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| MEMORANDUM FROM THE PARLIAMENTARY OFFICE |

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 1538**

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**INTERNAL QUESTION PAPER NO 15 OF 2023**

**Ms N I Tarabella Marchesi (DA) to ask the Minister of Higher Education, Science and Innovation:**

(1) What is the budget allocation of the (a) National Skills Fund (NSF) and (b) sector education and training authorities (SETAs);

(2) what is the staff component of (a) NSF and (b) each SETA;

(3) what is the budget allocation for (a) salaries of (i) NSF and (ii) each SETA and (b) rentals of properties utilised by both the NSF and SETAs respectively;

(4) whether there is an overlapping of responsibilities between NSF and SETA; if not, what is the position in this regard; if so, what are the (a) responsibilities that overlap and (b) reasons for the replication of responsibilities;

(5) what number of job opportunities have NSF created for women, people with disabilities and the youth? **NW1781E**

**REPLY:**

1. (a) National Skills Fund (NSF), according to Section 27(2)(a) of the Skills Development Act No. 97 of 1998, the NSF is funded by 20% of the collected skills levy. The table below shows the NSF budget allocation for the year under review (2022/23), the current financial year (2023/24), and the two subsequent years.



1. Budget allocation for the Sector Education and Training Authorities (SETAs) for 2023/24 financial year.

| **Name of the SETA** | | **Total SETA Budget Allocation for 2023/24 Financial Year** |
| --- | --- | --- |
| AGRISETA | | R608 419 000.00 |
| CHIETA | | R689 384 000.00 |
| BANKSETA | | R1 900 983 000.00 |
| CETA | | R1 039 538 000.00 |
| CATHSSETA | | R349 967 000.00 |
| ETDPSETA | | R 1 262 588 744.00 |
| EWSETA | | R355 790 000.00 |
| FASSET | | R619 985 575.00 |
| FOODBEV | | R559 000 000.00 |
| FP&M SETA | | R395 565 835.00 |
| HWSETA | | R849 968 000.00 |
| INSETA | | R640 889 930.00 |
| LGSETA | | R959 939 000.00 |
| MICT | | R1 101 955 232.00 |
| MERSETA | | R1 736 763 138.00 |
| MQA | R106 380 043.00 |
| PSETA | R147 518 982.00 |
| SASSETA | R623 800 000.00 |
| SERVICES SETA | R1 881 000 000.00 |
| TETA | R891 893 383.00 |
| W&R SETA | R2 120 919 000.00 |

1. (a) The NSF Staff component/complement of the NSF is made up as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Total number of approved Posts | Total filled posts | Current Vacancies | Number of Interns (WiL / Graduates) |
| 179 | 125 | 44 | 34 |

1. The SETAs Staff component/complement is made up as follows:

| **Name of the SETA** | **SETA staff compliment as at 31 March 2023 (“inclusive of temporary staff and interns”)** |
| --- | --- |
| AGRISETA | 114 |
| CHIETA | 54 |
| BANKSETA | 72 |
| CETA | 166 (115 – permanent & 51 – Interns) |
| CATHSSETA | 77 |
| ETDPSETA | 138 |
| EWSETA | 56 |
| FASSET | 76 |
| FOODBEV SETA | 67 |
| FP&M SETA | 63 |
| HWSETA | 158 (148 permanent, 5 – temporary and  5 – internships) |
| INSETA | 113 |
| LGSETA | 120 |
| MICT | 126 |
| MQA | 157 |
| MERSETA | 300 |
| PSETA | 64 |
| SASSETA | 139 |
| SERVICES SETA | 247 |
| TETA | 130 |
| W&R SETA | 277 |

1. (a) (i) and (b) the table below presents the NSF employee cost budget allocation and rental for the year under review (2022/23), the current financial year (2023/24), and the two subsequent years.



1. (ii) Budget allocation for salaries Allocation by 31 March 2023.

| **Name of the SETA** | **Budget allocation for salaries by 31 March 2023** |
| --- | --- |
| AGRISETA | R76 249 000.00 |
| CHIETA | R60 955 000.00 |
| BANKSETA | R72 212 174.00 |
| CETA | R120 609 000.00 |
| CATHSSETA | R58 197 000.00 |
| ETDPSETA | R126 087 489.00 |
| EWSETA | R32 560 000.00 |
| FASSET | R44 782 306.00 |
| FOODBEV SETA | R58 000 000.00 |
| FP&M SETA | R37 009 477.00 |
| HWSETA | R117 725 000.00 |
| INSETA | R80 030 602.00 |
| LGSETA | R81 199 000.00 |
| MICT | R96 300 000.00 |
| MERSETA | R173 648 212.00 |
| MQA | R106 380 043.00 |
| PSETA | R51 542 594.42 |
| SASSETA | R106 800 00.00 |
| SERVICES SETA | R208 000 000.00 |
| TETA | R88 638 344.00 |
| W&R SETA | R189 099 000.00 |

1. what is the budget allocation for property rentals by 31 March 2023.

| **Name of the SETA** | **Budget Allocation for property rentals by 31 March 2023** |
| --- | --- |
| AGRISETA | R755 486.00 |
| BANKSETA | R4 017 630.00 |
| CETA | R6 784 739.52 |
| CATHSETA | R5 800 000.00 |
| CHIETA | R3 312 000.00 |
| ETDPSETA | R25 658 645.00 |
| EWSETA | R4 100 000.00 |
| FASSET | R5 500 000.00 |
| FOODBEV SETA | R6 3 000 000.00 |
| FP&M SETA | R6 875 645.00 |
| HWSETA | R12 651 000.00 |
| INSETA | R7 200 00.00 |
| LGSETA | R15 900 000.00 |
| MICT | R10 331 751.00 |
| MERSETA | R16 104 833.00 |
| MQA | N/A (MQA owns the building) |
| PSETA | R8 586 810.80 |
| SASSETA | R11 600 000.00 |
| SERVICES SETA | R20 000.00 (1 Office at a TVET College) |
| TETA | R5 302 562.00 |
| W&R SETA | R 23 000 000.00 |

1. (a) Succinctly, areas of possible overlaps and duplicates between SETAs and the NSF are:
2. Funding for capacity development for the PSET sector including funding on research and college infrastructure improvement.
3. Skills development beneficiaries/learners funding through bursaries, scholarships for occupations in high demand, and learners in rural areas.
4. Skills development funding through SMMEs and Cooperatives programs.
5. Skills development funding of worker education.

(b) By the legislative nature of the Skills Development Act 1998 SETAs’ primary responsibility is to facilitate skills development and training in their specific sectors whilst the NSF has a non-sectoral mandate based on the prevalent national priorities expressed in various national skills development strategies at a given time and space. The NSF’s reach on skills development and training funding is therefore broader than the SETAs given the sector and non-sector differentiation.

The Ministerial Task Team (MTT) Report on the Strategic Review of the National Skills Fund (NSF) July 2022, recognised that the NSF as a skills development entity is positioned within the broader national context to support the attainment of key government policies and plans to address the triple challenge of poverty, inequality, and unemployment, however, highlight possible overlap responsibilities between NSF and SETAs considering the following:

1. The mandate of SETAs and the NSF is based on the Skills Development Act 1998 confirms that the NSF’s role is to fund skills development for national priorities (across all sectors),
2. Therefore, leave SETAs to focus on the skills development needs of the different sectors of the economy (sector-specific).
3. Sector Education and Training Authorities (SETAs) are established in terms of Chapter 3, Section 9(1) of the Skills Development Act, No 97 of 1998, with a responsibility to:

* To register learnerships;
* To develop Sector Skills Plans;
* To accredit training providers;
* To implement the NSDS goals;
* To collect levies from employers;
* To provide career guidance to learners;
* To provide and disburse funding for training; and
* To implement training/learning programs such as internships, learnerships, work-integrated learning, in-service training, bursaries, and artisanship.

1. The SETAs are mandated in terms of the Skills Development Act to liaise with the National Skills Authority on the national skills development policy, the national skills development strategy, and sector skills plans.
2. This may result in the SETAs allocating funding to projects identified as national priorities as identified in the national skills development strategy (now the National Skills Development Plan, 2030) which the NSF is mandated to fund.

The NSF is mandated to fund projects identified by the Minister and the Director General. SETAs, on the other hand, are mandated to allocate grants, with some being mandatory to levy paying employers and some discretionary. The discretion of SETA’s funding could be directed at any priority including possibly the projects related to the achievement of the purposes of the Skills Development Act as the NSF does.

1. The NSF is tasked with the responsibility of providing funding, which is focused on national priorities and providing resources to unlock and catalyse national human development potential. The NSF’s ultimate beneficiaries are the learners funded by NSF for skills development that are on learnerships, internships, apprenticeships and in various skills development programs; and the PSET system through which the education, training and skills of learners are developed.

These interventions consist of workplace-based components; therefore, learners are placed in the workplace during their learning period. Furthermore, the NSF committed to undertaking the evaluation study which includes a tracer study in the current financial year to explore the learner’s perceptions of who is employed or self-employed after completing their interventions/programs and evaluate post-school education-to-work transitions of learners/students/graduates. This will, in effect, provide NSF with data on the effectiveness of the interventions/programs for obtaining employment or self-employment.

Furthermore, the NSF is in the process of establishing its own research chair which will assist with evaluation studies for the 2020 to 2025 strategic period including tracer studies and will further assist in determining how many beneficiaries have since obtained jobs. The study is due to commence upon completion of the five-year cycle.

The NSF has in recent years made a concerted effort to train persons with Disability and the table below provides an overview of a number of beneficiaries targeted for the NSF interventions in relation to Persons with Disability:

| **Portfolio of Projects** | **Number of beneficiaries targeted** | **Number of beneficiaries with disabilities** |
| --- | --- | --- |
| Unsolicited Proposals | 1 041 | 1 041 |
| Closed Projects:  RFP UIF / Rural 2018 – 2021 | 445 | 445 |
| Artisan Development – in process | 2% of 5 885 | 118 |
| TVET College Phase III – in process | 2% of 21 594 | 432 |
| Current RFP: Persons with Disability evaluation processes underway. | 2 630 | 2 630 |

According to the Evaluation of the National Skills Fund Report by the NSA (page 110), from 2015 to 2020, 168 566 learners were funded and enrolled with 137 019 completing their training. Of the learner who completed 11 424 became self-employed, 11 807 continued to study full-time whilst 38 192 became fully employed and economically active citizens within two years of the NSF intervention.

The beneficiaries interviewed for the study confirmed an increase of household income whilst 65% found the skills learned useful and beneficial, and 70% indicated that the training funded was in line with the skills acquired. Further, 10 883 are no longer available for work due to several reasons i.e., illness, retirement and change of personal circumstance. 64 713 remain unemployed as at the time of the study due to lack of opportunity and/or absorption by the employers and the remainder had planned to study further.

For the period 2021/2022 financial year, the National Skills Fund trained 81 532 learners through NSF funding for education and training in various occupational programs with beneficiaries participating in work placement through the learnerships and/or artisan-related programs. Of the total beneficiaries, 51 109 were women and 35% were youth below 25 years and 45% were youth between 25 and 35 years.