

Heita SETA

an introduction

Bulletin: What legislation governs the establishment of Sector Education and Training Authorities (SETAs)?

Morotoba: The legislation governing the SETAs is the Skills Development Act (SDA), 97 of 1998 and the Skills Development Levies Act (SDLA), 9 of 1999. Before, training was governed by the Manpower Training Act of 1981 and employment services were governed by the Career Guidance and Placement Act of 1981. Both these acts have been repealed with the introduction of the two new acts.

Bulletin: Why was it necessary to change from industry training boards (ITBs) to SETAs?

Morotoba: Firstly, the 33 ITBs covered a narrow industry scope as they were established along industry lines. Secondly, the establishment of ITBs was likely to continue rapidly and we could have ended with 100 to 150 ITBs. Thirdly, there was a lack of co-ordination and a serious amount of duplication amongst ITBs. Fourthly, most ITBs' scope of training coverage was narrow as they focused mainly on artisans. Fifthly, South African Qualifications Authority (SAQA) legislation determines that a distinction should exist between training provision and quality assurance. Some ITBs were setting standards, providing training and conducting quality

Etienne Vlok interviews Sam Morotoba, executive officer of the National Skills Authority, on the establishment of SETAs.

assurance. Sixthly, the ITBs were not overly representative, with most only recently including employees on their boards. Seventhly, government departments were not participating in the activities of the ITBs and we wanted to ensure that a partnership exists between the public and private sectors.

Bulletin: How does the National Skills Authority (NSA) relate to SETAs and how is that different to how the National Training Board (NTB) related to the ITBs?

Morotoba: The relationship between the NTB and ITBs was never tightly defined in the legislation. The NTB never had formal meetings with ITBs although it provided advice to the minister on matters relating to apprentices and ITB levies. The SETA-NSA relationship is defined in terms of the SDA: the NSA is required to liaise with SETAs on policy, strategy and implementation. Because the NSA will advise the minister on policy it will have to interact with the SETAs as its advice will be based on information from the SETAs.



Sam Morotoba of the NSA.

Bulletin: *How will SETAs operate?*

Morotoba: Each SETA will consist of a board or council elected from employers, employees, the relevant government department, professional bodies and the bargaining council. It will have a staff complement as proposed in the SETA business plan, a CEO, a head office and provincial offices. SETAs will do skills planning; develop sector strategies; implement skills development policy; and design, register and manage learnerships in their sectors. They will play a major role in assuring quality of learning and disbursement of funds to employers who comply with the training grants guidelines. SETAs will also liaise with the NSA on policy matters relevant to their sector. They will provide information to employment services regarding vacancies, retrenchments and training opportunities. They will also produce reports and databases. In the interim SETAs will also

take most ITB functions to ensure a smooth transition.

Bulletin: *To whom are the SETAs accountable?*

Morotoba: A SETA council or board is primarily accountable to the constituencies in its sector. SETAs are also accountable to parliament via the Minister of Labour.

Bulletin: *How will the SETAs set up skills profiles?*

Morotoba: The Skills Development Planning Unit (SDPU) was established in the Department of Labour to assist SETAs to develop sector skills profiles. It has developed standards and training materials for the training of Skills Development Facilitators (SDFs). The SDFs will assist companies to develop company plans and also assist them in submitting such plans to the SETAs for consolidation.

Bulletin: *Should SETAs ensure that training takes place or do training themselves?*

Morotoba: Contrary to the ITBs, SETAs will not provide training, but they will play a major role in assuring quality learning. SETAs will design learnerships aimed at complementing the apprenticeship system. Because of the abolition of ITBs, some SETAs may end up with a training function as they have inherited this function from the ITBs. The Act requires SAQA to accredit SETAs to perform the quality assurance function. Before accreditation, SETAs will have to relinquish learning provision responsibilities. SETAs will advise NSBs on qualifications and encourage its members to participate in the standard generating bodies' processes.

Bulletin: *SETAs are required by law to perform education and training quality assurance (ETQA). What does this mean?*

Morotoba: A SETA is responsible for ensuring that education and training provided to learners within its sector is of good quality and is relevant to the sector. They are also responsible for ensuring that programmes meet standards and that certificates are issued on the achievement of appropriate credits. SETAs will ensure that educators are properly qualified; confirm that the education and training is in line with the standards set by SAQA; and register assessors.

Once a SETA is established it will have 18 months to be accredited in terms of the SAQA Act. As a transitional measure, SETAs will assume responsibility over ITB quality assurance obligations or request SAQA to oversee that function.

When it has received the quality assurance status from SAQA, the SETA will be able to perform quality assurance and accredit industry and private centres to provide training.

The SAQA regulations state that quality assurance bodies will be established in three sectors: the education, social and economic sectors. To ensure quality in all learning, SETAs will have to interact with both the social sectors and education sector.

Bulletin: *Who will be on the SETAs' boards?*

Morotoba: The Act specifies that in terms of composition there must be equal representation for employers and employees. It also makes provision for the relevant government department to be on the board where appropriate.

The other stakeholders on the board are professional bodies and bargaining councils. Lastly, the SETAs can accommodate NGOs and interest groups on special sub-committees or chambers. Voting will be governed by the constitutions of the SETAs.

Bulletin: *How will the different constituencies' roles differ in the SETAs?*



SETAs will guarantee the quality of training that learners receive.

Morotoba: The constituencies' interests will determine their roles. They will want to ensure that the SETA addresses their specific interests. For example, the trade unions will want the learning to empower their members; to help the members move up grading systems; and to increase the members' mobility between workplaces and industries.

Business will want returns on their investments; a competent workforce which can produce quality products or provide good service; and skilled workers to assist them to become more productive and competitive. Government will want the standards to meet national benchmarks and the qualifications issued to be based on national set credits. It will also want education and training to contribute to the development of the economy so as to attract foreign investment and create jobs. A skilled nation will reduce the burden on the state because people can create their own jobs and will therefore not be looking for somebody to employ them. This will increase the tax base.

Also, if less people are dependant on the state, the revenue will increase. The NGOs will continue to sensitise SETAs to issues which affect groups such as people with disabilities, people in rural areas, different age groupings and SMMEs. Professional bodies will want to maintain certain ethics in their professions; ensure it is held in high esteem; keep a register of the people in the field; and ensure good conduct in that profession.

Bulleth: *How will the SETAs be funded?*

Morotoba: The SETAs will be funded using part of the 0,5% of payroll levy paid by employers. The South African Revenue service (SARS) will collect the levy from all employers eligible to pay the levy every

month. Eighty percent of the total levy collected within the sector will be transferred to the SETAs.

The SETAs may not use more than 20% of the total money transferred to them for administration and an additional 10% for developmental costs. The remaining 50% will be distributed back to employers if they adhere to certain conditions. SARS will transfer the other 20% to the National Skills Fund (NSF) to assist in financing national priority programmes. A SETA or a company under a SETA can still get a portion of the NSF money if it undertakes programmes for special interest groups, such as people with disabilities.

Bulleth: *How will a learner benefit from a SETA?*

Morotoba: The quality of the training the learner receives will be guaranteed; the qualification will empower the learner to enter the labour market; during the process of learning the learner will be protected from being used as cheap labour; and the learner will benefit financially through minimum allowances. At the end of the programme the learner will have the necessary work experience to enter formal or self-employment.

Bulleth: *Will SETAs benefit not only those in formal employment but also the unemployed and those in informal employment?*

Morotoba: SETAs are certainly not meant for people in formal employment only. While the formal sector is likely to remain their primary focus, incentives were established through the NSF to focus on target groups. The different constituencies in a SETA have an equal responsibility to ensure that their board addresses the needs of those marginal sectors. The

Department of Labour and other donors' funds would be used effectively to provide additional incentives. I also believe that incentives in the form of competitions and awards to the best SETA with programmes for the unemployed and those in SMMEs, would assist in changing the focus. One cannot completely rule out using coercive measures as a last resort in the light of continued disregard to these groups' interests.

Bulletin: *Will the SETAs be covering the most vulnerable workers, especially farm and domestic workers?*

Morotoba: Some farmworkers will fall under the Primary and Secondary Agricultural SETAs. Some domestic workers in cleaning industries are to fall under the Services SETA. The question of their vulnerability cannot be solved by the SDA only. That is why we rely on the BCEA, other government department incentives, the strength and organisation of the unions in that sector and the employers' commitment to skills development. Most farmworkers and domestic workers will benefit from training programmes funded by the NSF because their employers are likely to be below the threshold of R250 000 payroll per annum. Such employers are exempted from paying the levies.

Bulletin: *What do you want to see from SETAs in five years time?*

Morotoba: I would want to see South Africa being rated very high in the World Competitiveness Report in terms of the availability of skilled labour and competitiveness. This will ensure prospective investors are certain about the levels of skills we have in this country. I will



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be happy to see SETAs having contributed towards rising productivity and employment levels. The over-dependence on the state will decrease because we will have citizens who are self-employed and not looking at the state for job creation. We have raw materials but our skills have been inefficient to manufacture products out of it. When I see the amount of raw materials being processed locally increase because of the abundance of skills then I will know we are making a difference to the majority of our population. I will be happy to see the majority of employers in our country behind their SETA flag saying 'we can'. I will be happy to see individuals in self employment schemes saying 'I can, I made it because of a SETA'. Only then will I know that we are making a difference to the majority of our people. ★