



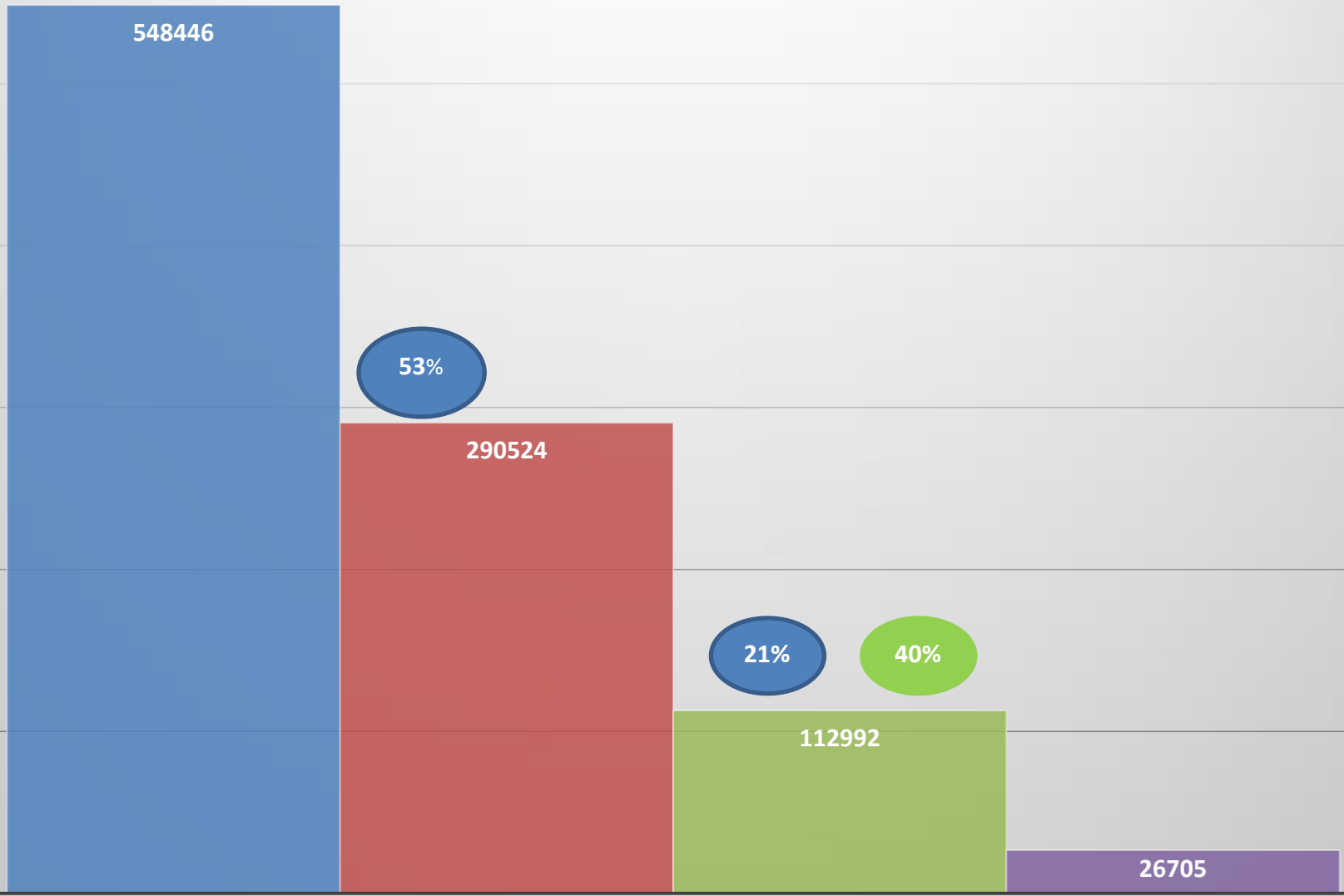
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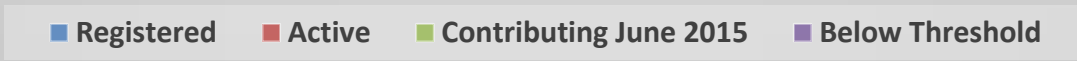
Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

# **THE WHITE PAPER ON POST-SCHOOL EDUCATION AND TRAINING: POLICY PERSPECTIVES**

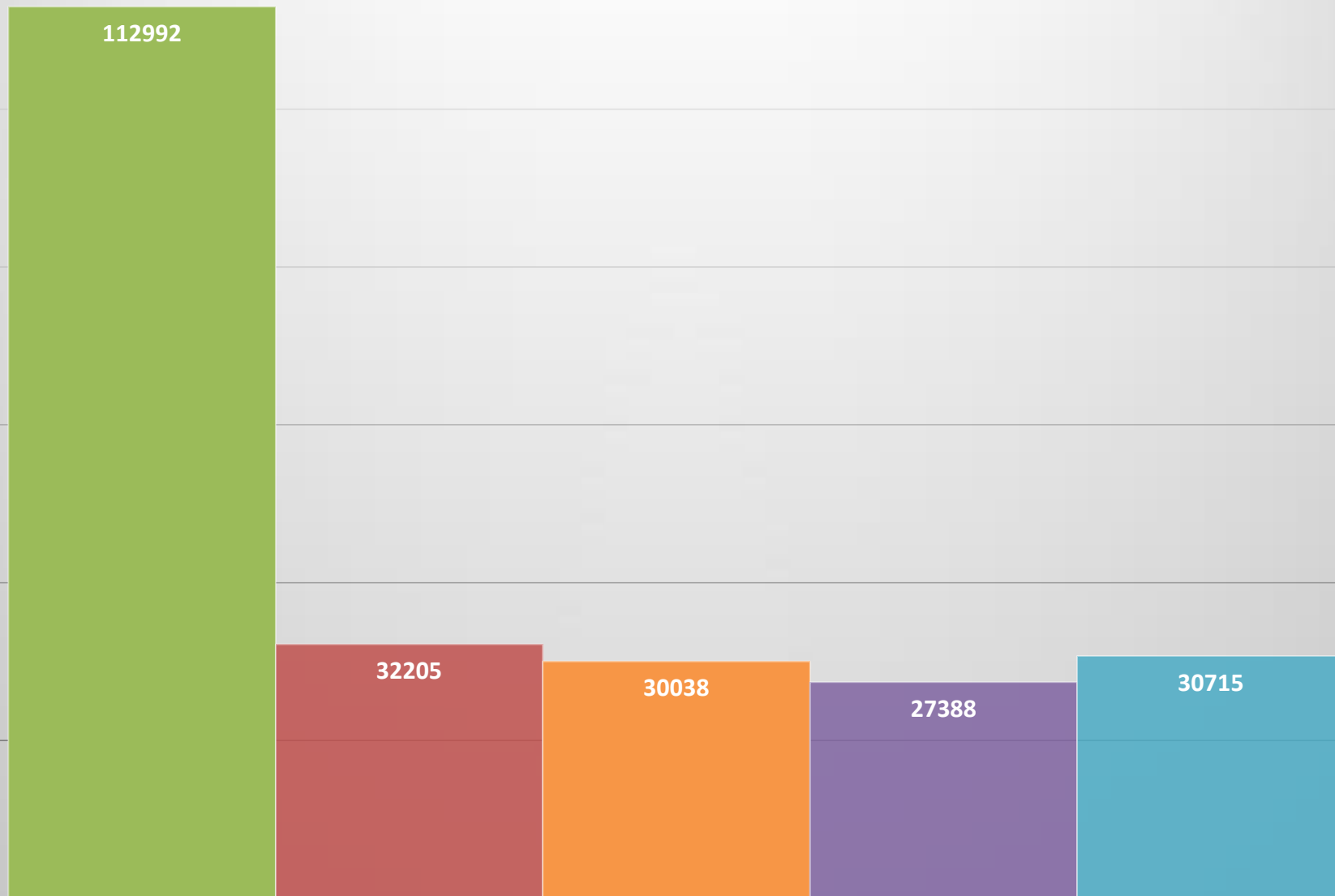
# Employer Participation



LEVY



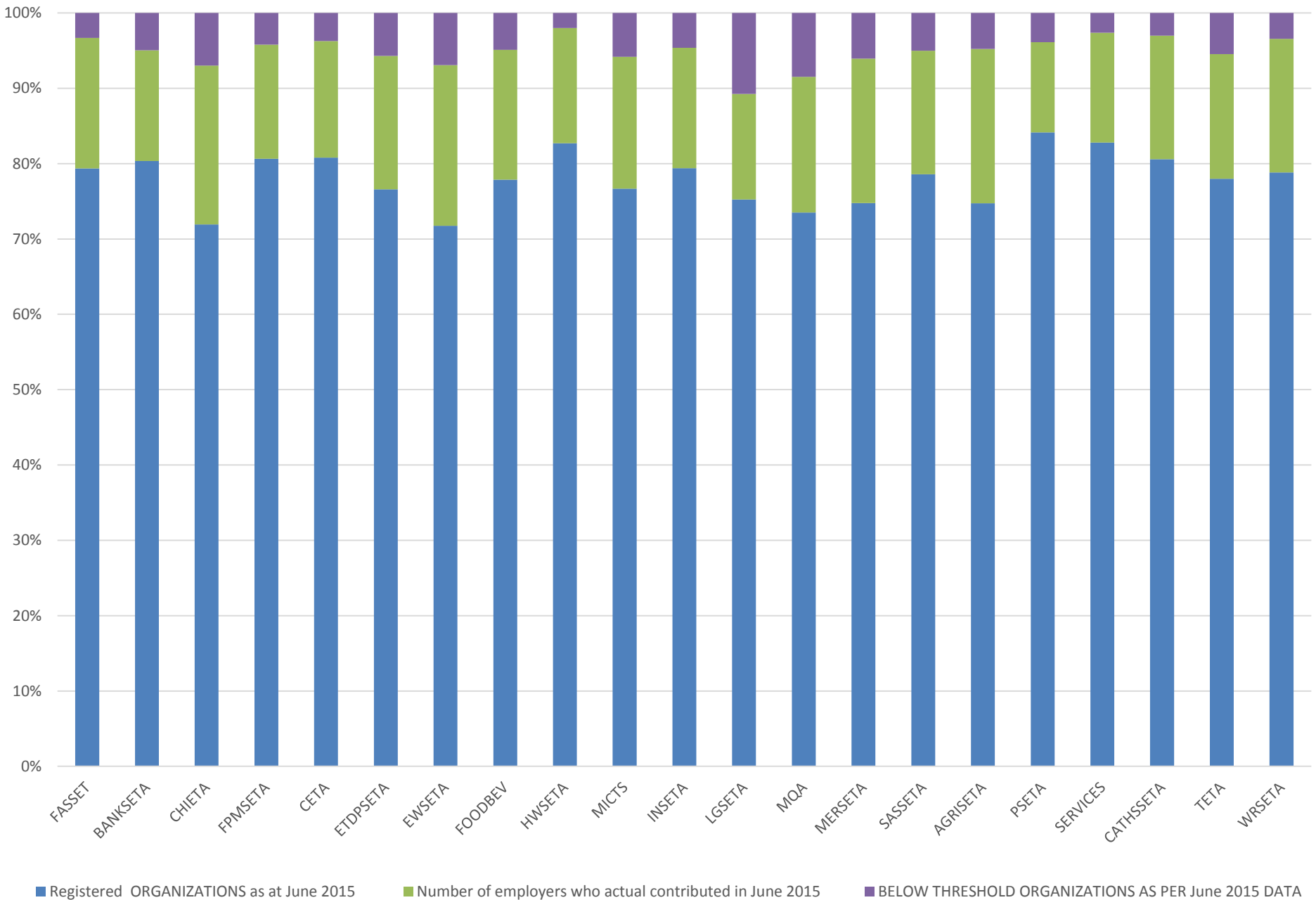
# Total Contributing / participation year on year



TOTAL

■ Contributing Employers ■ 2012 ■ 2013 ■ 2014 ■ 2015

## Skills Levy Registered /Contributed

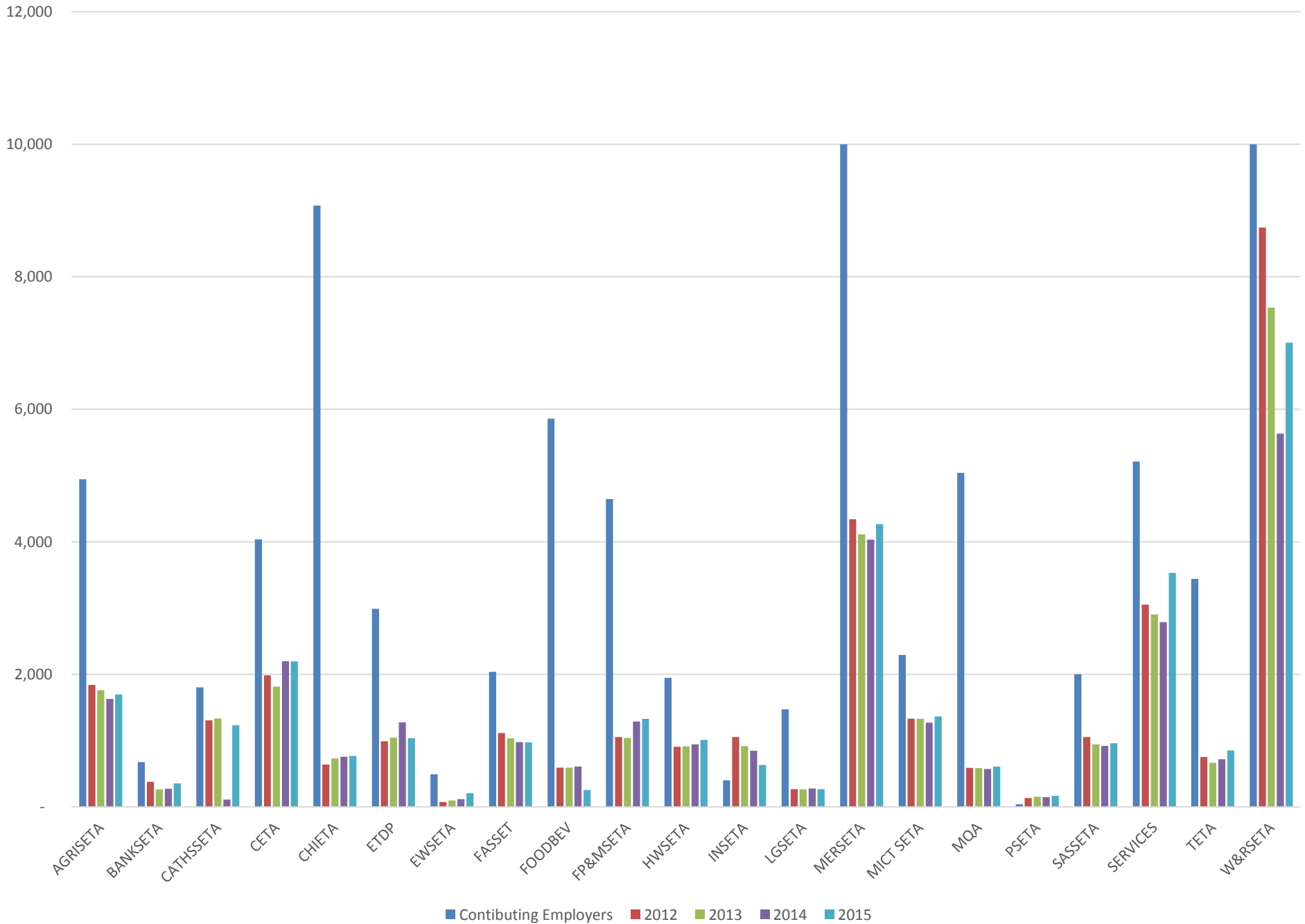


Registered ORGANIZATIONS as at June 2015

Number of employers who actual contributed in June 2015

BELOW THRESHOLD ORGANIZATIONS AS PER June 2015 DATA

# Contributing / Participating



# PROBLEM STATEMENT

- The PSET system has neither produced good information about skills needs, nor increased the quality of provision of education and training in areas needed by the economy,
- The limited credibility and impact of the sector and other skills planning mechanism is also due to inadequate research capacity; a lack of economics, labour market and industry expertise; poor data management and lack of planning expertise,
- The current system of sector-based planning does not address national economic and developmental priorities,

# PROBLEM STATEMENT

- Planning on a sectoral basis can be misleading, as many occupations are economy-wide.
- There is little evidence to suggest that mandatory grants have been utilised as intended – the SETA Grant Regulation is its 3rd year and it may be possible to establish the evidence;
- Although there has been participation from an estimated 30% of Employers – the data represents a larger portion of the employees in the sector;

## PROBLEM STATEMENT

- Concerns around reliability & quality of data feeding into WSPs and ATRs (then WSP and not Annexure 2) – this is wrong ethically;
- Poor analysis of data from WSPs and ATRs – also use of unreliable plans and reports from employers to generalise;
- Lack of SETA/Skills capacity to analyse data;
- Small companies not compelled to submit Annexure 2 template-  
Data from Small business may not be included;
- Submission of WSP/ATR declining/increasing in certain sectors – various reasons;
- Limited understanding and application of OFO by SETAs/Employers/Educational Institutions;



# WHITE PAPER – CHANGING ROLES

- Sector structure (currently SETAs) clearer and to some extent narrower and more focused role. Focus on engaging with stakeholders in the workplace, establishing their needs and agreeing on the best way of addressing them; Facilitate access to relevant programmes; and , Ensure that providers have the capacity to deliver programmes that have a genuine impact.
- A key role of the skills system structures will be to support efforts to implement workplace learning that complements formal education and training.
- Functions such as skills planning, funding and quality assurance will be located in well-resourced central institutions.
- A restructured and refocused National Skills Authority will have its functions concentrated specifically on the monitoring and evaluation of the SETAs. This implies that it will become an expert body with high-level monitoring and evaluation skills

## WHITE PAPER – SKILLS PLANNING

- Focus is on identifying current and future demand
- Support government-funded infrastructure projects eg. SIPS
- Funding mechanisms must enable the long-term stability of the overall system, while ensuring that short-term and medium-term priority areas are addressed. These include: the fiscus, the levy-grant (note need to work with NSFAS, public and private providers ) and the NSF

# WHITE PAPER : SKILLS PLANNING – ROLE OF DHET

- The DHET will establish a Skills Planning Unit which will work with key public institutions, such as universities and other research institutions, to develop an institutional mechanism for skills planning
- Engage with the key economic departments of government and will also take into account sector, industry and regional inputs.
- A repository of LMI (thereby ensuring that a coherent set of data is collected – from SETAs, Departmental and other sources of data – and that consistent definitions are used)
- Will develop skills demand forecasting models (which are ‘tested’ annually)
- The DHET, working with SETAs, will use the national and sectoral information on skills demand to map supply against demand, to establish where there is insufficient capacity to deliver this supply, and to determine strategies to address this shortfall.
- Promote and build labour market research and analysis skills for the country

## WHITE PAPER : SKILLS PLANNING – ROLE OF SETAs

- The SETAs will work with the Department's Skills Planning Unit
- SETAs will continue to provide workplace data, and to conduct sector research and ensure that the sectoral implications of this economy- wide analysis are explored.
- They will engage stakeholders (using sector brief), test emerging research findings, and determine whether these are consistent with their understanding of where their sector is heading.
- SETAs, together with the DHET, will play a proactive role in working with education and training providers to understand long-term, medium-term and short-term priorities and to consider how these can be incorporated

## WHITE PAPER : WORKPLACE SKILLS PLANS (WSPs)

- Changes will be made to the system of workplace skills plans (WSPs) and annual training reports (ATRs) to improve data collection.
- This will be supplemented by workplace surveys, coupled with additional information such as tracking of vacancies.
- WP notes that revised SETA Grant Regulations were gazetted in December 2012 and came into effect on 1 April 2013. The outcomes from the changes are yet to be felt, and the impact is being monitored. Further changes will be required.
- WP already indicates one such change and states that in future, the focus of the mandatory grant will be exclusively on gathering accurate data.

# WHITE PAPER : NATURE OF THE REVISED WSP

- Employers must ensure that the WSP/ATR report includes comprehensive information about all training that is taking place in the workplace (this must be provided in a consistent manner as per agreed upon national template) . The data will minimally include:
  - Current levels of skills, experience and qualifications of employees,
  - Skills priorities and gaps for the short as well as medium term.
- Submission of this information will entitle the employer to receive the mandatory grant from the SETA. This grant will only require companies to submit useful and accurate data; there will be no need for employers to report how the mandatory grant was spent.
- SETAs that have had most successes in the past in extracting useful data should contribute to the design of a new instrument for use by all SETAs. The intention will be to produce a user-friendly and accessible template that serves its intended purpose.

## IMPLEMENTATION

- The SETA Grant Regulations of 3 December 2012 came into effective on 1 April 2013;
- The intent is to improve the quantity and quality of labour market information received by SETAs in the form of WSP, ATR and PIVOTAL training reports, to inform planning;
- Regulations introduced a new template to collect data from the employers;
- However, a need was identified that the template should be strengthened to ensure quality of data;
- Discretionary Grant boarder than just levy paying stakeholders – Small Business/non levy paying , Educational institutions– linking with PIVOTAL

# CURRENT PROCESSES OF COLLECTION OF DATA

- Prior 1 April 2013, there was no standard template.
- Employers complete and submit Annexure 2 to SETAs
- SETAs analyse data from Annexure 2 Template (WSPs, PP, PTR and ATRs)
- Employers receive 20% incentive for submitting Annexure 2
- SETAs Conduct Research in some cases additional data is submitted to the SETA as well as the use of other data sources - LFS



# OBJECTIVES OF THE ANNEXURE

- To elicit relevant information from employers through the Mandatory Grant to establish occupational skills imbalances and support/align skills planning and skills levy to skills needs;
- Assist SETAs in obtaining information of training activities/needs/hard to fill vacancies required by employers; and
- Assist employers with skills planning at an organisational level.

# LIMITATIONS

- Mandatory Grants “instrument” cannot possibly be sufficient, on its own.
- It is (was) confined to employers who are eligible to pay the skills levy in terms of the Skills Levy Act.
- Employers with an annual payroll of below R500 000 will not be expected to complete the instrument

# CRITERIA TO INFORM THE SELECTION OF QUESTIONS

- Will employers be in a position to provide the required information?
- Is the information readily available?
- Are the questions relevant and appropriate in relation to the purpose of the instrument (which is to support skills planning)?
- Does the “instrument” provide information about “skills shortages” or “scarce skills”?
- Do we have confidence that the item will illicit reliable and credible information from employers?
- Can the information be obtained from other sources?

**THANK YOU**