NATIONAL ECONOMIC DEVELOPMENT AND LABOUR COUNCIL

NEDLAC REPORT ON SKILLS STRATEGY TO SUPPORT THE SOUTH AFRICAN ECONOMIC RECOVERY AND RECONSTRUCTION PLAN

1. BACKGROUND

1.1. On 03 March 2021, the Department of Higher Education and Training (DHET) made a presentation on the Skills Strategy which aimed to support economic growth in line with the Economic Reconstruction and Recovery Plan (ERRP) and promoting the realisation of the goals set out in the National Development Plan. At this meeting, the DHET also presented on the review of the Sector Education and Training Authority (SETA) Grant Regulations to the Labour Market Chamber (LMC).

1.2. The LMC agreed to establish a six-a-side Task Team consisting of representatives from Government, Business and Labour to engage on the Skills Strategy and to consider proposals as provided in the SETA Grant Regulations.

1.3. The proposals for the SETA Grant Regulations will be included to inform the development of a relevant policy instrument to implement the National Skills Development Plan and other national strategic priorities related to skills development.

1.4. It was agreed that the SETA Grant Regulations developed by Government will be tabled to Nedlac for engagements by the social partners once the public comments have been incorporated. The revised Regulations incorporating the public comments will be tabled to Nedlac for engagement.

1.5.   Government tabled the Skills Strategy to respond to the Economic Reconstruction and Recovery Plan (ERRP) at the LMC task team meeting of 22 April 2021.

1.6.   The LMC Skills Strategy Task Team has finalised the Nedlac Report on the Skills Strategy which has subsequently been signed-off by the LMC.

1.7.   The Nedlac Process Committee on ERRP subsequently agreed to establish an ERRP Skills Strategy Task Team, which would enable the Community Constituency to also engage on the Skills Strategy, together with Government, Labour and Business.

2.   OBJECTIVES OF THE SKILLS STRATEGY

2.1.   The Skills Strategy aims to support the successful implementation of the ERRP. The Strategy recognises that skills development, science, and innovation are key enablers towards the implementation of the ERRP.

3.   PROCESS AT NEDLAC

3.1.   The LMC skills strategy task team convened meetings on the following dates:
- 08 April 2021
- 22 April 2021
- 14 May 2021
- 25 May 2021
- 08 June 2021
- 22 June 2021
- 20 July 2021
- 17 August 2021
- 5 October 2021
- 29 October 2021

3.2.   The ERRP skills strategy task team convened meetings on the following dates:
- 14 December 2021
- 21 January 2022

3.3.   This report provides a summary of the engagement process at NEDLAC and also outlines areas of agreement and disagreement.

3.4.   A list of the task team members is included as **Annexure 1** at the end of this document.

3.5.   The social partners agreed to receive presentations on different aspects linked to the ERRP Skills Strategy in order to enhance discussions and to have a better understanding on the linkages.   The following were presentations received:

1.	Research on Rapid Assessment of reskilling and upskilling needs arising from Covid-19 Crisis. The research was commissioned by the ILO to investigate the issue of reskilling and upskilling needs introduced arising from the pandemic.
2.	Quality Council of Trades and Occupation (QCTO) on plan of action in response to ERRP presented by the Quality Council for Trade and Occupations (QCTO).
3.	Centre's of Specialisation (CoS) Cos mid-term review presented by the TVET Branch in DHET
4.	National Plan for Post School Education and Training (NPPSET) document and its alignment to the Skills Strategy for ERRP presented by Post-School Education and Training (PSET) System Planning unit in DHET.
5.	Pay for Performance Model pilot project presented by the office of the Presidency.
6.	Community Education and Training, presented by the Department of Higher Education and Training.

3.6.   Arising from the consideration of the above-mentioned presentations and inputs from social partners on the daft ERRP Skills Strategy, Government has revised the Skills Strategy, incorporated the inputs from the social partners and provided a revised document to the task team.

3.7.   Social partners agreed that in order to streamline the process, each social partner would identify key issues in the strategy for discussion.

3.8.   Social partners identified other issues in the Skills Strategy which needed further consideration. These issues are outlined below.

3.9.   The social partners raised concerns that Government did not consult NEDLAC on the National Plan for Post School Education and Training (NPPSET)

document. Government undertook to present the NPPSET and the National Pathway Management Network to the social partners.

3.10.   A high-level matrix identifying key issues with areas of agreements, disagreements and areas that need further engagement are outlined below.

1. AREAS OF AGREEMENT					
Areas of consideration	Business' view	Community's view	Labour's view	Government's view	Way Forward
1.1. Workplace Based Learning (WBL)	• Business supported the WBL and emphasised that it should be incentivised, both through levy grants and tax incentives and should follow a demand-led approach. • It further proposed that the Broad-Based Black Economic Empowerment (BBBEE), including the Youth Employment Service (YES) initiative and Section 12H of the Income Tax Act should be amended to enable the effective implementation of the WBL.	• The Community Constituency supported the prioritisation and scaling up of WBL interventions and that the duration of the WBL must qualify to be counted as part of the work experience acquired. • The intent of the implementation of workplace-based learning is to aim for and encourage absorption by scoping potential exit streams for the participants. • Youth Service Learning programmes (such as the National Youth Service Programme) must be aligned to the WBL in order to qualify for the incentives of other	• Labour emphasized the absorption of learners into employment contracts. • Furthermore, it proposed that a 15% incentive grant on WBL should be managed and disbursed from Discretionary Grant.	Government indicated that: • The prioritisation of the WBL was fully supported. • Intervention Three on access to workplace experience had been further revised, including its actionable items. • The WBL remained central outcome of the National Skills Development Plan (NSDP) and it was being implemented through the Service Level Agreements with the Sector Education and Training Authorities (SETAs). In addition, the Minister on 29 July 2021 had approved the National Plan	• The prioritisation of the WBL was fully supported by all social partners. • It was agreed that the Department would publish the Grant Regulations for public comment which will be tabled at the NEDLAC after the public comments had been incorporated into the Regulations. • Further deliberations would then be undertaken on the SETA Grant Regulations at Nedlac. . • The NPPSET will be presented for deliberation to NEDLAC Constituents.

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		similar programmes • In the spirit of turning workplace into a training space, the WBL must support placement in workspaces across public sector, private sector, and civil society.		for Post School Education and Training (NPPSET) which is critical in the implementation of the WBL programmes. Chapter 4 of the NPPSET is dedicated in improving relations between education and training institutions and the world of work.	
1.2. Worker Education	• Worker Education was supported and the value it could add in skilling workers. Business proposed that Worker Education should be funded through Discretionary Grants. • It emphasised that worker education is one of the outcomes of NSDP and that it should be funded through	• It supported the implementation of worker education as part of the priorities of the NSDP. • Worker Education must promote meaningful engagement of workers in finding solutions about the skilling, up-skilling and reskilling of workers.	Labour raised the following issues: • Worker education should not be integrated with Workplace Based Learning. • Implementation of worker education to be safe guarded. Labour proposed the following interventions: • 5% of SETA budget should be	• Government acknowledged that Worker Education is critical, as this is controlled by the workers or worker education organisation. • Skills levy institutions must work with the federations/ trade unions in their sectors in identifying the required skills, especially to better	• Prioritisation of Worker Education was fully supported by social partners. • It was further agreed that the funding issues will be further deliberated during the SETA Grant Regulations engagement process.

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	the Discretionary Grant.		managed and disbursed from Discretionary Grant. • Annual Skills Audit should be integrated in the Sector Skills Plan processes.	understand the sectors, and towards effective implementation of relevant interventions.	
1.3. Demand and Supply	Business raised the following issues: Business supported a demand-led approach and expressed the following concerns: • The private sector remained constrained by skills shortages and poor- quality skills development. • Proposals provided on demand and supply matters do not all link to the ERRP priorities nor recognise that sectors may require new skills sets. Furthermore, the proposals do	• Its submission was that all must be deliberate in executing the demand-led approach and therefore it proposed that it be institutionalized, Germany is a good case study in this regard. Notwithstanding some reluctancy on the part of the private sector in South Africa to partake in similar fora. • It supports the demand led approach towards the development of skills in South Africa.	• Labour supports the demand-led approach.	• Government responded and explained the following: - The skills strategy had been revised to address the proposal provided by Business on new entrant skills, skills gaps as well as reskilling and upskilling the existing workforce in order to preserve jobs. - The skills strategy is oriented to be demand-led and responsive to the world of work. It	• Demand-led approach is supported.

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	not sufficiently define demand, as this should address the need for new entrant skills, skills gaps as well as reskilling and upskilling the existing workforce in order to retain jobs.	• All employers must take active role in informing the areas of real demand and the necessary supply interventions that can respond to that need/demand/gap. • The demand led approach must not only be limited to respond to the current demand, but it must also anticipate future demand in line with industry/sectoral and economy wide emerging developments. • Every project that is planned to be implemented as part of the ERRP must be preceded by scoping of skills that will be required for the delivery of the same project so that such skills are		therefore identifies occupational shortages and skills gaps associated with the ERRP, with a view to ensuring that these are not constraints to the implementation of the ERRP. - It emphasised that a demand-led approach to skills planning does not imply that the beneficiaries of Education & Training programmes linked to this strategy will necessarily be guaranteed jobs. Rather, the demand- led approach intends to improve employability instead of	

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		developed in advance. • The same ERRP projects must also be used as platforms to develop skills through such projects (projects as training space).		guaranteeing employment. - Occupational and skills shortages exist in the labour market for a wide range of reasons. The demand in the skills strategy is informed by more or less 93 identified occupations that are required for the successful implementation of the ERRP. - Priority interventions provided on the Skills Strategy have identified occupations in alignment with the ERRP priorities.	
1.4. Entry point of ERRP Skills Strategy: Technological Skills to support the Primary Sectors of	• Business supported the entry point to ERRP Skills Strategy in terms of primary	• It supported the entry point to ERRP skills strategy and made	Labour raised the following issues: • Consideration of skills for the local economy	• The revised skills strategy has identified a number of occupations that must be prioritised	• Entry point to ERRP Skills Strategy in terms of primary and

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the Economy - Agriculture and Manufacturing	and secondary sectors.	the following proposals: • It suggested the addition of Infrastructure into the mentioned priority sectors of agriculture and manufacturing. • The strategy must also make provision for functional skills that can be acquired and applied in the shortest time possible in the world of work (even not NQF aligned). • The provision of digital skills will be a critical enabler towards mainstreaming the digital economy (deepening the third industrial revolution as transition into 4IR)	• 4IR skills to respond to possible unresolved solutions for 1st, 2nd and 3rd Industrial Revolutions issues such as Infrastructure and Energy. Labour proposed the following interventions: • 4IR and technological skills to support the primary and secondary sectors covering agriculture, manufacturing and construction should be prioritised.	both in primary and secondary sectors of the economy. • DHET has also met with the Department of Agriculture, Land Reform and Rural Development (DALRRD) and the Department of Trade, Industry and Competition (DTIC) as the Lead departments to address entry points of ERRP Skills Strategy. • It emphasised that the employment-orientated strategic localization also focuses on the manufacturing sector which will build and support participation of small, medium, and micro enterprises (SMME) in the manufacturing value chain across a range of sub-sectors.	secondary sectors is supported.

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		• To ensure worker and community participation and social ownership in renewable energy localisation the DHET should in consultation with communities develop a Green Community Jobs List and the skills they require, with particular focus on community/social ownership, community energy generation and governance. • Provide behavioural skills development to build good citizenship and to undertake public education advocacy and marketing to the Masakhane Campaign on critical infrastructure.		• This is critical for building the local economy, especially considering the recent protests in the country, hence the skills strategy has prioritised the relevant occupations. • With regard to the 4IR, both short term and long-term skills development programmes have been identified as critical to close the existing skills gaps which are linked to the digital economy. • There are currently numerous undertakings in various areas of TVET around digital skills. • Additionally, a workstream has also been established to facilitate coordination of digitisation.	

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1.1. Critical Skills Identification through Labour Market Intelligence	Business raised the following issues: • Considerable progress has been made in improving Labour Market Intelligence. • Business supports that the List of Occupations in High Demand will be reviewed at least every 2 years. • Whilst the list relies on formal occupations and qualifications, there is a need to address skills required across occupations. Proposed interventions: • Optimise the BBBEE and ensure that the Skills Development scorecard recognise training spend which supports the achievement of the	• While it supported the CSL process, it believes that there should be rigour in coming up with the final list and probably be subjected to an independent review before it is published. It is saying this because in some of its submissions it cited some reports that contradicted the research conclusions. • The LMI must assist in drawing lessons from the experiences of the workplace in order to make education and skills development relevant and responsive.	• Labour supports Critical Skills Identification Through Labour Market Intelligence	• Revised skills strategy identifies skills gaps across occupations and also proposes the need to address BBBEE matters as part of actionable items. • Revised skills strategy deals with *Critical Skills List* to consider the effects of Covid-19 and to respond to occupational skills shortages associated with the ERRP. It also draws attention to the need to reduce the time taken to obtain work permits and to improve regulatory frameworks and processes for issuing critical skills visas (as cited in the ERRP).	Critical Skills Identification Through Labour Market Intelligence is supported.

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	broader scope of the skills strategy. • Supply must be strategically aligned to demand to ensure relevant and appropriate skills transfer to meet the changing needs of the Labour Market. • Lack of supply should not hinder economic progress.				
1.2. SETA landscape	Business raised the following issues: • The bureaucratic and administrative burdens of the SETA system. • The shortcomings of the SETA system should be analysed and corrected. Business proposed the following Intervention: • SETA processes need to be revised to be agile and	It was of the view that the sector-based focus of the SETA Landscape presents a significant opportunity for a targeted and focused approach to skills development. It made the following proposals: • The skills interventions that are provided and supported by the SETAs must align to the mainstream priorities of their respective sectors	• Labour supports a need for further discussion on the SETA Grant Regulations process as this will assist in the improvement of the system.	• A significant part of the revised skills strategy is dedicated to address the SETAs systemic issues. • SETA Grant Regulations are also meant to address some of the challenges i.e. where the 15% of the 35% will be not subjected into SETA • Window Periods, to ensure that employers can	The bureaucratic and administrative burdens of the SETA system and the shortcomings of the SETA system should be analysed and corrected. Improvements on the system will be further deliberated on during the SETA Grant Regulations process.

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	implementable in short turnaround times. • Flexibility should be afforded to Employers through grant funding to address immediate needs including skills programmes, accredited and non-accredited, in order to address reskilling and upskilling as well as Occupational Health and Safety (OHS) needs. • Provide clarity on the principle applied for pay for performance. Lack of clarity may be harmful to small businesses that do not have the necessary cashflow.	• The Landscape must foster stronger and meaningful strategic relations between the SETA, the training provider, and the workplace. • The SETA Grant Regulations must provide for flexibility that can enable the funds that are available in the system to support national priorities across sectors. • The mandatory element of the grant must also be linked to agreed priorities of the sector that can be pursued by the employers without being rigidly prescriptive. • The Landscape must be able to		seamlessly continue with related programs. Revised skills strategy is making an emphasis on accredited and non-accredited programmes. Pay for performance provides an alternate quality assurance mechanism as the emphasis is placed on access to employment and the other forms of income generating opportunity. The risk is carried either by the investor (who receives a return on investment for those who are placed), or on the industry association that indicates the requirements of such opportunities.	

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		maximize cross cutting cost drivers through shared services. • The system must introduce uniformity of approach across the Landscape. • The public service must also begin to lead by example and pay the skills levy.			
1.3. Turnaround Strategy for TVETs	Business raised the following issues: • To ensure PSET is demand-led, there is a need for a comprehensive skills audit to be completed swiftly. • The turnaround of the TVET sector to deliver relevant skills to the labour market, needs an incremental approach.	• It agrees on the need to turnaround the TVET sector, it does not believe massification of this sector without clear exit will be of assistance rather a focused approached should be adopted.	• Labour supports the recommendation to turnaround of TVET sector with the view to deliver labour market relevant skills.	• The revised skills strategy has captured the essence of these challenges. • Minister has approved the National Plan for Post School Education and Training on 29 July 2021. • The Centres of Specialisation (CoS) methodology was implemented with the industry	Turnaround of TVET sector is supported in order to deliver labour market relevant skills.

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	Business raised the following interventions: • TVETs should link enrolments to critical skills, occupations in high demand, and priority occupations in order to improve employability. • Lessons should be reflected on with learnings from the Centres of Specialisation (CoS) project, prior to any further rollout. • Partnering with leading international educational institutions to accelerate the development of curriculum in the technical and vocational fields is encouraged.			playing a central Role and concluded a mid-term evaluation. . • Work has been done in the TVET sector, which includes, amongst others: - Integrating digital skills knowledge into current programmes; - Introducing new programmes in response to the 4IR; - Phasing out of outdated programmes; - Reconstruction of Engineering programmes to make them more responsive to the changing industry environment; - Revision and updating of subject content and aligning TVET College's Programmes and Qualification Mix (PQMs) with the	

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				skills needs of the country.	
1.4. Digitalisation	Business proposed the following interventions: • A proactive approach to the skilling of both the youth and individuals in jobs is necessary to ensure that the outcome for South Africa is not "technological unemployment". • The digitalisation plan proposed needs to include systemic changes, technological and human resources, including educator capacitation. • Resources need to be appropriately allocated in a phased approach.	Supported digitalisation.	Supported digitalisation.	South Africa has the National Digital and Future Skills Strategy, which was crafted and published by the Department of Digital Technologies and Communication as published on 23 September 2020, which remains a reference point in the work of the skills strategy. The revised skills strategy deals with digital skills comprehensively acknowledged that digital credentialing seeks to address the need for digital skills in a changing world of work. There are currently numerous undertakings in various areas of TVET around digital skills.	Digitalisation is supported. The digitalisation plan proposed needs to include systemic changes, technological and human resources, including educator capacitation.

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				In addition, DHET had established a workstream to facilitate coordination of digital skills.	
1.5. Quality and Expanded Access	Business raised the following issues: • Business understands the need for expanded access as an outcome within the NSDP, however quality considerations in education and training at TVETs are paramount. • TVETs to discontinue enrolments on redundant and irrelevant programmes that do not lead to employment opportunities, whether formal or self-employment. • TVETs need to shift their focus to ensuring increased	• As stated under the TVET turnaround section that massification in the education through expanded access with no clear value-add into the economy, it is of the opinion that we must be deliberate in our desire in creating to create access. • Evidence is large that education and training in itself is not a guarantee for employment therefore expanded access should not be viewed as a solution to unemployment problem. In fact this may create another problem of unemployed	Labour supported the focus on quality outputs and throughputs which are responsive to labour market needs.	• Quality remains critical for the post school education and training provision. • The skills strategy is implemented together with Chapter 5 of the National Plan for Post School Education and Training to improve the quality of provision with clear priorities.	Agreement on quality outputs and throughputs which are responsive to labour market needs.

					1. AREAS OF AGREEMENT	

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	throughput rates and successful completions as opposed to enrolment numbers.	graduates who have already started organising themselves through some organisations.			
1.6. Quality Assurance/QCTO	Business raised the following issues: • The recognition of the challenges and issues relating to the QCTO have been noted, however Business seeks solutions which will be sustainable and meet long term requirements. • Delivery and implementation challenges must be addressed, specifically very slow response times and bureaucratic processes.	• While it agrees that quality assurance is critical, quality assurance institutions should not overly bureaucratise to a point where it burdens organisations they monitor, they should also be evidence based with regards to the systems they use.	Labour supports the increase of QCTO funding through levy allocation.	The QCTO in its presentation to the NEDLAC on 25 May 2021 presented a comprehensive Plan of Action to assist with the implementation of the skills strategy, covering almost all interventions. The plan was accepted at NEDLAC. The SETA Grant Regulations are proposing the increase of the QCTO allocation to 1% which was welcomed by the NEDLAC Social Partners, which also takes forward the work of the National Skills Development Plan.	The recognition of the challenges and issues relating to the QCTO have been noted and the social partners seek solutions which will be sustainable and meet long term requirements. There is support to increase QCTO funding through the levy allocation.

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	• Support the need to increase QCTO funding through the levy allocation				
1.7. Short Term Interventions and Sustainability	Business raised the following issues: • Short term interventions have a role to play and can be a cost-effective mechanism for building skills and capability in order to access and sustain employment. • The levy grant funding should be offered for digital credentialing and leveraging off the shelf international e-learning solutions as part of a blended learning approach. • Opportunities to access tacit knowledge from			The revised strategy provided clarity with regard to short-long term considerations, building on current plans and programmes amongst others. Intervention 2-enabling the provision of targeted skills programme of the revised deals amongst others with: • short-term adjustments to mechanisms that ensure the *direction of funds* towards supporting the provisioning of short skills development programmes (accredited and	QCTO Command Council can assist in fast tracking. Micro credentialing to be aligned and articulated to unit standards as a sub credit.

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	local South Africans in supporting different sectors could be of tremendous value through coaching and mentoring programmes. • The issues on mass public employment programmes were not part of skills strategy and should therefore be removed			non-accredited) that respond to the skills gaps identified in this strategy. • Mass public employment interventions are referred to, in the context of the Economic Reconstruction and Recovery Plan as part of seven Priority Interventions which is funded separately, the only element, if present, is the funding of relevant skills.	
1.8. Composition of accredited and non-accredited courses	Business raised the following concerns: • Business supported the recognition of the value which short courses, both accredited and non-accredited provided.	Community supports composition of the skills that is supported by the revised skills strategy.	Labour supports programme composition that is supported by the revised skills strategy.	• Programme composition is supported by the revised skills strategy as long as such responds to demand-led interventions or as required by the economy. • There will be expansion on the	Programme composition is supported by the revised skills strategy and should respond to demand-led interventions or as required by the economy.

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	• The institutional structures need both accredited and non-accredited short-courses. This should be aligned for the operationalisation and roll-out plans within various structures of such programmes. • Levy Grant funding needs to be aligned to support implementation of short courses.			provisioning of short skills programmes (accredited and non-accredited) to respond to skills gap identified in the strategy. • There will be short-term adjustments to quality assurance requirements for programme accreditation and part-qualification registration for accredited skills developed programmes that are expected to respond to the skills gaps identified in this strategy. • There will be short-term adjustments to mechanisms that ensure the direction of funds towards supporting the	

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				provisioning of short skills development programmes (accredited and non-accredited) that respond to the skills gaps identified in this strategy. SETA Grant Regulations are considering these developments.	

2. AREAS OF DISAGREEMENT

The following section outlines areas of disagreement on issues discussed by social partners.

2. AREAS OF DISAGREEMENT					
Areas of consideration	Business' view	Community's view	Labour's view	Government's view	Conclusion on the discussion
2.1. Short Courses	Business supported the blended approach and was in full support qualifications towards building of a capable workforce. It proposed the following interventions: - There should be both accredited and non-	• The HEQC in its 2004-2009 institutional audit exercises in both public and private universities in South Africa concluded that the quality assurance system used by universities for	Labour proposed the following interventions: • Short courses should find articulation on the NQF. • QCTO Command Council can assist to fast track issues of quality assurance.	- The revised intervention the two of the draft skills strategy seeks to responds to the targeted skills programmes and short skills programmes, aimed at enabling the development,	The social partners held different views of the recognition, articulation and implementation of accredited and non-accredited short courses. It was agreed that Government will ensure to prioritise

2. AREAS OF DISAGREEMENT					
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	accredited courses, and that these should not be limited to part-time qualifications only, as these do not address all needs. - Short courses can be rapidly deployed to address needs such as reskilling and upskilling to preserve jobs. - Short courses address much needed workplace skills development such as Health and Safety, specifically to address Covid-19. - Digital credentialing addresses the need for digital skills in a changing world of work and has a role to play.	short courses was inadequate and did not meet minimum standards for quality management for short courses. • Quality assurance serves as a protection to the public from being short-changed by which will not enable them for employment opportunities within their chosen area (Allais, 2009). • It agrees that short courses should be used as a measure for upskilling and to address immediate challenges, but do not agree that they should not be subject to rigorous quality assurance process.	• Micro credentialing to be aligned and articulated to unit standards as a sub credit. • Discretionary funding should be allocated for this area.	provide agile and flexible demand-led skills training, especially short skills development programmes that can be implemented immediately by both public and private institutions. The revised proposed interventions would enable the institutions to ensure: - Short-term requirements accredited programmes adjustments to quality assurance. The qualification should be re-registered for accredited skills developed programmes that are expected to respond to the skills gaps	this area in the revised skills strategy. The social partners acknowledged the urgency of processing short skills development programmes, but could not find common ground on the modality of accountability and reporting of such programmes as they would be funded by public money. Whilst business needs an agile and flexible process, labour cautioned that non-articulation on the NQF provides an opportunity for employers to exploit the funding provided by the SETAs. Additionally, of major concern, the possibility of non-recognition awarded

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				identified in this strategy. The short-term adjustments to mechanisms put place should ensure that funds were allocated towards supporting the provisioning of short skills development programmes (accredited and non-accredited) that respond to the skills gaps identified in this strategy. • Interventions were informed from various reports from employers challenging the skills development and that it posed a barrier for institutions to provide accredited and registered programmes that aimed at addressing the	to these programmes (if they are not articulated on the NQF), that would have provided workers with credits on their development profiles and resumes. It was recommended that a detailed engagement on the issue of short courses was required at the ERRP.

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				skills gap in the country. • These problems are linked to the education and training quality assurance system in South Africa and to the excessive demands of SETA processes to access the Discretionary Grant. One example is that skills programmes are only accredited if they are linked to qualification pathways. • Such a requirement does not work in instances where appropriate registered qualifications do not yet exist. • Another problem is that the processes to accredit part-qualifications are	

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				too long and cumbersome. • The revised skills strategy deals with digital skills comprehensively where-upon it is also acknowledged that digital credentialing addresses the need for digital skills in a changing world of work and has a role to play, this perspective and will emphasise this view in the strategy. There are currently numerous undertakings in various areas of TVET around digital skills. In addition, a workstream has also been established to facilitate coordination of digitisation.	

3. AREAS THAT NEED FURTHER ENGAGEMENT					
Areas of consideration	Business' view	Community's view	Labour's view	Government's view	Conclusion on the discussion
3.1. Mandatory Grant	Business raised the following issues: • 30% on submission of WSP (with the phased planned training interventions during the specific year) • 20% paid on submission of ATR with evidence of training spend on national priorities including but not limited to WBL. • Short courses – accredited and nonaccredited for Reskilling and Upskilling, Digital Skills capacitation, Worker Education, Occupational Health and Safety		Labour proposed that 20% to be disbursed upon submission of WSP.	The Department with regard to Mandatory Grant as referred above, currently submits to the NEDLAC Social Partners that Mandatory Grant be set at 35% as detailed in the Department's presentation and submission to the NEDLAC.	DHET has to formally table the Grant Regulations to Nedlac for engagement once all the Government internal processes have been finalized and that the version of the Grant Regulations to be tabled for engagement at Nedlac should incorporate the public comments.

3. AREAS THAT NEED FURTHER ENGAGEMENT					
Areas of consideration	**Business' view**	**Community's view**	**Labour's view**	**Government's view**	**Conclusion on the discussion**
	Business raised the following intervention: • The evidence for the 20% ATR grant should have ease of process utilising mechanisms such as the format used for BBBEE reporting model. Business supports the increase for the funding allocation to the QCTO. Business is not in support of the increase of the allocation of project administration costs. • SETA administrative costs should be contained utilizing shared services and technology to manage expenses.				
3.2. Discretionary Grant	Balance after payment of 50 percent		Labour raised the following discretionary issues that needed to	The Department as agreed will be publishing the Grant	The Department as agreed will be

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Areas of consideration	**Business' view**	**Community's view**	**Labour's view**	**Government's view**	**Conclusion on the discussion**
	mandatory grant to be distributed across 8 outcomes of the NSDP for both accredited and unaccredited programmes to ensure alignment with the demands of the labour market.		be decreased and further made the following interventions: • 1% to be allocated towards the QCTO Administration. • 5% to be allocated towards the Worker Education • 15% to be allocated to towards the WBL/WIL • 15% to be allocated to accredited short courses • A portion to be allocated towards the Artisan Development/NAMB • A portion to be allocated towards Adult Education • A portion to be allocated to Sectoral Priorities.	Regulations, which will be re-tabled at the NEDLAC after the public comments received. Mandatory Grant is currently set at a maximum of 35%. A total of 20% will be paid to an employer who submits WSP/ATR to a SETA demonstrating that sectoral training is taking place as part of normal workplace skills planning. The remaining 15% will be paid to an employer which prioritises interventions as enunciated in the skills strategy interventions to support the Workplace Based Learning (WPBL). The maximum of 1% to be towards the QCTO.	publishing the Grant Regulations. The Regulations will be tabled at NEDLAC after the public comments received

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3. AREAS THAT NEED FURTHER ENGAGEMENT					
Areas of consideration	**Business' view**	**Community's view**	**Labour's view**	**Government's view**	**Conclusion on the discussion**
				Discretionary Grant of 34%, 70% goes for PIVOTAL programs and 30% divided to 0-15% of short courses/programs and 0-15% for work readiness programs. 10% will be for administration. 8% for Project Management, considering COVID related requirements.	
3.3. Legislation that needs to be reviewed to align to skills requirements	• There was a need to shift towards a more increased digital skills solutions in the Workplace Based Learning. The proposal should be factored into other relevant policies of Government. It was further recommended that there was a need for		• Labour recommended that Government need to review the following legislation *inter alia* to ensure alignment with the skill requirements: - Skills Levies Act on 4% increase; and ILO Convention 140 on paid education and	Government noted the recommendations.	It was acknowledged that the issues raised by the Nedlac social partners will be further discussed once the DHET has formally tabled the Grant Regulations to Nedlac for engagement once all the Government internal processes have been finalized and that the version of the Grant

3. AREAS THAT NEED FURTHER ENGAGEMENT					
Areas of consideration	**Business' view**	**Community's view**	**Labour's view**	**Government's view**	**Conclusion on the discussion**
	alignment with relevant Government legislation, for example the BBBEE and Section 12H of the Income Tax Act.		training leave to be ratified.		Regulations to be tabled for engagement at Nedlac should incorporate public comments.
3.4. National Pathways Management Network	Awaiting tabling by Government at Nedlac for engagement	Awaiting tabling by Government at Nedlac for engagement	Awaiting tabling by Government at Nedlac for engagement	Awaiting tabling by Government at Nedlac for engagement	Recommendation that the office of the Presidency, through DHET, should be invited to table the national pathways for engagement by the social partners at NEDLAC.
3.5. National Planning for Post School Education and Training (NPPSET)	Awaiting tabling by Government at Nedlac for engagement	Awaiting tabling by Government at Nedlac for engagement	Awaiting tabling by Government at Nedlac for engagement	Awaiting tabling by Government at Nedlac for engagement	It was recommended that Post-School Education and Training (PSET) System Planning unit in DHET should table the NPPSET policy for engagement by the social partners at NEDLAC.

3. AREAS THAT NEED FURTHER ENGAGEMENT					
Areas of consideration	**Business' view**	**Community's view**	**Labour's view**	**Government's view**	**Conclusion on the discussion**
3.6. Community Education and Training Colleges	Supported that the Community Education and Training (CET) colleges were an important vehicle for skills development.	The National Skills Development Plan (NSDP) describes the Community Education and Training Colleges as a differentiated institutional type that caters to the varied needs of communities, individuals and society. Programmes that are responsive to the needs of communities and that enable individuals to find work, start businesses, and develop sustainable livelihoods and progress into other education institutions, will be offered in CET colleges. They will also seek to assist community organisations, institutions, local government, individuals and local businesses to work together to	Supported that the CET colleges were an important vehicle for skills development.	Government supported the rollout of CETs and indicated that pilot projects were already underway on CETs. Collaboration was needed to increase the scale of CETs as they were funded through the fiscus which is already constrained.	It was acknowledged that Community Education and Training (CET) colleges were an important vehicle for skills development. It was therefore agreed that this area needed to be explored further, particularly in respect of collaboration to enhance CET colleges and complement TVET colleges.

3. AREAS THAT NEED FURTHER ENGAGEMENT					
Areas of consideration	Business' view	Community's view	Labour's view	Government's view	Conclusion on the discussion
		develop their communities by building on existing knowledge and skills. Below are proposals on CET: • Creation of 52 Community Education and Training Colleges in all the 44 Districts of the Country and the 12 Metropolitan Municipal Areas to cater for the skills need and providing opportunities for the youth and adults in communities across the country. • Support enrolment in large numbers of community members in demand-led skills provision, that considers local demand for skills and responds to			

3. AREAS THAT NEED FURTHER ENGAGEMENT					
Areas of consideration	Business' view	Community's view	Labour's view	Government's view	Conclusion on the discussion
		employment and self-employment opportunities. • All the District CET Colleges must provide skills in the new and emerging areas of digitalization, the Fourth Industrial Revolution (4IR) and the Green Economy. • The CET Colleges should plan and align their skills offerings with the District One Plans as provided for in the District Development Model. This way they will ensure that the skills offerings are demand led in a local context. • All CET colleges should offer Entrepreneurship Skills to support an			

3. AREAS THAT NEED FURTHER ENGAGEMENT					
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		already established demand for such skills by for businesses such as spaza shops, hair dressers, informal traders, start-ups and Township and Village Based Entrepreneurs. • The CET Colleges must be empowered with capacity to undertake Recognition of Prior Learning (RPL) in other to facilitate pathways to further education in other institutions of Post School Education and Training Sector as well as to appropriately recognise the already accomplished knowledge and skills.			

3. AREAS THAT NEED FURTHER ENGAGEMENT					
Areas of consideration	Business' view	Community's view	Labour's view	Government's view	Conclusion on the discussion
		• The CET colleges must work directly with public programmes to provide appropriate skills and knowledge. These programmes include the Expanded Public Works Programme (EPWP), Community Works Programmes (CWPs), the state's infrastructure development programme, and economic and social development initiatives such as the Community Development Workers (CDW) and Community Health Workers (CHW) programmes. • Such programmes can provide work integrated learning opportunities while the colleges provide classroom and			

3. AREAS THAT NEED FURTHER ENGAGEMENT					
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		workshop-based learning.			
3.7. Skills development support for entrepreneurship and cooperative development	• Agreed that further engagements were necessary on this issue.	• Pilot the Cooperatives Academy Concept with at least three provinces and scale-up the roll out throughout all the nine provinces of the Republic. • • Provision of elementary entrepreneurship skills to Cooperatives, SMMEs, Social Enterprises, Non-Governmental Organisations, Community Based Organisations and Start-ups including incorporation, compliance with laws, record keeping and business management. • •	• Agreed that further engagements were necessary on this issue.	• Agreed that further engagements were necessary on this issue.	Social partners would engage further on the proposal for skills development support for entrepreneurship and cooperative development and piloting of Cooperatives Academy concept.

3. AREAS THAT NEED FURTHER ENGAGEMENT					
Areas of consideration	Business' view	Community's view	Labour's view	Government's view	Conclusion on the discussion
		• Provide training for linkages to markets including export markets for to Cooperatives, SMMEs, Social Enterprises, Non-Governmental Organisations, Community Based Organisations and Start-ups • Support for localisation and import substitution initiatives and infrastructure development as an enabler of economic recovery and reconstruction			

4. CONCLUSION

This report, therefore, concludes considerations at NEDLAC on the Skills Strategy: Support for the South African Economic Recovery and Reconstruction Plan. The Report is submitted to the relevant Ministers in terms of Section 8 of the Nedlac Act. No 35 of 1994.

LMC TASK TEAM

BUSINESS:	GOVERNMENT:
1. Bev Jack	1. Zukile Mvalo
2. Cheryl James	2. Lumka Maliviwe
3. Mustak Ally	3. Mamphoku Khuluvhe
4. Louis van Huyssteen	4. Sybil Chabane
5. Nomaxabiso Matjila	5. Mabuza Ngubane
6. Sumaya Hoosen	6. Weziwe Sikaka
7. Sanelisiwe Jantjies	7. Nqaba Nqandela
8. Sino Moabalobelo	8. David Mabusela
LABOUR:	SECRETARIAT:
1. Bhabhali Ka Maphikela Nhlapo	1. Tsholo Lelaka
2. Lazelle van Kramberg	2. Basetsana Mokgoare
3. Amon Teteme	3. Ruth Mofokeng
4. Mike Maduna	
5. Andre Englebrecht	
6. Ashley Benjamin	
7. Abieda Abrahams	
8. Helen Diatile	
9. Boni Mbewana	
10. Wiseman Dinwa	
11. Sipho Ndhlovu	

ERRP TASK TEAM

BUSINESS:	COMMUNITY:
1. Bev Jack	1. Thembinkosi Josopu
2. Mustak Ally	2. Lawrence Bale
3. Nomaxabiso Matjila	3. Nhlanhla Ndlovu
4. Sumaya Hoosen	4. Thulani Tshefuta
5. Cheryl James	
6. Sanelisiwe Jantjies	
7. Sino Moabalobelo	

8. Louis van Huyssteen 9. Tsakane Muavha	42
LABOUR: 1. Matthew Parks 2. Lazelle Van Kramberg 3. Babsy Nhlapo	**GOVERNMENT:** 1. Zukile Mvalo 2. Mamphokhu Khuluvhe 3. S Chabane 4. Reineth Mgiba
SECRETARIAT: 1. Nobuntu Sibisi 2. Nozuko Hlwatika 3. Dineo Modika 4. Samuel Mulwela	