

ANNEXURE C: IMPLEMENTATION STRATEGY



merSETA

MANUFACTURING, ENGINEERING
AND RELATED SERVICES SETA

Motor Research Project:
Employment and Educational and Skills Audit of the
merSETA Motor Chamber

Third and final report: Implementation strategy

*Contract Research &
Consulting Services*



Submitted on 21st January 2013 and approved on 12
February 2013

TABLE OF CONTENTS

1. Introduction and purpose	3
2. Update of desktop research.....	4
3. Summary of key issues to be addressed in the implementation strategy	9
4. Summary of conclusions.....	10
5. PESTEL analysis.....	11
6. SWOT analysis.....	16
6.1. Assumptions about the internal environment	16
6.2. Assumptions about the external environment	17
7. Priorities	19
8. Objectives.....	19
9. Conclusion and recommendations.....	24
9.1. Current SSP	24
9.2. Updating curricula.....	25
9.3. Further stakeholder consultation.....	26
10. Conclusion.....	27
11. References	29
Annexure "A"	30

FINAL REPORT ON THE merSETA EMPLOYMENT AND SKILLS AUDIT RESEARCH FOR THE MOTOR CHAMBER

1 INTRODUCTION AND PURPOSE

This is a draft strategy report on the research project for the Motor chamber of merSETA. The purpose of this report is to submit an implementation strategy following the findings of the following reports as well as additional desktop research and stakeholder inputs:

- Impact assessment (Approved on 15 October 2012)
- Supply and demand analysis (approved on 15 November 2012)

This report is therefore a logical continuation of these two major project deliverables. To enhance logical continuation, these two reports are attached and cross references made where required.

Due to the quality inputs by stakeholders during the focus groups and consultative sessions, it was deemed necessary to focus more on these high quality qualitative research inputs. Although quantitative research inputs such as biographical profiles are also very important, the scope of the existing SSP was found to be adequate for the successful execution on this research project. It is also important to take into account that participants at the consultative sessions explicitly stated the importance of the 2020 landscape and required more trend analyses. Sufficient time had therefore to be focused on drivers of change that will have a significant impact on the Motor sector. The research team therefore focused on future trends as well as important government policies such as rural development, which will be enhanced by more focus on the after-market. It is also deemed more appropriate to expand on biographical profiles during the 2013 update of the SSP. It is clear that well prepared WSP's will add significant value to these profiles. merSETA should consider training their entire member of SDF's on a programme to improve the quality of WSP's. The quality of the SSP does improve dramatically if SDF's (and other people such as managers responsible for skills planning) are fully trained on key aspects of skills development and future skills planning. From a logical research perspective it makes more sense to make biographical information part of the SSP and not of a highly focused research project of this nature.

2 UPDATE OF DESKTOP RESEARCH

As stated in the research contract, desktop research should be an ongoing activity. During the working session with industry experts on 15 November 2012, the research team was requested to assess future welding trends. Welding is a key activity in the Motor industry, and from a skills development perspective, future welding trends should be incorporated in learning material where applicable. Welding was viewed as opportunity pertaining to the aftermarket. Since the aftermarket could also form part of rural development, it is essential that learning material and appropriate tuition be put into place.

According to Small (2012) "The welding industry is healthy and the global projections for 2012 and beyond are optimistic. According to a recent survey conducted in America by the American Welding Society, respondents overwhelmingly felt that welding is "here to stay" and 70% of the respondents predicted substantial growth for the industry. Therefore, welding is a safe career choice to make.

There are many career opportunities in welding and it tends to become a way of life, rather than a career. Companies manufacturing welding equipment and consumables offer careers in production, engineering, sales and research and development, but there are even more opportunities in industries which use welding as a manufacturing process."

Small further states: "There is no substitute for a good founding education on which to build a career and welding is no different in this respect. Welding training and qualification systems build on secondary and tertiary education qualifications. The welding industry is remarkable in that it affords career opportunities to persons with a grade 10 school leaving certificate as well as those that may have a PhD from a university.

Small further states: "When embarking on a career in welding, it is helpful to have some experience in the area which is of interest. For example, if a career in quality control of welding activities is of interest, prior experience in metal working activities is greatly beneficial.....The Southern African Institute of Welding (SAIW) provides a wide variety of welding related courses at all skills levels. Untrained, inexperienced trainees, with no previous level of education, but with the appropriate health, physical and mental capabilities, may enter these programmes. Such courses include; the international welder, the IIW practitioner and specialist courses, as well as a wide variety of inspector courses. After three years of comprehensive SAIW training programmes in welding related inspection technologies, trainees can be awarded a diploma. This diploma is

aimed at individuals intending to start a career as an inspection specialist or a technology manager.”

Vaughn (2002) outlines the impact of increased aluminium use in the Motor industry. Aluminium welding is expected to increase in importance and appropriate skills are required. “..... Another concern is gap bridging. Lasers have a tiny beam with high density, causing the area of heat density to be small. This makes welding gaps difficult. For this reason, some automakers are experimenting with hybrid welding processes....”

Two arc welding processes are being used with lasers. Gas metal arc welding (GMAW), for instance, uses a shielded electric arc to heat the base metal and adds filler metal for gap bridging. Plasma arc welding (PAW) can be controlled more than gas tungsten arc welding (GTAW), and also provides good gap bridging ability.

On their own, these arc welding processes are slow, but can bridge gaps.

Specific advantages to combining laser and GMAW include higher welding speed, lower heat input and less distortion, moderate weld width and heat-affected zone (HAZ), and better gap bridging than laser welding. However, it can be an expensive investment and has limited accessibility. It can be suitable for welding extrusions, castings, and thicker-gauge sheet.

In addition to arc welding processes, direct diode lasers—which have lower energy density and are not as fast as other lasers—also can be coupled with a Nd:YAG or CO₂ laser for speed. Experiments are being conducted with this type of hybrid process, which is a more expensive alternative to combining arc and laser welding. ” (Vaughn (2002)

Mannion & O'Mannin (2012) provides the following guidelines that can be applied in skills planning: “A Brief Summary of Joining and Welding Processes”:

Soldering and Brazing: An economical means of applying filler metal to join components both in low and high volume.

Resistance Welding: This process applies large current flow to heat the components at the point of highest resistance-- at the weld joint.

Electron Beam Welding: This is a fusion process performed in a vacuum chamber where a high velocity beam of electrons is focused on the surface to be welded.

Laser Welding: This process uses focused coherent light (a laser) to melt the base material and is used for precision welding or production of quality parts.

Gas Tungsten Arc Welding: Gas Tungsten Arc Welding (GTAW), also known as Tig (Tungsten Inert Gas) Welding, is the most commonly used precision arc welding process. A welding arc is established between a Tungsten electrode and the part to be welded. The metal of the part is melted by the intense heat of the arc and fuses together.

Plasma Arc Welding: Plasma arc welding, basically an advancement of the GTAW process, uses a copper nozzle to surround the Tungsten electrode. A pilot arc is first established between the electrode and copper nozzle and then transferred to the part to be welded.

Shook (2012) wrote “Welding has a new spark”. “The gases and welding industry is creating specific opportunities at a time when many high school and college graduates can’t land a job. Nearly 100% of welding school graduates are finding rapid job placement. Many training institutions are at capacity and have to expand to accommodate enrolment, including adding classes that run in the middle of the night. The reason for this is: It’s the growing need in many segments for welders and the lack of skilled welders available to do the work.

As we begin 2010 and examine what we can expect for the future of welding, we see that the industry is exploding with new opportunities, both for those already in the field and for those looking toward a new career path.” The author also states that it has become necessary to build a stronger welding workforce. The fact that nearly 100% of welding school graduates are finding job placement indicates the dire need for welders in the motor industry.

Shook (2012) states further the following in terms of emerging technologies, “Aside from the traditional welding industries where there is a shortage of skilled workers, the stimulus plan has also created more of an emphasis on emerging energy technologies such as nuclear and wind power. This growing market showcases another area where welders will be needed. The wind energy market has an aggressive goal to supply 20% of U.S. energy by 2030, and the U.S. solar energy industry grew to record levels in 2008. A single wind turbine includes more than 8,000 precision components, and as the demand for wind power grows, so will the manufacturing jobs. The growing industry is already picking up displaced autoworkers and training them for the manufacturing jobs of the future.”

Welding trends should also be included in skills solutions for the after-market.

According to Visdos (2012) the Welding Industry continues to be a critical component of manufacturing worldwide. The following developments and trends should be incorporated in skills solution:

Advancements in Welding Application Trends

Some of today's applications trends include:

Nuclear Systems Welding – The welders who build the operating nuclear power plants in the U.S. have retired and there was no demand for replacements. Now, there is a critical need for welders to work on a large number of new and replacement reactor projects.

Battery Manufacturing – There are many technical challenges for welders posed by the assembly of the battery systems that will power electric vehicles and store green energy.

Advanced High Strength Steels (AHSS) – The manufacturers of steels have created AHSS to enable their customers to provide lighter and stronger recyclable products. These materials have made it necessary to significantly change the process of performing and inspecting welds.

New Equipment and Processes

Hybrid Laser/Plasma Arc Welding – The concurrent application of multiple welding processes is enabling welders to achieve tremendous gains in productivity.

Remote Laser Welding – Improvements in laser generation and delivery efficiency coupled with sophisticated beam steering systems have made a whole range of laser applications commercially viable.

Solid State (e.g. – friction stir, magnetic impulse) Welding – Solid state welding processes are enabling the efficient joining of materials that cannot readily be joined by melting. The patent for the friction welding process expires in 2010 and there is a tremendous amount of on-going development.

Stored Energy (e.g. – capacitor discharge) Resistance Welding – After a hiatus of more than 40 years electricity costs and sophisticated materials are driving a resurgence of stored energy welders. In these systems the electric charge in the welding machine is released to create the heat to produce a weld.

Cold Spray – An entirely new field of solid state coating deposition is in its infancy. As part of the research the SA Institute of Welding (SAIW) was also consulted with regards to their drive to furthering standards within the welding-fabrication and related

technologies. The SAIW is a non-profit organisation established in 1948 and is also a founder member of the International Institute of Welding (IIW). The SAIW has offered training courses for more than 30 years. An SAIW qualification has long been regarded as the industry standard in South Africa (<http://www.saiw.co.za/>). As well as enjoying international accreditation the SAIW has strong relations with leading training providers and universities.

The SAIW and ESKOM have jointly created The ESKOM Academy of Learning Welding, which is aimed at improving the skills of welders within various industries. This decision has again emphasised the importance of skills development within the welding industry. Some of the reasons for creating an academy and likeminded initiatives of this type were the following:

- The prioritisation of development and skills development of welders within South Africa.
- To address the major shortage of welders within the country.
- To address the technological changes that welders and industries face.
- Welding is not seen as a viable career option.
- To supply well qualified and practically experienced welders.
- In order to keep current to international standards – aligning local to international standards.
- To expand from single welding process competencies to multi-process competencies.
- Welding is fundamental to the manufacturing industry and thus needs the proper attention it deserves.
- To build on informal experience and deliver suitably qualified welders.

There is a belief that in-house programmes should be further developed to support the developmental needs of the welding profession in South Africa. Further to this statement it is believed that the interaction between the government sector, the public sector and training providers should be more actively involved with each other.

There is also a strong reasoning that companies need educated welders and not only trained welders. This would mean that the welding vocation would need more than just technical training skills and would have to expand on the aspects covered within the welding training path. This sentiment seems to be shared across the other training and development areas within the Motor Industry.

3 SUMMARY OF KEY ISSUES TO BE ADDRESSED IN THE IMPLEMENTATION STRATEGY

Due to the volume of the previous deliverables, it was deemed necessary to summarise the key issues that were identified that need to be addressed in the implementation strategy.

- The SSP provides solutions for the SSP planning period: 2011-2016.
- Although the SSP contains skills development solutions for up to 2016, certain drivers of change are not sufficiently covered that could restrain long term skills development.
- It was agreed to extend the planning horizon to 2020 due to the rapid changes that are foreseen in the Motor industry.
- In the 2020 environment social media is expected to become more relevant across industries.
- Technological innovation will be of paramount importance in the motor industry and new sets of skills requirements will emerge. Factors such as electric and hybrid vehicles will require new skills. Trends in the industry, for example welding trends also have a major impact on the Motor sector.
- The green agenda is of critical importance to the Motor industry since it is a major creator of waste.
- The ageing population should also be taken into account in terms of longer term skills development.
- The growing middle class is viewed as a major section of the future market and skills in this area is viewed as essential from a longer term perspective.

It was agreed that the focus of this research project should rather be on the identified gaps between 2016 and 2020.

A detailed analysis of drivers of change in existing learning material has shown minimal or no coverage of learning content on the green agenda, technological innovation, social media, the growing middle class and other 2020 drivers of change.

It was therefore agreed that the qualitative research approach of this research project should be viewed as much more important, as a strong quantitative approach is followed in SSP's. As far as the longer term future is concerned, content is viewed as more important than accurate numbers. The primary focus of this research project therefore shifted more towards the skills gap between future requirements and the content of existing qualifications and learning material.

Due to the fact that skills providers do not share their learning material due to intellectual property considerations, the content of unit standards was used as the evaluation norm. Some qualifications have outdated content (1999/2000) and is therefore viewed as completely outdated to develop future skills.

4 SUMMARY OF CONCLUSIONS

Before any strategic issues are addressed, it is deemed necessary to draw conclusions from the research to date. Key conclusions can be summarized as follows from the overall research project:

- Qualitative research has identified specific future skills needs beyond 2016 that need to be addressed as soon as possible.
- The acute shortage of artisans has the most significant impact on the motor industry and imaginative solutions are required.
- The future of the motor sector will change considerably that needs new sets of skills to be successful in the anticipated & forecasted environment, with regards to the following:
 - International & Globalization of Supply & demand (Eastern impact amongst other).
 - Technology.
 - Alternative fuel sources.
 - Recycling & re-use.
 - Ownership.
 - Etc.

This may confirm the need for CPTD (Continuous Professional Technical Development) for technicians to remain relevant and up-to-date.

- New skills are required in at least the following areas:
 - The green agenda.
 - Social media.
 - Technological innovation.
 - The ageing population and the growing middle class.
 - Entrepreneurship.
 - Globalization.
 - Specialized areas such as:
 - Welding.
 - New fuel sources.
 - Supply chain and logistics.
 - Customer relationship management & retention.

- Etc.
- Existing curricula does not include learning material on the above areas.
- Existing curricula and learning content is therefore totally inadequate to direct skills development for the longer term and 2020 requirements.
- The industry needs more knowledge on especially the green agenda and entrepreneurship development. It is therefore essential that this research programme be backed up by providing more knowledge on the future environmental landscape.
- Insufficient learning interventions exist to offset a career in the Motor industry. As it was found that there is a substantial gap between NQF 3 and 7 that needs to be addressed. The gap is founded in the following:
 - That qualifications are level and unit standard driven.
 - That there is a lack of natural connect and progression between the NQF levels.
 - A real split exists between levels 1 - 3 and 4 – 7 with regards to preventing needed career continuity over the long term in the enterprise.

In addition the gap i.ro. fundamentals that needs to be addressed. There are major challenges with school leavers who do not meet the fundamental requirements in mathematics and literacy. A bridging programme should be incorporated.

- Specialization & complexity of the industry were not found to be adequately reflected in existing learning material. Uncertainty pertaining to the implementation of QCTO does furthermore complicate the afore-mentioned.
- The industry and career opportunities are not communicated and marketed well to prospective industry entrants.
- New entrants to the industry do not possess the minimum skills requirements the industry expects. Lecturers at learning institutions have limited knowledge of and exposure to the motor industry.
- merSETA is ideally positioned to facilitate and guide a process that will result in sufficient skills delivery over the longer term.

5 PESTEL ANALYSIS

An analysis that is often used to capture future challenges is the PESTEL analysis referring to the Political, Economic, Social, Technological, Environmental and Legal parameters that have an impact on the future. The PESTEL analysis in the context of

this research project is to assess the external environment in which the planned skills delivery will take place.

It was agreed to strengthen the skills development decision making basis with the inclusion of a PESTEL analysis that focuses on the key external environmental influences on the Motor Sector. To improve the relevance of the PESTEL analysis, the focus on the various parameters is very brief with a strong skills development perspective.

The drivers of change presented in in earlier sections of the report are now taken one step further, namely to summarise the essence of the various drivers of change under PESTEL headings to guide the strategic analysis component of this updated SSP. The PESTEL analysis can therefore be summarised as follows:

Political

As far as the political environment is concerned, by far the most significant impact on most sectors is the wide range of mandatory policies that have an effect on skills development. These policies include the NSDSIII, Skills Accord, New Growth Path, Medium Term Strategic Framework and others. It is clear that the greatest challenge would be to adhere to the South African political policy framework, whilst keeping in line with contrasting global forces such as reduced job creation.

It is essential that the sector stays in touch with political decisions in terms of the skills development landscape such as further possible rationalisation of SETAs and the further refinement and implementation of the QCTO. The essence of this research project's outcomes would be to determine **what is best for South Africa solution** in the Motor sector since global forces such as reduced employment is in steep contrast with the South African policy agenda.

The political environment is also challenging from key focus areas such as increased rural development.

Economical

Since there are some similarities between Wholesale and Retail Sector, some economic perspectives done by them are included. "Despite the economic recession and these adverse economic factors, the sector is positioned for further growth amid challenges the Retailers are cautiously optimistic heading into 2012. However, household income from property and employment growth may be adversely affected by international

developments, while rising prices are likely to limit real wage increases going forward. Coupled with subdued credit growth amid global uncertainty, the resulting slowdown in real disposable income growth should weigh on consumer spending for the remainder of 2012. (Kemp, & Ellis, 2012 particular attention in all sectors)

This report further states that: “Consumer confidence is currently at its lowest level since the onset of the global financial crisis in the second half of 2008. Coupled with deterioration in the outlook for household income growth, the decline in consumer confidence foreshadows a substantial slowdown in the growth in household consumption expenditure during the remainder of 2012.” (W&R Seta SSP 2011-2016)

Social

It is clear that the South African policy agenda is also loaded with various social challenges and opportunities.

The Motor sector is well informed on the opportunities and challenges of the social landscape. HIV/AIDS should receive continuous attention and intervention to proactively manage this pandemic.

Given the impoverished background and communities from where a large number of enterprise technicians resides – the need for “overall employee wellness” should also receive priority attention.

Rural areas due to the current social conditions which are prevailing – is therefore excluded from being attracted to investment and entrepreneurial as well as ‘after-market’ business opportunities. However initiatives require leveraging on these opportunities. This will also create career awareness pertaining to the industry amongst the next generation.

Irrespective of current rural and social challenges in the country all households have mobile connectivity. Therefore the rapid growth of social media also has important leverage advantage for the Motor sector which should be optimized.

Technological

The technological drivers of change are very challenging to most sectors, especially to develop skills development solutions. Computerization has changed the motor industry considerably in recent years and further innovations can be expected. Vehicle maintenance has changes due to computerization.

It is clear that the aftermarket catering for SMME business will be challenged in particular to stay abreast with technological changes. Specific trends affecting the sector such as welding trends should be studied and skills development interventions should be adapted accordingly.

Legislation and government policy

It is clear that the Consumer Protection Act and other legislation that has a major impact on the industry and provision should also be made for the preparation of the sector for changes in the training and development landscape such as the proposed functioning of the Quality Council for Trades and Occupations (QCTO).

To ensure that the analyses cover the most important environmental issues, it was decided to briefly assess the impact of the Medium term Strategic framework on skills development on the Motor Sector. The results can be summarised in the following table:

Table - Impact of the MTSF on skills development in the Motor can be summarised as follows:

Priority	Impact on skills development
a) Speed up growth and transform the economy to create decent work and sustainable livelihoods.	This priority will be challenging in the current economic climate after the recession, but it should be pursued in the best interest of all stakeholders. Innovative solutions will be required to position the Motor industry to meet this objective. The opportunism identified at consultative interaction with key stakeholders such as the after-market should be considered.
b) Implement a massive programme to build economic and social infrastructure.	This priority is also very challenging in the Motor environment, however proposed developments in the Eastern Cape might contribute significantly.
c) Implement a comprehensive rural development strategy linked to land and agrarian reform and food security.	The wholesale Motor sector's volume of activity can be extended within the rural areas that could make a further contribution. SMME development in the rural areas is viewed as an opportunity that needs further skills development work.

d) Strengthen the skills and human resource base.	One of the key objectives of this research project is to achieve this specific objective. The fact that the required skills base is viewed from a longer term perspective adds further value.
e) Improve the health profile of all South Africans.	Most empowerment efforts should be aligned with focused health initiatives, especially pertaining to pandemics such as HIV/AIDS. The fact that a HIV module is part of all qualifications is viewed as a step forward.
f) Intensify the fight against crime and corruption.	The Motor industry is very sensitive to crime and corruption. From a skills development perspective this reality should be taken into account.
g) Build cohesive, caring and sustainable communities.	Actions are required to strengthen the relationship within communities where the industry operates.
h) Pursue African advancement and enhanced international cooperation.	Managing the contradictions between the South African environment and global forces forms an important part of this objective. Further African advancement should be strengthened. The motor industry in SA is an integral part of a global industry. The drivers of change highlighted the economic shift towards Eastern countries that should be further addressed.
i) Manage and use resources sustainably.	Resource optimisation is of critical importance in the industry, especially from a technological application perspective. The developments in the Eastern Cape are also expected to further optimise resources.
j) Build a developmental state, including the improvement of public services and strengthening of democratic institutions.	The successful implementation of the outcomes of this research project should support the realisation of this priority.

6 SWOT ANALYSIS

6.1 ASSUMPTIONS ABOUT THE INTERNAL ENVIRONMENT

Based on an analysis of the internal environment, the following strengths and weaknesses have been identified:

Strengths

- Research alignment with SA policy.
- Women leadership empowerment initiative.
- Skills base within the industry.
- 2020 awareness in terms of skills requirements.
- Extensive expertise in the Motor sector.
- Access to media.
- Potential for job creation.
- Policies in place to address all the issues.
- Willingness to participate.
- Bargaining council- synergy between training and other processes that could hamper production.
- Fairly successful track record in terms of skills delivery.
- Very committed people (experts of industry).
- Maturity of the people in terms of reasoning abilities.
- Well established track record and international connectivity of the South African Motor Industry.
- The large geographical regional office coverage and sound client relationships.

Weaknesses

- SMME sector not well developed.
- Industry not well expanded in rural areas.
- Absence of entrepreneurial toolkits.
- Insufficient funds.
- Insufficient people to serve the entire country (e.g. rural areas).
- Insufficient buy-in from employers.
- Limited entrepreneurial solutions.
- Lack of transformation of the sector.
- Inefficient processes and red tape.
- Not attracting quality people to the industry.

- Separation of substantive and training issues.
- Assessment language (insufficient material in key languages).
- Career path restrictions.
- Lacking integrated attention and interventions to respond to drivers of change.

6.2 ASSUMPTIONS ABOUT THE EXTERNAL ENVIRONMENT

Based on a careful analysis of the anticipated external environment, the following opportunities and threats have been identified:

Opportunities

- SMME empowerment.
- Women empowerment.
- Rural development.
- The after-market opportunities.
- The need for skills in rural areas.
- The need for E-learning.
- The need for ICT infrastructure and Internet Cafes.
- Institutional arrangement with key stakeholders.
- Community/private partnership.
- Bridging programmes.
- People with skills but not qualifications RPL.
- 2020 needs.
- Rural development.
- Curriculum development.
- People with the knowledge but not qualification (RPL opportunity).
- Middle class market.

According to the Eastern Cape Development Corporation (ECDC) the following provincial opportunities exist in terms of the automotive and component sector:

- **New component manufacture** - potential exists for investment into component manufacture in support of the automotive industry in the province.
- **Catalytic converters** - business opportunities exist for investment in stainless steel, ceramic core and assembly operations directly related to the catalytic converter industry based in Port Elizabeth.
- **Automotive tooling, parts and components** - opportunities exist for businesses to invest or expand in the areas of tooling, jigs, assembly lines, auto

and safety glass, plastic automotive fittings, engine parts and rubber and plastic components.

- **Automotive Supplier Park** - the ASP is up and running at the East London IDZ, offering attractive opportunities to component manufacturers, particularly those that supply the nearby Mercedes Benz South Africa operation.
- **Business opportunities in the automotive component cluster** - co-operation with established first and second tier suppliers for storage solutions, JIT distribution, research and development and training initiatives.
- **New vehicle manufacture** - the Eastern Cape has been identified as a potential investment destination for a new electric car production and assembly plant for both domestic market and export. The Eastern Cape offers excellent location advantages coupled to access to SADC and African markets.

Source: Eastern Cape Development Corporation (ECDC, 2012)

It is clear that these opportunities imply a significant skills gap that need to be addressed.

Threats

- Economic pressures.
- High price of fuel.
- Uncertainty about QCTO.
- Bureaucracies to get funds approval.
- Inadequate skills supply to the industry by Schools and basic education sector.
- People drop out before completing a qualification.
- The low quality of broad band at this stage.
- Poor link between FETs and industry.
- Enterprise is not perceived as desirable and attractive compared to other industries.
- Economic scenario Unfavourable.
- HIV/AIDS.
- The spiralling cost of electricity
- Employer resistance in terms of RPL.

7 PRIORITIES

Based on the above strategic analysis, the following priorities or focus areas have been identified:

Priority 1: To accelerate e-learning

Priority 2: To accelerate SMME development

Priority 3: To align learning content with the 2020 landscape / and drivers of change

Priority 4: To strengthen the resource base through further research projects

Priority 5: To develop the after market

Priority 6: To focus on Rural area needs

Priority 7: To expedite the delivery of artisans required by the motor industry.

Priority 8: To facilitate the establishment of centres of excellence to improve skills delivery and partnering with education & talent pipeline providers, bringing about the meeting of industry entrance requirements

Priority 9: To market the industry among potential entrants

Priority 10: To address skills accelerations and overcome career path restrictions

8 OBJECTIVES

Based on available information gathered so far, strategic objectives per priority / focus area are as follows:

Objective	Responsibility	Target date
Priority 1: To accelerate e-learning		
1.1 Existing e-learning practices in South Africa have been assessed.		
1.2 Areas to apply e-learning have been identified.		
1.3 E-learning material has been developed for at least the following policy imperatives: <ul style="list-style-type: none"> • Rural development. • Youth development. • Women development. • SMME empowerment. 		
Due to various reasons it has become more difficult to attract learners to the classroom situation. For example most small business owners cannot attend classes due to work responsibilities. It is therefore necessary to optimise solutions to empower people outside the traditional classroom. E-learning is viewed as a possible solution.		

Increased Internet access is foreseen for the rural areas, which makes E-learning more attractive and viable.		
Priority 2: To develop a toolkit for small business and entrepreneurs		
2.1 A critical assessment of related existing toolkits and product offerings in the market has been completed.		
2.2 Existing material has been customised to meet the entrepreneurial needs of the Motor industry.		
2.3 An electronic toolkit has been made available to all existing small business owners and prospective entrepreneurs in the Motor industry.		
<p>The need for entrepreneurship development was identified at focus groups with industry experts. It is therefore essential that entrepreneurs be empowered with a how to toolkit to guide them on how to:</p> <ul style="list-style-type: none"> • Plan. • Budget. • Manage people. • Utilise resources. • Etc. <p>The toolkit should also provide the how to resources, for example budgeting templates, draft appointment letters, draft disciplinary code, etc.</p>		
Priority 3: To align learning content with the 2020 landscape		
3.1 The impact of the following drivers of change has been assessed in terms of key positions in the Motor industry:		
<ul style="list-style-type: none"> • Technological innovation. • The green agendas. • Social media. • Social drivers of change. • Ageing population and growing middle class. 		
3.2 All learning content and curricula have been		

updated.		
Arguably the most significant finding of this research project is the inadequacy of existing learning material and curricula to prepare for 2020.		
Priority 4: To strengthen the resource base through further research projects		
The following recommended research projects have been prioritized a decision taken on which to proceed with:		
<ul style="list-style-type: none"> • The wider application of social media and related skills requirements for the Motor industry. • The impact of the Green agenda on the motor industry and skills required per position to optimally do business in the existing and anticipated green environment. • The impact of technological innovation on the motor industry and associated skills required. • The integration of rural development, entrepreneurship and SMME and youth development • The impact of the QCTO on the delivery of artisans required n=by the Motor sector. 		
The initiative to conduct this research project has beyond doubt confirmed the need for research to direct a complex industry such as the motor industry. Further research in key areas is therefore non-negotiable.		
Priority5: To develop the after market		
5.1 All jobs required to enhance the aftermarket have been identified.		
5.2 Training material to cater for the skills required per position have been identified		
5.3 All learning material to develop people for these positions has been completed.		
The after-market has been identified as an opportunity to accelerate SMME development / entrepreneurship and rural development. Since more than one government policy imperative can be implemented concurrently, priority 5 should be viewed as key priority.		
Priority 6: To Focus on rural needs		
6.1. Feasibility and Impact Study.		
6.2. Aftermarket availability.		
6.3. Social Media connectivity advantage study.		
6.4. Exploiting BEE requirements for Rural		

Shareholders and Enterprise Development in order to create franchises in hotspot areas.		
Rural areas have been identified as having the highest potential for development due to the current lack of basic automotive services such as car repairs, wheel alignments, spray painting etc. In developing a market in rural areas this will also market the sector to new entrants as a desirable career choice after high school.		
Priority 7: To expedite the delivery of artisans required by the motor industry.		
6.1 The capacity of all artisan delivery institutions/providers has been determined.		
6.2 Funding has been secured to finance a national artisan recruitment campaign.		
6.3 First artisans successfully completed their apprenticeships and are made available to the motor industry for employment.		
The expectation in 1996 was that learnerships would create an opportunity to deliver more artisans required by industry. Unfortunately this did not happen and resulted in a huge shortage of artisans		
Priority 8: To facilitate the establishment of Centres of Excellence (CoE's) to improve skills delivery		
7.1 At least three areas to establish centres of excellence have been identified.		
7.2 Key stakeholders to participate have been identified and consultation completed.		
7.3 At least three centres of excellence have been established.		
Important note: Care should be taken to avoid duplication with the implementation of the above objectives. For example, E-learning, SMME toolkit and 2020 alignment could have the same supporting themes.		
Priority 9: To market the industry among potential entrants		
8.1 A research project has been completed on careers in the Motor industry from NQF 2-NQF		
8.2 A career guide for the Motor industry has been issued to all schools and FET colleges.		
8.3 A tender has been issued to conduct a career Expo at appropriate schools and FET		

colleges.		
Note: A career expo at schools is expected to create an awareness of the industry and its opportunities. The Motor sector can once again take the lead.		
Priority 10: To address skills accelerations and overcome career path restrictions		
10.1. Review of current career progress limitations in the workplace.		
10.2. Foster an environment for continuous professional development in the sector.		
10.3. Development of an implementation solution to break the class ceiling within the sector by focusing on core skills and generic soft skills required to progress in the workplace/professional environment.		
This priority has been identified as a critical issue to be addressed in order to ensure that there is career progression within the workplace. This is to create more opportunities for progressing beyond semi-skilled and junior management level.		

The following solutions were contributed by respective *captains-of-industry*, at the stakeholder meeting on 15 November 2012 which may complement the aforementioned proposed roll-out plan:

- Improve relations between FETs and industry.
- Industry to get involved in basic education through community structures.
- Put bridging programmes in place.
- Exploit the opportunities including ABET.
- Advise on green skills. They need advice on what green skills imply for the industry.
- Advice on entrepreneurial skills. Entrepreneurial skills need to be developed especially in the rural areas.
- Motor chamber how to get FET on board.
- Shortage of welders. Scarce skills have not been addressed so far.
- Problem in existing areas? What is the gap that we have now? Do we have the necessary skills?
- Address all opportunities

9 CONCLUSION AND RECOMMENDATIONS

9.1 CURRENT SSP

There have been some factors identified in the SSP that might justify further research/investigation. This is only summarized and could need further explanation in a face-to-face setting. Below are some of the gaps/concerns/noteworthy areas:

- Some outdated statistics occurs. These statistics need to be updated where relevant and possible. In some areas, for example the sector profile, the impact of 2009-2010 data might not be so important to immediately update.
- There appears to be little mention of the informal education/training section in the SSP. If important after regional consultation, informal interventions need to be updated.
- A reasonable drop in employment in a 10 year period has been recorded. More strategies to redress the situation should be considered.
- It appears as if 13 085 Companies in the motor sub-sector, almost 189 900 staff and informal sector are not represented – Further study could be considered.
- The international market largely owns tyre production. Strategies to exploit opportunities for South Africa could add further value.
- Competitiveness improvement does not speak about specific global trends, especially social media, specific technological changes and eastern market growth. Findings of this report should be included in the updated SSP.
- Electric car (not only manufacturing, but motor chamber specific), have no specific skills sets/occupations identified. Findings of this report should be included in the SSP.
- With a high employment rate but low training rate, further empowerment initiatives could be considered.
- In the industry there is not sufficient progression through NQF Levels that may require further interventions. Writing curricula that enhances upward mobility could be considered.
- Single apprenticeship focus is reported– Level progression could add further value.
- The motor sector does not lay sufficient focus on strategic drivers (i.e. waste, greening, renewable energy, advanced technologies, etc.) –The solution is addressed in this well-timed research report.
- That a task team be appointed to assess the impact of the QCTO on skills development interventions of the Motor sector and to facilitate the process to implement the new concept.

- Although reasonable recent information is reported, publications such as Euromonitor should be purchased to ensure that the latest available industry information is captured.

As can be seen from the points mentioned above, some areas within the SSP need to be further developed, especially focusing on future developments. It is clear that this research project will add considerable value to the SSP update for 2013/4.

9.2 UPDATING CURRICULA

The impact assessment done so far indicates a major opportunity to update curricula and learning content in terms of the 2020 drivers of change.

Confirmation is awaited from the merSETA as to the qualifications that are still registered under the SETA and which providers are still accredited. The gap that has been identified relates to the FET colleges and their influence on qualifications. During the initial research period the following qualifications were found to be relevant in the Motor Chamber:

Table 7.1: Qualifications

US Based Qualifications	42
Apprenticeship (Time-Based)	10
Apprenticeship (CBMT)	4
Current Providers	97
Qualifications without providers	6

All of the above information needs to be verified by the merSETA. This information is believed to be not a true reflection of all the qualifications and that there are even more providers specific to the Motor Chamber. This also does not take into account the informal sector.

While researching the qualifications no sign was found of the significant 2020 drivers of change being mentioned in the unit standards. If qualifications need to be focused on current and future scarce skills then these issues need to be addressed. The drivers of change linked to qualifications are as follows:

- Social media/Facebook/Twitter/LinkedIn, etc.
- Green agenda/carbon credits/environmental protection/waste act.
- Middle class growth and buying power.

- Innovation and technological changes.
- Convergence of markets and industries.
- The period after 2012 and adaptation.
- Mobile telephone/technology.
- Eastern countries (i.e. China/India/Korea) and their influences.
- Future customer – younger, smarter and more technologically orientated.
- E-learning – growth paths being developed through e-learning.
- Rural development and the informal training environment there in.
- Global thinking with globalisation of industries in mind and interdependency of markets.

During the research the closest evidence that was found of the drivers of change being addressed is the factor of safety and environmental impact. There has also been some mention of environmental awareness, but nothing on the level of the global green agenda.

The training environment in the Motor Chamber is also hindered by the fact that learners largely qualify for level 1 and 2, and do not progress beyond these levels. The skills path therefore needs to be updated and further developed where possible. **Pertaining to the gap i.ro. fundamentals it is recommended that a bridging programme be incorporated.**

Furthermore, there are certain qualifications that are only truly developed until NQF level 4 and then seem to end off at this level. For true skills growth there needs to be development past these levels and a future orientation.

It is recommended that new curricula be developed for all scarce skills positions. This is a major project that could take considerable time, effort and funding. However, it is essential that the entire set of functions of key positions be reconsidered, based on changing future demands.

9.3 FURTHER STAKEHOLDER CONSULTATION

Based on the research done so far, it is recommended that the following agenda be used as basis for further generation of information during all future stakeholder focus groups that may follow after the closure of this research project:

- Do you have any contributions to the 2020 landscape?
- What impact will the 2020 assumptions have on skills requirements?

- What impact will the QCTO have on skills supply to the motor industry?
- What changes will occur pertaining to existing and future skills within occupations?
- Please indicate any changes to existing and Future skills requirements of occupations in terms of Scarce and Critical skills.
- Please list the most important critical skills.
- What are your opinions about skills outputs from institutions?
- Can you think of any other skills demand from the sector from a future perspective?
- Are there any other existing and future skills shortages?
- Develop scenarios and suggest solutions to deal with skills demand for the next 5 years.
- Please submit views and solutions to assist merSETA in fulfilling the objectives of the Skills Accord and New Growth Path.
- What needs do you have to complete WSPs?
- Please list your requirements and contributions in terms of Green economy skills for the Motor Chamber.
- Please list your requirements and contributions in terms of the National infrastructure plan.
- Please list your requirements and contributions in terms of provincial skills development strategies.

It is clear that industry experts have added much more value than mere quantitative data. There is a clear understanding of future skills requirements. It is therefore essential that stakeholder consultation be an ongoing process.

10 CONCLUSION

It is clear that the Motor Chamber of merSETA has broken new ground in the challenging skills landscape of a very demanding industry. It is clear that existing skills delivery needs to be intensified and accelerated to meet future skills demands. Very few SETAs look beyond the 2011-2016 planning period. The problem with this insufficient longer term skills planning is the possible exclusion of key skills requirements for a prosperous future. The study also highlighted the further opportunity to enhance career planning in the Motor industry. Up to NQF level 3 the situation is more acceptable, but more interventions are required to bridge the gap leading to NQF 5 and 6.

merSETA decision makers have realised the interdependence of the South African Motor industry with the rapidly changing global landscape. Proper implementation of the recommendation of this research project will position the Motor industry under the

leadership of the merSETA Motor Chamber as leader and trendsetter in future skills planning and development.

Resolution with regards to the implementation of QCTO remains to be addressed. At present a skills gap exists which is predicted to become even greater should new remedies dealing with such not be found and deployed on an accelerated basis.

The Motor sector has the required background and skills base to facilitate and guide the skills development solutions required up to 2020.

This project also amongst others did take cognisance of the State Presidential priorities. As all SETA initiatives and business plans requires alignment to the aforementioned. Therefore the following State Presidential Priorities needs to be kept in-mind when stakeholders do formulate strategic decisions. These priorities are as follows:

- Creating sustainable jobs
- Education
- National Health
- Fighting crime
- Rural Development
- Youth development
- National Development Plan 2030
- National Infrastructure Plan
- National Growth Plan

A summary of such is contained in Annexure “A” of this report.

A key uncertainty is the changes that will be required to update the unit standards. Surely learning material should be aligned with unit standards, but at this stage unit standards do not contain outcomes as per the 2020 drivers of change. Maybe a round table discussion with SAQA officials would be a logical next step.

11 REFERENCES

The following additional references were used in this report:

- ECDC, 2012. Source: Eastern Cape Development Corporation (ECDC, 2012). Retrieved from the WorldWide Web on 1 November 2012. <http://www.ecdc.co.za/opportunities/manufacturing>
- Havrilla, D. Laser Based Manufacturing in the Automotive Industry. Retrieved from the WorldWide Web on 19 November 2012. http://www.seas.virginia.edu/research/lam/pdfs/speaker%20presentations/Havrilla-UofV_Laser%20Based%20Manufacturing%20in%20the%20Automotive%20Industry.pdf
- Mannion, B & O'Mannin, L. An overview of recent developments in the welding industry and how they impact weld quality and consistency. Retrieved from the Worldwide Web on 19 November 2012. <http://www.pro-fusiononline.com/feedback/fc-mar99.htm>
- Shook, R. Welding Trends For 2010 And Beyond, 2009. Retrieved from the WorldWide Web on 19 November 2012. <http://www.weldingandgasestoday.org/index.php/2009/12/welding-trends-for-2010-and-beyond/>
- Small, J. Welding Industry Trends. Published on the Skills Portal. Retrieved from the WorldWide Web on 19 November (2012). http://www.skillsportal.co.za/page/training/training_companies/engineering_artisan/1195340-Welding-industry-trends#.UKpGFWfeGRo
- Vaughan S. Steering toward aluminium Trends in the automotive industry. Retrieved from the WorldWide Web on 19 November 2012. <file:///C:/Users/User/Desktop/SSI/Merseta/Latest%20report/Latest/steering-toward-aluminum-trends-in-the-automotive-industry.htm> 2002
- Visdos, RJ. Weld-ed. STATE OF THE WELDING INDUSTRY REPORT: EXECUTIVE SUMMARY. Retrieved from the WorldWide Web on 17 November 2012. http://www.weld-ed.org/NR/rdonlyres/363B5036-3FB6-4631-B0DE-30B91EB82B88/0/welded_executive_summ.pdf

Annexure “A”

State Presidential Priorities

It is clear that this project did take cognisance of the State Presidential priorities. As all SETA initiatives and business plans requires alignment to the aforementioned. Therefore the following State Presidential Priorities needs to be kept in-mind when stakeholders do formulate strategic decisions. These priorities are as follows:

1. Creating decent jobs

The Department of Labour seeks to register 600 000 work seekers by 2013 using the **Public Employment Services (PES)**. The Department plans to procure a set of buses that will roam the country to register job seekers, part of a campaign to ramp up and keep an up-to-date national data of job seekers. The Minister of Labour, Mrs Mildred Oliphant, introduced the concept of a Jobs Fair as a first step towards building a working relationship with social partners and providing a link between work seekers and potential job opportunities.

The **Mid-Term Review Report** released on 1 June 2012, indicates that although Government have not created sufficient jobs to meet the demand, significant advances have been made in the coordination of growth strategies, the New Growth Path and stakeholder agreements. Government has made progress with labour absorbing industrial development strategies in manufacturing, mineral products, procurement reform and the Jobs Fund.

Budget for jobs

Job creation remains a central priority of government, Minister of Finance Pravin Gordhan said in the Budget Speech for 2012. He provided an additional R4.8 billion over the 2012 MTEF period for the expanded public works programme, bringing its allocations to a total of R77.8 billion.

- The **community work programme** received an additional R3.5 billion, which gives it a total of R6.2 billion, enabling the number of people employed to increase to 332 000 in 2014/15 from 90 000 in March 2011.
- **Working for Water** and **Working on Fire** received an additional R1.1 billion (a total of R7.7 billion) providing for a total of 135 000 jobs over the medium term.
- The non-state sector programme received an additional R345 million (a total of R1.1 billion).

- The **National Rural Youth Service Corps** received an additional R200 million (a total of R900 million) over the next three years.
- R300 million was added to the **arts and culture sector** for job creation.

Looking back on 2011 in his State of the Nation Address on 9 February 2012, President Jacob Zuma said that the results of the jobs drive were encouraging, although South Africa was not out of the woods yet, given the global economic situation.

In Government's Year of Delivery 2011/12, produced to coincide with the State of the Nation Address, Government looks back at the achievements regarding job creation.

The National Development Plan, released in August 2012, proposes the creation of 11 million more jobs by 2030, among others by expanding the public works programme, lowering the cost of doing business and costs for households and helping match unemployed workers to jobs.

In the mid-year Lekgotla of 26 - 28 July 2011, Cabinet adopted a 12 point implementation plan on job creation, within the ambit of the New Growth Path. This does not mean that other programmes will be halted. These areas are being singled out because they are urgent and effective.

The drive to create jobs

President Jacob Zuma announced in the State of the Nation Address for 2011 that all government departments will align their programmes with the job creation imperative. The provincial and local government spheres were requested to do the same, and 2011 was declared a year of job creation through meaningful economic transformation and inclusive growth.

The 2011 Budget proposed a range of measures to accelerate employment creation over the period ahead, including R9 billion that has been set aside over the next three years for a Jobs Fund to co-finance innovative public- and private-sector employment projects.

The Presidential Job Summit on 18 March 2011 created an opportunity to explore the role that the business sector can play in achieving key deliverables of government's job creation plans.

This was followed by a Presidential Labour Summit on job creation on 19 April 2011. The parties involved agreed to take these issues forward. In the first phase of

discussions, the focus will be on immediate deliverables that can be rapidly implemented, and to lay the basis for deeper dialogue on the systemic and structural issues that would need to be addressed to achieve the goal of five million new jobs by 2020.

In the State of the Nation Address for 2011, President Zuma said that research had indicated that we could create jobs in six priority areas:

- Infrastructure development.
- Agriculture.
- Mining and beneficiation.
- Manufacturing.
- The green economy.
- Tourism.

2. Improve the quality of basic education and create a skilled and capable workforce to support an inclusive growth path

"Our intensive focus on education is paying off," President Jacob Zuma said in his State of the Nation Address of 2012.

A major achievement in 2011 was the doubling of Grade R enrolment, from 300 000 in 2003 to 705 000. President Zuma said South Africa appeared poised to meet the target of 100% coverage for Grade R by 2014. Per capita spending on Grade R increased from R2 158 in 2008/09 to R3 109 in 2009/10; according to the Mid Term Review Report officially released by government on Friday (Early Childhood Development gets government's attention - SANews.gov.za).

A booklet, Government's Year of Delivery 2011/12 produced to coincide with the State of the Nation Address details the achievements in education in 2011/12.

3. Improve the quality of basic education

Despite challenges, there is progress in education. The system is more equitable and pro-poor than it was before 1994, Minister of Basic Education Angie Motshekga said at a media briefing on 17 February 2012.

South Africa has a relatively stable schooling system that has extended the right to basic education to over 12 million learners in about 24 365 public schools and employ no less than 365 447 educators.

Achievements for 2011/12 include that in less than three years ahead of the 2015 target, the Department of Basic Education is set to fulfil the Millennium Development Goals on expanding access to education.

Minister Motshekga set out the focus in basic education for 2011 as Triple T: Teachers, Textbooks and Time. In the State of the Nation Address of 2011, President Jacob Zuma reiterated the call that teachers must be at school, in class, on time, teaching for at least seven hours a day. The administration must ensure that every child has a textbook on time, and that teachers are assisted to create the right working environment for quality teaching to take place.

To track progress, annual national assessments in literacy and numeracy that are internationally benchmarked are set for grades 3, 6 and 9.

Teacher training, especially in mathematics and science, is another goal. The Department of Basic Education (DBE) is strengthening the campaign to attract young people to the teaching profession through the Funza Lushaka Bursary programme.

The Department is committed to improving the literacy and numeracy skills of all learners, with specific targets set from now until 2014. A key part of this strategy is the introduction of workbooks for every learner. In 2011, around 6 million learners received high-quality workbooks. Some 24 million books were provided in all South African languages and in 2012 the national workbook programme has been extended from Grades 1 to 6 to Grades 7, 8 and 9. 53 million books are being distributed to learners, free of charge.

The School Governing Body elections from 1 to 31 March 2012 provide an opportunity for parents to get involved in the schooling of their children.

A skilled and capable workforce to support an inclusive growth path

The focus of higher education is on expanding access especially for children of the poor. This includes the conversion of loans into bursaries for qualifying final year students.

The Department of Higher Education and Training has launched a campaign - Kheta Apply Now! - to encourage the matrics of 2012 to apply to the post-school institution of their choice early to make sure that they are placed.

Significant progress has been made in turning around South Africa's adult education system with enrolment figures reaching 233 000 last year. The Mid Term Review Report, released on 1 June 2012, also notes that the Department of Higher Education

and Training had increased access to higher education programmes by expanding spaces and options available at FET colleges and universities (Report notes progress in adult education - SANews.gov.za).

In his 2012/13 Budget Vote Speech Minister Blade Nzimande announced an amount of R499 million allocated to all universities for teaching development grants to assist in improving graduate outputs and R194 million for foundation programmes to improve the success rates of students from disadvantaged educational backgrounds.

Over the next two years, R3.8 billion has been earmarked for universities' overall infrastructure development, prioritising historically disadvantaged institutions. Two new universities are envisaged for Mpumalanga and the Northern Cape.

Further education and training (FET) colleges are at the centre of skills delivery to drive the South African economy, thereby reducing unemployment and improving the livelihoods of millions of South Africans. Government has invested resources in public FET colleges to ensure that they deliver quality higher education and become institutions of choice for learners, parents and employers.

The Green Paper on Post-School Education and Training was published for public comments and consultation early in 2012. The Green Paper provides a vision for the post-school education and training system sets the basis for building a coherent system and a broad policy for:

- Expanding post school provision to improve access.
- Strengthening institutions to improve quality.
- Setting out a vision and pathways for achieving a coherent post-school system with articulation, collaboration and coordination between the different components, as well as alignment between education and training institutions and the labour market.
- A post-school education and training system that is equitable, accessible and affordable to all sections of the population, including free education and training for the poor.

The National Development Plan, released on 11 November 2011, proposes among others:

- Increasing the number of university graduates and the number of people doing their doctorates.
- Building two new universities in Mpumalanga and the Northern Cape.

- Building a new medical school in Limpopo and a number of new academic hospitals.
- Extending the length of first degrees to four years on a voluntary basis.
- Providing full funding assistance covering tuition, books, accommodation and living allowance (in the form of loans and bursaries) to deserving students.
- Granting seven-year work permits to all foreigners who graduate from a registered South African university.

4. National Health

In the health sector, President Zuma identified projects aimed at laying the basis for the National Health Insurance system, such as the refurbishment of hospitals and nurses' homes, in his State of the Nation Address of 2012.

The Mid-Term Review Report released on 1 June 2012, lists the successes in the health sector since 2009. One is the stabilisation of HIV prevalence (the number of people living with HIV), after rising since the 1990s, as indicated by antenatal surveys. This turnaround has also had a positive effect on child survival.

The Department of Health has introduced various initiatives since 2009 aimed at raising awareness about ways in which the burden of non-communicable diseases can be reduced. These initiatives include emphasising a healthy lifestyle, promoting physical activity, reducing salt intake, regulating trans-fatty acids in food, reducing alcohol abuse and smoking, and early screening for cancers.

In his Budget Vote speech for 2012/13, Minister of Health Aaron Motsoledi said the Department would work on four outputs in its quest to deliver a long and healthy life for all South Africans, namely:

- Improving the life expectancy of all South Africans.
- Decreasing Maternal and Child Mortality.
- Dealing with the scourge of HIV and AIDS and TB.
- Improving the efficiency and effectiveness of the healthcare system.

Minister Motsoledi announced the 10 pilot districts for the National Health Insurance system on 22 March 2012. He released a Green Paper on National Health Insurance [PDF] on 12 August 2011. It is seen as a 14-year project and the first five years will be a process of building and preparation. Dr Motsoledi emphasizes that the cornerstone of the proposed system of NHI is universal coverage.

Minister of Finance Pravin Gordhan identified medium-term priorities in health spending in his 2012 Budget as hospital infrastructure, the comprehensive HIV and AIDS treatment and prevention programme, and expanding health professional training. Progress in these areas will strengthen the public health system, paving the way for the introduction of national health insurance.

The health sector was allocated an additional R12.3 billion over the next three years. R1 billion is allocated for national health insurance pilot projects and increasing primary healthcare visits. To improve health infrastructure, R450 million has been provided to upgrade about 30 nursing colleges. A further R426 million is allocated for the initial work on rebuilding five major tertiary hospitals. To accommodate provision of antiretroviral treatment at the CD4 threshold of 350, an additional R968 million is made available over the medium term.

In their State of the Province Addresses (SOPA), the Premiers of the nine provinces spelled out how they planned to spend the money allocated to them to improve health services in their provinces.

The state of provincial healthcare

The publication Government's Year of Delivery 2011/12 produced to coincide with the State of the Nation Address details the achievements of the area of healthcare in 2011/12.

The National Development Plan, released on 11 November 2011, proposes among others:

- Broadening coverage of antiretroviral treatment to all HIV-positive people.
- Speeding up training of community specialists in medicine, surgery including anaesthetics, obstetrics, paediatrics and psychiatry.
- Recruiting, training and deploying between 700 000 and 1.3 million community health workers to implement community-based healthcare.
- Setting minimum qualifications for hospital managers and ensuring that all managers have the necessary qualifications.
- Implementing national health insurance in a phased manner.
- Promoting active lifestyles and balanced diets and controlling alcohol abuse to reduce non-communicable diseases.

5. Fighting crime

The crime statistics for the period 1 April 2011 to 31 March 2012 indicate a mixed bag with marginal downward trends in some of the crime categories, said Minister Radebe at a media briefing. "Where government succeeds, we will continue to draw from the lessons and replicate in other areas. Where government is not pleased, we will re-commit ourselves to creating a safer South Africa. When it comes to our commitment in fighting crime – we remain unshaken," he said.

Government has identified the fight against crime as one of its top five priorities since 2007. In the State of the Nation Address for 2012, President Jacob Zuma said the crime statistics for the period 2010/2011 indicated that our country witnessed a decline of 5% in the number of reported serious crimes compared to the previous year.

A booklet Government's Year of Delivery 2011/12 produced to coincide with the State of the Nation Address (SoNA) details the achievements of the fight against crime and corruption in 2011/12.

Fundamental in the reduction of crime is the spirit of partnership, which speaks to our community-participation philosophy. More and more South Africans are joining the fight against crime and government calls on the nation to play its part in anti-crime campaigns.

For 2012, government has committed to:

- On-going training, equitable distribution of policing resources, creation of a professional police service
- 10111 operations are being reviewed in order to ensure the efficiency of the system.
- More attention to increase the case finalisation rate at all court levels in conjunction with all role players.
- Continue to fight corruption.
- Continue to strengthen borderline security by deploying the South African National Defence Force (SANDF) personnel.

6. Rural development: Building vibrant, equitable and sustainable rural communities with food security for all

President Zuma announced in the State of the Nation Address of 2011 that Government will develop infrastructure that will boost our agricultural sector, while also helping to create jobs.

According to the Mid-Term Review Report [PDF], between 1994 and December 2011, the Department of Rural Development and Land Reform redistributed 3.9 million hectares of land through the land acquisition and redistribution programme, which is 15.6% of the target of 24.5 million hectares to be in black hands by 2014. From 2009 to December 2011, 823 300 hectares of land were acquired and allocated to 20 290 beneficiaries. This is an improvement over previous years, and indicates that our systems are improving. Nevertheless, there is still a need to further accelerate this programme. The report also looks at the Comprehensive Rural Development Programme (CRDP) and rural job creation.

The Department of Rural Development and Land Reform's strategy to achieve sustainable rural development is "agrarian transformation". It focuses on establishing rural business initiatives, agro-industries, cooperatives, cultural initiatives, rural settings; empowering rural people and communities (especially women and youth); and revitalising old and upgrading economic, social, information and communications infrastructure, public amenities and facilities in villages and small rural towns.

The Department is waiting for comments on the Green Paper on land reform, 2011. A set of proposals is put forward in the Green Paper which attempts to break from the past without significantly disrupting agricultural production and food security, and avoid redistributions that do not generate livelihoods, employment and incomes.

More than 540 117 hectares were acquired for land-reform purposes. In an effort to resuscitate land-reform projects, the Recapitalisation and Development Programme was introduced. To date, 769 farms are being recapitalised by being provided with agricultural infrastructure, with 234 farmers receiving mentorship and training.

The complexities in the restitution programme cannot be underestimated. Approximately 700 claims were settled, benefiting more than 13 310 households. Financial compensation paid to beneficiaries totals more than R460 million.

The National Development Plan, released on 11 November 2011, proposes among others:

- Stopping the practice of building houses on poorly located land and shifting more resources to upgrading informal settlements, provided that they are in areas close to jobs.
- Improving public transport.
- Giving businesses incentives to move jobs to townships.
- Fixing the gap in the housing market by combining what banks have to offer with subsidies as well as employer housing schemes.
- Giving communal farmers, especially women, security of tenure.
- Putting money into irrigation in Makatini Flats and Umzimvubu River Basin.

Rural development and land reform budget

The Department of Rural Development and Land Reform has set aside R3,3 billion for land reform, excluding the restitution programme. Of this amount, R2 billion has been set aside for strategic land acquisition of about 303 612 hectares and R1,3 billion for making all land reform farms fully functional and 100% productive, through the Recapitalisation and Development Programme.

- Minister Gugile Nkwinti: Rural Development and Land Reform Dept. Budget Speech 2011/12 ,7 Jun 2011
- Deputy Minister Thulas Nxesi: Rural Development and Land Reform Dept. Budget Vote 2011/12,7 Jun 2011

Outcomes for rural development and land reform

The Minister of Rural Development and Land Reform and MECs have signed delivery agreements based on Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all. The document Delivery agreement for outcome 7: Vibrant, equitable and sustainable rural communities and food security for all lists standards against which performance are measured.

Programmes and initiatives supporting rural development and land reform

- Government will spend R2,6 billion on water services in 2011/12, especially in Limpopo, KwaZulu-Natal and the Eastern Cape where there are still high numbers of people without safe drinking water.
- Water reservoirs, windmills and irrigation schemes will be rehabilitated. Crops, livestock as well as grazing will be protected with the installation of fences. These

projects will enhance food security and create work opportunities for many, especially women in rural areas.

- The Comprehensive Rural Development Programme is directed at reviving land reform projects and irrigation schemes in the former homelands as well as distressed farms owned by individuals.
- Government has developed the National Rural Youth Service Corps programme to assist youth in rural areas. More than 7 000 young people have been employed in the programme, which includes training in disaster management, construction and information management.
- Building of the Nelson Rolihlahla Mandela Legacy Bridge on the Mbashe River, in the Eastern Cape. This bridge will join two districts, OR Tambo to the east, and Amathole to the west, and cut by at least fifty minutes the distance between Mvezo Village, and its closest town, Dutywa. It is also expected to generate several spinoffs for the Eastern Cape Province in terms of tourism and job creation.
- Land redistribution helps qualifying beneficiaries acquire land for agricultural purposes. At the end of February 2011, a cumulative figure of 823 300 hectares have been acquired and redistributed since 2009. Of these, 7 000 ha have been allocated to provide the core estate for the Cradock Bio-ethanol project in the Eastern Cape that will be implemented in partnership with the departments of Trade and Industry, Economic Development, Rural Development and Land Reform, Agriculture, Forestry and Fisheries, Energy and the Eastern Cape Department of Agriculture. A total of 1,14 million hectares of State land has been surveyed.
- The Comprehensive Agricultural Support Programme (CASP) is focused on enabling rural people to take control of their destiny, with the support from government, and thereby dealing effectively with rural poverty through the optimal use and management of natural resources. The agricultural sector, including CASP, contributed 7 092 jobs in 2011 of which 1 105 were permanent.
- The Household Food Production Programme cushions the burden of rising food prices on poor households.
- The War on Poverty (WoP) Programme aims to have a positive impact on people's lives, addressing poverty and hunger and ensuring that people take control of their destiny.
- The Expanded Public Works Programme (EPWP) created 540 423 work opportunities and 137 525 permanent jobs. Of these, 66 355 were under the Community Works Programme. The use of local labour in housing and infrastructure development contributed significantly to job creation and skills development.

- Initiatives to improve employment opportunities and economic livelihoods include the implementation of the aquaculture programme and the inland fisheries programme that will be launched in 2012.
- The Department of Agriculture, Forestry and Fisheries (DAFF) is introducing a complementary agro-processing strategy.
- In order to revitalise and resuscitate land reform farms in distress and defunct irrigation schemes in the former homelands, the Department of Rural Development and Land Reform introduced the Recapitalisation and Development Programme. As at end September 2011, 595 farms under this programme were at various stages of development. Good progress recorded includes sugar cane in KwaZulu-Natal, red meat in the Free State, North West and Northern Cape, poultry in North West, Gauteng and Mpumalanga and citrus in the Eastern Cape, Limpopo and Western Cape.
- Smallholder support programmes are being reviewed and a smallholder plan developed in line with National Growth Plan targets. These plans are supported by a diverse array of agro-processing programmes under IPAP, including support for the soya bean processing, canning, bio fuels, furniture, and food processing industries, as well as small-scale maize milling in rural areas.

7. Youth Development

Government has established a range of support programmes and strategies to empower youth in the various sectors such as:

- Minister of Arts and Culture Paul Mashatile reported in his budget vote speech for 2012/13 that as part of the Mzansi Golden Economy Strategy, a number of high impact programmes targeting youth and women in the arts have been identified. These include:
 - The Indoni, My Heritage My Pride programme which aims to provide young people with life skills training, education and encouragement in appreciating who they are, their heritage and their culture.
 - The Trendsetter Initiative through which the department encourages youth to participate in the arts and thus contribute to the development of their communities.
 - The Public Art programme, skilling young people and employing them to beautify their communities using their artistic abilities.
 - The *Emerging Creative programmes*, providing an opportunity for 40 young designers to showcase their designs alongside established designers at the Design Indaba in Cape Town.

- An Expanded Public Works Programme (EPWP) initiative that sees young people involved in the refurbishment, rehabilitation, and maintenance of community infrastructure across the country.
- Learnerships and internships focused on raising the skills capacity of young people through Sector Education and Training Authorities.
- National Rural Youth Service Corps programme aims to enhance skills development by providing unemployed youth in the rural areas with opportunities to work in their communities and to be trained to provide the necessary services for local socio-economic development. A total of 7 398 youth were enrolled in the programme in 2010. The enrolment number will gradually increase by recruiting a further 5 000 youth during this financial year (2011/12) and a further 10 000 during the 2012/13 financial year.
- The Western Cape Provincial Government has several initiatives for young people.
- Gauteng Provincial Government announced youth employment programmes for 2012, namely a youth placement programme, Township Enterprise Hubs and a Youth Entrepreneurship Development Programme (Y-Age).

National Youth Development Agency

The National Youth Development Agency is a government agency whose role is to initiate, facilitate, implement, coordinate and monitor youth development interventions aimed at reducing youth unemployment and promoting social cohesion.

The NYDA's mandate is to:

- Advance youth development through guidance and support to initiatives across sectors of society and spheres of government.
- Embark on initiatives that seek to advance the economic development of young people.
- Develop and coordinate the implementation of the Integrated Youth Development Strategy for the country.

Government services for the youth

Government has a number of services that benefit the youth.

Youth Camps

In its effort to launch projects that provide the South African youth with opportunities for experiential learning, the national Youth Camps project took place from 29 September - 5 October 2012.

Personal identification

It is essential to have an identity document when you want to register for writing the matric exams or getting a drivers licence.

- Apply for an identity document.
- Get citizenship by descent.

Voting

You can register on the national voter's roll when you are 16, but may only vote once you have turned 18.

- Register to vote.

Driving

You can get a drivers' licence at eighteen.

- Getting a learner's licence.
- Getting a drivers' licence.

Tertiary education

Tertiary education is becoming more important. Government supports students who cannot afford the fees.

- Entry to study and funding.
- Register with a tertiary institution.
- Apply for financial assistance from the National Student Financial Aid Scheme (NSFAS).
- The Funza Lushaka Bursary scheme.

- More on financial assistance.

Employment

Once you have completed your education, you need to start looking for a job.

- Getting a job.
- Information on employment opportunities/vacancies in government.
- Application forms for a position in government.
- Find information on other employment opportunities.
- Apply for a work permit/visa for South Africa.
- Job interviews – Put your best foot forward.
- Writing a winning CV.
- Employment news.
- Job and Opportunities Seekers' Database (JOBS).
- Internships.
- Eastern Cape internship programme.

Tax

With a job comes the responsibility to pay tax.

- Register as taxpayer.
- Submit tax returns online.

8. National Development Plan 2030

"The plan we hand over today is about the actions that all of us must take to secure the future charted in our Constitution. The plan is about our dreams and aspirations and detailed actionable steps to achieve them." These were the words of Minister Trevor Manuel when he handed over the revised National Development Plan to President Jacob Zuma during a joint sitting of Parliament on 15 August 2012.

A draft plan was published in November 2011, followed by an extensive consultation process. This led to the revision.

The National Development Plan aims to eliminate poverty and reduce inequality by 2030. According to the plan, South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society.

High-level objectives to be achieved by 2030

- Reduce the number of people who live in households with a monthly income below R419 per person (in 2009 prices) from 39% to zero.
- Reduce inequality, as measured by the Gini coefficient, from 0.69 to 0.6.

To make meaningful progress in eliminating poverty and reducing inequality, South Africa needs to write a new story. The National Planning Commission envisions a South Africa where opportunity is determined not by birth, but by ability, education and hard work. Above all, we need to improve the quality of education and ensure that more people are working. We need to make the most of all our people, their goodwill, skills and resources. This will spark a cycle of development that expand opportunities, builds capabilities and raises living standards. We cannot continue with business as usual. We need to change the way we do things; the sooner we do this, the better.

Enabling milestones

- Increase employment from 13 million in 2010 to 24 million in 2030.
- Raise per capita income from R50 000 in 2010 to R120 000 by 2030.
- Increase the share of national income of the bottom 40% from 6% to 10%.
- Establish a competitive base of infrastructure, human resources and regulatory frameworks.
- Ensure that skilled, technical, professional and managerial posts better reflect the country's racial, gender and disability makeup.
- Broaden ownership of assets to historically disadvantaged groups.
- Increase the quality of education so that all children have at least two years of preschool education and all children in grade 3 can read and write.
- Provide affordable access to quality health care while promoting health and wellbeing.
- Establish effective, safe and affordable public transport.
- Produce sufficient energy to support industry at competitive prices, ensuring access for poor households, while reducing carbon emissions per unit of power by about one-third.
- Ensure that all South Africans have access to clean running water in their homes.
- Make high-speed broadband internet universally available at competitive prices.
- Realise a food trade surplus, with one-third produced by small-scale farmers or households.
- Ensure household food and nutrition security.
- Entrench a social security system covering all working people, with social protection for the poor and other groups in need, such as children and people with disabilities.

- Realise a developmental, capable and ethical state that treats citizens with dignity.
- Ensure that all people live safely, with an independent and fair criminal justice system.
- Broaden social cohesion and unity while redressing the inequities of the past.
- Play a leading role in continental development, economic integration and human rights.

Critical actions

- A social compact to reduce poverty and inequality, and raise employment and investment.
- A strategy to address poverty and its impacts by broadening access to employment, strengthening the social wage, improving public transport and raising rural incomes.
- Steps by the state to professionalise the public service, strengthen accountability, improve coordination and prosecute corruption.
- Boost private investment in labour-intensive areas, competitiveness and exports, with adjustments to lower the risk of hiring younger workers.
- An education accountability chain, with lines of responsibility from state to classroom.
- Phase in national health insurance, with a focus on upgrading public health facilities, producing more health professionals and reducing the relative cost of private health care.
- Public infrastructure investment at 10% of gross domestic product (GDP), financed through tariffs, public-private partnerships, taxes and loans and focused on transport, energy and water.
- Interventions to ensure environmental sustainability and resilience to future shocks.
- New spatial norms and standards – densifying cities, improving transport, locating jobs where people live, upgrading informal settlements and fixing housing market gaps.
- Reduce crime by strengthening criminal justice and improving community environments.

9. National Infrastructure Plan

The South African Government adopted a National Infrastructure Plan in 2012 that intends to transform our economic landscape while simultaneously creating significant

numbers of new jobs, and to strengthen the delivery of basic services. The plan also supports the integration of African economies.

18 years into our democracy, there are still major challenges of poverty, unemployment and inequality.

The New Growth Path sets a goal of five million new jobs by 2020, identifies structural problems in the economy to be overcome and points to opportunities in specific sectors and markets or "jobs drivers". The first jobs driver is infrastructure: laying the basis for higher growth, inclusivity and job creation.

In order to address these challenges and goals, Cabinet established the Presidential Infrastructure Coordinating Committee (PICC), to:

- Coordinate, integrate and accelerate implementation.
- Develop a single common national infrastructure plan that will be monitored and centrally driven.
- Identify who is responsible and hold them to account.
- Develop a 20-year planning framework beyond one administration to avoid a stop-start pattern to the infrastructure roll-out.

The Strategic Integrated Projects (SIPs)

The SIPs cover social and economic infrastructure across all nine provinces (with an emphasis on lagging regions).

The SIPs cover catalytic projects that can fast-track development and growth. Work is being aligned with key cross-cutting areas: human settlement planning and skills development.

SIP 1: Unlocking the northern mineral belt with Waterberg as the catalyst

- Unlock mineral resources.
- Rail, water pipelines, energy generation and transmission infrastructure.
- Thousands of direct jobs across the areas unlocked.
- Urban development in Waterberg - first major post-apartheid new urban centre will be a "green" development project.
- Rail capacity to Mpumalanga and Richards Bay.
- Shift from road to rail in Mpumalanga.
- Logistics corridor to connect Mpumalanga and Gauteng.

Primary Mineral Reserves	
Coal	18 bn tons
Chromite	5.5 tons
Platinum	6323 tons
Palladium	3611 tons

SIP 2: Durban-Free State-Gauteng logistics and industrial corridor

- Strengthen the logistics and transport corridor between SA's main industrial hubs.
- Improve access to Durban's export and import facilities.
- Integrate Free State Industrial Strategy activities into the corridor.
- New port in Durban.
- Aerotropolis around OR Tambo International Airport.

SIP 3: South-Eastern node & corridor development

- New dam at Mzimvubu with irrigation systems.
- N2-Wild Coast Highway which improves access into KwaZulu-Natal and national supply chains.
- Strengthen economic development in Port Elizabeth through a manganese rail capacity from Northern Cape.
- A manganese sinter (Northern Cape) and smelter (Eastern Cape).
- Possible Mthombo refinery (Coega) and transshipment hub at Ngqura and port and rail upgrades to improve industrial capacity and performance of the automotive sector.

SIP 4: Unlocking the economic opportunities in North West

- Acceleration of investments in road, rail, bulk water, water treatment and transmission infrastructure.
- Enabling reliable supply and basic service delivery.
- Facilitate development of mining, agricultural activities and tourism opportunities.
- Open up beneficiation opportunities in North West province.

SIP 5: Saldanha-Northern Cape development corridor

- Integrated rail and port expansion.
- Back-of-port industrial capacity (including an IDZ).
- Strengthening maritime support capacity for oil and gas along African West Coast.
- Expansion of iron ore mining production and beneficiation.

10. The New Growth Path

The New Growth Path framework

Government, under the leadership of Minister Ebrahim Patel, on 23 November 2010 released the Framework of the New Economic Growth Path aimed at enhancing growth, employment creation and equity. The policy's principal target is to create five million jobs over the next 10 years. This framework reflects government's commitment to prioritising employment creation in all economic policies. It identifies strategies that will enable South Africa to grow in a more equitable and inclusive manner while attaining South Africa's developmental agenda.

Central to the New Growth Path is a massive investment in infrastructure as a critical driver of jobs across the economy.

- The framework identifies investments in five key areas namely: energy, transport, communication, water and housing. Sustaining high levels of public investment in these areas will create jobs in construction, operation and maintenance of infrastructure.
- The new growth path sees the infrastructure programme as a trigger to build a local supplier industry for the manufacture of the components for the build-programme.
- Specific measures, particularly changes to procurement policy and regulations, are identified to ensure that this is achieved. Risks include the still fragile global recovery; competition and collaboration with the new fast-growing economies; and competing interests domestically.

The New Growth Path identifies five other priority areas as part of the programme to create jobs, through a series of partnerships between the State and the private sector.

- Green economy: expansions in construction and the production of technologies for solar, wind and biofuels are supported by the draft Energy on Integrated Resource Plan. Clean manufacturing and environmental services are projected to create 300 000 jobs over the next decade.
- Agriculture: jobs will be created by addressing the high input costs and up scaling processing and export marketing. Support for small holders will include access to key inputs. Government will explore ways to improve working and living conditions for the country's 660 000 farm workers. The growth path also commits the Government to unblocking stalled land transfers, which constrain new investment.

- Mining: calls for increased mineral extraction and improving infrastructure and skills development. It focuses support for beneficiation on the final manufacture of consumer and capital goods, which can create large-scale employment. It foresees the establishment of a state mining company concentrating on beneficiation and enhanced resource exploitation in competition with a strong private mining sector.
- Manufacturing: calls for re-industrialisation in the South African economy based on improving performance through innovation, skills development and reduced input costs in the economy. The document targets a doubling of South Africa's research and development investment to 2% of gross domestic product by 2018.
- Tourism and other high-level services: hold employment potential and the framework calls for South Africa to position itself as the higher education hub of the African continent.

Smarter coordination between government and stronger partnerships with the private sector and organised labour will galvanise our resources in achieving the aims of the New Growth Path.

- Government calls on every South African to contribute to building our nation over the coming 20 years to ensure a collective effort, creativity and solidarity.
- Good leadership and strong governance are critical in ensuring that South Africa takes charge of the new opportunities. Government commits to cut wasteful spending, tackle corruption and align the allocation of public money with developmental priorities.
- Government recognises that job targets can only be achieved if the State performs better and if the private sector grows in labour-absorbing parts of the economy.
- The New Growth Path identifies measures to strengthen the capacity of the state and enhance the performance of the private sector to achieve employment and growth goals.