

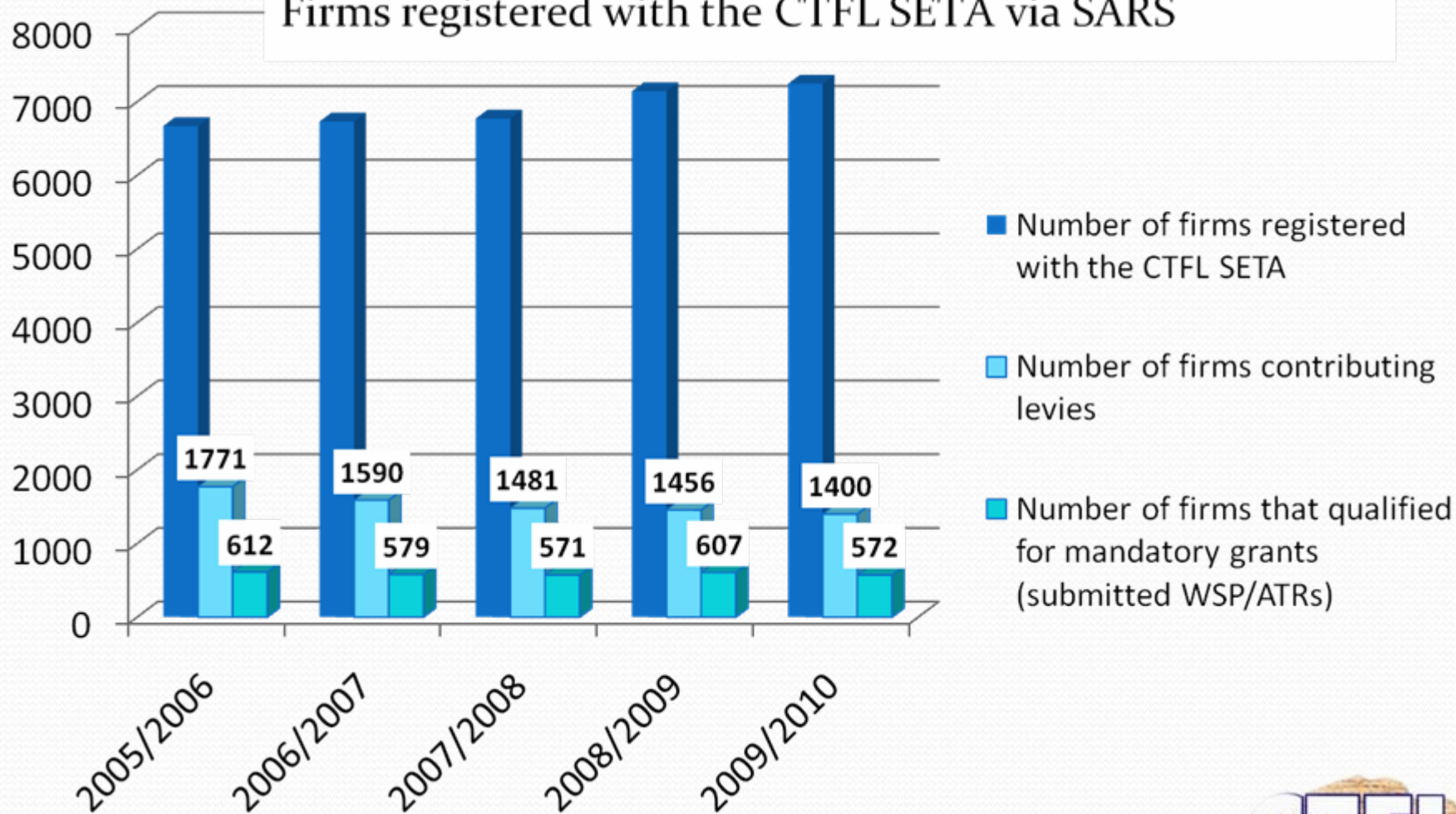
# CTFL SETA

Presentation to Portfolio Committee  
on Higher Education and Training  
3 November 2010



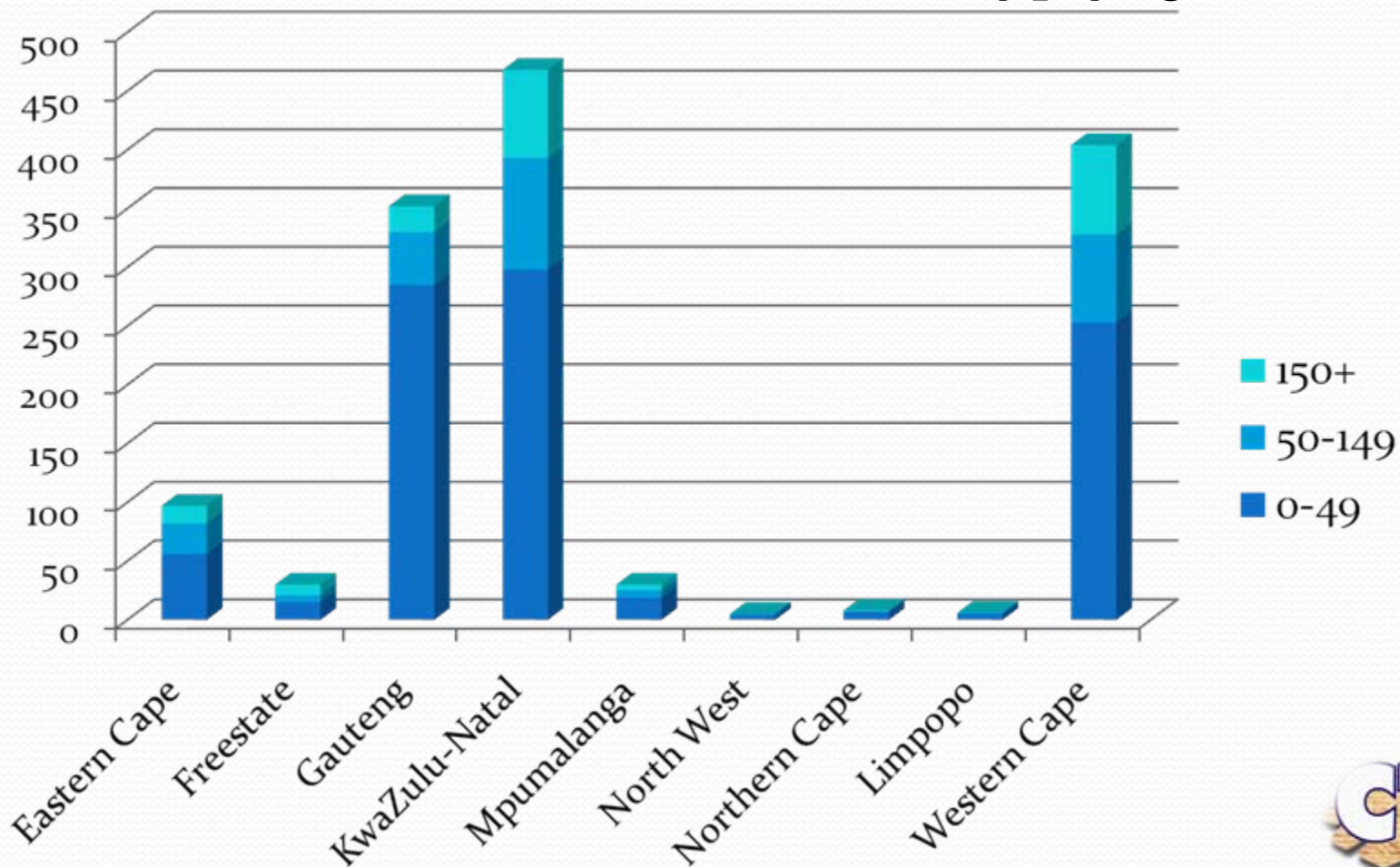
# Sector profile

Firms registered with the CTFL SETA via SARS



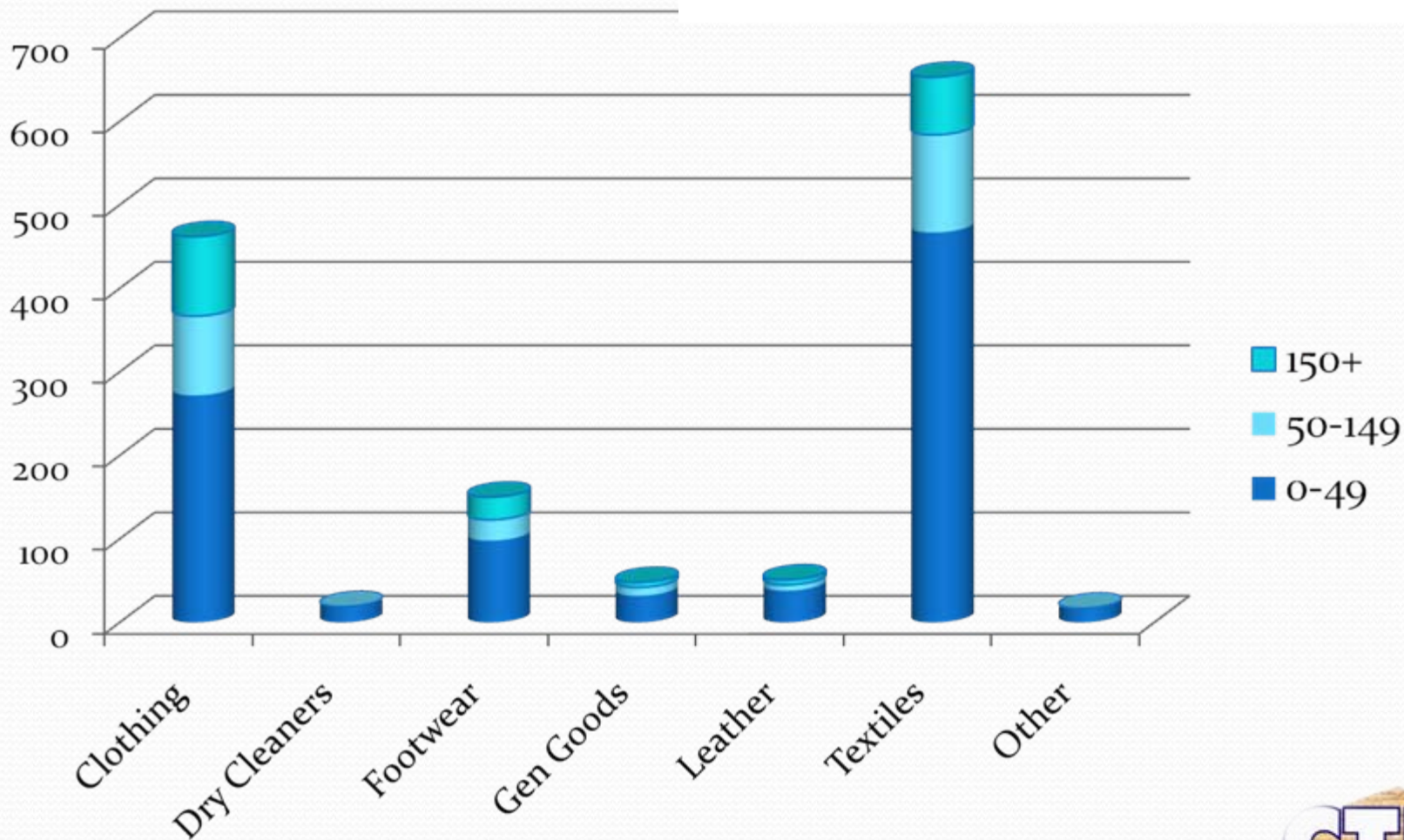
# Sector profile

Size of CTFL firms per region  
(Total 1400 levy paying firms - 2009/10)



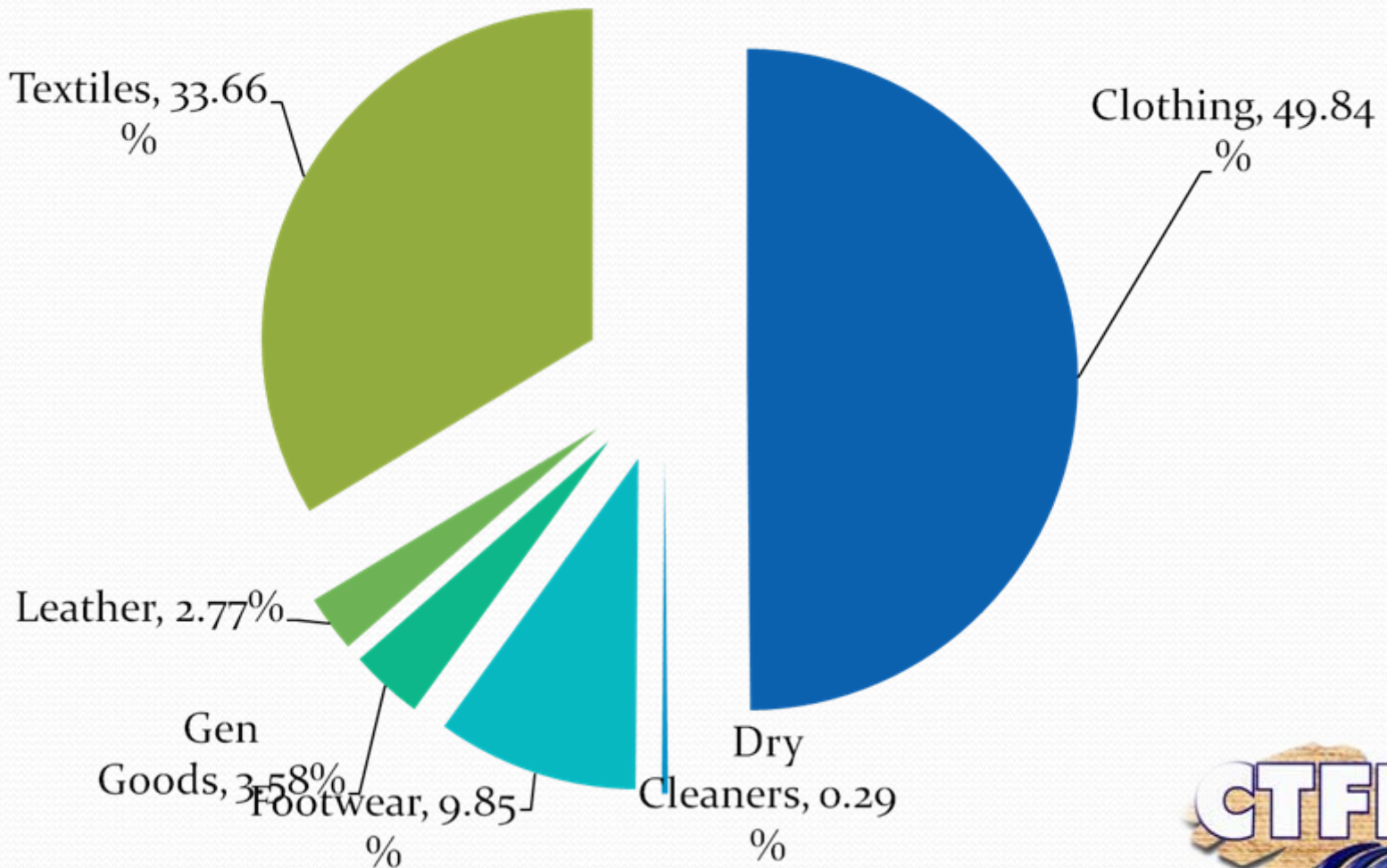
# Sector profile

Size of CTFL firms per sub-sector  
(Total 1400 firms - 2009/10)



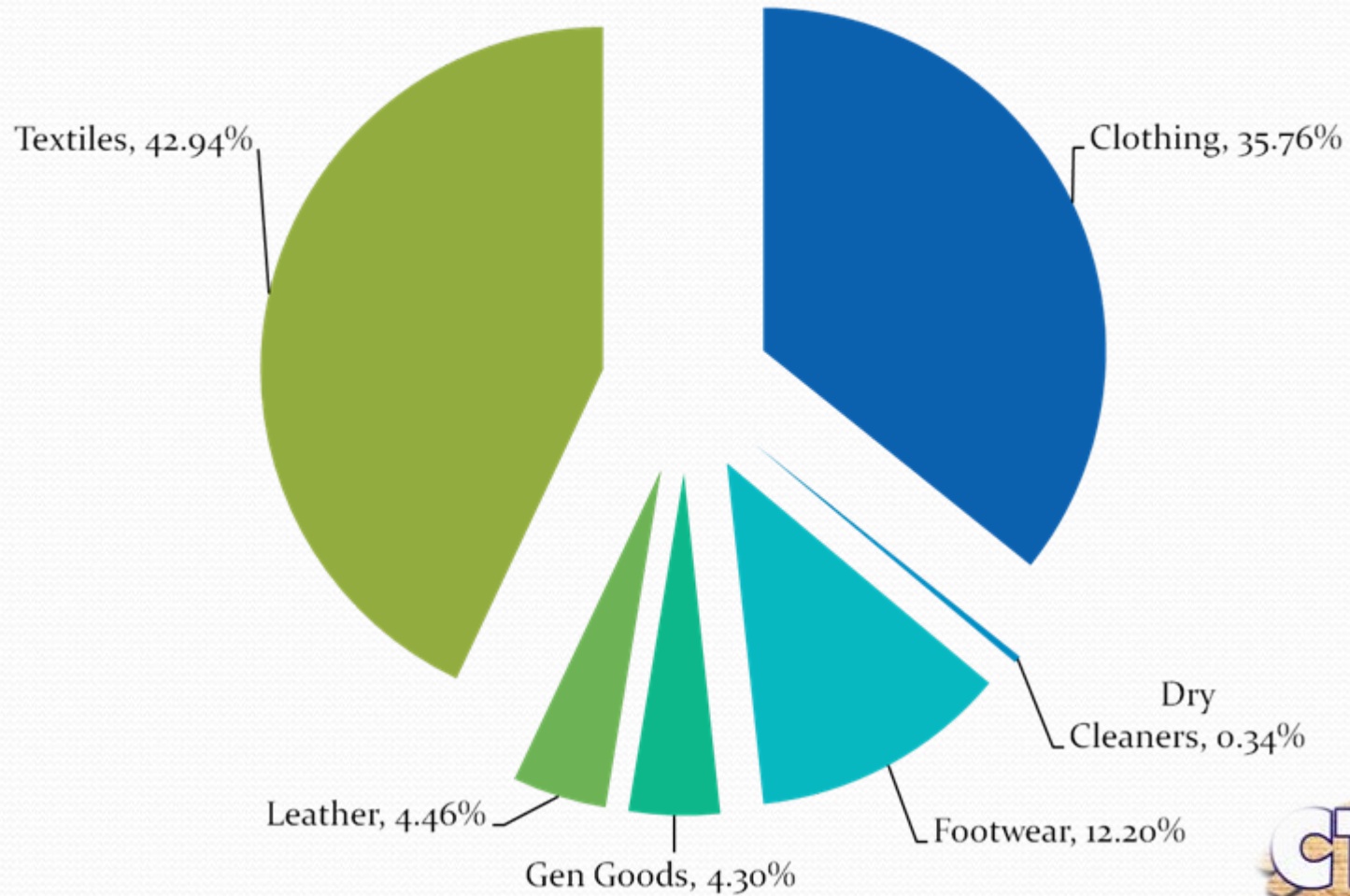
# Sector Profile

Employees in formal employment per CTFL sub-sector  
(Total 130 510 - 2009/10)



# Sector Profile

Levy income per CTFL sub-sector  
(Total R59 million - 2009/10)



# Sector profile

SIC Code	Total	Description
31111	32	Preparatory activities in respect of animal fibres, including washing, combing and carding of wool
31120	64	Finishing of textiles
31210	182	Manufacture of made-up textile articles, except apparel
31214	3	Manufacture of made-up textile articles and fibres except apparel
31220	43	Manufacture of carpets, rugs and mats
31230	13	Manufacture of cordage, rope, twine and netting
31231	2	Curtaining excluding where the core business of an enterprise is upholstery or furniture
31290	227	Manufacture of other textiles n.e.c.
31291	22	Manufacture of textiles, clothing, leather goods and other textiles nec
31292	16	Fashion clothing, textile and footwear manufacture and design
31300	48	Manufacture of knitted and crocheted fabrics and articles
31400	462	Manufacture of wearing apparel, except fur apparel
31500	7	Dressing and dyeing of fur; manufacture of artificial fur, fur apparel and other art
31610	44	Tanning and dressing of leather
31620	48	Manufacture of luggage, handbags and the like, saddlery and harness
31700	150	Manufacture of footwear
99010	19	Washing and (dry-)cleaning of textiles and fur products

# NSDS II Performance vs Targets 2009/10

- CTFL SETA interventions during 2009/10 to address NSDS II targets and other sector skills priorities.
  - Mandatory grants disbursed to firms that submitted Workplace Skills Plans and Annual Training Reports.
    - 80% of mandatory grant budget disbursed to 572 firms
  - Discretionary grants for employed learners on ABET, management development, technologist training, learnerships and critical/scarce skills programmes.
    - 663 workers registered
  - Discretionary grants for unemployed people on learnerships, technology programmes and work experience interventions.
    - 533 unemployed people registered





# NSDS II Performance vs Targets 2009/10

- Sector projects implemented in partnership with other organisations / donors:
  - Annual Cape Town Fashion Festival (Sactwu)
  - Continuous Professional Development of Clothing & Textile employees / students (KZN DEDT)
  - Clothing & Textiles Seminar Series (KZN DEDT)
  - Master Programme at Technical University of Liberec (KZN DEDT)
  - Learnership Implementation Project (W&RSETA)
  - Training Layoff Scheme (W&RSETA & NSF)



# NSDS II Performance vs Targets 2009/10

- Other sector projects funded from Discretionary Funding:
  - QCTO Qualifications Development (National impact)
  - Short courses – Patternmaking and Work Study (KZN)
  - Short Courses – Sewing Machine Mechanics, Sewing Machinists (Western Cape)
  - Textiles Technical Training Project (Western Cape)
  - Skills Programme - NQF Level 1 Clothing Manufacturing (Gauteng)
  - Cluster Training for small firms (Gauteng)
  - Short course – Absenteeism (Western Cape)
  - New Venture Creation Projects (KZN)
  - Support to Master Students at University of Stellenbosch (Western Cape)



Success Indicator	CTFL SETA Performance against Targets 2005-2010	SLA 5 Year Target	2005/06	2006/07	2007/08	2008/09	2009/10	Total / Average	Performance
1.2	Sector specialists trained in the use of the critical and scarce skills guide	840	20	411	156	178	146	911	108%
2.1	Large firms that received WSP/ATR grants	80%	76%	72%	80%	80%	70%	76%	94%
2.1	Medium firms that received WSP/ATR grants	60%	33%	49%	46%	54%	67%	50%	83%
2.2	Small levy paying firms supported by SETAs (incl other support )	40%	16%	9%	44%	63%	31%	32%	81%
2.5	Small BEE firms and BEE cooperatives supported by skills development	48	0	0	0	0	0	0	0%
2.7	Workers that have entered ABET programmes (level 1 - 4)	4569	901	836	309	952	175	3173	69%
	Workers that completed ABET programmes (level 1 - 4)	4569	0	0	277	109	384	770	17%
2.8	Workers that have entered learning programmes (learnerships, bursaries, etc)	1543	899	1235	426	598	488	3646	236%
	Workers that have completed learning programmes	772	38	26	647	396	315	1422	184%

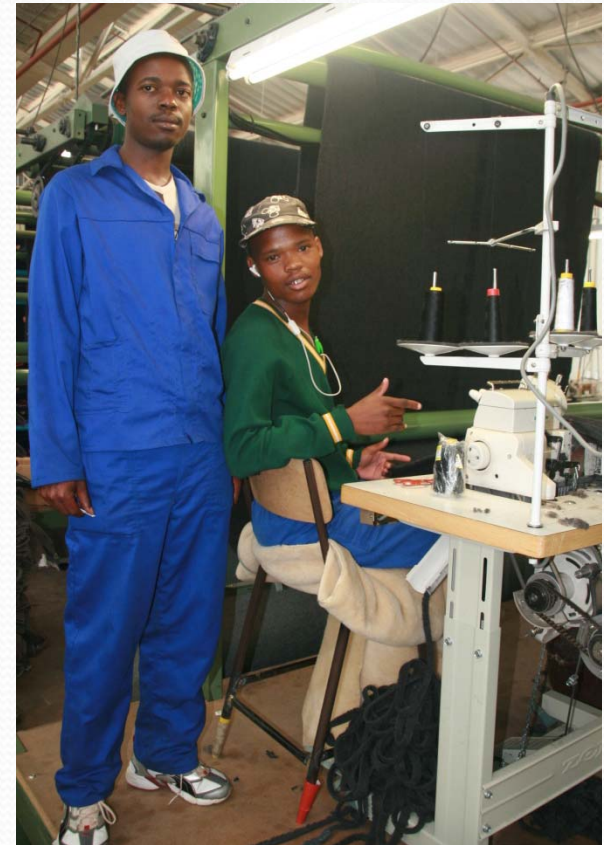
Success Indicator	CTFL SETA Performance against Targets 2005-2010	SLA 5 Year Target	2005/06	2006/07	2007/08	2008/09	2009/10	Total / Average	Performance
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3.2	No. organisations supported by SETAs (NGO's CBO's, Co-ops etc)	25	0	5	25	28	4	62	248%
4.1	Unemployed people that have entered learning programmes	1543	563	943	282	381	491	2660	172%
	Unemployed people that have completed learning programmes	772	52	112	566	459	452	1641	213%
4.2	No. of learners assisted to gain workplace experience grants	160	0	14	0	10	42	66	41%
4.3	No. of young people that have entered new venture programmes	123	5	15	39	23	0	82	67%
5.1	Institutions assisted, type of support and linked to criteria (not cummalative)	5	3	0	3	3	0	3	60%
5.2	Institutions accredited to manage delivery of new venture creation qualification. (not cummalitive)	2		3	3	0	3	3	150%

# Flagship projects during NSDS II

## CTFL LEARNERSHIP IMPLEMENTATION

- Since 2002,
  - Registered 51 learnerships with DoL
  - Registered **11086** learners (57% previously unemployed)
  - Graduated **6768** learners (61% successfully)
  - Placement in employment estimated at over 80% according to Tracer Study conducted



# Flagship projects during NSDS II

## CTFL LEARNERSHIP IMPLEMENTATION

- Accredited more than 70 Workplace Providers and 5 Host Training providers (Private FET Colleges registered with the DHET) to offer full qualifications at NQF level 1 & 2 to learners in the sector
- Established FET model to enable smaller firms in the sector to participate in learnership delivery through partnerships with Host Training Providers
- Entered into MOUs with 7 Public FET Colleges to offer full industry qualifications at NQF Level 1.
- Accredited 5 NLPs / CBOs to offer skills programmes



# Flagship projects during NSDS II

## CAPE TOWN FASHION FESTIVAL

- Annual initiative by labour constituency Sactwu to promote the local clothing, textile and design sectors.
- Forms part of SACTWU's programme to save jobs and promote and develop the fashion manufacturing industry, embracing clothing, textile, leather and footwear.
- Incorporates a graduation ceremony for CTFL learners who successfully completed their learnerships.



# Flagship projects during NSDS II

## WOMEN IN LEADERSHIP

- Regional events held in Gauteng, Kwazulu Natal and Western Cape
- Purpose was to recognise women and highlight the role of women leaders
- Women of the Region was elected in each area to acknowledge the contributions made in the workplace and social environment.





# Flagship projects during NSDS II

## LEARNING PROGRAMME FOR DISABLED PEOPLE IN SHELTERED EMPLOYMENT

Project conducted by SA Lues in sheltered employment factories in Cape Town and Johannesburg



- Purpose - to develop sewing and clothing construction skills for potential entrepreneurs.
- 18 disabled learners were verified as competent against an NQF aligned credit bearing skills programme



# Flagship projects during NSDS II

## QCTO QUALIFICATIONS DEVELOPMENT

- CTFL ETQA took early initiative to commence with development of occupationally directed qualifications for registration on the Occupational Qualifications Framework
- 24 qualifications linked to 5 occupations on the OFO
  - Clothing, Textile and Leather Goods Production Operator
  - Footwear Production Machine Operator
  - Leather Processing Machine Operator
  - Textile Dry Process Production Operator
  - Textile Wet Process Production Operator
- Awaiting QCTO process in order to register qualifications



# Collaboration projects during NSDS II

## TEXTILE SCIENCE MASTERS PROGRAMME

18 SA students achieved their Masters Degree in Textile Science at the TUL in the Czech Republic in July 2010.

Projects were funded by KZN DEDT and CTFL SETA



Purpose: to build academic, research and product development skills in CTFL sector to ensure a sustainable and competitive industry. 2<sup>nd</sup> and 3<sup>rd</sup> groups have commenced studies and are progressing well.

# Collaboration projects during

## NSDS II

### CPD AND SEMINAR SERIES

- Projects funded by KZN DEDT
- CPD programme
  - 6 weeks programme at the TUL in Czech Republic attended by students/employees in the clothing & textile sector (50 in 2009 and 25 in 2010)
  - Students attended lectures on new developments in the clothing and textile international market and received exposure to world class manufacturing operations / academic tutoring.
- Clothing & Textile Seminar Series
  - 3 week seminar series conducted in South Africa in 3 regions in order to enhance the technical skills profile of the industry through the diffusion of skills and knowledge from international institutions. 1020 delegates attended in 2009.



# Collaboration projects during NSDS II

## W&RSETA COLLABORATION PROJECTS

- Learnership Implementation Project
  - Funded by W&RSETA to tune of R3,5 million
  - Utilised towards learnership grants to register 150 unemployed people on CTFL learnerships
- Team Leader Development Project
  - Funded by W&RSETA to tune of R1,5 million
  - Utilised towards management development grants to register 150 supervisors and employees earmarked for development on Team Leader Development skills programmes



# Collaboration projects during NSDS II

## TRAINING LAYOFF SCHEME IN THE CTFL SECTOR

- Purpose: to assist companies experiencing financial difficulties to equip staff earmarked for possible retrenchments with transferable skills in order to make them more employable / more productive.
- Funded by CTFL SETA , W&RSETA and NSF
- Training commenced in 5 clothing and textile factories in Uitenhage, Newcastle, Durban, Port Elizabeth and Cape Town
- 1435 beneficiaries / participants
- Implementation strictly monitored by the CTFL SETA Council



# CTFL SETA Financial Overview

## 2009/10

- 10th unqualified audit
- No material matters reported for 2009/10
- Received permission from Minister of Higher Education and Training to exceed 10% legislative provision.
  - Due to 262% increase in Auditor General's fee
  - Due to decrease in levy income resulting from economic climate and challenges faced by CTFL manufacturing firms



# CTFL SETA Financial Overview

## 2009/10

- Cost Cutting Measures introduced:
  - Relocated Cape Town regional office to cheaper premises and negotiated cheaper rental rates at our offices in KZN and Gauteng.
  - Salary increases in November 2010 budgeted at 6.5%.
  - Staff training aligned to mandatory grant allocation. Discretionary grants and bursaries from ETDP SETA are used as top up.
  - Utilisation of external consultants limited - internal staff has capacity to handle key performance areas.





# CTFL SETA Financial Overview

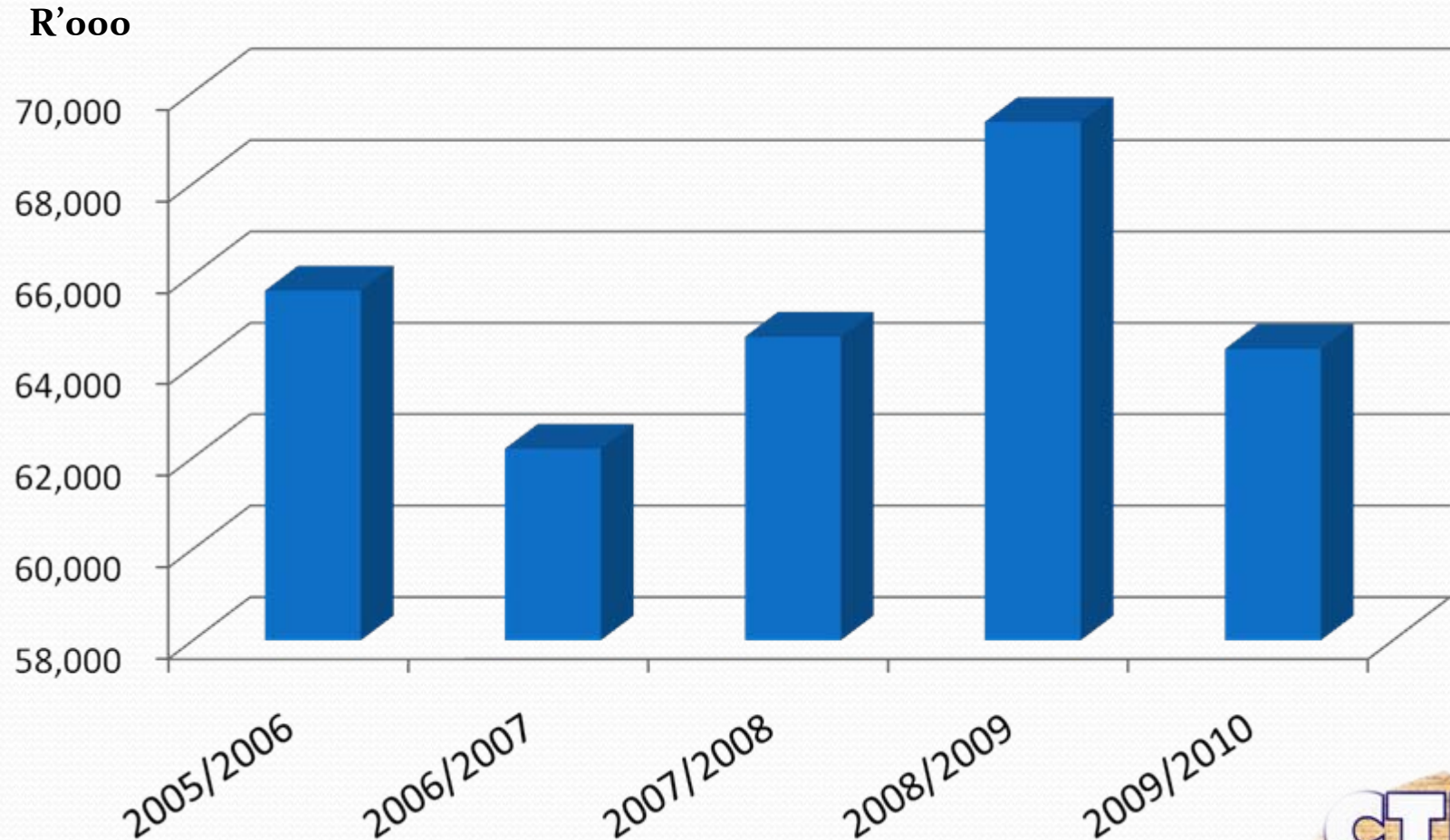
## 2009/10

- **Cost Cutting Measures (cont):**
  - Internal capacity strengthened through the utilisation of interns/work experience candidates.
  - Expenses such as telephone, stationery, computer support/repairs and staff travel are carefully managed to reduce day to day running costs.
  - Office machinery, equipment & furniture well-maintained to extend lifespan & prevent early write-off.
  - Negotiated with service provider to not increase the cost for MIS system and support.

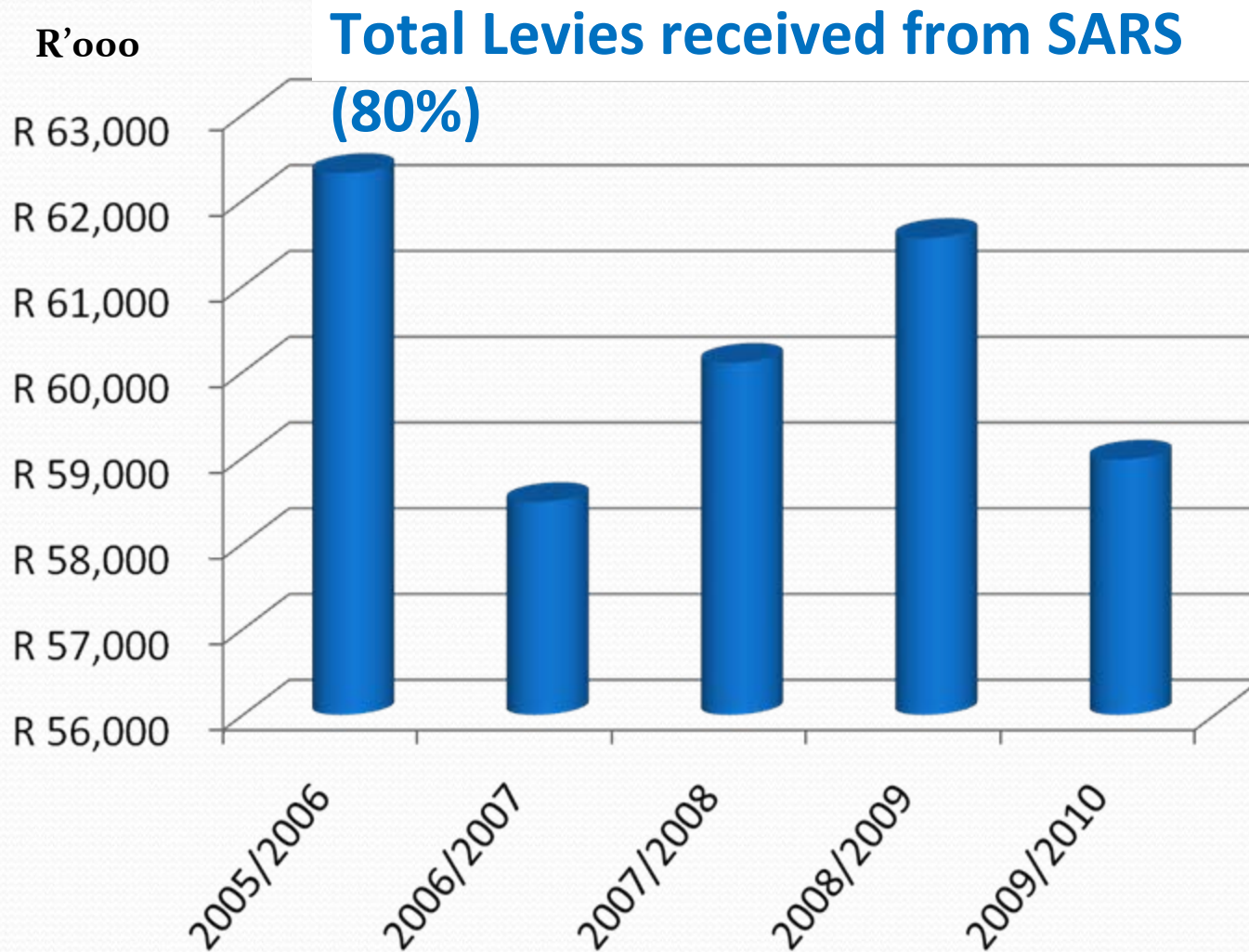


# CTFL SETA Financial Trends – NSDS II

## Total Income

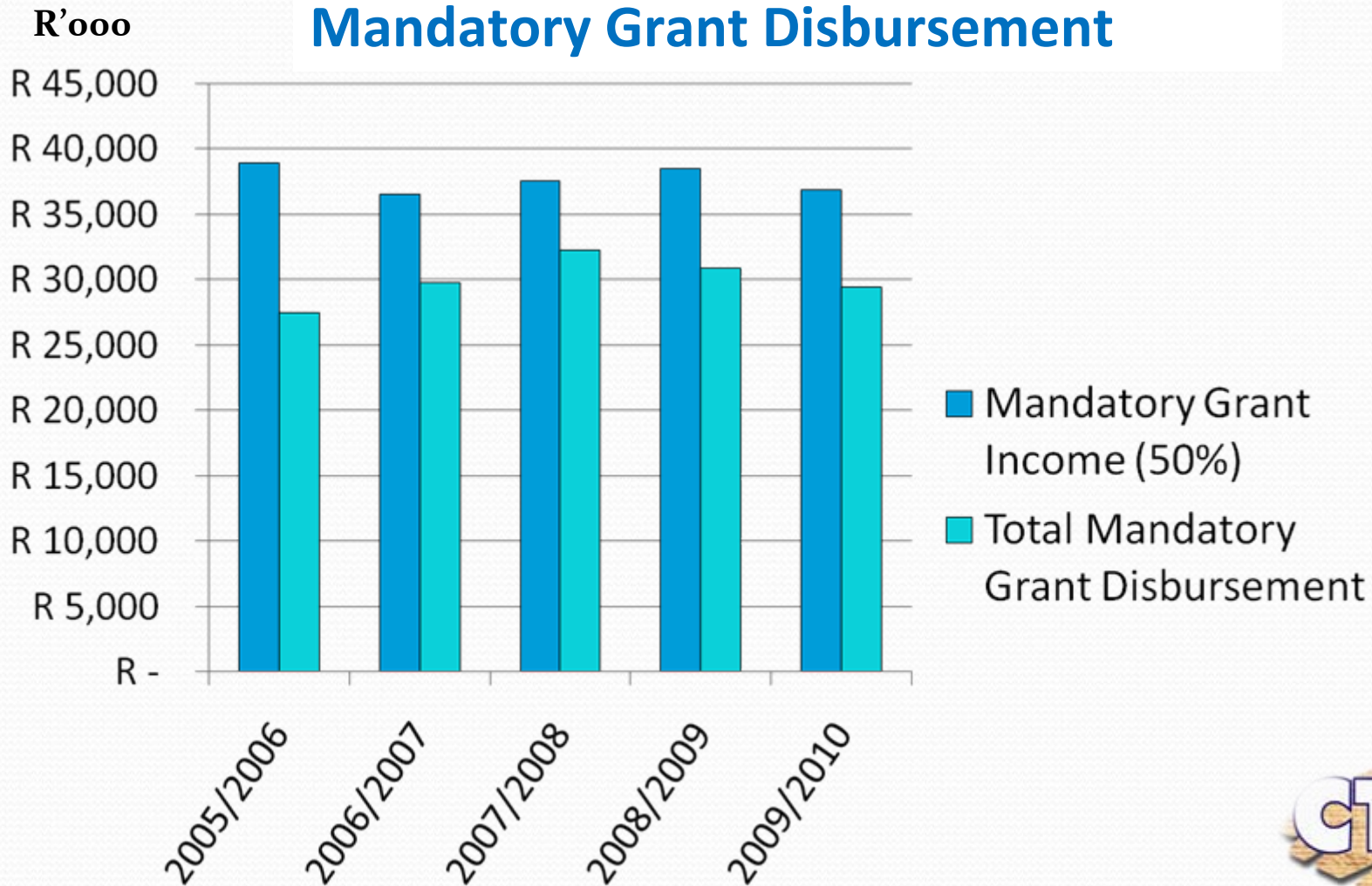


# CTFL SETA Financial Trends – NSDS II

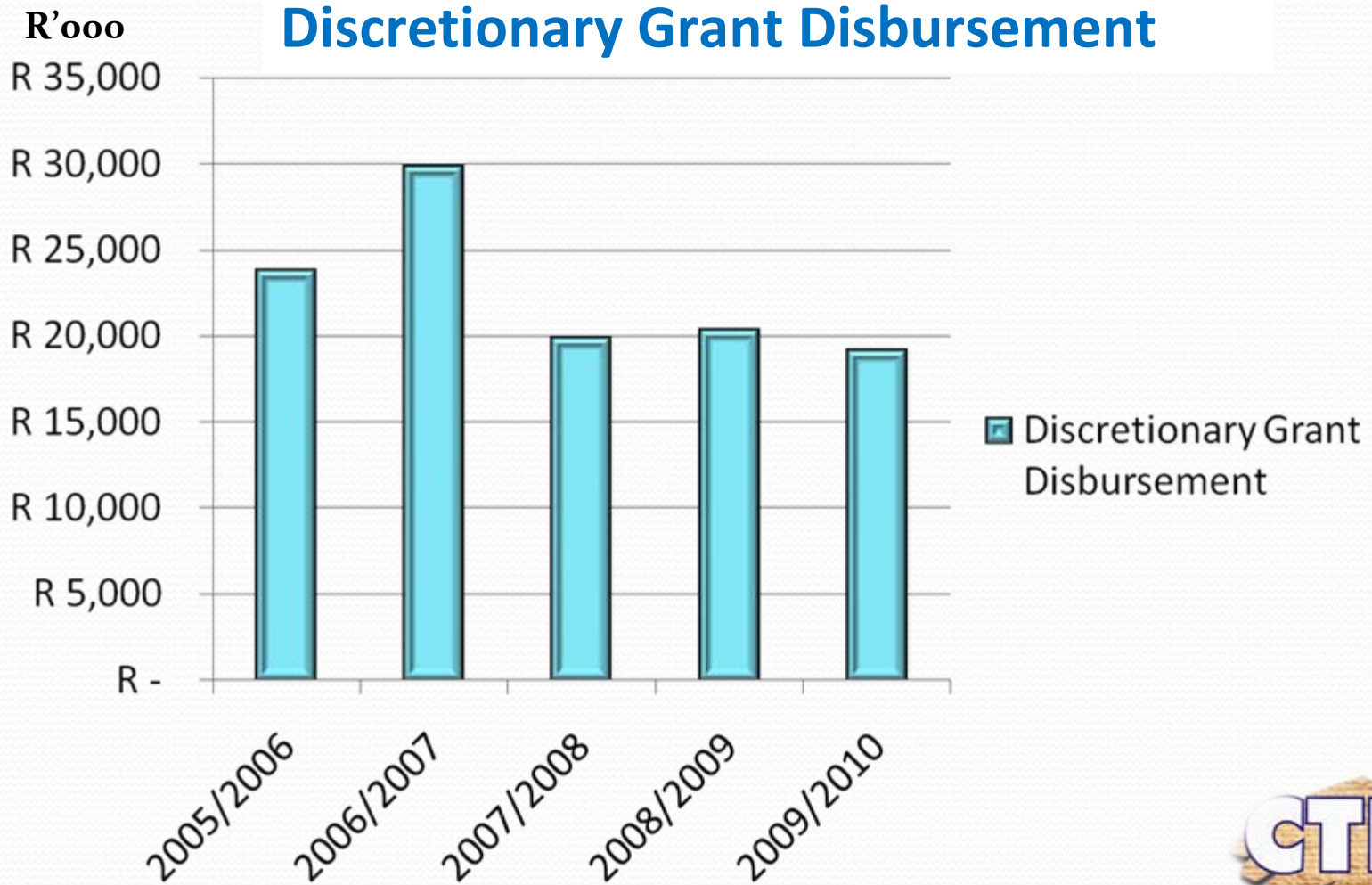


# CTFL SETA Financial Trends – NSDS II

## Mandatory Grant Disbursement



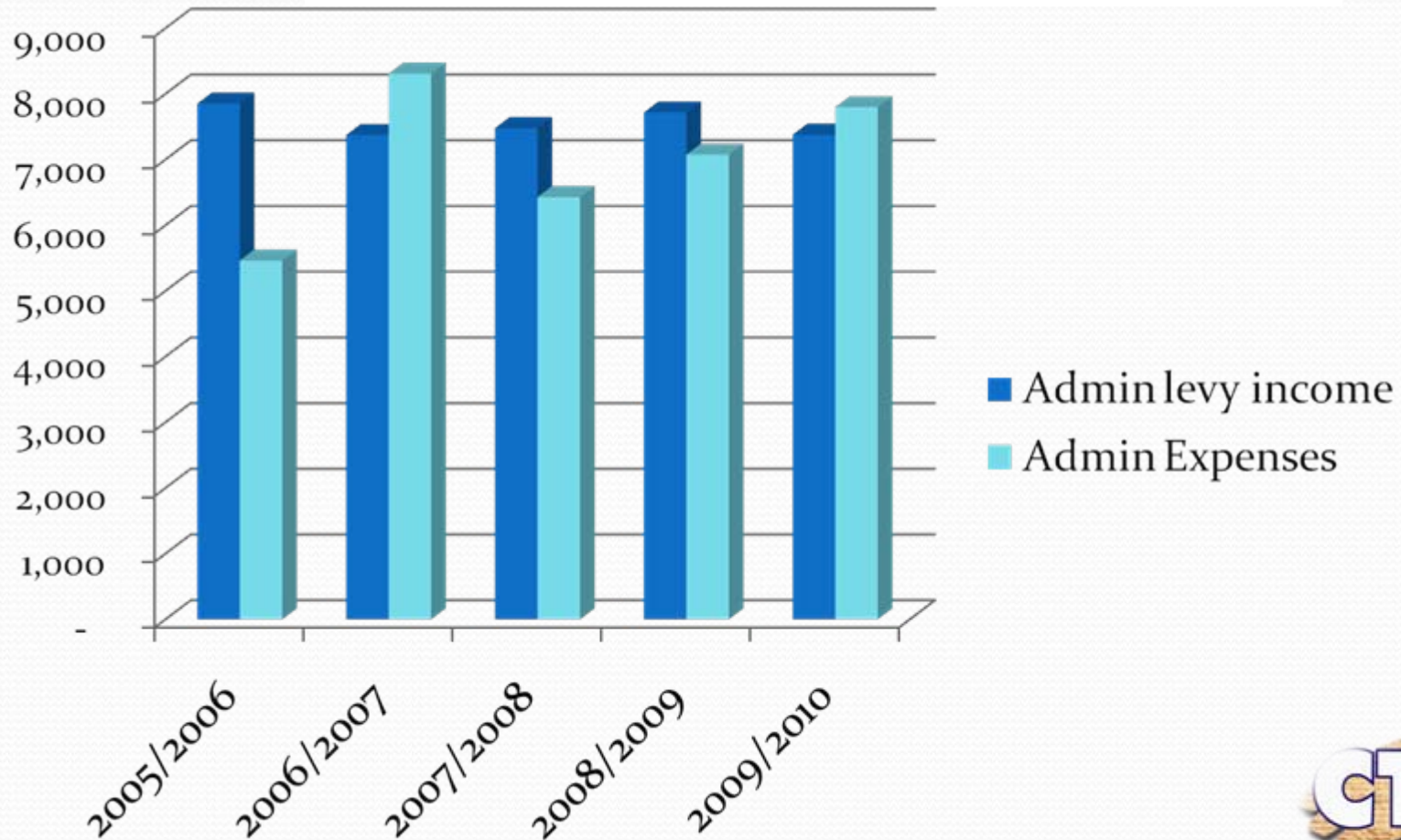
# CTFL SETA Financial Trends – NSDS II



# CTFL SETA Financial Trends – NSDS II

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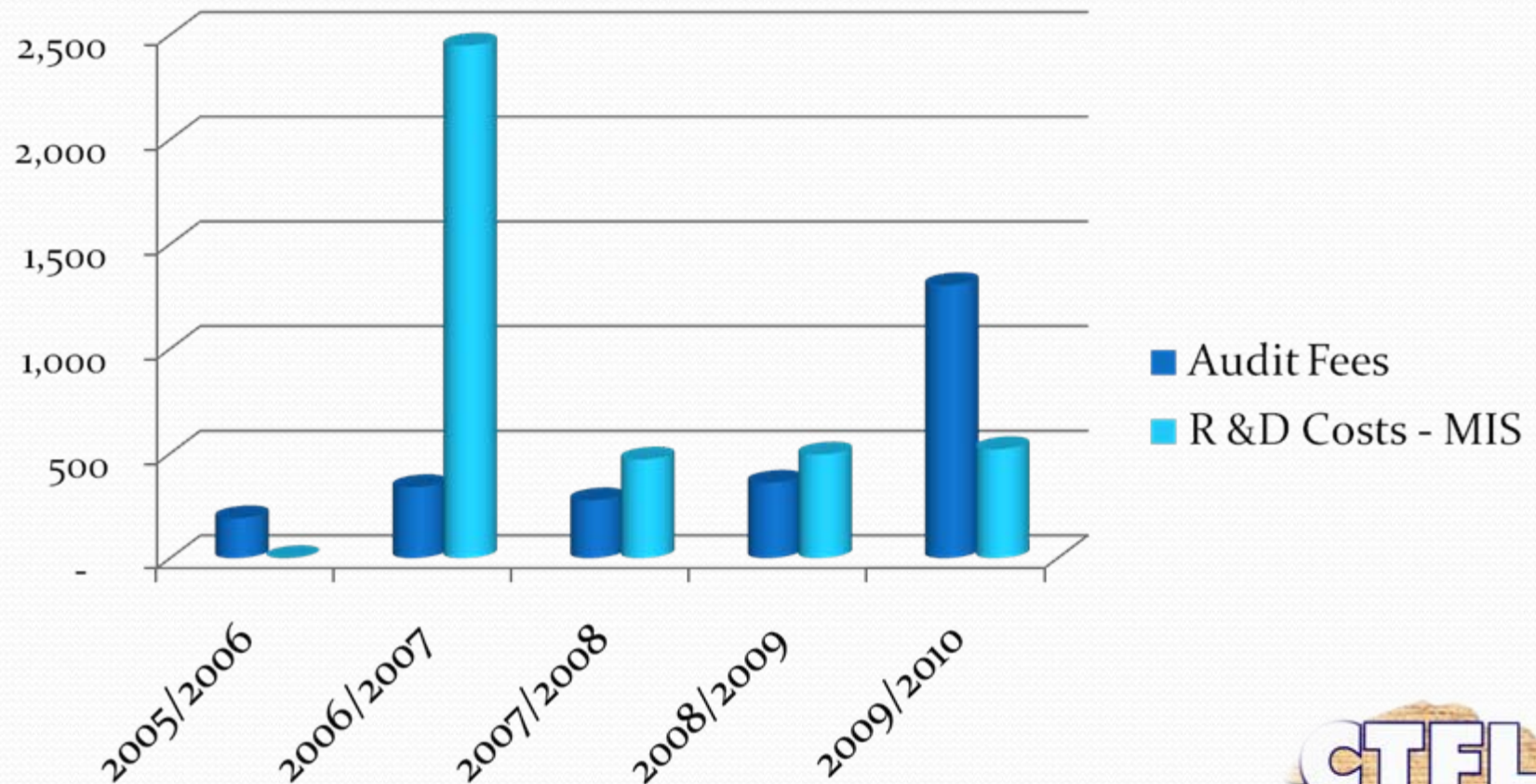
## Admin Expenditure



# CTFL SETA Financial Trends – NSDS II

## Audit Fees and R&D Costs (MIS)

R'ooo



# CTFL SETA & NSDS III

- Conclusion
- CTFL SETA Stakeholders are anticipating the Minister's announcement of the new SETA landscape and NSDS III.
- Given the SETA's limited resources and the economic challenges faced by the CTFL sector during NSDS II, the CTFL sector has performed well in meeting the demands of the National Skills Development Strategy.
- Looking ahead at NSDS III, the CTFL SETA Council has already embraced the new strategy in its draft Strategic Plan and will continue to drive skills development in the sector.





# CTFL SETA & NSDS III

- Conclusion
- This will be done in line with the government priorities as outlined in the MTSF.
- It is anticipated that the new economic policy and National Industrial Policy Framework should assist the CTFL sector to become more competitive and sustainable in the medium to long term.

THANK YOU

