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MERSETA 2023 VIRTUAL INTERCHAMBER CONFERENCE

CONFERENCE THEME: "BUILDING CAPABLE AND STRATEGIC CHAMBER COMMITTEES FOR IMPROVING STAKEHOLDER PARTICIPATION IN THE MERSETA IMPLEMENTATION OF THE NATIONAL SKILLS DEVELOPMENT PLAN"

1. OPENING AND WELCOME: merSETA Acting Chief Executive Officer: Ms. Disa Mpande

The Acting CEO, Ms. Disa Mpande welcomed the Chairperson and members of the AA and current and new members of the 6 CCs of merSETA to the 2023 Virtual InterChamber Conference. She emphasised the Conference was designed to share insight into research projects conducted from 2022 to date and research findings processed to inform innovation projects to create solutions and to explore new skills development ideas. merSETA enables the process by making skills development grants available to conduct the research and to advance recommendations emanating from the research into innovation projects. The theme references the vital requirements for developing the right skills at the right time founded on the CCs having identified and addressed strengths, weaknesses, opportunities and threats facing each sub sector to support conceptualisation of solutions. The conference is:

1.1 a culmination of innovation concepts of the entire mer sector value chain in readiness of new jobs anticipated through sectoral growth encouraged by localisation, economic patriotism, strengthened informal sector and infrastructure development and maintenance

1.2 landmark in facing the future and is conducive to building strong and capable chambers to assist merSETA in achieving its mandate.

She wished conference well in its deliberations.

2. STATE OF THE ORGANISATION ADDRESS: Acting Chief Operations Officer: Mr. Naphtaly Mokgotsane

1. The state of the organisation address focused on the current period i.e. the financial year starting 1 April 2022 ending 31 March 2023. It is informed by an as – is audit conducted of the state of affairs of merSETA and having identified a challenge in terms of annual performance that is linked to multiple performance indicators aligned with the objectives in the APP. The expectation is to address gaps with the assistance of stakeholder representatives in the respective Chambers to meet the APP objectives and in the process to benefit the stakeholders merSETA serves.

2. The SETA has not met the APP targets for the past 2 years due to reasons that include the impact of COVID 19 and timing of AGSA's audit of performance information against the predetermined objectives. It includes:

2.1 Registration of:

2.1.1 Apprenticeships: The apprenticeship programmes are workplace based learning programmes for which a workplace is a prerequisite to attain the target

2.1.2 Employed learnerships, skills programmes and internships

2.1.3 Unemployed TVETC and HEI learners to do WIL which is a prerequisite to achieve the national diploma.

2.2 Completion of:

2.2.1 Apprenticeships and skills programmes

2.2.2 Learnerships by unemployed learners which are mostly workplace based learning programmes. Progress is being monitored but it has not yielded positive results as learners registered through the system and through SDPs

2.2.3 WIL by TVETC and HEI learners.

3. AGSA Audit

AGSA issued an unqualified audit opinion for the 2021 - 2022 financial year however the SETA is endeavouring to obtain a clean audit opinion. The interim audit for the 2022 - 2023 financial year started. The final audit is scheduled to conclude on 31 July 2023. The process has been onerous and time consuming due to challenges with the ICT systems.

4. ICT Systems

The MIS and NSDMS are being enhanced through implementation of iterations which presently are focused on detailed documentation and implementation of a related business rules system. Mitigating initiatives include having capacitated Regional Offices to assist clients with queries in the interim and using the internal LMS to comply with the SETMIS reporting requirements.

5. Organisational Transformation

The transformer to give effect to the AA resolution to introduce a one stop shop is being phased in. Stakeholders are requested to work directly with the Regional Offices during the process of progressing towards proper digitalisation.

6. Skills Development Grants

6.1 DG Application Window

6.1.1 The challenges experienced with the ICT systems adversely affected the DG allocation process from verification and approval of applications, awarding MoAs and concluding the funding agreement. The process is being revised based on lessons

learnt and MoAs are being issued manually in the interim to circumvent the problem.

6.1.2 The opening of the 2023 – 2024 DG application window will be advertised once implementation of the enhancements to address the process of allocating grants has been concluded.

6.2 MG Application Window

The MG Application window for submission of WSPs and ATRs is open.

6.3 Grant Regulations

The amended Grant Regulations have been posted on the website for perusal and submission of comments within 21 days. merSETA will submit comments through the Finance and Grants Committee.

7. Transition process: Phasing Out of Historical Qualifications and Phasing In of OQs

The status of the transition process of phasing out historical qualification and phasing in OQs is discussed under Item 4.

3. KEYNOTE ADDRESS: "WHY CAN'T WE GET THE RIGHT SKILLS?": Prof. Stephanie Matseleng-Allais: Inaugural lecture presented at Wits University

1. Background

1.1 The presentation provides an overview of different sets of research but the intention is to identify key elements to establish the reasons:

1.1.1 for the skills crisis

1.1.2 for skills mismatches and why it cannot be solved

1.1.3 why skills are not produced that economies require

1.1.4 why individuals cannot be trained to get jobs.

1.2 Attempts to solve the crisis include for example importing the German or Swiss System but it is more complicated. The answer to the question of why the right skills cannot be sourced is because the problem is thought of wrongly which muddles solutions e.g. the simplest way to determine what an individual must be able to do is to design an education programme to enable the individual to do it. However it is only effective if a specified practical skill is required which renders it easy to design the curriculum to enable the individual to do it.

1.3 Research shows that much of the skills required to do skilled work only makes sense in

relation to bodies of knowledge i.e. bodies of theoretical and conceptual knowledge best learnt in education institutions complimented by structured educational programmes and informal experience in the workplace.

1.4 It is possible to source the right skills but skills need to be thought of differently i.e. in terms of what a skill is, skills formation and skills formation systems.

2. Skills and Skills Formation Systems and Vocational Education Systems

2.1 Skills: The problem with skills is that occupational knowledge is complex because what it takes to acquire it is complex. Expertise which is mostly embedded in theoretical knowledge and practical experience needs to be identified and it needs to be understood at a systemic level that a skill is:

2.1.1 not sourced externally but from a skills formation system comprising a set of relationships that are shaped by economies, institutions, and social relations

2.1.2 shorthand for expertise developed and used at work that was acquired through school and formal education institutions, short courses, workplace training etc. The approach is a broad notion of skills expertise as opposed to narrow, individual and specific practical skills

2.2 Skills Formation Systems: A skills formation system reflects a complex set of different institutions, institutional arrangements and systems interlinked. The complexity must be understood to be able to change the skills formation system to get the right skills.

2.3 Vocational Education Systems:

2.3.1 The history of Skills and Skills Formation Systems and Vocational Education Systems indicates a link to the manufacturing and industrial sectors of countries. Countries with the strongest vocational education and skills systems are countries with a strong industrial sector.

2.3.2 An investigation of the contribution of vocational education to manufacturing companies, industrial transformation, and growth in manufacturing companies in 6 countries including Ethiopia and Bangladesh showed employers in most sectors and most countries did not refer to major skills shortages except at technician level. SA employers and lecturers in TVETCs strongly emphasise Maths as a requirement for artisanal training to proceed through learnership and apprenticeship training to undergo broader educational training.

3. Curricula

REAL produced a paper that examines curricula and what it is that fails in vocational education curricula. Findings include starting with only a practical skill e.g. how to put cement on a brick without locating it in a broader body of educational knowledge culminates in a shallow curriculum

with little educational value. It does not assist individuals in the workplace to learn only specific itemised skills that do not have a context in the broader occupation in which the skills are performed.

4. Mismatched Skills

Reasons it is important to understand qualifications include that qualifications interface between formal education and the workplace. Changing the design and role of qualifications does not address the mismatch between education and the world of work. Policy makers when starting with narrow skills needed at work tend to develop protracted and complicated qualifications with a lengthy framework on how to assess whether an individual can perform a single task as opposed to focusing on the broader occupational roles skilled workers need to perform.

5. Skills Anticipation

5.1 Qualifications reform is implicated in skills anticipation systems such as submission of WSPs that is central to how skills anticipation works in SA. Employers specify current and future skills needs, supplement it with an analysis of labour force data, consider likely economic changes to determine what the education and training system should be producing. It turns out following research conducted across Africa that qualifications are not a good tool for skills anticipation.

5.2 Skills anticipation is not as simple as asking employers about their current skills needs. Employers often specify maths skills and good English skills and generic skills like problem solving and teamwork which are not useful for planning educational interventions because problem solving cannot be taught on its own as a skill. It is embedded over long term planning of educational curricula and the broader educational context of bodies of knowledge that underpin skilled work.

5.3 Skills anticipation work often implies a problem with time horizons e.g. a requirement of an employer for:

5.3.1 young people with a competency in Maths is challenging as the requirement will take time to address. The education system must be focused on it in the long term

5.3.2 short term support as the ways in which funding incentive systems are set up for immediate skills and because formal qualifications or accredited training providers may not be available

5.3.3 expertise e.g. technician type skills. It would not be possible to reduce the expertise to a narrow set of tasks.

6. Economic Imperatives

Industrialisation in the manufacturing sector is not only central to economic development but also to skills systems.

7. Academic Considerations

7.1 The main idea underpinning most research and policy interventions is the human capital theory i.e. that people with more knowledge and skills than expertise are more productive at work. Employers pay them more and therefor the company performs better. It is however more complicated. The problem from a policy perspective is that it only references individuals and incentives that can be aggregated for individual effects but it rationalises affects for a number of individuals and it does not aggregate well into good outcomes at a systems level. It is not a neat causal system in which a skill leads to productivity that will improve the system as the education system is part of society and the economy. It does not exist outside the economy producing knowledge for the economy or outside society.

7.2 It needs to be determined how the economy system shapes the education system and the skills system. It can't be a policy choice e.g. a model whereby most people attend vocational education and the systems are premised on economic, political and social factors like labour market regulations, collective bargaining, a welfare policy, coherent industrial policy or a productive industrial regime. Lower income countries like SA have complicated multi directional relationships which shape what is possible and although it is thought that education is the solution to poverty and inequality, poverty and inequality actually constrain the ways in which the education system is able to function. The analogy is a pinball machine with levers trying to direct the ball upwards but there are relationships between all the different players in the system e.g. poverty in society, public transport system, nature of employers and production regimes and nature of collective bargaining that shape the education system which in the analogy are levers directing the ball down.

7.3 A key policy incentive in SA has been to increase the number of people going to university which has:

7.3.1 created a disincentive to undergo vocational education meaning employers are less likely to get the technicians they need

7.3.2 resulted in surplus university qualifications in the market and university graduates becoming less likely to get jobs they want

7.3.3 resulted in a small percentage of the adult population being in formal sector jobs and a larger percentage being in informal work, unemployed or not economically active.

7.4 Bursary funding is a key lever in the pinball machine that secures good jobs but the number of jobs will decrease if many more individuals enter university.

7.5 SA needs to think what could be done:

7.5.1 instead of formulating an overview of the different players in the system i.e. policies; institutions being the intermediaries between the economy and the providing system e.g. DHET and regulatory systems that is supposed to encourage training but

instead making it more complicated for employers to train and for educational providers to develop curricula

7.5.2 to instead consider factors to enhance apprenticeship based vocational training for large numbers of people such as those in the German, Swiss and Austrian systems e.g. strong apprentice systems embedded in relationships between formal employers, cooperative industrial relations, cooperative engagements in supply chains between different employers, cooperative employer/employee relations and good corporate governance that supports long term funding.

7.6 Challenges include building a vocational education system in African countries where the demand for technical skills is limited, most jobs requiring technical skills are temporary and most good jobs are occupied by university graduates which incentives those who have a good knowledge of maths and language to enrol for university qualifications instead of vocational qualifications.

8. Conclusion

8.1 The right skills can be obtained being mindful of the levers in the pinball machine analogy and that the education and training system is part of a web of social and economic relationships that will have a better chance of being successful based on setting up skills formation systems, identifying key policy levers and how they interact with each other.

8.2 Key considerations are:

8.2.1 skills anticipation work that often implies a problem with time horizons and making it complicated for employers to get short term support

8.2.2 decisions about industrial transformation and skills that are interrelated and cannot be seen as separate.

9. Next Steps

REAL is convening a conference on 11 and 12 May 2023 that is focusing on skills formation and industrial transformation in low and middle income countries and the challenges of transitioning to a more green and just society in the context of the complexity of skills formation systems.

10. Chatbox Discussion

10.1 Proposals:

It is proposed that:

10.1.1 the various research papers be shared with conference participants

10.1.2 feedback be shared at the TVET/industry networking sessions on a regional level

and in the various forums

10.1.3 merSETA identifies a way to work with REAL to scope the policy levers that have the potential to transform the skills system for the industrial sector.

10.2 It was clarified in terms of whether the national qualification frameworks of countries like New Zealand and Australia assisted to provide a type of solution to skills challenges in their industries and whether the countries still followed the qualifications framework systems that qualification frameworks have not solved skills problems of industries but that they have been maintained for policy reasons.

10.3 Concern was raised as the connection made between skills and transformation in the mer sector has not been clarified.

11. Online Discussion

Key conceptual questions in respect of which engagement must take place include:

11.1 clarifying the possibility that merSETA is applying the wrong conceptual tools or framework to analyse skills challenges. It would assist if the presenter identified the correct concept to formulate an understanding e.g. that there is a need to understand complexity, that skills formation is a complex exercise and that there is a need to understand systems' theory within the skills formation landscape

Response: Research literature on skills formation systems look holistically from a political and economic perspective as opposed to a human capital theory perspective that references only individuals.

11.2 the question emanating from the pinball machine metaphor to identify the levers to understand the interplay between the levers, identify what is of relevance in the environment the SETA is facing and what the issues are to be considered in the broader policy landscape

Response: All players i.e. stakeholders should focus on the levers that will make a difference if changed e.g.:

1. universities weighting maths and maths literacy equally which is a strong incentive for the youth to do math literacy to enter university. It also means the youth having done maths literacy instead of maths accessing TVETCs

2. incentives in the skills system that in some ways contradict the B-BBEE incentives i.e. the employment equity points are not always aligned with what is being achieved through the skills incentive mechanisms

11.3 whether or not a skills crisis exists and if confirmed what the crisis is, how the crisis manifests itself i.e. are potential economic opportunities lost because of not having skills

and if it is a fact to analyse the fact i.e. how the idea of the skills crisis occurred to get closer to solving it.

Response: A skills crisis does not exist in SA on the whole however an economic, job, power and poverty crisis exist which is undermining the manufacturing sector and the industrial base which is contributing to an economic disaster. The number of jobs to absorb individuals is insufficient. The real reason for skills shortages is not because the education system is not producing skills but for reasons that include e.g. untenable working conditions, immigration problems where the need exists to import skills or if it is a new industry and people are needed who have managed in the industry.

4. IMPLEMENTATION OF THE NEW OCCUPATIONAL QUALIFICATIONS' TRANSITIONAL ARRANGEMENTS: QCTO Chief Director: Occupational Qualifications' Management: Mr. Thomas Lata

1. Background

Historically registered qualifications are terminating on 30 June 2023 but transitional arrangements have been introduced to implement the replacement OQs.

2. Qualifications, Part Qualifications and Skills Programmes

2.1 Approximately 700 OQs were developed as at December 2022. The status is that OQs registered on the sub framework are being verified for compliance with the Ministerial Determination.

2.2 Qualification Development Requirements

Qualifications must:

2.2.1 have a name i.e. OQ, part qualification or skills programme and must be named after an individual or a noun e.g. plumber

2.2.2 have a credit threshold. Most credits are allocated for work experience

2.2.3 comprise modules instead of unit standards

2.2.4 have exit level outcomes and assessment criteria depending on what the learner is expected to do

2.2.5 compare favourably internationally outside and inside Africa

2.2.6 allow learners, inclusive of those not completing a qualification, to articulate e.g. to RPL into another qualification

2.2.7 incorporate integrated assessment which implies assessments are conducted as

training continues. The ultimate assessment is EISA i.e. the trade test to declare the learner competent to be certificated

2.2.8 include a pass addendum i.e. a blueprint of conduct towards the EISA

2.2.9 include a curriculum document

2.2.10 allow for stakeholder consultation and to keep evidence of attendees in the process of developing a qualification

2.2.11 allow for it to be reviewed at any time if required but without prejudice to the learners on the qualifications.

2.3 Process of developing an OQ

2.3.1 Phase 1: Application: SETAs initiate the development process by submitting an application to develop an OQ based on the SIC numbers of qualifications allocated to the SETA. The QCTO does not initiate the development process but prioritise qualifications in alignment with national imperatives.

2.3.2 Phase 2: Scoping of OQs: As many stakeholders as possible are invited to the pre - scoping but those who do not have an interest exit the process. The remaining group do the scoping and start with developing the qualification. The process starts with profiling to developing the actual qualification.

2.3.3 Phase 3: Developing the qualification: Development includes the evaluation process to determine whether it complies with the elements of a qualification and the moderation process whereby an internal team declares that the qualification is compliant. It proceeds thereafter to the qualification committee onto the CEO whereafter registration is recommended to SAQA. SAQA either registers the qualification or returns it to the QC that recommended the registration.

3. Transitional Arrangements: Ministerial Determination of 2020 of the Sub Framework of all the QCs

The determination allows for different qualification types as opposed to the former occupational certificates. It ranges from the General Occupational Certificate NQF L1 to the Higher Occupational Certificate at NQF L5 whereafter learners can continue learning at HEIs but it will be occupational based on work experience. Assimilation at the TVETC of what is expected in industry is also allowed as obtaining work experience is challenging. It escalates up to NQF L8 with latitude to go higher but most are NQF L5 downwards.

4. Occupational Qualifications: New Nomenclature

Notional hours imply what is being done at work and home i.e. hours that exceed what is being done in the training centre. One credit is equal to 10 notional hours.

5. OQSF Policy 2021

The OQSF policy implies a learner entering the system, being trained and ultimately being certificated after sitting for EISA. A learner can be RPL'd to EISA or to a qualification but not to a certificate.

6. Readiness to Deliver OQs, Part Qualifications and Skills Programmes

The QCTO started to register OQs and realign and reconvert some occupational certificates into the new nomenclature. Readiness to deliver requires:

1. a registered qualification

2. accreditation of the assessment centre, SDP or workplace.

7. Chatbox Comment

The Production Technical qualification is a historical qualification and is still under merSETA.

8. Online Discussion

8.1 It was clarified qualification requirements for higher certificates at NQF L5 include the entry level requirement of NQF L4 but not matric. Qualifications' requirements are being reviewed e.g. a learner who is unable to complete NQF L5 can embark on OQ training.

8.2 The auto manufacturing sector agreed during the last negotiations to develop Production Technology for members to continue to NQF L5. The question is whether Production Technology can be the same as AMIC that could be done in parts and without workers leaving their place of work.

Response: Qualifications can be separated into part qualifications and skills programmes. A qualification disseminated in part qualifications has recognition for each part and the learner can be certificated after completing each part. A learner can continue if a qualification has not been disseminated into parts by completing the respective NQF Ls. The learner's evidence is captured in a statement of results so that the learner can continue to complete. QCTO encourages development of part qualifications and skills programmes.

8.3 Is it possible to increase the scope of Production Technology at L2 to complete in 3 months in order to attain the merSETA learnership targets.

Response: It could be done but industry must decide whether or not to review the qualification.

5. ORGANISATIONAL STATE OF READINESS AND ADVOCACY ARRANGEMENTS IN RESPONSE TO THE QCTO'S IMPLEMENTATION OF THE NEW OCCUPATIONAL QUALIFICATIONS'

TRANSITIONAL ARRANGEMENTS: merSETA ETQA Team: Acting Senior Manager: QA and Partnerships: Mr. Thabo Mokwena

1. The presentation on the organisational state of readiness for the implementation of the new OQs was noted and in terms of:

1.1 Status of OQ development

1.1.1 53 OQs inclusive of part qualifications have been registered.

1.1.2 The 109 historically registered qualifications that ETQA quality assured have been realigned which yielded 41 OQs. Several were returned due to non - compliance with OQSF policy or queries raised by SAQA.

1.1.3 6 part qualifications were amended and resubmitted to the QCTO.

1.2 Learning Material Development

1.2.1 Learning material has been developed for 4 OQs and learning material for the Solar Photovoltaic Technician qualification is in the final piloting phase.

1.2.2 Service providers are in the process of being appointed to develop learning material for the Paintless Dent Remover, Wind Turbine Service Technician, Transportation Electrician and the Metal Manufacturing Processes qualification which comprises 6 part qualifications.

1.2.3 The process to develop material for Vehicle Painter, Panel Beater, Plastics Manufacturing Machine Operator and the Automotive Clutch and Brake qualifications will be initiated once the first phase has been completed.

1.3 Implementation of OQs

1.3.1 The process of advocacy includes publishing QCTO circulars and updates on the website and in the announcements link, sharing information in provider capacity workshops and in one on one discussions with SDPs and through the CLOs who are in contact with employers.

1.3.2 Provisioning of funding is available for implementation of the OQs through the COS pilot projects to encourage partnerships with TVETCs.

1.4 Challenges and Successes

1.4.1 Challenges

Challenges include the low learner uptake on OQs which will impede the review of the OQs that is dependent on the learner uptake. OQs that have had no learner

uptake implies the qualification has not been implemented.

1.4.2 Successes

Successes include 41 OQs that replaced the historical qualifications that have been registered.

2. Chatbox Discussion

2.1 The Production Technology (unit standard based) qualification has been developed as OQs and part qualifications i.e. Production Process Controller L4, Production Operator L3, Production Process Machine Operator and Assembler L3. A comprehensive communiqué on historical qualifications and the replacement OQs is being prepared for distribution.

2.2 Two platforms are used in the Eastern Cape to advocate the transitional process and development and implementation of OQs being the Internal Monthly Staff Meetings and Stakeholder Regional Committee Meetings.

3. Online Discussion

3.1 It was clarified the time span from submitting an application to convening the initial scoping meeting is about 1 month. The entire process from when an application is submitted to the QCTO to the scoping meeting to the decision to have the qualification developed is around 6 to 9 months depending on the number of credits. merSETA starts the process of appointing a QDF once the scoping meeting has decided there is a need for the qualification.

3.2 It was confirmed more than one qualification can be developed in parallel with different QDFs in separate projects.

3.3 It was clarified it is difficult to say whether the reason for the slow uptake is the result of relevancy of the qualification or employers deciding what learners should be trained on. However change is arduous and it takes time to implement because of the uncertainty.

6. 2022-2023 CHAMBER COMMITTEES' STRATEGIC RESEARCH AND INNOVATION PROJECTS:

Research and Innovation Project Chamber Committees' Task Team Members and Providers

6.1 Metal and Engineering Chamber Committee

6.1.1 The effects of gender-based violence on firms in the Metal and Engineering Sector: Metal Chamber Task Team and Research Provider: Prof. Hoosen Rasool: RF Research

1. Background

GBV:

1.1 which is a major problem nationally is mostly prevalent in Gauteng, KZN, Limpopo and Western Cape

1.2 involves not only males physically abusing females but also females abusing males albeit to a lesser extent. Abuse includes physical and psychological abuse, sexual harassment, rape, attempted rape, comments and jokes with a sexual connotation.

2. Results of surveys conducted in respect of GBV reflected:

2.1 most respondents were not aware of unreported incidents

2.2 employers of 60 % of respondents did not have a GBV policy

2.3 55 % of respondents advised employees were not familiar with GBV policies

2.4 49 % indicated their employer has not implemented interventions to address GBV

2.5 in response to the frequency of reported cases that are resolved that respondents either did not know or indicated it was not applicable

2.6 6 % of respondents confirmed GBV disciplinary hearings were convened which is considered high given information is not forthcoming

2.7 employers do not face obstacles to address GBV in the workplace but that employees were reluctant to report incidents

2.8 awareness of GBV can be created through induction, pamphlets and talks by experts

2.9 in response to how GBV could be eliminated that anonymous reporting, counselling and support groups were important

2.10 82 % of respondents indicated employers in the industry have not introduced initiatives to prevent GBV

2.11 53 % indicated employers did not offer counselling

2.12 most respondents did not know whether cases of GBV in the workplace changed

2.13 respondents were reluctant to report GBV because they have children and the perpetrator is often the bread winner.

3. Recommendations that are considered to be achievable include:

3.1 developing an industry strategy and plan to highlight GBV

3.2 providing support to victims in addition to the support that is available in state and non – state support structures

3.3 lobbying individual firms to conduct education and awareness programmes. It could be included in the WSPs

3.4 placing the issue of GBV on the agenda of industry conferences

3.5 developing an industry wide policy guideline of how companies should address GBV

3.6 employer bodies and trade unions supporting the elimination of GBV in its constituencies through the introduction of programmes

3.7 supporting community based initiatives to prevent violence and community based NGOs dealing with GBV

3.8 merSETA developing an education and training programme on GBV and its affects on victims and on the assistance that is available

3.9 conducting GBV specialist training for HR and employee wellness staff

3.10 encouraging dialogue on how employees can access community based counselling

3.11 as part of creating awareness:

3.11.1 calculating the cost of GBV in the industry in terms of productivity

3.11.2 companies with available resources mobilising individuals in communities.

4. Guidelines for employers include:

4.1 developing policies and training employees e.g. management could be trained to identify victims

4.2 developing a safety circle approach which involves management and employees meeting in small discussion groups to discuss it

4.3 appointing a GBV representative similar to a health and safety officer

4.4 inviting SAPS to visit companies regularly to address staff on GBV

4.5 providing assistance and rehabilitation for abusers

4.6 allowing victims access to affordable medical and psychological assistance

4.7 making relevant telephone numbers available

4.8 providing information on obtaining protection orders

4.9 providing education on the consequences of drug and alcohol abuse.

5. Online Discussion

5.1 Current policies need to be transformed to be more practical and implementable.

5.2 The research excludes several areas e.g. the role of employers not only in the sector and information of campaigns undertaken by different social groups like trade unions. It is proposed that:

5.2.1 employers such as those listed on the stock exchange be involved to contribute to fighting the scourge holistically

5.2.2 use of collective bargaining and the collective agreement as platforms to address GBV be investigated

5.2.3 the research be ongoing and that social partners be engaged to contribute meaningfully to enhancing the discussion.

5.3 It is recommended that the topic be explored further.

6.1.2 Metals Incubation Hubs: Supporting basic metal product fabrication into viable businesses: A practical model for sustainable income generating opportunities: Metal Chamber Task Team and SEIFSA Training Centre, Thuthukisa: Mr. Preggy Chetty

Delivery of the presentation was deferred.

6.2 Automotive Components Manufacturing: Unpacking Automotive Components Manufacturing SIC Codes and Activities of Companies within the mer-Sector for Sectoral Profiling to Assess and Understand Industry Readiness for the 4th Industrial Revolution: ACM Chamber Task Team and Research Provider: Prof. Hoosen Rasool: RF Research

1. Background

The research involved:

1.1 profiling i.e. scoping the newly established ACM Chamber which extends across various sub sectors. The methodology included defining the ACM sub sector and reviewing the SIC codes across the 6 merSETA chambers to identify the codes fitting in the ACM sub sector

1.2 determining whether the sub sector is ready for the 4th industrial revolution. The methodology involved identifying new technologies required for ACM e.g. manufacturing EVs, assessing the skills readiness of the industry, identifying skills needs of employees

and recommending priority skills development interventions.

2. Profiling/scoping the ACM sub sector

2.1 The definition of the ACM sub sector is the production of parts used to assemble a vehicle that includes metal and non - metal parts and vehicle service i.e. replacement of parts in the after-market. ACM firms manufacture according to the specifications of OEMs and first and second tier manufacturers in the value chain. The problem with the definition is that it encompasses about 35 000 parts but it is not possible to identify which by definition fall under ACM as other sub sectors in merSETA are also manufacturing parts.

2.2 SIC codes resorting under ACM are:

2.2.1 Manufacture and repairs of bodies for motor vehicles, manufacture of trailers and semi-trailers. The problem with the SIC code is that it deals with manufacturers for before and after market manufacturing. A majority of enterprises are panel beaters and spray painters which do not fit in the ACM industry as it is understood but it has been included in terms of the definition of the SIC code which makes the ACM database to be impure.

2.2.2 Manufacture and repair of parts and accessories for motor vehicles and their engines.

2.2.3 Manufacture and repair of motorcycles that falls in the sub sector but the activities are minimal.

2.3 Findings

2.3.1 298 tyre, plastics, metals and automotive manufacturing firms on the merSETA database of which many are panel beaters and spray painters were allocated to the ACM sub sector. 7 777 companies on the merSETA data base are unallocated i.e. not allocated to any specific sub sector.

2.3.2 Other firms were identified that should be allocated to the ACM chamber but it is recommended that the 3 identified SIC codes be retained as the other chambers would be reluctant to part with the codes and it would destabilise the chambers.

2.3.3 The sub sector contributes 7.5 % to GDP, employs 112 000 individuals with a multiplier effect is 320 000. SA's share of global production is 6.8 % producing 238 000 passenger and 185 691 light commercial vehicles. Manufacturing sales amount to R 78 million and capital investment in the industry was R 2.4 million in 2020.

2.3.4 Targets set in terms of SAAMP include average local content of 38.7 %, employment growth of 224 000 and Black owned supplier contribution of 25 % but it is not clear what the status is of implementation of the master plan.

2.3.5 45 % of companies in the ACM chamber are small, 22 % medium and 33 % large. Most manufacturers are located in Gauteng, KZN and Eastern Cape. The industry is mostly young employing individuals below the age of 45 years.

2.3.6 A large component of elementary occupations comprises Africans and a small proportion comprises whites and Indians. The proportion of African males and females diminish to 13 and 14 % in the higher occupations meaning there is room for transformation in the industry.

2.3.7 Findings of a decent work survey include that 36 % of workers have not attended training, 14 % attended training in the last 5 years, 7.6 % attended training more than 5 years ago and 41 % attended training in the last 12 months. Approximately 290 of a workforce of 82 000 graduated in 2015 at NQF L2 and 69 at NQF L3.

2.3.8 EVs will occupy 35 % of the market by 2040. Most countries are banning fossil fuel vehicles and many manufacturers going forward will only produce EVs and hybrid vehicles.

3. Readiness for the 4th industrial revolution

3.1 Terminology: It is proposed that the term advancing technologies be used instead of 4IR as it creates the impression that it is something new whilst it is not new as robots and automations were introduced during the first industrial revolution. Technology advancements do not occur at a discreet stage it just becomes more sophisticated over time e.g. park assist and connectivity technologies that are not only in high end vehicles but in all vehicles.

3.2 3D Printing: 3D printing reduces the need to weld components as parts are manufactured using 3D printing and solid components can be formed over a short period. Vehicle shells could be 3D printed in a short time compared to assembling taking place in major plants.

3.3 Smart Factories: Smart factories adapting vehicles to supply and demand variations and applying data analytics to predict maintenance issues and breakdowns etc use 3D printing, AI, robots and intelligent automation.

3.4 Product: Three types of vehicles are emerging being battery operated and hybrid vehicles and EVs which is gaining the most momentum.

3.5 Recycling: Industry globally proposed that disused parts be recycled and be repurposed as an effort to mitigate climate change. Leading firms are ranking themselves in terms of no, moderate and full circularity when all waste is being repurposed.

3.6 merSETA is making progress and is leading in adopting flexible alternative modalities e.g.:

3.6.1 Digitisation of whole or part qualifications like the Solar Photovoltaic Technician

qualification

3.6.2 Digitisation of technical concepts like augmented reality or virtual reality capabilities

3.6.3 Digital academy online courses.

4. Findings

The study found training activity to be significantly low in the ACM industry which is inconsistent with an industry undergoing a revolution from traditional vehicles to manufacturing battery/hybrid and EVs. It is a different system making training a necessity as the new type vehicles do not need old technology. Industry therefore needs to focus more on training and not only 4IR training but in the traditional trades like millwrights, metal workers and welders.

5. Recommendations

5.1 SAAMP must be transformed into an actionable programme and:

5.1.1 an implementation plan to action SAAMP must be developed

5.1.2 the focus on skills development must be expatiated

5.1.3 programmes must address beneficiaries, timelines, targets, funding, training providers etc

5.1.4 merSETA must be engaged to ensure DGs and MGs are aligned with SAAMP and be driven by the industrial strategy.

5.2 The employee training rate in the sub sector must improve.

5.3 Employee training needs surveys and feedback sessions must be conducted.

5.4 Different training and education modalities must be implemented by manufacturers to ensure workers in the ACM industry receive training at least every 2 years through a range of delivery methods and training modalities e.g. micro credentialing modules and not only as a NQF courses.

5.5 A survey must be conducted in the industry to understand current and ongoing relevant skills challenges to ensure the future focus and funding are directed towards the highest priority skills needs.

5.6 A study must be conducted of international plants manufacturing EVs in preparation of SA manufacturing EVs to identify training requirements.

5.7 The ACM Chamber must focus on:

5.7.1 improving training and graduate rates of the workforce

5.7.2 making training accessible for the workforce

5.7.3 ensuring training is responsive to employer demand

5.7.4 maintaining the ACM chamber SIC code status quo.

5.8 merSETA must make learning accessible to companies.

5.9 Knowledge acquisition, practical knowledge and workplace knowledge must be considered separately.

5.10 Informal and non - formal learning must be recognised and incentivised to reskill, upskill and increase the training rate.

5.11 Different delivery modes e.g. full time, part time, correspondence, elearning, micro learning and digital credentialing must be encouraged.

5.12 A feasibility study on how microlearning and digital credentialing can fit into the training mix should be conducted.

5.13 An ACM innovation project of flexible learning modalities and merSETA's digitisation initiative should be implemented into actionable programmes. It is a merSETA agenda and not only an ACM agenda.

5.14 A career pathway for school graduates, learnerships, tertiary or TVETC graduates must be mapped that includes solutions to respond to industry needs by 2030.

5.15 A digital transformation strategy linked to infrastructure, skills development, data analytics and implementation must be developed for industry as ACM firms are not digitalised, many production systems are not automated or driven by IT and employees need to be capacitated with basic, intermediate and advanced data analytic courses.

6. Conclusion

6.1 The DTIC advised industry to prepare for the future but industry responds to current needs i.e. it cannot retool for future products and services until additional information becomes available of the skills training that will be required.

6.2 It is proposed that the ACM industry investigates requirements inclusive of skills and retooling requirements for manufacturing of EVs etc. The future of ACM is digitalisation and employers should:

6.2.1 assess their digital maturity

6.2.2 prepare the workforce with intermediate advance skills as digitalisation will not replace mechanical processes.

7. Chatbox Discussion

Training must be made accessible to the workforce. It needs to be budgeted for and equity and fairness must be created.

8. Online Discussion

8.1 It is proposed that merSETA develop clear criteria in terms of which to allocate the 7 777 companies through obtaining information from expert sources such as MIBCO and CC members with expertise instead of relying only on the SIC codes.

8.2 The ACM Chamber was established because of the low training uptake. It is therefore important that the recommendations be taken seriously by merSETA and the industry as it is not acceptable that only 111 of 298 employers in the industry submitted WSPs.

8.3 It is noted in terms of how the study assists the country and the sector in dealing with unemployment, inequality, poverty and employment security that the study focused on identifying SIC codes resorting in the ACM Chamber and assessing whether the industry is ready for the 4th industrial revolution. It did not focus on employment creation but the need to create employment, ensure job stability in SA and address macro – economic issues to expedite employment creation is acknowledged. It is proposed that employers and not only government partake in initiatives.

8.4 Employers in all the chambers are creating job losses by training numbers in excess of the jobs that are available.

7. CHAMBER COMMITTEE BREAKAWAY SESSIONS

It is proposed that chambers reflect on the following issues during the breakaway sessions:

1. proposed way forward of the New Occupational Qualifications Transitional Arrangements for the subsector

2. Chamber identification of trade qualifications to be prioritised for conversion into new OQs

3. Chamber identification of courseware development in lieu of QCTO's OQs transitional arrangements.

2nd Day: 8 February 2023

8. FEEDBACK FROM CHAMBER COMMITTEE BREAKAWAY SESSIONS

8.1 Feedback from the Metal and Engineering Chamber Committee Breakaway Session

The MEC resolved to defer finalising outcomes of the deliberations to next meeting of the CC to allow for additional consulting time.

8.2 Feedback from the Motor Retail and Aftermarket Chamber Committee Breakaway Session

The MRC resolved to defer finalising outcomes of the deliberations to next meeting of the CC to be convened on 13 February 2023 to allow for additional consulting time and to get a mandate from the other CC members.

8.3 Feedback from the Plastics Manufacturing Chamber Committee Breakaway Session: Ms. Kartida Bhana

1. It was noted the Plastics Industry has registered OQs but the qualifications need to be reviewed and aligned expeditiously to avoid excluding learners from the system. The status of the qualifications is:

    1.1 Plastics Manufacturing Machine Operator NQF L3: The OQ has to be reviewed based on Nomenclature 2 that the qualification must be split into a NQF L2 and L3 qualification.

    1.2 Plastics Manufacturing Machine Setter - Generic: The generic component remains to be developed.

    1.3 Part Qualification: Injection Moulding Machine Setter: The qualification has been registered as an OQ at NQF L4.

    1.4 Part Qualification: Blow Moulding Machine Setter. The qualification has been registered as an OQ at NQF L4.

    1.5 Part Qualification: Extrusion Machine Setter: The qualification has been registered as an OQ at NQF L4.

    1.6 Plastician: The occupation was previously at a higher level. Individuals who did not want to follow the trade route followed the Plastician route and exited with a certificate.

    1.7 Thermoplastic Welder/Fabricator/Installer: The OQs replaced Thermo Plastic Fabrication at NQF L2, L3 and L4 but all must be aligned. It is proposed that merSETA considers the difference between developing qualifications from the beginning i.e. the CEP starting the development process and qualifications with content, a roadmap, knowledge modules but in the incorrect format requiring it to aligned.

    1.8 Rubber Manufacturing Machine Operator replaced Polymer Compound Manufacturing. The Plastics and New Tyre industries developed it jointly and are using it as a starting point for

the next qualification at NQF L3 being Rubber Manufacturing Machine Trainee Setter and Rubber Manufacturing Machine Setter qualification.

1.9 Polymer Composite Fabrication NQF L2 to L5: It is proposed that merSETA motivate a scoping session, appoint a facilitator and invite stakeholders to develop the qualifications to meet their needs.

2. New qualifications to be developed will be motivated through the Plastics CC to merSETA.

3. It is proposed that merSETA ensures capacity e.g. facilitators for workshops for the 6 chambers is available to proceed with aligning the qualifications without delay.

4. Discussion:

4.1 They ETQA committee established during the workshop last year that outstanding issues e.g. the forms that must be replaced remain outstanding. It is proposed that ETQA ensures the necessary information is ready to respond to the transitional requirements.

8.4 Feedback from the Auto Manufacturing Chamber Committee Breakaway Session: Mr. Elias Kubeka

1. It was noted that only NUMSA attended the Session. The response to the questions tabled for consideration in the Session in respect of:

1.1 a proposed way forward for the New Occupational Qualifications Transitional Arrangements for the subsector is that all the Chambers and merSETA must approach the QCTO with a request to move the cut off dates to a later date to allow everyone to be familiar with the processes to ensure learners are not prejudiced. It means by implication that the other SETAs will have to be engaged

1.2 Chamber identification of trade qualifications to be prioritised for conversion into new OQs is that the priority trade qualification for conversion into an OQ is the Production Technology qualification. The Session proposed that an extended AC meeting be convened to:

1.2.1 formulate an understanding of the Production Technology trade qualification being pitched at different levels in comparison with the Occupational Certificate in Production Process Control and Occupational Certificate in Machine Operations OQs to see whether the OQs address all the requirements and if not that a recommendation be made to review the OQs

1.2.2 engage further on the subject of OQs versus traditional qualifications

1.2.3 obtain further clarity in respect of the transitional process and the impact on related matters such as the NBF Heads of Agreement that extends over a 3 – year period and whether it will be possible to enrol learners for the lifespan of the agreement

1.2.4 scope the current AMIC with the registered Production Operations OQ to in terms of

Section D of the NBF Heads of Agreement ensure there are synergies at NBF level. The AC is not a bargaining forum but outcomes of bargaining impact what must be addressed by the Chamber to confirm Section D of the NBF Heads of Agreement:

1.2.4.1 is not contradicted

1.2.4.2 specifications are observed e.g. that training must be in working hours and facilities and resources must be provided for employed learners

1.2.5 obtain clarity in respect of whether employers are registering learners on the OQ or on the traditional Production Technology trade qualification. The SETA is requested to ask employers to provide the information to be available prior to the extended meeting

1.2.6 clarify the relationship between the SETA,QCTO and SAQA and the role parties need to play especially considering the Acting Senior Manager: ETQA proposed that all parties play a role in the development of qualifications. It is proposed to this end that Organised Labour be trained to make constructive input

1.3 Chamber identification of courseware development in lieu of QCTO's OQs transitional arrangements is that it is proposed that the capacity of especially the new shop stewards be built in such a way that they are able to engage on the processes of courseware and qualification development itself.

2. Discussion

2.1 AMIC has been challenging in the auto sector in terms of skills development i.e. that the qualification is designed as an instrument for implementation of the wage model in the industry. The challenges relate to adding content to improve the qualification thereby increasing the credit allocation as it implies when someone completes the qualification they must earn in accordance with the increased level.

2.2 The AC, whilst noting it is not the role of the SETA to approach the NBF but rather that of the employer and labour parties, needs to approach the matter in consultation with industry because unless the skills/pay nexus is resolved the reluctance to improve the qualification might perpetuate to avoid creating new costs on the payroll. It is proposed in this regard that:

2.2.1 merSETA parts knowledge as opposed to participate in the bargaining process. It is the responsibility of merSETA to assist industry by addressing blockages to skills development

2.2.2 AC members apprise themselves with the principles and provisions of Section D of the NBF Heads of Agreement to avoid a perception that the AC is venturing into collective bargaining and to ensure delegates do not talk past each other.

2.3 It is not fair that employers avoid provision of training as it might increase their wage bill. Learning programmes or qualifications that can assist workers in terms of the wage model or to break the L5 ceiling must be identified. The reality is that skills development is an important aspect of wage formation as opposed to it being an abstract concept. Industry should not seek to avoid skills development because it is an instrument through which industry can advance and in addition improve the livelihoods of employees.

8.5 Feedback from the New Tyre Manufacturing Chamber Committee Breakaway Session: Mr. Neil Rademan

1. Feedback included:

1.1 the NTC represents 4 new tyre manufacturers namely Bridgestone, Continental, Sumitomo and Goodyear. SATMC as the industry body provides guidance which is supported by organised labour in the NTC i.e. NUMSA and Solidarity

1.2 the NTC correlate with the other Chambers differing only in respect of the product, materials and skills required. The NTC in the last year recruited 14 new members that translate to 58 % of the total membership. The members have not been capacitated or onboarded, have limited exposure and is not clear on what is required

1.3 in response to the:

1.3.1 proposed way forward for the New Occupational Qualifications Transitional Arrangements for the subsector that manufacturers mostly utilise skills programmes and tyre learnerships. Clarification is therefore required of:

1.3.1.1 the process for workplace approvals

1.3.1.2 how the QCTO will approach it and the impact it will have on accreditation

1.3.1.3 the requirements to get into the future state of OQs i.e. capacity building to create a common understanding of the current state to transition into the future state within reasonable timelines

1.3.1.4 how the NTC creates skills programmes from the new full OQs

1.3.1.5 the commensurate training material required

1.3.1.6 the requirements of innovation in terms of the tyre in order to advance it

1.3.2 Chamber identification of trade qualifications to be prioritised for conversion into new OQs that in terms of:

1.3.2.1 rubber qualifications that it spans the entire process of tyre manufacturing from mixing to tyre assembling and moulding to viewing and checking. It

ranges across various NQF levels

1.3.2.2 the National Diploma in Rubber Technology that it has been halted and is not being delivered through NMU. It is a challenge as it is the key qualification

1.3.2.3 developing the legacy qualification into the new OQ that the process was initiated in 2017 and the OQ registered as Rubber Production Machine Operator in 2021. The qualification is specific to the industry in terms of rubber production and manufacturing not withstanding core trades like electrician, fitter, mechatronics, boilermaker and millwrights that are developed in the other chambers

1.3.3 Chamber identification of courseware development in lieu of QCTO's new OQs arrangements that it has been proposed to form a task team to unpack what is required for the Rubber Production Machine Operator qualification to identify what can still be utilised and what must be developed.

2. Discussion

2.1 ETQA confirmed a response to the questions of clarity will be provided in the next CC meeting which if face to face can include a capacity building session.

2.2 It was noted in terms of the:

2.2.1 status of the task team to be established that nominations are yet to be submitted

2.2.2 employee uptake on the Rubber Technology qualification as a percentage of industry that information will be provided in the forthcoming CC meeting

2.2.3 pathways for tyre workers considering career pathing that the NTC conducted a research project on career pathing which is housed on the merSETA server and is in the process of being implemented

2.2.4 proposal to break the ceiling at skill level 5 that it will be discussed in the CC meeting.

2.3 It is proposed in terms of courseware that elearning be considered to make material accessible from anywhere e.g. Africa considering the African Continental Free Trade agreement.

Response 1: The NTC developed a proposal for a virtual learning academy that would have equipped tyre manufacturers to deliver a certificate online but it is on pause pending merSETA developing a virtual academy.

Response 2: Part of the scope when sourcing SDPs is blended learning to make different

platforms available as opposed to the traditional face to face learning.

8.6 Feedback from the Automotive Components Manufacturing Chamber Committee Breakaway Session: Ms. Lebalang Molobele

1. Discussions in the Session were limited due to poor attendance. It was accordingly agreed to consider the item during the next meeting of the ACM CC as the feedback is not representative of the Chamber.

2. The Session in respect of:

   2.1 the proposed way forward for the New Occupational Qualifications Transitional Arrangements for the subsector raised concerns in respect of:

      2.1.1 whether employers were ready to transition

      2.1.2 the lack of proper communication by the QCTO which must improve to make the transition seamless

   2.2 Chamber identification of trade qualifications to be prioritised for conversion into new OQs identified the Mechatronics and Pipe Fitter qualifications as priorities but agreed it is critical to ensure the correct trade qualifications are identified as part of the SIC code study to correctly reflect the need of the ACM sector

   2.3 Chamber identification of courseware development in lieu of QCTO's new Occupational Qualifications transitional arrangements deferred consideration of the question to the forthcoming meeting of the CC.

9. CLOSING REMARKS AND VOTE OF THANKS: merSETA Corporate Services Executive: Mr. Rajesh Jock

The Corporate Services Executive:

1. thanked everyone for attending the InterChamber conference. Discussions outlined how world market demands solidified the need for focused research and implementation of recommendations following COVID 19, the uncertainty of international economies and rising unemployment globally. A compact prediction cannot be made to encompass all the uncertainties, but what is certain is the accelerated need in SA for advance technologies and a business model that will allow the sector to thrive. Conference recognised the world is gearing up for a full digital economy and that trends that impact society must be investigated. However it cannot be a one dimensional exercise because outside core manufacturing and engineering socio economic issues exist such as GBV

2. recognised the AA chairperson, members of the AA and the CCs, Professors S. Allais and H. Rasool, Dr. M. Manda, Ms. D. Mpande, Messrs. Lata, Mokgotsane and Mokwena, organisers of the conference under the guidance of Dr. Manda, conference delegates and the Programme

Director, Mr. H. Morapedi for leading the conference the way he did.

DATE
HB/hm
7 and 8 February 2023

CHAIRPERSON: merSETA 2023 VIRTUAL INTER CHAMBER CONFERENCE