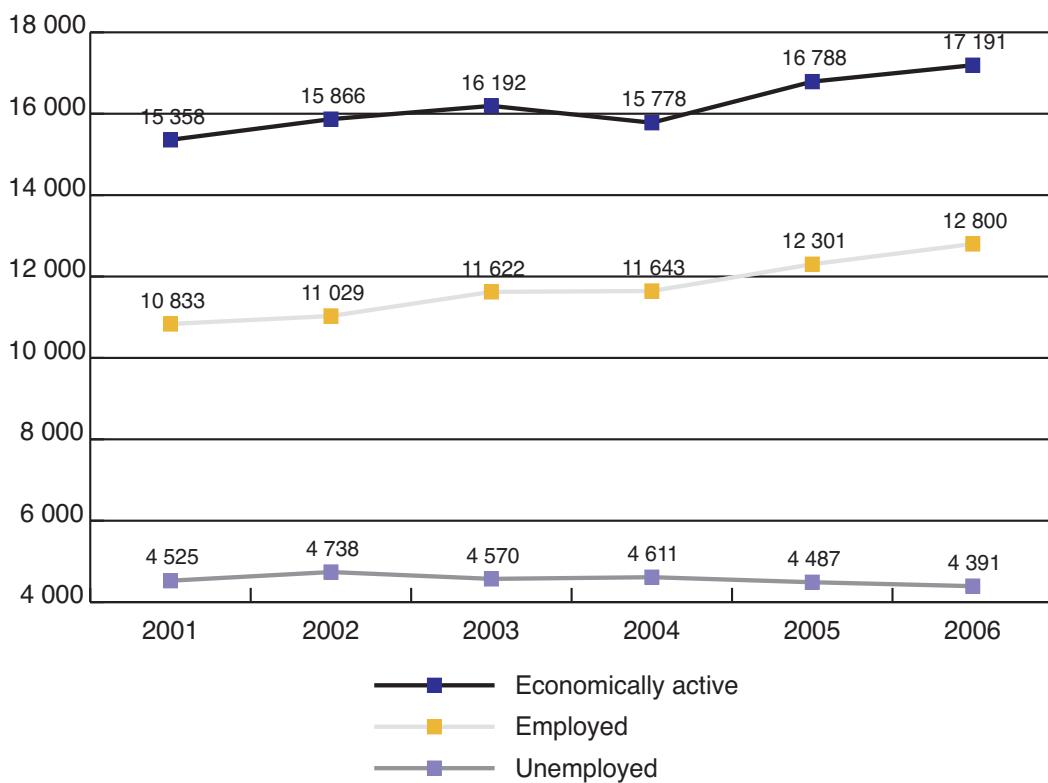


Table 1.1: Labour absorption rates by province, September 2005 and September 2006

Province	September 2005 (%)	September 2006 (%)
Western Cape	54.3	57.6
Eastern Cape	33.9	34.6
Northern Cape	40.7	43.0
Free State	41.6	40.7
KwaZulu-Natal	36.0	39.8
North West	38.4	37.1
Gauteng	53.3	53.2
Mpumalanga	39.6	41.4
Limpopo	27.6	25.8
Total	41.4	42.7

Source: Labour Force Survey, Statistics South Africa

Figure 1.1: Trend lines on economically active, employed and unemployed from September 2001-2006 ('000)



Source: Labour Force Survey, Statistics South Africa

Employment by occupation

Table 1.2 shows the distribution of employment by occupational categories. It indicates that, overall, there has been a significant shift in South Africa in occupational patterns. The number of people in middle level occupations, in sales and service, clerks, skilled agriculture and crafts particularly, has expanded between 2005 and 2006.

The highest level of new employment was recorded among the craft as well as skilled agricultural occupational categories with an increase of 177 000 and 130 000 new jobs respectively from September 2005 to September 2006.

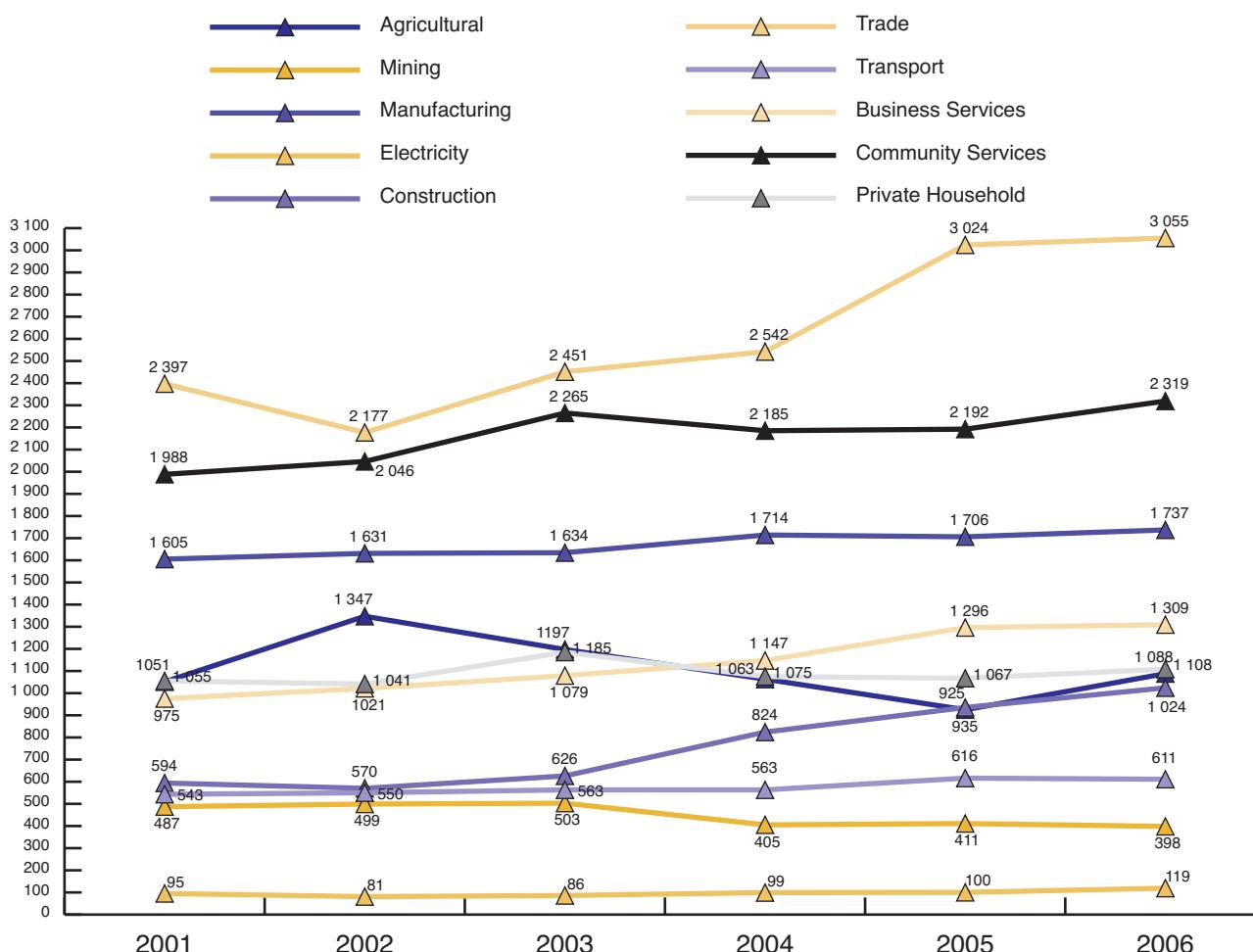
Table 1.2: Distribution of employment by occupation, Sept 2001- Sept 2006 ('000)

Occupation	2001	2002	2003	2004	2005	2006
Legislators	664	731	822	910	857	873
Professionals	486	502	544	458	589	601
Technicians	1 176	1 207	1 159	1 149	1 196	1 231
Clerks	1 091	1 110	1 156	1 169	1 188	1 246
Sales and service	1 429	1 244	1 361	1 453	1 607	1 638
Skilled agricultural	521	706	341	329	302	432
Crafts	1 529	1 460	1 454	1 536	1 744	1 921
Plant and machine operators	1 127	1 156	1 145	1 113	1 127	1 118
Elementary workers	2 253	2 296	2 530	2 619	2 811	2 841
Domestic workers	881	844	895	881	859	886

Source: Labour Force Survey, Statistics South Africa, excluding 'Unspecified'

Figure 1.2 illustrates the distribution of the employed by economic sector between September 2001 and September 2006. When looking at employment by industry between 2005 and 2006, it shows a general increase in employment with the exception of the mining and transport industries. The number of people employed in the agricultural sector has been gradually declining during the period 2002 to 2005. This industry increased the number of people employed by just over 16 000 between September 2005 and September 2006. This was mostly dominated in the subsistence farming (82,2%) as compared to commercial farming (16,5%). During the same period, the community and social services industry recorded strong employment gains (up 127 000) followed by construction (up 89 000).

Figure 1.2: Employment by economic sector, September 2001-2006 ('000)



Source: Labour Force Survey, Statistics South Africa, excluding 'Unspecified'

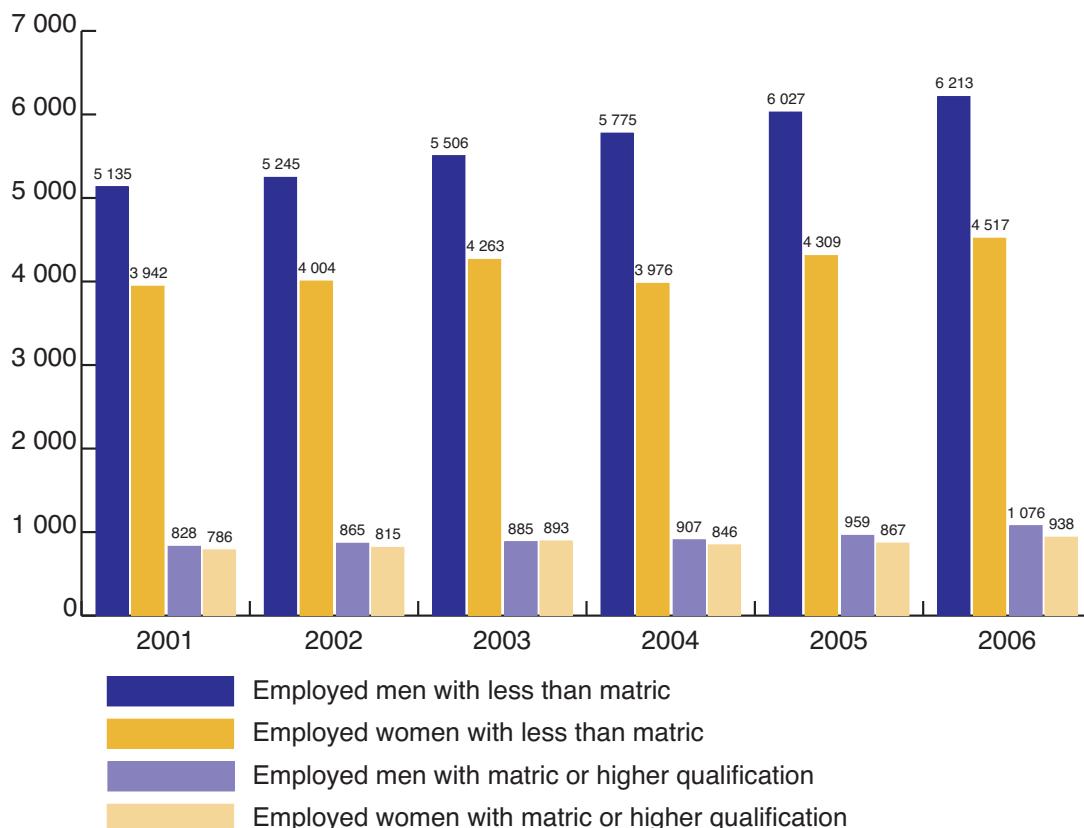


Education levels of the employed

Figure 1.3 shows the number of employed people by qualification and gender between 2001 and 2006, and indicates the following trends:

- There are more men employed than women irrespective of educational attainment.
- The number of males and females who are employed in all educational levels increased between September 2005 and September 2006
- A slight decline was recorded among women with qualifications higher than matric in 2004. This trend was reversed during 2005 and 2006 when the number of women in employment, with a qualification higher than matric, increased.

Figure 1.3: Employed people by gender and educational level ('000)



Source: Labour Force Survey, Statistics South Africa, excluding 'Unspecified'

Conclusion

The findings in this section show that there is a positive trend in the labour market associated with a strong economic growth in the country. On the one hand, the official unemployment rate decreased by 1.2% from 26.7% in September 2005 to 25.5% in September 2006. The economy has generated almost 500 000 new jobs over the same period.

On the other hand, males were more likely to participate in the labour market and less likely to be unemployed. Indeed, in September 2006, the female unemployment rate (30.7%) was about 10% higher than that for males (21.2%).

It is true that the economy is growing but it has not been able to absorb the rapidly growing labour force into employment at a rate high enough to have a significant impact on unemployment levels. With most unemployed people falling within the age group 15 - 34 years, it could be concluded that most of these unemployed young people are in the labour force due to the fact that they could not further their studies after matric (grade 12) for some reasons that fall beyond the scope of this paper.

Chapter Two

NSDS Objective 1: Prioritising and communicating critical skills for sustainable growth, development and equity

This objective is based on the identification of scarce and critical skills that are required in the labour market. This will be obtained by conducting market research on scarce and critical skills in all economic sectors.

Once the market research has been completed, the scarce and critical skills list will be communicated to all role players. The list will be used by role players, such as SETAs, training providers, learners, workers, the unemployed, employers, Department of Home Affairs, Department of Trade and Industry and any other groups or organisations to focus skills development and learning efforts on critical and scarce skills.

This objective is also aligned to the Joint Initiative on Priority Skills Acquisition (JIPSA) as it enables the identification of scarce and critical skills that are regarded as priority skills. The main objective of JIPSA is to ensure that government; organised business and organised labour join forces to fast-track the provision of priority skills required to support accelerated and shared growth. One of JIPSA's tasks will be to advise on aligning the training and skills development efforts of the public and private sectors with the objectives of Accelerated and Shared Growth Initiative of South Africa (ASGI-SA). The Department works in collaboration with the JIPSA Technical Working Group in developing the National List of Scarce and Critical Skills.

2.1 Success Indicator 1.1: Skills development supports national and sectoral growth, development and equity priorities

In terms of this indicator, the Department is expected to develop guidelines for the SETAs on how to identify scarce and critical skills in their sectors. SETAs then consolidate the Workplace Skills Plans (WSPs) submitted by firms in each sector, and develop Sector Skills Plans (SSPs) identifying scarce and critical skills. From the consolidation of 23 SSPs, the Scarce and Critical Skills list is then developed. The list is further discussed and agreed upon with other stakeholders such as the Departments of Trade and Industry and Home Affairs. From these discussions, a Master National Scarce and Critical Skills list is then developed.

2.1.1 Progress made to date

The Scarce and Critical Skills list has been completed. The Master National Scarce and Critical Skills list has been completed and is available on the Department's website at www.labour.gov.za. The list is composed of a sectorally based scarce and critical skill list extracted from the SETAs' SSPs and industry based list from the Department of Trade and Industry.

The Master National Scarce and Critical Skills list forms the basis for the development of the National Guide on Occupational/Employment Trends. This guide is currently being developed alongside the finalisation of the State of Skills publication of the Department. The Human Sciences Research Council (HSRC) will also assist in these processes.

2.2 Success Indicator 1.2: Information on critical skills is widely available to learners. Impact of information dissemination researched, measured and communicated in terms of rising entry, completion and placement of learners



The outcome of this indicator will ensure that the list of scarce and critical skills is communicated to learners and other interested parties in various sectors through guides developed by SETAs. The sector guides will form part of a national guide on occupational and employment trends that will be periodically updated. Career counsellors, Skills Development Facilitators (SDFs), sector specialists and others will be trained in how to use this guide. This will ensure that all learners, both in institutions of learning and in workplaces, are informed about the list.

2.2.1 Progress made to date

Each SETA has set targets to train the SDFs and sector specialists on the usage of the guide on scarce and critical skills. The targets set in the Department of Labour-SETA SLAs for 2006/07 indicated **8 817** SDFs and/or sector specialists to be trained by SETAs to inform employers about scarce and critical skills in their sector. By the end of March 2007 a total of **16 850** SDFs or sector specialists received training. This is a **191%** performance result against the SLA targets for 2006/07.

Figure 2.1: Total number of trained Skills Development Facilitators and Career Counsellors

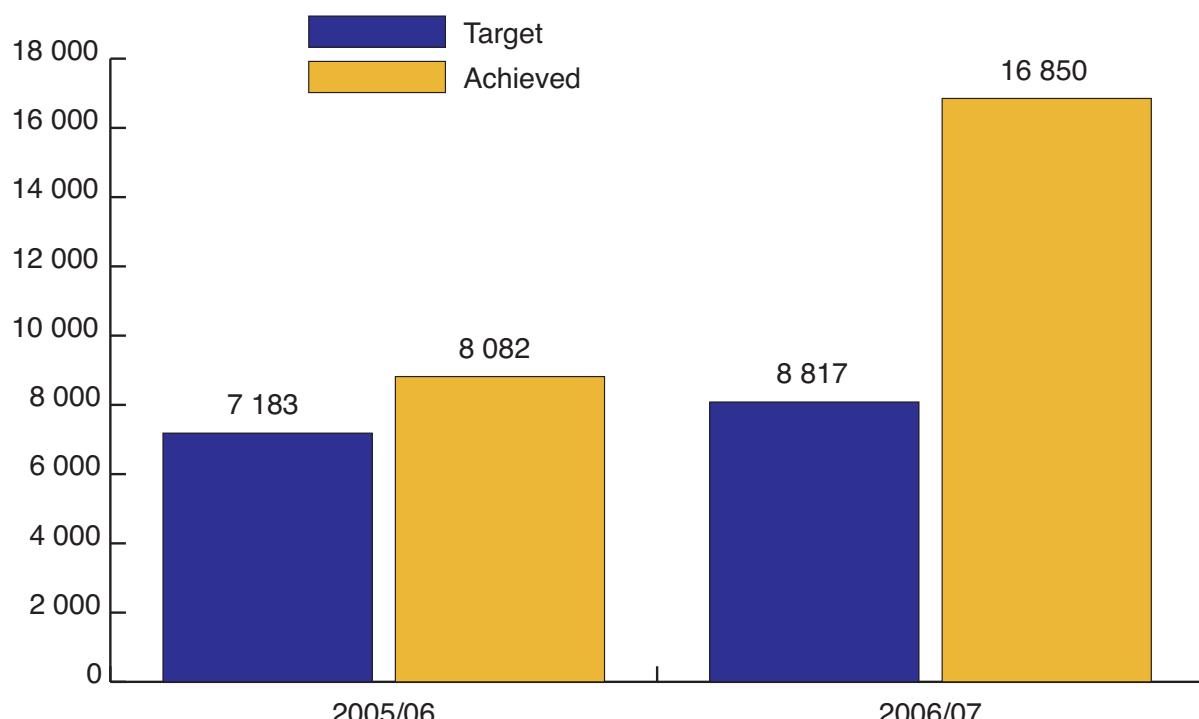


Figure 2.1 indicates that the targets for two years 2005/06 and 2006/07 were achieved and exceeded. During 2006/07 SETAs have improved remarkably as the achievement is almost double the annual target at **191%**.

2.3 Conclusion

This objective is one of the most successful objectives that have been implemented in the NSDS II. Through this objective, a National Scarce and Critical Skills list has been developed. The list forms the basis from which continuous updates will be done.

The highlight is also on the high number of SDFs and Career Counsellors who have been trained to ensure information sharing of the list with various role players. At this stage it has not yet been



established whether all the SETAs have developed the guides, and also if indeed these SDFs and Career Counsellors have been trained on the usage of the guides. This will be verified and concluded by end July 2007.



Chapter Three

NSDS Objective 2:

Promoting and accelerating quality training for all in the workplace

This objective targets employers from large, medium and small firms to encourage them to train their workers. This will benefit both the employer and the workers, as it will ensure that workers acquire skills that are relevant to the needs of their businesses. Workers will progress in their individual career growth within their work environment and may be promoted to higher positions, or move into employment in other enterprises. The benefit to the employer is that skilled workers will increase efficiencies, leading to improved productivity. This will improve the competitiveness of the enterprise, which in turn contributes towards economic growth in the country.

The objective also focuses on empowering previously disadvantaged groups such as Blacks, women, people with disabilities and the youth. Employers are encouraged to focus their training on developing these targeted groups to close the gaps created by the apartheid system.

The main contributors to this Objective are mainly the 23 SETAs, and the National Productivity Institute (NPI). The NPI is making significant contributions empowering workers, especially the previously disadvantaged people, to achieve greater productivity improvements. Through productivity related interventions, the NPI is able to help facilitate competitiveness and increased productivity in firms. This is in relation to the country's path to sustainable socio-economic development.

3.1 Success Indicator 2.1: By March 2010 at least 80% of large firms' and at least 60% of medium firms' employment equity targets are supported by skills development. Impact on overall equity profile assessed

Large and medium firms are encouraged to train their workers and to meet employment equity targets. Employers are expected to submit Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) to their SETAs. If the WSPs and ATRs meet the minimum set criteria, that include amongst others, submitting the WSPs and ATRs by 30 June each year, the employers will receive incentives in the form of mandatory grants paid by the SETAs.

3.1.1 Progress made to date

In terms of the Department of Labour-SETA SLAs, the 2006/07 targets for this success indicator are **3 270** for large firms and **4 279** for medium firms to submit their WSPs. By March 2007 a total of **4 385** large firms that had submitted WSPs and ATRs were supported through payment of mandatory grants. This is an achievement of **134%** performance results against the SLA targets for the period 2006/07. Similarly, by the end of March 2007, **5 380** medium firms that had submitted WSPs and ATRs were supported, representing a **126%** of performance results against the SLA targets.

Figure 3.1: Number of large and medium firms 2005/06 and 2006/07

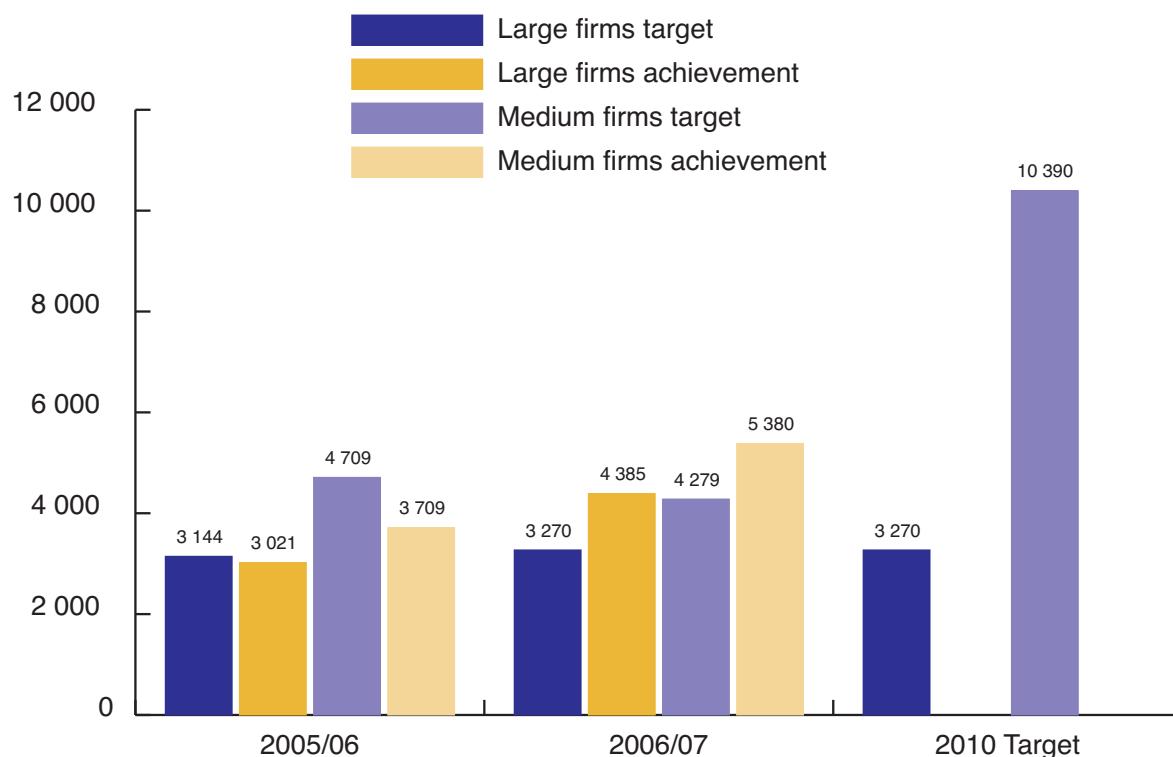


Table 3.1: Performance on support of large and medium firms for 2005/06 and 2006/07

Five-Year Target	Year	Target	Achievement	Percentage
Baseline Total large Firms: 4 088 80% = 3 270	2005/06	3 144 large firms 4 709 medium firms	3 021 3 709	96% 79%
Total medium Firms: 17 318 60% = 10 391	2006/07	3 270 large firms 4 279 medium firms	4 385 5 380	134% 126%

Figure 3.1 and its supporting table indicate that there has been an improvement in the number of large and medium firms submitting WSPs and ATRs in 2006/07 as compared to 2005/06. In 2006/07 the targets of both large and medium firms were achieved and exceeded compared to 2005/06 where the target for medium firms could not be achieved.

3.2 Success Indicator 2.2: By March 2010 skills development in at least 40% of small levy paying firms supported and the impact of the support is measured

This indicator ensures that the skills of workers in small levy-paying firms are developed to ensure that they can contribute towards the development and growth of the firms in which they are employed. Firms that submitted WSPs and ATRs to their SETAs receive incentives in the form of mandatory and discretionary grants. SETAs are required to use at least 80% of levies paid by SMEs to support a minimum of 40% of firms in this category.

3.2.1 Progress to date

The 2006/07 target for this success indicator is that **21 882** small levy-paying firms are supported through SETA grants by the end of March 2007. By March 2007, a total of **26 553** small levy-paying firms had received support for skills development. This is **121%** performance result against the SLA targets.



Figure 3.2: Number of small levy paying firms supported 2005/06 – 2006/07

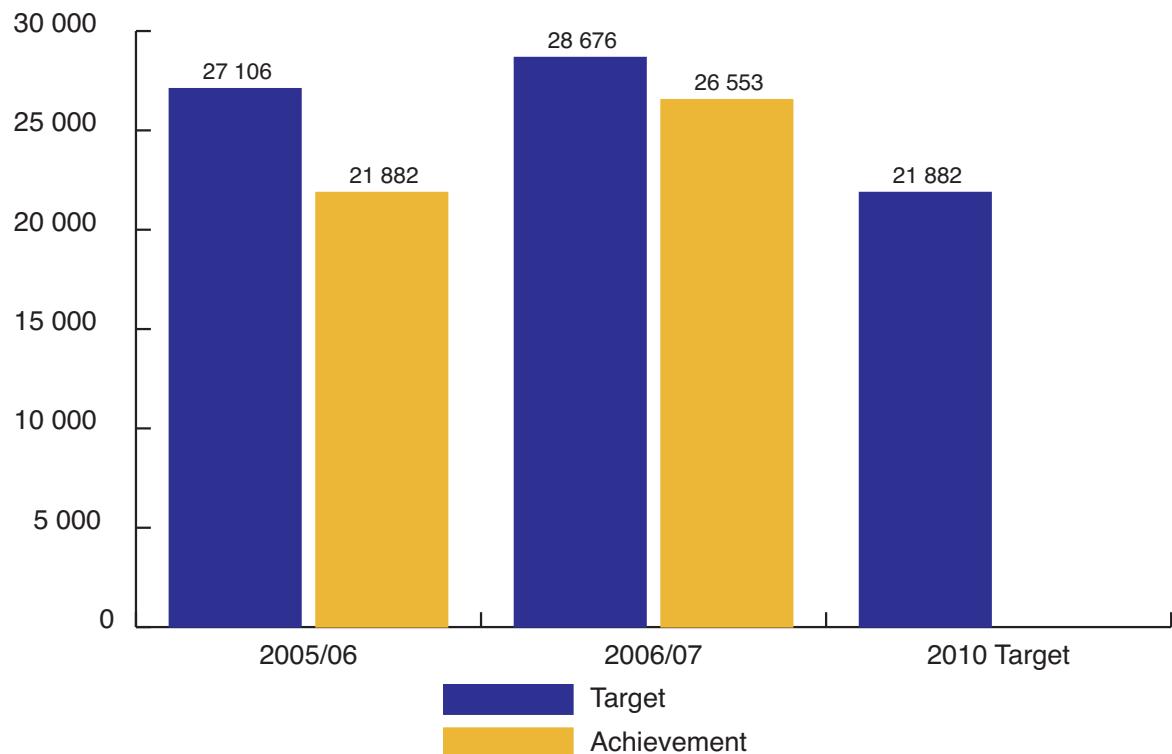


Table 3.2: Performance on support of small firms for 2005/06 and 2006/07

Five-year Target	Year	Target	Achievement	Percentage
Total small Firms: 54 705 40% = 21 882	2005/06	27 106	28 676	106%
	2006/07	21 882	26 553	121%

Figure 3.2 and its supporting table; indicate that there is a positive growth in the number of small levy paying firms receiving skills development support in the form of mandatory and discretionary grants from 2005/06 to 2006/07. In both financial years, annual targets were achieved and exceeded against the SLA targets.

3.3 Success Indicator 2.3: By March 2010 at least 80% of government departments spend at least 1% of personnel budget on training and impact of training on service delivery measured and reported

All national and provincial government departments are required to submit WSPs and ATRs to the PSETA to facilitate reporting against this success indicator. In addition, 80% of government departments are expected to spend at least 1% of their personnel budget on training annually.

3.3.1 Progress made to date

During 2005/06 government departments spent 1.7% of their personnel budget on training. Reports on training expenditure for 2006/07 were still outstanding.

3.4 Success Indicator 2.4: By March 2010, at least 500 enterprises achieve a national standard of good practice in skills development approved by the Minister of Labour

This success indicator requires the development of a policy framework for a national standard of good practice in skills development to encourage employers to invest in Human Resource Development. The



purpose of introducing this standard is to encourage employers to develop the skills of workers and to give national recognition to such employers.

3.4.1 Progress made to date

The NSA has proposed the deferring of measuring this indicator as it is exploring various policy options.

3.5 Success Indicator 2.5: Annually increasing number of small BEE firms and BEE co-operatives supported by skills development. Progress measured through an annual survey of BEE firms and BEE co-operatives within the sector from the second year onwards. Impact of support measured

The objective of this indicator is to assist small Black Economic Empowerment (BEE) firms and BEE co-operatives through skills development initiatives. SETAs are to provide skills development support to such firms and co-operatives that fall within their sectors.

3.5.1 Progress made to date

In the previous year (2005/06) no progress could be reported on this indicator as the baseline was still to be established. Research was conducted and it was agreed that the five-year target will be set on an annual basis by SETAs since this is not prescribed in the NSDS II.

For the 2006/07 financial year the target set for all the SETAs was that by the end of March 2007, **2 571** BEE firms and co-operatives are supported through skills development initiatives. By the end of March 2007, SETAs reported that they have assisted a total of **1 293** BEE firms and BEE co-operatives. This is a 50% achievement against the annual target set in the SLAs.

Table 3.3: Total Number of small BEE firms and BEE co-operatives assisted

Five-year target	Year	Target	Achievement	Percentage
SETAs set targets annually in the SLAs concluded with the Department	2005/06	0	0	0
	2006/07	2 571	1 293	50%

The 2006/07 target has not been achieved in this case. This could be due to the fact that the indicator has only been implemented in the current review period. Ten SETAs have not reported any achievement and some SETAs are underperforming in implementing the success indicator.

A major achievement in this indicator is that the Broad Based Black Economic Empowerment (BBBEE) codes of good practice were approved during quarter four of the review period and as such SETAs and firms are to align their definitions using the approved codes.

3.6 Success Indicator 2.6: From April 2005 to March 2010 there is an annually increasing number of people who benefit from incentivised training for employment or re-employment in new investments and expansion initiatives. Training equity targets achieved. Of the number trained, 100% to be SA citizens

This success indicator is supported through the NSF's Workplace Skills Development Support Programme (WSDSP) which is part of the Industry Support Programme Funding Window. The WSDSP is linked to the SMEDP Investment Incentive Programme of the Department of Trade and Industry. In addition, the Department of Labour initiated a Social Plan Programme which is implemented by the NPI. The programme assists companies that are in distress by preventing job losses and employment decline and by creating new opportunities. This is done through the development and implementation of turnaround and redeployment strategies.



3.6.1 Progress made to date

In order to gain insights on sectors losing jobs, a research study was conducted to identify distressed sectors in South Africa in which most job losses are prevalent. Sectors identified are Agriculture – Commercial Farming, Wood Manufacturing, Food Products and Beverages, Textile and Clothing Manufacturing, Basic Metal, Steel and Iron Manufacturing, and Electric Elements and Apparatus Manufacturing. This information is being used to develop concrete intervention strategies to pro-actively preserve and retain jobs in those sectors.

From 1 April to 31 March 2007 a total of **1 772** new workers benefited from the WSDSP-training grants. From this figure, **91%** were Blacks and **52,1%** were women and none were people with disabilities (see **Table 3.4**).

During 2006/07 the NSF received **96** new applications for training incentive grants from SMEs. A total amount of **R15,5 million** has been paid out to those SMEs who conducted training and submitted their WSDSP-training grant claims.

Table 3.4: Total number of new workers trained to date

Reporting period	Total new workers trained	Equity (against the new workers trained – cumulative)					New workers (cumulative)	% SA citizens
		Black	%	Women	%	* People with disabilities %		
2002/03							107	100%
2003/04	2 210	2 074	93,8%	1 679	75,9%	0	2 317	100%
2004/05	1 230	1 062	86,3%	687	55,8%	0	3 547	100%
2005/06	1 178	1 049	89%	368	31,2%	0	4 725	100%
2006/07	1 772	1 612	90,9%	924	52,1%	0	6 497	100%

Through the Department of Labour/NPI Social Plan Programme, **130** companies were nurtured, **108** future forums established, **24** success stories published, with **55** turnaround strategies for companies in distress established. All in all, about **13 000** jobs were impacted in the process. This programme is funded through the National Skills Fund (NSF) in the Department. The case study below is an example of a company that was assisted through the Department of Labour/NPI Social Plan Programme.

Case Study on Social Plan Programme: Packaging Industries CC

Name of the company	Packaging Industries cc
Name of province	Eastern Cape
Location	Cowlin Centre, Kensington, Port Elizabeth Urban
Beneficiaries	Workers and the previously retrenched
Funding partners	NPI/ Department of Labour
Type of intervention/ training	Practical Production Support
Number trained to date	145
Number placed to date	145, women 130, Blacks 140, people with disabilities 0

3.7 Success Indicator 2.7: By March 2010 at least 700 000 workers have achieved at least ABET Level 4

The objective of this indicator is to increase the level of literacy amongst the employed. Workers who have had no formal education should be offered learning opportunities to acquire basic literacy and numeracy skills.



Customer service excellence award was awarded for reaching customer delivery dates.

Problems experienced:

- Company facing retrenchment
- Lower productivity levels
- High rate of wastage
- Low morale of workers.

Interventions:

- Training Programme on Practical Production was offered
- The programme is based on a Social Plan concept, concentrating on the Mission Directed Work Teams and focuses teams on mini-business concepts. It is also about problem solving, making work easy through the 5S and discussions on continuous improvement.



Award for best presentation.

Improvements:

- change in management style
- overall improved attitude
- working together in teams
- proper work schedule
- well organised communication channels
- 34 out of 36 retrenched people re-absorbed
- staff increased from 110 to 170 within a period of eight months.
- trainer gives aftercare support.



3.7.1 Progress made to date

The target in the Department of Labour-SETA Memorandum of Understanding for 2006/07 is that **60 652** workers to have entered ABET Levels 1 to 4 programmes and **43 612** to have completed those levels. By the end of March 2007, a total of **46 095** workers had entered ABET programmes on Levels 1 to 4, and **12 748** have completed. This is a **76%** and **29%** achievement against 2006/2007 targets respectively.

From the total completed, 64% were Blacks, 23% women, 0,6% people with disabilities and 12% youth. In this case, no equity targets were met.

Figure 3.3: Number of workers entering and completing ABET programmes

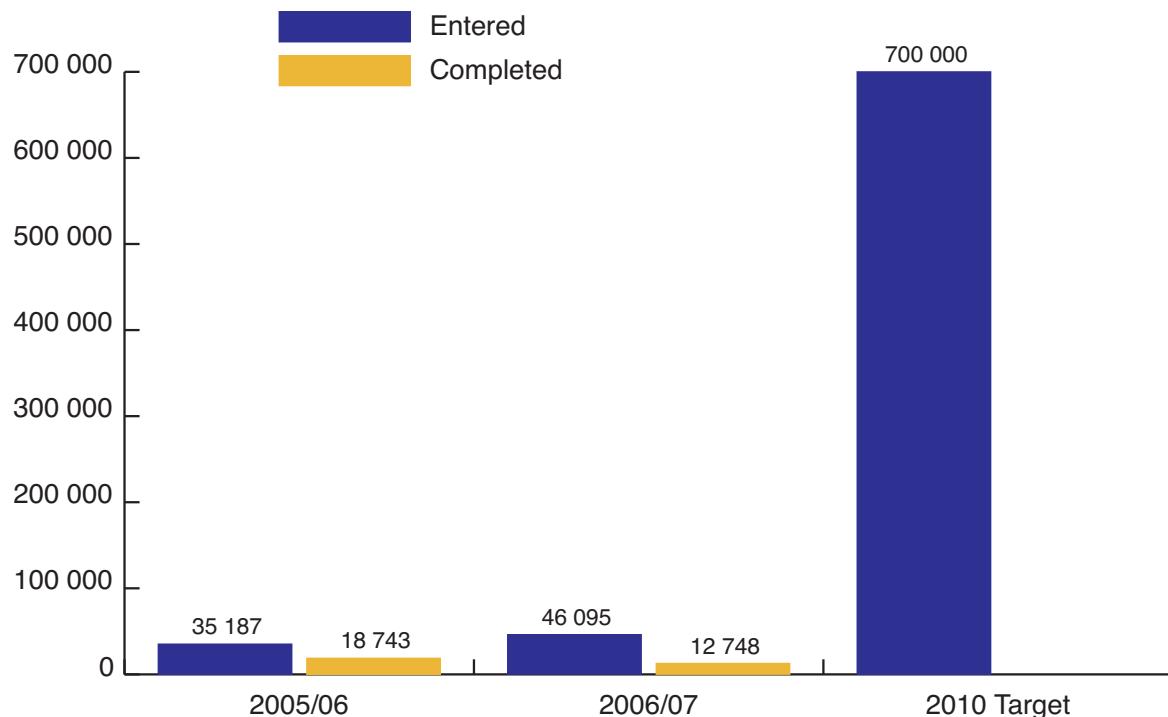


Table 3.5: Total number of workers entering and completing ABET programmes

Five-year target	Year	Target	Achievement	Percentage	Total two year achievement against 2010 target
700 000	2005/06	41 588 enter ABET levels	35 187 have entered ABET levels	85%	Total entered: 81 282 (11%)
	2006/07	60 652 enter ABET levels	46 095 have entered ABET levels	76%	Total completed: 12 748 (2%)
		43 612 to complete	12 748 have completed	29%	

As illustrated in **Figure 3.3** and its supporting table, the total figures for 2005/06 and 2006/07 achievements are **81 282** for those who entered different ABET Levels and **12 748** for those who have completed various levels. Compared to the five-year target of 700 000 to achieve ABET Levels, this is just **11%** for those entered and a very low **2%** for those who have achieved ABET Levels. It is clear that at this rate the ABET targets will not be achieved by 2010. A strategic intervention is required to address this poor performance to ensure that in the next three years there is a positive improvement in the number of workers achieving ABET Levels.

3.8 Success Indicator 2.8: By March 2010, at least 125 000 workers are assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured

The objective of this indicator is to ensure that workers in workplaces are enrolled in learning programmes and studies that are aligned to a qualification. The learning interventions should be in different forms including learnerships, internship programmes, bursaries, skills programmes, artisan training through indenturing of learners in apprenticeship programmes under section 13 of the Manpower Training Act, and Recognition of Prior Learning (RPL) under section 28 of the Manpower Training Act. The training should also address the shortage of skills that have been identified as scarce and critical by SETAs in the revised SSPs.

The main contributors to this indicator are SETAs and the NPI. The NPI has been working closely in collaboration with various firms to maximise profit through the training of workers using efficient strategies in order to raise quality standards to world class competitive levels.

3.8.1 Progress made to date

The SETAs in the SLAs for 2006/07 set a target of **32 479** workers to have entered learning programmes of which **17 672** to have completed. By the end of March 2007, SETAs reported that achievements of a total of **57 577** (177%) workers had entered learning programmes, and it was also reported that **21 423** (37%) workers had completed learning programmes.

From the total number of workers who entered learning programmes, 67% were Blacks, 40% women, 1% people with disabilities and 42% youth. In terms of the equity targets in this indicator, SETAs are still trailing behind.

Figure 3.4: Number of workers entering and completing learning programmes

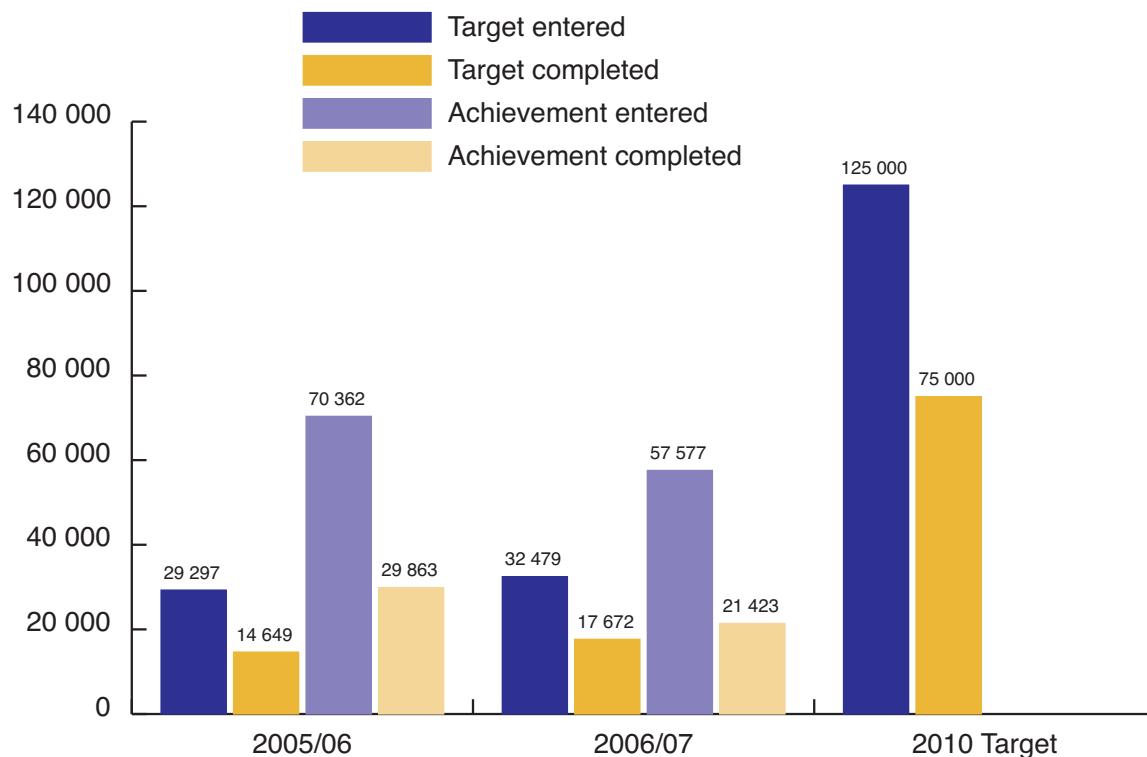


Table 3.6: Total number of workers entering and completing learning programmes (2005/06 -2006/07)

Five-year target	Year	Target	Achievement	Achievement percentage against SLA target	2-year achievement percentage against NSDS II (5 year) target
125 000 entered (62,500) 50% completed	2005/06	29 297 to enter	70 362 entered	240%	Learner entered 102%
		14 649 to completed (50%)	29 863 completed	204%	
	2006/07	32 479 to enter	57 577 entered	177%	Learner completed 82%
		17 672 (50%) to complete	21 423 completed	121%	

Figure 3.4 and the supporting table indicates that the target for this indicator was exceeded in 2005/06 and again it in 2006/07. The total for the two years is **127 939** entered and **51 286** completed. Already the five year target of **125 000** has been exceeded in the two years of implementation of the success indicator as it stands at **102%**. The completion target is also nearly to be achieved since it stands at **82%**.

The large number of learners entering and completing programmes is the result of the new definition of 'learning programmes' in the learning programme matrix developed by the Department of Labour. This matrix enables SETAs to report numbers of learners in the following types of programmes: learnerships, apprenticeships, internships, skills programmes based on registered unit standards, as well as learners studying through bursary grants as illustrated in **Table 2.7**.

Table 3.7: Workers entering various qualification paths

Period	Learnerships	Bursaries	Apprenticeship		Internships	Skills programmes	Total
			Section 13 MTA	Section 28 MTA			
2005/06	15 513		4 552	3 695		46 602	70 362
2006/07	18 349	3 387	3 069	161	376	33 120	58 462

Table 3.7 illustrates that there is a large number of learners in skills programmes and learnerships than in any other programmes. There is however a decrease in the intake of learners apprenticeships during 2006/07 as compared to 2005/06. The total intake has also decreased during the reporting period as compared to 2005/06.

Below is a case study of the Tshwane Public Lighting and Electrification Programme which is supported by the MerSETA. This is one of the good initiatives that ensures that people acquire skills that are scarce and critical and are needed by the labour market. The learners include those that are working and those that are unemployed. Once they have completed their training they are placed in various companies.

3.9. Case Study : Tshwane Public Lighting and Electrification

Name of province	Gauteng
Name of project	Tshwane Public Lighting and Electrification
Location	Pretoria Central
Beneficiaries	Unemployed and employed learners
Funding partners	Tshwane Energy and Electricity
Type of training	Technical - Electrical
Number trained to date	57
Number placed to date	57



Learners at Tshwane Public Lighting and Electrification Project.

Good Qualities:

- Well structured and quality training
- Training relevant to the labour market needs
- Learners are assisted to start own businesses
- There is high rate of placement.

3.10 Contribution by the NPI

The NPI has during this year conducted the following training on productivity: **383** ETD as distributors of productivity, **505** FET learners exposed to productivity concepts, **2** SDF, **30** business and government managers, **446** emerging entrepreneurs and **152** small enterprise workers were also trained on productivity.

3.11. Contribution by INDLELA

For 2006/07 as Table 3.8 illustrates, INDLELA has managed to arrange 9 387 assessments, of which 96 candidates withdrew, and 1 482 were absent. Only 7 905 were tested of which 3 192 passed (40%).

Table 3.8: INDLELA assessment for 2006/07

Section	No. of tech. staff	No. of trade ass.	Arranged	With-drawn	Absent	Tested	Pass	Pass %
Automotive Engineering	5	10	1 766	11	288	1 478	475	32%
Electrical Engineering	8	8	2 241	14	291	1 950	713	37%
Mechanical Engineering	3	6	1 156	18	137	1 019	350	34%
Services, Manufacturing and process techn.	7	8	1 127	9	127	1 000	492	49%
Physical Planning & Const.	8	26	3 097	44	639	2 458	1 162	47%
Total	31	58	9 387	96	1 482	7 905	3 192	40%

3.12 Conclusion

A high number of firms, large, medium to small have risen to the occasion of participating in the improvement of the skills of the workers. There is a positive annual increase in the number of firms paying levies and claiming grants. There is however a low number of women and people with disabilities within groups of workers who enter and complete training programmes.

Chapter Four

NSDS Objective 3:

Promoting employability and sustainable livelihoods through skills development

The aim of this objective is to alleviate poverty in disadvantaged communities and to promote sustainable livelihoods for the poor. The programmes under this objective are closely linked to the new social development programmes, most of which are currently 2010 soccer world cup focused. This is done by developing the skills of unemployed people, placing them in social development projects or income generating opportunities.

- 4.1 Success Indicator 3.1: By March 2010, at least 450 000 unemployed people are trained. This training should incrementally be quality assured and by March 2010 no less than 25% of the people undergo accredited training. Of those trained, at least 70% should be placed in employment, self-employment or social development programmes including EPWP, or should be engaged in further studies. Placement categories each to be defined, measured, reported and sustainability assessed.**

The emphasis in this indicator is to ensure that unemployed people are offered quality training, part of which is credit bearing and preferably leads to a qualification. The impact of this training should be measured in terms of the placement of learners in income-generating activities or enrolment in further studies.

4.1.1 Progress made to date

The 2006/07 target for this success indicator is that **90 000** unemployed people should be trained, of which **70%** are placed in employment, self-employment, social development programmes or engaged in further studies. A total of **25%** of the training offered should be accredited / quality assured. **Table 4.1** indicates that by the end of March 2007 **118 153** unemployed people have been trained. This is a **131%** achievement towards an annual target. From the number trained, **90 691 (77%)** have been placed and **36%** of the training offered was accredited.

From the total number of unemployed people trained **78%** were Blacks, **41%** women, **2,3%** people with disabilities and **36%** youth. Of those who completed, **56%** were Blacks, **38%** women, **2,3%** people with disabilities, **28%** youth.

Social development programmes have linked to the 2010 soccer world cup focused programmes to fast-track the training and placement of unemployed people in major programmes. During 2006/07, **3 000** unemployed people were recruited and referred to the Gautrain Resource Centre, of which **1 405** were trained by Bombela and **251** were placed. The recruitment, training and placement is ongoing, and in the next few years, more and more unemployed will be absorbed.



Table 4.1 A: Total number of trained unemployed people benefiting from social development projects

Five-year target	Year	Target	Achievement	Percentage	2yrs total against the 2010 target
450 000 trained 70% placed	2005/06	90 000 trained	103 168	114%	Total trained: 221 321 (49%)
		70% placed	55 376	54%	
		10% accredited	0		
	2006/07	90 000 trained	118 153	131%	Total placed: 146 067 (46%)
		70% placed	90 691	77%	
		25% accredited	36%		

2006/07 Breakdown

	Total	SDFW	EPWP	ISRDP	URP
Number trained	118 153	74 649	31 174	6 551	3 779
Number placed	90 691	56 776	25 214	6 365	2 336
% placed	(77%)	76%	81%	97%	62%

Equity

	Black	Women	People with disabilities	Youth
Entered	78%	42%	2.3%	36%
Completed	56%	38%	2.3%	28%

SDFW = Skills Development Funding Window, EPWP = Expanded Public Works Programme, ISRDP = Integrated Sustainable Rural Development Programme, URP = Urban Renewal Programme

There is an increase both in the training of unemployed people and their placement rate. Although training targets were achieved in the 2005/06 year, the placement rate was low. During the year under review, the placement rate target of 70% was exceeded as it stood at 77%. The other improvement is on the number of unemployed people undergoing accredited training reported to be at 36%.

4.1.2. Funding

The Social Development Funding Window (SDFW) caters for programmes and projects in the communities and it is aimed at alleviating poverty and reducing the level of unemployment. The training provided must meet specific criteria relating to the Provincial Skills Plan, Integrated Rural Development Strategy, Urban Renewal Strategy and Local Economic Development Strategy. In addition, beneficiaries should be placed in such projects once training has been completed.

Table 4.1B, indicates that a total amount of **R 584 million** was allotted for training of the unemployed and the underemployed. From the amount allotted, **R 334 million** was allocated and **R 277,5 million** was spent. This is an expenditure rate of **51%**. Of the mentioned amount spent, **R 50,2 million** was spent on the training of unemployed people linked to EPWP projects. The Limpopo Province has the highest expenditure rate which is **73%**, followed by Gauteng North at **57%**, and then North West at **53%**.

Table 4.1 B: NSF provincial allocations and utilisation rate for all programmes under the Social Development Funding Window (Contracts 1/4/2006 – 31/3/2007) on the new NSFDIS system

Provinces	Allotted	Allotted %	Outstanding commitments from 2005/06	2006/07 allocations	Allocated %	Spent	% Spent of allocated	Utilisation rate (%)
	(R)		(R)	(R)		(R)		
Western Cape	88 459 494	15.13%	27 104 563	52 098 085	89.54%	34 412 704	43.45%	38.90%
Eastern Cape	83 364 848	14.26%	27 264 271	53 191 485	96.51%	41 940 983	52.13%	50.31%
Northern Cape	12 043 017	2.06%	5 608 577	5 827 440	94.96%	5 535 264	48.40%	45.96%
Free State	45 585 314	7.80%	13 592 480	25 110 660	84.90%	16 442 367	42.48%	36.07%
KwaZulu-Natal	53 997 537	9.23%	15 657 916	36 387 568	96.38%	27 185 577	52.23%	50.35%
North West *	93 059 637	15.91%	52 648 425	35 519 266	94.74%	46 826 612	53.11%	50.32%
Gauteng South	85 502 884	14.62%	32 998 403	46 322 178	92.77%	40 721 403	51.34%	47.63%
Gauteng North	32 956 084	5.64%	10 558 307	21 166 131	96.26%	18 212 161	57.41%	55.26%
Mpumalanga	55 183 115	9.44%	11 622 167	38 027 316	89.97%	23 474 231	47.28%	42.54%
Limpopo	34 601 715	5.92%	10 579 799	20 757 460	90.57%	22 771 133	72.66%	65.81%
Total	584 753 645	100%	207 634 908	334 407 589	92.70%	277 522 435	51.20%	47.46%

Source: NSFDIS/TUP system (National Skills Fund Disbursement Information System/Training of unemployed people)

The following is an example of one of the rural poverty alleviation projects supported through the Social Development funding window.

Social Development Funding Window Case Study: Titirheleni Bakery

Name of the project	Titirheleni Bakery
Location	Tzaneen - Limpopo
Beneficiaries	11
Funding partners	Greater Tzaneen municipality, Ruto Mills, Department of Public Works, Department of Labour, Department of Social Services.
Training	Baking, marketing and marketing
Number trained to date	11
Number placed to date	11



Staff of Titirheleni Bakery at work.



The project is situated in Tzaneen in Rhulani village. There are 11 members, all of whom are women. The main aim of the project is to create jobs and eradicate poverty. It is a bread baking project and supplies fresh bread to the community and surrounding villages.

The Department of Labour provided training to the beneficiaries on financial management and marketing. Since members received this training, they are now able to manage the project's funds, and there is increased profit.

This has benefited the members greatly as they are now able to afford school fees, food and clothing. They are also able to use the acquired knowledge to manage their personal budgets and finances.



Some staff of the all-women owned Titirheleni Bakery.

4.2 Success Indicator 3.2: By March 2010, at least 2 000 non-levy paying enterprises, NGOs, CBOs and community-based co-operatives supported by skills development. Impact of support on sustainability measured with a targeted 75% success rate.

The aim of this indicator is to assist non-levy paying enterprises, especially NGOs and CBOs, with skills development initiatives to assist them to grow and develop further. SETA and NSF funds are used in delivering this initiative.

4.2.1 Progress made to date

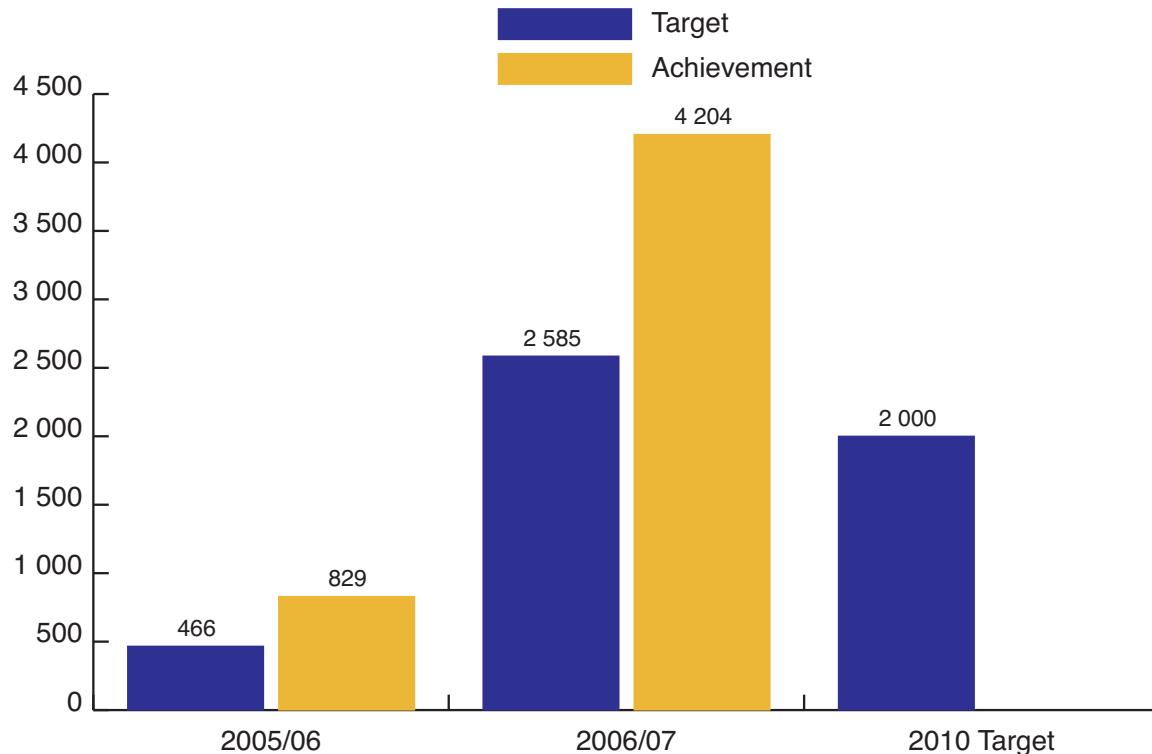
The 2006/07 Memorandum of Understanding target for all the SETAs for this success indicator is that **2 585** Non-levy paying enterprises, NGOs, CBOs and community-based co-operatives should be supported through skills development. By the end of March 2007 a total of **4 204** enterprises had been supported by SETAs. This is a **163%** achievement against the target for the 2005/06 period.

Table 4.2 Summary of 2005/06 and 2006/07 performance

Five-year target	Year	Target	Achievement	Percentage	Two years total against 2010 target
2 000 non-levy paying enterprises, NGOs, CBOs and community-based co-operatives should be supported 75% success rate	2005/06	466 supported	829	178%	Total supported: 5 033 (252%) Success rate not yet measured.
	2006/07	2 585 supported	4 204	163%	

Table 4.2 above and **Figure 4.1** below indicate that the five year target of supporting 2 000 non-levy paying enterprises, NGOs, CBOs and community-based co-operatives has already been exceeded during the 2006/07 year. The total number of these organisations that have been assisted during April 2005 to March 2007 is 5 033. This is a 252% performance against the five-year target.

Figure 4.1: Total number of non-levy paying organisations



4.3 Success Indicator 3.3: By March 2010, at least 100 000 unemployed people have participated in ABET Level programmes of which at least 70% have achieved ABET Level 4

The objective of this indicator is to increase the level of literacy among unemployed people. ABET programmes at Level 1 to Level 4 are offered to unemployed people who have low literacy skills.

4.3.1 Progress made to date

The Department has approved seven projects to roll out the first phase of the National ABET programme. R37.8 million has been paid to the providers to train 20 000 unemployed ABET learners. The programme has commenced during the first quarter of 2007. Planning has commenced for the second phase of this programme. This will benefit a further 40 000 learners.

The challenge with this indicator is that there were delays during 2006/07 due to the alignment of the NSF funding windows to NSDS II. This was also delayed by the development of disbursement policies and systems for new funding windows.

4.4 Conclusion

The objective under review is indicating a positive progress especially in the training of unemployed people in social development programmes and the capacity building of the non-levy paying organisations. A positive element is observed with the higher percentage of accredited courses that unemployed people received. This is a major improvement compared to the previous year where there were no accredited courses at all. There has also been a great improvement in the number of non-levy paying organisations that have been assisted compared to the previous year.



The ABET programme for the unemployed met with some challenges, and this led to the late start. However, the programme was rolled out towards the end of 2006/07, and as a result the 2008/09 report will give better progress in this regard.



Chapter Five

NSDS Objective 4:

Assisting designated groups, including new entrants to participate in accredited work, integrated learning and work-based programmes to acquire critical skills to enter the labour market and self-employment

The NSDS seeks to assist unemployed young people to develop the skills required to enter the labour market and/or self-employment. Young people are offered opportunities to acquire workplace experience mostly in areas identified as scarce skills. The Umsobomvu Youth Fund (UYF) is one of other implementing agents that contribute positively to this objective.

5.1 Success Indicator 4.1: By March 2010 at least 125 000 unemployed people assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured

The aim of this indicator is to assist unemployed young people to participate in structured learning programmes such as skills programmes, learnerships and apprenticeships. These programmes should lead to the acquisition of identified scarce skills.

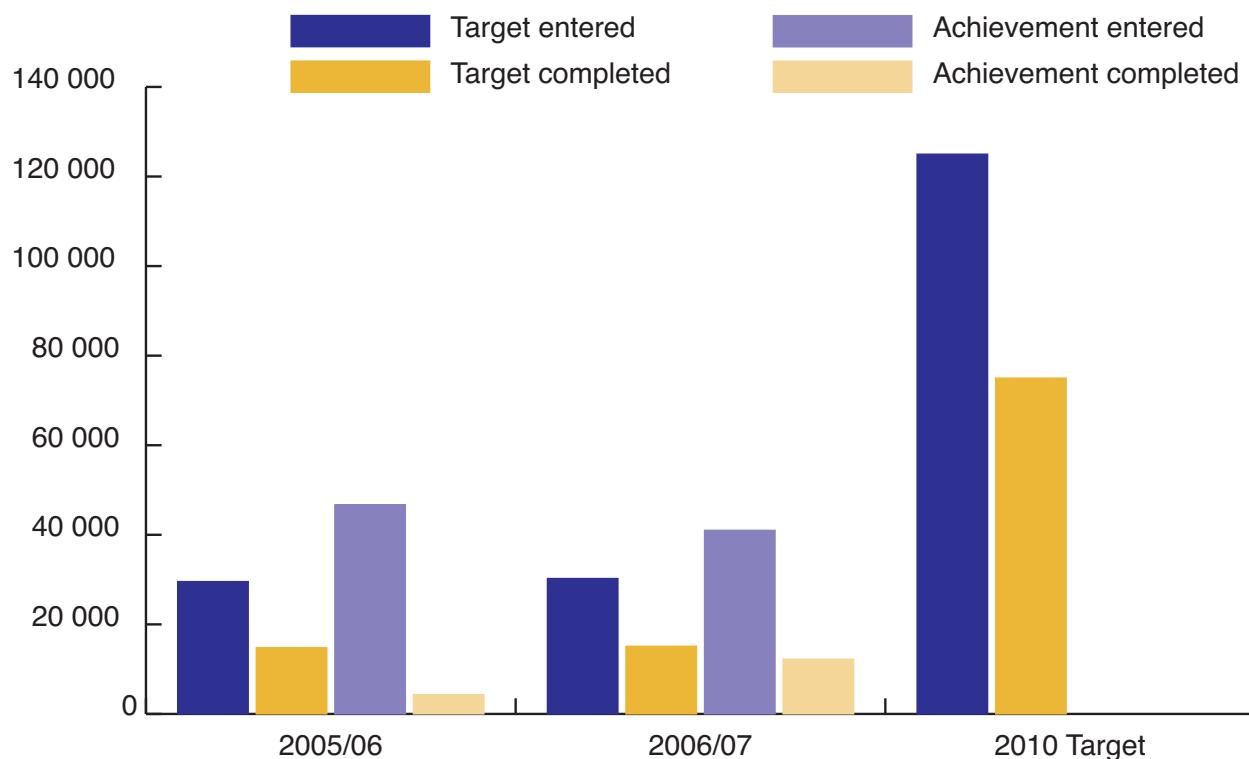
5.1.1 Progress made to date

The 2006/07 Memorandum of Understanding target for all the SETAs for this success indicator is that **30 258** unemployed people should have entered the programmes, of which **50%** should have successfully completed the programmes.

By the end of March 2007 a total of **41 011** learners have entered learning programmes and **12 251** of them have successfully completed the programmes. This is a performance result of **136%** against the Memorandum of Understanding target for the period 2006/07. The target for completion has not been achieved as it stands at **29%**.



Figure 5.1: Number of learners entering and completing learning programmes



The total number of unemployed youth that entered learning programmes from April 2005 to March 2007 is **87 687** and those completing is **16 507**. The two years progress against the five year target of 125 000 is already at **70%**. This is a positive indication that the target will be met by 2010. The only challenge is that the completion rate is still low at **19%**. It is however believed that in the next three years this will improve towards the 50% completion rate required.

Table 5.1: Number of unemployed learners entering and completing learning programmes from 2005/06 to 2006/07

Five-year target	Years	Annual targets	Annual achievements	Achievement percentage against SLA target	Two years total against five year target
125 000 entered. (62 500) 50% completed.	2005/06	29 568 to enter	46 676	158%	Learners entered 87 687 (70%)
		14 784 (50%) to complete	4 256	29%	
	2006/07	30 258 to enter	41 011	136%	Learners completed 16 507 (19%)
		15 129 (50%) to complete	12 251	81%	

From the total number of unemployed people entering learning programmes, 79% were Blacks, 46% women, 3% people with disabilities and 69% youth. Of those completing learning programmes, 72% were Blacks, 32% women, 2% people with disabilities and 59% youth. In terms of equity targets, SETAs are still trailing behind with the achievement of these targets. There is however an improvement in the percentage of people with disabilities entering and completing learning programmes.

Table 5.2: Unemployed learners entering various qualification paths

Year	Learnerships	Bursaries	Apprenticeships		Internships	Skills programmes	Total
			section 13	section 28			
2005/06	21 818		5 920			18 938	46 676
2006/07	31 194	2 835	435	452	1 097	6 742	42 755

Analysis of the statistics in **Table 5.2**, indicates that there are more learners in learnerships (31,194) than in any other learning programme. The table also indicates that there has been an increase in the number of unemployed learners entering learnerships during 2006/07 as compared to 2005/06. The number of those entering skills programmes has decreased in 2006/07.

The case study below is an example of one of the successful learnership programmes targeting young unemployed people. The learnership is the product of the Wholesale and Retail SETA and Shoprite Checkers partnership.

Learnership Case Study: Wholesale and Retail Learnership with Shoprite and Checkers

Name of province	Limpopo
Name of the project	Wholesale and Retail Learnership
Location	Polokwane
Beneficiaries	Unemployed young people
Funding partners	Department of Labour and W&R SETA and Shoprite Checkers
Type of training	Stock control, quality control, pricing, teller machine and stock receiving
Number trained to date	52
Number placed to date	52



Learners on the Wholesale and Retail Learnership at work.

The W&RSETA is in partnership with Shoprite-Checkers in providing learnerships targeting unemployed youth. Young people are recruited into this learnership and are trained in customer care, stock control, quality control, pricing, teller machine, stock receiving, packing of goods and selling of goods. The Learnership is on NQF Level 4.



Some of the learners at work.

Positive aspects of this learnership are that learners receive hands-on training and experience, and once they have completed the programme they will be competent to work in a retail and wholesale environment. All learners will be employed by Shoprite Checkers after they have completed the learnership programme.



Learners on experiential training.

The NSF has reported the following contributions to this indicator:

- The annual target was **5 000** unemployed people assisted to enter programmes, including learnerships and apprenticeships.

A total of 13 090 learners were assisted to enter programmes related to scarce and critical skills

- A further target was to initiate Strategic Projects in support of Provincial Growth and Development Strategies and ASGI-SA with the Premiers' Offices involvement by September 2006

The specific objectives of these projects in 2006/07 are the following:

- Training of unemployed people, thereby increasing their prospects for employment
- Developing a government-driven model for skills development
- Demonstrate the Department's commitment and contribution to governmental priorities
- Contribute to economic growth.

The Minister of Labour launched the nine Strategic Projects for all nine provinces in the Eastern Cape in December 2006. R886 million has been committed from the National Skills Fund to train learners over a three-year period, i.e. 2007 to 2009.

The initiative is set to directly benefit mostly women and people with disabilities from rural communities. Training will focus in the following sectors:

- Agriculture
- Tourism
- Infrastructure
- Construction
- Transport
- Business Process Outsourcing (BPO) and Off-shoring.

Bursaries: For the 2006 academic year an amount of **R 46,9 million** was allocated to the National Research Foundation (NRF) for bursaries to post-graduate studies that is, Honours to Post-doctoral studies in scarce skills areas. From this amount the NRF awarded **1 042** bursaries to post graduate students.

Furthermore, an amount of **R 31,6 million** was allocated to the National Student Financial Aid Scheme (NSFAS). This was targeted for students in under-graduate studies in scarce skills areas. NSFAS awarded **1 148** undergraduate bursaries to students, of whom **1 138** were people with disabilities.

5.2 Success Indicator 4.2: 100% of learners in critical skills programmes covered by sector agreements from FET and HET institutions assisted to gain work experience locally or abroad, of whom at least 70% find placement in employment or self-employment

The aim of this indicator is to offer young people the opportunity to gain work experience that will enable them to find employment or become self-employed. Employers who offer workplace experience to young people in sector-relevant programmes receive incentives in the form of Work Experience Grants from the SETAs.

5.2.1 Progress made to date

The SETAs set annual targets on an annual basis and do not have a prescribed five-year target in the NSDS II for this success indicator. The total SLAs target for 2006/07 for this success indicator is that **9 454** learners would be assisted to gain work experience in critical skills programmes and **6 488** (70%) to be placed.

From April 2006 to March 2007 SETAs have managed to assist **8 695** learners to gain work experience locally. This is a 92% achievement against the annual target. No placement has been reported in this indicator as yet. This is due to various factors such as that learners could still be in learning programmes which are for two to three years, and again also that the financial year is different from the academic year and as a result leads to delays in reporting.



Of the total assisted to gain work experience 72% were Blacks, 35% women, 3% people with disabilities, and 44% youth. In this indicator, no equity target was met as well. However, the percentage of people with disabilities is very close to the target.

Table 5.3: Number of learners assisted to gain work experience

Five-year target	Years		Target	Achievement	Percentage
Target set annually by SETAs in SLAs concluded with Department of Labour	2005/06	Gained work experience	8 301	2 751	33%
		Placed	5 811 (70%)	276	5%
	2006/07	Gained work experience	9 454	8 695	92%
		Placed	6 618 (70%)	3	0%

This success indicator still faces serious challenges. Progress is mainly hampered by the lack of commitment from employers to provide learners with work experience and not reporting on learners placed. Some employers are reluctant to sign agreements with institutions of learning to offer work experience to learners who have completed learning programmes. Such work experience would assist learners to get employment or become self-employed.

The National Skills Fund has developed a framework model for placing learners in critical skills in international organisations. Five interns will be placed at the ILO over a two-year period beginning in September 2007. According to the ASGI-SA Annual Report (2006: 19), an additional 202 people were placed with companies overseas. Some of the trainees are mid-career professional women who are using the opportunity to gain knowledge and best practices in the fields of finance, construction and hospitality. The recipient countries are India, China, the United Emirates (UAE), Japan, United Kingdom (UK), Germany and the United States (US). According to this report, another 100 are scheduled to go to India and the US by March 2007 to gain work experience. It has also been mentioned that countries such as China, Netherlands, South Korea and New Zealand have also provided written offers of placement.

Contribution of the UYF

The UYF runs the Graduate Development Programme (GDP). Its main objective is to fasttrack the development of unemployed graduates to enable them to access employment opportunities. This programme is linked to national imperatives such as the ASGI-SA initiative, thus fostering the creation of partnerships with both private and public institutions, to link graduates to employment and self-employment opportunities. Since inception (01/2006) this programme has benefited 1 250 unemployed graduates.

Job Opportunity Seekers: The JOBS programme seeks to contribute to Government's ASGI-SA programme and the JIPSA initiative by helping to facilitate the linking of unemployed youth to employment and other skills development related opportunities. It is implemented through an online database for unemployed youth seeking employment opportunities and entails ongoing facilitation of placement of unemployed youth in job opportunities, which include permanent and temporary employment, learnerships and internships. Job preparedness training is also offered to candidates before engaging with opportunity providers. There are currently 25 080 young people who have registered their CVs on the database. A total of 972 candidates have been placed in employment, learnership and internship opportunities. The Umsobomvu Youth Fund has concluded the tendering process of securing 10 employment agencies which will be the JOBS Database Service Providers. These employment agencies will assist with the sourcing and processing of job-seekers as well as assisting with the placement of candidates on the database.

5.3 Success Indicator 4.3: By March 2010 at least 10 000 young people trained and mentored to form sustainable new ventures and at least 70% of new ventures in operation 12 months after completion of programme

The aim of this indicator is to assist young people who aspire to start their own businesses. They are trained in business skills through new venture creation programmes that will enable them to start their own sustainable businesses. SETA and NSF funds are provided for these initiatives.

5.3.1 Progress made to date

The 2006/07 SETAs' target for this success indicator is that **2 207** young people have entered new venture programmes and **1 544** of these new ventures still to be operational 12 months after completion of the programme.

Table 5.4. indicates that during 2006/07, a total of **3 287** learners, have entered the New Venture Creation programmes. There are 755 new ventures that have been reported as sustainable. This figure is based on the 981 that was reported in 2005/06. This indicates that 77% of the 2005/06 New Ventures were sustainable.

From the total number of young people trained in NVC, 77% were Blacks, 35% women, 3% people with disabilities and 44% youth. From the total number of those NVCs reported to be sustainable, 99% were for the Blacks, 43% women, 0% people with disabilities and 61% youth. The target for the Blacks was met and exceeded in the NVC that were reported to be sustainable.

Table: 5.4. Number of young people trained in NVC programmes and sustainability rate of the NVCs

Five-year target	Years		Target	Achievement	Percentage
10 000 enter NVC programmes.	2005/06	Trained	1 669	981	59%
		Sustainable	1 168 (70%)	0	0%
7 000 (70%) sustainable.	2006/07	Trained	2 207	3,287	149%
		Sustainable	1 544 (70%)	755	77% (of 981)

The following case study is based on one of the successful and sustainable New Venture Creation businesses that were supported by the Wholesale and Retail SETA.

Case Study: Shield New Venture Creation Programme

Name of province	Northern Cape
Name of project	Shield NVC Project
Location	Springbok
Beneficiaries	100% Coloured people
Funding partners	W&RSETA
Type of training	Entrepreneurial skills
Number trained to date	None
Number placed to date	Ongoing

This New Venture Creation project was initiated by the W&RSETA in 2005. The W&RSETA in partnership with the SHIELD Group (a subsidiary of Massmart), has assisted to start new small retail businesses by providing training on business management. The businesses are run from fully equipped containers that were constructed and installed by SHIELD. Shield also supplies the stock that is sold in these containers.



Beneficiaries receive one year training and continuous aftercare support. The training is based on Business Management with modules that include: Business Planning, Statistics, Business Finance, etc.



The businesses are run from fully equipped containers that were constructed and installed by SHIELD.

Contribution of the UYF

The following are UYF contributions to this indicator:

- Assisted **100** beneficiaries through the implementation of the New Venture Creation Learnership (NVCL) in three FET colleges
- **Supplier Development Training:** This is a new area that was introduced in 2006/07. The aim of the programme is to train entrepreneurs to prepare them to access existing entrepreneurship opportunities. The training programme is informed by the needs of the entrepreneurs vis-à-vis the identified opportunities. This programme has resulted in the training of 74 youth entrepreneurs. Another programme targeting 100 entrepreneurs will be implemented in the 2007/08 financial year.
- **Business Opportunity Support Services (BOSS):** It involves facilitation of linkages between youth entrepreneurs and matching business opportunities, while at the same time providing technical assistance, mentorship and facilitating access to funding. A database of Youth Entrepreneurs has been developed and is managed on a continuous basis in line with identified opportunities. During 2006/07, the programme assisted 143 young entrepreneurs to access retail trade opportunities with the following companies: Nestle (ice cream on wheels business, where youth were provided with carts/ motorcycles to sell ice cream nationally), Massmart (hot dog carts) and MTN (container cell phone business). Business opportunities raised, totalled over R183.7 million, benefiting 143 youth, of whom 15 are women.

5.4 Conclusion

This objective is based on assisting young people who are unemployed to enter the labour market

through skills development interventions. The SETAs together with UYF have played a major role in this case, to ensure that young people receive support; are linked to business opportunities and are employed. From the report however, it is clear that the placement rates are still low in most programmes. A major concern of all SETAs is the requirement for the new venture to be in operation 12 months after completion of the programme. While SETAs can fund and facilitate a learning programme for a learner, the mentoring and financial support for a learner for 12 months after completion of the programme is seen to be outside the role of the SETA.



Chapter Six

NSDS Objective 5

Improving the quality and relevance of provision

The NSDS emphasises the importance of the quality in the provision of skills development programmes. This implies that education and training providers that are utilised to offer skills programmes should comply with minimum quality assurance standards.

6.1 Success Indicator 5.1: By March 2010 each SETA recognises and supports at least five ISOEs within public or private institutions and through public private partnerships where appropriate, spread as widely as possible geographically for the development of people to attain identified critical occupational skills, whose excellence is measured in the number of learners successfully placed in the sector and employer satisfaction ratings of their training

The aim of this indicator is to ensure that there are institutions of excellence that are able to offer training that addresses identified critical skills. It is crucial for these institutions to be as widely spread across the country as possible. This is in order to reach as many disadvantaged communities as possible. Such institutions will receive incentives in the form of Sectoral or Occupational Excellence Grants from SETAs.

6.1.1 Progress made to date

The 2006/07 SLAs target for all the SETAs for this success indicator is that **296** Institutes of Sectoral or Occupational Excellence should be in operation and supported by a relevant SETA.

By the end of March 2007, a total of **476** institutes had been recognised and supported, a **161%** performance result against the Memorandum of Understanding target for the period 2005/06.

Table 6.1: Number of ISOEs supported by SETAs

Five-year target	Years	Target	Achievement	Percentage
The Targets are set annually by SETAs in the SLAs concluded with the Department of Labour as the NSDS set minimum requirements for SETAs to achieve	2005/06	55	31	56%
	2006/07	296	476	161%

The 2006/07 figures indicate an increase in the number of ISOEs established. In 2005/06, the target could not be achieved, whereas the target for 2006/07 was met and exceeded by 61%.

To address the challenge of the absence of a standard definition for the ISOE, the Department of Labour has developed guidelines which are to be finalised by the NSA and the Department. This will be utilised in the selection of ISOEs in 2007/08.

6.2 Success Indicator 5.2: By March 2010, each province has at least two provider institutions accredited to manage the delivery of the New Venture Creation qualification. 70% of new ventures still operating after 12 months will be used as a measure of the institutions' success

The indicator ensures that there are accredited providers in each province that have met the minimum quality assurance standards and are capable of offering programmes in new venture creation. Such institutions will receive incentives in the form of New Venture Creation Delivery Grants from the NSF and the SETAs.

6.2.1 Progress made to date

The 2006/07 targets set in the SLAS of all the SETAs for this success indicator is that **55** provider institutions would be accredited to manage delivery of new venture creation learning and **70%** of businesses of learners trained by the accredited institutes should still be in operation after 12 months of completing learning to measure the impact of learning provided by the institutions.

By the end of March 2007, a total of **94** institutions were accredited and supported, which is a **171%** performance result against the SETA SLA targets for the period 2006/07.

Table 6.2: Number of provider institutions accredited by SETAs

Five-year target	Year	Target	Achievement	Percentage
The targets are set annually by SETAs in the SLAs, concluded with the Department of Labour as the NSDS set minimum requirements for SETAs to achieve	2005/06	33	41	124%
	2006/07	55	94	171%

Both in 2005/06 and 2006/07, the targets for the accreditation and support of NVC institutions were met and exceeded. The institutions will be measured on the basis of the impact of sustainability of businesses established by the learners trained 12 months after completion of the learning programmes undertaken.

SETAs that operate within related sectors may collaborate in ensuring that the new venture creation provider institutes are supported. This will enable SETAs to produce the desired results for youth entrepreneurship learning and sustainability.

6.3 Success Indicator 5.3: By March 2010 there are measurable improvements in the quality of the services delivered by skills development institutions and those institutions responsible for the implementation of the NQF in support of the NSDS

This indicator will be measured as an integral part of the impact measurement research currently undertaken by the HSRC as the Department of Labour's research partner.

6.4 Success Indicator 5.4: By March 2010, there is an NSA constituency-based assessment of an improvement in stakeholder capacity and commitment to the NSDS

The NSF has made provision for the funding of NSA constituency capacity development in accordance with the approved capacity development framework to participate effectively in NSDS initiatives. The capacity building framework has been approved and the programme will be implemented in 2007/08.



6.5 Conclusion

There is a major improvement in the number of ISOEs that have been recognised by the SETAs. This is a positive improvement compared to the previous year when SETAs could not reach the targets. The other major stride is that a standard definition for ISOEs has now been established for SETAs. The other achievement is the increase in the number of accredited NVC providers.



Chapter Seven

Equity Targets

7.1 Achievement of Equity Targets (NSDS Principle No 3)

Transformation remains at the forefront of all skills development activities so as to create employment opportunities for previously disadvantaged communities of our country. The achievement of equity targets in the NSDS 2005 – 2010 is therefore critical to the previously disadvantaged. The equity statistics have been reported under the learner-focused Success Indicators, i.e. 2.7, 2.8, 3.1, 4.1, 4.2 and 4.3, and are summarised in **Table 7.1**.

Table 7.1: Equity targets and achievement of learners completing learning programmes (April 2006 to March 2007)

Category	Target	2.7 entered	2.7 completed	2.8 entered	2.8 completed	3.1 entered	3.1 completed	4.1 entered	4.1 completed	4.2	4.3 entered	4.3 completed	Total entered	Total completed
Blacks	85%	55%	64%	67%	54%	78%	56%	77%	72%	72%	77%	99%	71%	69%
Women	54%	33%	23%	40%	37%	42%	38%	46%	32%	35%	35%	43%	39%	35%
People with disabilities	4%	0,5%	0,6%	1%	0,5%	2,3%	2,5%	3%	2%	3%	3%	0%	2,1%	1,4%
Youth in all categories		12%	12%	42%	39%	36%	28%	68%	59%	44%	44%	61%	41%	40%

[Note: No target was set for youth. This was an initiative of the Department of Labour to include youth in equity targets]

From **Table 7.1**, it is clear that no equity targets were met. Even though a high number of people have been put through skills development programmes, the equity profile was below the expected rate. It is imperative that more Blacks, women and people with disabilities need to be taken into learning programmes to ensure that the strategy contributes towards addressing inequalities in the workplaces and economic activities.

The following projects are some of the best NSDS initiatives that focuses on providing skills for people with disabilities. The Ermelo Activity Centre is supported through the Social Development Funding Window, whilst the NQF 5 IT programme is supported by the ISETT SETA.

7.2. Case studies on learners with disabilities assisted through skills development programmes

7.2.1. The Ermelo Activity Centre for People with Disabilities

Name of province	Mpumalanga
Name of project	Ermelo Activity Centre for People with Disabilities
Location	Ermelo
Beneficiaries	36 unemployed people with disabilities
Funding partners	NSF (R147 000 for training) Municipality Department of Social Services (R37 000)
Type of training	Beading, cloth painting, carpentry, and manufacturing of ethnic clothing
Number trained to date	They were 12 (beading and cloth painting), 24 (carpentry)
Number placed to date	35 people with disabilities





A beneficiary at the Ermelo Activity Centre spends time with beading.

Short description of the project

The project started in 1994. It comprises of 36 people with disabilities; 12 were trained in beading and cloth painting and 24 were trained in carpentry Level 1. They repair and sew torn bedding and linen and they fix broken furniture, they also manufacture furniture and dog kennels. They replace buttons and elastic on torn hospital sleepwear and they earn R1 500 – R1 800 per person for their effort.

In 2005 they received furniture making equipment and material to the value of R60 000 from the Msukaligwa Municipality (LED). Currently they are busy with an order from the Ermelo Hospital to sew children's hats and blankets.

Beneficiaries mentioned that their lives have improved, they are now skilled and employed and they are able to maintain themselves and their families. The local community supports the project as they buy their products.



Some of the people with disabilities at work at the Ermelo Centre.

The project has a management committee, that holds meetings once a month or when there are critical issues to be discussed and members are always informed on financial issues. Social Services visit the project from time to time and they also send social workers to support beneficiaries.

7.2.2. NQF 5 IT Systems Support for learners with disabilities

Name of province	Gauteng
Name of project	NQF 5 IT System Support Learnership for learners with disabilities
Location	DESTO, 14TH Floor Acadia Centre C/O Beatrix and Vermeulen Streets Arcadia
Beneficiaries	People with disabilities
Funding partners	ISETT SETA through Desto
Type of training	NQF 5 IT Systems Support Learnership- Computer Training
Number registered	100
Number completed	90



A group of learners with disabilities who have completed the programme.

This is a one year NQF Level 5 IT Systems Support Learnership programme for learners with disabilities. It was initiated and monitored by ISETT SETA and training provided by Desto Pty. The prerequisites for admission into this learnership were that the learner should have disabilities and should have completed matric in Mathematics and Physical Science.

One hundred learners registered for this programme and 90 managed to complete. The programme offered learning areas such as network connection, system operation, server operations and customer care. Learners were exposed to both theoretical and practical learning.

From the responses of the learners, it was clear that they were excited about the learnership. Some of the learners felt that they did not consider themselves as having disabilities as they were able to perform tasks that are usually done by people who are not physically challenged.



7.3. Conclusion

The equity targets in all categories could not be met in the 2006/07 financial year. This requires more attention than in the previous year, but the equity targets could still not be achieved. Employers need to be encouraged to take more Blacks, women, and people with disabilities into their programmes. This will help in the eradication of inequity that was created by the past apartheid system.



Chapter Eight

Summary, Conclusion and Recommendations by the National Skills Authority (NSA)

Introduction

The NSDS 2006/07 Annual Report marks the end of the second year of the NSDS II implementation period. After a careful study of the report, the NSA arrived at the conclusion and recommendations as tabulated hereafter. This report flows from the preceding year of the NSDS II implementation which was in essence a build-up and a basis for all subsequent years. A concerted effort is made in the reading of the report to evaluate the activities of 2006/07 in line with the previous achievements made and against previous challenges met.

8.1 Prospects of success in implementing NSDS II

Sufficient ground-work was laid in the first year of the implementation of NSDS II. From the 2005/06 report, it is clear that adaptation challenges were experienced as stated:

"The first year of the NSDS 2005-2010 faced numerous challenges and some of the specific challenges are noted below. However the primary challenge was massive adjustment of system and processes that SETAs and the NSF had to make between the first five years of the NSDS and the NSDS 2005-2010."
(NSDS Report 2005/06:37)

Some of the achievements of NSDS 2005/06 established a firm foundation on which the strides of 2006/07 were made. Contributing to the conducive environment of service delivery in respect of the set targets for 2006/07 were the following:

- The upgraded SETA Performance scorecard which was able to measure the performance comprehensively
- Knowledgeable and capacitated SETA Boards
- Clear and unambiguous Service Level Agreements signed between SETAs and the Director-General of Labour
- Improved verification and validation of information provided by SETAs
- Improved efficiency of a SETA governing structure.

The NSDS Quarterly Monitoring Reports which are submitted to the NSA and user sections in the Department of Labour facilitated the process of continuous monitoring and evaluation, thereby ensuring greater prospects for the achievement of agreed-upon targets.

8.2 Achievements of targets

On review of 2006/07, it was noted with pride that most of the targets were achieved. This was done despite the challenges as tabulated in 8.3 of this chapter.



The intention of this chapter is not to rewrite the achievements as they have already been clearly presented in the previous chapters, but to acknowledge and to congratulate the implementing agencies in their efforts. The following highlights on the achievements are worth noting:

- The National Master List of Scarce and Critical Skills was developed and placed on the Department of Labour's website
- A notable increase in the response of large, medium and small firms in improving the skills of their workers.

(By the end of March 2007 118 153, (which is a 131% achievement) unemployed people were trained and 36% were accredited)

- The UYF continues to deliver on their mandate of ensuring that young people are supported and linked to business opportunities
- The NPI ensured that cooperatives and other enterprise development initiatives are fully supported with the knowledge and the latest business approaches to facilitate a turn-around strategy which was aimed at securing business growth thereby guaranteeing social development and economic growth
- The Umsobomvu Youth Fund was able to deliver encouraging outputs of New Venture Creation Learnerships and introduced a new area of supplying development training, which prepares entrepreneurs to access opportunities. Another milestone in 2006/07 is the Business Opportunity Support Service which afforded entrepreneurs a whole range of business kit to ensure economic scale and growth
- The National ABET programme like all NSF projects, received a boost of R37,8 million to train 20 000 unemployed learners in its first roll-out phase
- INDLELA positively contributed to the NSDS targets as well as to the JIPSA mandate by assessing the most needed artisans to ensure that the country benefits from well qualified craftsmen
- A high number of SDFs and career counselors were trained to ensure information sharing on the scarce and critical skills list to various role players
- There has been an improvement in the number of medium and large firms submitting WSPs and ATRs
- Small levy-paying firms received support for skills development and the performance result exceeded the SLA targets
- The BBBEE code of good practice were approved, allowing SETAs and firms to align their definitions using approved codes
- The 2006/07 figures indicated an improvement on the quality of training of unemployed people and the placement rate
- The number of ISOEs within public or private institutions and through public-private partnerships which were established and supported, increased by more than 60%. A standard definition for ISOEs has been established for SETAs.

8.3 Challenges to the achievements of NSDS targets in 2006/07

The gains made from the ground-work of NSDS II's first year of implementation facilitated less rough beginnings in 2006/07. However, all the implementation challenges experienced in 2006/07 as indicated below were still part of the refocusing unto NSDS II as a new strategy. Some of the grey areas emanating from the implementation process could only be illuminated by experience and as a result of un-intended consequences. This links to the saying which states:

"We build the road as we walk the road".

Attempts which were made to encourage alignment of the NSDS to JIPSA objectives to ensure that the Accelerated and Shared Growth Initiative of SA were not sufficient and can still be improved. The ultimate goal is to ensure that the objectives of the NSDS and JIPSA relate one to another in a manner that drastically improves the skills revolution which is key to the competitiveness of South Africa in the world economy.

From this report as presented, a number of specific challenges and obstacles were encountered during

the process of implementation. These were identified as follows:

- The placement of youth is still very low
- The ABET programme continue to face numerous challenges. Projection indicates that ABET targets of 700 000 learners by the year 2010 will not be achieved
- Equity targets, especially those relating to people with disabilities, are not yet met
- There is still no clarity on the system of role players (i.e. SETAs, training providers, learners, workers, the unemployed, employers, Department of Home Affairs, Department of Trade and Industry and any other groups) which facilitates the prioritisation and communication of critical skills for sustainable growth, development and equity
- Not all the SETAs had developed the guides and trained the SDFs and career counselors on the usage of the guide
- A policy framework for a National Standards of Good Practice in Skills Development to encourage employers to invest in HRD has not been finalised
- There was a low number of women and people with disabilities within the group of workers that entered and completed training programmes
- Under the SDFW programmes and projects, only 18% of the allocated funds from the NSF was spent on the training of unemployed people linked to EPWP projects.

8.4 Recommendations

Although great strides have been achieved with respect to the NSDS II and SLA targets for the year under review, the emphasis must be placed on the previous recommendations as they are applicable and these were:

- Some targets were achieved with ease and these may need to be reviewed to assess their relevance or consider extending them
- Blacks, women and people with disabilities should be urgently fast-tracked into learning programmes to ensure their contribution in the economy and also to address workplace inequalities
- SETAs should endeavour to improve their performance in support to BBBEE codes of good practice
- Efforts should be made to ensure compliance by government departments in spending 1% of their personnel budget on training. PSETA should continue to place governance and monitoring mechanisms to ensure that the targets are achieved
- Attempts to develop the National Standards of Good Practice in Skills Development were to no avail. It is thus recommended that the targets against this objective be waved and a workable approach of recognition and an award system be pursued
- The system should be jerked-up to assist implementation agencies (Provincial Offices and providers) to optimally utilise their contractual financial obligations for NSF projects and programmes
- A massive national programme on ABET should be considered wherein a much broader participation by the private sector and government departments, especially the Department of Education and local government to be involved in the roll-out
- Success indicator (2.8) should be geared towards addressing the shortage of skills that have been identified in the Master List of Scarce and Critical skills
- To meet the equity targets, social and community based organisations should be involved as they may be in a better position to deal with the social barriers and challenges.

8.5. Conclusion

Finally, the NSA would like to applaud every individual organisation, institution and person who drove the implementation process of the second year of NSDS II. It is the intention of the NSA that the inputs made in this chapter are read with an understanding that not all challenges or achievements were raised and that there may be other variables impacting on the report. The Department of Labour, and in particular the Employment and Skills Development Services and Human Resources Development Branch, must be congratulated for steering this huge ship of the skills revolution into the right direction.



Appendix A

National Skills Development Strategy 2005-2010

Year 1 and 2 Targets and Achievements (2005/06 and 2006/07)

Objectives		2005/06 Achievements against targets	2006/07 Achievements against targets
1. Prioritising and communicating critical skills for sustainable growth, development and equity.	1.1 Skills development supports national and sector growth, development and equity priorities.		
	Annual Targets	Skills development supports national and sectoral growth, development and equity priorities.	Skills development supports national and sectoral growth, development and equity priorities.
	Achievements	23 SETA SSPs submitted and received positive evaluation. Sector based Scarce and Critical Skills List developed.	23 SETA SSPs submitted and received positive evaluation. A National Master Scarce and Critical Skills List developed.
	1.2 Information on critical skills is widely available to learners. Impact of information dissemination researched, measured and communicated in terms of rising entry, completion and placement of learners.		
	Annual Targets	7 183 SDFs or sector specialists to be trained.	8 817 SDFs or sector specialists to be trained.
	Achievements	8 082 SDFs or sector specialists trained.	16 850 SDFs or sector specialists trained.
2. Promoting and accelerating quality training for all in the workplace	2.1 By March 2010 at least 80% of large firms' and 60% of medium firms' employment equity targets are supported by skills development. Impact on overall equity profile assessed.		
	Annual targets	3 144 large firms to be supported. 4 709 medium firms to be supported.	3 270 large firms to be supported. 4 279 medium firms to be supported.
	Achievements	3 021 large firms supported. 3 709 medium firms supported.	4 385 Large firms supported. 5 380 Medium firms supported.
	2.2. By March 2010 skills development in at least 40% of small levy paying firms supported and the impact of the support measured.		
	Annual targets	27 106 firms to be supported.	21 882 firms to be supported.
	Achievements	28 676 firms supported.	26 553 firms supported.
	2.3 By March 2010 at least 80% of government departments spend at least 1% of personnel budget on training and impact of training on service delivery measured and reported.		
	Annual targets	Government departments to spend 1% of personnel budget.	Government departments to spend 1% of personnel budget.
	Achievement	1,77% spent from personnel budget by government departments.	Reports outstanding.
	2.4 By March 2010, at least 500 enterprises achieve a national standard of good practice in skills development approved by the Minister of Labour.		
	Annual targets	No target set by SETAs since no national standard has been developed.	No Target set by SETAs as no national standard has been developed.
	Achievements	Not applicable.	Indicator not measured due to research on the South African standard for people development that is still under way.
	2.5 Annually increasing number of small BEE and BEE co-operatives supported by skills development. Progress measured through an annual survey of BEE firms and BEE co-operatives within the sector from the second year onwards. Impact of support measured.		
	Annual Targets	Annually increasing number of small BEE.	2,571 small BEE firms and BEE co-operatives supported.
	Achievements	No target was set by SETAs.	1 293 small BEE firms and co-operatives supported.
	2.6 From April 2005 to March 2010 there is an annually increasing number of people who benefited from incentivised training for employment or re-employment in new investment and expansion initiatives. Training equity targets achieved. Of number trained, 100% to be South African citizens.		

Objectives		2005/06 Achievements against targets	2006/07 Achievements against targets
	Annual targets	Annually increasing number of new workers benefiting. 100% SA citizens.	Annually increasing number of new workers benefiting. 100% SA citizens.
	Achievements	1 178 New workers benefited. 100% SA citizens.	1 772 New workers benefited. 100% SA Citizens.
2.7 By March 2010 at least 700 000 workers have achieved at least ABET Level 4.			
	Annual targets	41 588 workers to enter into ABET Level 1-4.	60 652 workers to enter into ABET Level 1-4. 43 612 to complete.
	Achievements	35 187 entered ABET Level 1-4.	46 095 workers entered ABET Levels. 12 748 Achieved ABET Levels .
2.8 By March 2010, at least 125 000 workers assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.			
	Annual targets	29 297 to enter learning programmes. 14 649 to complete programmes.	32 479 learners to enter. 17 672 to complete.
	Achievements	70 362 entered learning programmes. 29 863 (204%) completed learning programmes.	57 577 learners entered. 21 423 learners completed.
3. Promoting employability and sustainable livelihoods through skills development.	3.1 By March 2010, at least 450 000 unemployed people are trained. This training should be incrementally quality assured and by March 2010 no less than 25% of the people trained undergo accredited training. Of those trained at least 70% should be placed in employment, self-employment or social development programmes including (EPWP), or should be engaged in further studies. Placement categories each to be defined, measured, reported and sustainability assessed.		
	Annual targets	90 000 trained. 70% placed. 25% of the people trained undergo accredited training.	90 000 trained. 70% placed. 25% of the people trained undergo accredited training.
	Achievements	103 168 trained. 55 376 placed.	118 153 trained. 90 691 (77%) placed. 36% received accredited training.
3.2 By March 2010, at least 2 000 non-levy paying enterprises, Non Governmental Organisations(NGOs), Community Based Organisations (CBOs), and Community Based Co-operatives supported by skills development. Impact of support on sustainability measured with a targeted 75% success rate.			
	Annual targets	466	2 585
	Achievements	829	4 204
3.3 By March 2010, at least 100 000 unemployed people have participated in ABET Level programmes of which at least 70% have achieved ABET Level 4.			
		20 000	20 000 participate in ABET programmes. 70% achieved ABET Level 4.
		Framework completed, applicants invited, evaluation of applicants done.	20 000 entered all ABET levels.
4. Assisting designated groups, including new entrants to participate in accredited work, integrated learning and work-based programmes to acquire critical skills to enter the labour market and self-employment.	4.1 By March 2010 at least 125 000 unemployed people assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.		
	Annual argets	29 568 enter. 14 784 (50%) completed. NSF to commit R3,44 million for learners in scarce skills programmes. UYF to assist unemployed youth with skills development.	30 258 enter. 15 129 (50%) complete.
	Achievements	46 676 entered. 4 256 completed. 2 300 learners in ESDAs supported, 6 941 bursaries awarded. 1 452 learners in National Youth Services programme. 941 learners in School to Work programmes.	41 011 entered. 12 251 completed.
4.2 100% of learners in critical skills programmes covered by sector agreements from Further Education and Training (FET) and Higher Education and Training (HET) institutions assisted to gain work experience locally or abroad, of whom at least 70% find placement in employment or self-employment.			
	Annual targets	8 301 gain work experience. 5 811 placed.	9 454 gain work experience. 6 618 (70%) placed.
	Achievements	751 gained work experience. 276 placed.	8 695 gained work experience. 3 were placed.



Objectives		2005/06 Achievements against targets	2006/07 Achievements against targets
		4.3 By March 2010, at least 10 000 young people trained and mentored to form sustainable new ventures and at least 70% of new ventures in operation 12 months after completion of programmes.	
	Annual Targets	1 669 trained. 1 168 / 70% sustainable.	2 207 trained. 70% sustainable.
	Achievements	981 trained. 0 sustained.	3 287 trained. 755 (77%) of the 2005/06 NVCs sustained.
5. Improving the quality and relevance of provision		5.1 By March 2010 each SETA recognises and supports at least five Institutes of Sector or Occupational Excellence (ISOE) within public or private institutions and through Public Private Partnerships (PPPs) where appropriate, spread as widely as possible geographically for the development of people to attain identified critical occupational skills, whose excellence is measured in the number of learners successfully placed in the sector and employer satisfaction ratings of their training.	
	Annual targets	55 ISOEs supported.	296 ISOEs supported.
	Achievements	31 ISOEs were supported.	476 ISOEs were supported.
		5.2 By March 2010, each province has at least two provider institutions accredited to manage the delivery of the new venture creation qualification. 70% of new ventures still operating after 12 months will be used as a measure of the institutions' success.	
		33 Provider institutions to be supported.	55 Provider Institutions to be supported.
		41 Provider Institutions were supported.	94 Provider Institutions were supported.
		5.3 By March 2010 there are measurable improvements in the quality of services delivered by skills development institutions and those institutions responsible for the implementation of the National Qualifications Framework (NQF) in support of the NSDS.	
	Annual targets	All SETA-based Education and Training Quality Assurance units (ETQAs) maintain SAQA accreditation. SAQA funded by NSF to support ETQAs.	Measurable improvement in the quality of the services delivered by skills development institutions.
	Achievements	21 SETAs received 3-year ETQA accreditation status from SAQA and AgriSETA and SASSETA received a conditional year-long accreditation. R16,8 million grant paid to SAQA to support SETA Quality Assurance services.	Impact of skills development will be measured through research commissioned in partnership agreement with the HSRC.
		5.4 By March 2010, there is an NSA constituency based assessment of an improvement in stakeholder capacity and commitment to the National Skills Development Strategy.	
	Annual Targets	A new NSF funding framework developed and tabled for NSA consideration by March 2006.	NSA constituency based assessment of improvement in stakeholder capacity development.
	Achievements	Draft framework developed and to be tabled for NSA consideration in 2006/07.	Capacity development framework has been developed and approved.

Appendix B

National Skills Fund

1 April 2006 to 31 March 2007

1. Introduction

The launch of NSDS 2005 – 2010 required the NSF to review its funding windows and processes to ensure that the objectives and targets are addressed. The purpose of these funding windows is to disburse funds in a more organised and controlled manner.

During the implementation period of the NSDS 2001 – 2005 there were eight NSF funding windows. The review of these funding windows resulted in the development of the nine funding windows as well as the strategic projects model.

1.1 Social Development Initiatives Funding Window

This NSF funding window supports NSDS Success Indicator 3.1, namely to finance training whereby unemployed or under-employed people are equipped with skills to promote employability and sustainable livelihoods, including training for the Expanded Public Works Programmes (EPWP).

In the case of the Social Development Initiatives Funding Window, the Department's provincial offices are the disbursing agents. They have an established delivery model based on evaluating project-linked training applications against set criteria. These criteria include whether the proposed project is part of the Provincial Skills Plan, Integrated Rural Development Strategy, Urban Renewal Strategy, Local Economic Development Strategy. Another criterion is that the beneficiaries should be placed in such projects on completion of training.

1.2 ABET (Adult Basic Education and Training) Funding Window

The purpose of the ABET Funding Window is to support Success Indicator 3.3, namely to promote employability and sustainable livelihoods through skills development. This would be achieved through the provision of resources to allow 100 000 unemployed people to participate in ABET programmes by 2010, of which at least 70% must achieve ABET Level 4.

1.3 Critical Skills Support Funding Window

This funding window is in support of Success Indicator 1.2, namely that information on critical skills should be widely available to learners. Furthermore, the funding window also supports Success Indicator 4.1 to assist designated groups including new entrants to participate in accredited work-integrated learning and work-based programmes to acquire critical skills to enter the labour market and self-employment.

1.4 Provisioning Support Funding Window

This NSF funding window supports Success Indicators 2.4 and 5.3. These relate to the achievement of a national standard of good practice in skills development approved by the Minister of Labour by at least 500 enterprises. These indicators also relate to improvement in the quality of services delivered by skills development institutions and those institutions responsible for the implementation of the NQF in support of the NSDS.



1.5 Industry Support Programme Funding Window

This NSF funding window is in support of NSDS indicator 2.6, namely to increase the number of people who benefit from incentivised training for employment or re-employment in new investment and expansion initiatives.

1.6 Informal Sector Support Funding Window

Objective 3 of the NSDS relates to the promotion of employability and sustainable livelihoods through skills development. This NSF funding window supports this objective and Success Indicator 3.2 through skills development support to non-levy paying enterprises, Non-governmental Organisations (NGOs), Community-based Organisations (CBOs) and Community-based Co-operatives.

Secondly, this funding window will support Success Indicators 4.3 and 5.2 by assisting new entrants into the labour market to establish sustainable new ventures. The NSF will also provide funds to supplement SETA discretionary grants for new venture creation. Support for new ventures will mainly be in the form of training and mentoring in line with NSDS Objective 4.

1.7 Constituency Capacity Building and Advocacy Funding Window

The Department is dependent on the various stakeholders in the area of skills development for the successful implementation of the NSDS. This new NSF funding window is therefore primarily aimed at capacity building of constituency organisations represented on the National Skills Authority. This will empower them to discharge of their mandate in terms of the NSDS and the Skills Development Act.

1.8 Special Projects Funding Window

This NSF funding window supports the NSDS Success Indicators in general, as well as the cross-cutting NSDS principles, including:

- Promotion of the NSDS
- Research and impact studies related to the NSDS
- Supplementary support to people with disabilities, for example through assistive devices to access learning and training material so that they may derive full benefits from skills development initiatives.

1.9 Discretionary and Innovation Projects Funding Window

This funding window gives expression to one of the provisions of the Skills Development Act by giving the Director-General of Labour the discretion to fund any other projects that support the objectives of the Act.

1.10 Strategic Projects

Strategic Projects is not a funding window but an implementation model that allows the use of integrated projects to achieve goals and targets set for the NSF in the NSDS. The model uses the criteria and budget across a number of selected funding windows. It is primarily targeted at projects supporting the implementation of Provincial Growth and Development Strategies.

2. Achievements

Apart from the NSF contributions to various NSDS Success Indicators as reported in the text of this publication, the following additional achievements are worth noting in relation to specific funding windows and projects supported by the NSF.

2.1 Social Development Initiatives Funding Window (SDFW)

The Directorate of Employment Services of the Service Delivery Branch coordinates the implementation of these projects with the 10 Provincial Offices and Labour Centres of the Department of Labour.

R 277,5 million was spent on training programmes conducted under the Social Development Initiatives Funding Window during 2006/07 up to the end of March 2007. Of the above mentioned amount spent, **R50,2 million** was spent on the training of unemployed people linked to EPWP-projects. A total of **31 174** unemployed people attended skills development programmes linked to these EPWP-projects of which **25 214 (80,8% of number trained)** were placed on the projects.

For more detailed information, see the provided under point 4.1 of Chapter 4 of this publication.

SDFW course fee increase: The course fees of the training funded under the SDFW were increased by 10% with effect from 1 June 2006.

Accredited/quality assured training: The NSF has commenced a process to convert the NSF courses for the training of unemployed people to be credit bearing and aligned to SAQA Unit Standards. For a start the focus were on five of the priority sectors, namely agriculture, construction, manufacturing engineering and related services, energy (electrical) and clothing and textiles (CTFL). Provision for inclusion was made for ABET courses and the health sector courses because of linkages with the training of unemployed people for EPWP-projects.

At present the NSF has **966** courses registered for the Social Development Initiatives Funding Window (SDFW) of which **183 (18,9%)** are based on SAQA Unit Standards (Breakdown: ABET – 25; AgriSETA – 40; CETA – 55; CTFL – 1; ETDP-Seta – 2; Fasset – 2; FIETA – 7; Health – 13; ISETT – 1; MAPPP – 2; Mersetra – 27; MQA – 2; SASSETA – 3; Services Seta – 2; TETA – 1).

Approval was obtained for the funding of a Capacity Building Programme for SDFW Training Providers to achieve accreditation / provisional accreditation status with the relevant ETQAs. MoAs were signed-off with five ETQAs to pilot the programme in collaboration with the Department ESDS-Business Units, i.e. AgriSETA, CETA, ESETA, Mersetra and MQA.

An amount of R2,6 million has been committed over a 18 months period for the capacity building of ±360 non-accredited SDFW training providers across all the provinces.

Daily Learner Allowance (unemployed people trained under SDFW): A daily learner allowance of R30,00 per training day attended has been approved and to be implemented with effect from 1 May 2007.

2.2 ABET (Adult Basic Education and Training) for the unemployed

See information provided under point 4.3 of Chapter 4 of this publication.

2.3 Critical Skills Support

See information provided under point 2.2 of Chapter 2, as well as point 5.1 of Chapter 5 of this publication.

2.4 Provisioning Support

Approval has been obtained from the Director-General of Labour to fund the Capacity Building of the SDFW Training Providers to achieve accreditation / provisional accreditation from this funding window, which will amount to ±R2,6 million over an 18-month period and will mainly take place during 2007/08.



2.5 Industry Support Programme

2.5.1 Workplace Skills Development Support Programme (WSDSP)

See information provided under point 3.6 of Chapter 3 of this publication.

2.5.2 Social Plan Technical Support Facility (SPTSF)

On the Social Plan Technical Support Facility the Director-General signed a new Memorandum of Agreement between the Department of Labour and the National Productivity Institute (NPI) to align the commitments made at the Growth and Development Summit in 2003, namely that the Department will support the establishment of a Social Plan Technical Support Facility (SPTSF) under the auspices of the Productivity Advisory Council of the NPI, with the NSDS 2005-2010.

R 17,3 million was allocated to the NPI during 2006/07 to achieve *inter alia* the following:

- Contribution to preventing job loss: 108 future forums were established
- Turn-around interventions to prevent job losses: 55 turn-around strategies established
- Publish success stories: 24 success stories were published
- Marketing campaign: 16 social plan awareness workshops were conducted.
1 case study published in the Productivity SA magazine.

2.6 Informal Sector Support

2.6.1 Non-levy paying Enterprises, NGOs, CBOs, Community Based CO-Operatives

The NSF has developed a funding model and obtained approval to pilot skills development support to Community Based Co-operatives. A Request for Proposals was therefore published with a closing date of 31st January 2007.

Progress with regard to the proposals received is as follows:

- 230 proposals received by closing date
- 170 proposals proceeded to the technical evaluation stage
- 46 were short listed for Due Diligence.

The projection is that the evaluation process will be completed during the first quarter of 2007/08 and the pilot programme implemented during the second quarter.

2.6.2 New Venture Creation: A framework funding model has been compiled and tabled for approval for piloting during 2007/08.

2.7 Constituency Capacity Building and Advocacy

The framework for the capacity building programme was finalised and tabled for approval. The programme will be implemented in 2007/08.

2.8 Special Projects

Promotion of the NSDS: The promotion of the NSDS was planned, coordinated and implemented by the Communications Chief Directorate of the Department during the 2006/07 financial year. The total expenditure at the end of March 2007 was R 1 293 000.00.

The above-mentioned expenditure was mainly related to the launch of the NSF Strategic Projects in Dutywa, Eastern Cape and entails costs such as publishing materials, rental of tents for the event and the exhibition, transport for local people, hiring of equipment, catering, etc.

Department contribution toward National Youth Day Activities – June 2006

The Framework for Department Support of National Youth Day Events relating to the 30th Anniversary of June Youth Month Celebrations was approved on 6 June 2006.

In 2006 a total amount of R1,0 million was made available from the NSF funding window Promotion of the NSDS, i.e. R50,000 per province for provincial Youth month activities and the remaining amount for national Youth month event/s. The eventual expenditure was as follows:

• Limpopo	R 38 100-00
• Western Cape	R 10 963-00
• Gauteng (North and South combined)	R 120 840-00
Total	R 169 903-00

The low take-up was mainly as a result of the very late notice to the Department Provincial Offices that funds were available to participate in the 30th Anniversary of Youth Month celebrations.

The Department Provincial Offices made recommendations for some changes to the Framework for Department Support of Events document, which have been taken into consideration for 2007.

2.9 Discretionary and Innovation Projects

A total of R48 million of the budgeted R50 million under this funding window was committed to various projects. The projects emanated from visits by the Minister and DG to key events.

2.10 Strategic Projects

See information provided under point 5.1 of Chapter 5 of this publication.

3. Other major expenditure

3.1 SARS collection costs

The Skills Development Levies Act determines that the cost of collection incurred by the South African Revenue Service (SARS) for the collection of skills development levies, interest and penalties must be refunded to SARS from the NSF. The amount claimable by SARS may not exceed 2% of the total amount of levies collected. In 2006/2007 the amount paid to SARS amounted to R 57,7 million.



SETA SLA 2006 - 2007

Performance Measurement

SETA acronym	NSDS targets	Equity principles	Institutional development (governance)	Funds management	Provincial linkages	Average score moderated by verification
FASSET	4.93	3	5	5	4	4.74
BANKSETA	4.47	5	5	5	3	4.70
CHIETA	3.36	2	5	5	3	3.81
CTFL	2.96	2	3	4	4	3.65
CETA	2.43	1	4	5	4	2.80
ETDPSETA	4.20	4	4	5	4	4.10
ESETA	2.91	5	5	3	3	3.40
FOODBEV	4.26	4	5	5	3	4.42
FIETA	4.46	4	5	4	2	4.55
HWSETA	2.93	5	3	2	3	2.90
ISETT	4.86	4	4	5	4	4.79
INSETA	3.92	1	5	5	2	4.03
LGSETA	3.06	4	2	3	3	3.28
MAPP	3.86	4	4	3	3	3.62
MQA	3.67	4	5	5	5	4.00
MERSETA	3.21	2	4	4	5	3.75
SASSETA	3.20	1	3	5	1	3.18
AGRISETA	3.46	4	5	5	3	3.96
PSETA	3.33	4	2	N/A	2	2.87
SERVICES	3.93	2	5	5	5	4.02
THETA	2.53	1	5	3	2	3.10
TETA	2.86	1	4	4	4	3.20
W&RSETA	4.07	2	5	5	4	3.96





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