

SUBMISSION ON
Skills Development Amendment Bill
[B16-2011]



**National Education Health and Allied
Workers' Union**

**Submitted to Portfolio Committee on Higher
Education and Training**

7 November 2011

1. Introduction

NEHAWU welcomes and supports this Bill as an initiative by the Department of Higher Education and Training to drastically improve the skills of people, particularly young people so as to increase their levels of employment and productivity.

Education, vocational training and lifelong learning are central pillars of the Decent Work Agenda and contribute to reduce poverty. In our understanding the promulgation of this Amendment Bill is necessitated by the need to contribute to the achieving of the Millenium Development Goal pertaining to the reduction of poverty.

We are mindful of that fact that South Africa has an acute problem of youth unemployment which would require a multi-pronged strategy to raise employment and advance the developmental state. Recent figures indicate that approximately 42% of young people under the age of 30 are unemployed against less than 17% of adults over the age of 30. Yet 34% of companies are reported to link restricted growth to skill shortages.

NEHAWU believes that government is correct to entrust skills development responsibilities with the Department of Higher Education and Training and is gratified at the progress in skills development since this relocation. The capacity levels in the Department of Labour to create synergy with the Higher Education (HE) and Further Education and Training (FET) sectors has historically been a weak link in the post schooling education system.

NEHAWU sees the promulgation of the Amendment Bill as a further building block towards the integration of skills development into the Higher Education and Further Education and Training sectors as part of a cohesive post-schooling system.

2. NEHAWU Perspective

The area of Skills Development is key to the emancipation of the working class from economic bondages and must not be subsumed to Higher Education and Further Education and Training but rather be seen as an important element in the troika of the Department of Higher Education and Training.

Implementation of skills development interventions must not only challenge existing power relations both in the workplace and more widely, but must also take centre stage in our transformation agenda particularly focusing on economic and societal needs. Unless ordinary workers see a vigorous programme of action in the skills development sector and see this programme as an important way of transforming their lives, the goals of the National Skills Development Strategy III will not be realised.

South Africa is experiencing a massive skills shortage, particularly in intermediary technical and vocational skills. This skills shortage underpins many of the challenges faced by South Africa, in particular those challenges of service delivery, expansion of decent work and social justice with which the government has to contend.

We contend that there is now space in which to engage with Government in the skills revolution for our country spanning all sectors of the economy to ensure uniformity in quality and to protect the integrity of standards. The Skills Development Amendment Bill, together with the restructuring of the SETAs which is contained within this Bill, opens new vistas and opportunities for ensuring a smooth flow from education to work and vice versa where

workers in both formal and informal economy can return to study to upgrade their knowledge and qualifications for improved incomes.

Government has made a commitment to ensure the development of skills through the expansion of the FET enrolment to achieve a target of 1 million graduates by 2014. NSDS III section 4.3.2.2 speaks to the need for SETAs to identify FET colleges with relevant programmes and to put in place partnerships to offer vocational courses and work experience for college learners. NEHAWU believes that through harnessing the funds from the skills levies which sit with the SETAs and ensuring the creation of dynamic linkages between the FET Colleges and the SETAs, this target is more likely to become a reality.

We believe that the Minister for Higher Education and Training and the Government have been correct to identify this area as a major weakness in terms of delivery and one that is in dire need of intervention and correction.

3. THE SKILLS DEVELOPMENT AMENDMENT BILL, 2011

NEHAWU is gratified that the Skills Development Amendment Bill 2011 has been consulted by the Department of Higher Education and Training with the Business, Labour and Community constituencies in the Development Chamber at NEDLAC.

NEHAWU accepts that the major intention of the Bill is to ensure that all provisions relating to the establishment, amalgamation and dissolution of the SETAs are provided for in legislation.

We are in support of the included prohibitions of potential conflicts of interests by SETA Accounting Authority (as the Board is now called) members or SETA staff and their conducting business with the SETA concerned. We believe that, as public funds are involved in SETAs, it is correct this Bill should make reference to the Public Finance Management Act. We are in strong support of all measures to prevent, prohibit and root out any acts of corruption at all times. We firmly believe that serious cases of corruption, maladministration, wasteful and fruitless expenditure and failure to spend budgets have occurred frequently in the SETAs and that these need to be dealt with as a matter of urgency.

We acknowledge the importance of the proposed options to merge SETAs more so given the current disfunctionality of many of them. However we are concerned about how such processes would be undertaken and emphasise the need for the sectors and the trade unions to be included by the Department in such determinations and processes.

NEHAWU strongly supports the provision of a uniform structure for all SETAs as part of the Department's efforts to ensure required standards of accountability and good governance are achieved and adhered to. In addition, we contend that the definition of constituencies, members of the Accounting Authority and eligibility of members of the Accounting Authority contained in Annexure 4 of Schedule 5 have been well conceptualised and are well placed in legislation concerning the governances of SETAs.

We have witnessed past practice in some SETAs where Boards have been enlarged providing for the inclusion of representatives of sectors whose connection to the SETA was at times somewhat vague. We believe that this practise has allowed for the misuse of SETA funds through preferential allocation of grants to private providers too closely connected with Board members.

We contend that the new structure will also promote the fostering of synergies and partnerships between the SETAs and the public Further Education and Training Colleges which can only serve to strengthen the FET Colleges and focus the key function of grant distribution of the SETAs on their developmental priorities.

In addition, NEHAWU maintains that the appointment by the Minister of Higher Education and Training of independent chairs of the Accounting Authority as well as two (2) Ministerial representatives on each Accounting Authority will certainly provide a stronger independent oversight capacity within the SETA governance structure.

We believe that persons should not be allowed to serve on more than one SETA Accounting Authority so as to ensure that representatives can focus their attention on that SETA and to avoid a situation where persons may seek to be on numerous Boards as a form of income. This principle of focused and spreading of leadership and representation should also apply to the National Skills Authority Board. Multiple deployments should be guided by strategic and principled motivations and not to empower individuals.

We are concerned with the proposed amendment with regards to the proposed deletion of the important functions of "Employment Services" and its mandate of "advising and counselling workers on career choices, assessment of work seekers, the reference of workers to employers and training providers, assisting workers to find work, retrenched workers to re-enter the labour market and employers to find qualified employees." Whilst such tasks may be best suited to the Department of Labour they are also closely linked to the work of the SETAs. The way forward in this regard needs to be clearly indicated. Given the dire levels of unemployment in South Africa and the need for close collaboration between the SETAs and the trade unions; such employment services need to be provided for in the mandate of the SETAs and not simply deleted from the Act. There is also a fundamental need for continued complementary collaboration between the Departments of Labour and Higher Education and Training and the SETAs.

4. CONCLUSION

NEHAWU believes that there is an urgent need to deal with the numerous and severe challenges facing skills development in South Africa and in particular the roles of the SETAs in this sector. We believe that this Amendment Bill is part of the necessary efforts to address critical shortcomings in this sector and that it will impact positively on the whole post schooling system. We again commend the effort of the Department of Higher Education and Training in ensuring that the Skills Development Amendment Bill was fully consulted in the NEDLAC Development Chamber.