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talking notes



by Thamsanqa Malinga



Chief Albert Luthuli

"I would ask you in making an appraisal of your activities in the past year and laying out your plans for the coming year to ask yourselves what your task is in our present situation in South Africa", said iNkosi Albert Mvumbi Luthuli to the Congress of Democrats in 1956. Chief Luthuli was calling on all South Africans to work for the betterment of our country.

It is befitting to borrow from Chief Luthuli's wisdom in this 30th anniversary of his untimely death. We are at a time of the year where industries; systems and people shut down. Many people use this time of the year to pause and look at the past year, and strategise for the future.

Welcome to the special bumper edition of the ACHIEVE Newsletter. We have tried to package a lot so that you are up to date with what's happening in your SETA. The focus is on events that have been taking place during the course of the year.

I must say that I see GREAT value in what the merSETA is doing, not because I work for this organisation. My team had the opportunity of covering a couple of learnership graduations in the Eastern Cape and I believe that these can be looked at as a good case study where unemployed people are given an opportunity to learn and develop themselves and they get employed in the process. At another event more than 4000 young people were given a chance to know more about *Careers for the future*.

What is also interesting to note here is the number of events and conferences that we have participated in. The best of them was the merSETA sponsored Industry Exchange where the deputy minister of education in South Africa met up with his counterparts from other African countries to discuss the issue of skills development. This puts weight behind merSETA's new vision of being leaders in closing the skills gap.

SETA performance measurements came out shortly before the National Skills Conference which was held recently. merSETA showed some improvement in its rating. I think we can attribute some of the improvement to the restructuring that started in October 2006. Be sure to look at the graphical presentation of merSETA's improvement.

I am sure most of you have been

following merSETA's restructuring with keen interest. Well the process is almost complete and the call centre is in its implementation phase. We have packaged profiles of the new divisions and the general managers in charge. I am quite sure that this will help all of you to understand the organisation better and understand the mandate and objectives of each division.

Governance is one area where we have shown considerable growth, all thanks to the team in the corporate governance office. For the first time in the life of our organisation we had an open Annual General Meeting (AGM). We also have an article by the chairperson of the board. So looking back at what has taken place and the plans that are being put forward for the coming year, I am convinced that our task is clearly explained in our new mission, that of facilitating sustainable development of skills, transformation and accelerating growth in the manufacturing, engineering and related services sector.

To end this note I would like, again, to borrow from Chief Luthuli in his defiance campaign launch speech "We go to action". This SETA will definitely be one of the best SETAs this time next year. Have a Happy Festive Season and a happy and prosperous new year.

Until the next issue, take care.

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merSETA CEO Dr Raymond Patel

It is hard to believe that a year has gone by since I took over as CEO of the merSETA. When I joined I promised to make this one of the best SETAs of the twenty three. I am proud to write to you today to say we are well on our way to becoming the best.

To be recognized as the best SETA will not automatically come about because we are considered to be the largest SETA in revenue. To be the best will come about because you as a merSETA client will have recognized us as such. Your recognition will come as a result of our processes and systems that have made our dealings with you easy and effective.

In a quest to be one of the best SETAs in your books and a thought leader in closing the skills gap, we have undertaken some major internal restructuring. The idea behind the restructuring is to have the merSETA change its focus from operating as a public entity to functioning as a true service deliverer.

The following changes have been effected

- Our divisions have been restructured and put under the leadership of General Managers. (Currently the merSETA has the following divisions CEO's Office; Corporate Governance; Client Service; Corporate Services; LETQA; Projects and Finance)
- Our language has changed to corporate language where member companies such as yours are now referred to as clients and customers.
- We have adopted a new vision and mission

a view from the top

Vision

The leaders in closing the skills gap

Mission

To facilitate sustainable development of skills, transformation and accelerate growth in manufacturing engineering and related services

- A national in-bound and out-bound call centre is being implemented.
- The merSETA regions have been demarcated into two streams being Inland Regions (Gauteng/ North-West; Free State; Mpumalanga/Limpopo) and the Coastal Regions (KwaZulu-Natal; Eastern Cape; Western Cape and Northern Cape).
- Our chamber co-ordinators and skills advisors have now taken the responsibility of client liaison officers.

All of these changes will help us ensure that there is proper, efficient and speedy service delivery. As CEO of the merSETA I am proud of having a client of your stature. I hope that you will journey and engage with us in our quest to provide you with the best service possible.

I am glad that this edition is bringing you up to speed with what is happening at the merSETA. You will get to find out more about the divisions and who drives them as well as our events and conferences that we have supported in our quest to be leaders in closing the skills gap.

Lastly, to those of you who celebrate Christmas, a blessed Christmas to you and your families. To all the merSETA stakeholders, governing board and staff, enjoy the festive season and a prosperous new year.

Thank you for your role as a client of the merSETA.



merSETA

MANUFACTURING ENGINEERING, PROJECTS AND RELATED SERVICES

2010

skills development approach for 2010 survival



Dr Raymond Patel, merSETA CEO, addresses the need for South Africa to have a dynamic skills development plan for 2010 and beyond

We are all upbeat about the economic impact of FIFA 2010, but what happens thereafter? As things are going, South Africa will come to a halt. Quite simply, the country does not have the skills to keep the economy going once the excitement of the football World Cup has abated.

It's a common misconception that World Cups make money. They don't. Cape Town, Johannesburg and Durban will all suffer losses because the infrastructure development costs they incur between now and 2010 will exceed whatever income is derived.

We need to take some dramatically different approaches to skills development to ensure that we are able to make the most of the infrastructure we are developing.

South Africans must stop thinking that the dire shortage of artisans and engineers is unique to this country and caused by the brain drain: it is a phenomenon that permeates the Western world.

Make no mistake, engineering and its associated professions are not particularly sexy. Young people would far rather work with computers.

The implication is that school-leavers would rather stay jobless than be blue-collar workers who, if they are competent, are almost permanently employed because their abilities are desperately in demand.

The Department of Home Affairs announced recently that up to 35 000 qualified professionals – among them 27 000 engineers and technicians, including artisans – could enter the country without first finding jobs. Publication of this immigration quota list

came just days after I told a scarce and critical skills summit in Cape Town that there is absolutely nothing wrong with importing skills, provided those people you bring in to the country mentor locals and ensure that a substantive skills transfer takes place.

The long-term goal of issuing foreigners work permits is not averting a crisis but ensuring South Africa becomes self-sufficient in the development of its own engineers and artisans.

There is no better example to follow than that of Thailand: you can go to Thailand at any given time, ask for artisans and a thousand will be on the next plane to South Africa.

How can this be? It's simply because the Thai government takes skills development seriously and views trained people as an intensely marketable resource.

This is what South Africa should be doing. I predict that in about eight years from now, South Africa will have reached its peak in terms of domestic growth. Once gross domestic product (GDP) has reached six or seven percent, we will need to sell our skills to Africa in order for the economy to remain at this level.

One only needs to look at economic development in Angola, Namibia, Mozambique, the Democratic Republic of the Congo ... and, inevitably, reconstruction in Zimbabwe ... to know that these countries could have a major impact on the South African economy.

What better way for this country to benefit than by contributing substantively to the

development of southern Africa's fledgling economies?

The merSETA, with a R640 million income from skills development levies last year, is the largest of the 23 SETAs. Many employers say competition between these vocational training bodies has hindered more than helped local business in its efforts to become globally competitive in order to reduce unemployment and poverty.

In the past, SETAs were like male dogs marking out and protecting their territories. This was done at everyone's expense but their own.



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AND RELATED SERVICES

However, inter-SETA collaboration recently took a major step forward with the formation of a joint artisan development committee, which is represented on the Jipsa (Joint Initiative for Priority Skills Acquisition) technical advisory group tasked with investigating ways to eliminate the country's direst skills shortages.

The committee, which I chair, comprises the six SETAs concerned with artisan development: merSETA, chemical industries (Chieta), food and beverage (FoodBev), printing and packaging (Mapp), local government and water SETA (LGW), electricity (ESETA), mining (MQA), construction (Ceta), and clothing and textiles (CTFL). The idea is to explore synergies and avoid wasteful duplication. A radical rethink of apprenticeships is required if South Africa is to meet the Jipsa target of training 50 000 artisans between now and 2010. To put this target into perspective, only 21 237 apprenticeships were registered in the period from April 2000 to March 2005.

It is no secret that the further education and training (FET) colleges are not currently producing the quality of artisans that industry requires, which is why so few graduates are absorbed immediately into the labour market.

Why not take unemployed graduates or

college learners who are engaged in basic technical and trades courses, and put them into accelerated programmes?

South Africa could also follow the example of the United Kingdom, which is in pretty much the same situation as us as far as the number of artisans being trained is concerned. The British educational authorities redrafted the school curriculum – much in the way we have begun doing in South Africa – in such a way that young people leave with certain fundamental life-orientation and vocational skills in place.

Apprentices will then be in a position to complete their training in between 80 and 120 weeks instead of the traditional 204 weeks (four years), thanks to the fact that they are already proficient in such areas as basic maths, science, technical drawing, metal- and woodworking.

merSETA is looking at having about 12 000 apprentices trained or in training through accelerated programmes when the current phase of the National Skills Development Strategy (NSDSII) ends in 2010. This year we intend to introduce some 4 000 people into the programme.

We have already allocated about R340 million to fund this training but we envisage that we will be short by almost the equivalent amount.

All SETAs that train artisans will have similar funding problems because artisan development costs more than ordinary learnerships and income from skills development levies will be insufficient to meet targets.

Accordingly, the committee has accepted a proposal that all SETA funds earmarked for artisan development be put in a kitty and we will request the National Skills Fund and Treasury to make up the anticipated shortfall.

It is this development – perhaps more than any other – that indicates the growing maturity of the SETAs because the competition between the bodies over the past seven years has mostly had money as its root cause. SETAs poached skills development levy-paying companies from one another because it was these enterprises that comprised their sole source of revenue.

The more money a SETA got in, the more programmes it could offer its members and

the more likely it was to continue to exist.

The concept of SETA-clustering is beginning to gain currency from within the Department of Labour, which has improved its lines of communication with the authorities by grouping those that have a similar focus and assigning to each cluster a senior liaison manager.

However, I believe we are not yet mature enough for the SETAs to be formally clustered, though I'm sure it will happen at



some time in the future. In addition to a generic engineering, manufacturing and technological SETA, you'll probably also see bodies for general finance, services (incorporating tourism and hospitality) and all industries related to construction. Government – local and national – could also be grouped into a single SETA.

This will bring South Africa more in line with the British model, which has five sectoral skills development bodies.

The benefit would not be so much in saving on SETA administrative costs – which collectively exceed R400 million a year – even though there would be some cost efficiencies. Clustering makes real sense in terms of a greater client focus, improved service delivery and more reliable industry information.

Government and business are showing increasing commitment to overcoming "scarce" and "critical" skills shortages. There are important differences between these two categories and I anticipate a shift in emphasis in implementation of the NSDS.

We define "scarce" skills as those



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MANUFACTURING, FINANCIAL AND BUSINESS SERVICES

occupations in which there is a current or anticipated shortage of qualified and experienced people, either because such people are not available or, if they are, do not meet employment criteria. "Critical" refers to the specific skills gaps that exist or might develop within an occupation.

For example, engineers might be in extremely short supply (scarce) but those who are practising might lack certain managerial, interpersonal or technological (critical) skills.

Typically, scarce skills are addressed by equipping people with qualifications such as degrees or diplomas, while critical skills can be acquired through short courses which might be individual modules within a qualification.

Critical skills are often referred to as "top-up" skills.

I believe companies will increasingly send employees on short, accredited courses to bring them up to world-class standards and consolidate the skills base in order to establish a platform for growth. There will be less of a focus on learnerships for employees unless the intention is for those employees to develop to a higher level or move into another area of the business.

The merSETA will fund more and more skills programmes and, with this in mind, we have launched an R4 million pilot scheme to train workplace assessors in techniques of recognition of prior learning. The programme will later be expanded to the entire industry.

The intention is to send trained people into companies to interview people who have been in the industry for years and determine the skills gaps.

There are many people who do not have engineering qualifications but have picked up much, if not all, the knowledge that they would be required to demonstrate in obtaining degrees or diplomas. Assessment will recognise what they have already learned and identify what knowledge they still need to acquire.

In this way, the shortage of professionals can be addressed effectively and fairly quickly from within the industry.



improvement

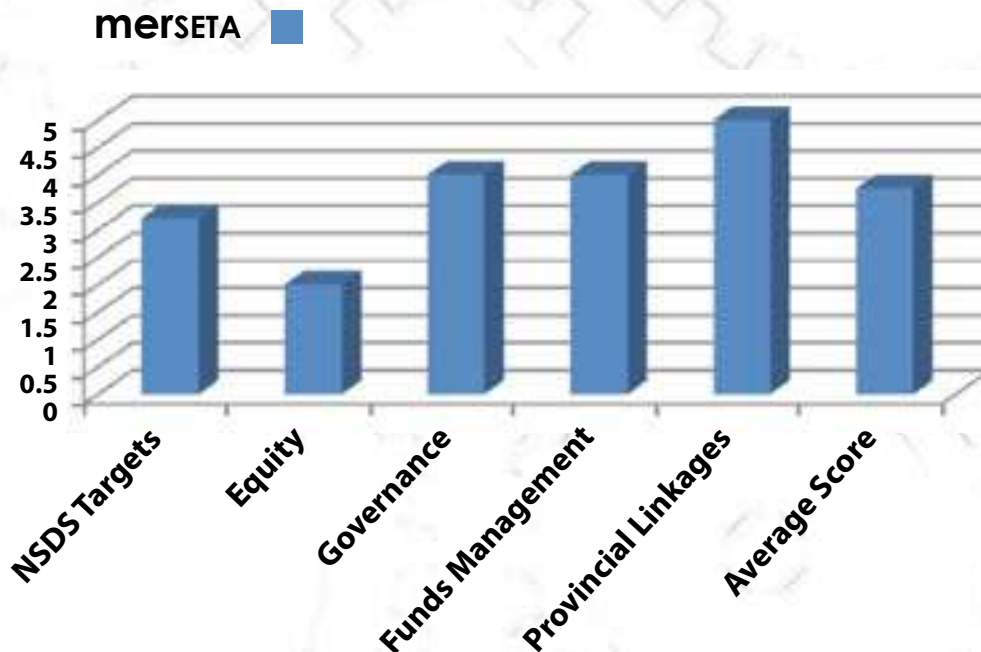
in merSETA performance in 2006/7

by Thamsanqa Malinga

It has been a year now since the merSETA Governing Board approved the restructuring of the organisation. The intention was to refocus an organisation that is goal orientated and customer driven. It was during this restructuring phase that the merSETA, for the first time, introduced a business plan on which the organisation was going to be managed. What is interesting to note in the contents of the business plan is the fact that the organisation set a benchmark target of being "one of the top three SETAs in South Africa" in the 2007/8 financial year. In a SETA Forum meeting, of CEOs and managers that took place in October, the Department of Labour released the SETA performance management scores for the 2006/7 service level agreements.

The results indicated that there has been an improved performance of SETAs in the 2006/7 financial year as compared to the 2005/6 year. The merSETA scored an average score of 3.75 (moderated by verification). The score was based on the achievement of targets in areas such as NSDS targets; equity principles; governance; management of funds and provincial linkages. merSETA proved to be very strong in terms of provincial linkages, this is made evident by the merSETA offices all over the country. Considerable growth in areas like management of funds and governance is notable in merSETA scores. These two are seen as crucial areas in any organisation or company. Organisational success is often measured by how an entity manages its finances and affairs and the merSETA has show considerable growth in these.

Although merSETA's score on equity seems low, a major improvement is expected with the 2007/8 performance measurement as appointments are being made in light of the restructuring. The CEO, Raymond Patel, is convinced that the NSDS targets will skyrocket come the next performance measurement. Considering the fact that internal systems have been streamlined and service delivery given top priority, merSETA is gunning for a full five point score in its NSDS targets.



merSETA performance scores based on DoL review for the first two quarters of 2006/7 year

changes at merSETA

by Thamsanqa Malinga

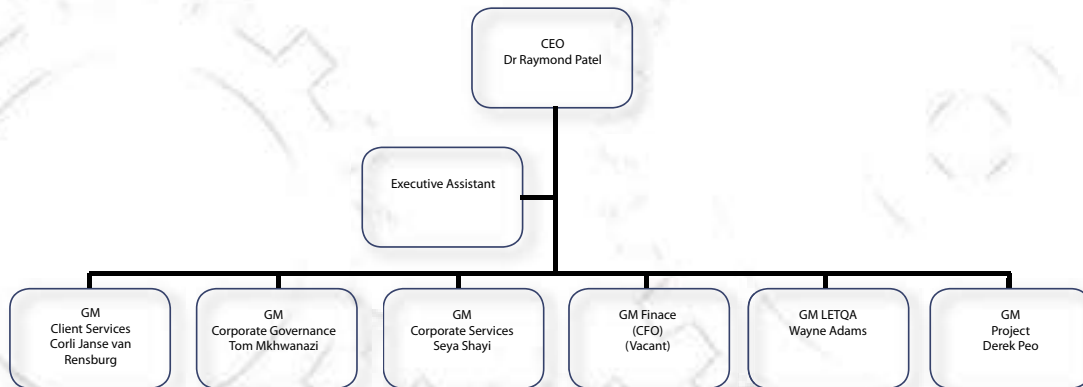
It has been twelve months since the restructuring of merSETA started. The process which has seen the introduction of a business style of operation is now 95% complete. The restructuring was the brainchild of CEO Dr. Raymond Patel and the merSETA Exco. In his statement upon rappointment Dr. Patel said that his mission was to make merSETA "one of the top three SETAs in the country". Well, judging by the way things are shaping up, Dr. Patel might realise his mission in the next SETA performance measurement.

The restructured merSETA has been modelled on a business style of operation. Divisional managers have been renamed general managers (GMs), the four divisions and one unit that have been in place have been segmented into six and a business plan has been adopted. All of this has been done with the aim of living up to the newly adopted vision: leaders in closing the skills gap.

Before the restructuring the merSETA had the Skills Development Implementation (SDI) division; the ETQA division; the human resources division; the finance division and the grants unit. All these have been remodelled into the Client Services division; the Learnerships, Education and Training and Quality Assurance division and the Corporate Services division. The Finance division retained its status and two new dedicated divisions were created, the Projects division and Corporate Governance division. All these divisions, under the leadership of dedicated general managers, report to the CEO's office.



merSETA CEO, Dr Raymond Patel



CLIENT SERVICES – reducing bureaucracy

This is the largest of all divisions in the merSETA. According to the general manager for the division, Corli Janse van Rensburg, the objectives of the division are twofold. "The first objective is to ensure that we exceed client expectations in our sector. These clients include levy paying companies, non-levy paying companies, FET colleges, training providers, learners, government departments as well as NGOs and CBOs within our sector. Secondly, we want to be the benchmark when it comes to service delivery within the SETA fraternity".

Client Services is divided into three main units. The first is a centralised administration unit, which is responsible for all administration relating to clients of the organisation. The administration unit also has a call centre. The second unit comprises 6 regional offices. These offices have been demarcated into two streams, INLAND: Gauteng/North-West; Mpumalanga/Limpopo and Free State and COASTAL: KZN; Eastern Cape and Western Cape. The third unit is the chamber unit. This unit is responsible for the five sub sector chamber committees and the merSETA's interaction with the industry through these representatives.

The administration unit is under the leadership of Luzette Joseph. Joseph had previously managed the bursaries and then the regional offices. All administration matters have now been centralised to head office. The central administration unit is responsible for:

- Call Centre
- Processing and approval of all grants
- Registration of contracts
- Cancellations and Remissions of contracts
- Trade Test Applications

The coastal offices are under the management of Sheryl Pretorius, who previously headed the Western Cape Region. The inland offices are headed by Peter Makaba who previously held the reigns at Mpumalanga and Limpopo region. Each regional office has a regional manager.



GM Client Services Corli Janse van Rensburg



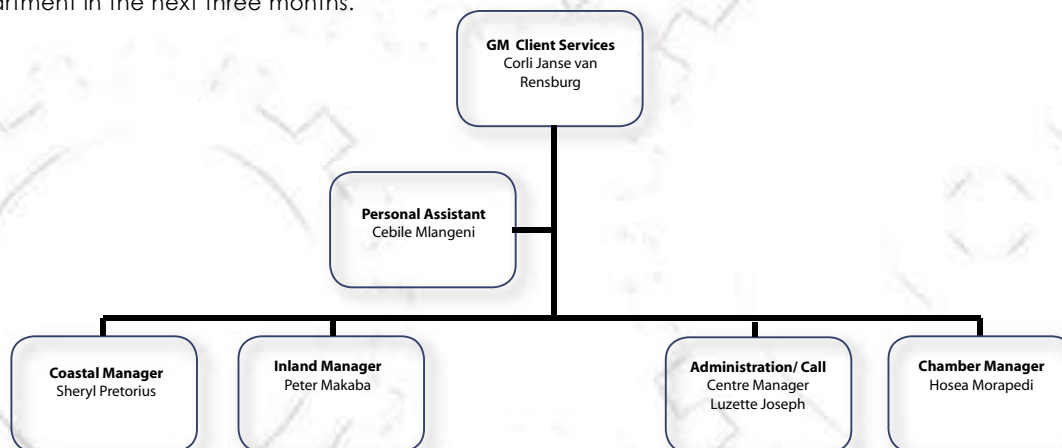
These regional offices provide the following services:

- Advice on accreditation
- Workplace approvals
- SME Support
- Needs Analysis
- Skills Development Advice
- Capacitating of Training Committees, Shopstewards and SDFs
- Capacitating FET colleges

The third unit, Chambers, has been put under the responsibility of a chamber manager, Hosea Morapedi. Morapedi was previously the senior co-ordinator of the motor chamber. This unit will:

- Ensure Chamber committees operate within the merSETA constitutional terms of reference
- Align sector needs with regional needs
- Be the link between the stakeholders (chambers and regions) and the merSETA
- Monitor implementation of Training Programmes

According to Janse van Rensburg, this division has set its sight on three target markets with top priority going to current companies working with merSETA, "We want to increase the success rate of their participation and ensure that we add value to their businesses through skills development advice and assistance". New clients have also been identified, "We have to increase the participation of companies within the merSETA. There are a lot of companies that only pay the SDL levy as a tax and do not participate in the national objective of skills development. FETs are our third target market. We want to elevate the status of FET colleges with our companies so more companies make use of them in the implementation of learnerships and skills programmes". Definitely a lot has changed in this department since the restructuring. Janse van Rensburg however believes that a lot will come from the department in the next three months.



CORPORATE GOVERNANCE – accountability; transparency and responsibility

This division was previously called the Company Secretary's office. Tom Mkhwanazi, the general manager for the corporate governance states that the objectives of his office are to ensure that the merSETA fulfils its mandate in a manner that is in keeping with best governance practice in respect of accountability, transparency, fairness and responsibility. "This boils down to the fact that merSETA Governing Board must regularly review processes and systems to ensure compliance with statutory duties and responsibilities. Board members have unrestricted access to services of the corporate governance division", he said.

Based on the results of the DoL/SETA performance measurement, merSETA showed considerable improvement in the governance arena. This is a huge morale booster for the staff in this division considering the fact that their division is just a year old.

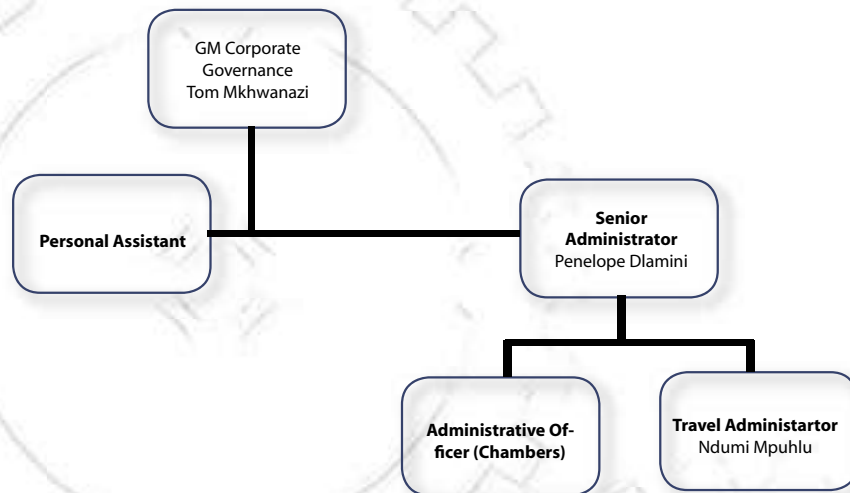
The corporate governance division has the following challenges and priorities to assist the Governing Board with better governance practice:

- The Board to consider the outcome of the Board assessment in order to improve corporate governance practice by the Governing Board;
- Review the delegation of authority;
- Develop the Code of Ethics for the Board "to set the tone at the top";
- To improve "how and what information" is provided to Board to ensure effective decision making;
- To improve the information flow within Governance structures;
- To review terms of reference for various Governance structures; and

One of the major challenges that this division is handling with ease is the task of fully implementing the travel management system in- house. This system which was previously outsourced to service providers is now being done within this division. Already the efforts of Mkhwanazi and his team are showing results in that the merSETA has an approved Board Charter, the Code of Conduct has been reviewed and the merSETA recently had its first open Annual General Meeting (AGM).



GM Corporate Governance
Tom Mkhwanazi



PROJECTS – within budgets and resources

This division was previously a small unit within the much bigger Skills Development Implementation division. Due to the seriousness of the merSETA projects and the recent government ASGISA/JipSA initiatives, this division was created as a specialised division that will help in coming up with dedicated projects that are linked to the government initiatives.

According to Derek Peo, the general manager for the division, "the Projects Division or Project Management Office (PMO) leads and facilitates projects, as commissioned by the Governing Board. These projects are either outside the regular operations of the merSETA, are strategic, very large in scale, or are new initiatives that need a pilot or development phase".

The Project Management Office is also responsible for managing a research and development agenda linked to the Sector Skills Plan, aligned to the National Skills Development Strategy. Detailed project implementation plans and budgets, backed up by the development of supporting systems and procedures, and internal financial capacity are critical to the achievement of these objectives.

Peo and his team have identified five programme streams for development, they are:

- An ASGI-SA/JIPSA linked programme, with an emphasis on artisan development (e.g. AATP, RPL, etc.) and scarce skills (bursaries, workplace and graduate development grants);
- SME Skills Development Support Programme (e.g. training vouchers, CLO support, and emerging and informal sector support, including New Venture Creation);
- ABET Support Programme (Discretionary grants, training vouchers, NQF Level 1 Learnership, Accelerated ABET and occupationally directed ABET);
- Integrated research and development agenda (linked to labour market analysis, impact studies & analysis and sector skills forecasting);
- Special Project (e.g. HIV&AIDS in the Workplace, Science Engineering and Technology Support for Schools, a strategy for People with Disabilities).

The Project Management Office (PMO) has moved away from the norm of identifying a target market and restricting its service to that market. "Besides the implementation of key projects for various stakeholders, and the development of a knowledge management structure in the organisation through the skills planning function for staff, learners, companies and providers, it has become a notable feature given the nature of our work that the Projects Division finds itself increasingly providing a broad range of advisory services" said Peo.

This often takes up considerable time as this division finds itself providing advice internally (e.g. the identification of grant categories and criteria for Discretionary Grants), as well as externally, to stakeholders and providers (e.g. unsolicited project proposals, and technical advice), and other SETAs, (e.g. artisan development, new venture creation and apprenticeships). Capacity-building also plays a large part especially around the alignment of scarce and critical skills to the Organising Framework for Occupations (OFOs).

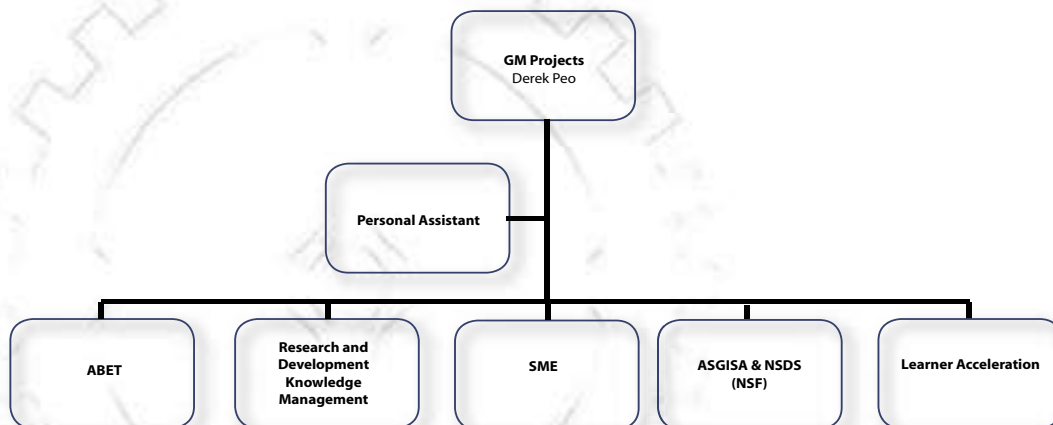
The greatest value proposition that the Project Management Office hopes to bring to the merSETA is allowing the merSETA to drive more projects through with the same resources and to get projects completed sooner, and to a better standard of quality by implementing a framework of processes and controls for the project portfolio. Generally, the PMO will contribute to the following Critical Success Factors (CSFs) in the organisation:

- Operating within budgets and resources
- Improving productivity
- Integrated, benchmarked processes and systems
- Quality Management
- Effective communication and teamwork.



GM Projects
Derek Peo





LETQA - producing quality learners

Skills development can never be simply for the sake of skills training, it must always be aligned to industry needs. In order to satisfy its clients in this regard, the merSETA aims to ensure that the sector, and the broader economy, is provided with the skills that are in demand.

"We want to ensure that learners exiting training from merSETA-accredited providers become the most sought after within their disciplines, based on the requirements stipulated by our clients," shares Wayne Adams, GM: Learnerships Education and Training Quality Assurance (LETQA). "These learners should not only meet, but exceed, expectations. If merSETA is going to become the leader in closing the skills gap, it should produce learners required by industry not just in terms of quantity but, more importantly, in terms of quality."



GM LETQA
Wayne Adams

Adams oversees three major functions. Firstly, there is the function of quality assurance as governed by legislation in the SAQA (South African Qualifications Authority) Act and operating within the regulations that define the functions of ETQAs. These functions deal with, among others, accreditation of training providers, monitoring the provision of training, registration of assessors and moderators, and promotion of quality among providers.

Secondly, there is the learning programmes division, which, in conjunction with the SETA's various chambers, identifies the needs of industry from a training and development perspective, and then facilitates a process to have the relevant qualifications developed.

This process falls under the responsibility of SAQA and the standards generating bodies (SGBs). However the SGBs have been hampered in the past by a lack of funding, so in order to fast-track the process, the merSETA has opted to fund a number of SGBs within its sub-sectors. The merSETA provides logistical support and appoints facilitators to assist in making sure that the qualifications are made available.

Thirdly, there is the quality management system that the merSETA is implementing as part of its new vision. "The objective we have set ourselves is to ensure that as a SETA we not only meet but exceed our customers' expectations," reiterates Adams. "A fully-fledged, well documented and managed quality management system will assist us in achieving that objective."

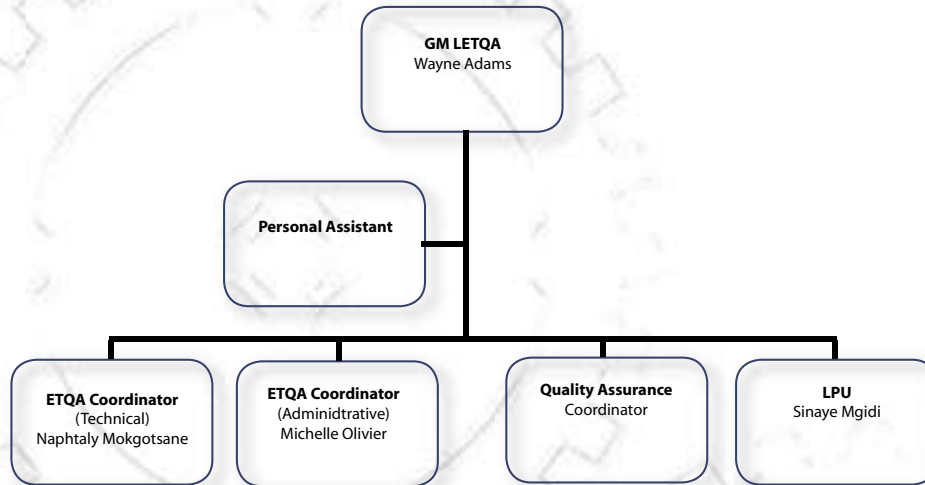
In order to correctly understand the needs of industry in terms of training and development, the merSETA has recently undertaken extensive research to determine those needs, but also geographic areas where certain elements or training components are particularly required. The merSETA now plans to provide the infrastructure that will enable it to deliver on these needs.

"The reality is that we have limited funds," notes Adams. "So we need to prioritise around these findings if we are to deliver value to the industry."

Artisan development is particularly critical in these industries and also relates to the aspirations of JIPSA and ASGISA. The merSETA will be pursuing an aggressive programme to ensure additional trained artisans are brought into the industry. However, from a quality perspective this has raised a number of challenges.

"In terms of training artisans we not only have to comply with the SAQA Act and the Skills Development Act, but also the Manpower Training Act," explains Adams. "On the one side this legislation makes certain demands while on the other the Department of Education is phasing out one of the pillars of artisan training – the NATED courses. We need to find solutions to these sort of issues but the challenge is to make sure that whatever we develop is done in consultation with all the relevant sectors, so that we can ensure the portability of skills across sectors." The merSETA has recently finalised policy, criteria and guidelines around recognition of prior learning and is about to launch a pilot project around this. This will help to address the fact that there are many skilled people working in the sector who do not have any type of certificate. The challenge is that the skills that need to be looked at are much broader than just the technical skills and a way needs to be found to obtain a holistic picture of skills.





CORPORATE SERVICES – stabilising systems

Human Resources

The restructuring has led to a number of opportunities for our employees. We have managed to promote a number of staff members to senior positions. Our Labour coordinators and SME Skills Development Facilitators who have been assisting the organisation part time have now been appointed to full time positions. We were conscious of the fact that the employees would take strain during restructuring due to job security and changing processes. We, therefore, ensured that the industrial relations were nurtured and we are now proud to say that they are at an all time high. Senior Management has also had their fair share of challenges during the implementation of the new structure, because planning does not always result to smooth implementation. Even in best designs some challenges are experienced during implementation. We have managed to go through restructuring with minor glitches. We have managed to keep our staff motivated and we are now towards the end of the year. We have aligned Job Profiles with the restructured organisation. To all our staff we wish them happy holidays and may they come back refreshed in the New Year to complete the portion of the fine tuning processes.



GM Corporate Services
Seya Shayi

Information Technology

This department has had a change of guard, with our newly appointed IT manager. We are well on our way in terms of delivery. The datanet support under the leadership of our Business Analyst is receiving attention as well. We have men and women who are spending time in ensuring that this organisation reaps the fruits of the IT investment. We are also required to invest more money because the restructuring has seen a number of people being promoted to a bracket, where they are legible for IT equipment that will enable maximum performance.

The priorities are: robust disaster recovery plans that will ensure that the senior management of the merSETA is comfortable with data back up. The Institute of Directors is asking Board Members to pay special attention to IT Governance, because IT has proved to be an imperative component of the business in the 21st century.

Communication and Marketing

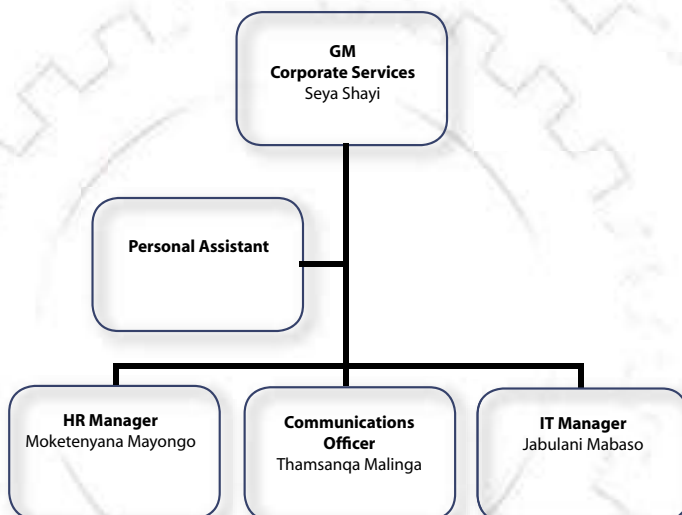
The merSETA has appointed Advocacy Administrators to assist in the management of Communication and Marketing at regional level. These administrators (Inland and Coastal) together with the head office communications department, share the responsibility to communicate, the products, services and activities of merSETA. They will further ensure a continuous flow of information between the regions and head office.

The media perception survey conducted in October has also concluded that there is continuous growth in positive publicity around the merSETA.

We are also in the process of clustering our stakeholders into categories, so as to have a relevant and focussed communication message.

The communication and marketing unit is continuously exploring ways in which we can best promote fruitful interaction with our stakeholders.

It is as part of this campaign that we are now revamping our website to create a more informative and user friendly platform of communication.





Xolani Tshayana

I began my involvement with the SETA in May 2003 and the ideological contestation within the SETA between the employer and labour stakeholder was very dominant. It was very clear that labour wanted more benefits for its members and employers, on the other side, viewed training as a cost. It was therefore the defence of the class interest and difficult for both stakeholders to compromise and reach decisions through consensus.

I think that by then as parties within the SETA, we had a very narrow understanding of the transformation agenda as the bigger picture. As labour we wanted to see an immediate change and this was informed by the fact that our workplaces still reflect the structures of apartheid. Then, we did not understand that as stakeholders we had a responsibility of implementing government mandate. We did not anticipate that the economy of the country could grow so rapidly resulting in the fact that we cannot produce the skills required by the economic growth of our country, more especially by merSETA companies.

The following constitutes the current challenges that we need to overcome:

1

Challenge One:

Currently we are experiencing a serious challenge of merSETA companies which are poaching skills from each other, there is an intense competition for skills and some companies are failing to get the necessary skills that they are looking for because when they have to buy those skills from other companies they become very expensive. There is no pool of ready made material within the companies.

2

Challenge Two:

Another challenge of the SETA is to strike a balance between the training of unemployed and the employed workers. I think at some point the learnership programme is being exploited where some employers are only focusing on training

rising to expectations

achieve speaks to the incoming chairperson - Xolani Tshayana

the unemployed and not recruiting them after training. If we can't change this, there is no way we can make an impact in the area of Employment Equity, because companies will continue complaining that they can't find black skilled people, I think if they can create a pool by training black people they will know where to get them when they want them. We must use the Workplace Skills Plan and Employment Equity Plans in addressing this problem.

3

Challenge Three:

Is the number of registered learners against the number of learners qualifying at the end of learnership programme. There are various reasons for this, but for me without proper support structures like a middle person between the SETA and the companies monitoring and managing learners closely, this problem will continue. I think that the system is harsh in treating the learners 100% as workers. Many aspects of learner support are being overlooked.

4

Challenge Four:

One other challenge is that as SETA stakeholders we are aware that there are companies that implement training which is not relevant to production. Those companies are claiming grants and are getting paid for them. The time has come that we should only consider training which leads to recognized Occupational Workplace Qualifications.

The overall challenge is to ensure that we retain merSETA as it is after the restructuring of the SETA system. We must convince the decision makers that we are capable of achieving on our mandate. The only way to do this, is to work hard and remain focused on what we know best.

As the merSETA, I think we have managed to identify and admit openly that there are both individual and institutional weaknesses and we have put measures in place to address our weaknesses. We have managed to identify our common objective which is to assist the Government in meeting the 6% economic growth target and halve poverty and unemployment by 2014. We are better placed in providing the country and the economy with the correct skills as well as reduce the reserve army of the unemployed. For me, when I look back and assess the progress, I want to see that as the merSETA we have managed to implement at least 80% of the short term goals that we developed in our strategy. There is a general weakness in the implementation of decisions and I hope that we will be able to overcome that general challenge.

My request to stakeholders is that we must provide strategic leadership. Let us not frustrate the transformation agenda as many workers and the unemployed are putting their hopes and expectations on us to deliver. History will judge us harshly if we fail the masses of our people. Our role is to produce the most advanced productive forces in constructing a new society

I wish all merSETA stakeholders, leadership, staff, learners and service providers a Merry Christmas and Prosperous New Year and please ... don't drink and drive "arive alive ..."



Newly elected merSETA Chairperson Xolani Tshayana with previous Chairperson Anton Hanekom



merSETA

MANUFACTURING, FINANCIAL AND BUSINESS SERVICES

R70m

by Helen Brown

merSETA project aimed at closing the skills gap for qualified engineering artisans

merSETA has commenced an Accelerated Artisan Training Programme (AATP) with its key levy paying organisations. Phase 1 of the project carries a budget of R70million. The steady decline of artisan training from the 1980s, and the concomitant demand for skilled artisans locally and internationally, has placed a binding constraint on the ability the merSETA's industrial sector to achieve the government's economic growth target of 6%. Accordingly, the merSETA has undertaken to support the JIPSA initiative by significantly increasing funding aimed at qualifying engineering artisans in a structured 80 week programme.

The programme is aimed at stimulating apprentice training beyond normal capacity or company specific requirements at large companies who were actively training artisans in the past. "There is an established resource and institutional capacity that needs to be leveraged to revitalize a healthy pipeline of artisan training" – says merSETA CEO, Dr. Raymond Patel. These companies are identified through their track record of successful apprentice training over the past four years and then invited to submit a declaration of how many extra apprentices they could train in the various trades according to the quality assurance standards of the merSETA. Once verified, the company joins the project team in order to share best practice and monitor the achievement of learning milestones on the part of the newly appointed apprentices.

Because the programme is accelerating the pace of theoretical learning and simulated competence, the selection criteria of candidate apprentices have been raised. Candidates must have completed at least four engineering subjects at N3 level, with one of the subjects relating directly to the trade being applied for, and with Maths and Science at a minimum of N2. Participating companies select their own candidates according to their assessment of the candidates' potential to complete the programme in the required time-frame.

The Metal Sector related trades are completed in 80 weeks by first focussing on the theoretical knowledge and simulated competence for the training schedules of the trade. This takes approximately 26 to 36 weeks, depending on the trade. The workplace experience is then completed according to a structured log book of activities to be signed off by a qualified artisan who also acts as coach and mentor – this takes place over a 54 week period which ends with a trade test.

The Motor Sector related trades are completed in a minimum of 80 to 104 weeks depending on the trade. Most of the scarce-skills trades in this sector are Competency Based Modular Training (CBMT) programmes which require certified competence after each level, with successfully assessed competence in the last

level replacing the requirement for a trade test.

Progress on this project to date includes approval by the merSETA Governing Board on the funding and participation criteria for the project as well as sign-up of 16 merSETA levy paying companies on the programme from the Metal sector. The Motor sector will be invited to join the programme in order for the merSETA to reach the Phase 1 target of 1300 apprentices.

"I am confident that this programme will sufficiently stimulate the apprentice intake and training delivery capacity of employers and training providers in our sector. It will create enough momentum to prepare a wider participation platform for the Phase Two Funding Window that commences in April of 2008", concludes Dr. Patel.



merSETA
MANUFACTURING, ENGINEERING
AND RELATED SERVICES

SME

by Linda Nxumalo

Training Voucher Project Pilot launched

Many SME organisations face constraints with respect to training, such as lack of infrastructure, insufficient budget for training and development, and limited access to accredited, relevant training.

As part of the SME Skills Development Support Programme (SDSP) the merSETA Board has approved funding towards the development of a Training Voucher Project that will be implemented for SMEs in the manufacturing, engineering and related services sector up to March 2010. This entails the development of a web-based system to generate vouchers that can be traded for a pre-approved training course that may be selected from the database on the dedicated website www.mersetatrainingvouchers.org.za.

The project is open to all SMEs in the manufacturing, engineering and related services sector with between 1 and 49 full-time employees.

Both levy paying and exempted SMEs can benefit from this project.

Participation for levy-paying SMEs will require the submission of their SDL number and up-to-date skills development levies paid, while exempted companies will be required to provide the SARS letter of exemption.

Each SME will be able to access vouchers to the maximum value of R5 200 per employee up to a maximum of R26 000 per SME. These vouchers can be redeemed with any of the pre-approved training providers participating on the project.

SMEs can apply for a maximum of two ABET learning areas per employee on any level. These amounts are additional to the R26 000 per SME and there is no limit to the number of employees that can be enrolled on ABET.

The merSETA has ensured that all training courses are aligned to the National Qualifications Framework (NQF), duly accredited (or approved) and organised in key categories on the website, for easy reference.

This is a pilot project with a fixed budget and participation will be on first come, first served basis. Vouchers awarded will have a three month expiry date and training must commence by the end of February 2008.

COURSE CATEGORIES OFFERED:

- ABET
- Finance, Accounting and Governance
- HIV/AIDS
- Information and Communications Technology
- Life Skills
- Management and Supervisory Training
- Presentation and Communication Skills
- Project Management
- Safety, Health, Environment and Quality
- Sales, Marketing and Customer Service
- Secretarial and Administration
- Skills Development Facilitator (SDF)
- Technical / Industry Specific
- Transport, Freight and Logistics



merSETA

MANUFACTURING, ENGINEERING AND RELATED SERVICES

APPLICATION PROCESS FOR SMEs

Access to training vouchers is as easy as 1-2-3:

1. Apply on-line on www.mersetatrainingvouchers.org.za or telephonically on 0861 10 1210. Supporting documents to be supplied where required
2. Application is assessed and outcome communicated within three working days.
3. If approved, the voucher will be e-mailed or faxed to the applicant(s). Present this voucher to the provider printed on it

APPLICATION PROCESS FOR TRAINING PROVIDERS

Registration as a training provider is also simple. Just follow these easy steps:

1. Apply on line on www.mersetatrainingvouchers.org.za and supply the supporting documents (application will only be assessed on receipt of all the documents required)
2. Application will be assessed and outcome communicated within five working days. Registration will be confirmed by a merchant number issued to the applicant

WHY SEND EMPLOYEES ON TRAINING?

There is evidence that developing employees makes business sense if training addresses a real need, for example:

- **Better workforce**
Recruitment is likely to be the most costly expenditure in your business. So it pays to get it right first time. Once you've got the staff you want you can't afford to let them drift. Coaching, training and development are crucial not just to ensure you have the skilled employees you need but also to reap the rewards of a loyal and motivated workforce who appreciate the investment you make in them and in turn give of their best to the business.
- **Better use of IT**
Technology is fundamental to the way an organisation functions, if you or your staff are not up to scratch it's going to have a powerful and detrimental impact on efficiency, output - and orders from your customers. Computer or IT courses will allow the company to build on the skills it already has and develop the latest capabilities to make sure your business doesn't lose out.
- **Better management**
In business, shaky relationships can shatter effectiveness and spell disaster. And if you're not managing yourself or your team efficiently you'll be losing revenue - and losing face. A management training course can help give you or your staff essential skills for better team working, more effective interactions and improved self-awareness, management and motivation.
- **Better financial control**
If finance is not your speciality, it's difficult to know whether you're optimising potential or missing out - and that can be stressful and unproductive. Finance courses can provide a good grounding to boost your competence and confidence in financial matters so that you can see clearly how best to plan for your business.
- **Better compliance**
Compliance is one of the biggest single issues for concern in businesses. The impact of legislation is inevitable. You need fast, straightforward training that will avoid you wasting valuable time and ensure that you comply cost-effectively.
- **Better strategy**
A crucial issue in a business is finding the time to develop effective strategies that will ensure maximum business growth and optimum efficiency.
- **Better sales and marketing**
Are sales not quite as robust as they could be? Are you missing out on a crucial audience segment? Is your marketing expertise letting you down? If your business is marking time and not marching forward it's time to take a closer look at your sales strategies.
- **Better risk management**
Companies are continuously exposed to Risk which, if not managed properly, can substantially affect both their business and their very existence. However, Risk is something that, if managed properly, can be substantially reduced.

If you need more information on the project, please visit the Questions tab on the website: www.merSETAtrainingvouchers.org.za or send an e-mail to the Project Manager, Ms. Linda Nxumalo per smetrainingvouchers@merseta.org.za

"Closing the Skills Gap"



Women empowerment is not a commemorative event

by Thamsanqa Malinga

The women's empowerment agenda should not be reduced to a once a year issue where it receives prominence during the festivities of women's month. This seemed to be the statement that the merSETA is making upon embarking on a pilot programme to improve the current shortage of female managers. This programme saw fifty women from Eastern Cape, Gauteng and KZN being awarded bursaries to study Fundamental Management with UNISA's School of Business Leadership.

This twelve month long programme, in which the merSETA has partnered with the Black Management Forum (BMF), is the brainchild of merSETA CEO Dr. Raymond Patel and Fiona Kayser, a consultant and BMF associate.

According to Kayser, merSETA was chosen because "it is seen as one of the organisations that improves current skills shortages by targeting critical areas and embraces ASGISA's goals".

Kayser noted that in as much as the project is still in pilot phase she is committed to "drive the programme nationally over the next five years and she requests with merSETA member companies to embrace the project and afford their employees the time required to embark on it, in so doing they will have displayed the kind of commitment to skills development the country is yearning for".

Since the programme started, participants have written to the merSETA expressing their gratitude at the efforts of the organisation. One of them, Helen Tembe from the Matomo Projects, wrote and said "A big thank you to merSETA, BMF and SBL Graduate School of Business Leadership for putting the programme together and I'm sure we will finish the programme better at what we do and as new leaders".

This programme is a clear indication that the merSETA is committed to the vision of closing the skills gap. The BMF and its president, Jimmy Manyi are commended for supporting an initiative that seeks to make women empowerment part of the national agenda rather than an event that gets attention once a year.



events

by Ziinjiva ka Mnguni

Manufacturing SETA (merSETA) and Volkswagen South Africa (VWSA) partnership yields results.

The relationship between merSETA and VWSA has yielded results. This was evident in the recent graduation of learners at the VW plant in Uitenhage, Eastern Cape. Fifteen learners were awarded national certificates in autotronics and mechatronics respectively with two of the thirteen autotronics certificates being awarded to females.



The VWSA Graduates

Speaking for the merSETA at the ceremony was Corli Janse van Rensburg, general manager for client services. Janse van Rensburg said that the merSETA was "committed in providing a conducive training environment for learners and companies like VW by putting up a framework and having a quality management system in place so that the kind of training that is being offered will produce the best artisans in the country". She went on further to encourage learners to arm themselves with knowledge "nobody can take that away from you".

In conclusion, Mr. Percy Smith, Division Head, Human Resources, VWSA, acknowledged the role played by merSETA.



merSETA Client Services GM, Corli Janse van Rensburg at the VWSA Graduation

merSETA and Dorbyl Automotive success story a case study for skills development

The partnership between merSETA and Dorbyl started in 2002. Dorbyl has been one of the most consistent companies in merSETA to produce a 100% pass rate in their learnerships. Speaking for Dorbyl, general manager, Johan Steyn said their commitment when it comes to training and development is unquestionable as they have opened their own accredited training centre. Furthermore, their commitment to sustainability as all the unemployed learners they had are now all employed. "Indeed learners have learnt the trade and not the tricks" he said. One of the notable things about the Dorbyl graduation was the age group of the graduates with the oldest being fifty six years old.

Plans by merSETA to assist the company by extending the scope of accreditation to cover Level 4 are underway. This will enable the company and the learners to continue with the Automotive Component Manufacturing and Assembly NQF Level 4.

The success of Dorbyl is a good case study in that the majority of graduates are women, and that most of the learners started as unemployed and today all of them are employed. merSETA has once again lived to its vision of being leaders in closing skills gap.



The Dorbyl Graduate Team

Preaching the gospel of skills development

The merSETA took the gospel of skills development to Soweto where it partnered with ASCCI (the Association of SADC Chambers of Commerce and Industry) in a conference aimed at SMMEs. Another notable partner in the conference was the Grace Bible Church, which accommodated the conference in its buildings.

Dignitaries amongst them the Deputy Minister of Trade and Industry, Elizabeth Thabethe; merSETA CEO, Dr. Raymond Patel; Mafube Publishing CEO, Thami Mazwai and Eddie Funde, SABC board chairperson, addressed the conference. All the speakers seemed

to read from one page when they hinted that skills development and technical training should be encouraged to promote SMME development in the SADC region.

If this SMME and BEE Conference is anything to go by, growth in the South African economy is set to expand and benefit millions of South Africans.



merSETA leads a commission at the North-West Skills Conference

The North West Government Skills Development Conference recently took place in small town of Rustenburg under the theme "to promote employability and sustainable livelihoods through skills development".

The merSETA Gauteng/North-West office led by Rod Chammudzi was tasked with leading one of the breakaway commissions at the conference. This office is an active member of the North-West Provincial Skills Development Forum which is one of the seven provincial growth and development strategy working groups. According to Chammudzi it was imperative for merSETA to lead the commission because "we are positioned to offer technical support. This eventually turned out to facilitation after the leader (facilitator) of the commission was posted to cover up in another commission. That shows the level of commitment and reliability established".

Arising from the commissions were resolutions that were forwarded to the office of the premier to oversee implementation. "I must say what's dear to this office and will call for our diligent participation is the resolution that calls for SMME support. Our industry is only highly visible in Brits and Potchefstroom and the rest is done by SMMEs who by and large are informal. We need to get there and make a "Braille" difference", said Chammudzi.



Youth throwing stones

More than four thousand young people gathered in the south of Johannesburg to commemorate Youth Day under the theme careers for the future. This event was a result of a partnership between merSETA and Dr. David Molapo's I CAN FOUNDATION.

In what could be termed as the biggest non political rally on June 16, merSETA hosted the young people from all over Gauteng to a day filled with motivation and career guidance. Young people were given information on engineering related careers as these are considered to be the careers that will be in demand in the near future.

merSETA CEO, Dr. Raymond Patel spoke about the need for artisans and hinted that in as much as being an artisan is not a "sexy profession", it is one of the skills needed by the country.

Companies such as ESKOM; DELL Computers; the Forestry SETA (FIETA) and ISETT (Information Technology) also responded to merSETA's call to address learners. At the end of the day the event proved that June 16 is no longer about throwing stones but it is now about gathering stones and building a future for young people in our country.



June 16 Career Day - Registration



June 16 Career Day - Dr Raymond Patel



June 16 Career Day - Feeding the Youth



merSETA hosts its first open AGM

merSETA stakeholders from different backgrounds came together for the first merSETA Annual General Meeting that was open to all. Business directors; managing directors, managers, representatives of business and labour, training providers and representatives of other SETAs were present.

Outgoing chairperson Anton Hanekom from the Plastics Federation outlined some of the successes of the merSETA over the past financial year. According to Hanekom "the pressing issue was to find a CEO who would assist and lead the merSETA to achieve its mandate. We also had to re-look at the merSETA Strategies, Corporate Governance and it's achievement of NSDS II targets and meeting the needs of its stakeholders". All of these and others according to Hanekom were fulfilled.

merSETA CEO, Dr. Raymond Patel delivered what was termed "the Welwitschia Mirabilis Report". In his report Patel alluded to the fact that, in its existence "the merSETA has become the Welwitschia Mirabilis of the Metal, Engineering and Related Services Sector". He went on further to say that the merSETA realises it is unable to deliver without the assistance and collaboration of its most valuable stakeholders and has therefore embraced the principle of reciprocity, that "umuntu ngumuntu ngabantu" (a person is a person through others).

Chairperson elect Xolani Tshayana delivered an impromptu speech stressing that there is nothing wrong with service providers that are making money out of the SETAs, "as long as they provide quality service". He went on to say that "there is also nothing wrong with companies claiming grants "as long as they provide quality training for workers".

The event ended with a cocktail and networking function.



Do you have something on your mind? We welcome your views and would love to hear from you...

Write to: **THE EDITOR -ACHIEVE NEWSLETTER**
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E-mail to: **tmalinga@merseta.org.za**



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