

## Annexure A - Detailed Analysis of alignment between PSET White Paper Implementation Plan and the NSDP 2030 towards possible Policy Considerations for Business.

Outcomes	Strategies	Alignment to NSDP 2030
<p><b>1.1</b> Clear and streamlined roles and responsibilities of key stakeholders and role players.</p>	<ul style="list-style-type: none"> <li>The roles, responsibilities, functions and funding frameworks of the quality councils, the Department of Higher Education and Training (DHET) and the South African Qualifications Authority (SAQA) will be refined to reduce duplication and improve efficiency. The Human Resource Development Council (HRDC) will focus on drawing together stakeholders from government, labour, private-sector and PSET provider institutions to support implementation, identify blockages and determine interventions to address them.</li> <li>The Quality Council for Trades and Occupations (QCTO) and National Artisan Moderation Body (NAMB) will merge to become the primary quality assurance body for trades and occupations.</li> <li>Sector Education and Training Authorities (SETAs) will concentrate on supporting skills planning, industry engagement, funding and WPBL, and will be monitored and evaluated by the National Skills Authority (NSA).</li> </ul>	<ul style="list-style-type: none"> <li>Aligns to the following principles of the NSDP:               <ul style="list-style-type: none"> <li>5.1 - Locating the NSDP within an <u>integrated</u> PSET system</li> <li>5.2 - Advancing an equitable and <u>integrated</u> system</li> <li>5.4 - Great inclusivity and <u>collaboration</u> will be promoted</li> </ul> </li> <li>Aligns to Section 11 Planning, Reporting and Accountability.</li> <li>Aligns to roles and responsibilities of SETAs, The Executive Authority, the Department (DHET), the QCTO, the NSA and Social Partners.</li> </ul> <p>This section of the PSET &amp; NSDP therefore deals with the efficacy of the work between and across institutional structures that lead and drive the skills development system. Integration AND Coordination are key concepts.</p> <p><b><i>All the Outcomes of the NSDP are therefore relevant to this focus area.</i></b></p>
<p><b>Analysis</b></p> <p><b>1. Skills Development Act<sup>i</sup> review in relation to the NSDP 2030</b></p> <p>The sections of SDA relevant here are those that speak to “functions” of institutional structures as they appear in the current SDA:</p> <p><b>Section 5 – Functions of the National Skills Authority</b> – A review of the current functions indicate that largely they should remain as is but with the following adjustments to align to current practise and the PSET Plan Strategies:</p>		

- Advise the Minister on “ALL” skills development policy, not just “a” policy – Different policies emerge continuously such as ETI, B-BBEE, the Skills Strategy to support the ERRP, Small Business Development, as well policies specific to HE, TVET and CET – The NSA needs to offer a social partner view on any such developments to ensure alignment and clarity.
- Adjust the Act to replace the words “Skills Development Strategy” with “National Skills Development Plan”, i.e., the NSDP 2030.
- Additional functions that should be considered include:
  - ❖ A liaison function with the HRDC, possibly with the NSA being formally represented on the HRDC to ensure alignment of work and reduce any possible duplication. A particular concern is the duplication of work at a Provincial level as the Act requires Provincial Skills Forums in each province that are duplicated by Provincial Structures of the HRDC. These processes need to be combined given current capacity constraints and for Clarity & Conductivity purposes.
  - ❖ A clearly described SETA Monitoring and Evaluation Function – the NSDP and PSET Plan both stress this role for the NSA (See also comments under Skills and productivity optimisation within the PSET).
  - ❖ It may be helpful to also add under Definitions in the Act, a clear, consensus-based definition of the “liaison” function of the NSA as often that is misunderstood – what does it mean to “liaise”?

**Section 10 – Functions of the SETAs** - A review of the current functions indicates that largely they should remain as is but with the following adjustments to align to current practise and the PSET Plan Strategies:

- Develop a sector skills plan, incorporating Master Plans, within the framework of the NSDP 2030 and not a Skills Development Strategy. This is already a practise among SETAs.
- The Act already requires SETAs to develop learning programmes, not only learnerships – this implies a much broader approach – already a practise.

The current legislative / policy provisions for SETAs are very clear and pragmatic- the problem with SETAs is much more a governance and operational performance related problem, including a lack of Shared Services and standardisation across SETAs – this is a key issue for business and is considered and expanded on below under Item 3 – Effectiveness of statutory structures. At present, the legislative provision for poor governance or performance at a SETA is a Ministerial Instruction (Section 14A of the Act) to rectify the situation, failing which the SETA is placed under Administration (Section 15.) In some instances, this approach has remedied the situation (e.g., FP&M SETA) but in some cases nothing seems to change (e.g., CETA).

An option that may be considered by Business is a legislative provision that empowers Business (e.g., BUSA / BMF / NBI), in partnership with relevant Labour structures (COSATU/NACTU.FEDUSA/AMCU/Solidarity) to take over a SETA in lieu of an administrator, an option that empowers stakeholders more directly to take control of their own SETA and Sector as opposed to a third-party Administrator that is often simply a legal or financial expert. In this option the Business and Labour representatives control the Administrator, not the Department. The Administrator could be secondment from Business or Labour for example.

**Section 26A, B, C, D – Functions of the National Artisan Moderation Body versus National Artisan Development (INDELA)** - A review of the current functions indicates that there is conflation of functions that relate to the role of INDLELA as the Chief Directorate: National Artisan Development as a component of the

national DHET vis a vis the functions of NAMB as an Assessment Quality Partner (AQP) under delegation from QCTO. The Act needs to be simplified to separate these functions so that NAMB, as an AQP, is integrated into QCTO as part of a single quality assurance structure for all trades and occupations. The White Paper, the PSET Implementation Plan and NSDP 2030 ALL clearly indicate the NAMB must be integrated into QCTO. The current “stand-off” between NAMB and QCTO is not moving the system forward and Business needs to take a clear position on the way forward. The current readiness of the QCTO to assume this responsibility needs to be considered both from an infrastructure and resourcing perspective.

The following adjustments are proposed to align to current practise and the PSET Plan Strategies and NSDP 2030:

- **Section 26 A)1)a to b:** These functions remain with INDLELA but are consolidated to read that *“The Director General must establish a unit within the Department with necessary personnel and financial resources to coordinate apprentice and artisan development in the country.”*. Just to note that this already exists within the Department in the form of INDLEA and the Special Projects Unit of the TVET Branch that controls the Centres of Specialisation.
- **Section 26 A)2)a to h:** Transfer functions completely to the QCTO as an integral part of their quality assurance functions described in Section 26H.
- **Section 26B)** – Remains with INDLELA.
- **Section 26C)** – Remains with INDLELA.
- **Section 26D)** – Transfer functions completely to the QCTO as an integral part of their quality assurance functions described in Section 26H.

**Section 26F to 26 J – The Quality Council for Trades and Occupations – QCTO** - A review of the current sections of the SDA that relate to the QCTO and its functions and operations illustrate both the enormous scope of work allocate to this body but also the limited progress it has made toward its legislative mandate since establishment in April 2010. The need for this broad and extensive mandate is confirmed on Page 32 of the NSDP 2030 that states *“Quality assurance functions carried out by STEAs including the workplace and undertaken by the National Artisan Moderating Body will be effectively integrated into the QCTO. The Funding allocation from the fiscus and the skills levy will be reviewed to ensure that QCTO carries out its legislative mandate.”* An indication of the limited progress made by the QCTO is continued delegation of many of its functions to other bodies and the fact that even though Section 26J of the Act allows for no less than thirteen (1) regulations that could be issued by the CTQO, it has to date not developed a single regulation. Business needs to support the notion of additional resources for QCTO urgently.

While QCTO is currently located within the Skills Development Act due to its relationship with work-based learning institution such as the SETAs, it is progressively becoming the most important quality and programme development institutional structure for the programmes that are to be delivered by public TVET and CET Colleges as well as Private Colleges and all Skills Development Providers. This is a constant re-occurring theme in the PSET Implementation Plan and the NSDP 2030. However, all Colleges, both public and private, are regulated by the Continuing Education and Training Act, Act 16 of 2006.

For the QCTO to be given the necessary latitude to operate across all work-based learning systems and processes inclusive of SETAs, Employers, Colleges and even some Higher Education Institutions, since QCTO offers qualifications up to NQF Level 8, it is proposed that Business supports the development of a stand-alone piece of legislation for the QCTO – its own Act like UMALUSI that has the GENFETQA ACT and CHE that has the Higher Education Act. This will allow QCTO to attract the necessary status and relevant local and international funding as an institution established through its own unique legislative mandate, not a subset of the Skills Development Act. The formalising of an **Occupational Qualifications Act** through high level structures such as NEDLAC and Parliament will be a

significant lever to enable the parity of esteem between University qualifications and Occupational qualifications, the latter often preferred by Business due to the practical nature of the occupational qualifications.

## 2. TVET/CET colleges partnership and support

This section of the PSET White Paper Implementation Plan and the NSDP 2030 makes no direct references to TVET / CET College Partnerships and support. This will be covered under subsequent relevant sections.

## 3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
DHET	Yes - Yes	Business has a very active relationship with the DHET that could be enhanced through formally scheduled six monthly meetings with the DG and the five DDGS of the DHET. This is particularly important to grow the emerging “demand led” skills development system that is being spearheaded by the DHETs flagship programme known as the Centres of Specialisation (COS) Programme <sup>ii</sup> that places employers in the primary leadership role. The current work in progress midterm evaluation report <sup>iii</sup> on COS will be important for Business to reflect on.
QCTO	Yes – No	Business is formally part of the governance structure but does not appear to be effective in ensuring the efficiency of the QCTO. Complaints are particularly loud from private providers and business in respect of the turnaround time of many functions within the QCTO. The current delegation of quality assurance functions to other structures, particularly SETAs seems to be defeating the purpose of why QCTO was established – a centralised, standardised approach to quality assurance. Business should support the allocation of additional resources (such as an increase in % levy allocation) to QCTO so that the delegation practise can be removed and QCTO can achieve the purpose it was created for. The current “partnership” model that is utilised by QCTO with SETAs in particular is not moving the system towards an objective qualification based regime, where qualifications are applicable and usable across all sectors – SETAs are still claiming qualifications as belonging to them and their sector – a completely nonsensical concept, for example – there are trainers in ALL sectors of the economy, not ONLY in the ETDP Sector – how many sectors have electricians – many, even hospitals – not only the EWSETA Sector!

NAMB	Yes – No	Currently NAMB is a Directorate within DHET. As such Business cannot be a formal integral part of NAMB but Business is actively engaged with NAMB through various Forums which NAMB is part of, one such being the National Artisan Development Advisory Body or NADAB. However, the relationship is advisory at best as Business has no direct control legally over the operations of NAMB as the Assessment Quality Partner for artisanal trades. This is highly problematic and therefore the ongoing narrative in numerous policy documents for NAMB to merge with QCTO, thereby giving Business a more direct influence over its operations. This a position that Business needs to consider. Business has an opportunity to participate in the NADAB and this should be pursued. The draft regulations on the establishment, governance, and functions of the NADAB needs to be advanced and concluded. This would afford an interim platform for input into the NAMB.
CHE - HEQC	Yes – No	The Act <sup>v</sup> allows for organised business to submit names but not sure if they do, or if they are represented on the HEQC. Lack of policy and direction for work-based learning programmes and limited support for occupational qualifications that appear to grow the skills mismatch as Higher Education Institutions continue to produce graduates that are not taken on by employers. Need to consider a model for recognizing Demand led skills development which is top down and bottom up managed internally by DHET. Business with limited resources should not be required to sit on every structure. Articulation and parity of esteem between work based Occupational Qualifications and Academic Qualifications needs to be improved through Business representation – the artisan – technician – technologist engineer pathways is an example that needs to be clearer to stakeholders. Autonomy of HEIs may also require Business to become more active at each University. A “business” approach from a HEI is well modelled within the Resolution Circle, a PTY registered entity owned by the University of Johannesburg.
UMALUSI	No - No	The Act <sup>v</sup> does not specifically refer to business representation at Council or Committee levels. There could potentially be a need for business to influence so that the “feeder” system becomes more effective. The most significant area of influence from UMALUSI from a business perspective is to improve quality of feeder system for young people and the quality of Adult Education and Training within the Community College System. Influence within the TVET System is reducing as the NATED programmes are phased out, with only the NCV being left under the control of UMALUSI. Business could submit that the NCV should be transferred to DBE for delivery at Technical High Schools and that TVETS become fully 100% aligned and controlled by the QCTO for occupational qualifications only. That could be a major Clarity-Capacity-Conductivity posture. The TVET / QCTO space is where Business can have the most significant effect on the PSET System through work-based learning.
SAQA	Yes – No	The Act <sup>vi</sup> allows for organised business to submit names to sit on the Board and Business does have current representation. on the Board. SAQA has reduced powers with development and quality assurance of

		<p>qualifications sitting at a Quality Council level. Their functions are limited to registration of qualifications on the NQF, regulating professional bodies, international qualifications evaluation, qualification fraud monitoring and research. The most significant impact that Business could have on SAQA is improving the flexibility of the NQF to allow more part qualifications to be registered as well as digital or micro credentials that are growing in significance across the worldvii, accelerated by the COVID 19 pandemic. Work in progress between Professional Bodies and QCTO (such as the Institute of Plumbing) with micro credentials is an area that could be developed by SAQA through their policy for Professional Bodiesviii. Turnaround times for qualification registration processes are also major blockages resulting in extensive delays of qualification delivery by the private sector and related grant / tax allowance benefits.</p>
HRDC	Yes - Yes	<p>Although not a statutory structure, the HRDC has considerable influence due to the high level of political representation on its structures. The major benefit of the HRDC is that it considers the “birth to death” learning pipeline, not only the PSET system. It is the only formal forum at present where the two education systems (Schooling and Post Schooling or PSET) come together under a social partner type umbrella. For this reason, it does need to continue to exist, but very clear and strong linkages must be made to the NSA. A possible way to strengthen the Schooling + PSET link is to have Ministers of DBE and HESI share the Deputy Chairmanship of the HRDC. Duplication of NSA Skills Development Forums and HRDC Forums at Provincial level must be removed with Metros and District reporting into a single forum, optimally located within the Office of Premier in each Province. At present there is a review of the HRDC in progress that Business will need to consider once published, but Business needs to emphasise that three operational characteristics of the HRDC should be maintained:</p> <ul style="list-style-type: none"> <li>❖ HRDC’s Key Task is to identify blockages in the lifelong leaning pipeline (birth to death) and through the work of Technical Task Teams propose solutions to remove such blockages; and</li> <li>❖ Ensure that the “Manager” of each Technical Task Team is a senior Government Official (at Chief Director level) that is employed by the National Department that is most intricately linked to the blockage; and</li> <li>❖ All Members of the HRDC participate at the HRDC on the basis of their personal knowledge and expertise and NOT as a representative of any social partner group, removing the need for a mandated position during discussions– and within such dispensation an HRDC Member should not have a predetermined term of service – they should serve while they can continue to add value irrespective of age – however it would be important to evaluate HRDC member contributions from time to time to determine value added to the HRDC process.</li> </ul>

		The HRDC needs to be more focused and decisive. Much of the work/research done through the HRDC is not driven through to implementation and execution.
NSA	Yes - Yes	Business representation and influence on the NSA remains a strength for the Business Community. The calibre of Business representation on the NSA has no doubt contributed to this strength and needs to continue to be at a similar level. The expanded monitoring and evaluation of SETA functions by the NSA should be supported by Business including allocation of knowledge and resources from within the business community to assist with cutting edge, where possible digital M&E systems. (Companies like Trialogue or others come to mind). The relevance and efficacy of the NSA, especially in relation to the day-to-day work of SETAs will be considerably enhanced with a formal partnership between the NSA and Association of Skills Development of South Africa (ASDSA), a professional body recognised by SAQA, that includes membership from both public and private sector. The ASDSA members are the foot soldiers of skills development in South Africa and without them the current WSP / ATR based skills planning process would fall flat, especially among smaller and medium sized businesses.
21 x SETAs	Yes - No	<p>While organised Business is well represented across the SETA system legally and formally, the uneven performance of SETAs and completely random approach to processes and procedures such as Grant funding mechanism continues to frustrate many employers and skills development providers, both public and private. Business representatives need to become more collaborative and learn from each other on how to improve service delivery to SETA Stakeholders. While not all Business representatives are BUSA related employers, BUSA should try to create a forum of SETA Business Representatives to develop collective strategies on how to improve the entire system, especially with regard to shared services in order to standardise SETA processes across all sectors, especially grant funding cycles and mechanisms. SETA functions within the PSET Plan and NSDP 2030 are simplified to include four key areas only:</p> <ul style="list-style-type: none"> <li>❖ Skills Planning inclusive of WSP, ATR, Research and Sector Skills Plans and Master Plans.</li> <li>❖ System steering through levy grants to optimise quality provision.</li> <li>❖ Support development of public and private ETD institutional capacity.</li> <li>❖ System support functions including internal SETA administration and shared services.</li> </ul> <p>The confusion and conflation among SETAs is not related to the above functions. The problem remains the qualifications development and quality assurance function that are delegated to SETAs by the QCTO, the most recent mechanism being a “Quality Partner Agreement” between the SETAs and the QCTO. The SETAs have given up 0,5% of the levy for QCTO to do the Qualification Development and Quality Assurance Function</p>

		(known historically as the ETQA Function) but yet they still have to use their own funds to carry out the work they have paid the QCTO for. They still use their own staff, still have ETQA Managers! This is an urgent matter that needs to be resolved as soon as possible, and Business can be a catalyst to the solution – an independent, stand-alone fully capacitated QCTO with regional representative, ideally based at TVET Colleges.
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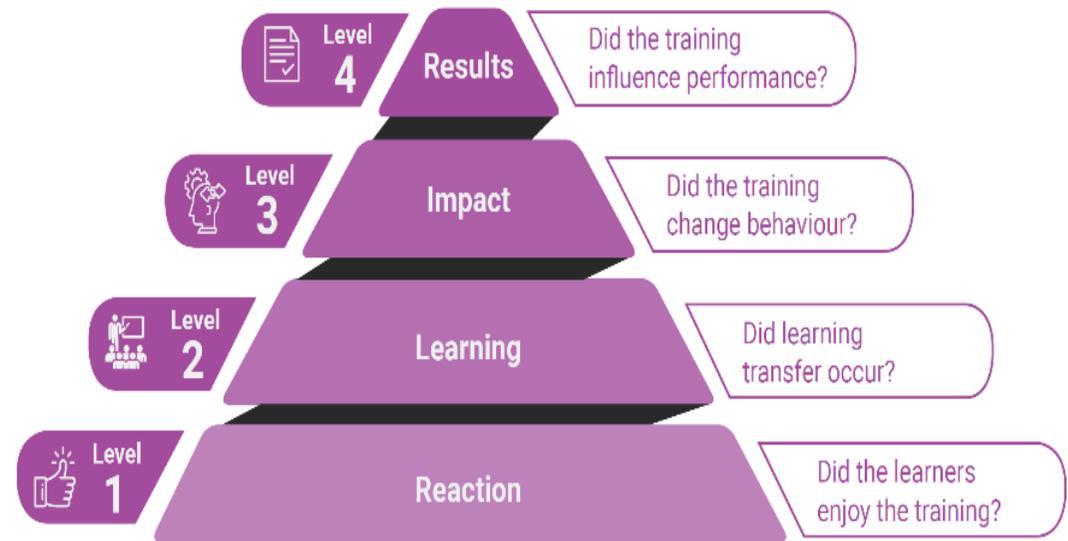
#### **4. Effectiveness of the skills system funding model**

This section of the PSET White Paper Implementation Plan and the NSDP 2030 makes no direct references to effectiveness of the skills system funding model. This will be covered under subsequent relevant sections. In relation to SETA spend and NSF funding and increased unemployment levels, it is evident the skills system is not utilising funding effectively.

#### **5. Skills and productivity optimisation within the PSET**

While this section of the PSET Plan and NSDP 2030 does not make any direct reference to Skills and Productivity optimisation within the PSET, the proposed expanded Monitoring and Evaluation (M&E) role of the NSA emphasised here should include not only M&E of SETA performance and impact studies including governance and achieving of targets, but should also consider the impact that SETA interventions have on the productivity within employers in their sector. This Return on Investment (ROI) type M&E is practised in some developed countries but each country must develop a ROI model that suits their circumstances considering factors such as Cost-Benefit Analysis or Social Return on Investment or even Net Present Value Models. Ultimately an ROI Model must add value to and measure factors that matter to stakeholders<sup>ix</sup>.

In South Africa Productivity SA, a public entity of the Department Employment and Labour established under the Employment Services Act, Act 4 of 2014, consults with employers to develop productivity models and metrics. A possibility exists for a partnership with Productivity SA and Business through the NSA to progressively develop a skills and productivity optimisation system, using models such as those developed by UNESCO but also consider other well-known global models. One such model is the Kirkpatrick model<sup>x</sup> shown here, a model specifically designed over many years for the skills development environment.



The Kirkpatrick Return On Investment / productivity Training Model

## 1.2

Improved capability for integration and coordination in the PSET system

- The skills development levy will complement government baseline funding for public PSET provider institutions while continuing to support private providers.
- An Infrastructure Development Support Programme will be established to support institutions and guide the planning, acquisition and development of infrastructure across the PSET system.
- The Department will provide information and insight into skills needs through a research programme on labour market intelligence in order to improve the responsiveness of the PSET system to the world of work.
- The higher education (HEMIS), technical and vocational education and training (TVETMIS), sector education and training (SETMIS) and community education and training (CETMIS) management information systems will be linked, and the collection, curation and analysis of data from and by all PSET provider institutions, including private institutions, SETAs and employers, will be streamlined and simplified, and processes put in place to

- Aligns to the following principles of the NSDP.
    - 5.7 – Understanding Skills Demand
    - 5.8 – Steering Supply – Qualifications and Provision
    - 5.9 – Steering Supply – Funding Mechanisms
  - Aligns to Section 11 Planning, Reporting and Accountability and Section 12 Funding Allocation.
  - Aligns to roles and responsibilities of SETAs, the Department (DHET), the NSF, the HEIs, TVETs and CETCs, the NSA and Social Partners.
- This section of the PSET & NSDP therefore deals with the funding and support for skills development providers as well as labour market intelligence based on credible data system and analysis.

	<p>ensure reliability, accuracy and quality.</p> <ul style="list-style-type: none"> <li>Capacity for evidence-based planning, policy development, financial planning and management, monitoring and evaluation across the system will be improved.</li> </ul>	<p><b>All the Outcomes of the NSDP are affected but in particular the following are relevant:</b></p> <ul style="list-style-type: none"> <li>Sub-Outcome 1.1: National enrolment and resource ratios for the high, intermediate and elementary skills level. <ul style="list-style-type: none"> <li>Percentage of levy resources to be directed at developing high level skills by 2030, including managers, professionals and associate professionals;</li> <li>Percentage of levy resources to be directed at developing intermediate level of skills (including the target of 30 000 artisans produced per annum by 2030); and</li> <li>Percentage of levy resources directed at developing elementary level skills by 2030.</li> </ul> </li> <li>Sub-Outcome 1.2: Targets for priority occupations <ul style="list-style-type: none"> <li>List of priority occupations identified from hard-to-fill vacancies by employers and occupations that are required to advance South Africa’s developmental needs i.e. SIPS, Operations Phakisa etc.</li> </ul> </li> </ul>
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**Analysis**

**1. Skills Development Act review in relation to the NSDP 2030**

Chapter 7 of the SDA deals with Financing Skills Development but at present this section of the Act is very limited in its scope considering the importance of this subject matter. Currently this section deals only with National Skills Fund, National and Provincial Departments and the National Standard of Good Practise in Skills Development. This section will need to be given particular attention by Business as funding / financing remains a critical issue. This matter is further discussed in detail under Outcome 4.1 in respect of SETA Grant Funding and related financial benefits such as Tax Allowances, Employment Tax Incentives and Broad Based Black Economic Empowerment.

As an initial step, ***Chapter 7, Sections 27, 28 and 29 of the Act*** that relate to the National Skills Fund needs to be adjusted to align to what the National Skills Funds have as new revised focus areas in terms of the NSDP 2030 as described in Section 13 of the NSDP, Page 33. This includes:

- ❖ Train unemployed work seekers;
- ❖ Support partners to address the needs of marginalised and disadvantaged groups;
- ❖ Focus on CET Colleges to support NEETs youth programmes, small business, cooperatives, and rural development; and
- ❖ Support research into the PSET system and institutional development inclusive of human and infrastructure capacity development.

Business should support the above approach as it will greatly enhance the quality of persons that exit the “feeder” system into PSET Institutions and that ultimately become learners within the work based learning system led by employers. The NSF focus will also relieve pressure on the business sector to support CET Colleges, allowing more resources for their own staff development and/or support for the TVET College Sector.

As a second step, ***Chapter 7, Sections 30 and 30A of the Act*** that relate to the National and Provincial Departments needs debate within the Business Community. These two sections effectively “exempt” National and Provincial Departments from contributing toward SETAs and the Skills Development System – and yet many such Departments benefit from skills development levy financing – a particular significant example is the Extended Public Works Programme (EPWP) that has millions spent under the umbrella of the Department of Public Works. A proposal that Business may consider is to recommend to Government that Section 30)1)b and Section 30A)b) states that National and Provincial Departments **MUST** contribute funds at 1% of full time staff remuneration to their line SETA.

***Note: Such a position may conflict with Section 4(a) of the Skills Development Levy Act that states “The levy is not payable by any public service employer in the national or provincial sphere of government” – a legal opinion on the possible contradiction across the Legislation may need to be sourced by Business as a pre-amble to the proposal. However a “contribution may be construed differently from actual levy payment since the relevant Department would contribute the funds directly to the SETA and not pay via the levy mechanism to SARS.***

Additional inclusions to the Chapter 7 of the Act that could be considered by Business are informed by the two following policy document extracts:

***In the first instance , Page 23 of the PSET Plan under the heading Resourcing and financing the PSET system, states that “All current PSET funding frameworks will be reviewed and redeveloped for each sector, considering enrolments, outputs, joined-up fiscal and skills development levy (SDL) funding, and the development of workplace-based and work-integrated learning platforms to support differentiation.”***

***In the second instance , Page 32 of NSDP 2030 under the Funding Allocation, states: “The implementation of the NSDP cannot be achieved without cooperation and participation of social partners. The levy will remain at 1% with 20 % allocated to the NSF and 80% to SETAs. The Mandatory Grant, Discretionary Grant and Administration budget will be reviewed to support the implementation of the NSDP. Any changes with regards to the levy system will be designed to increase the efficiency and effectiveness of the use of the levy to meet socio-economic developmental needs of our country and the improvement of the collection of the skills levy as articulated in the Skills Development Levies Act.”***

Lessons learnt from the emerging midterm review of the DHET Centres of Specialisation Programme<sup>xi</sup> indicates that one of the most critical elements of the successful implementation of occupational programmes by TVET colleges relates to:

- ***joined-up fiscal and skills development levy (SDL) funding; and***
- ***increase the efficiency and effectiveness of the use of the levy.***

It is therefore proposed that Business supports an inclusion in Chapter 7 of SDA that states that:

- I. The total annual funding of any learner enrolled or registered at a public or private accredited PSET institution that includes funding from a SETA or NSF or NSFAS as a portion of total learning programme costs must be transferred to the institution in total per annum before the learner commences his or her relevant annual portion of the learning programme”;
- II. Upon receiving the funds, the public or private accredited PSET institution must set up monthly payment arrangements so that learners receive the relevant correct amounts on time every time; and
- III. Should a public or private accredited PSET institution not comply with provision II, the public or private accredited PSET institution will lose their accreditation status for a minimum period of three years.

It is critical that these provisions be included within the Act so that it can apply across all regulations that apply to skills development funding and learning such as the Grant Regulations, the Workplace Based Learning Programme Agreement Regulations, Sectoral Determination Regulations, Bargaining Council Regulations, NSFAS Policies and others. This provision in the SDA will hopefully go a long way to resolving the crisis after crisis we have in South Africa when learners’ stipends and allowances are not paid on time resulting in student protests at institutions, whereas in fact the fault lies not at the institution but at the source of funding.

Section 10 of SDA is clear on the role of SETAs regarding skills planning and the current annual Sector Skills Plan process is well established, standardised and feeds into Departmental skills planning and research processes. Section 22 of the Act is also very clear as to the role of the Department to consolidate research that results in the national skills planning publications and processes such as Occupations in High Demand<sup>xii</sup> as well the Critical Skills List<sup>xiii</sup> used for immigration purposes. The role of the NSA in Section 5 of the SDA is limited to “liaise” with SETAs on sector skills plans” – another indication that the word liaise needs to be clearly defined – what does that mean? The legislative system is in place for us to do planning efficiently and effectively and we just need to capacity build people to be able to do it properly.

However, the ACT is currently completely silent on the critical issue of data interoperability and systems integration across all entities within the PSET system as is describe in detail within the strategies of the PSET plan in this focus area. This critical need for the PSET System to enable the realisation of NSDP 2030 is well described in a recent report Unlocking the Power of Data that states: *The PSET system in South Africa comprises institutions and role players that traverse the world of education and work. This therefore necessitates that these various institutions and role players continuously collaborate in the utilisation of data and of developing and emerging world-class technologies to enable a match between the ever-changing career, employment and livelihood opportunities available in the economy and in education, learning and skills provisioning. These new digital ecosystems have the potential to provide us with limitless opportunities in a new world-based on the principles of interoperability*<sup>xiv</sup>. It is proposed that Business supports an inclusion of the role of DHET in the coordination and development of data interoperability systems in the Act under Section 22 – Administration of the Act by the Department.

In a similar vein it is proposed that Business support the inclusion under this section of the Act of a requirement for the Department to implement an Infrastructure Development Support Programme as is required by the PSET Plan to resource the system as is required by the NSDP 2030.

## 2. TVET/CET colleges partnership and support

Business support through partnerships related to the Infrastructure Development Support Programme that is proposed by the Department is important for Business to ensure that equipment, buildings, even tools procured by TVET Colleges align to actual work-based learning scenarios as best as possible. A key feature of work based learning is that learners that “practice” on machines or simulations at Colleges must be as close as possible to real working conditions. This is best done through locally based business members of BUSA or even local Business Chambers interacting at a College or Campus level to ensure optimal resourcing of Colleges. However, if this process is not formalized through a College committee, it will not happen. This is discussed further under **Outcome 2.5 – Strengthened Institutional Differentiation**.

TVET Colleges infrastructure is steadily increasing capacity and effectiveness with submission of data to the centralised TVET MIS. This process is very dependent on the role out of the SABEN Project linked to the South African National Research Network (SANReN) that is a high-speed network dedicated to science, research, education and innovation traffic and has been rolled-out in a phased manner since 2007<sup>xv</sup>. All TVET Colleges are destined to be part of this network and that will allow them to better submit data for centralised planning, monitoring and evaluation. No partnership and support role is necessary from the Business community

However, the situation is somewhat different with CET Colleges that may in the future become part of the SABEN / SANREN Programme, but the challenge at CET level is lack of infrastructure, as many of the CET College programmes are dependent on the use of Schooling infrastructure at present, with desperate need to grow towards having actual Skills Centres located within communities. However, partnerships and support for CET Colleges for infrastructure is better placed at local Government level within Metros and District Municipalities. This is confirmed in the National Policy for Community Colleges<sup>xvi</sup> that indicates that *“The establishment of pilot Community Education and Training Colleges will be a gradual process and will take place on phase -in basis starting with one Community Education and Training College as a pilot project in each province. If resources are not immediately available for the nine pilot Community Education and Training Colleges, the Minister may decide to establish fewer pilots. The purpose of the pilot college is to provide an opportunity for the DHET to begin the process of establishing district-based Community Education and Training Colleges and to gain experience that will be useful in rolling out Community Education and Training Colleges in every district in the country. “*

The above District approach also aligns with the District Delivery Model that is being implemented under the auspices of the Presidency to improve service delivery by closer collaboration between all three spheres of Government within a District or Metro<sup>xvii</sup>. Business should support this policy position for CET Colleges as it will improve the feeder system into work-based learning institutions such as TVET Colleges and Employers.

## 3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures relevant here to this focus area of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There?	What is best Business Positive Posture
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	Business Effective?	(Clarity – Capacity - Conductivity)
SETAs	Yes - Yes	SETAs have the most critical role to play with collection of data for skills planning as they engage directly with employers in every sector of the economy. This is now a maturing process in South Africa based on annual Sector Skills Plan updates. Business representatives on all SETAs governance structures should continue to support the process as best as possible so that evidence-based planning is standard in the country.
DHET	Yes - Yes	Business supports the DHET in comment and consultation / conference / symposium processes that allows for coordination and research into Occupations in High Demand and the Critical Skills List for immigration
NSF/ NSA / Social Partners	Yes- Yes	The NSF role is primarily one of funding research for skills planning and institutional development inclusive of human and infrastructure capacity as is determined in Section 13 of NSDP 2030. Business supports this process through their work at the NSA in the development of the NSDP 2030 that ultimately forms the framework for funding that the NSF complies with.
HEIs, TVETs and CETCs	Yes - No	While all polices make provision for the inclusion and involvement of Business within these institutions, the actual level of involvement and participation, particularly in steering the institutions towards what infrastructure is required for the skill sets that are required by the local business environment is very limited. This is however more a function of current policy prescripts that an institution must comply with rather than willingness of Business to be involved. These restrictive policy prescripts are dealt with more thoroughly in terms of TVET and CET Colleges under <b>Outcome 5.3</b> – Well-managed and -governed PSET provider institutions.

#### 4. Effectiveness of the skills system funding model

Although there is a reference to the skills development levy in this section of the PSET White Paper Implementation Plan and the NSDP 2030, comments in regard to that are covered under sub section 1 that suggest changes as part of the Skills Development Act review in relation to the NSDP 2030. A more detailed discussion of the effectiveness of the skills system funding model is covered under **Outcome 4.1 - Improved interface between education and training institutions and skills levy institutions.**

#### 5. Skills and productivity optimisation within the PSET

The link to skills and productivity under this Outcome / NSDP 20203 focus area is clearly the need to build capacity within and across all the data systems that form part of the PSET Systems data interoperability capacity. Should a partnership with Productivity SA and Business through the NSA develop as proposed under Outcome 1.1 above to build a national skills productivity model and system, it will be important to include the Department to ensure that the model and system developed draws its data from all the PSET systems as described in this outcome.

# 1.3

A simplified NQF

- The DHET will work with SAQA and the quality councils to address all NQF- related issues, including, inter alia, simplifying occupational qualification nomenclature and developing policies on NQF matters.
- The quality councils and SAQA will simplify accreditation and registration processes.
- The sub-frameworks, in particular the higher education qualifications sub-framework (HEQSF) and the occupational qualifications sub-framework (OQSF), should be reviewed to ensure alignment and reduce the proliferation of programmes leading to qualifications.
- The NQF Act will be reviewed, considering the recommendations of the report of the NQF evaluation undertaken by the Department in collaboration with the Department of Planning, Monitoring and Evaluation (DPME).

- Aligns to the following principles of the NSDP.
    - 5.1 Locating the NSDP within an integrated PSET system
    - 5.8 Steering Supply: Qualifications and Provision.
  - Aligns to Section 10: Quality Assurance Function.
  - Aligns to roles and responsibilities of DHET, SAQA, Quality Councils and DPME.
- This section of the PSET & NSDP therefore deals with the simplifying the highly complex “gamut” of learning pathways and processes in the country.
- All the Outcomes of the NSDP are therefore relevant to this focus area.**

## Analysis

### 1. Skills Development Act review in relation to the NSDP 2030

A detailed analysis of **Section 26F to 26 J – The Quality Council for Trades and Occupations – QCTO** was done under Outcome 1.1 and is not repeated here except that this outcome also supports the proposal for the QCTO to have its own statute separate from the Skills Development Act so that it can work more effectively with partners like SAQA and CHE. The formalising of an **Occupational Qualifications Act** through high level structures such as NEDLAC and Parliament will also be an opportunity for social partners to simplify the system as is proposed in this outcome.

### 2. TVET/CET colleges partnership and support

No direct link to business partnership requirement in this outcome for Business to consider except that should the QCTO and SAQA simplify its processes the main beneficiaries would be TVET and CET Colleges as they become progressively more involved with occupational qualifications and skills programmes as is indicated in numerous other sections of the PSET Plan and the NSDP.

### 3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
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DHET	Yes - Yes	Business has a very active relationship with the DHET that could be enhanced through formally scheduled six monthly meetings with the DG and the five DDGS of the DHET. This is particularly important to continuously raise concerns around blockages in the NQF System that are experienced by businesses.
SAQA	Yes - Yes	The Act <sup>xviii</sup> allows for organised Business to submit names to be represented on the Board. The most significant impact that Business could have on SAQA is improving the flexibility of the NQF to allow more part qualifications to be registered as well as digital or micro credentials that are growing in significance across the world <sup>xix</sup> , accelerated by the COVID 19 pandemic. Work in progress between Professional Bodies and QCTO (such as the Institute of Plumbing) with micro credentials is an area that could be developed by SAQA through their policy for Professional Bodies <sup>xx</sup> . Turnaround times for qualification registration processes are also major blockage resulting in lengthy delays of qualification delivery by the private sector and related grant / tax allowance benefits.
QCTO	Yes – Yes	The recent determination <sup>xxi</sup> issued by the Minister on 24 December 2020 that renames the occupational qualifications on the NQF is a definite step in the right direction to improve the parity of esteem between occupational and academic qualifications, especially at NQF level 5 and higher on the NQF. The determination also requires SAQA to register part qualifications on the NQF but is silent on whether this includes micro credentials. The determination is very clear and emphatic on the end date of all “legacy” qualifications and unit standards, being 30 June 2023. Business should support the allocation of additional resources (such as an increase in % levy allocation) to QCTO so that the development of the most critical occupational qualifications and part qualifications can be completed by 30 June 2023 so that a modern qualification regime can be implemented in South Africa.
CHE	Yes - Yes	The Act <sup>xxii</sup> allows for organised business to submit names to be represented on the HEQC. Lack of policy and direction for work-based learning programmes and limited support for occupational qualifications that appear to grow the skills mismatch as Higher Education Institutions continue to produce graduates that are not taken on by employers. Articulation and parity of esteem between work based Occupational Qualifications and Academic Qualifications needs to be improved through Business representation – the artisan – technician – technologist engineer pathway is an example that needs to be made clearer to stakeholders. Autonomy of HEIs may also require Business to become more active at each University. A “business” approach from a HEI is well modelled within the Resolution Circle, a PTY registered entity owned by the University of Johannesburg.
UMALUSI	No - No	The Act <sup>xxiii</sup> does not specifically refer to Business representation at Council or Committee levels. There could potentially be a need for Business to influence so that the “feeder” system becomes more effective. The most significant area of influence from UMALUSI from a business perspective is to improve quality of the feeder system for young people and the quality of Adult Education and Training within the Community College System. Influence within the TVET System is reducing as the NATED programmes are phased out, with only

		the NCV being left under the control of UMALUSI. Business could submit that the NCV should be transferred to DBE for delivery at Technical High Schools and that TVETS become fully 100% aligned and controlled by the QCTO for occupational qualifications only. That could be a major Clarity-Capacity-Conductivity posture. The TVET / QCTO space is where business can have the most significant effect on the PSET System through work-based learning.
DPME	No - No	The involvement of Business within DPME could be a significantly important element to influence the alignment of Government systems across all skills development related areas, especially when it comes to the timing of reports and other processes such as the funding opportunities. Since DPME monitors the Strategic Plans and Annual Performance Plans of all of National Government, misalignment and even poor performance can be raised with DPME by Business for further intervention with related Departments. An example could be the alignment of Section 12 H Tax allowances with prevailing Workplace Based Learning Programme Agreement Regulations, clear misalignment at present.

#### 4. Effectiveness of the skills system funding model

For QCTO to become more effective and fulfil all of its functions it does need more resources. A small portion of QCTO funding is derived from fiscal transfers but the major portion of its funds comes from the 0,5% of the skills level allocation as is contemplated in the Regulation 2(4) of the SETA Grant Regulations<sup>xxiv</sup>. This actual amount that QCTO receives (quantum) is determined by the Minister as a control measure, based on the five-year strategic plans and annual performance plans that the QCTO develops. The fact that currently QCTO continues to delegate many of its functions back to SETAs and other bodies indicates that the current 0,5 % allocation is not effective – either it is too small or the QCTO is not utilising the funds effectively. The current Business representatives that sit on the QCTO Board need to influence the effective use of funds by QCTO.

#### 5. Skills and productivity optimisation within the PSET

The criticisms over the slow response times of many quality assurance processes could be related to lack of productivity optimization within the processes at QCTO and SAQA. A particular concern raised is what is known as the committee-based approach to approving qualifications and related documents for registration on the NQF. This approval process occurs only every quarter meaning that long lead times occur between approvals and rectification processes, especially if a qualification is referred back many times. It is interesting to note these delays in processes at QCTO have been identified as a blockage in the draft Economic Reconstruction and Recovery Skills Strategy<sup>xxv</sup> that requires QCTO to implement a command council that inter alia must urgently take decisions to address problems that are delaying the development of qualifications that are required and that are undermining the coherence of the system. A productivity optimisation measurement system within QCTO, SAQA and other Quality Councils seems to be needed, even possibly in partnership with a structure like Productivity SA or Department of Monitoring & Evaluation as is proposed in the Outcome.

<p><b>1.4</b> Increased articulation for students between and within institutions</p>	<ul style="list-style-type: none"> <li>Unnecessary and unfair barriers to student articulation between programmes and NQF levels will be addressed through a joined-up planning process between the DHET, Department of Basic Education (DBE), Council on Higher Education (CHE), QCTO and the Council for Quality Assurance in General and Further Education and Training (Umalusi).</li> </ul>	<ul style="list-style-type: none"> <li>Aligns to the following principles of the NSDP. <ul style="list-style-type: none"> <li>5.2 - Contributing to the country's socio-economic development objectives</li> <li>5.3 - Advancing an <u>equitable</u> and integrated system</li> <li>5.4 - Greater <u>inclusivity</u> and collaboration will be promoted</li> <li>5.8 – Steering Supply: <u>Qualifications and Provision</u></li> </ul> </li> <li>Aligns to Section 10 – Quality Assurance Functions.</li> <li>Aligns to roles and responsibilities of DHET, DBE, Quality Councils.</li> </ul> <p>This section of the PSET &amp; NSDP therefore deals with simplifying the highly complex “gamut” of learning pathways and processes in the country.</p> <p><b><i>All the Outcomes of the NSDP are therefore relevant to this focus area</i></b></p>
<p><b>Analysis</b></p> <p>1. Skills Development Act review in relation to the NSDP 2030 No direct policy implications related to the SDA under this outcome except that this further supports the need for the QCTO to have more latitude and flexibility that could come about through its own statute, an Occupational Qualifications Act. Such an Act could enforce articulation across all learning systems through legal provisions as it seems that the present more collaborative almost voluntary approach to articulation does not work. Sometimes the only way to break down ivory towers is by formal statute.</p> <p>2. TVET/CET colleges partnership and support As significant delivery engines of the PSET system destined to grow bigger than the University sector by 2030 with a planned 3,5 million combined CET + TVET enrolment versus 1,6million at Universities (Page 31 of PSET Plan<sup>xxvi</sup>), both pre-TVET/CET articulation from the schooling system and post articulation from TVET into Universities is crucial. A particular articulation link that is considered very crucial is what is known as the “three stream model” being implemented by the Department of Basic Education<sup>xxvii</sup>. This model strives to increase the number of school going youth involved in technical, vocational and occupational learning in earlier school grades from as early as Grade six in some cases. This model must articulate with the programme qualifications mix (PQM) of TVET Colleges in particular. The link between the local District level Schooling System, TVET Colleges and localised Business structures is important and will be considered under Outcome 2.5, Institutional Differentiation.</p> <p>3. Effectiveness of statutory structures</p>		

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
DHET	Yes - Yes	Business has a very active relationship with the DHET that could be enhanced through formally scheduled six monthly meetings with the DG and the five DDGS of the DHET. These meeting can also support this outcome in that Business could raise concerns around articulation and the need for DHET to have a good working relationships with DBE in relation to the three stream model.
SAQA and Quality Councils	Yes - Yes	The Acts that control SAQA and the Quality Councils all allow for organised business representation and so Business does have a mechanism to influence the work of these bodies. The most significant impact that Business could have on articulation is to ensure that the SAQA fulfils its leadership role to develop a system of collaboration across all the Quality Councils to ensure that articulation occurs. The recent NQF sub-Frameworks determination <sup>xxviii</sup> issued by the Minister on 24 December 2020 emphatically states that SAQA and the Quality Councils must ensure articulation across and between sub frameworks. The Determination makes reference to articulation “maps” that must be developed for all qualifications and part qualifications. This could be a very complex and difficult task that would be best carried out using digital technology that could lend itself to continuous updating of such maps as the articulation system changes.

#### 4. Effectiveness of the skills system funding model

No direct impact on the funding model except for possible additional allocation of resources to QCTO and other role players involved in the articulation system.

#### 5. Skills and productivity optimisation within the PSET

The criticisms over the slow response times of many quality assurance process could be related to a lack of productivity optimization or lack of resources within the processes at SAQA and Quality Councils. It is interesting to note these delays in processes at the QCTO have been identified as a blockage in the draft Economic Reconstruction and Recovery Skills Strategy<sup>xxix</sup> that requires QCTO to implement a command council that inter alia must urgently take decisions to address problems that are delaying the development of qualifications that are required and that are undermining the coherence of the system. A similar approach for a “command council at SAQA” as coordinator across the PSET quality assurance system may be needed, or at least a regular scheduled meeting between BUSA and the Chairperson / CEO of SAQA from time to time.

<p><b>1.5</b> Aligned legislation and policy</p>	<ul style="list-style-type: none"> <li>• Policy and legislation will be reviewed to consider the implications of this Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Aligns to ALL the principles of the NSDP as they will all need to be considered as part of a legislative review.</li> <li>• Similarly, this aligns to ALL the Sections of the NSDP and all the Stakeholders involved.</li> </ul> <p><b><i>All the Outcomes of the NSDP are therefore relevant to this focus area</i></b></p>
<p><b>This section of the PSET &amp; NSDP 2030 deals with a total legislation overhaul.</b></p> <p><b>This a currently very necessary and this report is a critical input process to such an overhaul.</b></p>		
<p><b>2.1</b> Increased enrolment in all PSET sectors</p>	<ul style="list-style-type: none"> <li>• Enrolment planning processes currently in operation (in the higher education sector) will be critically assessed, and new or revised enrolment planning processes, policies and guidelines (particularly in the TVET and CET sectors) will be developed, taking into account all relevant factors, including data, performance, demand, capacity, resources and funding.</li> <li>• TVET and CET colleges will be marketed as the PSET provider institutions of choice.</li> <li>• Distance and open learning in the higher education and TVET sectors will grow gradually.</li> <li>• Skills programme-related partnerships between CET and TVET colleges will be encouraged.</li> </ul>	<ul style="list-style-type: none"> <li>• Aligns to the following principles of the NSDP <ul style="list-style-type: none"> <li>5.4- Greater inclusivity and collaboration will be promoted.</li> <li>5.7- Understanding skills demand</li> <li>5.8 -Steering Supply: Qualifications and Provision</li> </ul> </li> <li>• Aligns to Sections 11 Planning, Reporting and Accountability.</li> <li>• Aligns to roles and responsibilities of HEIs, TVETs, CETCs.</li> </ul> <p>This section of the PSET &amp; NSDP therefore deals with a Programme Qualification Mix (PQM) at each HEI, TVET and CETC that is more responsive to the needs locally, regionally and nationally.<sup>xxx</sup></p> <p><b><i>All the Outcomes of the NSDP are affected but in particular the following are relevant:</i></b></p> <ul style="list-style-type: none"> <li>• Sub-Outcome 1.4: Identification of interventions required to improve enrolment and completion of priority occupations: <ul style="list-style-type: none"> <li>• Expert teams, known as Occupational Teams or Professional Bodies, will work with SETAs, selected institutions and workplaces to determine the required interventions and workplaces to increase the required occupations.</li> </ul> </li> </ul>

## Analysis

### 1. Skills Development Act review in relation to the NSDP 2030

This is one of the central issues to the functioning of the entire PSET system. This outcome rests on the nexus point between skills supply and demand. On the one hand, it must be responsive to the skills needs in the economy. On the other hand, it must be attractive to the prospective students. This requires a collaborative approach between the NSA, SETA's, the QCTO and the higher education sector, TVETs and CETs in particular.

Under chapter 2 of the Act, the NSA is established and tasked with the development of the national skills strategy and policy. This is a key demand side function, which is integrally supported by chapter 3 which deals with the critical role of SETA's in providing information to the NSA and bridging the gap between policy and business needs. Learnerships (chapter 4) and Skills Programmes (chapter 5) are key interventions at the SETA's disposal for achieving the demand side objectives. Chapter 6a introduced the NAMB as a key body but could function under the auspices of the QCTO.

Chapter 6b touches on the Skills Development institutes, a key player in the supply side functioning. They are each regulated by additional pieces of legislation addressed in point 2 below.

Finally, chapter 6c introduces the QCTO, the primary quality body for ensuring the output translates into employable skills.

In conjunction, these chapters define the national skills priorities, informed by the work done by the SETAs at a sector level. The SETA's also play a key role in ensuring the type, quality and volume of skills produced match the demand. This requires engagement with the QCTO as well as with skills development institutes. Feedback from SETA's regarding demand side pressure should accurately inform quality bodies of needs arising for new qualifications. This will increase the relevance of the skills development within the system ensuring higher employability outcomes over time. A key driver for enrolment on the supply side.

Due to the number of role players involved in achieving this objective the implementation may be more complex. Successful execution is heavily dependent on the effective functioning of the NSA, SETA's, QCTO and skills development institutions as well as their coordinated functioning. The Act provides for this in the relationships between the first three, but the skills development layer proliferates due to the many institutions involved and the differences in quality of output.

Simplification of these arrangements might be worthwhile including more standardisation within the SETA functioning, an existing recommendation in the NSDP in Section 11 – "Standardised timelines across SETAs will be set with clear milestones for various activities, including but not limited to inviting applications with regards to discretionary grants amongst others. There will be an increased standardisation of processes related to the key functions of the SETAs which will allow effective and efficient monitoring. Service Level Agreements will be guided by the NSDP priorities, where required will be multiyear agreements."

Qualification Framework integration and mobility should also be considered as a key driver to this objective. It was addressed in detail in section 1.3 and 1.4.

2. TVET/CET colleges partnership and support

According to the National Plan for PSET “The DHET will work with institutions and quality councils to ensure that qualifications and related curricula are in place to produce the full range of programmes for occupations in high demand, and that these are embedded within the enrolment planning processes for each sector. The responsibility for developing detailed curricula and materials for public and private providers in the TVET and CET sectors will remain at a national level, supported by the Department. Higher education providers will be responsible for developing curricula and materials for programmes offered at universities and higher education colleges.” This places a large portion of the enrolment planning directly with the DHET. Practically, the institutions will need to manage day to day operations and annual planning, but the supply side of enrolment is largely dependent on three factors:

- a. Are the qualifications relevant?
- b. What are my chances for employment?
- c. How will I afford it?

All these factors rest within national frameworks rather than the institutions themselves. Even more so since the ability of the institution to offer qualifications relevant to local and regional needs will still be done in partnership with the DHET according to the above.

Certainly, TVETs and CETs require better articulation to ensure student pathways easily traverse the various institutions and qualifications (addressed in outcome 1.4) as well as private and Business partnership to ensure closer alignment to the local and regional skills requirements, largely facilitated by the SETAs. The one challenge here may be the industry focus of the SETA as opposed to the regional inclination of the institution. This will require a strong regional Business voice to ensure local relevance of skills and qualifications (PQM).

3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
DHET	Yes - Yes	Business has a very active relationship with the DHET that could be enhanced through formal scheduled six-monthly meetings with the DG and the five DDGS of the DHET. These meeting can also support this outcome in that Business could raise concerns around the quality, type, demand and relevance of the skills and qualifications planned and produced by skills institutions.
SAQA	Yes - Yes	The Act <sup>xxxii</sup> allows for organised business to submit names to be represented on the Board. The most significant impact that Business could have on SAQA is improving the flexibility of the NQF to allow more part qualifications to be registered as well as digital or micro credentials that are growing in significance across the world <sup>xxxii</sup> , accelerated by the COVID 19 pandemic. Work in progress between Professional Bodies and QCTO (such as the Institute of Plumbing) with micro credentials is an area that could be developed by SAQA through

		their policy for Professional Bodies <sup>xxxiii</sup> . Turnaround times for qualification registration processes are also a major blockage resulting in lengthy delays of qualification delivery by the private sector and related grant / tax allowance benefits.
QCTO	Yes – Yes	Business should support the allocation of additional resources (such as an increase in % levy allocation) to QCTO so that the development of the most critical occupational qualifications and part qualifications can be completed by 30 June 2023 so that a modern qualification regime can be implemented in South Africa.
NSA	Yes - Yes	The extent of monitoring and evaluation of SETA functions by the NSA should be supported by Business including allocation of knowledge and resources from within the business community to assist with cutting edge, where possible digital M&E systems. The relevance and efficacy of the NSA, especially in relation to the day-to-day work of SETAs will be considerably enhanced with a formal partnership between the NSA and Association of Skills Development of South Africa (ASDSA), a professional body recognised by SAQA that includes membership from both public and private sector. The SDSA members are the foot soldiers of skills development in South Africa and without them the current WSP / ATR based skills planning process would fall flat, especially among smaller and medium sized businesses.
21 x SETAs	Yes - No	<p>While organised Business is well represented across the SETA system legally and formally, the uneven performance of SETAs and completely random approach to processes and procedures such as Grant funding mechanisms continues to frustrate many employers and skills development providers, both public and private. Business representatives need to become more collaborative and learn from each other on how to improve service delivery to SETA Stakeholders. While not all Business representatives are BUSA related employers, BUSA should try to create a forum of SETA Business Representatives to develop collective strategies on how to improve the entire system, especially regarding shared services in order to standardise SETA processes across all sectors, especially grant funding cycles and mechanisms. SETA functions within the PSET Plan and NSDP 2030 are simplified into four key areas:</p> <ul style="list-style-type: none"> <li>❖ Skills Planning inclusive of WSP, ATR, Research and Sector Skills Plans.</li> <li>❖ System steering through levy grants to optimise quality provision.</li> <li>❖ Support development of public and private ETD institutional capacity.</li> <li>❖ System support functions including internal SETA administration and shared services.</li> </ul>

#### 4. Effectiveness of the skills system funding model

The primary consideration here is the alleviation of supply side constraints due to lack of funds available to students. This is addressed in outcome 2.3 and 2.4.

5. Skills and productivity optimisation within the PSET

- Ideally, the system should train and/or fund only the skills the economy requires at the rate the economy can absorb them. This speaks directly to NSDP Sub-Outcome 1.4: Identification of interventions required to improve enrolment and completion of priority occupations: Expert teams, known as Occupational Teams or Professional Bodies, will work with SETAs, selected institutions and workplaces to determine the required interventions and workplaces to increase the required occupations.

Combined with the work of the NSA and the SETAs, these teams would provide quality data to ensure industry alignment in skills development. Career development services, another key NSDP outcome plays a huge role in helping students understand the value of enrolling for skills for which the economy is able to provide employment. It increases the appeal of the institutions, as well as the qualifications and skills for which Business has high demand. Output quality is a critical success factor.

**2.2**

Improved and equitable participation rates

- Improved participation rates, particularly for African and coloured students and students with disabilities, will be determined and supported through enrolment planning and other mechanisms.

- Aligns to the following principles of the NSDP.
  - 5.3 - Advancing an equitable and integrated system
  - 5.5 - Focusing on support for learners and employers
- Aligns to Sections 11 Planning, Reporting and Accountability.
- Aligns to roles and responsibilities of HEIs, TVETs and CETCs as well as SETAs and the NSA from an M&E perspective.

This section of the PSET & NSDP therefore deals directly with the national priority of removing inequality in South Africa. As stated in Chapter 15 of the National Development Plan.<sup>xxxiv</sup>

***All the Outcomes of the NSDP are therefore relevant to this focus area***

**Analysis**

1. Skills Development Act review in relation to the NSDP 2030

One of the stated purposes of the Act under section 2 confirms, “to improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education;” The composition of the NSA members as well as the Accounting Authorities of the SETAs are also expected to include representatives from such marginalized groups.

This is further supported through the incentive mechanisms such as the Section 12H tax deduction, EE, ETI and B-BBEE scorecards to align spend to this transformation agenda. The NSDP also states this as a key principle in section 5.3. The SETAs play a major role in reporting and managing this process through

workplace skills plans approval and the allocation of mandatory and discretionary grants. The NSF also supports this agenda through beneficial funding consideration to these disadvantaged groups.

## 2. TVET/CET colleges partnership and support

Objectives 2.3 and 2.4 specifically address support given in terms of funding for previously disadvantaged groups. This is further supported by demand side drivers such as BEE scorecards and other incentive requirements stated above. According to the PSET Trends <sup>xxxxv</sup> 255 205 students from disadvantaged groups were funded by the NSFAS in 2018. This shows great progress. Reporting remains a challenge since it reports only on the general grouping rather than the individual subsets to allow the tracking of progress within the individual elements such as gender, students with disabilities and ethnic groups. Further development in the reporting capacity and standardisation across SETAs and training institutions will be helpful in this regard.

## 3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
DHET	Yes - Yes	Business has a very active relationship with the DHET that could be enhanced through formal scheduled six-monthly meetings with the DG and the five DDGS of the DHET. These meeting can also support this outcome in that Business could raise concerns around the quality, type, demand and relevance of the skills and qualifications planned and produced by skills institutions.
21 x SETAs	Yes - No	While organised Business is well represented across the SETA system legally and formally, the uneven performance of SETAs and completely random approach to processes and procedures such as Grant funding mechanism continues to frustrate many employers and skills development providers, both public and private. Business representatives need to become more collaborative and learn from each other on how to improve service delivery to SETA Stakeholders. SETA functions within the PSET Plan and NSDP 2030 are simplified into four key areas: <ul style="list-style-type: none"> <li>❖ Skills Planning inclusive of WSP, ATR, Research and Sector Skills Plans.</li> <li>❖ System steering through levy grants to optimise quality provision.</li> <li>❖ Support development of public and private ETD institutional capacity.</li> <li>❖ System support functions including internal SETA administration and shared services.</li> </ul>

4. Effectiveness of the skills system funding model

The current BEE scorecard plays a significant role in ‘funding’ this objective from an incentive perspective. The use of EAP (Economic Active Population) is a great tool to ensure race and gender representation, specifically from a skills development perspective. This does not adequately address other disadvantaged groups. This affects the Section 12H tax deductions to some extent along the same lines.

5. Skills and productivity optimisation within the PSET

The inclusivity of such a system is a critical requirement and has been acknowledged as such within the NSDP. It is important to consider the implications of inclusivity on the internal cost drivers of the system and how to improve access over time rather than attempting to accommodate all disadvantaged groups at once. This is an easier objective to meet for groups disadvantaged along racial or gender lines. It becomes much more nuanced when we consider the varying types and degrees of disabilities and the learning and infrastructure requirements than are often necessary to ensure equal opportunity for such individuals.

It is an area that requires more investments and should potentially involve social organisations and bodies (such as the National Council for People with Disabilities in South Africa and SADA – South African Disability Alliance) to a greater degree to keep the system accountable for the interventions necessary to achieve this objective.

**2.3**

Affordable student fees and accommodation

- An effective university-fee regulatory policy framework will be developed and implemented.
- Public-private partnerships and alternative building methodologies to increase the provision of affordable student housing should be explored.

- Aligns to the following principles of the NSDP.
  - 5.2– Contributing to the country’s socio-economic development objectives
  - 5.5 – Focusing on support system for learners and employers
  - 5.9 – Steering Supply: Funding Mechanisms
- Aligns to Sections 11 Planning, Reporting and Accountability and Section 12 Funding Allocation.
- Aligns to roles and responsibilities of DHET, HEIs and Social Partners.

This section of the PSET & NSDP therefore deals with the student / learning funding and support and partnerships between all social partners.

***All the Outcomes of the NSDP are therefore relevant to this focus area***

**Analysis**

1. Skills Development Act review in relation to the NSDP 2030

Chapter 7 of the Act deals with financing, directly under the authority of the National Skills Fund that is funded by a 20% allocation from the SDL. These funds are intended to drive national initiatives under the guidance of the NSA. According to the NSDP this specifically means “Support the research into the post school education and training system as well as to institutional development. As such, it could be used in the form of incentives to support institutions to develop human and infrastructure capacity to grow the enrolment and throughput of programmes that are in high demand. In this regard the NSF will act as a catalytic fund to encourage institutional development and improved provision system wide.”

The NSF funds are sometimes used to address other skills related national priorities as highlighted by this extract from the ILO Report<sup>xxxvi</sup> “The National Skills Fund’s accumulated surplus had declined significantly by 2017/18 due to its contribution towards the no fee increase for the 2016 and 2017 academic years for university and TVET college students (DHET 2019). As a result of national student protests, the Government promised not to increase the fees of students from poor and working-class families for the 2016 and 2017 academic years (DHET 2018); the Government required the National Skills Fund to fund 50 per cent of the no fee increase for the 2016 academic year and 100 per cent of the no fee increase for the 2017 academic year from its accumulated surpluses (DHET 2019). This use of levy funds to support the no fee increase “was announced without consultation of Business [and] this is not perceived [by them] to be the core focus of the levy-grant” (personal communication, employers’ organization, South Africa).”

Another extract from the same report gives deeper insight into this allocation. “Arguably, the drawdown of the National Skills Fund to support the no-fee increase for university and TVET college students also supported the national skills system, even though this was seen by the National Skills Authority as beyond the remit of the National Skills Fund (National Skills Authority 2019). In addition, SETA-managed levy funds may contribute to funding the national skills system through a sectoral focus.”

This highlights the student fee affordability criteria of this objective, and how the NSF and to some extent the SETAs through the discretionary grant mechanisms, drive this objective. It is critical to ensure these funds are allocated in a transparent way, and according to a sensible and well-communicated protocol to ensure the support of and positivity about, the integrity and impact of these funds are maintained. On the allocation of the NSF spend, the ILO report states “Post-school education and training system development and capacity-building: over 50 per cent of National Skills Fund income. There is a need for greater detail and facts to indicate where the monies have been allocated, as the perception is that the bulk of funding went to weak public post-school education and training institutions (personal communication, employers’ organization, South Africa).”

On the student housing issue, the DHET National plan states “To overcome the currently fragmented and disparate approach to infrastructure development, an Infrastructure Development Support Programme (IDSP) will be established within the DHET to guide the planning, acquisition, development and support of infrastructure across the entire PSET system and to ensure that systemwide priorities are considered in all infrastructure development projects.” The funding mechanisms are wholly orchestrated by the DHET and overseen by them at an institutional level. This makes for more integrated planning and management of infrastructure within the entire system.

The mechanisms available for this type of funding are highlighted in the DHET National Plan. “The DHET’s Student Housing Infrastructure Programme (SHIP) plans to develop 300 000 new beds by 2026, in part by encouraging PSET provider institutions to build 1 000-bed student villages rather than 100-bed student residences, with funding provided through rentals by students, Infrastructure and Efficiency Grants, institutions’ own resources, international and local development finance, the Infrastructure Investment Programme for Southern Africa (IIPSA) and the private sector. The SHIP project management office will work with the IDSP, with the latter monitoring the delivery of the SHIP. The planning for institutionally owned student housing must be integrated into the macro spatial development plans of each institution.”

2. TVET/CET colleges partnership and support

The fiscus already makes provision for the funding of these institutions. This funding, along with the above infrastructure support, SETA based support and funding for vocational and workplace-based qualifications, and additional income from student fees should see these institutions thrive.

According to the DHET National Plan “From 2018 (CET) and 2019 (TVET), poor and working-class students have been receiving fee-free tuition.”

3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
DHET	Yes - Yes	The DHET is responsible for infrastructure planning and development for the system as a whole. This is informed by national skills priorities and spatial requirements highlighted by research from the NSA and HRDC. It is important that these initiatives be well-aligned to business needs. Train people where the jobs are. It highlights the opportunities for integrated economic zones and public private partnerships in these areas.
21 x SETAs	Yes - No	Discretionary grants, although they can be used for national priorities and initiatives, should be allocated to initiatives that also support the growth and skills requirements within the economic sector of the respective SETA. Allocating these funds to weak institutions come with significant risk, and potentially limited impact on the sector for which the funding is levied. This could easily undermine the support of employers.  Transparency and communication with regard to these allocations is critical to upholding the integrity of the system, and the risk of political lobbying to re-allocate funds from employment creating sectors to social unrest mitigation. An example being the sweeping of unallocated funds into the NSF which was then allocated to fees-must-fall.

NSA	Yes - Yes	The NSA is responsible for the identification and prioritisation of national skills initiatives that should be funded by the NSF. Business is well represented here and should support the separation of the 20% levy from discretionary grants which effectively form 'designated funds' for the improvement and support of specific economic sector initiatives. These funds should not be easily annexable by national structures such as the DHET for allocation beyond its intention.
NSF	Yes- Yes	The NSF role is primarily one of funding research for skills planning and institutional development inclusive of human and infrastructure capacity as is determined in Section 13 of NSDP 2030. Business supports this process through their work at the NSA in the development of the NSDP 2030 that ultimately informs the framework for funding that the NSF complies with.
HEIs, TVETs and CETCs	Yes - No	While all polices make provision for the inclusion and involvement of Business within these institutions, the actual level of involvement and participation, particularly in steering the institutions towards what infrastructure is required for the skill sets that are required by the local business environment is very limited. This is however more a function of current policy prescripts that an institution must comply with rather the willingness of business to be involved. These restrictive policy prescripts are dealt with more thoroughly in terms of TVET and CET Colleges under <b>Outcome 2.5 – Strengthened Institutional Differentiation</b> .

#### 4. Effectiveness of the skills system funding model

The funding model has been addressed in quite some detail in point 1 above. It is effective, but requires some improvements in terms of allocation, control and spend reporting.

#### 5. Skills and productivity optimisation within the PSET

The optimal use of infrastructure is critical. Seeking new materials and solutions for accommodation and other infrastructure will go a long way to optimising the productivity of the overall system. The DHET also suggests student villages instead of isolated residences. Such initiatives will optimise spatial utilisation and create hubs of economic activity encouraging entrepreneurship and social development in line with the other PSET objectives.

<p><b>2.4</b> A sustainable student financial aid system</p>	<ul style="list-style-type: none"> <li>• Free, full cost of tuition and learning support materials for university and TVET college students from poor and working-class backgrounds.</li> <li>• Subsidies and allowances to support the living expenses of poor and working-class students at universities and TVET colleges.</li> <li>• A comprehensive student funding model to support all students who require it, including the 'missing middle' students, must be</li> </ul>	<ul style="list-style-type: none"> <li>• Aligns to the following principles of the NSDP. <ul style="list-style-type: none"> <li>5.2 – Contributing to the country's socio-economic development objectives</li> <li>5.5 – Focusing on support system for learners and employers</li> <li>5.9 – Steering Supply: Funding Mechanisms</li> </ul> </li> <li>• Aligns to Sections 11 Planning, Reporting and Accountability and Section 12 Funding Allocation.</li> </ul>
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	<p>developed.</p> <ul style="list-style-type: none"> <li>• Multipronged funding strategies for the inclusion of people with disabilities in the PSET system will be developed.</li> </ul>	<ul style="list-style-type: none"> <li>• Aligns to roles and responsibilities of DHET, HEIs and TVETs and Social Partners.</li> </ul> <p>This section of the PSET &amp; NSDP therefore deals with the funding of learners especially learners from poorer backgrounds – probably the most transformative section of the PSET / NSDP policy.</p> <p><i>All the Outcomes of the NSDP are therefore relevant to this focus area</i></p>
<p><b>Analysis</b></p> <p>1. Skills Development Act review in relation to the NSDP 2030</p> <p>Similar mechanisms as considered in objective 2.3 above. Primarily the function of DHET as stated in the PSET National Plan, “The Department, in collaboration with other institutions, will develop multipronged funding strategies for the inclusion of people with disabilities in the PSET system, including revised NSFAS funding procedures for students with disabilities at TVET colleges.”</p> <p>This speaks directly to the two primary role players, the NSF, which we already discussed in objective 2.3 and the NSFAS. The NSFAS has just recovered from 2 years under administration with new leadership and management effective 2021. This will be a year of testing mettle to see if the rejuvenated funder is able to realise the objectives in a sustainable way. Thus far, sustainability has been elusive.</p> <p>SETAs are also a key role player. One of their primary functions is to close the gap between employers and training institutions. This is done in the form of work placement and learnerships to ensure the practical portions of the curriculum are attainable and available to the students through the institutes. This comes with a certain portion of funding, or subsidy, in the form of SETA allocated SDLs.</p> <p>This creates some layer of sustainability since the SETAs are primarily responsible, with the NSA, to ensure the skills we train for are needed in the employment sector.</p> <p>2. TVET/CET colleges partnership and support</p> <p>The NSFAS “...provides for payment by NSFAS of the amount of the loan or bursary “to the designated higher education institution”, rather than to the applicant. It also allows NSFAS to enter into what is in effect an agency agreement with higher education institutions (HEIs) or further education and training (FET) colleges.<sup>xxxvii</sup>”</p>		

Colleges have some management and reporting responsibility within this arrangement since up to 40% of the NSFAS funding may be aligned to the academic outcomes of the students. Other than that, this arrangement is in itself a supportive partnership to the institutions enabling more students to gain access to their services.

### 3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
NSF	Yes- Yes	Care must be taken to differentiate between discretionary and dedicated funds within the NSF. It is true that the DHET has the final say on how these funds are allocated, but it is a specific levy that funds it, and this comes with expectations and accountability to the funders (Since levies have dedicated purposes.)
NSFAS	No- No	Not sure that a business voice is required here. It functions under the DHET and as such can be addressed in that forum. If it does not work, a new fund could be created. Not sure why this fund does not fall under the control of the NSF under the oversight of the NSA? Seems like the entire piece of legislation exists because it was a restating of the original TEFSA Act. The PSET was envisioned and implemented after that. Might be worth incorporating this function into a more integrated whole.
DHET	Yes- Yes	The business relationship here could be used as the platform for better integration and centralised view of the funding system, which, within the PSET system, is itself complex.
21 SETAs	Yes- No	Closer alignment is required between industry and geography. There exists a tension between SETAs who need skills for an industry, and then deal with institutions whose service delivery is spatially oriented. This necessitates that multiple SETAs engage with multiple Institutes and vice versa, often for similar functions. This creates cross-pollination and benchmarking, but it also likely creates inefficiencies since some skills exist across industries. Is there not a way to make skills, instead of geographies and sectors, the center of the system?

### 4. Effectiveness of the skills system funding model

The primary challenges remain the disparity of the system that makes access to funding confusing for students and Business. This can be seen by the large portions of unallocated funds from both the SETAs and the NSF (prior to fees must fall). This has been largely addressed, in that more funds are allocated. It is important to consider the effectiveness of this allocation.

In broad strokes, the most efficient way to fund skills development is to pay the least amount for the highest yield. This thinking led to the implementation of a 3-pathway system in the form of vocational, artisanal, and tertiary tracks. Of the three, tertiary is by far the most expensive, and also does not necessarily create the skills we need in the economy. Allocating funding to vocational and artisanal tracks would yield far greater returns to the economy and social impact. This was the intention until ‘fees-must-fall’ pressure started to mount. The response was to use the NSF and unallocated SETA funds to alleviate the problem. Unfortunately, due to the capacity constraints within the more efficient skills institutions (TVETs and CETs) the majority of this funding ended up in university bursaries.

It is important to acknowledge the constraints that led to this decision, but also to realise that the ideal system could capitalise on significant efficiencies by ensuring these funds are allocated to economic skills shortfalls addressed by more efficient institutions (provided that they are more efficient).

This brings two things to light.

1. The current dispensation is an interim solution that is effective but not efficient.
2. To optimise the current dispensation the more efficient institutions must be supported, equipped and positioned for high quality skills development.

The latter of these points is addressed in the next objective.

#### 5. Skills and productivity optimisation within the PSET

This is the primary question of objective 2.7 and will be unpacked there in more detail.

<p><b>2.5</b> Strengthened institutional differentiation</p>	<ul style="list-style-type: none"> <li>• CET colleges will be differentiated according to their size, geographical spread, programme offerings and the findings of the Community Learning Centre (CLC) pilot process.</li> <li>• TVET colleges will be differentiated according to their responsiveness to community, local, regional and national developmental needs and demands. This will be supported by several partnership arrangements with employers in niche areas and selected TVET campuses will be developed as Centres of Specialisation.</li> <li>• Higher education institutions will be differentiated according to their mandates and negotiated institutional missions.</li> <li>• Private PSET provider institutions will be encouraged to directly provide, and/or work together with public institutions to provide, niche qualifications not in public provider institutions, to support institutional and programme differentiation.</li> <li>• Funding and funding frameworks will be adjusted where necessary to support institutional differentiation, and greater</li> </ul>	<ul style="list-style-type: none"> <li>• Aligns to the following principles of the NSDP.             <ul style="list-style-type: none"> <li>1.7 – Understanding skills demand</li> <li>1.8 – Steering Supply: Qualifications and Provision</li> <li>1.9 – Steering Supply: Funding Mechanisms</li> </ul> </li> <li>• Aligns to Sections 11 Planning, Reporting and Accountability and Section 12 Funding Allocation</li> <li>• Aligns to roles and responsibilities of CETCs, TVETS, HEIs, Private Colleges and SDPs, SETAs, NSF</li> </ul> <p>This section of the PSET &amp; NSDP therefore deals with customizing the structures at Governance and Operational levels on the supply side across the PSET system to ensure that actual labour market demand within local and regional economies are met.</p> <p><b><i>All the Outcomes of the NSDP are affected but in particular the following are relevant:</i></b></p>
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	<p>intra- and inter-sector and regional collaboration will be promoted and supported.</p>	<ul style="list-style-type: none"> <li>• Sub-Outcome 5.1: Support the TVET Colleges <ul style="list-style-type: none"> <li>• 1. Support for, and prioritisation of, Centres of Specialisation, where practically possible</li> </ul> </li> </ul>
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**Analysis**

1. Skills Development Act review in relation to the NSDP 2030  
No direct implications for the Skills Development Act as institutional arrangements fall within CET Act and HE Acts.

2. TVET/CET colleges partnership and support

The entire public and private College system falls under the policy control of the Continuing Education and Training Act<sup>xxxviii</sup>. TVET Colleges and CET Colleges are public while all private Colleges are simply known as Private Colleges. The PSET Plan and NSDP 2030 place a significant emphasis on the need for TVET and CET Colleges to move into the occupational qualification and programme space, with much emphasis on skills programmes. This is a critical area for Business to become more involved in, especially with advice to TVETs on programmes required, advice on systems and infrastructure as well as capacity building of their staff to deliver what employers need.

A significant policy shift to improve partnerships and support that should be considered by Business is to strongly recommend the change in terminology used in the CET Act to describe the primary statutory governance and operational structure in a College to develop and implement programmes – currently known as the **Academic Board** (Section 11 of the CET Act). While this structure remains known as an Academic Board and the composition requires the majority of the Academic Board to be “Lecturers” (Section 11(5) of the Act), the culture at TVET and CET Colleges will continue to be a “school based” culture and not a work based learning or occupational culture.

It is proposed the structure be renamed to become the **Work Based Learning Committee** of a College Council, in line with global nomenclature that describes work-based learning as the “acquisition of knowledge and skills through carrying out – and reflecting on – tasks in a vocational context, either at the workplace (such as alternance training) or in a VET institution”<sup>xxxxix</sup>.

It is interesting to note that for the DHET flagship programme called Centres of Specialisation, the College / Campus based stakeholder structures that controlled and implemented the programme was not the Academic Board, but a new separate structure called Reference Groups and Implementing Committees, both chaired by Employers as success factor within the programme as they were chaired by employers as an integral part of the demand led model approach for skills development at Colleges<sup>xl</sup>. The persons who were appointed by the Department within the programme for teaching and learning are also called Facilitators, not Lecturers – these are very import cultural policy signals that Business needs to support to move the PSET system forward.

The renaming of the Academic Board to Work Based Learning Committee will also be a strong signal for the need for the TVET and CET Colleges to partner with workplaces to develop and roll out programmes. This is further discussed in the next sub section of effectiveness of statutory structures.

### 3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

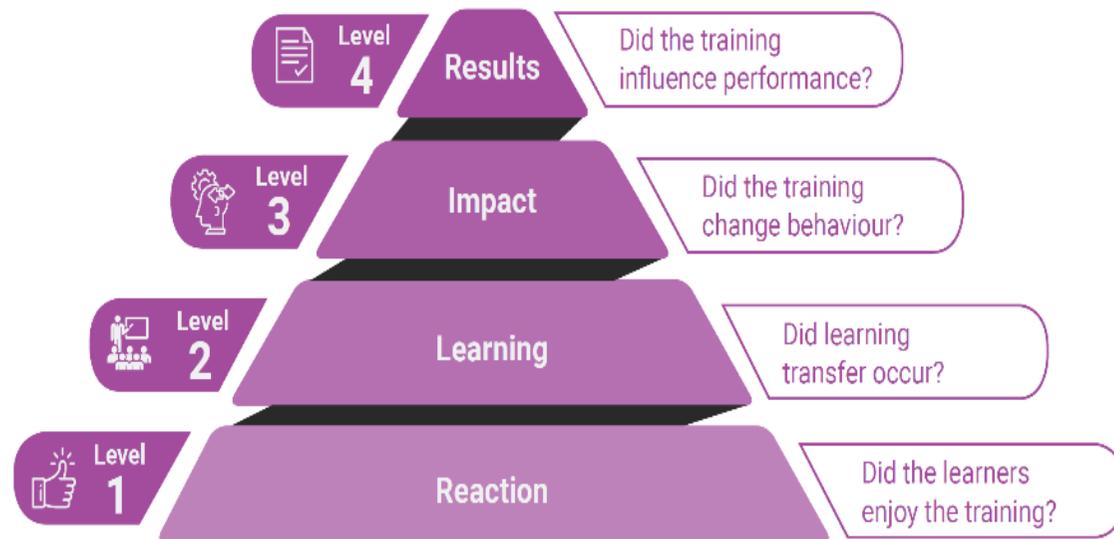
Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
CETCs, TVETS and HEIS	Yes - No	While all polices make provision for the inclusion and involvement of Business within these institutions, the actual level of involvement and participation, particularly in steering the institutions towards what actual programme qualification mix (PQM) and infrastructure is required for the skill sets that are required by the local business environment and community is very limited. This is however more a function of current policy prescripts that an institution must comply with rather the willingness of Business to be involved with. These restrictive policy prescripts are dealt with more thoroughly in terms of TVET and CET Colleges under <b>Outcome 5.3 – Well-managed and -governed PSET provider institutions.</b>
SETAs	Yes – Yes	While organised Business is well represented across the SETA system legally and formally, the uneven performance of SETAs and completely random approach to processes and procedures such as Grant funding mechanism does not make it easy for TVET and CET Colleges to benefit from funding for occupational programmes. Business representatives need to become more collaborative and learn from each other on how to improve service delivery to the TVET System in order to ensure alignment to actual labour market needs. This is also further discussed under <b>Outcome 5.3 – Well-managed and -governed PSET provider institutions.</b>

NSF	Yes - YES	Organised Business very clearly directs the work of the NSF through the development of strategies and policy such as the NSDP 2030 that then finds expression in the PSET Plan for implementation. The role of NSF in the NSDP 2030 is very clearly linked to the PQM of CET Colleges as it states on Page 33 that the NSF <b>“Focus on skills development offered through the CET Colleges”</b> . It is of interest to note that a forerunner to the NSF, the previous Department of Labour Training Centres, used to fulfil this exact requirement of “skills programme” for many years and it does seem as if the new CET College Landscape is offering the country an opportunity to bring back such a wide spread entry level skills training system across the country , especially in rural areas with linkages to programmes such as the EPWP and at Correctional Facilities. Business should support this concept as it not only reduces pressure on the NEETS but also improves the skills of the feeder system which in turn helps the labour market to receive persons with appropriate skills.
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4. Effectiveness of the skills system funding model

The current process that both CETCs and TVETs are required to utilise to access the Skills Development funding system through a proposal-based system. This is where public Colleges are required to submit proposals for funding from SETAs and /or the NSF, even the UIF when such proposals are called for. This at present is the ONLY way that occupational qualifications or part qualifications or skills programmes can be funded since all fiscal funding is allocated to the public Colleges based on full time student equivalent enrolment planning linked to Norms and Standards funding policies<sup>xii</sup> issued annually by the Department. This again is effectively a practise that aligns TVETs and CETs to an academic model and not labour market or community model. While this “proposal” based practise possibly allows for a more performance-based system, if a public College does not have the necessary Capacity or understanding on how to submit proposals as is often the case, then very little if any funding of occupational learning happens. Given the need as described in both the PSET Plan and more so on the NSDP 2030 for SETAs and the NSF to support public TVET College programmes, Business should in principle support the notion that future Norms and Standards funding policies need to include a predetermined % of levy funds that should be allocated to each public TVET and CET College for occupational programme development and implementation including development of human resource capacity to implement such programmes. Such an approach will allow for a long term more sustainable funding model at TVET and CET Colleges allowing for better planning – at present planning is totally ad hoc because it “depends” on whether funds are approved against a project proposal submitted to a SETA or NSF or UIF.

5. Skills and productivity optimisation within the PSET Effective, differentiated programme implementation by public TVET or CET Colleges will only receive the support of local regional business or communities if the programme “mix” is such that it relates directly to the needs in the region or community and more importantly delivers a quality result. Therefore at each TVET or CET College level there must be a process introduced within the renamed ‘Academic Board”, now called a **Work Based Learning Committee**, that progressively includes programme M&E such as that proposed by Kirkpatrick model<sup>xiii</sup> shown here, a model specifically designed over many years for the skills development environment.



## 2.6

Sufficient infrastructure to support teaching, learning and research

- Infrastructure development will prioritise existing projects and agreements, infrastructure maintenance backlogs, student housing projects, and selected new developments in line with integrated planning for a purposefully differentiated PSET system.
- Where needed, new CET campuses will be complemented by repurposing unused or underutilized government-owned buildings.
- The National Research and Education Network (SANREN) access project for TVET colleges and rural university campuses will be completed by 2023 and extended to CET colleges as the system is expanded.

- Aligns to the following principles of the NSDP.
  - 5.5- Focusing on support for learners and employers
  - 5.7– Steering Supply – Qualifications and Provision
- Aligns to Sections 11 Planning, Reporting and Accountability
- Aligns to roles and responsibilities of DHET, HEIS, TVETS and CETCs

This section of the PSET & NSDP therefore deals with the infrastructure of public institutions inclusive of critical ICT infrastructure, now empathized even more with the advent of the COVID 19 Pandemic. (Note: Differentiation of programmes is dealt with under Outcome 3.1)

***All the Outcomes of the NSDP are therefore relevant to this focus area.***

## Analysis

### 1. Skills Development Act review in relation to the NSDP 2030

The Act does not specifically address infrastructure. It is arguable that it should not be contained in legislation concerned with skills. Infrastructure development is a SIP and managed through the appropriate forums in line with the NDP. It is coordinated by the DHET as mentioned in objective 2.3 and as such is the primary responsibility of the Department.

### 2. TVET/CET colleges partnership and support

The DHET coordinates infrastructure development and funding with the institutions. There is room for the optimisation of existing state facilities to be repropose for skills development, especially in the light of COVID 19 and the general occupation rates of government facilities. The existing facilities require a more integrated and upgraded ITC system with improved data management and system wide views. This is the topic of extensive research and is addressed in a report on PSET Data.<sup>xliii</sup>

### 3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
None relevant here		

### 4. Effectiveness of the skills system funding model

To some extent, student accommodation funding through stipends will support this initiative, although this is primarily concerned with infrastructure related to teaching facilities and technology. The funding sits outside of the PSET system and is sourced by the DHET “with funding provided through rentals by students, Infrastructure and Efficiency Grants, institutions’ own resources, international and local development finance, the Infrastructure Investment Programme for Southern Africa (IIPSA) and the private sector.”

It is therefore mostly investment financing, potentially even from the fiscus, state pension and other regulated funds. Skills and productivity optimisation within the PSET

This objective is relevant to the skills and productivity within the system, specifically so for vocational and artisanal skills. These skills often require specific infrastructure for the students to come to grips with the subject matter and the trade. COVID has also complicated the delivery of such skills with less student teacher contact and a more digital transfer of skills. The system is still getting to grips with the implications and possibilities of such new realities. Fortunately, it is a problem much of the world is grappling with. This represents us with an opportunity to leapfrog the development process to implement more efficient and effective teaching methodologies and modalities even in relation to skills development.

## 2.7

Sufficient staff to support expansion

- Appropriate CET staff numbers will be informed by the findings of the CLC pilot programmes together with the Policy on Staffing Norms.
- Appropriate TVET staff numbers will be determined at sector level as part of operational planning.
- A strategy to recruit industry personnel to TVET colleges will be developed and implemented.
- The New Generation of Academics Programme, which stimulates the recruitment of young academics into universities, will continue to recruit and support the development of a minimum of 100 new university academics annually, and efforts will be made to secure additional resources and partnerships to increase this number.
- A recruitment strategy to encourage high-achieving postgraduate students to consider an academic career will be developed and implemented.

- Aligns to the following principles of the NSDP.  
5.4- Great inclusivity and collaboration will be promoted  
5.5- Focusing on support for learners and employers  
5.8 - Steering Supply – Qualifications and Provision
- Aligns to Sections 11 Planning, Reporting and Accountability
- Aligns to roles and responsibilities of DHET, CETCs, TVETS, HEIs, Social Partners (Industry)

This section of the PSET & NSDP therefore deals with the **QANTUM** of staff within the PSET system inclusive of the individuals that are working within the ETDP sector either in industry or within the private sector. (Note: The **QUALITY** of staff is considered under Outcome 5.4)

*All the Outcomes of the NSDP are therefore relevant to this focus area*

### Analysis

#### 1. Skills Development Act review in relation to the NSDP 2030

This is not an issue directly linked with skills development legislation but rather forms part of the larger human resource and skills availability question in government which is addressed under the intentions of the NDP to become a capable state.

#### 2. TVET/CET colleges partnership and support

The DHET then plays a significant role at a department level as indicated by the PSET National Plan

- “The Department will explore possibilities for collaboration between local PSET teaching staff and South African educators in the diaspora (turning brain drain to brain gain and brain circulation), to strengthen teaching, research and engagement.
- A recruitment strategy to encourage high-achieving postgraduate students to consider an academic career will be developed and implemented.

- Alignment between the National Research Foundation/DSI and DHET programmes for the development of career academics and researchers must be done to ensure effective utilisation of resources.”

These initiatives will certainly go a long way to staffing a system in desperate and immediate need. Initiatives to produce more teaching staff is critical but runs on longer timelines. This metric is currently well reported on in the University space (Analysis of PSET Trends towards 2030) but contains no metrics or validation on the progress made within the TVET and CET structures.

We would expect a certain overflow from the universities, but this is likely to take time, and the penetration rates may be quite low since the modalities and environments differ greatly between the institutions. Short term interventions are imperative. Such interventions could be supported by both the leveraging of technology infrastructure for more efficient use of teaching capacity, and the ‘brain gain’ and ‘brain circulation’ suggested by the DHET. Likely more work is required on both these opportunities.

### 3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
None relevant here		

### 4. Effectiveness of the skills system funding model

Funding is a key factor in addressing this challenge. Ultimately, staff must be paid. The more you have, the larger this challenge becomes. According to the August 2020 report on PSET trends “Funding has continued to be a challenge with TVET colleges being underfunded by 54% in the 2019/20 financial year.” This raises concerns around the sustainability of increasing the teaching footprint in institutions who are not sufficiently funded as it stands.

This could be due to infrastructure constraints inhibiting the ability of TVETs to produce the skills for which the SETAs have funding but is likely also connected to the disconnection between SETA and TVET intentions and focus areas. Clarity is required on how to better align these institutions for the development of the required skills in the economy. This will channel funds and attract teachers.

Even if we produced the staff we lack at the moment, it is unlikely that they will be comfortable to fill vacancies at institutions that are underfunded by 50% as it stands. The job, and income security is questionable. This is not an easy problem to solve since you need more teachers to deliver more students and earn

more income, but likely better alignment to off-taker needs will improve the funding model, which will encourage sustainability for the institutions and support the staff requirements.

### 5. Skills and productivity optimisation within the PSET

The improvement of skills within the existing teaching staff contingent will be addressed under outcome 5.4

<p><b>3.1</b> A diverse range of programmes relevant to locality and responsive to community needs</p>	<ul style="list-style-type: none"> <li>• CET colleges will offer skills/occupational programmes, community education programmes, general or academic programmes (particularly the General Education and Training Certificate for Adults [GETCA] and the National Senior Certificate for Adults [NASCA]) and foundational learning programmes.</li> <li>• By 2030, TVET colleges will offer general vocational programmes (particularly the National Certificate Vocational [NCV]), skills/occupational certificate programmes, foundational learning programmes, higher certificate programmes (initially in partnership with universities), advanced certificate programmes, and, beyond that, those with capacity will offer diplomas.</li> <li>• Higher education colleges will offer a range of undergraduate certificate, diploma and degree programmes in specific niche areas.</li> <li>• Universities will offer general formative programmes, professional programmes and career-focused programmes at undergraduate level, all of which may be offered through extended curriculum programmes, as well as a range of postgraduate professional and research-oriented programmes.</li> <li>• Universities will be supported to develop engagement policies and strategies (with the CHE advising on policy, reporting, monitoring and sharing of good practice) and to integrate these into teaching, learning and research.</li> <li>• Through the Internationalisation Policy Framework, outbound scholarship and academic exchange opportunities will be broadened and foreign postgraduate enrolments encouraged.</li> </ul>	<ul style="list-style-type: none"> <li>• Aligns to the following principles of the NSDP. <ul style="list-style-type: none"> <li>1.5 - Focusing on support for learners and employers</li> <li>5.8 - Steering Supply – Qualifications and Provision</li> </ul> </li> <li>• Aligns to Sections 11 Planning, Reporting and Accountability</li> <li>• Aligns to roles and responsibilities of DHET, HEIS, TVETS and CETCs</li> </ul> <p>This section of the PSET &amp; NSDP therefore deals with the customizing of programmes at an Operational level on the supply side across the PSET system to ensure that actual labour market demand within local and regional are met <b><u>with a focus on community needs including the informal economy.</u></b></p> <p><b><i>All the Outcomes of the NSDP are affected but in particular the following are relevant:</i></b></p> <ul style="list-style-type: none"> <li>• Sub-Outcome 5.2: Support the CET Colleges <ul style="list-style-type: none"> <li>• Number of unemployed learners participating in skills and occupational programmes;</li> <li>• Number of learners participating in youth, adult language and numeracy skills to enable further training;</li> <li>• Number of the local small business and cooperatives; and</li> <li>• Number of skills support initiatives for CBOs, NGOs, and NPOs.</li> </ul> </li> <li>• Sub-Outcome 5.1: Support the TVET Colleges <ul style="list-style-type: none"> <li>• Support for TVET colleges in implementing occupationally directed programmes;</li> </ul> </li> </ul>
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## Analysis

### 1. Skills Development Act review in relation to the NSDP 2030

The most significant adjustment to the SDA regarding programmes is the need to repeal Chapter 4 – Learnerships and Chapter 5- Skills Programmes. These chapters were introduced in the very first version of the SDA in 1998 but in 2008 there was an acknowledgement that a too narrow programme focus was considered by the SDA. The amendment in 2008 partly corrected this by introducing the term learning programmes which is defined in the SDA to **include a Learnership, an Apprenticeship a skills programme and any other prescribed learning programme which includes a structured work experience component**. In hindsight, Chapter 4 and 5 of the SDA should also have either been amended to include Learning Programmes in the 2008 amendment. However today it is more prudent to remove these two chapters completely as learning programmes are now comprehensively and more adequately regulated through the SETA Workplace Based Learning Programme Agreement Regulations<sup>xliv</sup> that came into effect on 1 April 2019 and includes a variety of learning programmes inclusive of internships, a very common and popular work-based learning programme type especially relevant to a community based setting.

### 2. TVET/CET colleges partnership and support

The TVETs and CETCs in particular need to consider and apply the occupational based SETA Workplace Based Learning Programme Agreement Regulations in their programme qualification mix (PQM) planning if they want to move more towards what this outcome of the PSET Plan requires of them. While the more academic GETCA, NASCA and NCV will remain as part of their PQMs, there needs to be a significant shift towards more labour market and community-based programmes. This aligns with thinking to convert the current Academic Board to a Work Based Learning Programme Committee and also to ensure more involvement of local business and municipalities at College Council Level. This will “steer” the correct PQM at each individual College more appropriately. Business is therefore encouraged to support these proposed changes to the CET Cat as elsewhere recommended in this analysis.

### 3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
DHET	Yes - Yes	Business has a very active relationship with the DHET that could be enhanced through formal scheduled six-monthly meetings with the DG and the five DDGS of the DHET. This is particularly important to continuously raise concern arounds around the PQM that is not appropriate for a particular region or community. The Business and Local Government Community could even consider a more structured communication approach to the DHET where District / Metro based structures have a mechanism such as a web site that records innovative good practises from across the country that could be considered by DHET and even other TVETs

		and CETCs to emulate. Such a knowledge sharing platform is very well used by international agencies such as UNEVOC and ILO – they could even be approached to assist to set up a similar system in South Africa.
CETCs, TVETS and HEIS	Yes - No	While all polices make provision for the inclusion and involvement of Business within these institutions, the actual level of involvement and participation, particularly in steering the institutions towards what actual programme qualification mix (PQM) and infrastructure is required for the skill sets that are required by the local business environment and community is very limited. This is however more a function of current policy prescripts that an institution must comply with rather the willingness of Business to be involved with. These restrictive policy prescripts are dealt with more thoroughly in terms of TVET and CET Colleges under <b>Outcome 5.3 – Well-managed and -governed PSET provider institutions.</b>

#### 4. Effectiveness of the skills system funding model

For both TVETs and CETCs to be more adequately funded, a more direct allocation of funding needs to be directed towards these institutions. The current proposal-based model is not an adequate model to ensure the significant shift towards occupational programmes. This was discussed in detail under **Outcome 2.5.**

#### 5. Skills and productivity optimisation within the PSET

Effective, differentiated programme implementation by public TVET or CET Colleges will only receive the support of local regional business or communities if the programme “mix” is such that it relates directly to the needs in the region or community and more importantly delivers a quality result. Therefore at each TVET or CET College level there must be a process introduced within the renamed ‘Academic Board”, now called a **Work Based Learning Committee** , that progressively includes programme M&E such as that proposed by the Kirkpatrick model or others as already detailed in other sections of this analysis.

<h3>3.2</h3> <p>A diverse range of programmes responsive to the world of work</p>	<ul style="list-style-type: none"> <li>• CET colleges will analyse municipal local economic development plans and Labour Market Intelligence Unit (LMIU) data to assess demand and develop programmes, including programmes which articulate with TVET studies, and skills development programmes where needed by other government departments.</li> <li>• SAQA and the QCTO will review all NQF Level 2 and 3 occupational certificates and NQF Level 4 National Occupational Certificates (NOCs) with particular regard to the possibility of simulated workplace-based experience components, as there are limitations currently with placements for WPBL.</li> <li>• TVET Centres of Specialisation will initially focus on 13 priority trades in demand and will extend to other trades as identified in the pilot review.</li> </ul>	<ul style="list-style-type: none"> <li>• Aligns to the following principles of the NSDP. <ul style="list-style-type: none"> <li>1.6 - Focusing on support for learners and employers</li> <li>5.9 - Steering Supply – Qualifications and Provision</li> </ul> </li> <li>• Aligns to Sections 11 Planning, Reporting and Accountability</li> <li>• Aligns to roles and responsibilities of DHET, HEIS, TVETS, CETCs, SAQA, QCTO, Municipalities.</li> </ul> <p>This section of the PSET &amp; NSDP therefore deals with customizing the programmes at an Operational level on the supply side across the PSET system to ensure that actual labour market demand within local and regional economies are met <b><u>with a focus on the world of work i.e. the formal economy.</u></b></p>
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	<ul style="list-style-type: none"> <li>• University enrolment and Programme Qualification Mix (PQM) planning will be reviewed to ensure that they are clear and responsive to the changing national and global contexts.</li> <li>• Occupational programmes will be responsive to global technological advancements.</li> </ul>	<p><b>All the Outcomes of the NSDP are affected but in particular the following are relevant:</b></p> <ul style="list-style-type: none"> <li>• Sub-Outcome 4.1: Occupational qualification developed by the Quality Councils. <ul style="list-style-type: none"> <li>• The number of qualifications developed in line with the occupations in high demand identified.</li> </ul> </li> <li>• Sub-Outcome 1.3: Targets for priority qualifications <ul style="list-style-type: none"> <li>• Once targets for priority occupations are identified, then qualifications that are best placed to deliver these will be identified.</li> <li>• Once priority qualifications are identified, institutions and workplaces will be targeted for investment.</li> <li>• Identified institutions will be referred to as Centres of Specialisation; and</li> <li>• Number of bursaries or skills levy grants allocated.</li> </ul> </li> </ul>
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**Analysis**

1. Skills Development Act review in relation to the NSDP 2030

This outcome of the PSET has a similar theme to the previous outcome but with a more significant focus on the workplace as opposed to community. This therefore implies more emphasis on TVET Colleges. However, the same significant adjustment suggested to the SDA also applies - the need to repeal Chapter 4 – Learnerships and Chapter 5- Skills Programmes, for the same reasons as explained in the previous outcome. In addition to the repeal of Chapters 4 and 5 of the SDA, this section also needs Business to urgently recommend to the DHET that there is no longer a need for Learnerships to be registered as this has become a superfluous process with the advent of a broader more appropriate range of learning programmes being used by industry and institution of learning and teaching. Currently the registration of Learnership is regulated through the SETA Workplace Based Learning Programme Agreement Regulations<sup>xlv</sup> that came into effect on 1 April 2019 and includes a variety of learning programmes inclusive of learnerships, apprenticeships and internships- so why continue to insist only on the registration of Learnerships and not the other work-based learning programmes. Many stakeholders, certainly globally, acknowledge that apprenticeships area better work-based learning methodology as a tried and tested way of enabling young people to make the transition from the world of education to the world of work<sup>xlvi</sup>.

2. TVET/CET colleges partnership and support

For both TVETs and CETCs to be more adequately funded, a more direct allocation of funding needs to be directed towards these institutions. The current proposal-based model is not an adequate model to ensure the significant shift towards occupational programmes. This was discussed in detail under **Outcome 2.5**. In addition, this outcome also clearly shows the critical need for the CETCs to be more closely linked through with the District and Metro as well as local municipalities, discussed in more depth under **Outcome 5.3 related Institutional Governance Arrangements for Colleges**. A significant partnership system that has been implemented and is growing in support from Stakeholders is the emerging Centres of Specialisation programme from the DHET, a programme that requires employers, Business, to be an integral part of a truly demand led model. This is a partnership mechanism that should be well supported and grown between TVET Colleges and local business structures across all parts of the country, leveraging lessons learnt from the programme as it is rolled out<sup>xlvii</sup>.

### 3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
DHET	Yes - Yes	Business has a very active relationship with the DHET that could be enhanced through formal scheduled six-monthly meetings with the DG and the five DDGS of the DHET. This is particularly important to continuously raise concerns around the PQM that is not appropriate for a particular region or community. The Business and Local Government Community could even consider a more structured communication approach to the DHET where District / Metro based structures have a mechanism such as a web site that records innovative good practises from across the country that could be considered by DHET and even other TVETs and CETCs to emulate. Such a knowledge sharing platform is very well used by International Agencies such as UNEVOC and ILO – they could even be approached to assist to set up a similar system in South Africa.
CETCs, TVETS and HEIS	Yes - No	While all policies make provision for the inclusion and involvement of Business within these institutions, the actual level of involvement and participation, particularly in steering the institutions towards what actual programme qualification mix (PQM) and infrastructure is required for the skill sets that are required by the local business environment and community is very limited. This is however more a function of current policy prescripts that an institution must comply with rather the willingness of business to be involved with. These restrictive policy prescripts are dealt with more thoroughly in terms of TVET and CET Colleges under <b>Outcome 5.3 – Well-managed and -governed PSET provider institutions</b> .
QCTO / SAQA	Yes – No	The need for QCTO to move towards a more flexible approach to programme development including short course / skills programme and micro credentialing is all very relevant in this outcome. The references to simulated learning for work-based experience also supports the idea that QCTO needs its own separate

		<p>statute to allow it latitude to maneuver around the new world of learning. In support of this the recent QCTO Research Bulletin<sup>xlviii</sup> states that <i>“In many instances the responses pointed to a fragmented policy environment that needs urgent review to smooth and support processes and not to further cause hindrances in service provision. Policy is sometimes seen as the panacea for all ails in a system, and that policy reviews would bring about the cure. Solutions to problems might lay in trimming down on policy development, to rather strengthen sections of policies that might assist in streamlining processes and to support the system in its policy interpretation and implementation.”</i></p>
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4. Effectiveness of the skills system funding model

For both TVETs and CETCs to be more adequately funded, a more direct allocation of funding needs to be directed towards these institutions. The current proposal based model is not an adequate model to ensure the significant shift towards occupational programmes. This was discussed in detail under **Outcome 2.5**. In addition, an adjustment to remove the need to register any programme types with DHET (such as current Learnership Registration) would greatly simplify the system and remove considerable bureaucracy. In lieu of registering Learnerships with the DHET, the system should simply acknowledge that any occupational qualification, or part qualification or even skills programme that is registered either on the NQF or with QCTO on their skills programme database can be considered for SETA grants as well as a Tax Allowance under Section 12H of the Tax Act<sup>xlix</sup> and even simplify the complicated B-BBEE Matrix programmes for B-BBEE Points<sup>l</sup>.

Skills and productivity optimisation within the PSET

Effective, differentiated programme implementation by public TVET or CET Colleges will only receive the support of local regional business or communities if the programme “mix” is such that it relates directly to the needs in the region or community and more importantly delivers a quality result. Therefore at each TVET or CET College level there must be a process introduced within the renamed ‘Academic Board’, now called a **Work Based Learning Committee**, that progressively includes programme M&E such as that proposed by the Kirkpatrick model or others as already detailed in other sections of this analysis.

### 3.3

A diverse range of mechanisms to improve research, innovation, commercialisation and entrepreneurship within the PSET system

- The DHET, the Department of Science and Innovation (DSI) and the Department of Trade and Industry (DTI) will establish a formal collaborative mechanism to better align research and innovation policies, plans, targets and monitoring.
- The National Skills Fund (NSF) will be encouraged to fund research and innovation which cuts across PSET sectors.
- Partnerships with key stakeholders will be established to enable the implementation of joint initiatives to strengthen linkages between research, innovation, entrepreneurship and commercialisation in higher education.
- The Entrepreneurship Development in Higher Education Programme will be implemented to build entrepreneurship in universities, with a focus on developing student entrepreneurship, entrepreneurship in academia, and entrepreneurial universities.
- The Department will work with the DSI and the National Research Foundation (NRF) to align programmes that are being implemented to promote research, innovation and commercialisation of intellectual property and patents in universities, and to enable joined-up funding for these initiatives in order to maximise impact.

- Aligns to the following principles of the NSDP.
    - 5.3 - Contributing to the country's socio-economic development objectives
    - 5.4 - Great inclusivity and collaboration will be promoted
    - 5.9 – Funding Mechanisms
  - Aligns to Sections 11 Planning, Reporting and Accountability and 12 Funding Allocation.
  - Aligns to roles and responsibilities of DHET, DSI/NRF, DTIC, NSF, HEIs, This section of the PSET & NSDP therefore deals with the research, innovation and commercialisation, especially through entrepreneurial activities.
- All the Outcomes of the NSDP are affected but in particular the following are relevant:**
- Sub-Outcome 6.1: To increase skills development support for entrepreneurial activities and the establishment of new enterprises and cooperatives
    - Number of entrepreneurship and cooperatives activities inclusive of informal traders supported by skills levy institutions

#### Analysis

##### 1. Skills Development Act review in relation to the NSDP 2030

This objective speaks to a broader imperative than the PSET system. It aims to address inter systemic efficiencies in the form of innovation management within the economy as a whole. Since it does not deal with skills development and PSET in isolation it does not require specific attention within this piece of legislation. It is driven at a Departmental level through collaboration with other organs of state. (DSI, DTI)

##### 2. TVET/CET colleges partnership and support

According to NSDP outcome 6.1, the SETAs will have included in the SLA's a target for the 'number of entrepreneurship and cooperatives activities inclusive of informal traders supported by skills levy institutions.'. There is an overlap between this SLA criteria and the work done through teaching institutions who are potential incubation centers for such initiatives. To avoid duplication within the system, Business could suggest that the SETAs align their achievement of these SLA targets with the objectives and initiatives of SEDA and SEFA. Both these organisations are better equipped to manage and deliver such initiatives. The SETAs could fund and report on their collaborative partnerships in the initiatives already under way through these entities. This could also be a way to increase the number of initiatives that SEDA and SEFA are involved in at these teaching institutions.

Student villages are ideal ‘incubation hubs’ where entrepreneurship skills could be developed, funded and grown. It could also create IP for these underfunded institutions which, in line with the broader DSI initiatives, could become sources of funding.

### 3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
SETAs	Yes - Yes	Collaborative initiatives with other state entities such as SEDA and SEFA, even the NYDA, to collaborate on the development of entrepreneurship and innovation. Isolated spend from each entity could be more impactful if synergised into more coordinated initiatives while still driving individual SLAs.

### 4. Effectiveness of the skills system funding model

The inclusion of this as a measure within the SLA is a smart way of channelling more funding towards the development of entrepreneurship and innovation. The concern with this is that the core function of a SETA is the funding and development of skills. Entrepreneurship and innovation are slightly more complex and nuanced skills clusters. There are already organisations in the state driving the development and support of these more nuanced areas of skills required. SEDA, SEFA, TIA, NYDA. It might be more effective to enable SETAs to allocate these funds to accredited institutions such as existing incubators or existing organs of state for more efficient allocation, and the reduction of cost duplication within various entities to allow for more specialisation and more efficient impact.

At a broader PSET level, the capitalisation of research, development, innovation, and patents are under performing. The IP developed within the teaching and research institutions are potentially rich sources of perpetual funding for the entire system provided that successful commercialisation can occur. The majority of these opportunities currently rest within universities rather than TVETs and CET although this may increase over time. Some of the challenges remain commercialisation. This is largely due to the phase of development of ideas and patents within the university structures. The IP may not be entirely commercialisation ready by the time the inventor graduates. This then requires additional investment to mature the ideation before commercialisation. Universities are understaffed and have no spare capacity for this. To address this, the CSIR was intended to finalise and ‘MVP’ research and then the ‘Innovation Hub’ was intended to champion the commercialisation process. The number of ‘half-baked’ ideas in the system are just too pronounced to accurately identify the winners among the pipe dreams, placing pressure on the rest of the system.

A positive posture on this could be that the increase in PHD candidates would alleviate the volume of ideas down to a larger list of ‘mature’ ideas that are investment ready. Secondary to that, shifting the balance of IP ownership to entice students to run with the advancement and commercialisation themselves,

thereby alleviating the capacity constraint, might be well worth the effort. A percentage of something is still better than all of nothing. Additional support for these students in the form of greater articulation between the training institute and transference to the Innovation Hub, and other enablers such as TIA, SEDA, SEFA and DTI would encourage ideas to develop and the institutes and go all the way to commercialised new businesses with the original inventors while offering shares to the university in return for 'incubation services' rendered in the form of research, facilities, etc.

5. Skills and productivity optimisation within the PSET

Addressing this objective requires an inter-systemic approach incorporating numerous departments in government. Certainly, within the PSET structures, a greater focus must be on enticing the originators of ideas to run further with them. This requires support and articulation pathways from teaching to the world of work. Business could play a role here in the form of workplace-based learning where these ideas are tested within workplaces and these companies then share in the university portion of the IP should commercialisation occur. This will create another incentive layer for Business to drive commercialisation and practical 'MVP' testing for more mature and promising ideas.

**3.4**

Programmes that prepare students for global advances in technology

- PSET provider institutions will ensure that their curricula are geared to the unfolding opportunities of the fourth industrial revolution (4IR).

- Aligns to the following principles of the NSDP.
  - 1.2 - Contributing to the country's socio-economic development objectives
  - 1.5 - Focusing on support for learners and employers
  - 5.7 – Understanding Skills Demand
  - 5.8 – Steering Supply – Qualifications and Provision

- Aligns to Sections 11 Planning, Reporting and Accountability
- Aligns to roles and responsibilities of all public and private providers.

This section of the PSET & NSDP therefore deals with the use of digital technology across all occupations, professions and programmes.

***All the Outcomes of the NSDP are therefore relevant to this focus area***

**Analysis**

1. Skills Development Act review in relation to the NSDP 2030

This objective is more closely linked to the NQF and qualification framework requirements. This has a direct implication on the work of the NSA and teaching institutes to ensure relevance through quality research. This in turn affects the SETAs in that they are the link with the world of work and are closest to the employers where these new technologies, and therefore skills requirements are made known. That said, this is not something that should be addressed within the Act specifically.

## 2. TVET/CET colleges partnership and support

The Presidential Report on 4<sup>th</sup> Industrial Revolution found that “Especially evident among recent graduates, one of the factors associated with the country's youth unemployment crisis is the lack of skills and qualifications that are relevant to the sectors of the economy in which there are employment opportunities.”<sup>li</sup> This identifies the existence of a skills mismatch, especially in sectors heavily affected by the emergence of new technology. This has significant implications for how skills needs are identified by SETAs, communicated to Institutions and quality assurance bodies, how responsive we are to adapting the offerings at these institutions, both from a curriculum and infrastructure perspective and how well these skills translate to the workplace.

Business can take a leading role here through vocational, on the job training and learnership mechanisms. If institutions provide students with basic knowledge and skills, at a high enough level for the worker to intelligently engage with the workplace, the more nuanced skills could be transferred while in employment. This alleviates some pressure on the speed at which the education and curriculums might need to pivot to keep up with change. Meanwhile also providing well-enough trained staff for employers to take them the ‘last mile’.

## 3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
DHET	Yes - Yes	Business has a very active relationship with the DHET that could be enhanced through formal scheduled six monthly meetings with the DG and the five DDGS of the DHET. This is particularly important to grow the emerging “demand led” skills development system that is being spearheaded by the DHETs flagship programme known as the Centres of Specialisation (COS) Programme <sup>lii</sup> that places employers in the primary leadership role. The current work in progress midterm evaluation report <sup>liii</sup> on COS will be important for Business to reflect on.
QCTO	Yes – No	Business is formally part of the governance structure but does not appear to be effective in ensuring the efficiency of the QCTO. Complaints are particularly loud from private providers and Business in respect of the turnaround time of many function within the QCTO. The current delegation of quality assurance functions to other structures, particularly SETAs, seems to be defeating the purpose of why the QCTO was established – a centralised, standardised approach to quality assurance. Business should support the allocation of additional resources (such as an increase in % levy allocation) to QCTO so that the delegation practise can be removed and QCTO can achieve the purpose it was created for.
NAMB	Yes – No	Currently NAMB is a Directorate within the Department to Higher Education and Training. As such Business cannot be a formal integral part of NAMB but Business is actively engaged with NAMB through various Forums

		<p>which NAMB is part of, primary of such being the National Artisan Development Advisory Body or NADAB. However the relationship is advisory at best as Business has no direct control legally over the operations of NAMB as the Assessment Quality Partner for artisanal trades. This is highly problematic and therefore the ongoing narrative in numerous policy documents for NAMB to merge with QCTO, thereby giving Business a more direct influence over its operations. This a position Business needs to support with alacrity.</p>
CHE - HEQC	Yes - No	<p>The Act<sup>liv</sup> allows for organised business to submit names to be represented on the HEQC. Lack of policy and direction for work based learning programmes and limited support for occupational qualifications that appear to grow the skills mismatch as Higher Education Institutions continue to produce graduates that are not taken on by employers. Articulation and parity of esteem between work based Occupational Qualifications and Academic Qualifications needs to be improved through Business representation – the artisan – technician – technologist engineer pathway is an example that needs to be clearer articulated to stakeholders. Autonomy of HEIs may also require Business to become more active at each University. A “business” approach from a HEI is well modelled within the Resolution Circle, a PTY registered entity owned by the University of Johannesburg.</p>
UMALUSI	No - No	<p>The Act<sup>lv</sup> does not specifically refer to Business representation at Council or Committee levels. There could potentially be a need for Business to influence so that the “feeder” system becomes more effective. The most significant area of influence from UMALUSI from a Business perspective is to improve the quality of the feeder system for young people and the quality of Adult Education and Training within the Community College System. Influence within the TVET System is reducing as the NATED programmes are phased out, with only the NCV being left under the control of UMALUSI. Business could submit that the NCV should be transferred to DBE for delivery at Technical High Schools and that TVETS become fully 100% aligned and controlled by the QCTO for occupational qualifications only. That could be a major Clarity-Capacity-Conductivity posture. The TVET / QCTO space is where Business can have the most significant effect on the PSET System through work based learning.</p>
SAQA	Yes - Yes	<p>The Act<sup>lvi</sup> allows for organised Business to submit names to be represented on the Board. SAQA has reduced powers with development and quality assurance of qualifications sitting at Quality Council level. Their functions are limited to registration of qualifications on the NQF, regulating professional bodies, international qualifications evaluation, qualification fraud monitoring and research. The most significant impact that Business could have on the SAQA is improving the flexibility of the NQF to allow for more part qualifications to be registered as well as digital or micro credentials that are growing in significance across the world<sup>lvii</sup>, accelerated by the COVID 19 pandemic. Work in progress between Professional Bodies and QCTO (such as the Institute of Plumbing) with micro credentials is an area that could be developed by SAQA through their policy for Professional Bodies<sup>lviii</sup>. Turnaround times for qualification registration processes are also a major blockage</p>

		resulting in long delays of qualification delivery by the private sector and related grant / tax allowance benefits.
HRDC	Yes - Yes	<p>Although not a statutory structure, the HRDC has significant influence due to the high level of political representation on its structures. The major benefit of the HRDC is that it considers the “birth to death” learning pipeline, not only the PSET system. It is the only formal forum at present where the two education systems (Schooling and Post Schooling or PSET) come together under a social partner type umbrella. For this reason it does need to continue to exist but very clear and strong linkages must be made to the NSA. A possible way to strengthen the Schooling + PSET link is to have the Ministers of DBE and HESI share the Deputy Chairmanship of the HRDC. Duplication of NSA Skills Development Forums and HRDC Forums at Provincial level must be removed with Metros and Districts reporting into a single forum, optimally located within the Office of Premier in each Province. At present there is a review of the HRDC in progress that Business will need to consider once published, but Business needs to empathise that three operational characteristics of the HRDC should be maintained:</p> <ul style="list-style-type: none"> <li>❖ HRDC’s Key Task is to identify blockages in the lifelong leaning pipeline (birth to death) and through the work of Technical Task Teams propose solutions to remove such blockages;</li> <li>❖ Ensure that the “Manager” of each Technical Task Team is a senior Government Official (at Chief Director level) that is employed by the National Department that is most closely linked to the blockage; and</li> <li>❖ All Members of the HRDC participate at the HRDC on the basis of their personal knowledge and expertise and NOT as a representative of any social partner group, removing the need for a mandated position at discussions – and within such dispensation an HRDC Members should not have a predetermined term of service – they should serve while they can continue to add value irrespective of age – however it would be important to evaluate HRDC member contributions from time to time to determine value added to the HRDC process.</li> </ul>
NSA	Yes - Yes	<p>Business representation and influence on the NSA remains a strength for the Business Community, as evidenced very clearly by the successful triple challenge by Business iro the “50% &gt; 20% Mandatory Grant” issue. The calibre of Business representation on the NSA has no doubt contributed to this strength and needs to continue to be at a similar level. The expended mandate of monitoring and evaluation of SETA functions by the NSA should be supported by Business including the allocation of knowledge and resources from within the business community to assist with cutting edge, where possible digital M&amp;E systems. (Companies like Trialogue or others come to mind). The relevance and efficacy of the NSA, especially in relation to the day-to-day work of SETAs will be considerably enhanced with a formal partnership between the NSA and Association of Skills Development of South Africa (ASDSA), a professional body recognised by SAQA that includes</p>

		membership from both public and private sector. The SDSA members are the foot soldiers of skills development in South Africa and without them the current WSP / ATR based skills planning process would fall flat, especially among smaller and medium sized businesses.
21 x SETAs	Yes - No	The problem remains the qualifications development and quality assurance function that is delegated to SETAs by the QCTO, the most recent mechanism being a “Quality Partner Agreement” between the SETAs and the QCTO. The SETAs have given up 0,5% of the levy for QCTO to do the Qualification Development and Quality Assurance Function (known historically as the ETQA Function) but yet they still have to use their own funds to carry out the work they have paid the QCTO for. They still use their own staff, still have ETQA Managers! This is an urgent matter that needs to be resolved as soon as possible, and Business can be a catalyst to the solution – an independent, stand-alone fully capacitated QCTO with regional representative, ideally based at TVET Colleges.

4. Effectiveness of the skills system funding model

Not Specifically applicable to this section

5. Skills and productivity optimisation within the PSET

The intention to deliver these skills to market will place additional pressure on the teaching skills and capacity within PSET. Just as the curriculum and qualifications might have to keep pace with the changes in technology and the related jobs, teachers will likewise have to keep pace. This will be alleviated to some extent by transferring the ‘last mile’ skills transfer to the employers who are likely on the cutting edge of the technology they use and paid to be so.

<p><b>4.1</b> Improved interface between education and training institutions and skills levy institutions</p>	<ul style="list-style-type: none"> <li>• SETAs will gather data on skills needs, engage with stakeholders and standardise their timelines with respect to providing skills development support and funding, and a system of shared SETA services will be established to promote a more efficient and cost-effective use of resources.</li> <li>• The SETAs will support implementation of enrolment plans through funding, encourage employer and labour voice and participation, and promote WPBL.</li> </ul>	<ul style="list-style-type: none"> <li>• Aligns to the following principles of the NSDP. <ul style="list-style-type: none"> <li>5.6- Great inclusivity and collaboration will be promoted</li> <li>5.7 – Understanding Skills Demand</li> <li>5.8 – Steering Supply – Qualifications and Provision</li> <li>5.9 – Steering Supply – Funding Mechanisms</li> </ul> </li> <li>• Aligns to Sections 11 Planning, Reporting and Accountability Section 12 Funding Allocation</li> <li>• Aligns to roles and responsibilities of all SETAs and public and private providers.</li> </ul> <p>This section of the PSET &amp; NSDP therefore deals with the use of SETA resources and related incentives to grow the capacity of the supply side to deliver quality programmes – effectively supporting skills development providers.</p>
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		<p><b>All the Outcomes of the NSDP are affected but in particular the following are relevant:</b></p> <ul style="list-style-type: none"> <li>• Sub-Outcome 5.1: Support the TVET Colleges <ul style="list-style-type: none"> <li>• Number of SETA offices established and maintained.</li> <li>• Number of learners whose qualifications require work integrated learning will be supported with strong partnership with the industry;</li> </ul> </li> <li>• Outcome 7: Encourage and support worker initiated training <ul style="list-style-type: none"> <li>• Skills levy institutions will work with the federations/trade unions in their sectors in identifying the required skills needs, especially in better understanding the sectors, and implement the relevant interventions.</li> </ul> </li> </ul>
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**Analysis**

1. Skills Development Act review in relation to the NSDP 2030

One of the recurring themes in this report is the inefficiency in the system created by industry SETAs and cross sector skills needs. This is something this objective intends to directly address. The Act review will present an opportunity and platform to make positive recommendations towards this end. It hints towards the establishment of a shared services entity that cuts out the duplication. To achieve this, we must have a view on the virtues of the existing system, those we would like to maximise in the new proposal, while addressing the drawbacks, many of which have already been mentioned.

Virtues. The sector system allows for closer engagement with employers, industry bodies, labour and other stakeholders. It creates quality information for national research and monitoring by the NSA and HRDC. It also enables the development of sector skills strategies, planning and research.

Drawbacks. TVETs end up dealing with multiple SETAs within the same skills departments. Employers are often working cross-sectorally which complicates their submission and skill spends. SETAs end up competing for learnerships and WPSP placement strategies and the development of feeder pipelines for placement at training institutes. Additionally, the challenge with a sector-based funding model is that the funding splits within the skills development spend mimic the existing economic activity. The purpose of the funding is to usher in the envisioned economy, not maintain the status quo. From such a perspective, the sector-based funding model presents significant challenges in pivoting the economy towards emerging sectors or opportunities where skills will be required, but where there is currently not a high level of economic activity and thus skills levy spend. An example could be the film industry. It is a significant growth sector for our economy and exports. The levy amounts are quite low, but the projected employment opportunities are quite high. A skills gap is bound to occur. How do we fund it from a sector based model?

From this perspective, the only differentiator between the various SETAs is their specific industry focus. Everything else is duplicated. The potential for a shared services model exists to increase efficiency within the system as well as increasing the ease of doing business. Further it could offer the benefit of leveraging the capacity of SETAs that perform well into sectors who are underfunded but need to grow from an economic perspective, yet the SETA cannot fund the skills needed because the quantum of funding is quite low.

A potential solution could involve the centralisation of shared services (specifically research, since many skills are cross sectoral and further because technology often creates nexus points between industries blending the boundaries between what goes where.) Additionally, some form of single contact point for employers might be useful. Employers are the recipients of skills. They are therefore the customer to the process. It is sensible to design 'customer pathways' around customer types. Currently, the customer needs are segmented along industry considerations. I do not think this is the most logical differentiator. It might be size instead. The reasoning is simply that SMME's have very different requirements from the SDL and WSP than big organisations do. Also, larger organisations are likely to function across many industries dealing with various SETAs now having to accommodate different submission times, formats etc. They also have a very different approach to learnerships, skills development, regional integration, and security of skills supply. By repositioning a shared services platform where SETA's, from a customer perspective, operate as a one stop shop, whilst running business units in the back end for separation of duties etc the system could potentially become more efficient and easier to deal with.

This would also make the management and integration with other stakeholders such as BEE codes, tax systems, and education and training providers so much easier since they would each be another 'customer type' with a different set of needs. Such an approach also speaks to the NDP goal of a Competent State. The state exists to serve its customers. The first and most important criteria is the simplification of complexity. Jeremy Clarkson from Top Gear is probably the best proxy with his quote about how car turbo's work. "Air goes in the one side, magic happens, and the car goes faster." Nobody cares how the turbo works; they care what it does. A competent state should let the complicated magic happen in the background, not force each customer to learn to be a mechanic.

## 2. TVET/CET colleges partnership and support

The SETAs primary role here is still to provide practical experience pathways for the students of these institutions and the ways in which these link to Business. This could be done through a database of learnerships which is already an agenda point under 4.2 and 4.4. Further, there are opportunities to link the various funding systems for skills under a single channeled and efficient structure. BEE codes, Section 12H and ETI all drive skills spend targeting different outcomes and target demographics.

BEE relates to a business's engagement with its supply chain and customer base. (Economic benefit for equitable investment in the development and sustainability of the society in which you operate, a key criteria and outcome in the King IV report.)

Section 12H of the Tax Act incentivises the same behaviours, specifically focused on learnerships and thus job creation and skills transfer via a cash incentive.

ETI is a cross-subsidy incentive to hire youth. It reduces the cost of employment to compensate for the lack of skills and experience.

Finally, SDL grants are money in the form either a discount on tax through a tax allowance (therefore a cost reduction) or a fee for data (therefore an income for services rendered in the form of WSP's)

All four of these mechanisms are linked to skills development within the workplace. They are also all interrelated and can be used to channel funding to training institutions. The challenge is that they are complex and expensive to manage with all the methods requiring interaction with different stakeholders in different formats at different times of the year. This is understandable since tax and BEE are directly related to financial year ends which are not the same for every company. SETAs need to report and create SSPs for research and HR planning at a national level. This would not be possible on a similar rolling basis and causes this discrepancy in timelines.

From this perspective it might be useful to adjust and align SETA reporting requirements with employer financial year ends similar to SARS who is able to provide reporting on a financial year fiscus basis due to their reporting cut offs since it all evens out over time. SDL grants are linked to spend of payroll which has a financial year connection and is collected by SARS in any event. This would however mean a significant shift in SETA thinking if there were differing cut off times for WSPs and ATRs.

This is likely to greatly improve the ability of SETAs to work effectively with employers and to secure funding and placement for learners achieving the objectives for these training institutions by aligning funding with company financial year ends, not forcing employers to comply with SETA deadlines – a more demand-based grant system. So instead of employers submitting their WSPs and ATRs on 30 April every year, they only submit the WSP & ATR when they do their financial year end process e.g. a lot of companies have a February year end or a December year end.

This will result in skills development being much more integrated and aligned to the annual strategic planning cycle of a company rather than forcing a company to work within the “30 April” deadline of SETAs. The SETAs sector planning process can still proceed within deadlines that are set by DHET with a SETA simply including latest data from each employer. SETAs will then be driven more by Business processes rather DHET or supply processes, an innovation that forces SETAs to be more agile and more supportive of their stakeholders.

3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
SARS	YES - NO	Would be worthwhile for SARS to manage all skills related spend collection from employers as well as payment allocations back to employers. They already do this for Section 12H and ETI. They also collect the

		SDL, yet the grant payback is managed by the SETA. Employers should merely submit approvals of skills plans from SETAs to SARS to claim the SDL mandatory grants as per all other tax incentive functions. (Unclaimed mandatory grants passed to NSF along with other non-SETA funds)
SETAs	YES - YES	SETAs could still manage the discretionary grant system since this functions for a range of stakeholders and not just employers. They still collect and approve WPPs to ensure they keep track of skills needs and learnership absorption capacity. Administration is passed on to SARS for Mandatory grants.

4. Effectiveness of the skills system funding model

Addressed in point 1 and 2 above. Significant opportunity for re-evaluation of existing approach and its efficiencies. Centralised functions across all SETAs suggested while protecting industry voices and forums for employers which would likely be lost should only a national system be adopted.

From the statistics on the PSET in 2019 we find the following extract:

**Table 8.1: Number of workers and unemployed persons registered and certificated in SETA-supported learning programmes, by programme type, 2011/12 – 2019/20**

Year	Registered				Certificated			
	Learnerships	Internships	Skills Programmes	Total registered	Learnerships	Internships	Skills Programmes	Total certificated
2011/12	43 871	3 452	87 906	<b>135 229</b>	29 197	878	87 527	<b>117 602</b>
2012/13	50 885	6 127	74 587	<b>131 599</b>	37 158	2 195	86 491	<b>125 844</b>
2013/14	75 782	8 017	92 508	<b>176 307</b>	38 796	2 510	109 547	<b>150 853</b>
2014/15	77 931	12 006	137 880	<b>227 817</b>	40 891	3 663	106 459	<b>151 013</b>
2015/16	94 369	13 135	123 593	<b>231 097</b>	43 322	3 352	127 144	<b>173 818</b>
2016/17	101 447	17 216	131 017	<b>249 680</b>	58 080	6 777	116 141	<b>180 998</b>
2017/18	111 681	12 935	144 531	<b>269 147</b>	48 002	6 496	122 979	<b>177 477</b>
2018/19	105 548	15 482	150 674	<b>271 704</b>	61 841	6 123	144 460	<b>212 424</b>
2019/20	81 988	11 784	128 438	<b>222 210</b>	57 888	7 711	114 032	<b>179 631</b>

**Sources:** *Statistics on Post-School Education and Training in South Africa, 2018. SETMIS 2019/20, data extracted in March 2021.*

Note 1: The category "Learnerships" refers to a learning programme that leads to an occupational qualification or part qualification, and includes an apprenticeship and cadetship. The data above excludes registrations and certifications in trade related programmes, which form part of the official list of artisan occupations as per Schedule 2 Gazette 35625, 31 August 2012<sup>4</sup>.

Note 2: The category "Internships" refers to the structured work experience component of an occupational qualification registered by the Quality Council for Trades and Occupations (QCTO).

Note 3: The category "Skills Programmes" refers to a part-qualification as defined in the NQF Act.

Note 4: The difference in registered and certificated programmes is due to programmes taking longer than a year to complete, thus certification occurs in the next financial years.

Note 5: Unemployed persons refers to learners who were not employed by their current employer before undertaking a Workplace Based Learning Programme

Note 6: Internship data includes only those that are recruited through a specific SETA and it is not a comprehensive reporting on the number of interns in the system.

"There were 222 210 learners registered for SETA-supported learning programmes during the 2019/20 financial year, and more than half of them registered for skills programmes (57.8% or 128 438), followed by learnerships (36.9% or 81 988), while fewer learners were registered for internships (5.3% or 11 784).

Registrations for SETA-supported learning programmes declined by 18.2% (49 494) between 2018/19 and 2019/20 financial years, and the largest decreases were for learnerships and skills programmes (23 560 and 22 236 respectively). SETAs registered 64.3% (86 981) more learners in SETA-supported learning programmes between 2011/12 and 2019/20 financial years, with high increases recorded for skills programmes (40 532) and learnerships (38 117).<sup>ix</sup>

This points to significant and consistent increases in the results of the system with the exception of the last year. It further highlights the possible effectiveness of the Section 12H incentive when contrasting 'learnership' with 'internship' numbers Skills and productivity optimisation within the PSET

Addressed in 1 and 2 above. Opportunity for significant reduction in cost duplication within the SETA model.

## 4.2

Improved links between education and training institutions and employers for WPBL

- Programme design processes will be restructured and streamlined so as to be more efficient, relevant, innovative and less time-consuming for employers and students.
- The nature, planning, management, administration, delivery, duration and quality assurance of WPBL, and related institutional, workplace and staff capacity, will be optimised and incentivised.

- Aligns to the following principles of the NSDP.
  - 1.5 - Focusing on support for learners and employers
  - 5.7 – Understanding Skills Demand
  - 5.8 – Steering Supply – Qualifications and Provision
- Aligns to Section 10 Quality Assurance Function and Section 11 Planning, Reporting and Accountability.
- Aligns to roles and responsibilities of all QCTO, public and private providers and social partners.

This section of the PSET & NSDP therefore deals with the relationships between PSET Institutions (supply side) and Employers (demand side) and how they can support each other to align programmes to labour market needs.

***All the Outcomes of the NSDP are affected but in particular the following are relevant:***

- Sub-Outcome 3.1: To increase workers participating in various learning programmes to a minimum of 80% by 2030, to address, critical skills required by various sectors of the economy, to transform workplaces, improve productivity and to improve economic growth prospects in various sectors of the economy.
  - The number of employees trained and supported through skills development interventions.

		<ul style="list-style-type: none"> <li>• Sub-Outcome 2.1: Opening of workplace-based learning opportunities increased. <ul style="list-style-type: none"> <li>• Number of TVET students requiring work integrated learning to complete their qualifications provided with workplaces.</li> <li>• Number of universities of technology and comprehensive universities requiring work integrated learning to complete their qualifications provided with workplaces.</li> <li>• Number of TVET lecturers exposed to the workplaces.</li> <li>• Number of workplace-based learning experiences made available for graduate/internships.</li> <li>• Number of learnerships opportunities for the unemployed provided; and</li> <li>• 6Workplace based learning policy and regulations developed and revised.</li> </ul> </li> </ul>
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**Analysis**

1. Skills Development Act review in relation to the NSDP 2030

This outcome should be considered in conjunction with 4.1. They seem somewhat contradictory. Although this objective will go a long way to creating more cohesive relationships between skills supply and demand, this is also very much the intended functioning of the SETAs in their current format. If much of the liaison between institutions and employers happens directly, the SETAs reason for existence becomes somewhat questionable, relegating them to the position of an industry association particularly focussed on skills. In line with the additional recommendations in 4.1, their functioning and need becomes almost inconsequential. .

In accordance with the recommendations in 4.1, it would be imperative for the SETAs to take ownership of the objective, preferably at a centralised, shared services level that is intensely customer oriented (customer being both supply side and demand side). In such an approach SETAs almost become the dating site for employers and training institutions to meet and structure programmes. But instead of singular dates, the SETA enables and equips collaborative capacity to unlock synergy values between multiple clients to create 'tribes'. Each tribe starts with a matching of supply and demand. Once a particular supply and demand pairing is created, it is likely not necessary for it to be duplicated by a different pairing, with the exception of geographic requirements. In such cases, additional seekers of such a pairing should join the existing 'tribe' to create efficiencies and unlock synergy value.

Such an approach would likely be more efficiently served by a central services SETA interface rather than an industry segmentation.

2. TVET/CET colleges partnership and support

As stated above, these initial ‘pairings’ leading to the establishment of ‘tribes’ forming around supply and demand pairings would go a long way to simplifying the supply and demand matching, thereby addressing need for skills needed by employers, and the need for workplace opportunities for students. The SETAs are best positioned to drive this, albeit through a shared service, collaborative effort. It will hinge strongly on the government ICT strategy implementation.

3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
Covered in other sections		

4. Effectiveness of the skills system funding model

Addressed in 4.1.

5. Skills and productivity optimisation within the PSET

Addressed I 4.1

**4.3**

Improved links between education and training institutions and industry to strengthen research, innovation and commercialisation of intellectual property and

- Technology transfer and commercialisation capacity in universities will be strengthened through capacity enhancement programmes, data collection on technology transfer and through linkages with the Technology Innovation Agency, the NRF and sister government departments.
- Industry–university partnerships will be strengthened.

- Aligns to the following principles of the NSDP.
  - 5.2 - Contributing to the country’s socio-economic development objectives
  - 5.4 - Great inclusivity and collaboration will be promoted.
    - Aligns to Section 11 Planning, Reporting and Accountability.
    - Aligns to roles and responsibilities of all DSI, TIA, NRF and social partners.

This section of the PSET & NSDP therefore deals with the research and resulting commercialisation opportunities.

***All the Outcomes of the NSDP are therefore relevant to this focus area***

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**Analysis**

1. Skills Development Act review in relation to the NSDP 2030  
 This is an inter-departmental initiative and should not be specifically addressed within skills development legislation.

2. TVET/CET colleges partnership and support  
 This objective is linked to the discussion of Objective 3.3. It will form a subset of the more comprehensive commercialisation and incubation system discussed there. Potentially this objective deals with the portion of IP that should not be developed as independent businesses, but as an enhancement to existing IP or practices in order to scale. Such an approach was addressed in 3.3. Business could play a role here, specifically as a commercialisation avenue for the creators or inventors with shared ownership along with the training institution. It should form part of the larger commercialisation road maps designed into the larger systemic integration.

3. Effectiveness of statutory structures  
 The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
Not relevant here		

4. Effectiveness of the skills system funding model  
 Addressed in 3.3. An additional consideration could be funded research. Closer commercial partnerships between employers and research institutes to address specific business challenges. Research capacity is expensive. In order to subsidise this, universities have long sold their services to employers. This fee for service model alleviates the cost of infrastructure but creates little if any long-term benefits for the research institute which puts pressure on the hamster wheel to keep turning or loose high quality researchers.

If an appropriate commercialisation ability exists, the maturity of the research could increase, resulting in bankable business models, products, and solutions. This changes the nature of the relationship between the research entity and the industry, employer, funder. Partnership in the created IP becomes possible, and the chance of success thereof is more certain due to the commercialisation capabilities. This could enable longer term recurring revenue, royalties, profit share arrangements etc.

Win – win solutions are possible. But the major risk is in the commercialisation phase. Currently industry drives that, and therefore prefer a fee for service model. If some of this risk is mitigated or absorb due to clever design, ‘runways and other accelerators (fast tracking licences, DTI funding opportunities, market access through government support, etc), the risk is shared, and sharing in the upside becomes an option.

5. Skills and productivity optimisation within the PSET

Addressed in 3.3.

**4.4**

Strong cooperative relations between employers and education and training institutions

- The DHET will investigate the establishment of a repository of engaged scholarship outputs to enable their wider availability, use and replication.

- Aligns to the following principles of the NSDP.
  - 1.4 Great inclusivity and collaboration will be promoted
  - 5.7 - Understanding Skills Demand
- Aligns to Sections 11 Planning, Reporting and Accountability
- Aligns to roles and responsibilities of DHET and possibly SETAs.

This section of the PSET & NSDP therefore deals with the relationships between the supply side and demand side of skills development, effectively the role that SETAs where designed for – the Intermediary Role. However, the reference to use of scholarships is an interesting addition to this role.

***All the Outcomes of the NSDP are therefore relevant to this focus area.***

**Analysis**

1. Skills Development Act review in relation to the NSDP 2030

No implications for SDA adjustments under this Outcome

2. TVET/CET colleges partnership and support

The word Scholarship is referenced in the PSET Plan sixteen times, in relation to international studies, teaching and learning and researchers. The concept appears to relate to the deepening of the knowledge and experience base of the teaching and learning system in South Africa – in a sense improving the “quality” of learning to be teachers, trainers, lecturers and by extension in the workplace – mentors and coaches. A generic definition of a scholarship relates to funding and partnerships - A **scholarship** is an award of financial aid for a student to further their education at a private elementary or secondary school, or a private or public post-secondary college, university, or other academic institution. Scholarships are awarded based upon various criteria, such as academic merit, diversity and inclusion, athletic skill, financial need, among others<sup>ix</sup>. This is an area that Business could consider supporting, especially where they can help TVET or CET College personnel to become more attuned to the actual skills and competencies needed in their companies so that learning can be applied to the real world or work, whether in the formal labour market or the informal sector

### 3. Effectiveness of statutory structures

The statutory (and non Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
DHET	Yes - Yes	Business has a very active relationship with the DHET that could be enhanced through formal scheduled six-monthly meetings with the DG and the five DDGS of the DHET. Engaged scholarships would definitely be part of the six-monthly Agenda between DHET and Business. There may even already be well established scholarship schemes within multinationals that are members of BUSA that could serve as good practise models to emulate in partnership with DHET, the SETAs and the NSF.

### 4. Effectiveness of the skills system funding model

SETAs or the NSF are ideally placed to develop and implement a Scholarship Grant system that is relevant to specific sectors (SETAs) or Communities (NSF). This would significantly enhance the efficacy of the skills funding model as the funding would be directly related to growing quality teaching and learning capacity. This is discussed at greater length under **Outcome 5.1 – Teaching and Learning Capacity**.

### 5. Skills and productivity optimisation within the PSET

Skills and Productivity optimisation within the PSET could be significantly enhanced through the award of Scholarships to individuals who work in this focus area, possibly to develop a ROI model that suits the circumstances considering factors such as Cost-Benefit Analysis or Social Return on Investment or even Net Present Value Models. Ultimately an ROI Model must add value to and measure factors that matter to stakeholders<sup>xi</sup>. Such scholarships could even be

managed under the formal auspices of Productivity SA as detailed under Outcome 1.

## 5.1

Improved quality of PSET teaching and learning

- The quality of teaching and learning will be made a planning, institutional mission and reporting priority, and supported by funding for maintaining and developing good-quality infrastructure and affordable student housing.
- CET colleges will provide a range of appropriate academic and psychosocial student support and career advice services.
- TVET colleges will audit and better coordinate their internal and external student support services, for which norms will be developed and catalytic funding provided.
- TVET colleges, particularly Centres of Specialisation, will acquire or share workplace technologies, and pilot and develop capacity for distance and blended learning.
- University extended curriculum programmes will be supported and strengthened.
- African languages, African language departments, and teaching, learning and research in African languages at universities will be strengthened, supported and funded, and clear language policies as well as multilingualism in communication and administration will be promoted.
- A national framework for strengthening university teaching (including benchmarks, professional development, recognition and rewards and the promotion of a scholarship of teaching and learning) has been developed and its implementation will be supported.
- Professional, programme, curriculum and institutional development opportunities will include support for the review and renewal of curricula in light of current debates on curriculum transformation, institutional and national development priority areas and institutional and cross-sectoral collaborative technology- enhanced teaching and learning projects.

- Aligns to the following principles of the NSDP.
  - 1.3 - Advancing an equitable and integrated system
  - 1.5 - Focusing on support for learners and employers
  - 5.8 – Steering Supply – Qualifications and Provision
  - 5.9 – Steering Supply – Funding Mechanisms

2. Aligns to Sections 10 Quality Assurance and Section 12 Planning, Reporting and Accountability.
3. Aligns to roles and responsibilities of DHET, DSI CETCs, TVETS, HEIs,

This section of the PSET & NSDP therefore deals with the **QUALITY** of teaching learning programmes and systems within the PSET system (Note: The **QUANTUM** of staff is considered under Outcome 2.7)

***All the Outcomes of the NSDP are therefore relevant to this focus area.***

	<ul style="list-style-type: none"><li>• Postgraduate teaching and learning will be advanced through institutional targets for undergraduate/postgraduate mixes and honours, masters, and PhD enrolments, better and more effective models of doctoral study and supervision, and a joined-up DHET/DSI postgraduate funding and success strategy.</li><li>• University student analytics, student tracking, student advising, and academic and psychosocial support services will be strengthened.</li></ul>	
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**Analysis**

1. Skills Development Act review in relation to the NSDP 2030

No direct implications for SDA review as the teaching and learning capacity of the system falls under the institutional policies, in particular for skills development within the CET Act.

2. TVET/CET colleges partnership and support

This is probably the most important, most critical partnership focus area for Business and Communities such as Metros/ District Municipality. What is clearly required here is formal policy provision for a very focused and dedicated institutional structure that continuously drives the quality but also relevance of teaching and the learning space, especially within the TVETs and CETCs. Such formal policy provision does exist within law as is contemplated in Section 43A of the CET Act that requires the Minister to establish A South African Institute for Vocational and Continuing Education and Training, known as SAIVCET. This structure is modelled on the Swiss Federal Institute for Vocational Education and Training or SFIVET<sup>lxii</sup> as well as the German Federal Institute for Vocational Education and Training or BIBB<sup>lxiii</sup>. The PSET White Paper introduced the SAIVCET concept to South Africa and the PSET Plan goes further to indicate that there is a **need for an entity to provide curriculum and professional development support for the CET and TVET sectors, conceptualised as the South African Institute for Vocational and Continuing Education and Training (SAIVCET) in the White Paper. The Department will investigate the feasibility of establishing SAIVCET, as well as its organisational structure and location.** Work does appear to have started on setting up SAIVCET as was reported to Parliament by the DHET on 14 June 2017 that indicates that the Director General approved the appointment of a fund and Human Resources Management Service Provider for the SAIVCET and the unit was expected to start functioning during the 2017/18 financial period<sup>lxiv</sup>. Business (for TVET) in partnership with Local Government (for CET) could make significant contributions to the skills development system if they partner with DHET to continue to set up SAIVCET in a cost effective and efficient manner.

3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
DHET	Yes - Yes	Business has a very active relationship with the DHET that could be enhanced through formal scheduled six-monthly meetings with the DG and the five DDGS of the DHET. The involvement of Business in steering the DHETs teaching and learning capacity development strategy is critical to ensure that a more demand led approach is taken rather than the current entrenched supply side, enrolment planning approach. All

		“teachers” at TVET Colleges and CET Colleges need to have formal relationships with local businesses and/or community structures to ensure their learning and teaching is relevant, practical and align to real needs of their local economy.
DSI	No - No	The importance of DSI to the teaching and learning environment has grown sharply due to the recent COVID 19 pandemic, with a more digital, blended teaching and learning system now growing in importance. The research capacity of structures such as the CSIR and NRF that are located under the DSI need to progressively be more and more leveraged to optimise their involvement in teaching and learning capacity development. An example of the work that the CSIR had completed is a mapping of what is known as the PSET Cloud <sup>lxv</sup> that shows how all the various cloud-based systems related to each other within the PSET System.
HEIS, TVETS and CETCs	Yes - YES	While all polices make provision for the inclusion and involvement of Business within these institutions, the actual level of involvement and participation, particularly in steering the institutions towards what actual programmes are in place and to develop their teaching and learning staff is very limited. This is however more a function of current policy prescripts that an institution must comply with rather than the willingness of Business to be involved. These restrictive policy prescripts are dealt with more thoroughly in terms of TVET and CET Colleges under <b>Outcome 5.3 – Well-managed and -governed PSET provider institutions.</b>

#### 4. Effectiveness of the skills system funding model

SETAs have a specific and emphasised role to play in supporting the development of the institutional capacity of public and private education and training institutions as is recorded on Page 30 of NSDP 2030. Business representatives on SETAs structures should ensure that every SETA has at least one project that supports the development of the system - teachers, lecturers, trainers, assessors, materials developers, moderators, mentors, and coaches.

##### Skills and productivity optimisation within the PSET

Skills and Productivity optimisation within the PSET could be significantly enhanced through the resourcing of individuals who work in this focus area, possibly to develop a ROI model that suits their circumstances considering factors such as Cost-Benefit Analysis or Social Return on Investment or even Net Present Value Models. Ultimately an ROI Model must add value to and measure factors that matter to stakeholders<sup>lxvi</sup>, and in this focus area it needs ROI models that relate directly to the quality of teaching and learning at institutional and workplace level. A particular project that could be supported by Business is the project that is being co-led by merSETA and JET called “Unlocking the Power of Data”<sup>lxvii</sup>. This project, that considers all the elements of data interoperability within the PSET space, could have a significant impact on how skills development productivity is monitored and measured.

## 5.2

Improved quality of research

- The number of permanent academic staff in universities with doctorates will be increased, with the aim of reaching the National Development Plan (NDP) target of 75%.
- The Future Professors Programme (FPP) will be implemented to grow the pool of black and female professors.
- National licences for key journal databases will be prioritised.
- Universities South Africa (USAf), NRF, DHET, DSI and the South African National Library and Information Consortium (SANLIC) will lead convenings on Open Access 2020 (OA2020), research on current spend on journals, publication collaborations and journals in which South African scholars are publishing, build relationships with the OA2020 and develop a national roadmap for an open access paradigm for scholarly publications.

4. Aligns to the following principles of the NSDP.

5.6- Contributing to the country's socio-economic development objectives

5.7 - Understanding Skills Demand

- Aligns to Sections 11 Planning, Reporting and Accountability
- Aligns to roles and responsibilities of DHTE, USAF, NRF, DSI, SANLIC

This section of the PSET & NSDP therefore deals with the Research outputs.

***All the Outcomes of the NSDP are therefore relevant to this focus area***

### Analysis

#### 1. Skills Development Act review in relation to the NSDP 2030

This does not directly affect the review of the Act. It forms part of a larger inter-departmental initiative that is driven through the deliverables at university level.

#### 2. TVET/CET colleges partnership and support

This objective is predominantly focussed on the university portion of the system. It is inevitable that there will be some spill over into these structures over time. Currently, research is not a key focus for TVETs and CETs at a doctoral level. They would certainly benefit from research in the form of application.

#### 3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
Not relevant here		

#### 4. Effectiveness of the skills system funding model

This question is addressed in 3.3 and 4.3. There are various streams of funding available. Most of those streams are unlocked within a merit system. Commercialisation of research, and commissioned research are opportunities that result from high quality research. If the product offered is of a poor quality, the buyers and potential customer will go elsewhere.

The funding available in the system for research is directly correlated to the quality of research being produced. Increasing the number of PHD's in the system is likely to raise the quality of the output. Something else to consider might be a more comprehensive 'peer review' system for published work, to ensure vetting, accountability, and improvements in research quality over time.

### 5. Skills and productivity optimisation within the PSET

The prioritisation of research is likely one of the larger challenges. Our current research capacity is small. There are initiatives in place to increase this capacity as stated in the PSET Implementation plan. In the interim, it is imperative that the existing research capacity be used for the highest impact research available. (How to increase research capacity, etc would be catalytic research, driving the entire system forward).

<p><b>5.3</b> Well-managed and -governed PSET provider institutions</p>	<ul style="list-style-type: none"> <li>• An appropriate, fit-for-purpose governance model (or models) will be developed for CET colleges.</li> <li>• TVET council structures will be reviewed, and a capacity development framework for TVET managers and councils, as well as support programmes for student representative councils (SRCs), will be developed and implemented.</li> <li>• The Transformation Oversight Committee will advise the DHET on developing a systemic framework for reporting and monitoring institutional transformation indicators in universities.</li> <li>• Clear university council appointment criteria and institutional codes of good practice will be formulated and operationalised; all members of university councils will receive training, support and induction; and continued support for student governance will be provided at both institutional and national levels.</li> <li>• The Higher Education Leadership and Management Programme (HELMP) will focus on developing leadership and management capacity in universities.</li> </ul>	<ul style="list-style-type: none"> <li>• Aligns to the following principles of the NSDP. <ul style="list-style-type: none"> <li>1.3 - Advancing an equitable and integrated system</li> <li>1.4 - Focusing on support for learners and employers</li> <li>1.6 – Strong emphasis on accountability</li> </ul> </li> <li>• Aligns to Sections 11 Planning, Reporting and Accountability</li> <li>• Aligns to roles and responsibilities of DHET, HEIS, TVETS, CETCs.</li> </ul> <p>This section of the PSET &amp; NSDP therefore deals with the Governance and Leadership at an Institutional Council or Board level.</p> <p><b><i>All the Outcomes of the NSDP are therefore relevant to this focus area.</i></b></p>
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## Analysis

### 1. Skills Development Act review in relation to the NSDP 2030

No direct implications for the Skills Development Act as institutional arrangements fall within the CET and HE Acts.

### 2. TVET/CET colleges partnership and support

The entire public and private College system falls under the policy control of the Continuing Education and Training Act<sup>lxviii</sup>. TVET Colleges and CET Colleges are public while all private Colleges are simply known as Private Colleges. The PSET Plan and NSDP 2030 place a significant emphasis on the need for TVET and CET Colleges to move into the occupational qualification and programme space, with much emphasis on skills programmes. This is a critical area for Business and District based Communities to become more involved in, especially with advice to TVETs and CETCs on programmes required, advice on systems and infrastructure as well as capacity building of their staff to deliver what employers need. However, from a Governance and Management perspective, there needs to be a significant policy shift as to who comprises Governance and Management structures, especially regarding Leadership of the College Councils.

Chapter 3 of the CET Act is the most significant portion that needs to be addressed to realign the TVET and CET Colleges to become more responsive to the Labour Market needs and the community needs separately but at the same time in an integrated manner. Unfortunately, Chapter 3 of the CET Act prescribes identical Governance requirements for the TVET and CET Colleges and yet the emerging “target market” for these Colleges is significantly different. This policy shift is required so that the governance for TVET and CET Colleges are differentiated – i.e., two separate Sections within the CET Act. Each of these proposed revised Sections are described below by College Type:

#### ➤ **Public TVET Colleges**

These institutions are positioned by the PSET Plan and the NSDP as “business” institutions – they need to progressively deliver more and more occupationally based programmes that are required by local / regional labour markets – the more formal sectors of a regional economy such as a District or Metro, or Sections of a Metro in larger Metros such as the City of Cape Town. It therefore follows that the Leadership of TVET Colleges both at governance and management level needs to be aligned to local business needs – This could be achieved if the Chairperson and at least half the Council are required by Law to be from local business structures, whether local business Chambers or members of national business structures such as BUSA, BCC, BMF or NBI that are working at local regional level. At Management Level there does need to be a shift in policy back to a more business-oriented person as the “Principal” of the TVET College. Many TVET Colleges did in fact have CEOs in a Leadership role but more recently they are now known as Principals, a shift back towards academic institutions. Business needs to encourage a move by TVET Colleges to become more business or labour market related. This approach will also be supported by the conversion of the **Academic Board** (Section 11 of the CET Act) to a **Work Based Learning Committee** of a College Council as explained under Outcome 2.5.

➤ **Public CET Colleges**

These institutions are positioned by the PSET Plan and the NSDP as “community” institutions, and numerous other Policy documents link them directly to District Municipalities and the emerging District Development Model that is being positioned as the “one plan” mechanism for service delivery in South Africa, a plan that is overwhelming supported by stakeholders<sup>lxix</sup>. They need to progressively deliver more and more occupationally based programmes that are required by local communities – the more informal sectors of regional economy such as a District or Metro, or Sections of a Metro in larger Metros such as the City of Cape Town. It therefore follows that the Leadership of CET Colleges both at governance and management level needs to align to local Community needs – This could be achieved if the Chairperson and at least half the Council are required by Law to be from local District, Metro or even Local Municipalities as they are completely in tune with local community needs. At Management Level there does need to be shift in policy back to a more Community focused person to be the “Principal” of the CET College, possibly even a well-known and effective NGO or NPO leader. This approach will also be supported by the conversion of the **Academic Board** (Section 11 of the CET Act) to a **Work Based Learning Committee** of a College Council as explained under Outcome 2.5.

It is worth stressing here, that for TVET and CET Colleges to become effective and efficient there needs to be a significant shift of control from national Government (DHET) to Local Government (District and/or Metro). At present a “Principal ” of a TVET and CET College reports to both the Chairperson of the Council AND to the relevant Deputy Director General of the DHET. The “DDG “is considered the more important person in this equation. This “dual” reporting line needs to be adjusted to give more control to local / regional needs. If the current scenario continues, national priorities will ALWAYS take precedence irrespective of what a local Board or Council says. How can a TVET or CET College be responsive if the final decision lies with DHET in Pretoria – not at local level.

3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
DHET, HEIs, TVETs and CETCs	Yes - Yes	While all policies make provision for the inclusion and involvement of Business within these institutions, the actual level of involvement and participation, particularly in steering the institutions towards what actual programme qualification mix (PQM) is required relative to the Institution for the skills sets that are required by the local business environment and community is very limited. It is clear that similar to current practise at HEIs, the DHET needs to allow more control at Institutional level for TVETs and CETCs to support local business and/or community needs.

4. Effectiveness of the skills system funding model

For both the TVETs and CETCs to be more effective, they need additional funding support from the skills levy system to allow local Business and the Metros / Districts to become more effectively involved at a TVET College and CET College respectively. Therefore, it is proposed that Business supports that a % of the Skills Levy be allocated by SETAs to Local Business structures and District / Metros to become more directly involved with Governance and Management of skills development at a TVET and CET College to the benefit of local business and local communities.

5. Skills and productivity optimisation within the PSET

Effective, differentiated programme implementation by public TVET or CET Colleges will only receive the support of local regional business or communities if the programme “mix” is such that it relates directly to the needs in the region or community and more importantly delivers a quality result. Therefore, at each TVET or CET College level there must be a process introduced within the renamed ‘Academic Board”, now called a **Work Based Learning Committee**, that progressively includes programme M&E. This would be a key metric that is measured to determine if the local business and/or District or Metro is effectively governing a TVET or CETC College.

**5.4**

Well-qualified staff in the PSET system

- The policy on staffing norms will determine the number of teaching staff required for each CET college; universities will be supported to offer qualification programmes for TVET and CET college lecturers, and professional development will be enabled.
- Professional development frameworks for TVET lecturers, leadership and management staff will be developed, implemented and monitored, and a study of TVET lecturer supply and demand will be conducted.
- The University Capacity Development Programme (UCDP), through its various staff development sub-programmes, will address staff capacity and professional development imperatives.
- University staff equity and transformation plans will be closely monitored.

- Aligns to the following principles of the NSDP.
  - 5.5- Advancing an equitable and integrated system
  - 5.6- Focusing on support for learners and employers
  - 5.8 – Steering Supply – Qualifications and Provision
- Aligns to Section 10 Quality Assurance Function and Section 11 Planning, Reporting and Accountability
- Aligns to roles and responsibilities of DHET, HEIs, TVETs, CETCs.

This section of the PSET & NSDP therefore deals with the **QUALITY** of staff and systems within the PSET system (Note: The **QUANTUM** of staff is considered under Outcome 2.7)

***All the Outcomes of the NSDP are therefore relevant to this focus area.***

**Analysis**

1. Skills Development Act review in relation to the NSDP 2030

This issue is not directly related to the review of the Act.

## 2. TVET/CET colleges partnership and support

The quantum of staff was considered in objective 2.7. Here, we focus of the question of the quality of staff. Currently, staff quality is a cause for concern. This is largely caused by the sheer lack of volume to staff a system of this size. It is better to have an underqualified teacher transferring some skills, and facilitating learning, than having no teacher at all. Thus far, this has been the only alternative.

Once the quantum of staff begins to increase, some of which will occur through initiatives that call back existing skills to the system which are of high quality, two things will happen.

On the one hand, you would be able to impose stricter criteria on initial employment. This will ensure the best candidate gets the job, creating a virtuous cycle of people continually improving because they know the best get hired. It also enables stricter performance management on the job. Outputs expected can already be held to a higher standard due to the quality of the candidate employed. If the employee is not performing, there are alternatives available in the labour market, which currently is not the case. This could lead to less entitlement and passivity among staff.

On the other hand, the elevated levels of skills that will be called back will be able to invest in significant skills transfer into the existing teaching capacity. This vocational skills transfer is an invaluable catalytic event that would fast track the quality of the resources in the system as it stands, even before 'competition' enters the labour market in this space.

SETAs are also responsible for the relevance of the qualifications produced by TVETs and CETs. This positions them well as an agent of quality activating targeted interventions within specific programmes to meet the quality standards of their respective industries. This could be in the form of continuous professional development support, research findings from the demand side transferred into supply side expectations, etc.

## 3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
SETA	Yes - Yes	They should actively improve the quality of the teaching to ensure the improvement in the quality of the skills output.

## 4. Effectiveness of the skills system funding model

Supply and demand economics are at play. Teaching and competent teachers is a scarce resource in the economy. Therefore, the premium on teaching skills is high. If you are not going to pay market related rates, you will end up with the lower qualified and skilled teachers. In this instance, teaching institutions are not only competing with other teaching institutions, but with the economy as a whole. Teachers possess various transferable skills that can serve them in any industry. If you are not able to match the rate the economy thinks they are worth, you will lose the most qualified teachers first.

The only way to fix this problem is not through more funds. Teachers want to teach. Addressing the environment is key to ensuring that high teaching quality is maintained. Culture and workplace dynamics are key considerations in the pathway towards higher quality.

The final option is to increase supply. The question is, which is more economical right now? Paying more for skills, accelerating increase in skilled staff through transfer, or developing brand new skills to fill the vacuum? Skills and productivity optimisation within the PSET

This was already addressed in number 4 above.

## 5.5

Improved quality assurance capability

- Umalusi will have oversight of assessment and certification of the GETCA and NASCA, and the QCTO of the assessment and certification of skills/occupational programmes.
- The QCTO will oversee the development of occupational qualifications (prioritizing the largest occupational clusters), drawing on LMIU data and engagements with industry and government, and appoint additional specialized staff for these purposes.
- The TVET examination system will be reviewed with an eye to streamlining and reducing external examinations and introducing rigorous internal examinations.
- The quality assurance functions of all quality councils concerned with the TVET sector will be reviewed and amended to improve efficiencies.
- A review of the CHE will be undertaken with respect to its functions in relation to the roles and functions of the DHET, other quality councils and SAQA, with a view to simplifying and streamlining the NQF.
- The proposed review will also aim at strengthening the advisory function of the CHE, while recommending how a new round of quality assurance audits and expanded national reviews can improve the quality of higher education provision.

- Aligns to the following principles of the NSDP.  
5.3- Advancing an equitable and integrated system  
5.5 - Focusing on support for learners and employers  
5.8 – Steering Supply – Qualifications and Provision.
- Aligns to Sections 10 – Quality Assurance Function
- Aligns to roles and responsibilities of Umalusi, QCTO, DHET, CHE, SAQA, .

This section of the PSET & NSDP therefore deals with quality assurance of all programmes across the entire system – this could have significant implications for articulation.

**All the Outcomes of the NSDP are affected but in particular the following are relevant:**

- Sub-Outcome 4.2: Increase access for Intermediate and high-level skills
  - Research encouraged that will be relevant and have an impact in occupationally directed programmes;
  - Standards, policies, and systems to ensure that quality artisans are produced;
  - Implementation (and improvement) of a single, national artisan development data system and management information system.

## Analysis

### 1. Skills Development Act review in relation to the NSDP 2030

A detailed analysis of **Section 26F to 26 J – The Quality Council for Trades and Occupations – QCTO** was addressed under Outcome 1.1 and is not repeated here except that this outcome also supports the proposal for the QCTO to have its own statute separate from the Skills Development Act so that it can work more effectively within the TVET space. This outcome clearly cements the separation of UMALUSI from TVET College Programmes, a strong signal that TVET Colleges need to continue to accelerate away from being academic institutions to being more work based leaning institutions. The formalising of an **Occupational Qualifications Act** may also allow the QCTO to bring in specific TVET College related statutory provisions that can support and enhance of the TVET College system to deliver occupational qualifications. This process is clearly underway when one considers the recent request for public comments from the DHET<sup>lxx</sup> to adjust the programmes at TVET Colleges in favour of more occupational qualifications.

### 2. TVET/CET colleges partnership and support

While this outcome, as explained above, clearly endorses the breakaway from UMALUSI for the TVET, it also stresses the need to grow the relationship with UMALSUI for the CET Colleges due to the need for them to implement the GETCA and NASCA, both effectively schooling qualifications but for adults that still need the foundational learning as part of a life-long learning process. The GETCA and NSACA are also very community based and therefore the previous emphasis on the link between District / Metro Regions and the CET Colleges explained under Outcome 2.5 is relevant here.

### 3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
DHET	Yes - Yes	Business has a very active relationship with the DHET that could be enhanced through formal scheduled six-monthly meetings with the DG and the five DDGS of the DHET. These meeting can also support this outcome in that Business could raise concerns around priority programmes for industry such as those detailed in the Skills Strategy for the Economic Recovery and Reconstruction Plan <sup>lxxi</sup> .
SAQA	Yes - Yes	The Act <sup>lxxii</sup> allows for organised business to submit names to be represented on the Board. The most significant impact that Business could have on SAQA is ensuring that SAQA fulfils its leadership role to develop a system of collaboration across all the quality Councils to review and simplify the NQF as is contemplated in Section 13(1) (f) of the NQF Act <sup>lxxiii</sup> . This has now become even more important in light of the need for many more part qualifications, skill programmes and digital or micro credentials that are growing in significance across

		the world <sup>lxxiv</sup> , accelerated by the COVID 19 pandemic. Work in progress between Professional Bodies and QCTO (such as the Institute of Plumbing) with micro credentials is an area that could be developed by SAQA through their policy for Professional Bodies <sup>lxxv</sup> .
QCTO	Yes – Yes	This outcome relates directly to the recent requirements by the Minister for QCTO to set up a Command Council within QCTO to lead urgent qualification and programme development processes in support of the national economic recovery and reconstruction plan (ERRP) . The draft Skills Strategy for the ERRP states that <i>Where the usual mechanisms and systems of the QCTO are operating too slowly to meet the needs of short-term design of qualifications, adjustment to qualifications or part qualifications, the CEO of the QCTO or the command council mentioned above will be given authority to make decisions with short-term effect. This is particularly useful where existing modules/ topics/ learning units etc, can be approved to deliver short units of skilling in quick turnaround times, where these skills are urgently needed. SETAs and NSF to implement quality assurance and funding as per intervention five above, which means creating new funding windows and amending accreditation and qualification requirements for funding for programmes identified as immediate priorities<sup>lxxvi</sup></i> . Business should support the allocation of additional resources (such as an increase in % levy allocation) to QCTO so that the above can be realised, even possibly with short term deployment of experts from industry to support the work of the QCTO.
CHE	Yes - Yes	The Act <sup>lxxvii</sup> allows for organised business to submit names to be represented on the HEQC. Lack of policy and direction for work-based learning programmes and limited support for occupational qualifications that appear to grow the skills mismatch as Higher Education Institutions continue to produce graduates that are not taken on by employers. Articulation and parity of esteem between work based Occupational Qualifications and Academic Qualifications needs to be improved through Business representation – the artisan – technician – technologist engineer pathway is an example that needs to clearer to stakeholders. Autonomy of HEIs may also require Business to become more active at each University. A “business” approach from a HEI is well modelled within the Resolution Circle, a PTY registered entity owned by the University of Johannesburg.
UMALUSI	No - No	The Act <sup>lxxviii</sup> does not specifically refer to business representation at Council or Committee levels. This could potentially be a need for business to influence so that the “feeder” system become more effective. The most significant area of influence from UMALUSI from a business perspective is to improve the quality of feeder system for young people and the quality of Adult Education and Training within the Community College System. Influence within the TVET System is reducing as the NATED programmes are phased out, with only the NCV being left under the control of UMALUSI. Business could submit that the NCV should be transferred to DBE for delivery at Technical High Schools and that TVETS become fully 100% aligned and controlled by the QCTO for occupational qualification only. That could be a major Clarity-Capacity-Conductivity posture. The

		TVET / QCTO space is where Business can have the most significant effect on the PSET System through workbased learning.
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4. Effectiveness of the skills system funding model

For QCTO to become more effective and fulfil all its functions it does need more resources. A small portion of QCTO funding is derived from fiscal transfers but the major portion of its funds comes from the 0,5% of the skills level allocation as is contemplated in Regulation 2(4) of the SETA Grant Regulations<sup>lxxix</sup>. The actual amount that QCTO receives (quantum) is determined by the Minister as a control measure, based on the five-year strategic plans and annual performance plans that the QCTO develops. The fact that currently QCTO continues to delegate many of its functions back to SETAs and other bodies indicates that the current 0,5 % allocation is not effective – either it is too little or the QCTO is not utilising the funds effectively. The current business representatives that sit on the QCTO Board need to influence the effective use of funds by QCTO.

5. Skills and productivity optimisation within the PSET

The criticisms over the slow response times of many quality assurance process could be related to a lack of productivity optimization within the processes at QCTO and SAQA. A particular concern raised is what is known as the committee-based approach to approving qualifications and related documents for registration on the NQF. This approval process occurs only every quarter meaning that long lead times occur between approvals and ratification processes, especially if a qualification is referred back many times. It is interesting to note these delays in processes at the QCTO have been identified as a blockage in the draft Economic Reconstruction and Recovery Skills Strategy<sup>lxxx</sup> that requires QCTO to implement a Command Council that inter alia must urgently take decisions to address problems that are delaying the development of qualifications that are required and that are undermining the coherence of the system. A productivity optimization measurement system within QCTO, SAQA and other Quality Councils seems to be needed, even possibly in partnership with a structure like Productivity SA or the Department Monitoring & Evaluation as is proposed in the Outcome.

<p><b>5.6</b> Improved quality of infrastructure</p>	<ul style="list-style-type: none"> <li>• The macro infrastructure framework developed for universities will be strengthened and extended to include TVET and CET infrastructure.</li> <li>• CET college infrastructure and facilities will be built or repurposed, considering the availability of government buildings and partnerships with other PSET or private providers.</li> <li>• A framework and norms for TVET infrastructure utilisation, sharing and replacement will be developed.</li> <li>• Infrastructure and efficiency grants will support teaching, learning</li> </ul>	<ul style="list-style-type: none"> <li>• Aligns to the following principles of the NSDP. <ul style="list-style-type: none"> <li>1.3 - Great inclusivity and collaboration will be promoted</li> <li>1.4 - Focusing on support for learners and employers</li> <li>1.8 – Steering Supply: Qualifications and Provision</li> </ul> </li> <li>• Aligns to Sections 11 Planning, Reporting and Accountability</li> <li>• Aligns to roles and responsibilities of DHET, HEIs, TVETs, CETCs.</li> </ul>
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	and research infrastructure and reduce maintenance backlogs at universities.	<p>This section of the PSET &amp; NSDP therefore deals with physical infrastructure across the entire PSET System, offering possible opportunities for collaboration within the PSET system to share infrastructure.</p> <p><b><i>All the Outcomes of the NSDP are therefore relevant to this focus area.</i></b></p>
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**Analysis**

1. Skills Development Act review in relation to the NSDP 2030

See 2.6.

2. TVET/CET colleges partnership and support

See 2.6. When we consider the quality of the infrastructure in addition to its availability, ITC becomes a critical element. COVID 19 has challenged the education space to reconsider much of the old structures and methodologies. It is imperative that teaching institutions, especially vocational ones like these, prepare students for the world of work. Remote working has surged since 2020. This requires the education sector to adapt to new technologies and infrastructure to maintain the relevance of the skills they produce.

The TVET and CETS systems would also benefit from more technologically enabled facilities bearing in mind the demographics they wish to serve.

3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
Covered elsewhere		

4. Effectiveness of the skills system funding model

Technology should be a multiplier leading to a lower cost basis and improved funding efficiency. Especially since the government is looking into an integrated system for PSET. Such a solution could alleviate major pressure from the underfunded institutions allowing them to do more with less.

5. Skills and productivity optimisation within the PSET

The challenge this presents is that any additional change in use of technology places further pressure on the limited teaching capacity within the system. If teachers need to learn how to give classes online, redevelop practical class plans for remote engagement and skills transfer etc, this will initially place further constraints on their skills and capacity. Fortunately, technology is a multiplier, meaning, once it's done, the benefits are plentiful (such as teachers pre-recording certain lessons, especially ones that do not change all that often). The initial workload is intense but thereafter it frees up significant space for other improvements in their teaching.

**5.7**

Safe and healthy environment for students and staff

- Appropriate interventions will be implemented by the Department and PSET provider institutions to promote the health and safety of students and staff.

- Aligns to the following principles of the NSDP.
  - 5.2 - Contributing to the country's socio-economic development objectives
  - 5.6- Focusing on support for learners and employers
  - 5.7- Strong emphasis on accountability
- Aligns to Sections 11 Planning, Reporting and Accountability
- Aligns to roles and responsibilities of DHET and all public and private providers.

This section of the PSET & NSDP therefore deals with the well-being of all PSET workers, especially relevant under pandemic situations.

***All the Outcomes of the NSDP are therefore relevant to this focus area.***

**Analysis**

1. Skills Development Act review in relation to the NSDP 2030

Not relevant to the Act, a basic requirement of occupational health and safety.

2. TVET/CET colleges partnership and support

It is important that these facilities be safe and well maintained. Even more so during a pandemic. Many protocols and practices must be reconsidered or developed to effectively cope with the health and safety risks presented by a pandemic. Most of these are now well-defined and easy to implement, although it does affect infrastructure utilisation and cost management.

There are some more nuanced challenges within this objective that must be considered, such as the management of political demonstrations by students and staff, discrimination based on any criteria e.g., race, gender, religion, sexual orientation, etc. Furthermore, the safety and treatment of staff is a key consideration as mentioned in 5.4.

These institutes must be places of learning first and foremost. Any abuse or misuse of their intention should be responded to with intent.

### 3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
Not relevant here		

### 4. Effectiveness of the skills system funding model

Not a key additional consideration here.

### 5. Skills and productivity optimisation within the PSET

How we equip management teams at these places of learning is key here. They must be well-equipped to manage and respond to a wide range of situations to ensure learning is prioritised. These management teams are the custodians of culture. They must be well-versed in the creation, maintenance, and protection of the value systems and ‘the way we do things around here’. They must be able to create a shared vision and secure buy in from staff and students alike.

## 6.1

Increased throughput in qualifications

- Throughput rates at all colleges and universities will be improved by implementing a range of quality student support initiatives.
- Regular cohort analysis and/or performance monitoring of throughput (as well as dropout, retention and success, and student, staff and curriculum development, where necessary) at all colleges and universities will facilitate interventions and inform enrolment planning.
- Aligns to the following principles of the NSDP.
  - 5.3 - Advancing an equitable and integrated system
  - 5.5 - Focusing on support for learners and employers
  - 5.8– Steering Supply – Qualifications and Provision
- Aligns to Sections 11 Planning, Reporting and Accountability
- Aligns to roles and responsibilities of DHET, HEIs, TVETs, CETCs.

	<ul style="list-style-type: none"> <li>Improved reporting on and cohort analysis of programme completion data at all colleges and universities will be utilised to assess student progress, inform institutional planning, and improve efficiencies.</li> </ul>	<p>This section of the PSET &amp; NSDP therefore deals with the support of learners to improve throughput across the entire PSET system.</p> <p><b>All the Outcomes of the NSDP are affected but in particular the following are relevant:</b></p> <ul style="list-style-type: none"> <li>Outcome 8: Support career development services <ul style="list-style-type: none"> <li>Career development services (including material) must be accessible to all especially in rural areas and targeted beneficiaries; and</li> <li>Prioritise the support of career development services related to the sector and government priorities.</li> </ul> </li> </ul>
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## Analysis

### 1. Skills Development Act review in relation to the NSDP 2030

The majority of this objective is seated within the functions of the institutions themselves, with the exception of cohort analysis which is seated with the QCTO, the SETAs and the NSA for other skills. This is contained within the Act (Section 26h).

### 2. TVET/CET colleges partnership and support

Increased throughput is a function of two independent criteria. The first is volume of enrolments and the second is the volume of graduates. Both variables are affected by institution quality. Higher quality institutions (higher employment and graduation rates) are likely to attract more enrolments (2.1, 2.6, 2.7). Each student would like the best chance of succeeding in their studies. For the institutions, this requires a multifaceted approach including their capacity (4.2) for teaching students, the quality of their teaching (5.4) and facilities (5.6), as well as their responsiveness to the skills demand within the workplace (3.1, 3.2, 4.2, 4.4). All of these factors have been separately addressed in the various objectives of this analysis. The collective improvement of each of those factors will lead to the increase in student enrolment.

The second is a function of the graduation rate. Which is affected by the quality of the teaching and the capacity of the institutions (e.g, overcrowding will affect teaching quality and student experience). Other factors include financial support offered to students to address drop-outs due to financial concerns (2.3, 2.4) as well as career guidance and counselling (outcome 8 of the NSDP) to help students enter education tracks that speak to their passions which will increase resilience for the challenging periods in their educational journey.

Practically, the factor here that needs additional attention is likely career guidance and support. It is a complex system that hopes to target a demographic that may not have access to much of the information regarding opportunities within the world of work. This diverts their expectations to the defaults they know, what their fathers, uncles and family members did. Since they are rural, the list of options is likely quite restricted and heavily exposed to unskilled labour. Employers

could play a significant role in ‘workplace exposure’ trips that allow students to gain first-hand insight into what a particular job function requires day to day to ensuring alignment between reality and student expectations. Career days at institutions could also help students already enrolled to gain insight into the possible career tracks that evolve from their original qualification, rather than just a single trajectory. Jobs Fairs at colleges, in partnership with Business, could also provide a matching platform for students.

### 3. Effectiveness of statutory structures

The statutory (and non-Statutory) structures **relevant here to this focus area** of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:

Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)
DHET	Yes - Yes	Business has a very active relationship with the DHET that could be enhanced through formal scheduled six-monthly meetings with the DG and the five DDGS of the DHET. These meeting can also support this outcome in that Business could raise concerns around priority programmes for industry such as those detailed in the Skills Strategy for the Economic Recovery and Reconstruction Plan <sup>lxxxii</sup> .
SETA	Yes - Yes	This is the bridge between business and training. Business is the primary end customer and forms a critical temperature check to determine whether the throughput is sufficient to keep up with demand. They can also conduct tracer studies, specifically for learnerships and WPBL graduates to assess impact and transferability of skills.
QCTO	Yes – Yes	The QCTO is ideally positioned to conduct tracer studies on qualified students, not only to determine quality and employability, but also to follow the career trajectory of certain qualifications as the world of work evolves in response to technology changes. This can be used to inform career counselling services of the employment paths for various entry qualifications.

### 4. Effectiveness of the skills system funding model

The funding model here speaks to infrastructure (2.6, 2.7), student funding (2.3, 2.4), the SDL, and other employer initiatives (4.1). All the various funding structures work together to make this system work. They have all been individually addressed in the respective sections.

### 5. Skills and productivity optimisation within the PSET

Addressed in subsection 2 above. One of the primary drivers of throughput capacity.

<p><b>6.2</b> Improved exit outcomes to the world of work</p>	<ul style="list-style-type: none"> <li>All colleges and universities will gather essential data on graduate destinations which can be utilised by systematic tracer studies to inform employment opportunities and strengthen career guidance offered to students, and feed back into curricula improvement and development.</li> <li>Entrepreneurship development in PSET will be enhanced.</li> </ul>	<ul style="list-style-type: none"> <li>Aligns to the following principles of the NSDP. <ul style="list-style-type: none"> <li>1.2 Contributing to the country's socio-economic development objectives</li> <li>1.3 Advancing an equitable and integrated system</li> <li>1.4 - Focusing on support for learners and employers</li> <li>1.5 – Strong emphasis on accountability</li> <li>5.7 – Understanding Skills Demand</li> <li>5.8 – Steering Supply – Qualifications and Provision</li> </ul> </li> <li>Aligns to Sections 11 Planning, Reporting and Accountability</li> <li>Aligns to roles and responsibilities of DHET, HEIS, TVETS, CETCs.</li> </ul> <p>This section of the PSET &amp; NSDP therefore deals with ultimate objective of the PSET System – to enable learners to achieve their goals whether they be employment, self-employment, or further study.</p> <p><b>All the Outcomes of the NSDP are therefore relevant to this focus area.</b></p>
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<p><b>Analysis</b></p>					
<p>1. Skills Development Act review in relation to the NSDP 2030 This objective is seated within the roles and responsibilities of the institutions. Not an SDL review consideration.</p>					
<p>2. TVET/CET colleges partnership and support The institutions will likely only gather 'exist interview' data to enable the research bodies to effectively conduct tracer studies. This has been addressed in objective 6.1 as a key input to increase throughput rates.</p>					
<p>3. Effectiveness of statutory structures The statutory (and non-Statutory) structures <b>relevant here to this focus area</b> of the PSET White Paper Implementation Plan and the NSDP 2030 are listed below with a view on their contemporary effectiveness and how Business could ensure improved effectiveness both through Clarity, Capacity and Conductivity:</p>					
<table border="1"> <tr> <td>Entity</td> <td>Business There? Business Effective?</td> <td>What is best Business Positive Posture (Clarity – Capacity - Conductivity)</td> </tr> </table>	Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)		
Entity	Business There? Business Effective?	What is best Business Positive Posture (Clarity – Capacity - Conductivity)			

HEIs, TVETs and CETCs	Yes - Yes	Business is the end consumer of these skills. Their involvement in the process is critical from a quality and type feedback to inform policy, standards, and volumes vs demand throughput. A central skills database with which employers could interact once people are employed might be an excellent tool to enable research.
4. Effectiveness of the skills system funding model		
Addressed in 6.1. For historic throughput rates, see 4.1.		
5. Skills and productivity optimisation within the PSET		
Addressed in 6.1		

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