# The Role of the Skills Development Facilitator and New Developments in Skills Development

**May 2011**

**Facilitated by Fasset**

# Handbook

# Table of Contents

# Table of acronyms

| Acronym | Description |
|---------|-------------|
| A | Articles |
| AAT | Association of Accounting Technicians |
| ABET | Adult Basic Education and Training |
| ACCA | Association of Chartered Certified Accountants |
| ANC | African National Congress |
| AMG | Assessor and Moderator Grant |
| AP | Apprenticeship |
| ASDFSA | Association of Skills Development Practitioner of South Africa |
| AsgiSA | Accelerated and Shared Growth Initiative for South Africa |
| ASTD | American Society for Training and Development |
| ATR | Annual Training Report |
| BEE | Black Economic Empowerment |
| CA | Chartered Accountant |
| CCFO | Critical Cross Field Outcome |
| CEO | Chief Executive Officer |
| CEP | Community of Expert Practice |
| CHE | Council on Higher Education |
| CIMA | Chartered Institute of Management Accountants |
| CPD | Continuous Professional Development |
| CSSA | Chartered Secretaries of Southern Africa |
| DA | Democratic Alliance |
| DG | Director-General |
| DHET | Department of Higher Education and Training |
| DoE | Department of Education |
| DoL | Department of Labour |
| EE | Employment Equity |
| EEA | Employment Equity Act |
| EEP | Employment Equity Plan |
| ETDP | Education and Training Development Practices (ETDP) |
| ETQA | Education and Training Quality Authority |
| Fasset | SETA for Finance, Accounting, Management Consulting and other Financial Services |

| Acronym | Description |
|---|---|
| FassetQA | Fasset Quality Assurance Authority |
| FET | Further Education and Training |
| FLC | Foundational Learning Competence |
| GET | General Education and Training |
| GFETQF | General and Further Education and Training Qualifications Framework |
| GIA | General Internal Auditor |
| HEQC | Higher Education Quality Committee |
| HEQF | Higher Education Qualifications Framework |
| HET | Higher Education and Training |
| HR | Human Resources |
| I | Internship |
| IAC | Institute of Administration and Commerce |
| ICB | Institute of Certified Bookkeepers |
| ICSA | Institute of Chartered Secretaries and Administrators |
| IIA | Institute of Internal Auditors |
| IPFA | Institute of Public Finance and Auditing |
| IST | Inter-Seta Transfer |
| LCG | Learnership Cash Grant |
| LS | Learnership |
| MOU | Memorandum of Understanding |
| NLP | Non Levy Payer |
| NLRD | National Learner Record Database |
| NPI | National Productivity Institute |
| NQF | National Qualifications Framework |
| NSA | National Skills Authority |
| NSB | National Standards Bodies |
| NSDS | National Skills Development Strategy |
| NSF | National Skills Framework |
| OFO | Organising Framework for Occupations |
| OLS | Occupational Learning System |
| OQF | Occupational Qualifications Framework |
| P | Placement |
| PAYE | Pay as you Earn |
| PD | Professional Degree |

| Acronym | Description |
| --- | --- |
| PG | Pivotal Grant |
| QAP | Quality Assurance Partner |
| QC | Quality Council |
| QCTO | Quality Council for Trades and Occupations |
| RPL | Recognition of Prior Learning |
| SA | South Africa |
| SABPP | South African Board of Personnel Practitioners |
| SAICA | South African Institute of Chartered Accountants |
| SAIPA | South African Institute of Professional Accountants |
| SAQA | South African Qualifications Authority |
| SARS | South African Revenue Service |
| SC | Short Courses |
| SDA | Skills Development Act |
| SDF | Skills Development Facilitator |
| SDL | Skills Development Levy |
| SDLA | Skills Development Levies Act |
| SETA | Sector Education and Training Authority |
| SGB | Standards Generating Body |
| SIC | Standard Industrial Classification |
| SMME | Small, Medium and Micro Enterprise |
| SP | Skills Programme |
| SSP | Sector Skills Plan |
| TC | Technical Certificate |
| TDe | Technical Degree |
| TDi | Technical Diploma |
| WSP | Workplace Skills Plan |

# Introduction

The 2011 update of the Fasset Skills Development Facilitator (SDF) training course will reflect a number of changes which have occurred in the skills development environment since the May 2010 workshop.

Set at an *intermediate* level for SDFs, the handbook and corresponding workshop slides will provide an overview of all aspects pertinent to the SDF and will cover the following topics and new developments:

- Developing the strategic role of the SDF
- Structures, relationships and skills development legislation
- Assessment and the National Qualifications Framework (NQF)
- Understanding learning programmes
- Developing and implementing a Workplace Skills Plan (WSP)
- Levies, grants and Fasset-funded Interventions

# Section 1: Developing the Strategic Role of the SDF

## 1. Skills Development Facilitator (SDF)

A Skills Development Facilitator (SDF) is responsible for the planning, implementation and reporting of training in an organisation, with Seta-related duties.

### 1.1 Appointment of an SDF

In larger organisations, a currently employed training or Human Resources (HR) manager may be appointed as an internal SDF. In smaller organisations there is often no dedicated training or HR professional fulfilling this role, and so a manager or company owner will assume the responsibility. The role can also be outsourced to a professional external SDF (Rainbow SA, The National Skills Development Handbook).

### 1.2 Function of an SDF

The functions of an SDF are to:
- Assist the employer and employees to develop a Workplace Skills Plan (WSP) which complies with the requirements of the Seta.
- Submit the WSP to the relevant Seta.
- Advise the employer on the implementation of the WSP.
- Assist the employer to draft an Annual Training Report (ATR) on the implementation of the WSP.
- Advise the employer on the quality assurance requirements set by the Seta.
- Act as a contact person between the employer and the Seta.
- Serve as a resource with regard to all aspects of skills development.
- Communicate Seta initiatives, grants and benefits to the employer.
- Communicate with branch offices, and all employees in the main office and branch offices, concerning events and grants being offered at the Seta.

### 1.3 Roles of an SDF

The employer must provide the SDF with the resources, facilities and training necessary to perform the functions set out above.

An SDF is a:
- **Facilitator**: To facilitate the development of an employer's skills development strategy
- **Expert**: To serve as an expert resource for accrediting the employer as a training provider and for the implementation of appropriate learnerships and skills programmes

- **Administrator**: To complete and submit the WSP and ATR
- **Advisor**: To advise the employers and employees on the National Skills Development Strategy (NSDS) and on the implementation of the WSP
- **Education and needs evaluator**: To assess the skills development needs of the organisation
- **Mediator**: To serve as a contact person between the employer and the relevant Seta

## 1.4   SDF unit standards

The South African Board of Personnel Practitioners (SABPP) and the Education and Training Development Practices (ETDP) Seta are the accredited Education and Training Quality Authorities (ETQAs) for seven SDF unit standards. There is currently no full qualification for  SDFs although this has been in the pipeline for some time. These unit standards fall under a number of qualifications, including:

- National Certificate: Occupationally Directed Education, Training and Development Practices (50331)
- National Diploma: Human Resources Management and Practices (61592)

The seven SDF unit standards are:

- Develop an organisational training and development plan. (15217)
- Conduct an analysis to determine outcomes of learning for skills development and other purposes. (15218)
- Provide information and advice regarding skills development and related issues. (15221)
- Promote a learning culture in the organisation. (15222)
- Conduct skills development administration in an organisation. (15227)
- Advise on the establishment and implementation of a quality management system for skills development practices in an organisation. (15228)
- Coordinate planned skills development interventions in an organisation. (15232)

It is not a requirement that a SDF has to have any formal training to practice as an SDF. Some Setas however have enforced  SDFs should have some training and show competence against relevant unit standards, and retain the right to reject the  SDFs grant submissions.

It is important for SDFs to remain up-to-date with the latest developments in the field.

## 1.4.1   Association of Skills Development Facilitators of South Africa (ASDFSA)

The Association of Skills Development Facilitators of South Africa ASDFSA is an independent association representing SDFs and their professional development, across sectors and Setas. The ASDFSA views skills development facilitation as a strategic business function and SDFs as professionals and aim to support these individuals.

Further information about registration with this association is available at www.asdfsa.co.za or by contacting:

- Gill Connellan, Cell: 082 853 3778, e-mail: gill@eclipse1.co.za or info@asdfsa.co.za

### 1.4.2 South African Board of Personnel Practitioners (SABPP)

The South African Board of Personnel Practitioners (SABPP) is the registering body for HR as well as the quality assurance body for human resource qualifications. They endeavour to raise the standards and stature of human resources in South Africa:

- through evaluation and registration
- a continued professional development standard
- a code of conduct and disciplinary procedures
- obtaining personal commitments to professionalism and ethics
- accrediting HR providers
- registering HR Assessors and Moderators

Practicing SDFs are welcome to register as HR practitioners with this association.

### 1.4.3 American Society for Training and Development (ASTD)

The South African chapter of the American Society for Training and Development (ASTD) aims to: 'assist organisations to achieve a competitive advantage in a global economy by providing members with professional advice, benchmarking opportunities, process facilitation, workshops, local and international conferences, network forums and annual research in the field of Training and Human Resource Development.' The association organises local sessions, national and international conferences are organised.

For further information please see their website www.astd.co.za or contact:

- Robin Probart, Cell: 082 894 6932

### 1.4.4 Fasset requirements for SDFs

Fasset does not prescribe minimum standards for SDF registration and no minimum requirements have been prescribed in regulations to the Skills Development Act (SDA) or other applicable legislation. SDFs are encouraged to pursue formal qualifications and lifelong learning in support of their role.

## 1.5 The training committee

It is strongly recommended that for organisations with more than 50 employees, a training committee is established for the purposes of consultation on training matters. This committee, as a whole, should reflect the interests of employees from all occupational categories in the organisation's workforce.

A consultative forum should be established or an existing forum used if this is appropriate. For example, an existing diversity committee, affirmative action or employment equity forum may be utilised.

### 1.5.1   Composition of the training committee

All stakeholders should be included in this forum, for example:
- Representative trade unions
- Employee representatives from designated groups, non-designated groups, all occupational categories and levels, and senior management, including the managers assigned with responsibility

This forum should engage in proper consultation. Proper consultation includes:
- The opportunity to meet and report back to employees and management
- Reasonable opportunity for employee representatives to meet with the employer
- The request, receipt and consideration of relevant information
- Adequate time being allowed for each of the above steps

Ongoing interaction with and accessibility to senior management with regard to workplace skills issues is critical to the success of this process.

The frequency of consultative forum meetings will vary from employer to employer depending on size, sophistication, existing levels of diversity, and what has already been accomplished in the workplace with regard to skills development. Meetings should take place regularly and employers should allow time off for these meetings.

### 1.5.2   Role of the training committee

The role of a training committee is to:
- Drive and direct the skills development process.
- Ensure that representative consultation takes place regarding up-skilling of employees.
- Authorise and sign off the grant application to the Seta.
- Ensure that the SDF is leading the way with the SD process.
- Support the SDF in the efforts of 'spreading the word' regarding training and up-skilling.
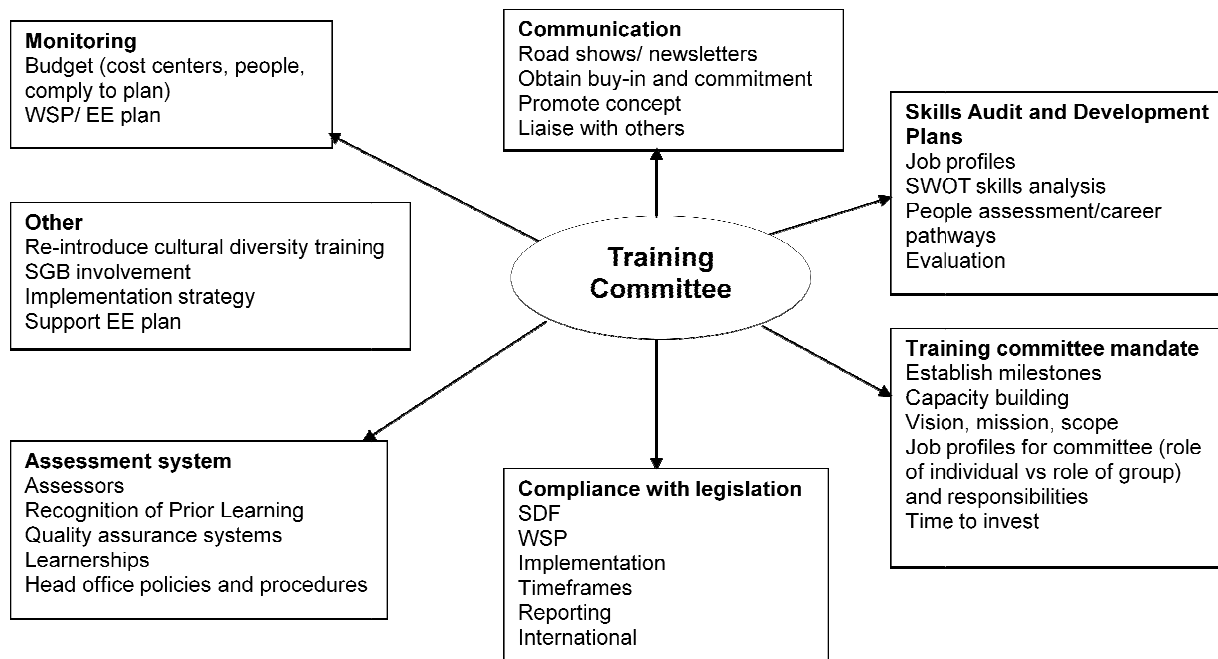
Figure 1.1: Role of the training committee

### 1.5.3 Constitution of the training committee

A training committee must have a constitution in place with the given mandate and should be performance-driven to ensure commitment.

The committee should, aside from its legal obligations in terms of the Employment Equity Act and recommendations of the Skills Development Act, be committed to:

- Improving the quality of life of all workers, their prospects of work and mobility,
- Improving productivity in the workplace and the competitiveness of the organisation,
- Increasing the levels of investment in education and training and improving the return on that investment.

A training committee should represent the interests of all sectors of its workforce and should consult on the implementation and monitoring of its skills development plans in terms of the relevant Acts and the organisation's requirements.

### 1.5.4 Scope and objectives of a training committee

The scope of the committee comprises the activities in the organisation, as these have been decided in consultation with staff, as identified and described in the Employment Equity Act (EEA), recommended in the SDA and the Skills Development Levies Act (SDLA) (1999) and any regulations, codes of good practice, directives and administrative guidelines published in terms of these Acts.

The committee is responsible for making recommendations to the leadership of the organisation, for example the Management Board, Chief Executive Officer (CEO) or Managing Partner.

The training committee is not responsible for the implementation of its recommendations. It is responsible for monitoring of the implementation of the goals and objectives of the forum. In addition, the training committee may not be utilised as a forum in which to raise grievances and or demands not related to its scope and objectives.

The first objective of the committee is to promote the objectives of the SDA within the organisation by:

- Promoting skills development, by assisting and advising on the development of competency levels of employees so that individual and team performance can be improved, and the objectives of the Employment Equity Plan (EEP) realised.
- Proposing actions to continuously enhance the skills level of employees so that technology, process and structural changes can be effectively implemented.
- Developing a WSP.
- Monitoring and reporting on the progress made in implementing the WSP i.e. the ATR.
- Facilitating employee mobility through outcomes-based education and training.
- Assisting employees in utilising the opportunity to use workplace skills development as a mechanism to achieve nationally recognised unit standards and qualifications.
- Enhancing the organisation's quality of education and training.
- Addressing the organisation's past discrimination and imbalances.
- Contributing to the personal development of learners.
- Optimising the levy rebates, incentives and interventions funded by the Seta.

Although not in the mandate of the SDA, where the training committee and employment equity committee are combined, the second objective of the committee could be to promote the objectives of the EEA within the organisation by:

- Conducting analyses of its employment policies, practices, procedures and the working environment, in order to identify employment barriers which adversely affect people from designated groups.
- Developing of an employment equity plan which will achieve reasonable progress towards employment equity in the organisation's workforce.
- Giving input into the preparation and compilation of the reports required to be submitted to the Director-General (DG) of the Department of Labour (DoL) and the Department of Higher Education and Training (DHET).
- Assisting with the internal procedures to resolve any dispute about the interpretation or implementation of the EEP.

# Section 2: Understanding legislation and structures

## 2. Legislation

The 2011 update of the Fasset Skills Development Facilitator (SDF) training course will reflect a number of changes which have occurred in the skills development environment. These changes relate to legislation, the establishment of a quality council to register and quality assure trades and occupations, and the introduction of new occupational classification system.

### 2.1 Skills Development Act (1998)

Central to the skills development environment is the Skills Development Act (SDA) 1998, which describes the purpose of the legislation and creates the institutional infrastructure for implementation of the legislation.

### 2.1.1 Purpose of the Skills Development Act (1998)

The stated purpose of the Skills Development Act (SDA) 1998 is:

a) to develop the skills of the South African workforce
   i    to improve the quality of life of workers, their prospects of work and labour mobility
   ii   to improve productivity in the workplace and the competitiveness of employers
   iii  to promote self-employment; and
   iv   to improve the delivery of social services
b) to increase the levels of investment in education and training in the labour market and to improve the return on that investment
c) to encourage employers
   i    to use the workplace as an active learning environment
   ii   to provide employees with the opportunities to acquire new skills
   iii  to provide opportunities for new entrants to the labour market to gain work experience; and
   iv   to employ persons who find it difficult to be employed
d) to encourage workers to participate in learnerships and other training programmes
e) to improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education
f) to ensure the quality of education and training in and for the workplace
g) to assist
   i    work-seekers to find work
   ii   retrenched workers to re-enter the labour market
   iii  employers to find qualified employees; and
   iv   to provide and regulate employment services.

## 2.1.2  Purpose of the Skills Development Act (SDA) as Amended (2010)

In 2008 the SDA was amended. The introduction to the amended legislation states:

*To amend the Skills Development Act, 1998, so as to define certain expressions and amend certain definitions; to extend the functions of the National Skills Authority; to change the composition of the National Skills Authority; to extend the Minister's powers in respect of SETAs; to provide anew for the obligations of SETAs in respect of financial management; to require SETAs to conclude service level agreements with the Director-General; to ensure that the membership of SETAs are representative of designated groups; to empower the Minister to make regulations regarding learnership agreements; to regulate private employment service agencies; to allow the use of money in the National Skills Fund for the administration of the Fund; to provide anew for budgeting in respect of training by national and provincial public entities; to empower the Minister to establish and promote a national standard to promote good practice in skills development; to extend the Minister's power to make regulations; and to amend Schedule 2; to effect consequential amendments to the Mine Health and Safety Act, 1996: and to provide for matters connected therewith.*

The amended SDA as resulted in the following changes:
- to provide new and amend existing definitions
- to empower the Minister to establish and promote a national standard to promote good practice in skills development

## 2.1.3  Institutions of the SDA

The SDA is to be achieved through the establishment of the following institutions:
   a) establishing an institutional and financial framework comprising
      i     the National Skills Authority (NSA)
      ii    the National Skills Fund (NSF)
      iii   a skills development levy-financing scheme as contemplated in the Skills Development Levies Act
      iv    Sector Education and Training Authorities (Setas)
      v     provincial offices of the Department
      vi    labour centres of the Department
      vii   accredited trade test centres
      viii  skills development institutes
      ix    the Quality Council for Trades and Occupations
      x     a skills development forum for each province
      xi    a national artisan moderation body, and
      xii   Productivity South Africa

b) encouraging partnerships between the public and private sectors of the economy to provide education and training in and for the workplace; and

c) co-operating with the South African Qualifications Authority (SAQA)

## 2.2  Skills Development Levies Act (1999)

The principal aim of the Skills Development Levies Act (SDLA) 1999 is to finance skills development programmes by way of a compulsory levy system. Based on the Act, every organisation that exceeds the threshold set for the annual payroll (currently this threshold is R 500,000 total payroll per annum), as calculated for Pay as You Earn (PAYE), has to pay one percent (1%) of their total payroll as a Skills Development Levy (SDL).

The SDLA (1999) did have an effect as expenditure on training increased. The average expenditure on training, as a percentage of payroll, in 2002/2003, was 2.1%. Large enterprises spent 2.8%, which is a much higher proportion than medium and small enterprises. This pattern of higher levels of spending in large enterprises is similar internationally, where expenditure on training usually increases with enterprise size (Labour Market Review 2005).

## 2.3  Establishment of Setas

The SDA allows for the establishment of Setas, a structure which may be amended from time-to-time. The legislation states that the Minister may establish a Sector Education and Training Authority (Seta) with a constitution, for any national economic sector.

Twenty-five (25) Setas were established in March 2000 in terms of the Skills Development Act (SDA), to cover all sectors in South Africa, including government, and to serve the training needs of the various industries. In 2005 the number of Setas was reduced to twenty-three (23). In 2010, the number of Setas was further reduced to twenty-one (21).

### 2.3.1  Functions of the Setas

The Seta functions were governed by the functions outlined in the legislation. These were stated as:
a) develop a sector skills plan within the framework of the national skills development strategy
b) implement its sector skills plan by
   i   establishing learnerships
   ii  approving workplace skills plans
   iii allocating grants in the prescribed manner to employers, education and training providers and workers; and
   iv  monitoring education and training in the sector
c) promote learnerships by
   i   identifying workplaces for practical work experience

ii   supporting the development of learning materials

iii   improving the facilitation of learning; and

iv   assisting in the conclusion of learnership agreements

d)   register learnership agreements

e)   perform any functions delegated to it by the Quality Council for Trades and Occupations (QCTO)

f)   collect and disburse the skills development levies in its sector

g)   liaise with the National Skills Authority on

i   the national skills development policy

ii   the national skills development strategy; and

iii   its sector skills plan

h)   report to the Director-General on

i   any budgets, reports and financial statements on its income and expenditure that it is required to prepare in terms of the Public Finance Management Act

ii   strategic plans and reports on the implementation of its service level agreement

i)   liaise with the provincial offices and labour centres of the Department and any education body established under any law regulating education in the Republic to improve information

i   about employment opportunities

ii   between education and training providers and the labour market

iii   liaise with the skills development forums established in each province

j)   appoint staff necessary for the performance of its functions; and

i   promote the national standard established

ii   liaise with the QCTO regarding occupational qualifications

k)   perform any other duties imposed by this Act or consistent with the purposes of this Act.

In summary, the Setas have four main functions:

- To disburse grants in terms of the levy grant scheme
- To register learners on learnerships
- To register providers, assessors, moderators and verifiers of education and training
- To support the sector to meet skills needs

## 2.3.2   Ministry-In-Charge

The governing ministry for the Setas, up to 31 October 2009, was the Department of Labour (DoL). Since 1 November 2009, the Setas report to the Department of Higher Education and Training (DHET).

Following the April 2009 national elections, the DHET was created to address the post-school (higher and further education and training) needs, and related institutions in South Africa.

The DHET scope includes the following domain that was previously the domain of the DoL or the Department of Education (DoE):

- The NQF
- Adult Basic Education and Training (ABET)
- Further Education and Training (FET)
- Setas
- The NSF
- The NSA
- Indlela
- Higher Education and Training (HET) institutions

The DoL retains control of employment services, labour centres, Productivity SA (previously the National Productivity Institute (NPI).

### 2.3.3  Twenty-one Setas

Twenty-one (21) Setas were announced on 8 April 2011 by Minister Blade Nzimande, as well as the independent Chairpersons of Seta Boards

1) Agri SETA – Prof. Gilingwe. Mayende
2) Bank SETA – Mr. Martin Mahosi
3) Construction SETA – Mr. Themba Mhambi (Under Administration)
4) CHIETA – Ms. Nolitha Fakude
5) Energy and Water SETA – Mr. Senzeni Zokwana
6) ETDP SETA – Ms. Shirley Mabusela
7) FASSET – Ms. Tsakani Matshazi
8) Fibre Processing and Manufacturing SETA – Mr. Sipho Ngidi
9) FOODBEV SETA – Mr. Fankie Komape
10) H&W SETA – Ms. Nozipho January-Bardill
11) INSETA – Mr. Mzimkhulu Msiwa
12) LG SETA – Mr. Duma Nkosi
13) MERSETA – Ms. Phindile Nzimande
14) Media Information and Communications Technology (MICT) SETA – Ms. Zandile Mbhele
15) Mining Qualifications Authority – Mr. Thabo Gazi
16) PSETA – Ms. Koko Mokgalong- Mashego
17) SASSETA – Mr. Abbey Witbooi
18) Services SETA – Dr. Sihle Moon
19) Transport SETA (TETA) – Mr. June Dube
20) Tourism and Hospitality SETA (THETA) – Ms. Brenda Madumisa
21) Wholesale and Retail SETA (W&R) – Dr. Thami Mazwai

Setas cover specific sectors, for example BANK SETA services the banking and microfinance industries, whereas the Agri SETA services the primary and secondary agriculture sectors.

The law stipulates that employers must register with the Seta whose scope includes the main business activity of the registrant. The scope of each Seta includes a specific set of Standard Industrial Classification (SIC) codes, which describe specific business activities. A list of all SIC codes for each of the Setas can be found at www.fasset.org.za. This list can be used to select the SIC code describing the relevant business activity that falls under the relevant Seta.

Fasset is the Seta for Finance, Accounting, Management Consulting and other Financial Services. The members of a Seta include employers, trade unions, professional bodies, government departments and bargaining councils, where relevant, from each industrial sector.

Before 2000, when Setas were being conceptualised, the DoL created twenty-seven (27) Seta codes corresponding to the 27 possible Setas. This explains the numbering of the Setas from 1 to 27. When Setas were established in 2000, only 25 were established however the Seta numbering and Seta codes e.g. 01 for Fasset, remained. Even though there are only 23 Setas at present, the numbering still ranges from 1 to 27.

### 2.3.4  Quality Assurance of Education by the Seta

As a result of their function in monitoring of education and training providers designated by the SDA, Setas acted as quality assurance bodies for education and training in their sector and in terms of qualifications designated in their scope by SAQA.

SAQA, as the body that is responsible for the development and implementation of the NQF, designates a number of Quality Councils (QC's) whose responsibility it is to quality assure parties to the education and training process i.e. providers of training (both theoretical and workplace providers), assessors and moderators of training.

With the implementation of the NQF Act (2008), the 31 previously operating ETQA's were centralized into three QCs which were responsible for standards-setting and quality assurance. These QCs may, in terms of the NQF Act (2008) delegate quality assurance functions. The QC for occupational qualifications, the QCTO, once operational (this was expected in 2010), may delegate quality assurance functions to Setas, should they deem this appropriate.

### 2.4  Fasset Seta

Fasset is a statutory body established through the Skills Development Act (1998) to enable its stakeholders to advance the national and global position of the industry for finance, accounting, management consulting and other financial services.

### 2.4.1  Seta members and constitution

The members of a Seta include employers, trade unions, professional bodies, government departments and bargaining councils, where relevant, from each industrial sector.

The role of the Seta Management Board is to provide strategic leadership for Fasset and to provide assurance to all stakeholders that Fasset is fulfilling its obligations in terms of the constitution and the SDA.

The Minister has introduced a number of measures to improve Seta governance. These are:
- The introducing of Independent Chairpersons
- Limiting the number of Board meetings to a reasonable number
- Reducing the size of Boards
- Participation of the government and Ministerial appointment to the SETA Boards
- Having a standard remuneration rate for Board and committee members
- Holding accountable Board members who do not carry out their duties as required
- The Minister and Cabinet's participation in the appointment of SETA CEOs, in line with similar practices in other public entities.
- Ensuring the members of the Board and the management of a SETA do not participate in any tender processes where they may have an interest.

The Minister of Higher Education and Training has approved the constitutions of almost all the Seta and has finalized the appointments to the new Seta Accounting Authorities, including the new independent chairpersons. All Setas are now certified to function for the next five years, from 1 April 2011 until 31 March 2016. NSDS III was released in January 2011.

### 2.4.2  Vision of Fasset

The vision of Fasset is to:
> *Influence the effective operation of the labour market, through effective skills development, so as to ensure the appropriate supply of competent labour necessary to compete in the global economy.*

### 2.4.3  Mission of Fasset

The mission of Fasset is:
- To improve the competence of employees and potential employees, thereby enhancing productivity in the sector
- To increase the level of investment in education and training in this sector and to optimise the return of this investment
- To encourage employers and employees to adopt a culture of life-long learning

- To ensure the quality of training and education in the sector and to support the development of standards in line with the NQF and to actively promote these standards
- To expand the provision of education and training in the sector through sound partnerships with public and private providers of education and training
- To enhance co-operation between the public and private sectors
- To support the objectives of the Employment Equity Act of 1998
- To enhance access to learning opportunities in the sector
- To position the sector as the 'sector of career choice' for prospective learners and new entrants into the labour market.

### 2.4.4  Fasset objectives

The objectives of Fasset are therefore:
- To develop the competence of employees and potential employees:
  - Improving the quality of life of employees, their prospects of work and labour mobility
  - Improving productivity in the workplace and the competitiveness of employers
  - Promoting self-employment in situations where the sector is experiencing job shrinkage.
- To increase the levels of investment in education and training and to optimise the return on this investment
- To position this sector as the 'sector of career choice' for prospective learners and entrants into the labour market
- To encourage employers and employees to adopt a culture of life long learning through:
  - Using the workplace as an active learning environment
  - Providing employees with the opportunities to acquire new skills
  - Providing opportunities for new entrants and potential entrants into the sector labour market and enhancing access to opportunities to gain work experience.
- To support the objectives of the Employment Equity Act of 1998
- To enhance access to learning opportunities and to facilitate the recognition of prior learning
- To ensure the quality of education and training in the sector
- To expand the provision of education and training in this sector through sound partnerships with public and private sector service providers
- To encourage greater cooperation between the public and private sectors
- To co-operate with the South African Qualifications Authority and other Setas, in support of the objectives of the Act

## 2.5 The SAQA Act (1995) and the NQF Act (2008)

### 2.5.1 Background to the legislation

In the early 1990's the South African government realised that if the country was to experience economic growth, they had to utilise their citizens and in order to do this, and training would be of the utmost importance.

In 1992 eight working groups were established and charged with developing a new national training strategy.

The working groups had representation from trade unions, employers, the State, providers of education and training, the African National Congress (ANC) Education Department, and the Democratic Alliance (DA). Working Group 2 reached agreement on a new integrated framework and 1994 saw the publication of three documents which laid the foundation for the South African Qualifications Authority (SAQA) Act.

The South African Qualifications Authority Act No. 58 (SAQA Act) was published in 1995 and stipulated:
- the development and implementation of the National Qualifications Framework (NQF) and
- the establishment of the SAQA, a body who would be responsible for the development and implementation of the NQF.

The National Qualifications Framework Act No 67 of 2008 was promulgated in February 2009, but at the time of publication of this manual, associated regulations (which will outline how educational and workplace training providers are quality assured, and how qualifications are structured, registered and maintained) have yet to be promulgated.

This new Act provides for the NQF and SAQA as originally set out in the SAQA Act (1995). It also provides for the responsibilities of Ministers, Quality Councils and for transitional arrangements. Although closely based on the SAQA Act (1995), the NQF Act repeals the SAQA Act of 1995.

### 2.5.2 Objectives of the NQF Act (2008)

The objective of the NQF Act (2008) is to provide for the further development, organisation and governance of the NQF. The Act applies to qualifications offered by education institutions, skills development providers and professional designations, subject to the limitations prescribed in this Act.

The specific objectives of the NQF are to:
- create a single integrated national framework for learning achievements
- facilitate access to, and mobility and progression within, education, training and career paths
- enhance the quality of education and training

- accelerate the redress of past unfair discrimination in education and training
- accelerate employment opportunities.

The NQF is designed to contribute to the full personal development of each learner and the social and economic development of the nation.

SAQA and the Quality Councils (QCs) must seek to achieve the objectives of the NQF by:
- developing, fostering and maintaining an integrated and transparent national framework for the recognition of learning achievements
- ensuring that South African qualifications meet appropriate criteria and are internationally comparable
- ensuring that South African qualifications are of an acceptable quality

### 2.5.3 Changes in the NQF Act (2008)

Changes have come into being with the repealing of the SAQA Act (1995) and the promulgation of the NQF Act (2008). These are discussed below.

The main features of the new NQF Act (2008) that distinguish it from the SAQA Act (1995) are:
1. **The NQF**: The initial SAQA Act of 1995 did not describe the NQF, as it had not then been established. The NQF Act (2008) contains such a description clarifying the notion of an NQF and the way it is organised (including its sub frameworks).
2. **Role of SAQA**: The SAQA Act (1995) gave SAQA the task of conceptualising the NQF and leading its implementation. SAQA is the custodian of the values of the NQF, a research organisation, the learning achievements database manager and advisor on the entire NQF system. SAQA will also work very closely with the three quality councils bodies in fulfilling the objectives of the NQF.
3. **Simplification**: The SAQA Act (1995) sanctioned SAQA to recognise and utilise substructures to carry out the design of standards and qualifications and to undertake quality assurance. Thus NQF processes became complicated with overlapping directives. The NQF Act (2008) names three quality assurance councils with clear lines of accountability and specific requirements for collaboration and dispute resolution.

SAQA continues to exist as the apex body in education and training quality assurance with many of its functions unchanged.

### 2.5.4 Quality Councils

The NQF is a single integrated system which comprises of three co-ordinated qualifications sub-frameworks, for:
- General and Further Education and Training, contemplated in the GENFETQA Act i.e. the **General and Further Education and Training Qualifications Framework** (GFETQF)

- Higher Education, contemplated in the Higher Education Act i.e. **Higher Education Qualifications Framework** (HEQF)
- Trades and Occupations, contemplated in the Skills Development Act i.e. the **Occupational Qualifications Framework** (OQF)

The three Qualification Frameworks will still be part of one NQF.

Each of the three frameworks has a responsible quality assurance council:

- The **Council on Higher Education** (CHE), with its Higher Education Quality Committee (HEQC)
- **Umalusi** for General and Further Education
- **Quality Assurance Council for Trades and Occupations** (QCTO) is the new body responsible for the quality assurance of occupational qualifications

| Qualification Framework | Quality Council |
|---|---|
| Higher Education Qualifications Framework (HEQF) | Council on Higher Education (CHE) with its Higher Education Quality Committee (HEQC) |
| General and Further Education and Training Qualifications Framework (GFETQF) | Umalusi |
| Occupational Qualifications Framework (OQF) | Quality Council for Trades and Occupations (QCTO) |

The QCTO may delegate specific quality assurance activities to suitable agencies, primarily the Setas (Sector Education Training Authorities) and other bodies who choose to work with the QCTO. These bodies can include professional bodies such as the South African Institute of Chartered Accountants (SAICA) who currently performs a quality assurance function.

The QCTO was established on 23 February 2010, the Board of the QCTO has been appointed, however the organisation has not yet started operating.

### 2.5.5  Functions of SAQA

The SAQA must, in order to advance the objectives of the NQF perform certain functions. The main functions of SAQA are standards-setting and quality assurance. In particular, their functions include:

1. oversee the implementation and achievement of the NQF in accordance with an implementation framework prepared by the SAQA after consultation with the QCs
2. develop and publish the content of level descriptions (descriptors) for each level of the NQF and reach agreement on the content with the QCs – ensuring their relevancy (level descriptors are statements describing learning achievement at a particular level on the NQF)
3. develop and implement policy and criteria, after consultation with the QCs, for the development, registration and publication of qualifications and part-qualifications (standards-setting)

4. develop policy and criteria, after consultation with the QCs, for assessment, recognition of prior learning and credit accumulation and transfer

5. develop and implement policy and criteria for recognising a professional body and registering a professional designation for the purposes of this Act, after consultation with statutory and non-statutory bodies of expert practitioners in occupational fields and with the QCs

6. maintain a National Learners' Records Database (NLRD) comprising registers of national qualifications, part-qualifications, learner achievements, recognised professional bodies, professional designations and associated information;

7. evaluating foreign qualifications and public information on the NQF

The repeal of the SAQA Act (1995) and replacement by the NQF Act (2008) removed the quality assurance function from SAQA. Quality assurance is now being performed by the QCs. Until the QCTO is operational, the *status quo* regarding quality assurance will continue i.e. SAQA will continue to monitor the Setas who perform quality assurance functions with regards to service providers.

## 2.6   The NQF

In the SAQA Act (1995) and in its replacement NQF Act (2008), the NQF can be seen as an integrated framework of all qualifications and components of qualifications at all levels. This has led to the NQF being compared to a ladder.

The NQF covers many possible learning and career paths, which include all forms of education and training and each step in the ladder represents progress. In that way the ladder is designed to make it easier for people to move upwards in their career paths (Cloete, 2005).

We can go further by saying that each step of the ladder is governed by principles and guidelines that standardise the learning that takes place at that step or level. The NQF is a structure used to establish a common understanding of learning achieved. The NQF has won wide acceptance as the principal instrument through which national education and training qualifications are recognised and quality assured.

### 2.6.1   Structure of the NQF

The NQF consists of three bands and now has 10 levels as can be seen in the figure below. At the time of writing, the detailed descriptions (descriptors) of each level of the NQF had not been finalised by SAQA, but had been released for public comment.

A proposed 10-level NQF with descriptors is suggested below. The 'old' 8-level NQF is also provided for reference purposes.

| Band | Level | Qualification and Certificates | | Institutions | | |
|------|-------|-------------------------------|---|--------------|---|---|
| Higher Education and Training (HET) | 10 | Doctorates | | Tertiary / Research / Professional Instructions | | |
| | 9 | Masters Degrees | | | | |
| | 8 | Post-graduate diplomas and Professional Qualifications | | Universities / Technikons / Colleges / Private / Professional Institutions / Workplace / etc. | | |
| | 7 | Bachelors Degrees and Advanced Diplomas | | | | |
| | 6 | Diplomas and Advanced Certificates | | | | |
| | 5 | Higher Certificates and Advanced National (vocational) Certificates | | | | |
| Further Education and Training (FET) | 4 | Std 10 / Grade 12, N3 / NCS National Senior Certificate and National (vocational) Certificates | | Formal High schools / Private / State schools | Technical / Community / Police / Nursing / Private colleges | Industry Training Boards / Unions / Workplace, etc |
| | 3 | Std 9 / Grade 11, N2 / NIC National (vocational) Certificates | | | | |
| | 2 | Std 8 / Grade 10 Further Education and Training Certificates | | | | |
| General Education and Training (GET) | 1 | Senior Phase, Std 7 / Grade 9 | ABET Level 4 | Formal schools (Urban / Rural / Farm / Special) | Occupation / Work-based training / Upliftment programmes / Community programmes | NGOs / churches / Night schools/ ABET programmes / Private providers/ Industry training boards / Unions/ Workplace, etc |
| | | Intermediate Phase | ABET Level 3 | | | |
| | | Foundation Phase | ABET Level 2 | | | |
| | | Pre-School | ABET Level 1 | | | |

Figure 2.1: Proposed structure of the 10-level NQF

| Band | Level | Qualification and Certificates |
|------|-------|-------------------------------|
| Higher Education and Training (HET) | 8 | Post-doctoral research degrees Doctorates Masters degrees |
| | 7 | Professional qualifications Honours degrees |
| | 6 | National first degrees Higher diplomas |
| | 5 | National diplomas National certificates |
| Further Education and Training (FET) | 4 | National certificates |
| | 3 | |
| | 2 | |
| General Education and Training (GET) | 1 | ABET Level 4/ Grade 9 National certificates |

Figure 2.2: Proposed structure of the 8-level NQF

Each NQF level represents a step of the ladder used as an example earlier. It is clear from this structure that provision has been made for progression (moving from one level to the next). Provision has also been made for horizontal articulation (movement) between qualifications (Rainbow SA, The National Skills Development Handbook, 2007).

In terms of the new 10-level NQF:

- NQF Level 1 is the basic amount of compulsory education which everyone in the country should have. It fits into what is called the General Education and Training Band. This education would be obtained at service providers in the GET sector such as schools. This training is overseen by the Department of Basic Education.

- NQF Levels 2 to 4 represent additional education that takes place out of a university or tertiary education level. It is called the Further Education and Training (FET) Band. This education would be obtained at service providers in the FET sector such as formal high schools, private and state schools, technical colleges, community colleges, private colleges and may include police and nursing private colleges. This training is overseen by the Department of Basic Education.

- NQF Levels 5 to 10 fall within the Higher Education and Training (HET) sector. Education and training at these levels can be achieved through tertiary education (at universities, technikons, colleges, private institutions, professional bodies or in the workplace) or through workplace training providers and private training institutions. This training is overseen by the Department of Higher Education (DHET).

## 2.6.2 Principles of the NQF

The principles and guidelines of the NQF is based on:

- The eradication of injustice,
- The achievement of reconstruction and development goals and
- The transformation and the promotion of quality in education and training (SAQA, 2001).

The following principles underpin the objectives of the NQF and contribute to the benefits of the NQF:

| Principle | Description |
| --- | --- |
| Integration | Education and training should form part of a system of human resources development which provides for the establishment of an underlying approach to education and training. |
| Relevance | Education and training should be, and remain, responsive to national development needs. |
| Credibility | Education and training should have international and national value and acceptance. |
| Coherence | Education and training should work within a consistent framework of principles and certification. |
| Flexibility | Education and training should allow for multiple pathways to the same |

| Principle | Description |
|---|---|
| | learning ends. |
| Standards | Education and training should be expressed in terms of a nationally agreed framework and internationally acceptable outcomes. |
| Legitimacy | Education and training should provide for the participation of all national stakeholders in the planning and co-ordination of standards and qualifications. |
| Access | Education and training should provide ease of entry to appropriate levels of education and training for all prospective learners in a manner which facilitates progression. |
| Articulation | Education and training should provide for learners, on successful completion of accredited prerequisites, to move between components of the delivery system. |
| Progression | Education and training should ensure that the framework of qualifications permits individuals to move through the levels of national qualifications via different appropriate combinations of the components of the delivery system. |
| Portability | Education and training should enable learners to transfer credits of qualifications from one learning institution and/or employer to another. |
| Recognition of Prior Learning | Education and training should, through assessment, give credit to learning which has already been acquired in different ways. |
| Guidance of Learners | Education and training should provide for counselling of learners by specially trained individuals who meet nationally recognised standards for educators and trainers. |

## 2.6.3  Fields of learning on the NQF

There are twelve different fields of learning within the NQF. All unit standards and qualifications are categorised across these areas of learning:

1. Agriculture and Nature Conservation
2. Culture and Arts
3. Business, Commerce and Management Studies
4. Communication Studies and Language
5. Education, Training and Development
6. Manufacturing, Engineering and Technology
7. Human and Social Studies
8. Law, Military Science and Security
9. Health Science and Social Services
10. Physical, Mathematical, Computer and Life Sciences
11. Services
12. Physical Planning and Construction

The generation of unit standards and qualifications was previously overseen by National Standards Bodies (NSBs) within SAQA. The development of the unit standards and qualifications was done by Standards Generating Bodies (SGBs) while the NSBs assessed the output of SGBs and decided whether to recommend the developed unit standard or qualification to SAQA. In March 2005 NSBs

were disbanded and replaced by consultative Panels (Rainbow SA, The National Skills Development Handbook, 2010).

> **Unit standards** specify the outcomes that a learner will need to achieve by **indicating**:
> - What a learner must be able to do,
> - How well they must do it and
> - Within what parameters (scope or context) it must be done.

> **Qualifications** are made up of a number or unit standards equaling a minimum of 120 credits. Each qualification will however specify the amount of credits required to obtain that specific qualification.

### 2.6.4 Consultative panels

NSBs were replaced with Consultative Panels in 2005. The panels were created to be less bureaucratic and administrative with regards to developing, registering and publishing qualifications. This function is now the responsibility of the three QCs.

The Consultative Panels, under the QCTO, is intended to be replaced by a consultative forum called a Community of Expert Practice (CEP). The QCs will submit qualifications to SAQA for registration on the NQF.

### 2.7 Quality assurance

The QCTO's Quality Assurance Directorate will be responsible for ensuring the delivery of high quality training and education. This function was (and until the QCTO is operational) currently executed by 31 ETQAs including professional bodies, statutory and Seta ETQAs.

Prior to the establishment of the QCTO, there were 31 ETQAs (including all Setas). All Setas were accredited by SAQA as ETQAs and could perform quality assurance in their Seta scope. Some professional bodies were also accredited as ETQAs. For example, the South African Institute of Chartered Accountants (SAICA) was accredited by SAQA as an ETQA and could perform all the functions of an ETQA required by SAQA. SAICA is responsible for the quality assurance of a number of qualifications e.g. Chartered Accountant (CA): Auditing.

The QCTO was established on 1 April 2010, and the transitional arrangements of the NQF Act (2008) indicate that until the QCTO changes the status of Setas as ETQAs, Setas will continue to perform quality assurance functions instead of the QCTO, in terms of the mandate provided by SAQA.

An ETQA is a body that is responsible for ensuring the quality of the delivery and assessment of registered standards and qualifications by education and training providers in its relevant sector.

The current function of an ETQA (SAQA, 2007) is to:

- Accredit providers to conduct assessments against unit standards and qualifications registered on the NQF
- Promote quality amongst constituent providers
- Monitor provision of training – conduct quality audits at specified intervals
- Evaluate assessment and facilitate moderation among constituent providers
- Register assessors
- Certificate learners
- Co-operate with relevant moderating bodies
- Recommend new standards or qualifications to NSBs
- Recommend modifications to existing standards and qualifications to NSBs
- Submit reports to SAQA

SAQA accredits ETQAs, and monitors and audits them, in order to assure the quality of the execution of the above functions. The ETQA function is currently executed by:

- The **Council on Higher Education** (CHE), with its Higher Education Quality Committee (HEQC)
- **Umalusi** for General and Further Education
- **Quality Assurance Council for Trades and Occupations** (QCTO) is the new body responsible for the quality assurance of occupational qualifications

## 2.8  Fasset's quality assurance model

In order to carry out is quality assurance mandate further (and until this mandate is changed by the QCTO), Fasset uses a particular quality assurance model that is discussed below.

Quality assurance of the majority of qualifications in Fasset's sector is managed by the sector's professional bodies. In consultation with the professional bodies, it was decided that Fasset would adopt a Quality Assurance Partner (QAP) model for quality assurance in the sector.

To gain accreditation for qualifications that fall within their scope, professional bodies apply, and have to meet rigorous criteria, in order to perform quality assurance functions on behalf of the Fasset Education and Training Authority (FassetQA).

QAPs accredit education and training providers and are responsible for some of the ETQA functions (including site and monitoring visits), however Fasset remains responsible for the verification of assessments and the certification of learners.

The following training providers and professional bodies act as QAPs for Fasset:
- Association of Certified Chartered Accountants (ACCA)
- Association of Accounting Technicians (AAT)
- Chartered Institute of Management Accountants (CIMA)

- Institute of Certified Bookkeepers (ICB)
- Chartered Secretaries Southern Africa (CSSA)
- Pastel Accounting

In the future, Fasset will continue to perform quality assurance according to the existing QAP model, as the quality assurance of grants submitted must be maintained.

## 2.9    Fasset accreditation statuses

At May 2011, Fasset confers the following accreditation statuses to training providers.

### 2.9.1    Delivery Only Site

Refers to a provider who meets all of the ETQA requirements for accreditation. This would be applicable to providers who only deliver on training and conduct formative assessments, but do not conduct summative assessments. The learning programme/s would be aligned to registered unit standards and would be non-credit bearing: no credits are recorded on the NLRD.

### 2.9.2    Delivery and Assessment Site

Refers to providers who meet all the ETQA requirements for accreditation and are offering programmes that are aligned to registered unit standards/qualifications. Providers would be delivering on training and would manage the assessment thereof. The learning programme/s would be credit bearing: credits are recorded on the NLRD.

### 2.9.3    Assessment Site Only

Refers to providers who meet all the ETQA requirements for accreditation as related to assessment. The assessments are aligned to registered unit standards and qualifications. Providers would namely manage summative assessments. The learning programme/s would be credit bearing: credits are recorded on the NLRD.

### 2.9.4    Approval Status

Refers to providers who meet all of the ETQA requirements for accreditation and are offering non-credit, non-aligned programmes and/ or programmes that are outcomes-based. The learning programme/s would be non-credit bearing; no credits are recorded on the NLRD.

### 2.9.5    Accreditation Not Granted

Refers to providers who have not been accredited for one of the following reasons:
- ETQA requirements have not been met

- Offers programmes not in Fasset's primary focus
- Failure to meet 6 month provisional deadline

### 2.9.6 De-accreditation

Reasons for de-accreditation include:
- Failure to meet the accreditation requirements
- Fraud
- Insolvency
- Provider requested to withdraw Accreditation status
- Breach of training provider contract

## 2.10 Professional bodies and professional designations

A special feature of the Fasset sector is the professional associations that have played a dominant role in the sector's qualification offerings. In addition the professional bodies organise and perform quality assurance and provision of education and training in the sector, and confer professional designations.

In terms of the NQF Act (2008), SAQA may develop policies for recognising professional associations and for the registration of professional designations. This must be done in consultation with QCs.

Prior to the NQF Act (2008) education and training providers were accredited to offer training by 31 ETQAs. Two QCs will continue to quality assure as they always have i.e. CHE and Umalusi, however the QCTO in taking over the ETQA work from the Setas will delegate education and training provider accreditation to professional associations, industry associations and Seta ETQA divisions.

Professional associations may select whether they choose to work with the OQF or the HEQF. This is because professional associations require a combination of theoretical and on-the-job training, before they are able to register a member against a designation in their association.

## 2.11 The Occupational Learning System (OLS)

The Occupational Learning System (OLS) is primarily focused on work-related training in the NQF. Academic learning and the primary and secondary school systems (in the GFETQF) are not directly affected by the OLS.

The OLS is placed in a new sub-framework of the NQF dedicated to occupational learning i.e. the OQF. The other sub-frameworks contain the higher education system i.e. GFETQF, and the general and further education systems (schools and FET colleges) i.e. HEQF.

The figure below illustrates the various levels of the NQF, educational institutions, type of educational awards and quality assurance bodies.
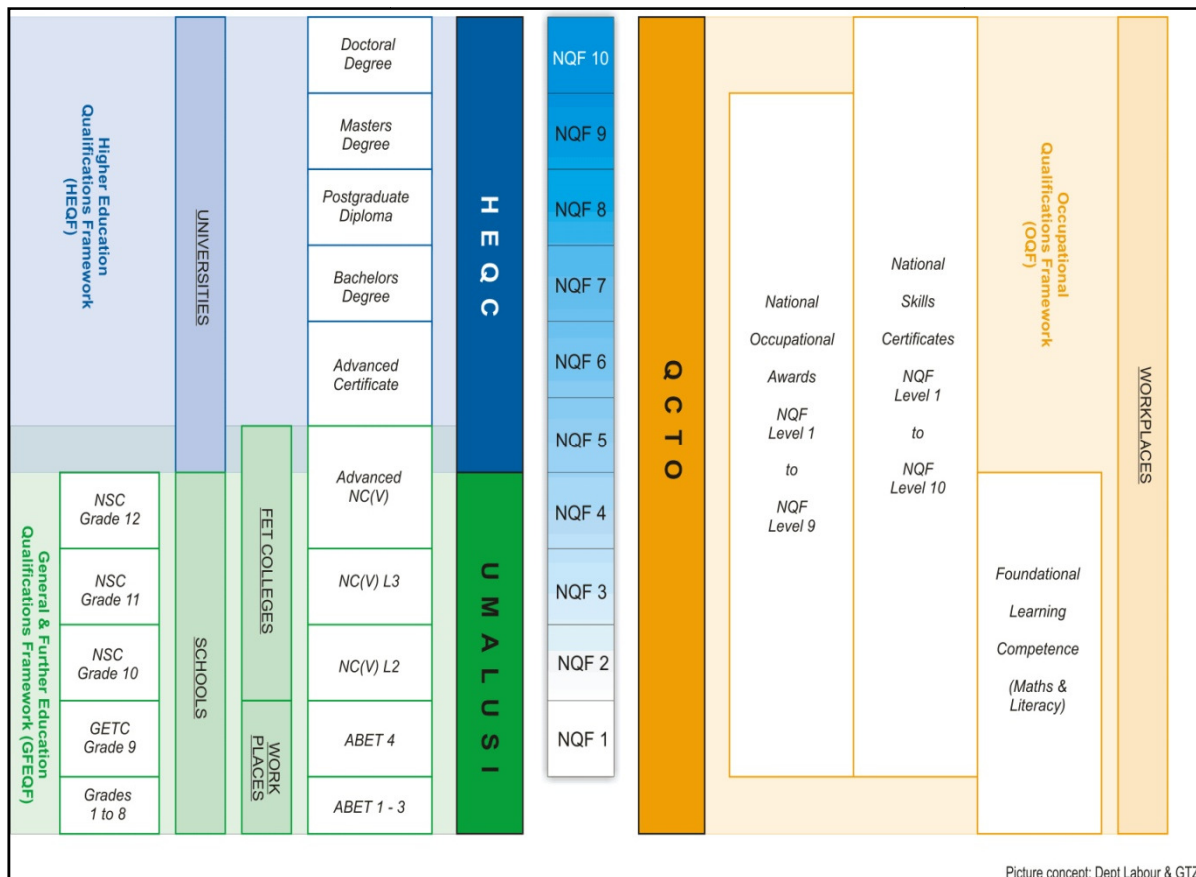


Figure 2.3: The new Organisational Learning System (courtesy of Rainbow SA, The National Skills Development Handbook, 2010)

## 2.12 Standards-setting

In the context of skills development standards-setting may be defined as the process whereby a minimum levels or standard is developed for an occupations, qualifications or part-qualification.

With the repeal of the SAQA Act (1995) the Standards Generating Bodies (SGBs) and National Standards Bodies (NSBs) have been repealed. Communities of Expert Practice (CEPs) (also sometimes referred to as Standards Advisory Panels or Fit-for-Purpose Panels) are proposed to develop standards for occupational learning programmes for the QC, the QCTO. Other QCs (for the GET/FET and HET sector) develop qualifications and standards through different processes (Rainbow SA, The National Skills Development Handbook, 2010).

Because the OLS depends on a consultative process in order to develop qualifications which are appropriate for business and learners, CEPs are needed in the same way qualifications were developed through the SGBs and NSBs.

## 2.13 Interpreting legislation

Since the inception of 'skills development' in South Africa, it has become increasingly important for business to be involved not only with policy and legislative implementation, but also to be involved in the design and development of policies and legislation.

Varying interpretations of Acts and regulations to the Acts can create confusion. Understanding the process of how legislation is developed to the point that it is finally gazetted is relevant, so that implementation of skills development initiatives is done in accordance with the law.

The development of legislation includes the following processes (*Wikipedia, 2009*):

1. **Green Paper**: this is a tentative government report of a proposal without any commitment to action; the first step in changing the law. Green papers are issued much more frequently than white papers and are more open-ended. They are also known as consultation documents and may merely propose a strategy to be implemented in the details of other legislation or they may set out proposals on which the government wishes to obtain public views and opinion. They may result in the production of a white paper.

2. **White Paper**: this is an informal name for a parliamentary paper enunciating government policy. They are issued by the government and lay out policy, or proposed action, on a topic of current concern. Although a white paper may on occasion be a consultation as to the details of new legislation, it does signify a clear intention on the part of a government to pass new law.

3. **Bill**: This is a proposed new law introduced within a legislature that has not been ratified, adopted, or received assent. Once a Bill has become law, it becomes an Act.

4**. Legislation**: This is a law which has been promulgated ('enacted') by a legislature or other governing body. The term may refer to a single law, or the collective body of enacted law, while 'statute' is also used to refer to a single law. Legislation can have many purposes: to regulate, to authorise, to provide (funds), to sanction, to grant, to declare or to restrict. In South Africa, legislation is in draft until it has been for public comment. Once this process is finalised, the legislation becomes final and then can only be changed through amendments.

Understanding these processes and the legal terms associated with written legislation will help equip stakeholders to make sound recommendations and interpretations of the legislation and associated regulations.

## 2.14 Way forward …

With the numerous changes in legislation and introduction of new concepts to the skills development environment, there are a number of areas which skills development professionals should be aware of, and which are still to be formalised.

- The QCTO has been formed, and over time, under the direction of its Board it will begin to implement its mandate to register and quality assure relevant qualifications.
- The OQF will evolve as it becomes populated by learning programmes developed through the QCTO.
- The status of unit standards is currently being debated. Given that unit standards fall into the OLS, the QCTO is in the process of defining occupational learning programmes and their components, the definition of unit standards provided here may change over time as the OLS becomes better defined.
- The finalisation of the descriptions (descriptors) of the 10 levels of the NQF, and the replacement of the 8-level NQF.
- Professional associations may select whether they choose to work with the OQF or the HEQF. This is because professional associations require a combination of theoretical and on-the-job training, before they are able to register a member against a designation in their association.

# Section 3: Assessment and the NQF

## 3.1 Introduction to assessment and the NQF

Unit standards are seen as the foundation of the NQF, specifically the OQF. They currently form the building blocks of qualifications registered. In as far as they form the building blocks of the NQF; they underpin the empowering principles of the NQF; allowing learners to accumulate unit standards which may ultimately all be counted towards a registered qualification.

It is important to note that competence against unit standards are not the only learning outcome. Learners may also register to complete full qualifications, part qualifications, qualifications based on outcomes, or qualifications based on unit standards. There is an informal organising framework for learning programmes, this is called the Learning Programmes Matrix (which will be discussed in detail later).

Interestingly, the NQF Act (2008) does not define unit standards. However, definitions are provided for the following areas relevant to assessment, the NQF and skills development.

- **education institution** means an education institution that is established, declared or registered by law
- **learning** means the acquisition of knowledge, understanding, values, skill, competence or experience
- **level** means a level of the NQF framework
- **part qualification** means an assessed unit of learning that is registered as part of a qualification
- **professional body** means any body of expert practitioners in an occupational field, and includes an occupational body
- **professional designation** means a title or status conferred by a professional body in recognition of a person's expertise and right to practice in an occupational field
- **qualification** means a registered national qualification
- **registered** means registered on the NQF by SAQA
- **sector** means a sector of education or training, as the case may be, for whose sub-framework a QC is responsible

## 3.2 Qualifications and unit standards

### 3.2.1 Defining qualifications

The NQF Act (2008) allows for greater freedom for the QCs to design learning programmes. Until the various qualification frameworks (OQFHEQF, OQF, GFETQF) have developed standard guidelines for qualification development, the standard guidelines issues by SAQA will prevail (Rainbow SA, The National Skills Development Handbook, 2010).

There are many routes to obtaining a qualification. This can be done through a formal educational institution, through a learnership at the workplace or through a process where a learner is recognised for their prior learning.

Rainbow SA (2010) defines a qualification as a 'socially and economically meaningful learning achievement'. In that it refers to an entire learning achievement, it can be differentiated from a unit standard or a part-qualification. Both unit standard-based qualifications and outcomes-based qualifications are registered with SAQA.

### 3.2.2 Unit standard-based qualifications

Unit standard-based qualifications are made up of a number or unit standards equalling a minimum of 120 credits. Each qualification will however specify the amount of credits required to obtain that specific qualification.

A qualification would consist of fundamental unit standards, core unit standards and elective unit standards; to ensure that learners are developed holistically.

Qualifications as, with unit standards, are registered by SAQA on the NQF. Previously SAQA would work with NSBs to register the qualification directly. Now SAQA works with the QCs to register qualifications.

### 3.2.3 Outcomes-based qualifications

An outcomes-based qualification does not consist of unit standards.

Such qualifications list exit level outcomes that a learner has to achieve together with associated assessment criteria.

### 3.2.4 Defining unit standards

Unit standards may be defined as registered statements of desired education and training outcomes, and their associated assessment criteria (SAQA Act, 1995).

The status of unit standards is currently being debated. Given that unit standards fall into the OLS, the QCTO is in the process of defining occupational learning programmes and their components, the definition of unit standards provided here may change over time as the OLS becomes better defined. Unit standards and unit standards-based qualifications are not acceptable in the HEQF and the GFETQF, which register full qualifications that contain outcomes.

In general, unit standards specify the outcomes that a learner will need to achieve by indicating:

- What a learner must be able to do,
- How well they must do it and
- Within what parameters (scope or context) it must be done.

## 3.2.5 What is a credit?

In the current system, the unit standard is the most basic component against which recognition can be gained on the NQF. Qualifications may consist of a number of unit standards equaling a total of a minimum of 120 credits. Unit standards may vary in credit weighting, depending on the required length of time it would take to master the unit standard.

Credit: Each unit standards has credits assigned to it. Credits refer to the weight assigned to a unit standard – it indicates the time an average learner would take to achieve the unit standard. 1 credit = 10 notional hours of learning. Theoretical and practical training is included.

Notional Hour: A notional hour is the amount of hours an average learner would require to master a unit standard.

Qualifications are registered with SAQA with the following credit ratings (Rainbow SA, The National Skills Development Handbook, 2010):

- **120 credits – certificate**
- **240 credits – diploma**
- **360 credits – degree**

## 3.2.6 Components of a unit standard

When SAQA was registering unit standards, a unit standard would always start with a table that contained the following information:

| Component | Description |
| --- | --- |
| SAQA Logo | Used to indicate that the unit standard has been approved by SAQA. |
| Unit Standard Title | The outcome of learning or training. |
| ID Number | Allocated by SAQA, used as a reference number. |
| NQF Level | The level at which a unit standard is pitched based on the eight levels of the NQF |
| Credits | Credits refer to the weight assigned to a unit standard; it indicates the time an average learner will take to achieve the unit standard. |
| SGB Name | Name of the SGB involved in compiling the unit standard. |
| Field and Subfield | Indication of where in the 12 fields of learning identified, this unit standard falls. |
| Registration Start Date | Date on which the unit standard is registered by SAQA. |

| Component | Description |
|---|---|
| Registration End Date | Date on which the unit standard registration expires. |
| SAQA Decision No. | Decision number used by SAQA. |

After the table, the following information would appear:

| Component | Description |
|---|---|
| Purpose of the Unit Standard | States what a learner will be capable of upon completion of the specific unit standard (should be read in conjunction with the unit standard title). It also provides an indication as to whom the standard is aimed at. |
| Learning Assumed to be in Place and RPL | Indicates knowledge and skills that is a prerequisite of this unit standard. |
| Range Statements | Defines the context and scope of the unit standard as a whole and/or the specific outcomes and assessment criteria. |
| Specific Outcomes | Indication of what the learner will need to achieve within the context of the job or task the unit standard is written for. |
| Assessment Criteria | Used to assess learners. Provides guidelines on what is expected from a Specific Outcome. |
| Accreditation and Moderation Options | Accreditation: Specifies requirements that the Provider should meet. Assessment: Specifies requirements that the Assessor should meet. Moderation: Specifies moderation requirements. |
| Essential Embedded Knowledge | Summarises the underlying knowledge learners require to master the unit standard. |
| Critical Cross-field Outcomes | Consist of qualities the NQF identified for development in students, these outcomes apply across all learning fields. |

With the establishment of the QCTO, the format for developing and registering unit standards will change.

### 3.2.7 Specific outcomes

Specific outcomes are statements regarding elements of competence. They indicate what the learner will need to achieve within the context of the job or task the unit standard is written for.

These outcomes will not only refer to subject content, but will also include actions, roles, knowledge, understanding, skills, values and attitudes that a learner has to perform to demonstrate competence (SAQA, 2001).

### 3.2.8 Assessment criteria

Assessment criteria are statements whereby an assessor can judge whether the evidence provided by a learner is sufficient to demonstrate competent performance for each related outcome.

Learners have access to the assessment criteria and are thus prepared for assessment – they know what is expected of them to achieve outcomes and competence.

### 3.2.9  Critical Cross-Field Outcomes (CCFOs)

All unit standards contained CCFOs. CCFOs consist of qualities the NQF has identified for development in students, they are essential life skills and act as the foundation upon which other skills are built. CCFOs are generic and apply to learners across all fields of learning.

There are eight critical cross-field outcomes:
- Identify and solve problems using critical and creative thinking
- Work effectively in a team
- Organise and manage oneself and one's activities
- Collect, analyse, organise and critically evaluate information
- Communicate effectively using visual, mathematical and/or language skills in oral or written form
- Use science and technology effectively and critically, showing responsibility towards the environment and the health of others
- Demonstrate an understanding of the world as a set of related systems by recognising that problem-solving contexts do not exist in isolation
- Contribute to the full personal development of an individual through awareness of:
  - How to learn more effectively
  - How to be a more responsible citizen
  - How to be culturally and aesthetically aware
  - How to explore education and career opportunities
  - How to develop entrepreneurial opportunities

Most unit standards do not use all 8 critical cross-field outcomes. The following is applicable / should be noted:
- Only the CCFOs that relate to the purpose, specific outcomes and Essential Embedded Knowledge of the unit standard are incorporated in the unit standard
- CCFOs are adapted in each unit standard to relate to that specific unit standard, i.e. learners are required to produce evidence that they can identify and solve problems in the context of the unit standard.

Assessors need to ensure that their learners have addressed the CCFOs appropriately at the level of the unit standard.

### 3.2.10  Fundamental, core and elective unit standards

**Fundamental** unit standards:
- Will include unit standards on communication, numeracy, personal development, life skills and computer literacy.
- These unit standards are compulsory.

- Learners can undergo Recognition of Prior Learning (RPL) against these unit standards based on previous education and training.

**Core** unit standards:
- These unit standards are the basis of the qualification, will focus on the subject matter expertise required.
- They are compulsory.

**Elective** unit standards:
- These are used to enrich a qualification or specialise in a subject.
- A learner can select the elective unit standards they would like to complete.

## 3.2.11 Finding unit standards

All unit standards are published on SAQA's website: www.saqa.org.za. If you would like to find a unit standard on a specific topic, you can visit this website. You can select the option:

1. Qualifications and Unit Standards
2. Registered Qualifications and Unit Standards
3. Search for a Unit Standard

You can then enter the topic for which you would like to find a unit standard under Unit Standard Title.

If you do a search using a specific word, only unit standards with that word in their title will appear, so you may have to play around with synonyms or similar concepts.

If you know the NQF level on which the unit standard should be, you can enter the NQF level to limit your search.

Should you have the Unit Standard ID number, you will be able to find the unit standard by entering this number under Unit Standard ID.

The SAQA website lists both expired and current unit standards as well as qualifications. The QCTO may practice the expiry process in a different way.

Expired Qualifications: The normal lifespan of a qualification is three years. The registration end date indicates when this period has expired. After three years a qualification will be reviewed, and pending the outcome of the review process, re-registered, significantly changed, or replaced by a newly developed qualification. Each qualification has a transitional period of one year after it has expired where learners can still be enrolled on the unit standard. A teach out period of $n$ + two years applies.
*(n refers to the normal duration of the qualification)*

## 3.2.12 Skills programmes

A skills programme may be defined as:

- An occupationally-directed programme comprising an agreed cluster of related unit standards equaling less than 120 credits and will have practical (workplace) experience
- Constructed to constitute credits towards NQF registered qualifications
- Delivered by an accredited training provider

A skills programme can be considered a 'mini-qualification' or 'part-qualification' in that it comprises a number of unit standards, providing learners with the opportunity to work towards a full qualification.

A Seta registers a skills programme.

## 3.3 Foundational Learning Competence (FLC)

Also known as 'learning assumed to be in place'. Foundational Learning Competence (FLC) is a similar concept to fundamental unit standards defined above.

FLC describes the communications and mathematics requirements of levels 2 to 4 of the OQF (Rainbow SA, The National Skills Development Handbook, 2010). It is a necessary part of the knowledge of occupations within the specific NQF levels and will be noted in a 'statement of results' and will allow a learner to attempt a final external summative assessment (the assessment is conducted once the training process has been completed).

## 3.4 Learning Programmes Matrix (LPM)

The Learning Programmes Matrix below shows the range of acceptable learning types, learning sites, modes of learning and the resultant learning achievement. This matrix is used in determining points on the Black Economic Empowerment (BEE) scorecard.

Fasset uses this framework extensively; to define acceptable programmes for grant disbursement and programme development.

| # | Learning Type | Learning Site | Learning Mode | Learning Achievement | Abb. |
|---|---|---|---|---|---|
| 1 | Institution-based theoretical instruction alone – formally assessed through the institution | Institutional, e.g. universities, colleges, schools, ABET providers | Face-to-face instruction<br>Distance learning<br>eLearning | Recognised theoretical knowledge provided by an accredited or registered formal institution of learning:<br>Degree, Diploma, Certificate | ED |
| 2 | Institution-based theoretical instruction<br>**and**<br>some practical learning with an employer or in a work simulated environment – formally assessed through the institution | Institutional **and** workplace, e.g.<br>Universities of technology (previously technikons)<br>Occupational learning institutions<br>ABET providers | Mixed mode delivery with some face-to-face instruction (or distance or eLearning) **and** supervised learning in an appropriate workplace or simulated environment | Theoretical knowledge provided by an accredited or registered formal institution of learning and workplace experience with set requirements<br>Technical Degree (TDe)<br>Technical Diploma (TDi)<br>Technical Certificates (TC)<br>Professional Degree, e.g. social work, medical doctor (PD) | TDe<br>TDi<br>TC<br>PD |
| 3 | Recognised or registered workplace structured experiential learning – formally assessed by a statutory occupational or professional body | Workplace | Structured learning in the workplace with mentoring or coaching<br>Internship (I)<br>Articles (A)<br>Placements (P) | Occupational or professional knowledge and experience<br>Registration<br>Licensing | I<br>A<br>P |
| 4 | Occupationally-directed instructional and work-based learning programme that requires a formal contract – formally assessed by an accredited body | Institution (face-to-face, distance or eLearning) **and** workplace | Institutional instruction plus structured, supervised experiential learning in the workplace<br>Learnership (LS)<br>Apprenticeship (AP) | Trade certificate<br>Certificate<br>Other | LS<br>AP |
| 5 | Occupationally-directed instructional and work-based learning programme that does not require a formal contract – formally assessed by an accredited body | Workplace and some institution (face-to-face, distance or eLearning)<br>ABET provider | Structured, supervised experiential learning in the workplace which may include some institutional instruction<br>Skills programme (SP) | Credits against registered unit standards | SP |
| 6 | Occupationally-directed instructional programmes – not usually formally assessed | Institution<br>Conferences<br>Meetings | Structured information sharing or direct instruction<br>Workshops<br>Seminars and conferences<br>Short courses (SC) | Continuing Professional Development (CPD)<br>Attendance certificates<br>Credits against registered unit standards (in some instances) | SC<br>CPD |
| 7 | Work-based only – not usually formally trained or assessed | Workplace | Informal training on the job or other life experience | Increased understanding of job and work context, improved performance and enhanced skills | WE |

Figure 3.1: The Learning Programmes Matrix (LPM)

## 3.5    Programmes identified in the QCTO: Emerging landscape

Within the context of the OLS and the newly created QCTO, there has been much debate concerning the names and definitions to be allocated to specific types of learning programmes. Titles such as occupational award and occupational certificate have been presented by the working structures of the QCTO.

It is important to note that these terms are draft terms which are still to be finalised and do not imply the same credit weighting as the terms utilised in other QCs e.g. CHE. In addition the process of accrediting training providers needs clarity. Regulations clarifying these issues will be gazetted in time.

## 3.6    Defining assessment

Assessment can be described as the evaluation of evidence presented by a learner to make a judgement on their competency against set outcomes and assessment criteria as outlined in a unit standard or qualification.

### 3.6.1    What is competence?

The achievement or non-achievement of outcomes is referred to as competent or not-yet-competent.

SAQA refers to competence as 'applied competence'. Applied competence is demonstrated through a learner's ability to integrate concepts, ideas and actions in authentic, real-life contexts. It can be expressed as a combination of practical competence, foundational competence and reflexive competence.

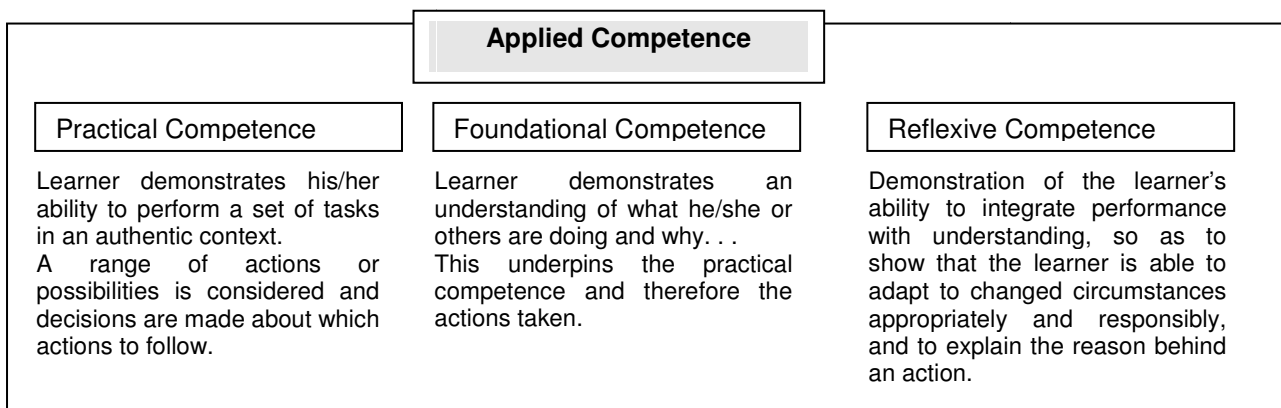| **Applied Competence** | | |
|---|---|---|
| Practical Competence | Foundational Competence | Reflexive Competence |
| Learner demonstrates his/her ability to perform a set of tasks in an authentic context. A range of actions or possibilities is considered and decisions are made about which actions to follow. | Learner demonstrates an understanding of what he/she or others are doing and why. . . This underpins the practical competence and therefore the actions taken. | Demonstration of the learner's ability to integrate performance with understanding, so as to show that the learner is able to adapt to changed circumstances appropriately and responsibly, and to explain the reason behind an action. |

Figure 3.2: Applied Competence

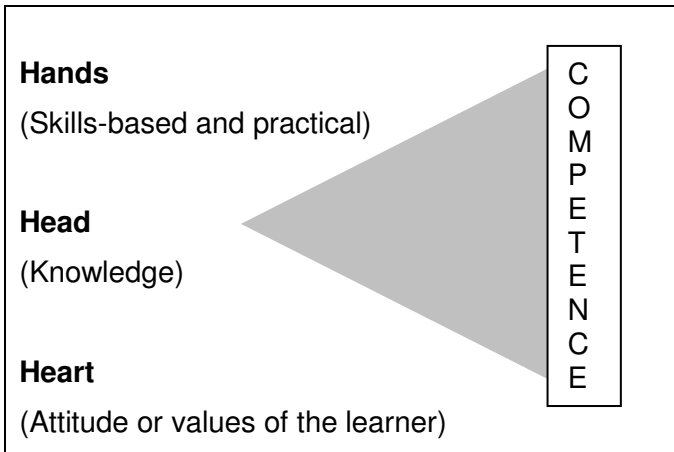Skills, knowledge and values are the foundation of applied competence.



Figure 3.3: Competence

### 3.6.2 Forms of assessment

Learners have to be informed if they are undergoing any of the three types of assessment:

- Diagnostic assessment
- Formative assessment
- Summative assessment

**Diagnostic assessment** serves as a tool to assess the strengths and weaknesses of learners in order to inform instructional decisions i.e. whether or not the learner should register for a specific education or training intervention. This type of assessment is often used before a learner is enrolled on a qualification or learnership as it must be assured that the learner has the aptitude and underlying knowledge and skills to cope with the learning.

**Formative assessment** is used to determine learner progress, during the training process. The characteristics of formative assessment include:

- Used to support the learning process, learners can share own experiences and knowledge
- Determine the learners strengths and weaknesses
- Base future learning on strengths and weaknesses of the assessment process
- Learner is provided with feedback on own progress
- Used to determine learner's readiness to undergo summative assessment
- Credits are not awarded based on formative assessment

Evidence collected during formative assessment can be used for summative assessment. This is done to avoid overburdening the learner during summative assessment. It is however important that the learner gives their permission to use the evidence during summative assessment.

**Summative assessment** is conducted once the training process has been completed and a judgment can be made about the learner's competence at the end of learning. The characteristics of summative assessment include:

- Conducted at the end of a learning programme (based on one or more unit standards)
- Learner's readiness needs to be confirmed before assessment can take place
- Evaluates applied competence
- On declaration of competence, NQF credits are given, recorded and reported

## 3.7    What is Recognition of Prior Learning (RPL)?

Recognition of Prior Learning is the cornerstone of the NQF. Learners who are in possession of skills and knowledge they have no formal certificate for may be assessed and awarded credits for skills and knowledge that have been gained through practical work experience. RPL is the recognition of this learning and the awarding of NQF unit standards, skills programmes or qualifications as a result. (Rainbow SA, 2007)

For example, an employee may have successfully undertaken a number of tasks whilst working in the occupation of bookkeeper, but without any formal qualifications. The skills, knowledge and values gained have been obtained on-the-job.

Should the employee wish to obtain a formal qualification, and the formal qualification may be awarded in recognising the RPL of the learner, the employee may apply to be assessed for a Further Education and Training Certificate in Bookkeeping. Through RPL, the learner does not need to undergo training that will duplicate what they already know.

Learners can contact an RPL centre to be assessed against the whole qualification or ask to be assessed against the individual unit standards the learner believes they are competent against. Where the learner is assessed to be not yet competent in all areas of the qualification, they can undergo training in those specific subject areas.

Certain training providers may not be geared up to conduct RPL-based assessment. It is the responsibility of the learner to identify the appropriate provider, should they exist. Not all qualifications lend themselves to RPL (for example, a medical doctor), and the learner should investigate whether RPL-based assessment is feasible.

### 3.7.1   Recognition of Prior Learning in Fasset's Sector

As RPL is a form of assessment it is one of the functions that has been devolved back to the professional bodies. The prevalence of well-organised and well-structured professional bodies in the sector prompted Fasset to develop the QAP model. As an accredited ETQA, Fasset devolves some of its accreditation responsibilities back to the QAPs. The devolution of these responsibilities only pertain to the qualifications

over with the QAP has authority. The devolution of accreditation responsibilities has allowed Fasset to achieve economies of scale and not to engage in a duplication of work. In addition, accreditation receives the benefit of a host of experience, particular to the occupations in question.

The accounting sector, both locally and globally is organised primarily through professional bodies. A broad definition of a professional body is that it is a group of people in a learned occupation who are entrusted with maintaining control or oversight of the legitimate practice of the occupation.

In some instances professional bodies have a significant role in the oversight of education linked to the professions. It is the prevalence of these professional bodies that has allowed the sector to be so structured, particularly with respect to the training of accountants.

For professional bodies, the learners' theoretical understanding of the occupation is important. Equally important is the practical implementation of that theoretical knowledge i.e. practical experience.

The majority of professional bodies have RPL for both the theoretical components and the practical experience components. The theoretical aspect of the professional qualification is often effected through exemptions. As the word implies, subjects that the learners have already completed, if aligned with subjects in the professional qualification, do not have to be repeated. These usually involve the professional bodies recognising tertiary qualifications. Tertiary qualifications however do not lead to recognition of the whole professional qualification. There are always elements that the professional bodies retain the right to examine. The professional bodies however also recognise prior practical or work experience that is relevant to the occupation. Much the same as exemptions, prior practical work experience, if verified and within a certain time frame is recognised. However, unlike the RPL for the theoretical aspect of the qualification, there may be times when all the work experience of the learner may be recognised.

Non-professional qualifications are defined as those that do not have professional bodies associated with them. There are not many of these types of qualifications in the Fasset sector. Where possible, Fasset makes use of RPL tools for these qualifications. These are typically for NQF 4 and below qualifications. The RPL tools in these instances closely resemble the typical assessments for the qualification. They would still require the learners' competence in the theoretical and the practical components relevant to the occupation, to be determined. Unlike professional body-type RPL, it is theoretical knowledge that the learner has gained through practical implementation that needs to be assessed.

RPL in the Fasset sector has always been available and widely used by the professional bodies. The use of RPL continues to ensure that learners are not required to do any unnecessary repetition of studying, theoretical or practical.

The RPL process is a form of diagnostic assessment. This permits the learner to focus on the areas in which they require proficiency in order to gain competence, allowing the learner to complete

## 3.8   Way forward …

With the numerous changes in legislation and introduction of new concepts to the skills development environment, there are a number of areas which skills development professionals should be aware of, and which are still to be formalised. Some areas to be aware of include:

- The structure of unit standards will change; the OLS has proposed a different format to unit standards.
- Unit standards will no longer be registered by SAQA directly; they will be developed via CEPs and registered with SAQA via the QCTO.
- FLC will replace the notion of fundamental unit standards and will allow for a more streamlined approach to integrated 'learning assumed to be in place' in qualifications.

# Section 4: Understanding learnerships

## 4.1 What is a learnership?

A learnership is a work-based approach to learning and gaining qualifications and includes both structured work experience (practical) and structured institutional learning (theory).

Criteria, as set out in the SDA Act, indicates that a learnership must:
- Include a structured learning component
- Include practical work experience
- Lead to a qualification
- Relate to an occupation

The SDA (1998) as amended and SDLA (1999) were devised to implement structures and processes to transform skills development in South Africa. A critical look at how employers and training providers have provided education, training and work experience in the past indicates that education and training provision has not always linked theory and practice.

Learnerships are intended to address the gap between current education and training provision and the needs of the labour market, and are often seen as the crux of skills upliftment in terms of the SDA.

Learnerships seek to address the following labour market issues:
- The decline in levels of employment in South Africa
- The unequal distribution of income
- Unequal access to education and training, and employment opportunities
- The effects of race, gender and geographical location on advancement
- The skills shortage amongst the labour force

The NQF Act of 2008 does not specifically mention learnerships, but describes learnerships under the generic banner of 'learning programmes'.

## 4.2 Benefits of learnerships

Learnerships are important because:
- The programmes are outcomes-based
- The learner interacts within the working environment (practical)
- The learner interacts with clients and obtains an understanding of workplace dynamics
- Assessment occurs at various stages and is based on the learners' competence (learner centered)
- The qualification is recognised nationally but is also benchmarked against international standards

## 4.3   Tax deduction

The employer may claim a commencement allowance from SARS for each year of the learnership; however the completion allowance may only be claimed by the employer with whom the learner completed their learnership contract.

## 4.4   Learnerships vs. apprenticeships

A learnership is similar to an apprenticeship programme. Both are work-based routes for learning and gaining qualifications.

Learnerships however aim to integrate theoretical education and skills training in both the learnership itself and the assessment (Botha, Kiley and Truman, 2007). In contrast to apprenticeships, learnerships lead to a SAQA registered qualification.

| Apprenticeships | Learnerships |
|---|---|
| Focus on practical skills only, with some theory at a technical college | Combine theory and practice and include 'non-trade' areas at different levels for different occupations |
| Aimed at younger people starting work | Available for all generations |
| Aimed at new entrants/students to the job market | Available to new entrants and existing employees |
| Time-based learning | Competency-based learning that allows the learner to move at their own pace |
| Previously controlled by Industry Training Boards, now the Setas | Three party agreement, signed by the employer, training provider and the learner, registered with the Seta |
| Trade test, at Indlela, to qualify | Competency-based assessment against registered national unit standards to be awarded a national qualification |

## 4.5   How to participate in a learnership?

Employers and learners should be aware of how to participate in learnerships.

The following steps apply:
- Plan a career path
- Identify the learnership that supports the chosen career path
- Find out as much information as possible about the learnership
- Enquire about the applicable criteria for entering the learnership
- Find an employer willing to provide practical work experience

## 4.6   Learnerships available

It is each Seta's responsibility to register learnerships relevant to its sector with the DHET. FassetQA quality assures a wide variety of learnerships in the accounting and finance area. These are listed on the Fasset website (www.fasset.org.za) and include bookkeeping, accounting and debt collection learnership programmes.

## 4.7   Other Seta learnerships

Any employer is able to register a learner on any learnership. Should an employer wish to make use of another Seta's learnership, there will need to be a Memorandum of Understanding (MOU) in place between the two Setas in question. This will help define the various responsibilities and implementation variations that take place across different Setas.

## 4.8   Fasset learnerships

Fasset's learnerships are, for the most part, developed and managed by professional bodies associated with the Seta. Where professional bodies do not administer and certificate the learnership on Fasset's behalf, the Seta will assume some or all of the functions relating to the learnership programme.

Fasset employers will need to contact the relevant professional body should they wish to register a learner on one of the Fasset learnerships. The professional bodies will provide the employer/learner with the necessary information regarding entrance requirements, registration, examinations, workplace experience, training providers and workplace assessments. Learnerships managed by Fasset are exceptions to this.

Employers and learners will need to ascertain from the professional body whether they need to submit the learnership agreements to Fasset or whether the professional body will submit the agreement on behalf of the employer. The employer must ensure that they are an accredited workplace with the professional body as well as ensure that the learner is registered, before a learnership agreement can be registered with Fasset.

The only professional body who registers learners on learnership programmes, from the beginning to the end of the learnership process, is SAICA. SAICA independently registers learners on learnership programmes, and reports final learner information to the Setas.

At the time of writing this document, there were over 800 learnerships registered in South Africa by the DoL and being quality assured by the Setas. For a comprehensive list of these programmes, visit their website at www.labour.gov.za.

For specific information on Fasset learnerships, go to the Fasset website www.fasset.org.za.

At the time of writing the following learnerships were available through Fasset.

| # | TITLE | NLRD No. | NQF | PROFESSIONAL BODY |
|---|-------|----------|-----|-------------------|
| 1 | Professional Qualification: Chartered Certified Accountant<br>The Chartered Certified Accountant Programme confers the designation ACCA. Members are recognised to perform the Audit Function in the UK and certain European and other countries. Employees without formal tertiary qualifications gain access by means of the Professional Qualification: Chartered Certified Accountant Programme. | 63550 | 7 | Association of Chartered Certified Accountants (ACCA )<br>Ms Cindy Parvess<br>(011) 459 1900<br>cparvess@acca.org.za |
| 2 | Certificate: Certified Accounting Technician<br>Certified Accounting Technicians function as accounts support staff offering assistance to professional Accountants. This qualification affords access for employees without formal tertiary qualifications, to the ACCA Chartered Certified Accountant designation. | 20397 | 5 | |
| 3 | Professional Qualification: Chartered Management Accountant<br>Allows learners who meet the minimum entrance requirements and successfully complete this qualification to register as Chartered Management Accountants with the designation ACMA. | 20400 | 7 | Chartered Institute of Management Accountants (CIMA)<br>Ms Charleen Davids<br>(011)788 8723<br>charleen.davids@cimaglobal.com |
| 4 | National Diploma: Management Accounting<br>Ideal for individuals moving into management positions and for those who wish to begin specialising in Management Accounting. Includes, among others, the roles of Cost Accountant, Accountant, Management Accountant and Financial Manager. | 67694 | 6 | |
| 5 | National Certificate: Business Accounting<br>Ideal for learners entering the workplace who will be involved in providing accounting support services and also aimed at current employees in similar positions who require a formal certificate in basic accounting skills. | 24418 | 5 | |
| 6 | Post Graduate Professional Qualification: Professional Accountant in Business<br>Commerce and Industry members of the Institute provide a number of accountancy related services to companies, close corporations, partnerships, sole proprietors, trusts and various other types of small business and non-corporate undertakings. | 20392 | 7 | South African Institute of Professional Accountants (SAIPA)<br>Ms Angela Forrest<br>011 207 7840<br>aforrest@saipa.co.za |
| 7 | Post Graduate Diploma: Professional Accountant in Practice<br>Practising members of the Institute perform duties as an Accounting Officer and provide a | 20391 | 7 | |

| # | TITLE | NLRD No. | NQF | PROFESSIONAL BODY |
|---|-------|----------|-----|-------------------|
| | number of accountancy related services to companies, close corporations, partnerships, sole proprietors, trusts and various other types of small business and non-corporate undertakings. | | | |
| 8 | Certificate: Accounting Technician<br>This learnership is based on a qualification awarded by the AAT. In South Africa the AAT works as AAT (SA). This is a joint partnership between The South African Institute of Chartered Accountants (SAICA), South Africa's top accountancy body, and the AAT, the leading international body promoting the skills and recognition of accounting technicians. | 73710 | 3 | Association of Accounting Technicians AAT(SA)<br>(011) – 621 6888<br>info@aatsa.org.za |
| 9 | Diploma: Accounting Technician<br>Enables new entrants into the financial sector to become proficient in their career as an Accounting Technician or Accounting Support Professional. Learners support and assist senior professionally qualified Accountants in the fields of finance, management accounting, taxation, auditing and payroll. | 20402 | 5 | |
| 10 | Certificate: Local Government Accounting<br>This learnership is based on a qualification awarded by the AAT. The Local Government Accounting learnership is specifically aimed at learners who are employed in Local Government. This qualification provides an ideal entry point for those wanting to begin a career in local government accounting. | 59751 | 3 | |
| 11 | Advanced Certificate: Local Government Accounting<br>This learnership is based on a qualification awarded by the AAT. In South Africa the AAT works through AAT (SA). This is a joint partnership between The South African Institute of Chartered Accountants (SAICA), South Africa's top accountancy body, and the AAT, the leading international body promoting the skills and recognition of accounting technicians. | 73712 | 4 | |
| 12 | Further Education and Training Certificate: Accounting Technician<br>This learnership is based on a qualification awarded by the AAT. In South Africa the AAT works as AAT (SA). This is a joint partnership between The South African Institute of Chartered Accountants (SAICA), South Africa's top accountancy body, and the AAT, the leading international body promoting the skills and recognition of accounting technicians. | 77143 | 4 | |
| 13 | National Certificate: Bookkeeping<br>This qualification previously known as the Certificate for Registered Clerk aims at equipping learners to perform the Accounting function in small organisations and to provide support to Financial Administrators, Accounting Technicians, Accountants and Financial Managers in | 58375 | 3 | Institute of Certified Bookkeepers (ICB)<br>Wedaad Shira<br>(021) 685 2746 |

| # | TITLE | NLRD No. | NQF | PROFESSIONAL BODY |
|---|-------|----------|-----|-------------------|
| | medium and large organisations so that the Accounting and Financial Management functions can be performed effectively. | | | enquiries@icb.org.za |
| 14 | National Diploma: Technical Financial Accountant<br>Financial Accounting Technicians undertake basic Bookkeeping and Accounting procedures in a variety of situations. They function within general Accounting and Financial Management roles where they lend support to the Accountant and/or the Financial Manager. | 36213 | 5 | |
| 15 | National Certificate Small Business Financial Management<br>Specifically designed for those learners who are, or wish to become, owner-managers and for learners who are responsible for the keeping of financial records of a small business. | 48736 | 4 | |
| 16 | Certificate: Office Administration<br>The learnership in Office Administration is aimed at people in clerical and administrative positions in all businesses in all industries. An Office Administrator provides a supportive role in any business. | 23618 | 5 | |
| 17 | Further Education and Training Certificate: Bookkeeping<br>Aims at equipping learners to perform the Accounting function in small organisations and to provide support to Accountants and Financial Managers in medium and large organisations so that the accounting and financial Management functions can be performed effectively. | 48376 | 4 | |
| 18 | Certificate: Public Sector Accounting<br>Specifically designed for Accounts Administrator in the public sector who realise the importance of completing a professional qualification that will equip them with the necessary skills to cope effectively with the demands of their changing environment. | 20352 | 4 | IPFA<br>Jeff Hlongwane<br>(012) 345 1319<br>jeffh@ipfa.co.za |
| 19 | Diploma: Public Sector Accounting<br>Specifically designed for Accounting Technician in the public sector who realise the importance of completing a professional qualification that will equip them with the necessary skills to cope effectively with the demands of their changing environment. | 20353 | 5 | |
| 20 | Chartered Accountant: Auditing<br>The Audit Specialism focuses specifically on Auditing, allowing registered Chartered Accountants to approve annual financial statements in Public Accounting and Auditing Practice when registered with the Public Accountants' and Auditors' Board. | 48913 | 7 | South African Institute of Chartered Accountants (SAICA)<br>Mr Geoffrey Ngonyama<br>(011) 621 6600 |

| # | TITLE | NLRD No. | NQF | PROFESSIONAL BODY |
|---|-------|----------|-----|-------------------|
| 21 | Chartered Accountant: Financial Management<br>Chartered Accountants function as Heads of Accounts Departments in the roles of Financial Director, Chief Financial Officer, Financial Manager and Financial Controller. Experienced Chartered Accountants have ample opportunity to move into specialist, operational and frontline positions. | 48912 | 7 | geoffreyn@saica.co.za |
| 22 | FET Certificate: Debt Recovery<br>This is for any individual who is or wishes to be involved in the Debt Recovery function within the business sector and is intended to enhance the provision of service within the field of Debt Recovery within the business and commerce sector. | 49021 | 4 | Fasset<br>Ms Nomadlozi Buthelezi<br>(011) 476 8570<br>Nomadlozi.Buthelezi@fasset.org.za |
| 23 | Certificate: General Internal Auditing<br>The purpose of the GIA qualification is to provide a second step in the career path of an internal auditor building on the foundation of awareness established in the first level qualification (IAT). The GIA will enable the learner to perform the functions and move into the refinement of soft skills and management responsibilities associated with the discipline. | 20359 | 7 | Institute of Internal Auditors (IIA)<br>Mr Lawrence Chetty<br>(011) 450 1040<br>lawrence@iiasa.org.za |
| 24 | Advanced Certificate: Forensic Practitioner | 67269 | 6 | Jaco de Jager<br>CEO: Association of Certified Fraud Examiners - SA Chapter<br>jaco@acfesa.co.za<br>082 927 2246<br>Fax: 086 659 0378<br>www.acfe.org.za |
| 25 | Diploma: Financial Accounting (IAC Accounting Officer) | 35957 | 6 | The Institute of Administration and Commerce (IAC)<br>Mr Ehsaan Nagia<br>(021) 761 6211<br>Tcb1@telkom.net |
| 26 | CIS Professional Qualification: Governance and Administration | 60651/ LP60154 | 5 | Jacqui Baumgardt<br>Chartered Secretaries - Southern Africa<br>Tel: 031 7083971<br>Cell: 0848152018 |
| 27 | CIS Professional Advanced Qualification: Governance and Administration | 60655/ LP60151 | 6 | |

| # | TITLE | NLRD No. | NQF | PROFESSIONAL BODY |
|---|-------|----------|-----|-------------------|
| 28 | CIS Professional Qualification: Management and Administration | 60653/ LP60149 | 5 | Fax: 0866277756 jacqui@icsa.co.za |
| 29 | CIS Professional Post–Graduate Qualification: Company Secretarial and Governance Practice | 60654 | 7 | |

## 4.9    Embarking on a learnership

The implementation of a learnership is often initiated in one of two ways:
- The employer has an existing employee who has requested to be developed or who the employer has earmarked for development or,
- The employer has identified a learnership they can run/have run in the past and is now looking for a learner.

### 4.10.1  Selecting a learnership

The first step in implementing a learnership is to select a learnership that will address the employer's needs. The employer should then investigate the requirements of running the learnership and apply for accreditation as a workplace provider with the relevant ETQA or professional body.

### 4.10.2  Selecting a learner

When selecting an employee to be enrolled on a learnership the employer should consult with the employee and ensure that the learnership supports the employee's chosen career path.

### 4.10.3  Enrolling learners onto a learnership

The employer should ensure that the following is in place when enrolling a learner onto a learnership:
- A signed employment contract
- A signed learnership agreement

### 4.10.4  Learnership agreement procedures

The learnership agreement has to be signed by the learner, the employer and the training provider. If the learnership agreement is being signed and reflects the practical component only (most often where the educational provider and the workplace provider are different entities, or where the learner has already completed the educational portion of the learnership) then the employer and the training provider are deemed the same party. The employer and the learner must initial each page of the learnership agreement. The template for the learnership agreement can be downloaded from Fasset's website.

The purpose of the agreement is to outline the rights and responsibilities of the learner, employer and training provider.

The **learner** has the right to:
- be educated and trained in terms of the learnership agreement
- have access to the required resources to receive training in terms of the learnership
- have his or her performance in training assessed and have access to the assessment results

- receive a certificate upon successful completion of the learning
- raise grievances in writing with the Seta concerning any shortcomings in the training

The **learner** must:
- work for the employer as part of the learning process
- be available for and participate in all learning and work experience required by the learnership
- comply with workplace policies and procedures
- complete any timesheets or any written assessment tools supplied by the employer to record relevant workplace experience and
- attend all study periods and theoretical learning sessions with the training provider and undertake all learning conscientiously.

The **employer** has the right to require the learner to:
- perform duties in terms of this Agreement and
- comply with the rules and regulations concerning the employer's business concern.

The **employer** must:
- comply with its duties in terms of the Act and all applicable legislation including:
  - Basic Conditions of Employment Act 75 of 1997
  - Labour Relations Act 66 of 1995
  - Employment Equity Act 55 of 1998
  - Occupational Health and Safety Act 85 of 1993 (or Mine Health and Safety Act 27 of 1996)
  - Compensation for Occupational Injuries and Diseases Act 130 of 1993
  - Unemployment Insurance Act 30 of 1996.
- provide the learner with appropriate training in the work environment to achieve the relevant outcomes required by the learnership
- provide appropriate facilities to train the learner in accordance with the workplace component of learning
- provide the learner with adequate supervision at work
- release the learner during normal working hours to attend off-the-job education and training required by the learnership
- pay the learner the agreed learning allowance both while the learner is working for the employer and while the learner is attending approved off-the-job training
- conduct on-the-job assessment, or cause it to be conducted
- keep up to date records of learning and periodically discuss progress with the learner
- if the learner was not in the employment of the employer at the time of concluding this Agreement, advise the learner of:
  - the terms and conditions of his or her employment, including the learning allowance and
  - workplace policies and procedures.

- apply the same disciplinary, grievance and dispute resolution procedures to the learner as to other employees.

The **training provider** has the right:
- of access to the learner's books, learning material and workplace, if required.

The **training provider** must:
- Provide education and training in terms of the learnership
- Provide the learner support as required by the learnership
- Record, monitor and retain details of training provided to the learner in terms of the learnership
- Conduct off-the-job assessment in terms of the learnership, or cause it to be conducted
- Provide reports to the employer on the learner's performance

### 4.10.5 Registering the learner on the learnership

A number of different scenarios exist pertaining to registering a learner on a learnership.

### 4.10.5.1 Employers registered with Fasset wishing to implement a Fasset learnership

1. Apply for accreditation as an accredited training provider with a professional body/Fasset
2. Register the learner with a professional body and/or training provider
3. Sign an employment contract with the learner
4. Sign a learnership agreement with the learner
5. Submit the learnership agreement to Fasset together with the following:
- Proof of learner registration with a professional body (student number)
- Employer accreditation status with professional body (copy of letter/certificate)
- Copy of employment letter/letter of appointment
- Proof of registration with Fasset as SDL payer or non-SDL payer

Please note:
i   Learnership regulations require the Seta to register the learnership agreement within 21 days of receipt.
ii  If the agreement is pending outstanding information, the learnership agreement will be returned to the employer, accompanied by a letter indicating reasons for non-registration. The employer may resubmit the learnership agreement, together with all required documentation.
iii If all the required documents are attached, Fasset will issue the employer with a confirmation letter. The confirmation letter may be used for the Fasset grant applications and the SARS tax deduction.

### 4.10.5.2 Employers registered with Fasset wishing to implement a learnership from another Seta

1. Refer to the Fasset Learnership Information Pack on Fasset website
2. Contact Fasset directly and we will liaise with the relevant Seta on the employer's behalf
3. The two Setas will engage in terms of the quality assurance aspects with the view of concluding a memorandum of understanding
4. Fasset will register the learnership agreements and steps 1 to 5 indicated in (a) above apply
5. A list of registered learnerships for all Setas can be found on the DHET/DoL website

### 4.10.5.3 Employers not registered with Fasset wishing to implement a Fasset learnership

1. Contact the Seta you are registered with and they will liaise with Fasset on your behalf
2. The two Setas will conclude a memorandum of understanding in terms of quality assurance
3. The learnership agreement will be registered with your Seta
4. All relevant documentation must be submitted to your Seta and not to Fasset

## 4.10.6 Implementing the learnership

Once the learnership has been registered the employer should provide training to the learners according to the learnership curriculum. The professional body or training provider through which the learnership is offered will be able to guide the employer in its responsibilities.

## 4.10.7 Supporting the learner

The employer has to provide support to the learner during the term of the learnership. The following methods can be used to create a supportive and enabling environment for the learner.

### 4.10.7.1 Induction

One of the aims of a learnership is to induct the learner into the work environment. The employer should induct new employees to:

- the goals of the organisation
- policies and procedures
- values
- tasks with outcomes to be achieved and
- the equipment and other resources to be used.

### 4.10.7.2 Mentoring

It is important to provide support to the learner through mentoring and feedback and keep records of all training interventions. The mentor will act as coach and counsellor and should monitor the learner's progress.

## 4.10.8 Reporting and administration

Employers are encouraged to develop an information system (electronically or manually) that will be used for record-keeping. Design and retain an attendance register that must be completed at every training event. Systems must be in place to monitor the learner's progress. These records will be needed to report to Fasset on training that took place.

# Section 5: Developing and implementing training

## 5.1 Understanding the development of a skills plan

A Workplace Skills Plan (WSP) outlines the planned training and education interventions of an organisation. It is best practice for every organisation regardless of size, in order to determine the skills gaps within their organisation and decide how they will address these gaps through training.

Setas base the payments of Mandatory Grants on the submission of a Mandatory Grant application which contains a WSP (Workplace Skills Plan), as well as an ATR (Annual Training Report). A skills plan should be well-researched and reflect the training needs of the employer before being documented in the WSP.

## 5.2 Benefits of planning

By compiling a training plan, an SDF has the opportunity to get the input from various role players within the employer to ensure that the plan focuses on the needs that exist within the organisation. It is important to work with management to ensure:

- Buy-in and co-operation from management as well as
- Resource allocation

To achieve the full benefit of training, training has to be based on needs identified within the organisation. Only then can it contribute to:

- Upgrading of skills
- Enabling change and transformation
- Assisting the organisation to achieve and maintain a competitive edge
- Instilling a culture of lifelong learning

By documenting the training that they have planned, organisations can measure the implementation of the plan to ensure that the development of employees – whose skills are an organisation's most important commodity – does not get sidetracked.

## 5.3 Planning process

It is important to understand all the influences or 'issues' that should be taken into consideration when starting the planning process. The WSP must be aligned to the business plan and strategy of the employer.

| The SDF should consider the following issues when developing a skills plan: | |
|---|---|
| **National and Sectoral issues** | • Identify key skills shortages within company and assess relative importance of identified shortages in the sector. |
| **Organisational issues** | • Examine company-wide goals and problems to determine where training is needed by means of a formal skills audit. <br> • Examine: Vision and mission, business strategy and objectives, productivity, succession, career planning and transformation (Employment Equity (EE) and Black Economic Empowerment (BEE)). <br> • Feed skills gap information into the Sector Skills Plan (SSP) by means of the WSP. |
| **Task related issues** | • Examine tasks performed and competencies required to determine what employees must do to perform successfully. <br> • Feed skills gap information into the WSP by means of the department/section plan. |
| **Individual issues** | • Examine competencies, current performance and career development needs to determine who needs training. <br> • Feed skills gap information into the WSP by means of the personal development plans and department/section plan. |

(Botha, Kiley and Truman, 2007)


### 5.3.1 Conducting skills audits

In order to conduct a Skills Audit, also referred to as a Skills Needs Analysis, a competency profile can be developed for each job within an organisation. The competency profile will list the knowledge, skills, values and other behaviours employees require to be successful in their jobs.

Conducting a skills needs analysis involves using the list of competencies of a given job, and comparing these to the list of competencies of the employee filling that particular position. Any variances should be recorded and noted as the skills gap (if there is a shortfall in the competencies of the staff member).

The analysis of these variances in competency levels gives rise to a list of possible training interventions for possible training beneficiaries. This will be the input for the WSP. The skills needs analysis can result in lengthy lists of skills gaps in the organisation. The most important skills and training needs should be prioritised. The remaining needs should be recorded and can be addressed during the next WSP period.

There are various methods of conducting Skills Needs Analyses: from empirical methods to the informal processes similar to the above-mentioned method. The SDF should research different methods to suit the employer they represent.


### 5.4 Completing and submitting the documentation

It is a requirement for all Skills Development Levy (SDL) paying employers to complete a WSP together with an ATR and submit to their Seta to claim the Mandatory Grant. The WSP/ATR has to be submitted by

the **30th of June** every year. This is irrespective of the Seta which the employer pays their SDL to. The deadline is published in regulations to the SDA.

Actual training costs are not reimbursed via this grant; rather a percentage of the SDL paid is refunded. This grant application is due by 30 June of every financial year, and the Seta may not typically issue an extension for the late submission of this grant. The only instances where the Seta may consider grant extensions are in cases of lateness due to *force majeur* and/or where the firm is a new entity in terms of registration for the SDL and has submitted the grant application within six months of registering as a levy paying entity.

### 5.4.1 Reporting on training implemented

The ATR section requires employers to report on the training that has taken place. In order to simplify this reporting process an SDF should keep records of all skills development interventions that took place during the course of the year, recording the topic and the employees who benefited.

Reporting takes place for the period 1 April to 31 March. If the submission will take place on 30 June 2011, the training reported on will be for the period 1 April 2010 to 31 March 2011.

Both the ATR and WSP will require the following information:
- The number of employees that were/will be trained in the organisation by job category and race,
- The interventions trained on/planned, including the number of employees to attend these interventions.

### 5.4.2 Important notes

It is a recommendation that the WSP be created in consultation with the training committee and signed off by the committee if the organisation has more than 50 employees. This consultation increases the buy-in the organisation is likely to receive from its employees who will be on the receiving end of its WSP.

The penalty for submitting Mandatory Grant Applications late is losing the grant in full. The only exception to this is where a Mandatory Grant Application is submitted within six months of registration in the case of an employer who has registered for the first time in terms of section 5(1) of the SDLA (1999).

# Section 6: Scarce skills

## 6.1 Definition of scarce skills

Scarce Skills refer to an absolute or relative demand: current or in future, for skilled, qualified and experienced people to fill particular roles/professions, occupations or specialisations in the labour market. Scarce skills are usually measured in terms of occupation or qualification. Both 'occupation' and 'qualification' have the merit of being relatively straightforward to measure and readily understood.

The Department of Higher Education and Training has also included a differentiation between absolute and relative scarcity of skills in the definition:

- **Absolute scarcity** refers to suitably skilled people who are not available in the labour market. Specific contexts in which absolute scarcities may arise include:
  - o A new or emerging occupation, i.e. there are few, if any, people in the country with the requisite skills.
  - o Firms, sectors and even the national economy are unable to implement planned growth strategies because productivity, service delivery and quality problems are directly attributable to a lack of skilled people.
  - o Replacement demand would reflect an absolute scarcity where there are no people enrolled or engaged in the process of acquiring skills that need to be replaced (Department of Labour, 2007).
- **Relative scarcity** refers, for example, the context where suitably skilled people are in fact available in the labour market but they do not exhibit other employment criteria, for example:
  - o High-level work experience, for example project management of large construction sites such as dams or power plants.
  - o Geographical location, for example, people are unwilling to work outside of urban areas.
  - o Equity considerations, for example, there are few if any candidates with the requisite skills from specific groups available to meet the skills requirements of firms and enterprises. (Department of Labour, 2007)

Look at this example. An employer may experience a shortage of bookkeepers in their local economy due to e.g. the migration of students to urban centres from rural areas, and are experiencing a relative scarcity. Organisations all over the country are however finding it difficult to find Chartered Accountants (CAs). This reflects an absolute scarcity (Fasset, 2008).

## 6.2 Purpose of collection of information on scarce skills

The Department of Higher Education and Training (DHET) recently issued a Framework for the Identification and Monitoring of Scarce Skills. This Framework was based on the premise that the concept

of 'Occupations' should be used as an organising principle for the collection and reporting of information relating to Skills Development in South African public and private enterprises for both product development and service delivery.

Such a Framework is required to assist Setas to address national and sector skills development imperatives as reflected in Government's Programme of Action and the National Skills Development Objectives.

Some quantitative information can be sourced through the WSPs by carefully framing a specific set of scarce skill questions.

The information gathered is used to publish the National Scarce Skills List for South Africa; this list gives a comprehensive account of the skills that are needed for economic growth and development. The Department of Home Affairs makes use of the National Scarce Skills List to develop the current Work Permit Quota List that they publish annually.

It was adopted by the Accelerated Shared Growth in South Africa's Joint Initiative on Priority Skills Acquisition as the 'AsgiSA Master Skills list' and can be used through schools and training institutions for career guidance.

The Setas, NSF and the DHET use this list to determine which occupations should be targeted via available funding.

# Section 7: Levies, grants and Fasset-funded Interventions

## 7.1 Payment of the SDL

The SDLA (1999) prescribes the payment of a SDL. According to the Act, every employer in South Africa who is registered with the South African Revenue Service (SARS) for Pay-As-You-Earn (PAYE) is liable to register for the compulsory SDL. The contribution is 1% of total payroll (as calculated for PAYE), including staff who fall below the PAYE threshold, but excluding learners on registered learnership agreements, provided the employer's total annual payroll amount exceeds R 500,000.

## 7.2 Inter-Seta Transfers (ISTs)

Should a organisation be registered with the incorrect Seta, an Inter-Seta Change Form (IST01) can be completed and submitted to Fasset who will facilitate the move either to or out of Fasset. Once Fasset receives this form, they will request permission to move the employer from the Seta they are currently registered with, or notify the Seta to which the organisation would like to move.

Fasset will send this form and the permission obtained, to the DHET, who will then request this change from SARS. SARS, in turn, changes the Seta to which the employer's levies are being paid. Once the new Seta receives the funds, the organisation is registered and up-to-date with the new Seta and can then start applying for and receiving grant payments.

## 7.3 Money-Go-Round

Of the SDL paid over to SARS, 20% of the amount is transferred by the DHET to the NSF. This funding is used to fund large-scale development projects that will address national skills needs such as training those who are unemployed, the youth, people living in rural communities and people with disabilities. The funding may be accessed by a range of stakeholders including Setas.

Fasset is not guaranteed funding via the NSF, but does endeavour to, and has successfully received funding to train learners who are ultimately intended to enter the Fasset sector. Therefore, although employers are not able to claim back 20% in this levy amount, they will ultimately see the benefit of the 20% in the increased supply of skilled labour into the Fasset sector.

The Seta receives the remaining 80% of the levy paid over by the employer. 10% of this levy may be retained by the Seta to fund its administration expenses, and the employer may claim back from Fasset up to 70% of the remaining funding via a Mandatory Grant (40%), Pivotal Grant (10%) and Discretionary Grant (20%) structure. The percentages of the Mandatory and Pivotal Grants are dependent on the release of funding regulations to the SDA.

The Pivotal grant has been newly introduced in the National Skills Development Strategy (NSDS) III for the period 1 April 2011 to 31 March 2016. The grant aims to encourage employers to train both employed and unemployed people in structured education and training programmes. Fasset will pay out up to 10% of an employers' SDL where the employer can provide evidence that selected individuals have successfully completed a degree or diploma, or have registered or completed learnership and internship programmes. A schedule of tariffs has been made available to employers, which must be used in the calculation of the grant to be claimed. The grant includes all learners (including white learners) and training programmes not linked to scarce skills. Detailed learner and course information will be required, as must evidence of the learner's programme completion be included. The grant application forms have been published on Fasset's website www.fasset.org.za.

If the percentage of the Pivotal Grant is not gazetted in the funding regulations to the Skills Development Act timeously, the grant percentage of the Mandatory Grant will remain at 50% and the Pivotal Grant will fall away for this period.

Employers may claim a maximum of 20% of the SDL if they undertake education and training interventions in areas defined as strategic by the Seta, such as learnerships, academic and professional study for employed and unemployed learners, workplace experience training and internship training. Specific areas are determined to be of strategic importance to Fasset's sector and the Strategic Cash Grant is allocated to initiatives that cover these strategic areas. These criteria change from one year to another, depending on the priorities of the sector at that time.

Leftover grant monies, not claimed by the employer, are directed into strategic skills priority areas decided by the Fasset Management Board annually. The strategic priority areas may change from year to year and include specific grants such as the Learnership Cash Grant (LCG), Assessor and Moderator Grant and the Small, Medium and Micro Enterprise (SMME) Grant. Fasset may use a portion of the funding to fund specific programmes such as free training for Fasset members via lifelong learning and training up unemployed learners in scarce skills areas.
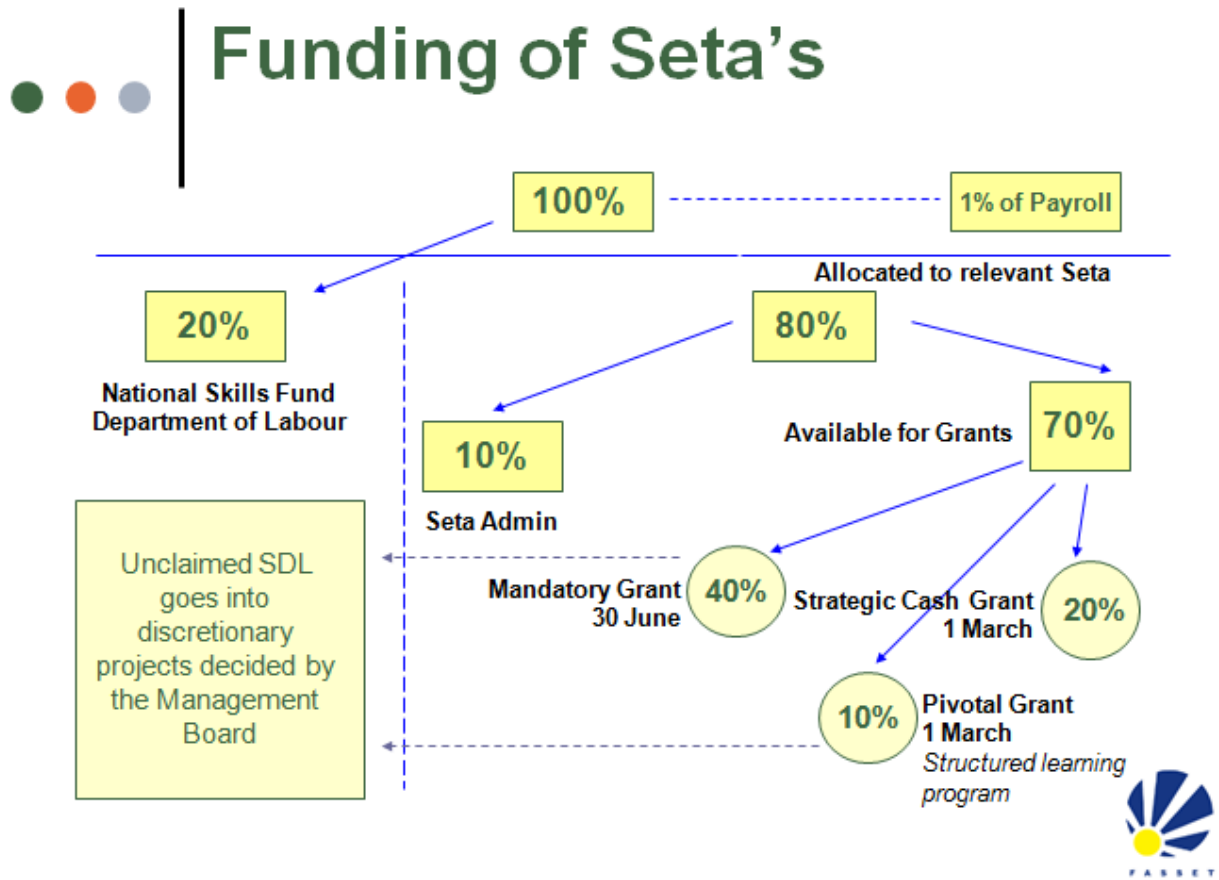
The figure below illustrates this money flow.



Figure 7.1: Flow of Seta funding to Fasset

The table below reflects available Fasset grants for the 2011/2012 financial year.

| Name of the Grant | Amount | Broad description | Changes from previous year | Information required | Period | Due Date |
|---|---|---|---|---|---|---|
| **1) Mandatory Grant** | 40% of the Skills Development Levy (SDL). (Pending the release of funding regulations to the Skills Development Act). | The grant form contains a report on training conducted for the previous year and a plan of training for the approaching year.<br><br>Two forms are available: one for less than 50 employees and another form for more than 50 employees. | The grant changed from 50% of SDL to 40% of SDL.<br><br>Only submit proof of banking details if you have not submitted banking details previously, or if your banking details have changed.<br><br>Changes in the reporting of NQF levels may occur pending the finalization of descriptors, the 8-level National Qualifications Framework (NQF) to a 10-level NQF. | Annual Training Report (ATR)<br><br>Workplace Skills Plan (WSP). | ATR (1 April 2010 to 31 March 2011) and WSP (1 April 2011 to 31 March 2012). | 30 June 2011 |
| **2) Pivotal Grant** | A maximum of 10% of the SDL.<br><br>(Pending the release of funding regulations to the Skills Development Act).<br><br>A schedule of tariffs will be made available to employers, which must be used for the calculation of grants claimed. | Introduced under National Skills Development Strategy (NSDS) III, the grant seeks to encourage employers to train both employed and unemployed people in structured education and training programmes.<br><br>The grant includes all learners, including white learners and training programmes not linked to scarce skills. | None.<br>Offered for the first time in 2011. | Evidence that selected individuals have successfully completed a degree or diploma (i.e. a course of at least 1 year or 120 credits), or have registered or completed learnership or internship programmes. | Interventions implemented from January to December 2011. | 1 March 2012 |

| Name of the Grant | Amount | Broad description | Changes from previous year | Information required | Period | Due Date |
|---|---|---|---|---|---|---|
| **3) Strategic Cash Grant (SCG)** | A maximum of 20% of the SDL.<br><br>A schedule of tariffs will be made available to employers, which must be used for the calculation of grants claimed. | The grant seeks to encourage employers to train employed and unemployed people in structured education and training programmes. | Learnerships in general are acceptable for this grant, not only learnerships defined as a scarce skill.<br><br>The criteria of internal bursaries and external bursaries have been combined into a new criterion, Academic and Professional Study.<br><br>Expenses incurred are no longer applicable. A schedule of tariffs must be used for the calculation of grants claimed.<br><br>Many criteria now require successful completion of qualifications and programmes as opposed to registration only.<br><br>Adult Basic Education and Training (ABET) to specific employees and certification of the organisation against a National Standard for People Development have been excluded for the 2011/2012 year.<br><br>Changes in the reporting of NQF levels may occur pending the finalization of descriptors, the 8-level National Qualifications | Employers must provide evidence that the any of the following four criteria have been met:<br><br>1. Specific learners are registered on, or have completed learnerships that address scarce skills.<br><br>2. Academic and professional study to specific employed and unemployed learners, who have successfully completed a course of study at recognized institutions or professional bodies in scarce skills areas.<br><br>3. Workplace experience has been provided to specific unemployed learners from tertiary institutions in areas of scarcity within the Fasset sector.<br><br>4. Quality-assured and structured workplace experience has been provided, where specific learners enter or complete full-time, on-the-job training (non-learnership). | Interventions implemented from January to December 2011. | 1 March 2012<br><br>Submissions must be completed in the MS Excel format provided Requests for extension will no longer be given |

| Name of the Grant | Amount | Broad description | Changes from previous year | Information required | Period | Due Date |
|---|---|---|---|---|---|---|
| | | | Framework (NQF) to a 10-level NQF. | | | |
| **4) Learnership Cash Grant (LCG)** | A maximum of ten grants will be allowed per employer for both entry and exit grants. Grants applicable: *12 month learnership* (entry registration) R5,000 (**learner with a disability** R8,750) and exit (successful completion) R5,000 (**learner with a disability** R8,750). *Two-year learnership* (entry registration) R7,000 (**learner with a disability** R12,250) and exit R13,000 (**learner with a disability** R22,750). *Three-year learnership* (entry registration) R10,000 (**learner with a disability** R17,500) and exit R20,000 (**learner with a disability** R35,000). | The LCG consists of two grants, an entry grant (registration) and an exit grant (successful completion), offered to employers who employ black (African, Coloured and Indian learners) or learners with a disability. | An entry and exit grant has been introduced as opposed to previous years where the grant was applicable upon registration of a learner onto a learnership. Learnership registration or completion will be determined by the learner record being recorded on the Fasset database. Employers will need to ensure that the professional body has submitted the data to Fasset before submitting their application. Proof of banking details only to be submitted if banking details have not been submitted previously or if these details have changed. | Detailed learner and course information will be required as well as evidence of the learner's registration or completion. | Interventions implemented from January to December 2011. | 1 March 2012 |
| **5) Assessor and Moderator Grant (AMG)** | Only course fees and examination costs are allowed. | The grant will cover the cost and assessment of individuals against the following unit standards, which will allow them to successfully register with Fasset as an assessor or moderator for unit | Proof of banking details only to be submitted if banking details have not been submitted previously or if these details have changed. The maximum claim amount per learner is | Original invoice providing costs incurred for training and or assessment. Training costs claim include VAT. Detailed learner and course information will be required, as well as | Interventions implemented from January to December 2011. | 1 March 2012 |

| Name of the Grant | Amount | Broad description | Changes from previous year | Information required | Period | Due Date |
|---|---|---|---|---|---|---|
| | | standards and qualifications within the Fasset ETQA scope:<br><br>ASSMT 04;<br><br>ASSMT 01; ASSMT 02;<br><br>ASSMT 05;<br><br>(115759). | R7,000.00. | evidence of completion. | | |
| **6) SMME Grant** | The amount of the grant is capped at a specific limit depending on the organisation's size.<br><br>*Claim amounts are as follows:*<br><br>1-5 employees (R11,000);<br><br>6-10 employees (R22,000); 11-15 employees (R33,000); 16-20 employees (R44,0000);<br><br>21-25 employees (R55,000); 26-30 employees (R66,0000); 31-35 employees (R77,0000); 36-40 employees (R88,000); 41-45 employees (R99,0000); 45-49 employees (R110,000).<br><br>A schedule of tariffs will be made available to employers, which must be used in the calculation of the grant claimed. | The grant is geared to SMMEs. The grant enables employers to apply for a cash incentive if they have funded education and training interventions during the financial year. The grant is limited to black learners (African, Indian, Coloured) and learners with a disability. White women studying senior courses may be claimed against.<br><br>Only courses linked to scarce skills may be claimed. | Expenses are no longer applicable.<br><br>A schedule of tariffs must be applied to specific interventions and learners, and these must be tabulated in order to reach a total grant claim amount.<br><br>Proof of banking details only to be submitted if banking details have not been submitted previously or if these details have changed.<br><br>Changes in the reporting of NQF levels may occur pending the finalization of descriptors, the 8-level National Qualifications Framework (NQF) to a 10-level NQF. | Evidence that selected individuals have successfully completed a degree or diploma (i.e. a course of at least 1 year or 120 credits). | Interventions implemented from January to December 2011. | 1 March 2012 Requests for extension will no longer be given |

## 7.4   Employers exempt from paying the SDL

Employers who are exempt from paying the SDL and who fall within the Fasset sector may register with Fasset as a non levy paying (NLP) member in order to qualify to participate in Fasset benefits. Exempt employers do not qualify for grants linked to the reimbursement of the SDL (i.e. the Mandatory Grant, Pivotal Grant and SCG) but do qualify to participate in other Seta benefits such as the LCG, SMME Grant, AMG, development projects and lifelong learning.

NLP employers can register with Fasset using the NLP Registration Form, which is available on the Fasset website. This is an annual renewal and this form should be completed and submitted annually by the 30th of June each year. Should the renewal not be received, NLPs will be removed from the Fasset mailing list and not invited to apply for benefits or attend events.

## 7.5   Fasset's development projects

The purpose of Fasset's development projects is to facilitate skills development, transformation and social upliftment in the sector. Fasset funds projects that meet specific criteria in this regard. Unclaimed grant money and discretionary funds are used to fund these projects.

Fasset's Management Board earmarks, on an annual basis, areas of high skills need within the sector, based on the SSP and other research. Strategic project interventions are identified and public tenders are advertised annually in this regard. All new projects are approved by the Executive Committee (Exco).

All Development Projects are geared towards addressing the poor demographic profile within the sector, and all are therefore in line with the NSDS targets:
- 85% Black
- 54% Women
- 4% People with Disabilities

All tenders are advertised on the Fasset Tender Notices page, in the Government Gazette, and on the government tender board website www.info.gov.za. Potential service providers are advised to regularly check these public sources of information for new and updated information.

Full details regarding the development projects funded by Fasset can be found under Fasset Development Projects on the Fasset website. Enquiries regarding any specific project or involvement in these can be addressed to the Fasset Call Centre on 086 101 0001.

## 7.6    Learnership tax deductions

The table below provides details of the tax deductions that can be claimed from the South African Revenue Services (SARS) for learners. The deduction can be claimed on commencement and completion of the learnership. The deductions are available to all learners registered on learnerships.

| Type of Learner | Commencement Allowance | Completion Allowance |
|---|---|---|
| Basic | R 30,000 per annum | R 30,000 * no. of completed 12-month periods |
| Learner with disability | R 50,000 per annum | R 50,000 per annum * no. of completed 12- month periods |

The employer may claim a commencement allowance for each year of the learnership; however the completion allowance may only be claimed by the employer with whom the learner completed their learnership contract.

The commencement allowance must be pro-rated if the learnership is in existence for less than 12 months (and across employers, should the employee transfer from one company to another) however the completion allowance may not be pro-rated. It must be claimed in full by the employer where the learner completes the learnership. For each 12-month period of the entire programme completed, an allowance of R 30,000 may be claimed.

For example, if a learnership was two and a half years, a deduction of R 75,000 would be allowable in terms of the commencement allowance (i.e. 2.5 * R 30,000) whereas only two years would be allowable in terms of the completion allowance i.e. R 60,000.

The employer may now claim an amount on commencement and again, on completion of the learner per year that they progress through the learnership. An employer may claim a tax deduction of R 50,000 for a learner with a disability. This can be claimed for every year of the learnership for commencement and a completion amount of R 50,000 for every year of completion at the end of the learnership. This amounts to a total tax deduction of R 300,000.

## 7.7    Summary of grants available

Grants are available across SDL-paying and non-SDL paying employers.

| Benefit | SDL Paying | Non SDL Paying |
|---|---|---|
| Mandatory Grant – 40% of Skills Development Levy (SDL) | ✓ | X |
| Pivotal Grant – 10% of Skills Development Levy (SDL) | ✓ | X |
| Strategic Cash Grant – up to 20% of SDL | ✓ | X |
| Learnership Cash Grant | ✓ | ✓ |
| Development Project Beneficiaries | ✓ | ✓ |
| SMME Grant | ✓ | ✓ |
| Assessor and Moderator Training Grant | ✓ | ✓ |
| Free Training/Lifelong Learning Courses | ✓ | ✓ |
| Learnership Tax Deductions | ✓ | ✓ |

# Section 8: References

- Botha, J.A., Kiley, J. and Truman, K. 2007. *Practicing Education, Training and Development in South African Organisations.* Juta and Company, South Africa.
- Cloete, H.C.A. 2005. *South Africa Works.* Rapid Access Publishers.
- Department of Labour (1995), Labour Market Review.
- Department of Labour (2007), Identifying and Monitoring Scarce Skills.
- Fasset Report on Recognition of Prior Learning in its Sector, 31 August 2010
- Rainbow SA. 2007. The National Skills Development Handbook.
- Rainbow SA. 2010. The National Skills Development Handbook.
- SAQA Act (1995).
- UJ, 03.09, *University of Johannesburg Newsletter,* Issue 1, 6 March 2009. March 2009. No: 1.

# Section 9: Handy resources

- www.fasset.org.za (Fasset website)
- www.nopf.co.za for the latest framework for occupations as compiled by the DHET
- www.polity.org.za (This website contains all the acts referred to and will enable you to stay updated with changes in policies and legislation)
- www.rainbowsa.co.za (Company who developed The National Skills Development Handbook. (Everything you need to know about Skills Development in South Africa – can be ordered through their website).

   www.saqa.org.za (Information about SAQA, its regulatory bodies and unit standards are constantly updated)
- www.skillsportal.co.za (News on all aspects of Skills Development, Education and Training)
- www.thrive.co.za (Info on Skills Development and Accreditation)