**National Assembly**

**Question Number: 3032**

**Mr M S Shackleton (DA) to ask the Minister of Transport:**

With reference to the debate on Vote 35 - Transport, Appropriation Bill in Parliament on 18 May 2018, (a) what training and skills transfer programmes to small enterprises does the SA National Roads Agency Ltd offer, (b) what (i) programmes and (ii) number of the specified programmes have been offered in the past three financial years, (c)(i) how are the small enterprises identified to whom such programmes are offered and (ii) how is the success of such programmes ascertained and (d) what amounts have been (i) budgeted and (ii) actually spent on the specified programmes in the past three financial years?

**NW3346E**

**REPLY:**

1. What training and skills transfer programmes to small enterprises does the SA National Roads Agency Ltd offer?

SANRAL offers the following skills transfer programmes:

1. Conventional Projects

* All conventional projects make provision for the utilization of SMMEs (As per the PPPFA regulations of 2011 and 2017).
* All conventional projects make provision for the general, entrepreneurial and technical training of these SMMEs.
* Following a training needs assessment, SMMEs are provided with SAQA and CETA accredited, NQF level 2 to 4 training.

2. Routine Road Maintenance Projects

* RRM projects are management contracts and the main contractor, depending on its B-BBEE status, sub-lets 40% to 80% of the work to SMMEs. These contracts may also be considered contractor incubator projects.
* RRM projects makes provision for the general, entrepreneurial and technical training of these SMMEs.
* Following a training needs assessment, SMMEs are provided with SAQA and CETA accredited, NQF level 2 to 4 training.
* Full time mentors are provided on the projects to assist and guide the SMME’s.
* Depending on various project factors, many of these training programmes consists of Full Learnerships, where SMMEs obtain a formal SAQA accredited qualification on successful completion of the training.

3. Community Development (CD) Projects

* CD projects are training programmes where SANRAL contracts with a Construction Manager who subcontracts SMMEs to construct 90% of the work. These may also be considered contractor incubation projects.
* SMMES are provided with SAQA and CETA accredited, NQF level 2 to 4 training, and usually consists of Full Learnership where SMMEs obtain a formal SAQA accredited Qualification.
* SMMEs receives theoretical training, which is followed by practical training and the subsequent construction of the work under the mentorship of the Construction Manager.

1. What:
2. Programmes and

All the programmes mentioned in response to question (a) above have been offered continuously over the past three (2016/2017, 2017/2018) financial years.

1. Number of programmes offered in the past three financial years.

In addition to SANRAL’s conventional and RRM projects (80 in number), 83 Community Development projects were initiated over the past three (2016/2017, 2017/2018) financial years and are in various project stages (2015/2016, 2016/2017, 2017/2018).

1. How:
2. are the small enterprises identified to whom such programmes are offered and?
   1. Where many SMMEs are available, use is made of tests called the Learning Ability Battery (LAB) of tests to select the best candidates. These tests assess the candidates’ literacy, numeracy and entrepreneurial ability. This technique is mainly used on projects in large urban areas such as Tshwane.
   2. Following a resource audit and liaison with the Project Liaison Committee, Targeted Enterprises are identified from the Designated Groups from the vicinity of the project as per the PPPFA regulations in the rural areas.
   3. Provision for the utilisation and development of SMMEs is allowed for in all SANRAL contract documents and project types.
3. is the success of such programmes ascertained and
4. SANRAL keeps record of every SMME that is contracted or sub-contracted on SANRAL projects.
5. SANRAL can thus track on how many contracts a specific SMME worked on, over what period, and monitor growth of the SMME by its ascension up the CIDB grades where the lowest grade is 1 (entry level) and the highest grade is 9.

This is the measure of success used by SANRAL. The programmes are however not without challenges and SANRAL’s new transformation policy seeks to address some of the shortcomings that have been identified in previous interventions.

1. (i) Budgeted and
   1. Training is a component of conventional, RRM and CD projects and varies between 0,1% and 2% of the contract value, depending on the project category.
   2. Skills transfer (coaching, mentoring and guidance) are budgeted in several items which forms part of a contract and is not reported separately.
   3. Note that the value of the work done by SMMEs and is not included in a. and b. mentioned above.
2. Actually, spent on the specified programmes in the past three financial years?
3. Actual spent on training only in the past three (2016/2017, 2017/2018, 2018/2019 – to date) financial years is as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **IT IS Table 4** | | **IT IS Table 1** | | **IT IS Table 3** | | |
| **Year** | **No. of SMMEs Employed**  **(CIDB 1 – 6)** | **Value of SMME Work**  **(CIDB 1 – 6)** | **No. of SMMEs Employed**  **(Total)** | **Value of SMME Work**  **(Total)** | **No. of Trainees** | **No. of Courses** | **Rand Value** |
| 2015/2016 | 518 | R 1 422 552 987 | 2 070 | R 2 244 367 775 | 4 668\* | 7 075 | R 13 658 275 |
| 2016/2017 | 561 | R 1 654 903 707 | 1 658 | R 2 371 048 028 | 4 737\* | 9 461 | R 23 750 185 |
| 2017/2018 | 793 | R 2 238 679 556 | 2 064 | R 3 287 650 418 | 3 532\* | 7 000 | R 21 522 928 |
|  |  |  |  |  | \* Includes SMME owners, employees and labourers. | | |

The figures in this table are generated on 24/10/2018.