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Department:  
Labour  
REPUBLIC OF SOUTH AFRICA

# National Skills Development Strategy 1 April 2005 – 31 March 2010







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# National Skills Development Strategy

## 1 April 2005 – 31 March 2010

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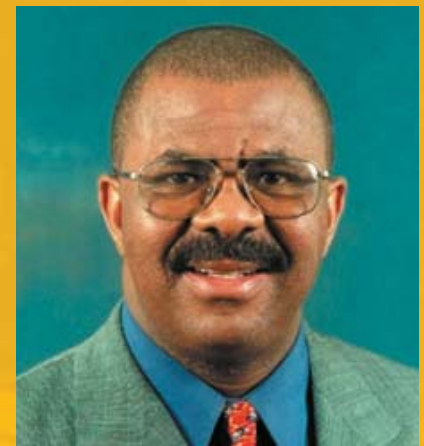
# Foreword

I am pleased to present the National Skills Development Strategy (NSDS) 2005 – 2010 to the nation at large and people of South Africa. The adjusted strategy will replace our first National Skills Development Strategy 2001 – 2005.

The strategy is a culmination of a process that commenced in 2003, with the National Skills Authority (NSA) constituency consultation process and presentation of their views on the NSDS 2001 - 2005 during the 2003 Skills Conference. It represents a detailed performance of Sector Education and Training Authorities and our National Skills Fund initiatives over the last four years. It represents healthy and sometimes very difficult debates on implementation matters, concerns and future aspirations of the various constituencies represented on the NSA.

The NSDS 2005 – 2010 spells out the national priority areas to which the projected over R21,9 billion income from the skills development levy, will be allocated over the next five years. It provides the aggregate performance indicators of the skills development system that will be used as a basis to formulate performance indicators through legally binding Service Level Agreements with the SETAs and projects funded under the National Skills Fund (NSF).

It is my belief that through the NSDS 2005 – 2010, together with our social partners, we will support



Mr MMS Mdladlana  
Minister of Labour

the broader goals of government to halve unemployment and poverty, and reduce inequality by 2014, and further to ensure that the institutions of skills development, which in the main are the SETAs and the NSF, use their resources to advance our skills revolution.

I would like to thank the National Skills Authority members, and all the many thousands of women and men who have contributed to the development of this adjusted strategy across all provinces. We have set and exceeded targets in our first strategy. The targets in the NSDS 2005 – 2010 are no less ambitious to those that were contained in our NSDS 2001 – 2005. I have no doubt in my mind, that as long as we continue to share a common vision on what our strategy intends achieving, and the principles to implement this strategy, nothing will stop us from realising our skills revolution objective.

**Mr MMS Mdladlana, MP**  
**Minister of Labour**

1 March 2005

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## **Vision**

Skills for sustainable growth, development and equity

## **Mission**

The National Skills Development Strategy (NSDS) contributes to sustainable development of skills growth, development and equity of skills development institutions by aligning their work and resources to the skills needs for effective delivery and implementation

## **Indicator**

Government and its social partners assess the contribution of the NSDS institutions and resources to the nationally agreed strategies for growth, development and equity

# Principles

1. Support economic growth for employment creation and poverty eradication
2. Promote productive citizenship for all by aligning skills development with national strategies for growth and development
3. Accelerate Broad Based Black Economic Empowerment and Employment Equity. (85% Black, 54% women and 4% people with disabilities, including youth in all categories). Learners with disabilities to be provided with reasonable accommodation such as assistive devices and access to learning and training material to enable them to have access to and participate in skills development
4. Support, monitor and evaluate the delivery and quality assurance systems necessary for the implementation of the NSDS
5. Advance the culture of excellence in skills development and lifelong learning

A landscape photograph showing a vast green field in the foreground, a line of utility poles in the middle ground, and a dark, stormy sky in the background. The text is overlaid on the upper portion of the image.

## Objective 1

**Prioritising and communicating critical skills for sustainable growth, development and equity**

# Success Indicator 1.1

Skills development supports national and sectoral growth, development and equity priorities

## Lever 1.1

- Sector Education and Training Authorities (SETAs) use their discretionary funds to identify critical skills in the sector using guidelines prepared by the Department of Labour and the National Skills Authority (NSA)
- Critical skills needed, at entry, intermediate and advanced levels, are aligned and agreed with growth, development and equity strategy drivers and skills development bodies at national level within agreed timeframes

## Success Indicator 1.2

Information on critical skills is widely available to learners. Impact of information dissemination researched, measured and communicated in terms of rising entry, completion and placement of learners

### Lever 1.2

- Department of Labour consolidates SETA inputs and national/generic priorities and prepares a national guide on occupational/employment trends, periodically updated as agreed
- Relevant stakeholders ensure that information is utilised and report back to Department of Labour
- The National Skills Fund's (NSF) Critical Skills Support Funding Window will fund the guide and the training of career guidance counselors in the use of this information
- SETAs will use Discretionary Funds to fund the development of guides and the training of sector specialists or (SDFs) in the use of this information for their sectors



## **Objective 2**

**Promoting and accelerating quality training for all in the workplace**



## Success Indicator 2.1

By March 2010 at least 80% of large firms' and at least 60% of medium firms' employment equity targets are supported by skills development. Impact on overall equity profile assessed

### Lever 2.1

- All Workplace Skills Plans (WSPs) to be submitted no later than 30 September for 2005 and thereafter 30 June each year. Newly registered skills levy-payers submit WSPs within 6-months from establishment
- WSP to be judged against three criteria in 2005: (1) Timeframe (submitted in time) and (2) WSP meets EE + BBBEE and charter compliance criteria. (3) Stakeholder signoff
- From 2006 onwards the WSP will be judged by an additional criterion, i.e. a report on the performance against the previous year's WSP
- If the WSP successfully meets set criteria then full 50% grant paid in quarterly tranches
- Firms failing to meet the set criteria will automatically forfeit the WSP grant for the given financial year. Forfeited grants will be transferred directly into SETA discretionary funds

## Success Indicator 2.2

By March 2010 skills development in at least 40% of small levy paying firms supported and the impact of the support measured

### Lever 2.2

- The SETA determines the best form of intervention and grant, such as WSP grants or the provision of free courses. 40% of total population of small firms in sector to be reached by such initiatives is the target. SETAs to spend at least 80% of the total levy income from small firms on the achievement of this indicator

## Success Indicator 2.3

By March 2010 at least 80% of government departments spend at least 1% of personnel budget on training and impact of training on service delivery measured and reported

### Lever 2.3

- Government budgetary process used to ensure that national and provincial departments spend at least 1% of personnel budget on training

## **Success Indicator 2.4**

By March 2010, at least 500 enterprises achieve a national standard of good practice in skills development approved by the Minister of Labour

### **Lever 2.4**

- Firms achieving a national standard of good practice in skills development approved by the Minister will automatically get 50% of levy paid and for period standard is maintained. SETAs will secure agreement on information required from such firms based on regulation

## **Success Indicator 2.5**

Annually increasing number of small BEE firms and BEE co-operatives supported by skills development. Progress measured through an annual survey of BEE firms and BEE co-operatives within the sector from the second year onwards. Impact of support measured

### **Lever 2.5**

- SETA discretionary BEE grants

## Success Indicator 2.6

From April 2005 to March 2010 there is an annually increasing number of people who benefit from incentivised training for employment or re-employment in new investments and expansion initiatives. Training equity targets achieved. Of number trained, 100% to be South African citizens

### Lever 2.6

- NSF – Industry Support Programme grants. The Department of Labour must provide an annual report on progress made in respect of employment or re-employment generated, linked to new investment initiatives and expansions

## Success Indicator 2.7

By March 2010 at least 700 000 workers have achieved at least ABET level 4

### Lever 2.7

- SETAs use discretionary funds and may with the agreement of their Boards include the provision of ABET as a criteria for the release of WSP grants. Total sum of all SETA targets to be at least 700 000 workers



## **Success Indicator 2.8**

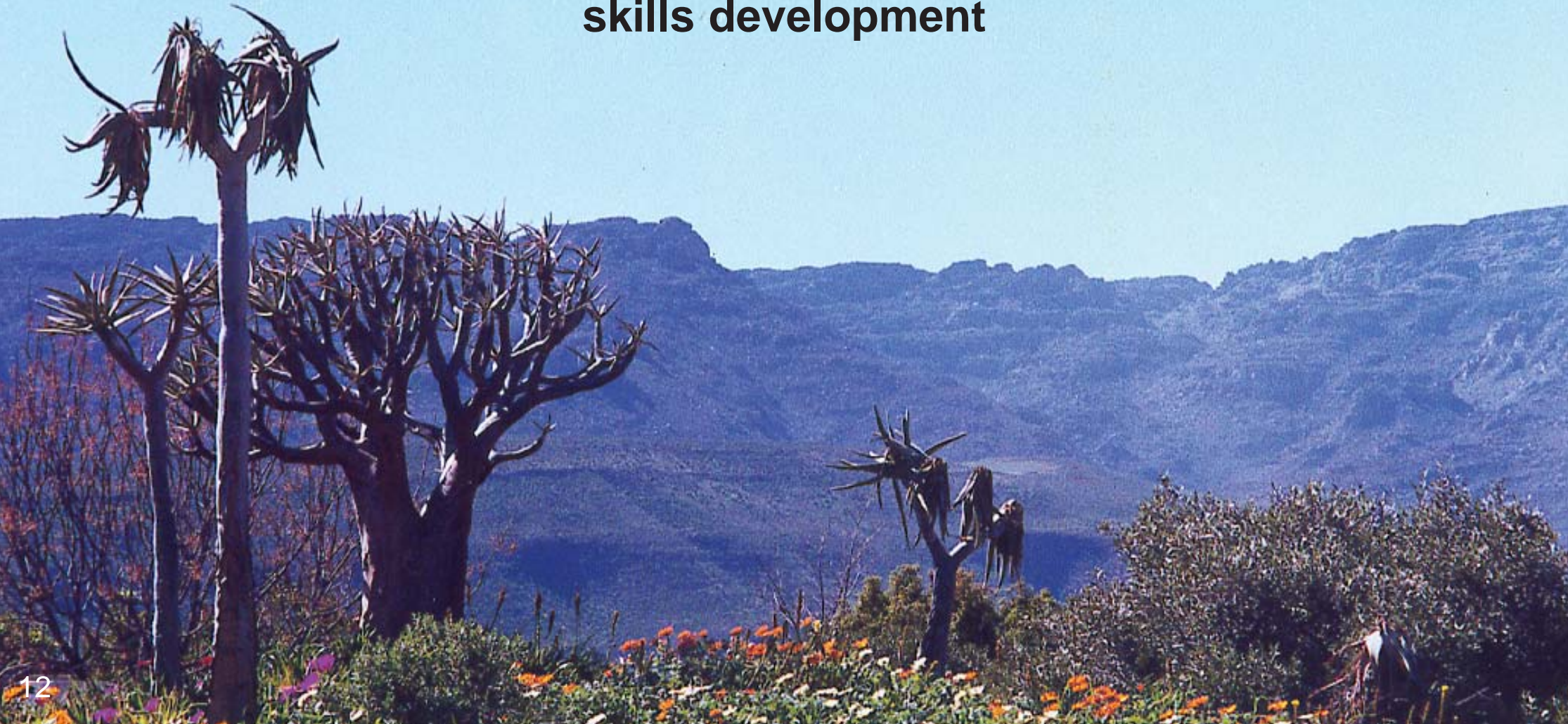
- By March 2010 , at least 125 000 workers assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured

## **Success Lever 2.8**

- SETA discretionary grants to include 18(1) grants for learnerships, bursary grants, internship grants and study support to learners acquiring basic entry, intermediate and high level scarce skills identified as scarce in their sectors

## Objective 3

**Promoting employability and sustainable livelihoods through skills development**





## **Success Indicator 3.1**

By March 2010, at least 450 000 unemployed people are trained. This training should incrementally be quality assured and by March 2010 no less than 25% of the people trained undergo accredited training. Of those trained at least 70% should be placed in employment, self-employment or social development programmes including (EPWP), or should be engaged in further studies. Placement categories each to be defined, measured, reported and sustainability assessed

### **Lever 3.1**

- NSF Social Development Initiatives Funding Window including EPWP grants

## **Success Indicator 3.2**

By March 2010, at least 2 000 non-levy paying enterprises, Non-governmental Organisations (NGOs), Community Based Organisations (CBOs), and community-based co-operatives supported by skills development. Impact of support on sustainability measured with a targeted 75% success rate

### **Lever 3.2**

- 20% SETA discretionary funds and 80% NSF Informal Sector Support Funding Window.

## Success Indicator 3.3

By March 2010, at least 100 000 unemployed people have participated in ABET level programmes of which at least 70% have achieved ABET level 4

### Lever 3.3

- NSF ABET funding window to top up Department of Education (DoE) funding of Adult Learning Centres and funding to other public providers, as well as private and donor funding to other ABET initiatives



## Objective 4

**Assisting designated groups, including new entrants to participate in accredited work, integrated learning and work-based programmes to acquire critical skills to enter the labour market and self-employment**





## Success Indicator 4.1

By March 2010 at least 125 000 unemployed people assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured

### Lever 4.1

- SETA discretionary grants to include 18(2) grants for learnerships, bursary grants, internship grants and study support to learners acquiring basic entry, intermediate and high level scarce skills identified as scarce in their sectors. The NSF Critical Skills Support Funding Window provides top-up funding

## Success Indicator 4.2

100% of learners in critical skills programmes covered by sector agreements from Further Education and Training (FET) and Higher Education and Training (HET) institutions assisted to gain work experience locally or abroad, of whom at least 70% find placement in employment or self-employment

### Lever 4.2

- SETA provides Work Experience Grants, as per agreement, to levy paying and non-levy paying employers in their sector that will provide work experience opportunities to students/graduates in sector-relevant programmes

## Success Indicator 4.3

By march 2010, at least 10 000 young people trained and mentored to form sustainable new ventures and at least 70% of new ventures in operation 12 months after completion of programme

### Lever 4.3

- SETA Discretionary New Venture Creation grants plus NSF Informal Sector Support Funding Window top-up





## Objective 5

**Improving the quality and relevance of provision**



## Success Indicator 5.1

By March 2010 each SETA recognises and supports at least five Institutes of Sectoral or Occupational Excellence (ISOE) within public or private institutions and through Public Private Partnerships (PPPs) where appropriate, spread as widely as possible geographically for the development of people to attain identified critical occupational skills, whose excellence is measured in the number of learners successfully placed in the sector and employer satisfaction ratings of their training

### Lever 5.1

- SETA Institute of Sectoral or Occupational Excellence Grant. This Grant to cover any or all of the following – and may be used to upgrade a facility in order that it can achieve the status of excellent:
  - Infrastructural Development
  - Educator/Trainer up-skilling
  - Curriculum and materials development
  - Learner support initiatives
  - Upgrading of satellite institutions (e.g. emerging providers in partnership with excellence institution)
  - Other – by mutual agreement

## **Success Indicator 5.2**

By March 2010, each province has at least two provider institutions accredited to manage the delivery of the new venture creation qualification. 70% of new ventures still operating after 12 months will be used as a measure of the institutions' success

### **Lever 5.2**

- SETA discretionary grants plus National Skills Fund New Venture Creation Delivery Grant from the Informal Sector Support Funding Window

## **Success Indicator 5.3**

By March 2010 there are measurable improvements in the quality of the services delivered by skills development institutions and those institutions responsible for the implementation of the National Qualifications Framework (NQF) in support of the NSDS

### **Lever 5.3**

- SETA discretionary grants and specific NSF grants from the Provisioning Support Funding Window approved after advice by the NSA

## **Success Indicator 5.4**

By March 2010, there is an NSA constituency based assessment of an improvement in stakeholder capacity and commitment to the National Skills Development Strategy

### **Lever 5.4**

- SETA discretionary funds and NSF Constituency Capacity Building and Advocacy Funding Window





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