THE REPORT OF THE INTER CHAMBER CONSULTATIVE CONFERENCE OF MERSETA THAT WAS HELD AT THE O.R. TAMBO HOLIDAY INN GARDEN COURT, 2 HULLEY ROAD, ISANDO EXT 3, KEMPTON PARK, ON THURSDAY, 16 MAY 2019 AT 08:45 AND FRIDAY, 17 May 2019 AT 09:00

1. OPENING AND WELCOMING PRESENTATION: merSETA Acting CEO: Mr. Wayne Adams

1. The ACEO in opening the conference welcomed the AA and Chamber Constituency members to the Inter Chamber Consultative Conference. The Conference is providing Chambers opportunity to reflect on their work, identify strategic priorities for 2020 and beyond, and provide input to merSETA strategy e.g. improvements to enhance the skills development role and responsibilities of Chambers in the implementation of the NSDP and other economic and labour market needs and government policies to drive skills development priorities. Recommendations emanating from the conference will be presented to the AA Strategic Planning Session to be convened in July 2019 to align with the NSDP 2030 and the SETA landscape beyond 31 March 2020.

2. Economic growth during the first 2 quarters of 2018 declined but improved as the pollical environment improved showing growth of 0.8 % in the third quarter. Unemployment however remained at 27.6 %, inequality in opportunities and income remain high and introduction of the minimum wage is both criticised to cause job losses and lauded to improve the plight of the poor working class. The different views are indicative of the need for collaboration between the social partners to identify sustainable solutions to address some of the challenges. The NSA to this end convened a conference to join educational and training and skills development partners to explore solutions to address blockages experienced in implementing skills development interventions. The theme was to build a demand led skills development system to focus on inclusive economic growth. It echoes the merSETA strategic focus on building a skills development system that is responsive to the needs of workers, employers and national imperatives in the context of promoting inclusive growth. merSETA is a key player in the implementation of the outcomes of the NSA conference that includes:

   2.1 **partnership and collaboration** i.e. forging partnerships necessary to support participation of SMMEs, sustain the TVET system, make workplaces a place of learning, develop inter SETA collaboration and strengthen the social partners' partnership model of SETA governance. The SETA to this extent embarked on a process to create linkages to promote the responsiveness to education and training and industry's needs through projects such as the TVET based Centres of Specialisation, concluding a memorandum of understanding with the DBE to support the national revitalisation of technical schools, collaborating with the CSIR to establish a learning platform that will lead to innovation, transformation and skills development in support of 4IR and other priorities of the TVET system and supporting Walter Sisulu University with a responsive engineering curriculum and academic development of engineering lecturers in terms of attaining for example PhDs

   2.2 **increased research** Conference outcomes placed emphasis on the approach that skills development is essentially about economic growth and that the perspective of skills development must take the current and future economic labour demand and supply dynamics into account. Establishing a dedicated high level skills framework for the skills policy environment that can recognise and analyse signals and train accordingly in terms of

skills requirements through a research consortium is needed. The merSETA has grown a network of research partners – HEIs, research institutes and NGO research organisations. The merSETA response must continue to be strengthened involving a strong internal research capability complimented by a network of strong research partnerships with higher education institutions and research organisations such as the CSIR and universities. Core areas of focus of Chambers include research and innovation which is supported by building research capacity of Chamber stakeholders. The area has shown results in the research projects conducted by Chambers. The Research and Skills Planning unit is an influential participant in the DHET collaborative working group that focuses on research and M&E

2.3 an emphasis on the need for **efficient M&E** of performance against set goals, measuring return on investment, dealing with data challenges through a focus on data governance and monitoring, inclusion of basic education as an integral part of the skills development planning component. The internal process of data governance and management supported by an integrated approach to enterprise content management is being strengthened. Implementation of the NSDMS (National SETA Data Management System) is leading the development of an internal digital eco system that will enhance, coordinate and improve efficiencies. MerSETA is implementing an organisation wide M&E framework that articulates roles and responsibilities from governance structure to management and staff.

2.4 **governance and administration** and resourcing that includes: building capacity to promote efficiencies in management and administration; reviewing SETA funds to focus on quality and impact and creating a competitive world for SETA funding; strengthening governance of SETAs to have stronger AAs by measuring the inherent conflict of interest of constituency based AAs; reviewed roles and capacity of constituent representatives to balance attention to both specific constituency aspirations and common sector wide growth and development needs; growing capacity of AA members to carry out fiduciary and statutory roles and responsibilities for the SETA mandate; clarifying the role of non-executive members on governance structures along the social partnership model. The merSETA will be building capacity within the merSETA by assuming higher education institution accredited customised training programmes for the AA and its committees which includes chambers; reviewing grant and project policy systems and models that are responsive to the need to support innovation skills, 4IR and other priorities; building robust governance and management policies, systems, processes, procedures and other mechanisms to promote best practice, improving governance and operational efficiencies for evidence based decision making and strategy implementation

2.5 **current and future skills particularly pertaining to 4IR** by promoting skills development; creating jobs and entrepreneurs; building strong foundation skills and advanced digital skills training for 4IR to promote employability and transfer of skills; turning around TVETCs to produce the desired quality; promoting WIL; linking skills development to mobilised provincial and regional socio economic priorities and not only to national requirements and promoting inclusivity in particular of people with disability, the youth and other groups by reskilling and upskilling. The merSETA response to date includes research into future skills and the impact of 4IR in order to build a catalogue of jobs for the sector with a focus on I4.0 occupations, SMMEs, cooperatives and community based income generating activities

through the grants and project policy; promoting an eco-system approach to the development of curricula that respond to the change in education and training and implementing TVET and Higher Education Institution (including CSIR partnerships to respond to 4IR); exploring innovative ways of delivering skills in response to changing trends driven by 4IR; strong participation in BRICS skills and initiating innovation career development projects of the youth in collaboration with career development practitioners.

3. The merSETA governance structure, going forward, broadly aims to contribute to placing skills development within the demand paradigm of economic growth and labour market needs; building a merSETA that is responsive to the change in the skills development eco system; exploring innovative ways to deliver skills in response to changing trends driven by political policy imperatives, the economy, technology, needs of employers, labour and government; reconstituting merSETA Chambers to become responsive not only to employers and workers but also national growth and development priorities. Identified focus areas are economic growth, employment creation and social development encapsulated in growing manufacturing through localisation and development of black industrialists. Skills development to change the structure of the manufacturing sector in terms of ownership, control and management and the growth of the SMME sector that have been proven globally as a key employment creator that may require a dedicated focus to advocate for a SMME chamber. The conference must emerge with clear recommendations that strengthen the role of Chambers in binding the skills development agenda in the context of the need for structural transformation of the manufacturing economy considering the value chain that underpins the mer–sector as a lever and converge 4IR skills needs across industries and change policy imperatives that can be leveraged for the good of merSETA stakeholders.

4. The question is how relevant the Chamber structure is with pursuing the vision of merSETA specifically considering that preparations started in respect of implementation of the NSDP on 1 April 2020 and to assist the SETA in meeting its objectives. It begs the questions of:

   4.1 how Chambers can strengthen their role and influence the broader manufacturing sector in the context of skills development

   4.2 what opportunities exist for merSETA stakeholders to configure a Chamber structure that can foster collaboration for research and planning through to implementation of qualifications and learning, influencing merSETA policy and strengthening the direction that is responsive to the economy, global trends and change in the regulatory environment

   4.3 how can merSETA promote collaboration between workers, organised labour, organised employers and government in fostering common goals from within the sector

   4.4 how can merSETA contribute to the development of a demand led skills development eco system that is considerate of the needs of workers, employers (i.e. large, medium, small and emerging), as well as the skills priorities for sector growth, job creation, stable converging of occupational qualifications emerging as a result of advanced manufacturing broadly and in 4IR in particular

4.5 how can merSETA promote inclusivity, inclusive economic growth in the context of global competitiveness, sustainability and other developments

4.6 how can merSETA collaborate with PSET regulatory bodies for qualifications, QA bodies for QA of the quality of relevant learning and rapid responsiveness required by the fast changing manufacturing economy.

2. A SUMMARY OF merSETA STRATEGIC PRIORITIES IN RELATION TO THE RECENTLY LAUNCHED NSDP 2030 INCLUDING MATTERS FOR CONSIDERATION BY CHAMBER COMMITTEES:

Presentation by: Senior Manager: Strategic Planning: Mr. More Manda

1. Background and Purpose of the NSDP

The NSDP was published on 7 March 2019. It is aligned with the NDP that seeks to eradicate poverty and address issues of unemployment and inequality and promote economic growth. It is set to direct the way SETAs will implement skills development priorities in SA, considering skills have been identified as a strategic tool that can be used to address some of the challenges. Policy changes in the skills development system as a result of the introduction of the NSDP call for the need for merSETA to align to the new policies to achieve the NDP objectives, increase employment through faster economic growth, improve the quality of education and skills development and innovation and build the capability of the state to play a development and transformative role to, through its work, promote issues of transforming the sector and the country as a whole when it comes to issues of inequality and structural transformation of the economy through ownership, control and management of the country's economic resources. The NSDP is crafted in the policy context of the NDP which will address the gap in merSETA ability to, as a player in the skills development system, contribute to attaining the objectives of the NDP and the White Paper on PSET.

2. The purpose of the NSDP is to ensure SA citizens are equipped with appropriate and high quality skills to improve access to occupations in higher demand and priority skills aligned to contribute to economic growth, employment creation and social development whilst seeking to address systematic considerations.

3. Principles of the NSDP: The principles of the NSDP include to locate the Plan in the integrated Post School system and to work with the various players in the skills development eco system to achieve some of the objectives. It is about contributing to SA socio economic development objectives, advancing an equitable and integrated system and for the system to be beneficial to South Africans by contributing towards closing some of the inequalities in the PSET system for greater inclusivity and collaboration. The emphasis is on accountability i.e. building systems of accountability and governance through the various governing structures in which the merSETA Chambers and AA operate, to ensure merSETA is an accountable body that can effectively deliver on its mandate as governed in the various policies and Constitution. It is important to understand the skills demand from a policy maker perspective and developing policy initiatives that can support the ability of the skills development system to respond adequately to the issues of skills demand by steering supply in terms of qualifications, skills provision and funding mechanisms i.e.

ensuring the funding mechanisms are responsive to the prevailing needs.

4. Outcomes of the NSDP: 8 outcomes were highlighted that include identifying increased production of occupations in high demand; linking education to the workplace, improving the level of skills of the SA workforce; supporting the growth of the public college system and addressing problems relating to the system and supporting the TVET system; improving quality of skills supply; providing skills development support; promoting entrepreneurship, cooperative development and the informal sector; encouraging work initiated training driven by critical members of the employer and employee representatives and supporting career development service to create a skills pipeline in the industry.

5. Role of the sectors in the NSDP: The role is to understand demand and by implication signalling supply; steer the system to respond to skills supply; support development of institutional capacity of the public and private education and training institutions; inform systems of their functions and managing budgets and expenditure relating to the SETA mandate; plan long term considering SETAs will no longer have limited life spans and introduce institutional reviews of the socio economic and policy environment changes.

6. Sub Sectors: Demarcation is based on industrial classification, value chain and financial viability i.e. Chambers must be reconstituted to be responsive through the lens of skills development to the value chain and to how industries are classified. It must be decided if, in terms of the current classification or the current Constitution, Chambers are still responsive to the developments that have taken place to establish if shared services where possible are implementable, ensure governance and administration in terms of the role of the AA and its limited lifespan of 5 years, encourage continued social partnerships, carry out quality assurance functions and align planning and reporting to the medium term strategic framework planning cycle and the medium term expenditure framework (MTEF) 3 year budget cycle.

7. Funding: In terms of funding, the levy allocation is anticipated to remain 1 % with the 80:20 dissemination ratio. The grants and administration budget would have to be reviewed to support implementation of the NSDP. NSA will continue to receive a 20% of levy support and will play a critical role considering the increased importance of M&E that is also linked to governance and accountability.

8. Legislation: The Executive Authority i.e. MHET will continue with its oversight responsibility, financial management will continue to be managed in terms of the PFMA and the SDA will remain applicable as the Act governing the work of the SETA.

9. merSETA strategic focus areas: Areas include developing skills for 4IR or future skills to support the responsiveness of the sector in the technologically driven industrial revolution and in support of government's reindustrialisation efforts; promoting innovation and responding to the socio economic, technological and strategic transformational agenda of the state including issues of the circular and green industries and responding to it through innovation; influencing curriculum changes and innovation for the education and training system which has been contentious as the curriculum has not been responding to the changes of industry; supporting structural transformation like ownership, control and management through promoting entrepreneurship,

SMMEs, localisation; supporting initiatives such as the black industrialists programme; uplifting the morale of the manufacturing sector by promoting the inclusive growth agenda; conceptualising partnerships that are responsive to merSETA's priorities be it with labour, civil society etc and strengthening governance and resourcing through building internal capacity.

10. Mapping the NSDP to the:

10.1 principles to the merSETA strategic focus areas: Governance and resourcing in terms of responding to the principles of greater inclusivity, collaboration, accountability and some of the other principles prioritised in the NSDP. The principles of contributing to the country's economic development, supporting structural transformation through promoting entrepreneurship that links to issues of advancing an integrated system; conceptualising partnerships; linking into an integrated PSET system, influencing curriculum change and innovation for the education and training system from institutional and workplace basis which relate to the principle of steering supply in terms of qualifications and provision need to be addressed

10.2 outcomes that link to the merSETA strategic objectives:

10.2.1 identify occupations in high demand and increase production of the occupations through an improved quality of organisational planning, implementation of performance monitoring and reporting and increasing research to inform solutions in the sector and the SSP

10.2.2 linking education to the workplace

10.2.3 increasing occupationally directed programmes and access to the programmes that will increase response to the strategic intent of the sector in respect of provision of sector endorsed occupational qualifications and part qualifications

10.2.4 supporting career development advice and guidance in terms of which a unit has been established.

11. Conclusion: The objectives of the NDP:

11.1 to raise employment through promoting faster economic growth whilst the economy is not growing at the desired pace; and

11.2 to project economic growth of above 6 or 7 %

in respect of which merSETA can start playing a role in such a way to assist in achieving some of it through education and growing the capability of state.

12. Questions: The questions that need to be clarified include what are the implications of the NSDP for the skills development eco system; what must merSETA continue doing and what must be changed or be improved to effectively respond to the NSDP and avoid business as usual; how is

a capable merSETA built i.e. by raising employment to foster economic growth, creating a conducive environment for employment creation, improving the quality of education, providing skills development linked to innovation and being part of the outcomes of the NSA conference by building the relationship between basic education and PSET; how can the capability of the state be built to play a developmental and transformative role?

3. PRESENTATION: Updates in respect of the Occupational Qualifications, associated quality assurance measures, courseware and training implementation: QCTO: Mr. J. April

1. The manufacturing sector is being affected by the 4IR which is anticipated to be a key driver of disruption to jobs and skills and the way things are being done presently. Activities on the shop floor will change significantly, employment will be impacted, and people will be displaced because of jobs and current business models are being disrupted. Certain areas will be affected immediately and other areas later, however 4IR does not allow the luxury of time to streamline or prepare. The WEF in the 2016 Future Jobs Report suggest a mismatch of the merging of the current supply and demand for contemporary skills and those that will be required in future. It will be difficult for qualified, skilled people to find concomitant jobs and they will become survivalists. Systems and skills eco systems globally need to adapt to the change.

2. SA has not seen an exodus in skills but there will be an increase in the movement of people as 4IR rolls out globally for which merSETA must prepare by positioning itself for the next 5 years in its SP i.e. looking into the future. It requires an understanding of the existing skills basis, how the disruptive change will dictate the new skills requirement and that whilst there is substantial investment in skills development that there is still the issue of the NEETs.

3. SA has a low ICT adoption which is impacting competitiveness. Only 54% of the adult population has access to internet and 7 out of 100 subscribe for broadband services. It is a constraint in terms of how to develop technology and how to take 4IR to the people. Digital skills and critical thinking skills of the current workforce are inadequate for the progress of a successful economy in the 4IR which is what the NSDP to a certain extent is trying to address. The Presidential commission on 4IR that is chaired by the President has as a key deliverable to advise on strategies for skills development and the future of work. It is important for partners such as merSETA playing a leading role in the manufacturing sector in the skills development space to direct the future of skills development in SA. The QCTO for this purpose supports many of the initiatives merSETA is pioneering.

4. SA in achieving the objectives of the NSDP 2030 must partner to find solutions for the challenges of skills development, unemployment and poverty. The NSDP will usher in a new SETA landscape from April 2020 that will have a disruptive effect on skills development. One of the key disruptives is the QCTO approving workplaces and although it will be through collaboration with partners, it will be a different approach in terms of the regulations promulgated in April 2019. It is important to be aware of changes in the policy space as it can either inhibit or unlock blockages in the system. The HRDC strategy towards 2030 refers to skills development and the blockages in the system that needs to be unleashed so that the HR capital can be developed through for example a single coordinated PSET system, expansion of the TVET sector, lecturer development and structuring

the CETCs. The QCTO in response to a request by the Minister developed 25 skills programmes to assist with providing access to the unemployed youths.

5. The SETA on the demand side must conduct labour market research to inform the SSP and to this end consider whether to continue collecting the data in the same way based on how it is informing the SSP and the direction of the SETA. The SETA on the supply side must address the sector skills needs and priorities and collaborate with the quality councils in terms of the quality and provision of learning programmes. It is a key underlying principle the QCTO is inserting into all the processes. The QCTO, based on comments received from several SETAs is implementing change in terms of matters of responsiveness and meeting demands of not only the current structure but also in respect how it will change in the near future. It is critical for the QCTO to forge a relationship with the SETA to respond not only to Chamber needs but also to the economic, sectoral and national needs.

6. QCTO's role in terms of the:

   6.1 SDA is to oversee the design, implementation, assessment and certification of occupational qualifications

   6.2 NQF Act is required to for the current strategic period, develop policy for QA. The QCTO's SP, in contributing to the white paper, includes building a stronger more cooperative relationship between education and training institutions and the workplace, strengthening and expanding the TVETC system, reviewing and rationalising occupational qualifications, improving quality assurance process and standardising these across the system and continuing to standardise curricula development.

7. QCTO, in preparing for implementation of the NSDP has undergone an organisational review process that includes filling several vacancies, revoking delegated QA functions to quality assurance partners such as merSETA, structuring families of qualifications in 2 clusters being a non engineering and an engineering cluster that includes engineering and trade related qualifications and that extends from registration to certification of a qualification and submitting a plan in respect of which the Minister and merSETA recently provided feedback. Further engagements are imminent with SETAs and DHET to discuss the plan as it will have significant impact on the work SETAs do. Absorption of NAMB is noted in the white paper but it is still at strategic level.

8. merSETA Chamber Report: The QCTO is addressing qualification development and the concerns regarding how the qualifications are developed, the time it takes to develop and what the blockages are through an SLA based on how the agreements between the QCTO and the Development Quality Partners are addressed i.e. an interpretation of requirements, the organisational review, involving industries in the CEPs and training and remunerating the CEPs. The CEPs will receive some sort of training in areas like qualification development, accreditation and assessment. Remuneration of CEP members is new, but it will be done in terms of the PFMA guidelines per the framework for paying consultants. A call has been published inviting experts to register on a data base as verifiers to verify and accredit skills development providers and assessment centres to assist the QCTO to perform the QA functions.

9. Registration of qualifications: Applications to register qualifications are evaluated by the QCTO based on certain criteria. SAQA criteria guide the process but it is delayed within that system because of approval processes that are not efficient that creates administrative burdens. Discussions are presently taking place with SAQA and DHET to address it. It is acknowledged it has been to slow. A new process is being engineered that will be a consultative process.

10. CBMT: NAMB indicated there might be a reassessment if the external integrated summative assessment is implemented following the move away from the CBMT but QCTO is of the view that the external integrated summative assessment is different to the trade test currently in practice because the level at which the external integrated summative assessment is conducted is at the exit level of the qualification and not at the internal levels where the phase tests are conducted. The requirements need to be satisfied where after a statement of results is issued that gives learners or candidates access to do the external integrated summative assessment. The external integrated summative assessment is focussed on the exit level outcomes and is not a reassessment but an application of what has already been assessed in the job the learner would be required to do.

11. QCTO appreciates the SETA's feedback and will be following up with the consultative process through convening a meeting to be facilitated by the DHET in respect of the challenges and blockage specifically in the mer – sector and addressing it.

12. The QCTO is preparing for the changes that includes:

    12.1 reviewing the occupational qualification sub framework to allow flexibility into the system by implementing nomenclature common to the qualification sub frameworks and that addresses matters of simulation and skills programmes. The QCTO is part of the review of the OFO that will be in partnership with SETAs

    12.2 developing a management information system namely the Occupational Qualification Learner Management System in respect of how the QCTO manages learners in the system which includes development, e – assessment in terms of which a guideline has been published and certification in respect of which e – verification is included in the amendment to the NQF Bill

    12.3 working with merSETA and DHET on a number of projects like the centres of specialisation and the solar, wind, and mechatronics qualifications.

13. Questions:

    13.1 The brief addressed to the QCTO indicated the Chambers are dealing with frustrations because of the work done to identify critical future skills, develop the qualifications, process it into the registration pipeline and ensure effective and efficient implementation of the qualification. The Manufacturing and Engineering economies are changing meaning there is a desperate need for new skills to drive growth in the sector yet what is being planned in terms of future skills cannot be implemented. It is proposed that areas of difficulty be

identified with which merSETA could assist the QCTO through the difficult and complex impasse?

Response: The frustration is dealing with blockages in the system and whilst merSETA wants to work towards 4IR and disruptive technology, there is a particular policy space the merSETA operates in which is bogging the QCTO down in terms of what it is they do and how efficient they become. It is however the right time to initiate discussions as the arrangement, considering the QCTO's mandate, may not include the delegation of the responsibility. Agreements will, going forward be concluded with SETAs that are specific to the SETA in terms of QA, qualification development and prioritising application of resources. It will be a negotiated settlement.

13.2 Labour has concerns regards 4IR because the advancement in technology will result in the employers reducing the labour force to increase profit margins, however case studies show replacing workers with robots would lead to economic difficulty because robots would not partake in the economy to consume the commodities that are produced.

Response: There will always be a tension between labour and capital. The QCTO's mandate is to develop qualifications, design and develop occupational standards to address the needs in a manner that is most suited. Industry requires formal qualifications, but the informal economy may not require formal qualifications. The QCTO is embarking on several programmes that will be for awarding certificates be it for a part or full qualification or skills programmes that may not necessarily lead to a qualification. It will be needs driven like that by the Community Colleges.

13.3 The presentation does not include reference to private providers which is a concern? What is QCTO's view and plan?

Response: QCTO does not differentiate between private and public providers and sees all providers as skills development providers. The same requirements apply to private and public TVET providers.

13.4 Concerns from a business perspective relate to revoking merSETA's delegated QA function as business will be required to provide subject matter experts. The resources need to be addressed from a private provider perspective because it is not certain business will cope making staff available for accreditation processes and visits etc.

Response: A model applied previously that required subject matter experts to deliver a service that was governed in an SLA. Part of what it is being done is to uplift the quality of provisioning within the trades' environment in terms of which the QCTO are of the opinion that if work is being done the QCTO will remunerate for the work in terms of an agreement.

13.5 Skills programmes: The Motor sub sector registered 92 motor related skills programmes with merSETA. The question is whether the sub sector can continue using it, whether it must be converted to part qualifications and whether the QCTO would guide the sub sector in implementing the new interventions.

Response: The QCTO's mandate is to develop qualifications in the occupational qualification sub framework in terms of which a realignment programme was introduced to convert historically registered qualifications into part qualifications or skills programmes. The programme is triggered by submitting an application to the QCTO.

13.6 Experts in the Motor industry raised concern in respect of the developers the QCTO appointed to develop CETC skills programmes considering the developer was erroneously under the impression that the wheel balancing programme precedes the wheel alignment programme thereby skewing the progression path. The developer in addition indicated the programme being developed for the QCTO would replace merSETA's skills programmes meaning candidates will be produced that will not be employable in the industry. The same developer wants to produce and make learning material available, not understanding that industry over extended periods have been developing the learning material.

Response: The Minister requires specific needs to be addressed in the CETCs which over the past years have been offering unaccredited skills programmes awarding statements without value. The Minister requested the QCTO to develop skills programmes that can articulate into part or full qualifications on the sub framework in terms of which the QCTO is developing flexible programmes that may not be replacing historical qualifications. Skills programmes are developed based on different needs i.e. the purpose of the skills programmes may not respond to industry needs, but it would be addressed through the articulation pathways. The Minister also requested for the development of learning material that will be in terms of a particular profile and context in which training happens in the colleges that is not regulated. Quality in provisioning is informed by programmes of value but it is a consultative process involving industry and the SETAs. None of the skills programmes have however been approved and will be further discussed in a meeting on 29 May 2019.

Comment 1: Skills programmes must be developed in terms of the principles in the Act that include it must be occupationally directed. The question is whether the QCTO in responding to the Minister's request in respect of the registered occupationally directed qualifications. Articulation is twofold i.e. to the labour market and further education and training which should not be ignored.

Response: The QCTO considered the existing skills programmes but because of the design principle they considered the need for articulation which may lead to employment, entrepreneurship opportunities or personal development. The design principles have been incorporated in the design of the skills programmes but not all will be geared towards employment for example it might be geared to programmes government is implementing that relate to the green or circular industries.

Comment 2: A new inefficiency is creeping into the system that must be acknowledged. Skills programme built in a SETA involves recognised subject matter experts and the CEP is recognised amongst its peers but the QCTO procures the competence at a cost but without knowledge of an established competence from industry. It follows that industry does

not trust the verifier that has been appointed.

Response: The QCTO in establishing CEPs adopted DHET's programme whereby a CEP comes from industry and through the occupational team conveners which is representative of industry. The issue around whether the standard is outsourced or whether it is managed internally is a debate that is ongoing.

Comment 3: The skills programmes being developed for the CETCs should be aligned with that of industry because exiting learners must be employed by industry.

4. PRESENTATION: Career Planning and development in the context of industry 4.0: South African Career Development Association: Mr. Christopher John Beukes

1. The aim of SACDA is to return credibility to career development because of its integral potential to bring together the different stakeholders and sectors and inform the youth who need the information the most. The function of SACDA is to ensure ethics, allow access to career information and resources, quality i.e. relevance, accuracy, timeliness, cost effectiveness and inclusivity in relation to information, resources and growth. Engaging in real time transfer of best practice career development remains part of the provision of services by career development practitioners.

2. The goal of a CDP, in terms of the OFO newly registered occupation for a CDP, is to provide information, advice and guidance to individuals and groups to manage their careers, make occupation and study decisions and plan career decisions. It includes the use of career development tools like non-standardised self-directed assessments.

3. CDPs expose citizens to quality information and resources to better their chances of entering and maintaining decent and meaningful work. Stakeholders, ensuring quality skills transfer, share a common goal which is to enhance the skills of citizens from early childhood to retirement. A major stakeholder in the skills pipeline is the SETA which ensures decent and meaningful work for all.

4. The Association is convening its inaugural CDP congress on 24 June 2019 where the first professional career designation for a CDP will be conferred. Congress engagements include: careers, curriculum sharing best practice, considering the skills pipeline and launching the career development advisory panel. The inaugural edition of a special UNESCO publication to consider career development in a developing country context will be presented - i.e. as a conduit to create decent work for all, considering jobs are decreasing.

5. The DBE who recently assumed ECD into their function is looking to initiate a career skills framework from ECD to FET which means a single integrated curriculum from learners' perspective to develop the skills and begin to transition into the various sectors before they are forced to.

6. Career management skills: The skills pipeline going forward will be supported by a scientific rigour introducing standards through research on which to base information.

7. Career planning in the context of 4IR: Career planning is a practical strategy that allows a person to determine his skills and interests, set career goals and implement actions to attain the goals. Career development is the lifelong process of managing learning, work, leisure and transitions to towards a personally determined goal in a preferred future, balancing work and life. Employers' approach to 4IR from a general perspective is that it is survival of the fittest, the priority being to remain competitive, that automation creates cheaper products quicker, that workers are generally costly and less reliable than technology and that the introduction of more technology will reduce employees especially in low and medium skilled jobs.

8. It begs the question of who is helping especially low and medium skilled workers to become agile through determining their skills and managing their careers to upskill and reskill themselves. It is critical in an environment where automation is forcing employers to increase technology and reduce employees in order to survive. Government's response is that the need for career development is clearly defined in the NDP that aims to put a framework in place whereby citizens can build capabilities to make the future work. The NDP states the SA education system needs urgent action as building capabilities requires integration of ECD and basic -, further - and higher education and training. The NSDS indicates that many young people leaving formal secondary and tertiary schooling have inadequate skills levels and poor work readiness to enter the labour market for the first time.

9. The NSDP outcome 8 supports career development services for each person to embrace their full potential career development. The entire skills system must dedicate resources to support career and vocational guidance as it is a critical component in successful skills development initiatives. SETAs and the NSF respectively must seek to build career guidance initiatives as a key component of the NSDP.

10. MerSETA SSP indicates career development advice and support for a flexible labour market implied by the advent of advanced manufacturing and 4IR must be implemented to empower current and new entrants to manage their career aspirations and development. The SP indicates merSETA is committed to building self-directed career and vocational guidance. It identified the need to implement a diversified career development advice and guidance approach to enable employees and those wishing to enter the labour market to manage their career development.

11. A feasibility study is being conducted between merSETA, Unisa and SACDA about indigenous career management. The aims of the study are to determine the effectiveness of a life design related career development intervention for adults and children and to validate the use of non psychological tools that can be used by entry level CDPs such as SDFs, shop stewards and HR practitioners. It means psychometric testing and the associated cost is not a national or global solution. The first sample group consisted of 33 employees and 39 inmates in the Department of Correctional Services' manufacturing workshop. The results show promise for the feasibility of an intervention to provide career development advice in a sector most likely to be disrupted by technology. While the initial sample is small and limited to a single working environment the preliminary findings indicate the intervention holds value in improving the current adaptability of working adults in the mer – sector. Recommendations are that a sample of approximately 40 participants must be selected from each of the remaining mer – sector representative

organisations. The first group will therefore consist of 40 participants in the New Tyre Chamber, but the other chambers are also encouraged to participate in the study to generalise the findings for the entire mer – sector. The intervention will cover 1 tool per day to allow for thorough engagement and reflection and assessments will be completed online as far as possible to speed up the process. The intervention is over time so as not to take employees out the workplace for 3 days.

12. SACDA invited all meeting delegates to attend the inaugural CDP congress on 24 June 2019 at Emperor's place and to confirm attendance to events@sacda.or.za. A new occupation will be launched that day being the Career Development Practitioners.

5. PRESENTATION: Chamber Research Projects Feedback for the period 2018 to 2019: Chamber Research Project Providers/ Chamber Office Bearers/Task Team Members

5.1 New Tyre Chamber: Career Path Development in the New Tyre Chamber: Options for Career Mobility in the New Tyre Industry: Presenter: Ms. S. Chabane

1. Background

The project was initiated by exploring what the available options are for operator grade workers in the New Tyre industry because several people employed at that level are not aware of opportunities that exist in the industry. Most employees see opportunities in relation to the person immediately senior to them, but they don't see other opportunities. Part of the purpose of the research was to also articulate how an individual employed in the New Tyre Industry is able to relate their current position to any other career prospects in the industry.

2. Deliverables

Deliverables of the project were to develop a catalogue of production jobs in the New Tyre Industry to create a common frame of reference for job titles, activities, responsibilities and levels of education and to map jobs to the OFO codes i.e. finding best fit. Employees, based on the catalogue, must be able to identify their prospects in the industry.

3. Methodology

3.1 The 4 manufacturers submitted 300 job descriptions, the organogram and their WSPs. Job descriptions were required to identify the OFO codes and the organogram to see where the job is positioned in the broader structure of the company.

3.2 Job descriptions were filtered in terms of similarities to distil commonalities as opposed to what is company specific which is what informed the catalogue. Levels of education differ between employers which raised the question whether a range of educational requirements or a baseline minimum entry level must be set.

3.3 Career lattices as opposed to career path mapping to understand the linear progressions

were developed to position individuals to move in different directions i.e. from a three dimensional perspective. The process involved profiling key elements to identify jobs focusing on the core functions and excluding support functions like HR.

3.4 Several assumptions were made to develop the career mapping tool by grouping the information into 5 functional areas being production, engineering, planning, quality that overlaps engineering and health & safety. It was agreed to set the entry level function at Grade 12 i.e. NQF level 4 and once the minimum entry level requirement has been defined it locates the occupation on the matrix.

4. Interpretation

4.1 Interpretation of the information includes considering a job as a set of tasks carried out by a person for a particular employer; an occupation as a set of jobs that are characterised by a high degree of similarity that may form an occupation i.e. multiple people can perform several jobs within an occupation. It follows that bigger companies could have multiple jobs in an occupation and smaller companies could have fewer jobs in an occupation with a higher level of multi-tasking.

4.2 Levels of education don't reflect levels of skill. A skill is the ability to carry out the tasks of a certain job and the level of education may not influence that.

5. Findings

A summary of the findings shows the tool can be used to identify opportunities and the requirements for an individual to make progression.

6. Way Forward

The way forward:

6.1 involves collecting additional data to ensure the industry is correctly understood. Some jobs have titles but no job descriptions and in other instances they have the job description, but it is not clear how the occupation maps to other career progression opportunities

6.2 is to finalise the catalogue and to convene a workshop in June 2019 with the chamber to work through mapping the gaps and finalise the mapping tool.

7. Questions/Comments:

7.1 The Chamber indicated they want to use the project as a precursor to skills grading.

7.2 What are the qualification breakdown and entry level requirements? The tool must assist with the requirements i.e. years of experience vs a qualification and limited experience.

Response: Job descriptions differ from employer to employer and given that the employers'

requirements are different, the question is whether to set a minimum entry level or benchmark a certain level. In the case of RPL the parties would have to jointly agree to a tool to measure the entry level.

7.3 What is the career path for the New Tyre industry e.g. AMIC in the Auto sector?

7.4 Buy in from the New Tyre Bargaining Council is important for the outcomes of the project to be implemented.

7.5 Implementation of the project is important in all the Chambers so that employees are positioned to pursue career ambitions within the Sector.

5.2 Metal Chamber: The extent of shortage/surplus of artisans in the Metal Industry and the use of ARPL as an instrument in addressing identified trends: Dr. Fatima Rasool

The status of the project is that it is work in progress.

1. The focus of the project is on the metal industry to verify whether an acute shortage of artisans and an aging artisan workforce exists. It was found that 124 000 jobs were lost in the metal industry between 2008 and 2018 i.e. a decline of 24 %.

2. Research questions are whether there is a shortage of artisans in the metal industry and if confirmed in which metal trades; what are successful RPL models; what is the most appropriate ARPL model to implement in the metal industry and how should the ARPL model be implemented.

3. The outcomes of the study are to assess whether there is a shortage of artisans in the metal industry; establish the appropriateness of ARPL to address potential shortages; identify successful implementation of ARPL models nationally and internationally and to benchmark against best practice; propose a workable model and make recommendations to implement the ARPL model.

4. A definition of an artisan shortage for the purposes of the study is the situation when a company is experiencing difficulty to recruit artisans in selected trades. Measurements of artisan shortage include unfilled vacancies and hard to fill vacancies. The reasons it is hard to fill the vacancies are both skills related e.g. lack of qualifications, competencies and work experience and non skills related e.g. the recruitment process could have been delayed, poor image of the industry, equity considerations, unsuitable working hours, undesirable job location and unattractive salaries.

5. Research design and method:

   5.1 Phase 1 was data collection: The phase that involved electronic and telephonic surveys, looking at quarterly labour force data, interviews with experts in the industry and a literary review has been completed.

   5.2 Phase 2 to analyse data is presently underway. A draft report will once the phase has been completed be presented to stakeholders to obtain input.

5.3 A conceptual framework was used to determine what is driving artisan imbalances i.e. demand and supply which could be the state of the economy, surplus of artisans from training institutions etc. Demand can be measured though considering hard to fill vacancies, administering a survey, the trade test annual pass rate, artisan employment, changes in wage rates, conducting consultations with experts, future government infrastructure projects and the trades needed and artisan demand which if unmet would be a problem as it would cause a skills or occupational shortage. Supply can be measured through the trade test pass rates and the stock of artisans in the metal industry. The artisan imbalance can be measured to determine whether a shortage or surplus of artisans exists by considering labour market signals like a sharp increase in the wage is indicative of a shortage of artisans and low wages are reflective of a surplus.

6. A further literary review on best practices in ARPL will be done after the data analysis phase has been completed and conclusion will be by 30 June 2019

7. Comments:

7.1 A proposal has been made to the other Chambers to consider a similar project.

7.2 The reasons why artisans are not appointed although they are qualified include they are not suitably qualified, or they lack certain competencies, or they lack work experience.

5.3 Plastics Chamber: What is the short fall or deficiency or shortage in plastics technicians or plastics engineers in SA and what can be done to address it: Ms. Vanessa Davidson

1. The area of interest was the vocational curriculum in the context of internal knowledge structures and the alignment of curricula with respect to workplace practices and requirements with a focus on NQF levels 6 to 10. The research focus was on technicians and engineers in the plastics sub sector, the available courses, whether the industry has specialised needs and whether a shortfall existed.

2. The approach was conducting a desk top analysis of both qualitative and quantitative data i.e. WSPs and ATRs over the last 5 years, qualitative interviews across higher education institutions, companies, graduates and industry association representatives and applying a two cycle manual coding exercise to get to the findings.

3. Findings include:

3.1 industry imports materials and machinery, lags in terms of R&D, has bad structural dynamics, lacks innovation, culture and knowledge of the industry that has implications for growth and the impact of the loss of national diploma technology created a skills gap

3.2 engineers' current employment status is limited, they are declining work opportunities for polymer scientists whilst industry records a difficulty recruiting people suitably qualified and experienced

3.3 in terms of knowledge, skills and attribute: a shortfall in problem solving -, management -, interpersonal communication – and administration skills and the right attitude

3.4 universities indicating:

3.4.1 their core job was about principled learning i.e. to provide higher level analytical skills but that they do add generic attributes

3.4.2 the ideal plastics industry engineer was a mix of process engineer with a post graduate qualification

3.4.3 industry is using them on an ad hoc trouble shooting basis with no substantive action or engagement

3.5 industry indicating:

3.5.1 in terms of technicians and engineers, that the link between the science and mechanical part of plastics is insufficient

3.5.2 the ideal qualification would be a combination of a mechanical engineering and polymer science

3.5.3 there was a need for a turnkey polymer scientist fully work ready

3.5.4 collaboration with higher education has been limited, that they don't have formal channels to engage and that industry specific training and institutes were lacking

3.6 higher education indicating they have partnerships with industry but that they are based on a trust relationship between key individuals.

4. Overall findings include:

4.1 the uptake of graduate engineers and polymer scientists is low because industry is saying they are not essential for plant functions. Industry however appreciates their analytical skills, their awareness of engineering as opposed to technicians and therefore their differentiation problem solving ability and that they can add value to industry

4.2 a lack of practical exposure

4.3 except for Stellenbosch university, that all undergraduate qualifications are limited to BEng or BSc as the generic entry into the plastics sub sector and that specialisation only happens at post graduate level

4.4 a distinction between how industry and higher education sees an ideal qualification

4.5 a funding shortfall from both industry and higher education particularly pertaining to bursary

-, research - and internship funding and that industry demand for short course provision declined

4.6 a disconnect between industry and higher education as the trust based working relationship inhibits collaboration and higher education felt industry were the reluctant partners

4.7 industry:

4.7.1 proposing industry specific training, internship based training, curriculum alignment, provision of a skills planning pipeline, universities having the right equipment to train students, a pool of skills, Plastics SA being the obvious training partner, specialist centres, supportive TVETCs, Sasol providing funding for internships, advocacy of careers, increased collaboration between the plastics chamber and higher education, optimised research focus, collaborative research forums and good practices

4.7.2 indicating the relationship with higher education is often adversarial, manufacturing exposure for students is lacking and that higher education must increase applied research

4.8 higher education indicating:

4.8.1 a need for post graduate provision with a masters and doctoral stream but that students must be able to exit at honours level and a 3 tiered approach focusing on technicians, technologists, honours, masters and PhD levels

4.8.2 internships as being the only vehicle to facilitate industry readiness at a post graduate level at no cost to the company

4.8.3 establishing a plastics industry research chair as a cost effective model to drive the research agenda of the sector.

5. The four overall recommendations are:

5.1 advocacy at school level in terms of career and industry opportunities

5.2 the Plastics Chamber must as a joint venture with higher education and stakeholders assume a strong leadership and facilitation role to align the qualifications to what industry requires which should include a mix of mechanical engineering and reducing the scope of the polymer science component

5.3 in respect of funding that industry bodies must be implored as a critical priority to find creative and substantial ways to alleviate the funding crisis burdening particularly the higher education institution

5.4 against the background of the disconnect, that ways of engagement and relationship

building be identified between universities and industry with an ultimate goal of a high level human capital development intervention to nurture innovation and competitive practices.

6. Conclusions

6.1 Universities and industry hold different views; provision is generic with specialisation only at post graduate level; ATR data is of limited use as the 5 year analysis showed dichotomous findings; companies were using the specialisations in the OFO codes not the generics i.e. finding it easier to work with the specialisation codes.

6.2 Questions to be addressed include finding a solution to combine science and engineering in terms of getting work ready technicians and engineers; addressing the process know how in the manufacturing environment and finding a way to engage with universities around the electives offered and the problem of the high cost of machinery.

6.3 The Plastics Chamber proposed the 3 tier qualification approach and qualification alignment, the Senior Manager: Strategic Planning indicated a strategic focus to influence curriculum change and innovation but based on the research there is opportunity to develop a plastics national technical diploma to address the gap and develop an ideal graduate qualification being polymer science and mechanical engineering to be done with the Engineering Council.

6.4 Higher education is requesting material science process chemical engineering blended with a knowledge of plastics specific science and processing.

7. Proposed solutions

7.1 The common area is processing i.e. in the honours exit option.

7.2 The other way is a long term sustainable collaborative framework to support the plastics industry by considering industrialisation and research outputs; testing facilities to support standardisation of processes and products; supporting innovation and creating a higher education and industry forum. A formal joint venture between industry and higher education supports the merSETA strategic priority of conceptualising partnerships that are responsive to merSETA priorities.

17 May 2019

6. PLENARY: CHAMBER COMMISSIONS REPORT BACK

6.1 Commission 1: Transition to the NSDP: Positioning merSETA's Strategy and Implementation of the NSDP post 31 March 2020: Rapporteur: Mr. Motsamai Sefume: Organised Labour: NUMSA: Motor Chamber

Questions:

1. How do the merSETA Strategic Outcomes relate to NSDP 2030?

   Response: The Chamber Commission compared the merSETA Strategy objectives with NSDP 2030 and found merSETA responds directly to the NSDP objectives particularly objective 8 whilst other merSETA objectives interlinked with the NSDP objectives.

2. How do we strengthen the merSETA Strategy to effectively respond to the NSDP 2030 Strategy?

   Response: The Commission found the CETCs, the strategy that is silent on SMMEs, TVET placements of learners for workplace based learning remaining a challenge, the strategy in respect of rural areas, the persisting articulation problems between TVETCs and universities and misaligned partnerships must be strengthened.

3. How can merSETA key priorities in Chamber work plans be aligned to support NSDP 2030 outcomes?

   Response: Recommendations are:

   3.1 Planning and funding should not be reactive but be proactive to address the 4IR requirements.

   3.2 Certain areas should be extended in the WSP posing open ended questions such as whether the company is planning for 4IR training and if yes that detail be provided. It will assist merSETA in terms of the research to address the particular skills required to address 4IR.

   3.3 Improving and implementing effective partnerships to allow for policy influence that will unlock barriers e.g. companies recruiting their own learners instead of aligning the scorecard in respect of B – BBEE requirements.

   3.4 Implementing and adding funding incentives for training aligned with 4 IR to assist business to adapt and embrace technological changes.

   3.5 Implementing effective quality controls for WSPs, ATR to provide quality data.

   3.6 Creating an environment conducive to respond to the future skills requirements by preparing current workers, future workers, school leavers and engaging SMMEs

   3.7 Unlocking the barrier of training retrenched workers only in their sector skills by training in other sectors as well

   3.8 Sharing research outcomes with colleges, SMMEs and cooperatives to generate greater responsiveness

   3.9 Co – opting organised labour and employers along the journey.

4. Questions/Comments

4.1 Industry recruiting their own learners is identified as a barrier to TVETCs placing learners for workplace based learning. It is proposed that in the partnerships, considering DTI is the owner of B – BBEE, that the issue of companies gaining more points taking a person from the street and placing the person in the system and in terms of the scorecard double dipping as they receive points for the salary and the training, that legislation be reviewed as it is causing a blockage. Alternatively, apprenticeships could be considered to be allowed on YES which requires companies to comply with B – BBEE.

4.2 The % time CBMT apprentices spend in the workplace as opposed to the occupational qualification apprentices differs substantially. It is recommended that the comparison be researched with the assistance of the Motor Chamber.

4.3 It is suggested, considering the difficulty to place learners, that workplace training could take place in colleges.

6.2 Commission 2: Assessment and Review of the Chamber Structure, number of members, roles and responsibilities (including establishment of the component manufacturing chamber) vis a vis alignment to the imperatives of the three core social partners being labour, business and government, and the alignment to the value chain of manufacturing industries of the mer – sector:
Rapporteur: Ms. Natalie Nelson: NAACAM: Motor Chamber

Questions:

1. How is the mer-sector value chain related to skills development interventions offered by merSETA?

Response:

1. Roles and responsibilities of Chamber structures are not determined from a skills perspective, they are lumped together on the premise of activities for example the components manufacturing interests are within the Motor Chamber which also includes motor retail and other activities, but it is not a dedicated focus.

2. The requirement is for skills development for both current and new entrants to be upgraded in terms of the value proposition in the value chain specifically those that can lead to a clustering of skills and career pathing in respect of each of the activities within a particular chamber. It should be a functional upgrading specifically considering a component manufacturing chamber, looking at product development processes, process improvement, technology improvement and skills requirements. It should include R&D support i.e. a holistic research chair.

2. Where are the synergies and where are the challenges?

Response: The Sector includes neglected sub sectors that have a low skills base and a low level

of skills development e.g. in contrast to the New Tyre and Auto Assembly sectors. The Chamber should therefore be recrafted to be able to address the identified neglected industries or sub sectors taking into consideration anomalies such as that fewer companies have dedicated Chambers and industries with fewer people within the industry have higher production levels i.e. the current one size fits all approach is not the correct approach.

3. Is the current composition of merSETA Chamber Committees sufficiently adequate to support subsectors' growth and development?

Response: The Commission made recommendations in terms of opportunities to change policy and incentives. Initially the MIDP was introduced followed by the APDP which is presently moving onto SAAMP which has a core focus of localisation i.e. deepening and widening the supply chain. In terms of the revised focus the commission proposed a dedicated automotive component manufacturing chamber in consideration of the export potential to increase the global competitiveness of the industry and supporting merSETA for research and development. To this end the Commission considered the following 3 options in order of preference:

1. Options 1 and 2 link specifically to the transition of the policies from the APDP to SAAMP 2035 i.e. in taking lessons from the New Tyre and Auto Assembly sub sectors, establishing a dedicated automotive component manufacturing sub sector. The Auto Assembly sub sector for example has a high rate of AMIC participation and completion rate as opposed to the completion rate of the national certificate in automotive component manufacturing that is low. NAACAM supports the position to establish a separate component manufacturing chamber. The proposal further includes adopting the multi skilling approach of the Auto Chamber regards to OEMs. This option could be a precursor to a long term thinking that informs option 2 being to integrate the auto and component manufacturing chambers.

2. Option 3 was to reconstitute the current Motor Chamber to form 2 sub-units being after sales and component manufacturing.

3. The recommended overview is to look at a metal -, plastics -, new tyre -, motor retail and after sales – and automotive manufacturing and component manufacturing chambers proposing ideally a separate chamber for components manufacturing that could be a precursor of an Auto and Components Manufacturing Chamber.

4. The summary of why it is recommended to establish a dedicated Chamber for components manufacturing is the low uptake on the merSETA qualification; the value chain and creating jobs because component manufacturing has the largest concentration in terms of creating employment within the sector; the shift in the policy to SAAMP 2035 with a need to focus on localisation; the drive by OEMS to comply with B-BBEE which is specifically directed at the component manufacturing sector. A dedicated chamber would assist in setting up qualifications and driving the skills agenda that would assist the component manufacturers to become more competitive and to be positioned for globalisation.

Comments/Questions

1. It is proposed that the ACEO starts a process of engaging with the respective bargaining councils.

2. Research has shown SMEs will create most jobs, but the SMEs appear to be omitted from the picture.

3. The comparison of a high investment in terms of training within the auto sub sector that improved productivity with fewer staff as opposed to low productivity with a higher staff complement seem to suggest that in the auto sector, because of the nature of the sector, and bringing in tyres, there is higher investment not just in terms of training but also in terms of equipment, automation and 4IR and a reduction in terms of cost. The question is that if the driver to employment creation is in the SME sector, should the focus not be on the SME sector, but not as a strategy but a long term initiative to address skills development. The other consideration in terms of the value chain is to consolidate all the OEMs i.e. vehicles, tyres and components.

4. The presentation shows workers in the component manufacturing sector are not receiving skills. There are skills programmes but only 79 out of 82 000 in 2015 received the automotive component manufacturing and assembly qualification which is a fatal position should retrenchments follow 4IR. The auto assembly sector reduced employment by 6 000 jobs between 1995 and 2017 whilst the automotive component manufacturing sector gained 8 500 jobs during the same period meaning the automotive component manufacturing sector, terms of skills performance, is a neglected sector. If an employee in the automotive assembly loses his job in one plant he would be employable in another because of the mobility of the qualification but the same principle does not apply in the automotive component sector. The formula in the New Tyre sector is that even when changes are proposed the workspace is opened up as a training space. More so since 70 % of training is the on the job component meaning that it should be incorporated as a policy change.

5. The issue of SMMEs and cooperatives cuts across all the merSETA sectors. The entities need capacity building in the form of skills development to introduce new players in the industry. It is not proposed that a Chamber be established but that the Chambers be given a mandate that when they deal with skills they don't deal with skills development from an employee point of view, but from a point of view of job creators.

6. Research should include drawing a comparison between employee throughput in skills programmes and full qualifications regardless of the Chamber.

6.3 Commission 3: Future skills for 4IR: Role and responsibility of employers, workers and providers in the Post School Education and Training System and the merSETA: Rapporteur: Mr. L. Coetzee

Questions

1. How do we build the local skills capability to support the development of the local manufacturing value chain in a way that is responsive to the global manufacturing value chain and markets driven by 4.0?

Response:

1.1 The understanding of 4IR is about work, smart and small factories with automation, robotics and technology, internet of things and computers thinking. The system replaces human beings with machines and prioritises profit, artificial intelligence, a new type of high level skills, connected ways of thinking through computerised systems, internet etc. The scope to use soft skills is increased, meaning training current employees' different skills, but it is the analytical i.e. the problem solving part of the system that even robots cannot replace. Training people differently must start in primary school, integrating 4IR into the curriculum and delivering the teaching differently e.g. using the internet. The other problem is that robots will produce products they cannot consume i.e. it will not be used.

1.2 Skills capacity must be built to support development of the local manufacturing value chain to include IT literacy as a building foundation and to review the curriculum at school to align to industry qualifications starting at ECD phase. The issue that is blocking it is the price of data and use of internet. It is proposed that an international expert be sourced to assist in developing 4IR system and to ensure a skills and technology transfer approach.

1.3 TVET qualifications must be promoted because going to university does not guarantee a successful employment. However, TVETCs are largely dysfunctional and are not delivering the standard that is required.

1.4 merSETA research initiatives should explore joint programmes at different levels. The problem with the youth is not wanting to do technical work and wanting instant gratification. A mindset change could be introduced through career pathing. A lot of research is taking place with little implementation. Skills set must be defined in each Chamber and be rolled out for implementation.

1.5 Labour must be empowered by sharing information through 4IR discussions, dealing with conflict resolution, solving problem and addressing the issue of retrenchments.

2. How do we prepare for the current Workforce, new Labour Market Entrants and Future Workforce?

2.1 Educational institutions and industry must be aligned as the way of creating a pipeline for skills needed benchmarking the current position against what is required. The problem is the accreditation of skills programmes taking too long.

2.2 Upskilling and reskilling must be introduced, and current artisans be more exposed to technology like mechatronics and millwrights i.e. dual or multi trades.

2.3 Industry colleges could be considered as a link of what industry wants because TVETCs have not been delivering and CETCs are delivering a different skill set. Auto manufacturing companies are offering training, but the question is whether part qualifications would be accepted.

2.4 ARPL could be used to measure the current workforce to get recognition and certification not only artisans but also including operators within the different operator levels. Companies are often concerned about the costs but ARPL, if linked to the process is not costly i.e. measuring the throughput rather than just the input or output.

2.5 Clear multiskilling programmes for operators should be introduced under 4IR.

2.6 New labour entrants: Introducing workplace integration programmes must be considered as the one week induction is not enough and shadowing and industry tourism must be introduced. Organised labour can also implement induction programmes i.e. it should not only be the work of employers. The culture and the parties operating in the workplace play a big role.

2.7 The gap between TVETCs and industry must be closed as TVETCs are not delivering what is needed.

3. Given the role of SETAs through the NSDP, how can we position ourselves in the PSET system to ensure our stakeholder Skills Development needs find expression?

It could be done through strengthening the labour market intelligence approach; strengthening SSPs with accurate smart goals; strengthening stakeholder relationship and improving communication; strengthening strategic partnerships; capacitate and empower staff for effective customer/client service; introducing effective and efficient data and information systems; introducing new qualifications and part qualifications; developing a clear college/lecture/school/ trade teacher development programme as it is not only the learners that are the problem; develop a clear SMME strategy and overall support programme and improving decision making and implementation.

Questions/Comments

1. Government departments such as DBE and DHET all drive their own 4IR policy focus in terms of what they achieve but they must be reminded to work as a unit and closely with industry to make it work, for example, children that are pushed into doing maths literacy because they are not doing very well but the school wants to achieve 100 % pass rate.

   Response: A department close to the Office of the President needs to be implemented to collate or consolidate efforts in an overarching manner.

2. Industry must not lose sight of training people with disability or people with impaired hearing. A way must be found to afford the people a chance to do a final trade test. merSETA should encourage lecturers to attain industry training, do an apprenticeship and implement a succession plan for the lecturers.

   Response: Some learners with disabilities with a level 5 certificate are good in technical skills but they don't have the academic background to get the opportunity to advance.

3. It is not certain that the current trainers and training service providers are up to speed to deliver 4IR training. The provisioning system should be inclusive of curriculum renewal be readied in terms of the workplace - and institutional based learning component.

   Response: A separate focus is needed on 4IR as a driver with an appointed dedicated champion to manage it.

4. The Commission indicated:

   4.1 the labour movement must be empowered to actively engage because the aim is not to retrench, and workers must not be replaced but they need to be developed to fit at the particular level

   4.2 there is a need to introduce industry colleges, but they can also improve their partnerships with the current colleges.

6.4 Commission 4: Identification and Discussion of Policy Imperatives to be considered by the Minister/DHET for regulatory change to support implementation of the NSDP: Rapporteur: Mr. E. Kubeka

Questions

1. What are the Policy and regulatory challenges during this transition from NSDS III to the new NSDP 2030?

   1.1 Challenges include the capacity of institutions to support the changes moving from NSDS lll to NSDP 2030.

   1.2 The lack of synergies and unresolved issues between the key role players is a challenge.

   1.3 The issues between the QCTO and merSETA, the SETA and industry relating to some of the processes and issues like certificates not being issued on time, ETQA and the QCTO over QA issues and NAMB and the SETA not having the same understanding of issues and the underlying powerplay across the different bodies and institutions must be addressed.

   1.4 Implementation of the PSET white paper during NSDS lll has been limited. The solution includes conducting a workshop of the whitepaper.

   1.5 The lack of understanding the labour market like the impact of cost when current employees do an apprenticeship and employers telling learners to resign because of the cost implication is a negative perception as it is an investment. Legislative arrangements must ensure people do not lose employment when embarking on training.

   1.6 Choices by employees are for short term financial gains completing part instead of full qualifications.

1.7 Not considering jobs for the future in terms of the 4IR poses a further challenge.

1.8 Industry not providing input into TVETC qualifications creates negative perceptions about learners not having received standard training.

2. What Policy and Regulatory changes do you propose in support of NSDP 2030?

2.1 Policy must be aligned with manufacturing base and take into consideration training of local street vendors, cooperatives, informal and rural sectors. The value chain hand out excludes the informal sector and cooperatives meaning they will continue to be ignored. They need to be included as part of the SSP.

2.2 NSDS lll ends in March 2020. A process of implementation and transitional and project plans must be introduced to prevent a big bang approach that will lead to failure.

2.3 Policy makers need to consider how to create synergies between industry, TVETCs, SETAs, QCTO for an integrated advocacy and buy in programmes between stakeholders from local level to government to ensure everyone understands issues like that relating to labour market.

2.4 Research capacity needs to be enhanced.

2.5 Companies must ensure they are in the correct SETA alternative a demarcation facility must be introduced to ensure the correct membership.

2.6 SETAs as intermediary bodies for skills development need to coordinate regional forums between industry, TVETCs and the SETA .

2.7 Government departments must be integrated to ensure skills are supplied in line with government initiatives and imperatives; raise support of industrial parks and economic zones; support renewable energy projects and to support entrepreneurship and cooperatives and the informal sector.

2.8 A database to track qualified graduates and artisans must be developed to match skills to job opportunities.

2.9 Workplace experience opportunities for graduates must be enhanced.

3. What opportunities exist within NSDP 2030 to strengthen the role of SETAs as intermediary Skills Development bodies?

3.1 DHET must ensure they have research and development capacity to trace placement of qualified persons and address barriers to employment.

3.2 R and D capacity must be developed to research skills development for 4IR occupations,

socio economic imperatives like unemployment, inequality and poverty and eradication methods to make impact and formalisation of informal economic activity and cooperatives development skills needs to move towards sustainable livelihoods to move out of poverty and inequality.

7. SUMMARY OF STRATEGIC ISSUES RAISED BY THE INTER-CHAMBER CONFERENCE : Senior Manager: Applied Research and Innovation: Ms. Helen Brown

1. Strategic priorities of merSETA are 4IR, promoting innovation and influencing curriculum innovation.

2. Operational priorities are to develop skills for economic growth, respond to a changing eco system, address all stakeholder needs and create an enabling environment for Chamber responsiveness to economic development opportunities.

3. The QCTO acknowledged merSETA as an important strategic partner who already leads innovation initiatives in, for example, e-assessment & verification processes and information management such as in NSDMS. Problems raised by merSETA were noted for resolution which includes verifications, cost of subject matter experts and time taken to register new qualifications. However, they concluded by saying they seek a dedicated partnership with merSETA to resolve these issues.

4. Commission 1 was about transitioning merSETA to NSDP 2030. Key enablers include a focus on the quality of the WSPs and ATRs; introducing open questions to the WSP to improve the quality; considering the grants policy to address the priorities identified; providing training and transitional assistance to support retrenched workers back into the world of work; involving cooperatives and SMEs; creating workplace space to develop own workers and taking in unemployed learners as workplace learners and partnership funding incentives. Research topics include a comparison of the net cost and benefit of the old CBMT curriculum over the new occupational occupation and the impact of placing TVET learners in workplaces as opposed to own company learners.

5. Commission 2 made suggestions to enable the merSETA to strategically reach all of its sectors through reviewing the structure, roles and responsibilities of the Chambers. The principles informing the debate was that it must be recommended from a skills perspective, that they have to focus on neglected industries and that they must accept that not one size fits all. The 3 recommended options that emanated are firstly, establishing a separate Automotive Component Chamber; secondly, combining automotive components with the Auto Chamber and thirdly, separating the Motor Chamber into 2 sub Chambers. Although not confirmed, the Commission seemed to be balanced toward option 1 and 2. However, the 3 options will be tabled at the AA to make a decision on the way forward from 2020 onwards.

6. Commission 3 focussed on future skills and supported increased focus on IT literacy, enhanced school based curricula, career development, labour movement integration, a move away from instant gratification; strengthening of labour market intelligence through a more accurate WSP and ATR; forging partnerships, involving SMEs, increasing TVET lecturer development and addressing

learners with disabilities.

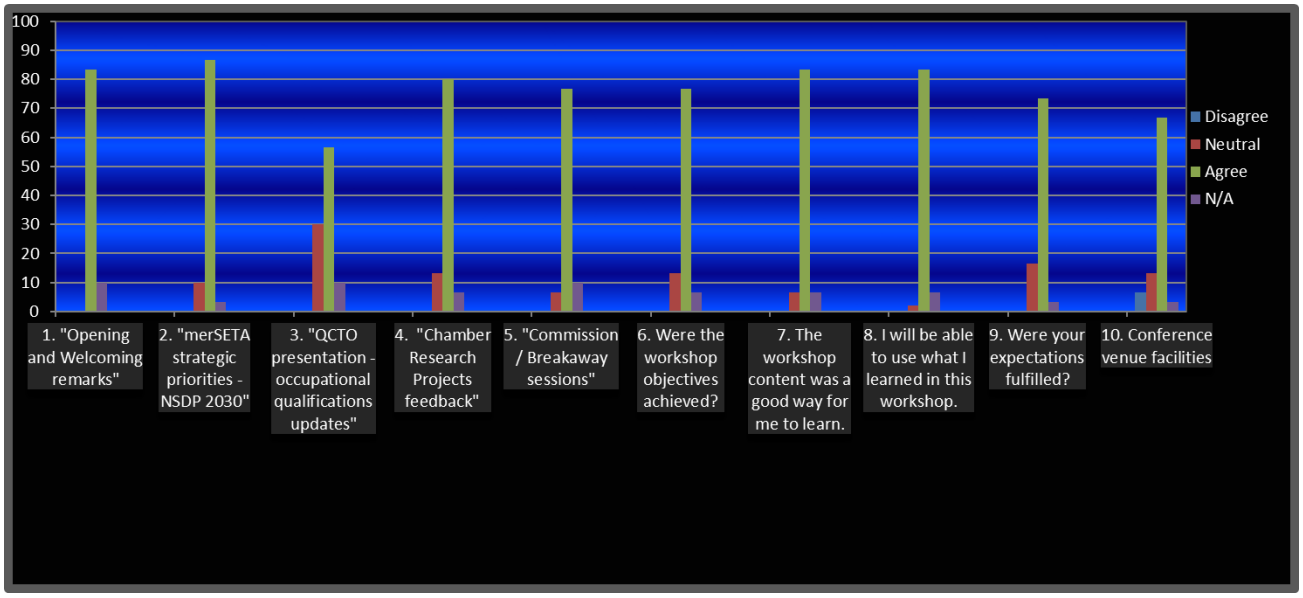
7. Commission 4 focussed on policy imperatives and regulatory changes with emphasis on the need to: build capacity of institutions to support change; build synergies between SETAs, NSA, QCTO & NAMB; build a deeper understanding of the labour market through regulatory changes that support localisation and cooperatives, build synergies between CET and TVET institutions; and to build integrated advocacy. .

8. CLOSURE: Deputy Chairperson: Accounting Authority: Mr. Xolani Tshayana

The Deputy Chairperson of the AA indicated 4IR can present both section 189 and Section 189 A of the Labour Relations Act retrenchments and that Labour should be capacitated to understand which section to use in each situation i.e. that Section 189 A refers to a facilitated retrenchment process that could lead to a strike but the amendment to the Act requires that employees must be subjected to a ballot before entering a strike. Retrenchments through Section 189 does not need facilitation and cannot lead to a strike. He thanked AA members for attending, the ACEO and the team for their hard work, stakeholders, presenters, staff, and the programme director and the organisers who organised the successful inter chamber conference that showed strategic planning is about collective wisdom building.

Appendix – 1.

- **Conference Feedback Evaluation Report**



Appendix – 2

- **Conference Acronyms**

Acronym	Description
AA	Accounting Authority
ACEO	Acting Chief Executive Officer
AMIC	Auto Manufacturing Industry Certificate
APDP	Automotive Production and Development Programme
APP	Annual Performance Plan
ARPL	Artisan Recognition of Prior Learning
ATR	Annual Training Report
B-BBEE	Broad-Based Black Economic Empowerment
BRICS	Brazil, Russia, India, China and South Africa
CBMT	Competency Based Modular Training
CDP	Career Development Practitioner
CEP	Community of Expert Practitioners
CETC	Community Education and Training Colleges
CoS	Centre of Specialisation
CSIR	Council for Scientific and Industrial Research
DBE	Department of Basic Education
DHET	Department of Higher Education and Training
Dti	Department of Trade and Industry
ECD	Early Childhood Development
ETQA	Education and Training Quality Assurance
FET	Further Education and Training
(HR)DC	(Human Resource) Development Council
IPAP	Industrial Policy Action Plan

4IR	Fourth Industrial Revolution/Industry 4.0
M&E	Monitoring and Evaluation
mer-Sectors	Manufacturing, Engineering and Related Services Sectors
merSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MIDP	Motor Industry Development Programme
M&E	Monitoring and Evaluation
NAACAM	National Association of Automotive Component and Allied Manufacturers
NAMB	National Artisan Moderation Body
NDP	National Development Plan
NEET	Not in education, employment or in training
NQF	National Qualifications Framework
NSA	National Skills Authority
NSDMS	National Skills Development Management System
NSDP	National Skills Development Plan
NSDS	National Skills Development Strategy
NSF	National Skills Fund
OEM	Original Equipment Manufacturing
OFO	Organising Framework for Occupations
QCTO	Quality Council for Trades and Occupations
PFMA	Public Finance Management Act
PSET	Post School Education and Training
QA	Quality Assurance
QCTO	Quality Council for Trades and Occupations
R&D	Research and development
RPL	Recognition of Prior Learning
SA	South Africa(n)
SAAMP	South African Automotive Master Plan
SACDA	South African Career Development Association
SAQA	South African Qualifications Authority
SDA	Skills Development Act
SDF	Skills Development Facilitator
SETA	Sector Education and Training Authority
SME	Small and Medium Sized Enterprise
SMME	Small, Medium and Micro Sized Enterprise
SP	Strategic Plan
SSP	Sector Skills Plan
TVET(C)	Technical and Vocational Education and Training (Colleges)
UNESCO	United Nations Educational, Scientific and Cultural Organisation
WEF	World Economic Forum
WIL	Work Integrated Learning
WSP	Workplace Skills Plan
YES	Youth Employment Service

End of Report