



merSETA

MANUFACTURING, ENGINEERING
AND RELATED SERVICES SETA

**merSETA FOLLOW-UP FUTURE SKILLS
DEVELOPMENT RESEARCH PROJECT FOR THE
MOTOR CHAMBER.**

**REPORT 3 & 4: PILOT PROJECT (THIRD
REPORT) AND CONSOLIDATED REPORT
(FOURTH REPORT)**

Resubmitted: 13th March 2015

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THIRD REPORT: PILOT PROJECT

EXECUTIVE SUMMARY

This report summarizes the findings of a research project to determine actual skills requirements in relation to the identified change drivers within the various geographical and market sectors to determine what type of motor skills sector skills are required in those areas.

Four focus groups were held during which industry experts were consulted on future skills requirements. Expert opinions were received on the following questions:

- Do you have any contributions to the 2020 landscape?
- What impact will the 2020 assumptions have on skills requirements?
- Please indicate any changes to existing and Future skills requirements of occupations in terms of Scarce and Critical skills.
- Please advise on your needs for a Centre for Work Integrated Learning
- Which training institutions (e.g. universities, FET/TVET colleges schools and other) do you think should be considered for inclusion in the Work Integrated Learning initiative?
- Please list the most important critical skills.
- What are your opinions about skills outputs from institutions?
- Can you think of any other skills demand from the sector from a future perspective?
- Are there any other existing and future skills shortages?
- Develop scenarios and suggest solutions to deal with skills demand next 5 years.
- Please submit views and solutions to assist merSETA in fulfilling the objectives of the White Paper on Post School Education and Training.
- Please list your requirements and contributions in terms of Green economy skills for the Motor Chamber.
- Please list your requirements and contributions in terms of provincial skills development strategies.
- Please list your needs in terms of rural development.

The main findings and trends can be summarised as follows:

- It is a requirement that the industry changes due to technological changes.
- The concept of gradual change is required.
- Premier's Office is concerned Government needs to keep up with the challenges of the changing landscape.
- Community Colleges need to play a bigger role.
- The generation gap was also addressed.
- Automotive industry is a "Light House" as a massive employer and potential future employer / job creator in the Eastern Cape.

- Mercedes Benz warehousing and stock control for new C Class
- Changes will have an impact on equality in terms of poverty, joblessness etc.
- The South African Model of job creation is moving in an opposite direction of international trend. We need a “what is best for South Africa?” solution.
- It was noted that the “Blow Machine” is no more required and that “stamping” – “bend” – “pipe” all came about through technological innovation.
- The following impact of 2020 assumption on skills requirements was noted:
 - Cars are evolving in electronic innovations more than mechanical innovations.
 - There is a shortage of skilled people to meet future requirements.
 - Training lacks in “diagnostics” training on how to fix a vehicle ultimately.
 - There is a growing need for Diagnostics Technicians.
 - Skills are needed on the effect of innovations in paint – the ability to mix paints. This has become an extremely technically demanding step.
 - Workers need upskilling to be able to contribute in different parts of the manufacturing and after-market processes.
 - Input that technology has caught up – if one looks at dent removal.
 - Cognizance needs to be taken of the cross application of technologies

The following issues pertaining to skills output by institutions were noted:

- Insufficient industry knowledge.
- Lecturers not competent in what the industry wants.
- Lack of practical exposure.
- Basic life skills.
- 2020 requirements not part of curricula.
- Material not available in critical areas.
- CWIL solution required.

The centre of work integrated learning concept (CWIL) was accepted by all focus group participants in terms of:

- Required to address future (and existing skills needs).
- Central venues, but solutions also required in rural areas.
- Greater cooperation between all stakeholders required.
- CWIL must deliver skills required by industry.
- Addressing shortcomings of the current skills supply system.

Inputs were required in terms of:

- Venues
- Curricula
- Participants

It was agreed that recommendations on the above issues be included in the next report. The impact of NSDS III and the NDP 2013 was discussed in detail and it was concluded that the proposed CWIL concept fully complies with all government policies. After a careful study of the comments on the final report it was decided to expand the recommendations to ensure alignment of clear linkages between the study objectives; findings; analysis and interpretation data and, conclusion and recommendations.

CWIL criteria were developed that informed a detailed conceptual model. It was agreed that a pilot project be done after the completion of this project. The pilot project phases are spelled out in detail. As far as venue and participants are concerned, Port Elizabeth should be considered. Participants should include the Nelson Mandela Metropolitan University, TVET colleges, schools, private providers, companies, community structures and other stakeholders.

Curriculum development is spelled out in detail, based on merSETA approval. The roles of school, TVET and university education is also detailed. Proposed vision, mission and values are discussed but purely in conceptual format and subject to approval. The value of the CWIL concept is also discussed in detail and it was concluded that it would address all shortcomings identified in the 2012-2013 skills research as well as the focus group inputs by industry experts.

Detailed criteria for the pilot project budget are discussed in tabular format.

In the fourth and draft final report, a reassessment of the skills research and other issues are done. Based on an in-depth strategic analysis, an implementation report has been compiled that can be summarised as follows:

OBJECTIVE	RESPONSIBILITY	TARGET DATE
Priority 1: To accelerate e-learning	Introduction of E-learning systems to serve the following segments: <ul style="list-style-type: none"> • The after market • Women and youth development 	
Priority 2: To accelerate SMME development	Development of the SMME toolkit.	
Priority 3: To align learning content with the 2020 landscape / and drivers of change	Priorities programmes to update content. Develop the prioritized learning material.	
Priority 4: To strengthen the resource base through further research projects	Conduct research in the following areas: <ul style="list-style-type: none"> • Rural, youth and women development • Continuous 	

	reassessment of drivers of change <ul style="list-style-type: none"> • The green agenda • Technological innovation 	
Priority 5: To develop the after market	Prioritize specific after-market needs in the 14 trades. Implement rural training programmes.	
Priority 6: To focus on Rural area needs	Position the after-market as rural focus. Extend the CWIL solution to one rural area.	
Priority 7: To expedite the delivery of artisans required by the motor industry.	Incorporate in the CWIL solution should be the including of more focus on the levels higher than artisan.	
Priority 8: To facilitate the establishment of centres of excellence to improve skills delivery and partnering with education & talent pipeline providers, bringing about the meeting of industry entrance requirements	This priority has been reformulated as priority 11.	
Priority 9: To market the industry among potential entrants	Introduce a marketing plan at skills institutions.	
Priority 10: To address skills accelerations and overcome career path restrictions	Reconsider and redesign career paths and include in marketing plan.	
Based on inputs by industry experts at focus groups, the following priorities have been added		
Priority 11: To introduce at least one CWIL	Implement the pilot project as set out in section 5.	

Finally it can be concluded that this project has laid a solid foundation to address the development of future industry skills required.

INTRODUCTORY NOTE: The following deliverables as set out in the Service Level Agreement were used as the basis to guide the compilation of this report, which contains the last two reports of the following deliverable reports:

- Literature report: 1 Sept 2014
- Qualitative research report 1 Nov 2014 (The first two reports were submitted as one report on 22 September as agreed)

This report contains the following and final reports, just in draft format to enable merSETA to provide feedback for completion prior to the SLA agreed completion dates.

- Pilot project report with implementation recommendations: 1 Feb 2015
- Final report: 28 Feb 2015

DELIVERABLES

Project deliverables can be summarised as follows:

- Comprehensive desktop research will be done on international literature focusing on:
 - International Motor sector trends (which is mainly an update of the results of the previous research project).
 - SA policy update with focus on IPAP and other policy issues affecting the Motor Sector.
 - International CWIL benchmarks and best practices.
 - Local CWIL benchmarks and best practices.
 - Skills delivery mechanisms of the CWIL model.
 - Successes of other CWIL's with specific reference to the Imperial applications.
- A Desktop study report that includes:
 - National and international benchmarks on the CWIL model and implementation guidelines.
 - Sector skills are required in the literature study based on international practices.
 - A detailed policy analysis.
 - International benchmarking. Established through desktop research, major international benchmarking was done, including workplace centres of excellence, benchmarks and best practices.
 - A critical path analysis setting the key milestones to achieve success.
 - Skills required and needs overview (linked to scarce and critical skills).
 - Contextualize the Skills Development baseline for sector and identify key gaps areas and give recommendations.
 - Assessment of the impact of global context on the sector/sub-sectors with specific reference eastern counties (China, India, Korea, etc. through desktop research.
 - Assessment of delivery institutions and curricula through desktop research

- A qualitative research report that includes:
 - Skills development strategy proposals based on PESTEL and SWOT analysis.
 - Scarce and Critical Skills Identification, through desktop research and focus groups.
 - Consultation with ‘municipal economists’.
 - Consultation with 15 practitioners in selected rural and informal areas.
 - Stakeholder consultation through focus groups and questionnaires (if required) to obtain their requirements and inputs in respect of the CWIL skills delivery system.
 - Development of drivers of change towards 2020 with specific reference to the green agenda and social media.
 - Evaluation of existing key skills development programmes (qualifications) in terms of compliance with 2020 requirements. This assessment will be based on compliance with key content concepts based on available electronic material only.

- A Pilot project report
 - It is essential that the project be piloted to ensure effective implementation. The CWIL will initially be implemented as a pilot project to experiment and obtain proof of concepts for the workplace development theories deemed necessary to transform participants in the program, into skilled and experienced craftsmen. Thus, the pilot project must be done in an environment that will:
 - Function as a “one-stop-shop” where selection assessments, all institutional training and all the workplace development aspects can be facilitated;
 - Be linked to higher education and training institutions (i.e. university acceptable to merSETA).

- The following requirements should be met to ensure a viable pilot project:
 - A detailed pilot budget.
 - A pilot site, preferably a service provider to industry.
 - Relationships with key stakeholders.
 - A revised curriculum to guide the project.
 - Approval by the related authorities, e.g. SAQA.

- A final position document and implementation report that includes:
 - A conceptual CWIL model
 - Implementation guidelines and recommendations
 - An implementation budget

The above deliverables will be achieved through the following methodology:

- The desktop research as outlined above.
- Qualitative research through focus groups and qualitative assessment of data.

- Provision is made for five (4 took place) focus groups at only two (2) venues, e.g. Johannesburg and one regional office. Participants to travel to these venues at merSETA cost.
- Telephonic consultation with key stakeholders.
- All material in the possession of merSETA should be made available. Only electronic information will be captured. If not available, electronic capturing should be done by merSETA.

1 INTRODUCTION

This is the third draft report on the follow-up research project for merSETA's Motor Chamber. As agreed the meeting held of 28 October, the first report submitted on 22 September also included the second report, namely the qualitative report due to good progress made with the focus groups. This report focuses on the CWIL pilot project and also provides major aspects of the final report to give sufficient time to merSETA to study the report for finalization early in 2015.

As agreed, criteria for the pilot project should rather be given and not a prescriptive proposal in terms of venue and specific stakeholders and training institutions. Once this report has been approved, the final report will be submitted.

Based on the aforementioned background perspective the following pillars of the project have been used as basis to offset the project in context:

- Intro some core pillars:
 - White Paper for Post-School Education and Training:
 - Other government policies that inform training and development with specific reference to Work Integrated Learning
 - The National Development Plan's vision for 2030
 - The Medium-term Strategic Framework
 - The Human Resource Development Strategy for South Africa (HRDSA)
 - National Skills Development Strategy III
 - Policies and strategies for relevant government departments
 - Industrial Policy Action Plan II
 - The New Growth Path
 - The Skills Accord
 - International benchmarking. Based on desktop research a major international benchmarking was done Workplace centres of excellence, benchmarks and best practices.
 - Stakeholder engagement
 - Measurable success based on key success factors
 - A Critical path analysis setting the key millstones to achieve success.

Most of these items have already been taken into account during the skills research project and will now be taken forward in terms of the agreements of the new Service Level Agreement of the follow-up project.

2 SUMMARY OF LATEST INPUTS BY MERSETA AT THE MEETING HELD ON 28 OCTOBER

Since the meeting held on 28 October 2015 provided a very good basis for the continuation of the project, it was decided to include the entire minutes as basis for the remainder of this report

MINUTES OF MEETING HELD ON 28 OCTOBER TO DISCUSS PROGRESS WITH THE merSETA RESEARCH PROJECT AND TO AGREE ON THE ROAD AHEAD.

2.1 INTRODUCTION

BE at UP requested a meeting with merSETA to report progress made with the research project to date and to agree on further actions to complete the project at the agreed date.

2.2 AGENDA

The progress report was guided by the following agenda:

- Feedback on report submitted on 22 September 2014
- Content
- Coverage of agreed deliverables
- Coverage of additional aspects in later reports due
 - Qualitative research report 1 Nov 2014
 - Pilot project report with implementation recommendations: 1 Feb 2015
 - Final report: 28th Feb 2015

- Agreement on the road ahead

2.3 SUMMARY OF MAIN FINDINGS AND TRENDS

The items of the focus group agenda were briefly discussed and the following main findings and trends were reported:

- No real attendance from Rural areas
- 2020 will have a major impact on motor sector
- Motor mechanics would be semi-skilled as most of the mechanical work will be done by machines
- Printing expo – 3D Printing
- Technological savvy requirements in most of the occupations
- Change method of teaching and how we learn
- Maths and Science might be required to be mandatory
- Customer focus and behavioral patterns to determine future scarce skills – it's a customer focused world.

- Sometimes it is cheaper to obtain skills from outside than going through South African process to obtain the skills
- Our skills needs to be global to enable us to be competitive
- Environmentally consciousness
- Skills needed on recycling and waste reduction
- Environmentally hazardous waste handling
- Critical and scarce skills required in terms of
- Motor body repair
- Jobs on paint colours
- Water based paints
- Scarce skills: artisans (not available)
- Auto electricians
- Correct repairing work
- Warranty knowledge
- Consumer protection act (sales, service, management,)
- Service advisors (shortage) and they need technical skills. This is a critical position. They need a broadened knowledge base
- IRBA. People need financial skills
- Increased knowledge base on finance
- Financial consultants must advise on warranties, service plans, maintenance plans. Only they must talk to customers on these issues.
- Admin and Organizing skills
- The following factors will also have an impact on future skills
- The impact of the Green agenda on all jobs
- The need for Diesel fuel pump injection technicians will increase
- The existing 14 trades will further change and there will be an increase in the number of trades. Higher levels of specialization will be required.
- There will be portability of skills across clusters. (E.g. Tractor mechanic) Correct disposal of hazardous materials
- Cleaning of oil
- Oil& fuel filters disposal
- Increased literacy levels required in workshop
- Computer skills
- Read prepare procedure
- Reporting skills
- Most vehicles require a computer to do the repair work
- The following valuable inputs were obtained at the Port Elizabeth focus group
- It is a requirement that the industry changes due to the technological changes
- The concept of gradual change is required
- Premier's Office is concerned Government needs to keep up with the challenges of the changing landscape.
- Community Colleges need to play a bigger role
- The generation gap was also addressed–

- Automotive industry is a “Light House” as a massive employer and potential future employer / job creator in the Eastern Cape
- 2000 Mercedes Benz where the warehousing and stock control
- Changes will have an impact on equality in terms of poverty, joblessness etc.
- The South African Model of job creation is moving in an opposite direction of international trend. We need a “what is best for South Africa?” solution.
- It was noted that the “Blow Machine” is no more required and that “stamping” – “bend” – “pipe” all came about through technological innovation.
- Port Elizabeth
- It is a requirement that the industry changes due to the technological changes
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- There is a growing need for Diagnostics Technicians.
- Skills are needed on the effect of innovations in paint – the ability to mix paints. This has become an extremely technically demanding step.
- Workers need upskilling to be able to contribute in different parts of the manufacturing and after-market processes.
- Input that technology has caught up – if one looks at dent removal.
- The cross application of technologies needs to be taken cognizance

2.4 SKILLS OUTPUT BY INSTITUTIONS

The following issues pertaining to skills output by institutions were noted:

- Insufficient industry knowledge
- Lecturers not competent in what the industry wants
- Lack of practical exposure
- Basic life skills
- 2020 requirements not part of curricula
- Material not available in critical areas
- CWIL solution required

2.5 CWIL

The centre of work integrated learning concept (CWIL) was accepted by all focus group participants in terms of:

- Required to address future (and existing skills needs)
- Central venues, but solution also required in rural areas
- Greater cooperation between all stakeholders required
- CWIL must deliver skills required by industry
- Addressing shortcomings of the current skills supply system

Inputs were required in terms of:

- Venues
- Curricula
- Participants

It was agreed that recommendations on the above issues are to be included in the next report.

2.6 FURTHER IMPORTANT POINTS RAISED AT THE MEETING

The following inputs and recommendations were recorded:

- The NDP and Vision for 2030 should be clearly assessed and included in the next report
- RPL should be addressed especially pertaining to applied knowledge.

The following 4 points pertaining to current workers were recorded:

1. Assessment of all workers
2. Give them all business training

3. Not all workers will go on training
4. Determine viability:
 - The Government's rural development plan too generic and needs to be customised.
 - Provision for the development of a SMME toolkit should be included in the next report
 - TVET college staff should be empowered on industry skills (Focused upskilling)
 - The question: What will the CWIL bring should be clearly addressed in the next report?
 - As far as possible the Nelson Mandela and Walther Sisulu Universities should be included in the future skills solutions be need to be included (CWIL)
 - Specific areas that reflect shortages in terms of NDP requirements must be addressed
 - What will the CWIL cost be must be included.
 - NDP is really important.
 - Women empowerment muse be addressed
 - Funding structure and structural issue.
 - Pilot project must not be long driven.
 - CWIL must comply with the primary objective of merSETA
 - Add NSDS III pertaining to the entire report with specific reference to CWIL
 - Addressing also the country's need.
 - Advise how the SMME toolkit will enhance rural development
 - Set out CWIL management and administration
 - Address higher qualification beyond artisan.
 - Technological must cover from diagnosis to repair. Look at the entire process.

2.7 THE ROAD AHEAD

MERSETA

THE WAY FORWARD

The inputs from the workshop of 22nd will be used to update the 2nd report. Report sections to be split out to meet SLA requirements

For the 5th December a report that describes more in detail the CWIL:

- Function as a "one-stop-shop" where selection assessments, all institutional training and all the workplace development aspects can be facilitated;
- Be linked to higher education and training institutions (i.e. university acceptable to merSETA)

The following requirements should be met to ensure a viable pilot project:

- A detailed pilot budget
- A pilot site, preferably a service provider to industry
- Relationships with key stakeholders
- A revised curriculum to guide the project
- Approval by the related authorities, e.g. SAQA
- A final position document and implementation report that includes:
 - A conceptual CWIL model
 - Implementation guidelines and recommendations
 - An implementation budget

A matrix will be provided to assist with the election of a venue – for the pilot.

The above deliverables will be achieved through the following methodology:

- The desktop research as outlined above
- Qualitative research
- Possible site visits in January 2015 – to Rosslyn & Other benchmark sites
- Final input from the project team & Steering committee.
- Final report February 2015

It can be concluded that sufficient and valuable inputs were secured at the meeting to complete the project as scheduled.

3 UNDERSTANDING OF THE NSDSIII LANDSCAPE

It was clearly stated at the meeting held on 28 October that the impact of NSDS III should be assessed in depth. Firstly it is deemed necessary to briefly summarise the directions suggested by NSDS I and NSDS II. Discussions are made in **bold text**. **It must be stated that NSDSIII is much more streamlined than previous versions, but comments are viewed as essential in terms of the deliverables of this follow-up project.**

The Vision of NSDS I was driven by six guiding principles:

- Lifelong learning – continually upgrading and improving. **This principle was firmly included in the 2012-2013 research project**
- The promotion of equity – Opportunities for disadvantaged as well as advantaged. **This remains an overriding responsibility across industries**
- Demand driven to support and enhance productivity. **The 2012-2013 skills research clearly illustrated the importance of skills demand by industry.**
- Flexible – Employers, both Public and Private as well as the workers are best placed to make judgments about priorities. **This focus still remains valid today.**
- Partnership and cooperation between and amongst the social constituencies. **The skills research confirmed this partnership, a key factor that is also relevant to the CWIL concept.**
- Efficiency and effectiveness in delivery leading to positive outcomes for all those who invest in training and skills development. **In NSDS I – This principle is also still valid**

The emphasis was placed on equality and the need to cultivate lifelong learning in a workplace environment. Learning should be demand driven based on the needs of employees in both the public and Private sectors. The effectiveness of delivery was essential in order to ensure desired outcomes were achieved.

The vision of NSDS II was driven by five objectives as listed below:

- Prioritising and communicating critical skills for sustainable growth, development and equity. **The delivery critical skills to the Motor sector are of pivotal importance, especially in terms of constant technological innovation.**
- Promoting and accelerating quality training for all in the workplace. **This wider focus is of critical importance.**
- Promoting employability and sustainable livelihoods through skills development. **In the 2012-2013 skills research it was found that institutions do not deliver the skills required by industry. The CWIL concept will play a critical role to supply people with experience, skills and other competencies required by the Motor Sector.**
- Assisting designated groups, including new entrants to participate in accredited work, integrated learning and work-based programmes to acquire critical skills to

enter the labour market and self-employment. **This must also be taken into account in the establishment of the CWIL concept.**

- Improving the quality and relevance of provision. **Quality and relevance are high on the skills delivery agenda of the Motor Sector.**

The emphasis in NSDS II was placed again on equity, quality training and skills development in the workplace. The need for the promotion of employability was identified. NSDS II also identified the need for assisting designated groups to gain knowledge and experience in a workplace environment in order to gain critical skills. The quality of the provision was identified as a problem area needing improvement.

As requested at the progress meeting held on 28 October 2014, it was requested that the compliance of the project outcomes be assessed against NSDS III

The vision of NSDS III is driven by eight objectives listed below. The impact of NSDS will be discussed and assessed per objective.

Establishing a credible institutional mechanism for skills planning

This objective will be strengthened by QCTOs that will lead to shorter and more focused qualifications. Especially in highly specialised areas such as welding and painting.

Increasing access to occupationally-directed programmes, both intermediate level as well as higher level professional qualifications

The need for qualifications at the higher level was clearly expressed at the meeting held on 28 October and will also be taken into account in terms of sk0lls delivery through the CWIL skills delivery concept

Promoting the growth of a public FET college system that is responsive to sector, local, regional and national skills needs and priorities. **TVET colleges must play a key role in the CWI concept in terms of technical and vocational training.**

Addressing the low level of youth and adult language and numeracy skills to enable additional training. **Aspects such as the growing middle class and the ageing population have been incorporated in the drivers of change and their impact should be continuously monitored.**

Encouraging better use of workplace-based skills development. **merSETA decided to implement the CWIL concept to actively promote work integrated learning.**

Encouraging and supporting cooperatives, small enterprises, worker-initiated, NGO and community training initiatives. **Cooperatives and other empowerment models are clearly part of this research project.**

Increasing public sector capacity for improved service delivery and supporting the building of a developmental state. **The entire private sector should contribute towards the achievement of this objective.**

Building career and vocational guidance. **Both the skills research and recent consultation with industry experts have highlighted than critical importance of career and vocational guidance since the Motor Sector continuously create new jobs that potential industry entrants should be informed on.**

In NSDS III the emphasis swings in the direction of institutional learning linked to occupationally directed programmes. It promotes the growth of FET Colleges in order to address national skills needs. Better use of workplace skills programmes is encouraged as is the use of worker- initiated training initiatives. Public sector improved service delivery is seen as an imperative. The issue of language and literacy is of concern in terms of enabling additional learning.

Central to the strategy are partnerships between employers, public education institutions, private training providers and SETAs, "to ensure that cross-sectoral and inter-sectoral needs are addressed". Specific targets for each of these goals will be set annually as part of the DHET's annual implementation plans. In his launch statement, the Minister noted that some targets have been incorporated into his performance agreement and that additional targets will be announced as part of his 2011 budget vote speech.

In his statement, Nzimande also noted that in terms of skills development, one size does not fit all; NSDS III therefore provides a stronger base for the SETAs and DHET and "ensures an improved focus on the core mandate of SETAs". There is greater emphasis on relevance, quality and sustainable skills training that will have a positive impact on poverty reduction and the eradication of in inequalities. To this end, NSDS III supports "cooperative, NGO, small enterprise, community and worker-initiated skills development and training programmes". As suggested in the 2010 consultative document, 10% of the mandatory grant to employers will be ring-fenced for PIVOTAL grants, i.e. professional areas of study which combine both higher education and "structured learning" in the workplace.

One of the themes running through the strategy is the need to build the capacity of the public service to improve the quality of service delivery. This includes, among other things, the specialist and pedagogical (teaching) knowledge and skills of the FET colleges. The public FET Colleges are seen as critical to skills development; there is a commitment to a review and improvement of both the National Certificates (Vocational) and the N-courses. The N-Courses were to have been phased out, but are now being retained.

It should also be taken into account that NSDS IV is in the process of design. It is therefore essential that merSETA stays abreast of these developments.

The aim is to conduct a midterm review of the NSDS III with a view of informing NSDS IV Establishing credible mechanism for skills planning. The Guiding Questions are as follows:

- What are the lessons learned in the implementation of the NSDS III that will influence the conceptualization of the NSDS IV? **Surely merSETA as ETA that does continuous research will be in a position to answer this question towards the completion of this research project.**
- Do we need one Act or a review of the existing legislation in the skills development landscape? **This decision will be taken at a higher level but merSETA need to draw on its experience to date.**
- What would be the mandate and functions of those organizations and entities in the system, namely SETAs and NSF? **Surely clarification of this mandate will have a significant impact on the Motor Sector.**
- What is the role of SETAs in enhancing the success of TVET? **This will be addressed in the design of the CWIL model for the motor sector**
- How do we link SIPs and the NSDS IV? **Infrastructure projects (SIPs) should also be carefully considered.**

4 THE IMPACT OF THE NATIONAL DEVELOPMENT PLAN

At the meeting held on 28 October 2014 it was also agreed that the impact of the National Development Plan (NDP) be carefully considered. Specific areas that reflect shortages in terms of NDP requirements must also be addressed.

The following brief perspective needs to be taken into account. President Jacob Zuma appointed the National Planning Commission in May 2010 to draft a vision and national development plan. The Commission is an advisory body consisting of 26 people drawn largely from outside government, chosen for their expertise in key areas. The Commission's *Diagnostic Report*, released in June 2011, set out South Africa's achievements and shortcomings since 1994. It identified a failure to implement policies and an absence of broad partnerships as the main reasons for slow progress, and set out nine primary challenges. The discussion **in bold text** sets the scene to assess the impact of the NDP on skills development:

- Too few people work. **It is clear that technological innovation required fewer people to do more work. The Motor Sector has felt this impact, resulting in job losses.**
- The quality of school education for black people is poor. **The effect of this weakness in industry, is the need to include fundamental unit standards in qualifications to compensate for the lack of basic skills in areas such as literacy and numeracy that were not properly addressed by the school system**
- Infrastructure is poorly located, inadequate and under-maintained. **This weakness is felt especially in the rural areas. The effect on the Motor Sector is especially felt in the after-market in the rural areas.**
- Spatial divides hobble inclusive development. **The effect of the apartheid system has an impact on most sectors.**
- The economy is unsustainably resource intensive. **South Africa has to stay abreast with global developments and also comply with South African policies, which requires sustainable resources.**
- The public health system cannot meet demand or sustain quality. **Industry is much more than before required to assist in terms of health management. The compulsory inclusion of HIV/AIDS modules in qualifications is grossly inadequate and should be extended to other health areas.**
- Public services are uneven and often of poor quality. **Industry depends on public services and is curtailed if these services are inadequate.**
- Corruption levels are high. **The Motor Sector is sensitive to corruption and appropriate proactive action is required.**

The effect of the legacy of apartheid should also be taken into account. "Too many people are trapped in poverty and we remain a highly unequal society. Too few South Africans work, the quality of school education for the majority is of poor quality and our

state lacks capacity in critical areas. Despite significant progress, our country remains divided, with opportunity still shaped by the legacy of apartheid.”(NDP, p 1)

It should be kept in mind that the NDP offers a long-term perspective. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal.

Since the skills research focused up to 2020 the research project should take note the following four broad objectives of the NDP:

1. Providing overarching goals for what we want to achieve by 2030.**It would be extremely difficult to update Key drivers of change in the Motor Sector up to 2030, which implies an extension of ten years into an unpredictable future.**
2. Building consensus on the key obstacles to us achieving these goals and what needs to be done to overcome those obstacles.**This research project fully addresses this objective. The CWIL solution is viewed as viable solution to manage shortcomings of the current skills delivery practices/institutions.**
3. Providing a shared long-term strategic framework within which more detailed planning can take place in order to advance the long-term goals set out in the NDP.**It should be noted that merSETA is fully committed to ongoing research, which will be of great assistance in realising this objective.**
4. Creating a basis for making choices about how best to use limited resources.**This entire project aims to realise this objective.**

The Plan aims to ensure that all South Africans attain a decent standard of living through the elimination of poverty and reduction of inequality. The core elements of a decent standard of living identified in the Plan are:

- Housing, water, electricity and sanitation
- Safe and reliable public transport
- Quality education and skills development
- Safety and security
- Quality health care
- Social protection
- Employment
- Recreation and leisure
- Clean environment
- Adequate nutrition

The NDP has been approved and adopted by government and has received strong endorsement from the broader society. The focus now shifts to how the NDP will be implemented.**It is clear that merSETA can significantly contribute towards the achievement in some of these areas such as employment and safety & security. It is also deemed necessary to assess the impact of the implementation phases**

The NDP and its proposals will need to be implemented in the right order over the next 17 years.

This process of prioritization and sequencing will take place in three broad phrases:

a. Critical steps to be taken in 2013 to unlock implementation. The following actions will be undertaken during 2013:

- Implement programmes that do not require additional resources and long lead times
- Identify critical first steps to unlock implementation
- Preparation of the 2014-19 MTSF as the first five-year building block of the NDP
- Focus on areas where implementation of existing policies needs to improve
- Focused dialogues to overcome obstacles to implementation.

The deadline of this phase has lapsed.

b. 2014-2019 planning cycle. The 2014-2019 planning cycle should be viewed as the first in a series of five-year planning cycles that will advance the goals of the NDP. The equivalent planning cycle at local government level will be equally important. **This phase clearly falls within the 2020 horizon of the skills research as well as this follow-up project.**

c. 2019-2024 and 2024-2029 planning cycles. This phase of the NDP will be used to initiate the remaining activities. It will build on previous cycles and be informed by the review of performance. **The outcome of this project should lay the foundation for delivery during the final phase.**

As far as the integration into government plans is concerned, comments are made in **bold text** below:

The planning processes carried out by departments and other government entities will have a vital role to play in bringing the vision and proposals contained in the NDP to life. NDP proposals are being incorporated into the existing activities of departments and broken down into the medium and short-term plans of government at national, provincial and municipal level. The NDP provides the golden thread that brings coherence and consistency to these different plans. **Upon completion, this project implementation plan should be cascaded to all the provinces.**

Government has already started a process to align the long-term plans of departments with the NDP and to identify areas where policy change is required to ensure consistency and coherence. Each government programme will have to be backed by detailed implementation plans which clearly set out choices made, actions that need to be undertaken and their sequencing. **The skills research report as well as this**

research report should be submitted to DHET, DTI and all other government departments.

The following key steps to facilitate this integration should be clearly monitored by merSETA:

- The Presidency is leading the formulation of the 2014-2019 MTSF (Medium Term Strategic Framework) in consultation with departments.
- The Presidency and National Treasury will work with departments to clarify roles and responsibilities, ensure that plans and budgets are aligned, and develop clear performance indicators for each programme.
- Departmental strategic plans, annual performance plans and programme plans will need to be evaluated by the Presidency to determine alignment with the NDP prior to submission to Parliament.
- Monitoring and evaluation will be used to identify obstacles to implementation, to facilitate reflection on what works, and to continuously improve implementation.

As mentioned above, implementation of the NDP in government requires a process of breaking down the plan into key outputs and activities to be implemented by individual departments or groups of departments.

In this regard, we have started to develop the 2014-2019 MTSF with the aim of having it ready for approval by Cabinet as soon as possible after the 2014 elections. This will enable the new administration to focus on implementation as soon as possible after taking office.

The MTSF will be precise and clear in identifying indicators and targets to be achieved in the 2014-2019 period, similar to the existing delivery agreements for the 12 outcomes. The MTSF will contain the following for each of the outcomes:

- a) Key targets from the NDP and from other plans, such as the New Growth Path, National Infrastructure Plan, and Industrial Policy Action Plan
- b) Current baseline for each target and the MTSF (2014-2019) target based on consideration of a trajectory to 2030
- c) Key outputs and actions to achieve the target and department(s) responsible.

The assessment of the MTSF below will be clearly taken into account. The impact of the MTSF on skills development in the Motor sector can be summarised as follows:

Priority	Impact on skills development
a) Speed up growth and transform the economy to create decent work and sustainable livelihoods.	This priority will be challenging in the current economic climate after the recession, but it should be pursued in the best interest of all stakeholders. Innovative solutions will be required to position the Motor industry to meet this objective. The opportunism identified at consultative interaction with key stakeholders such as the after-market should be considered.
b) Implement a massive programme to build economic and social infrastructure.	This priority is also very challenging in the Motor environment, however proposed developments in the Eastern Cape might contribute significantly.
c) Implement a comprehensive rural development strategy linked to land and agrarian reform and food security.	The wholesale Motor sector's volume of activity can be extended within the rural areas that could make a further contribution. SMME development in the rural areas is viewed as an opportunity that needs further skills development work.
d) Strengthen the skills and human resource base.	One of the key objectives of this research project is to achieve this specific objective. The fact that the required skills base is viewed from a longer term perspective adds further value.
e) Improve the health profile of all South Africans.	Most empowerment efforts should be aligned with focused health initiatives, especially pertaining to pandemics such as HIV/AIDS. The fact that a HIV module is part of all qualifications is viewed as a step forward.
f) Intensify the fight against crime and corruption.	The Motor industry is very sensitive to crime and corruption. From a skills development perspective this reality should be taken into account.
g) Build cohesive, caring and sustainable communities.	Actions are required to strengthen the relationship within communities where the industry operates.
h) Pursue African advancement and enhanced international cooperation.	Managing the contradictions between the South African environment and global forces forms an important part of this objective. Further African advancement should be strengthened. The motor industry in SA is an integral part of a global industry. The drivers of change highlighted the economic shift towards Eastern countries

	that should be further addressed.
i) Manage and use resources sustainably.	Resource optimisation is of critical importance in the industry, especially from a technological application perspective. The developments in the Eastern Cape are also expected to further optimise resources.
j) Build a developmental state, including the improvement of public services and strengthening of democratic institutions.	The successful implementation of the outcomes of this research project should support the realisation of this priority.

The NPC and the Department for Performance Monitoring and Evaluation (DPME) in the Presidency are jointly leading the process of developing the MTSF.

This process requires intensive engagements and negotiations with individual departments, groups of departments and clusters to obtain agreement on the detailed contents of the MTSF.

DPME, the NPC, DCOG and line function national departments responsible for concurrent functions will also be engaging with the provincial Offices of the Premier, the relevant provincial departments and municipalities regarding the provincialisation and localization of the national targets, for inclusion in provincial and municipal strategic plans.

This intensive engagement and negotiation process to work out detailed implementation plans for the 2014-2019 period will be the major focus during 2013. However, in the meantime, some of the key proposals for change in the plan are already being implemented by national and provincial departments in the current financial year. For example:

- National Treasury is in the process of appointing a government Chief Procurement Officer to strengthen procurement systems so that they deliver value for money
- The Minister of Public Service and Administration has started to develop proposals for restricting the business interests of public servants and to work on frameworks for improving performance incentives and the application of consequences for poor performance.
- The Presidential Infrastructure Coordinating Commission is driving and monitoring the process of accelerating the development of the economic infrastructure required to enable increased economic growth
- The Minister of Economic Development is coordinating and monitoring the various economic growth and job creation drivers in the New Growth Path

- The Minister of Health is implementing the prevention of mother-to-child transmission (PMCT) programme, and has already initiated antiretroviral (ARV) therapy for all eligible people living with HIV, and is already progressively improving TB prevention and cure and addressing HIV and TB co-infection
- The Minister of Basic Education is ensuring that parents receive their children's ANA results, and that Provincial Education departments have programmes that use ANA results to improve school performance
- The Minister of Higher Education is ensuring that FET lecturers are being trained as part of improving the quality of FET colleges.

There is a high level of correlation between the NDP priorities and the current 12 priority outcomes, and this correlation enables us to maintain continuity in the planning and monitoring and evaluation processes of government. Government will therefore continue with the focus on outcomes in the 2014-2019 period, with minor adjustments. For example, we are considering adding an additional outcome on social protection and to split outcome 12 into two outcomes on increasing the efficiency and effectiveness of government and nation building, given the importance attached to these issues in the NDP. Coordination of implementation will continue as before, with implementation forums (clusters and collections or their equivalents) coordinating and driving implementation of each outcome.

The above requirements will have to be taken into account with the implementation of this project plan.

As far as the roles of different sectors of society are concerned, please note the comments **in bold** below:

The NDP is a plan for the whole country. Government will engage with all sectors to understand how they are contributing to implementation, and particularly to identify any obstacles to them fulfilling their role effectively.

The NDP sets out ambitious goals for poverty reduction, economic growth, economic transformation and job creation. The private sector has a major role to play in achieving these objectives. **The Motor Sector has already set ambitious goals in the Skills Research report and will do the same with this follow-up project.**

Long-term planning and investment in the future is just as important for the private as the public sector. Government is clearly stating its commitment to the NDP, and it is important that the private sector does the same.

Where the private sector faces obstacles, sectoral dialogues will take place to identify how these obstacles can be addressed within the parameters laid out by the NDP.

High-level leadership meetings will be held regularly between government and business, government and labour, and government and civil society. These will provide

a route for focused dialogue to discuss the contribution of each sector to the implementation of the NDP, identify blockages and develop a common understanding of how obstacles will be overcome. **It is essential that merSETA attend these meetings.**

These high-level meetings will be underpinned by more focused stakeholder engagements. These stakeholder engagements will be intended to find solutions to specific challenges and construct frameworks that enable stakeholders to hold each other accountable. **Stakeholder engagements already forms part of the merSETA philosophy.**

Comments on the core implementation principles are made in **bold text** below:

The effective implementation of the Plan depends on our ability to build unity in action through the following principles:

- Broad ownership - The Plan enjoys wide support from all sections of society. The best way to sustain this support is by ensuring broad engagement at every level of implementation. It is important that the implementation phase builds on this sense of broad ownership by enabling different sectors and individuals to contribute their skills, resources and expertise. **Broad ownership is also a shared value pertaining to merSETA and its stakeholders**
- Continuous capacity building - Capacity building needs to be treated as an on-going process. It requires that all sectors constantly strive to improve their own performance. This includes measures to strengthen the capacity and developmental commitment of the state. **Capacity building is a central theme of this project.**
- Policy consistency - Many successful reform initiatives have policy consistency and stability of leadership as common features. The Plan is designed to bring about change over a period of nearly two decades and this requires a degree of policy consistency. Policy changes must be approached cautiously based on experience and evidence so that the country does not lose sight of its long-term goals. **This project complies with policy consistency pertaining to all government and merSETA policies.**
- Prioritization and sequencing - Not all proposals will be implemented at once. Priority will be given to policies that need to be implemented immediately because other actions cannot be implemented until these steps have been taken; policies and plans that have long-term implications and lock in future choices; areas where the core objective is to improve the implementation of existing policies; areas where the first task is to build consensus, improve trust, build capacity or agree on the division of responsibilities before implementation can take place. Particular attention will be given in the initial stages to the three objectives that the NPC has identified as being especially important for the success of the Plan: (a) improving the quality of learning outcomes, (b) creating jobs and promoting inclusive growth, and (c) strengthening the capacity and

developmental commitment of the state. **This project complies with sequencing set out in the SSP.**

- Clarity of responsibility and accountability - The Plan calls for the tightening of the accountability chain. An important step towards this is to ensure that all activities necessary to implement a programme are clearly spelt out including the timeframe and responsibility for implementation, as well as oversight and monitoring mechanisms that will help identify blockages. **Responsibility and accountability are set out in the implementation plan.**
- Continuous learning and improvement – It is important to figure out how to make things work before trying to implement at a large scale. Implementation needs to be a learning process, so that plans can evolve based on the experience of departments and the results of evidence-based monitoring and evaluation. **All SPs and research project to date embodies a continuous learning process.**
- Coordinated action - The NDP provides an overarching policy framework to bring greater coherence to the work of government. However, many coordination problems relate to implementation and in these areas issues will need to be resolved through regular day-to-day interactions. **This assessment indicates full coordination of the project with NDP actions.**

Compliance with conditions for successful implementation is discussed in **bold text** below:

The successful implementation of the NDP depends on:

- Breaking the Plan into manageable chunks. **The implementation plan complies with this requirement.**
- Developing detailed programme plans. **Full compliance.**
- Building on the broad support for the Plan. **Included in the plan in terms of stakeholder support.**
- Building trust and confidence among key role-players. **Included in the plan**
- Strengthening public sector capacity. **merSETA will assist where required. It must be noted that this plan fully complied with all relevant government plans.**
- Streamlining reporting procedures. **Full project reports can be provided when required.**
- Consistent messaging **will be done**

As far as financing is concerned, please study the assessment in **bold text** below:

The Plan will shape resource allocation over the next 17 years. The Plan supports government's intention to gradually shift resources towards investment that grows the economy, broadens opportunities and enhances capabilities.

As a result, other parts of the budget will need to grow more slowly. This will only be possible if we achieve greater value for money in many established areas of

government activity; that is why much of the Plan focuses on how we can get better at what we do. **This project will comply with these requirements through sources of funding by sources such as the national Skills Fund, DTI and donor funding**

The implementation plan will comply with the following requirements by Provincial government:

The Plan identifies the task of improving the quality of public services as critical to achieving transformation. This is not an easy objective and it will require provinces to focus on identifying and overcoming the obstacles to achieving improved outcomes.

The provincial planning process should therefore be used to focus on the proposals that are made in areas of core provincial responsibility such as education and health.

Some of these proposals require policy changes at the national level, but there are many areas where provinces can start work immediately on improving the quality of what is already being done.

This applies; for example, to strengthening the capacity of education districts to provide quality support to schools and to ensuring procurement systems deliver value for money.

It is essential that provinces engage with these areas of the NDP in detail, identify specific priorities where they can commit themselves to improving outcomes and then develop focused plans for how this can be achieved.

In the process, each province has the opportunity to lead the way in demonstrating the potential for how we can get better at what we do.

Priority steps provinces need to take in implementing the NDP include:

- Engage in detail with areas of the NDP that relate to core provincial priorities and identify specific proposals where implementation can start immediately. Most of these will be proposals relating to how to improve the implementation of existing policies.
- Use the provincial five-year plan to focus attention on how to improve outcomes in core provincial functions, such as education and health.
- Pay greater attention to the quality of management within departments with a view to ensuring that public servants are both challenged and supported so that they can contribute fully to the work of their departments.
- Address weaknesses in procurement systems to ensure a greater focus on value for money.
- Strengthen administrative relations between provincial departments and their national counterparts.

The implementation plan will comply with the following requirements by Local Government:

The Plan highlights the need to strengthen the ability of local government to fulfill its developmental role. Municipal Integrated Development Plans (IDPs) need to be used more strategically to focus attention on critical priorities in the NDP that relate to the mandate of local government such as spatial planning, infrastructure and basic services.

Like provincial planning processes, municipal IDPs should be used to focus on aspects of the NDP that fit within a municipality's core responsibilities. This would allow the IDP process to become more manageable and the participation process more meaningful, thus helping to narrow the gap between the aspirations contained in these documents and what can actually be achieved.

To do this effectively, the IDP process needs to be led by municipal staff, not outsourced to consultants.

As for provinces, there are also many areas where municipalities could start implementation immediately by engaging with aspects of the Plan that speak to their core competencies and identifying how they can action proposals for improving implementation.

Monitoring and reporting will comply with the following requirements:

Evidence-based monitoring and evaluation should inform Planning and implementation. There are already monitoring and reporting processes in place for government priorities, plans and policies. Integration of the NDP into these plans will enable implementation of the Plan to be monitored through existing processes. The Department for Performance Monitoring and Evaluation (DPME) has responsibility for overseeing progress against many of these objectives through the outcomes approach, and will have overall responsibility for monitoring progress.

It is also important that we are able to keep track of our progress against the NDP as a whole. This includes identifying unforeseen circumstances that may hamper progress or identifying serious blockages that need to be addressed. This will require a more strategic and high-level form of monitoring that will be carried out by the NPC drawing on data that is already collected by DPME and other sources so as to minimize the reporting burden.

Since the implementation of the Plan will be a shared responsibility between government and social partners, it will be important to interact with organisations in other sectors to assess progress and identify blockages.

merSETA will contribute where necessary to optimise the role of leadership and accountability as set out below:

Political leadership is critical for effective implementation. The President and Deputy President will be the lead champions of the Plan within Cabinet, in government and throughout the country.

Premiers and Mayors will need to be visible and active champions of the Plan, with their offices being the catalytic agencies to drive implementation at provincial and municipal levels.

Cabinet has the responsibility for making the necessary prioritizations, sustaining momentum and ensuring that public confidence in the NDP remains high.

Cabinet will be responsible for overseeing implementation and facilitating the resolution of coordination challenges. At an administrative level, FOSAD Management Committee will play this coordination role. Where there are blockages, the Presidency will mediate discussions between the different parties responsible for implementation in order to find a practical way of removing the blockage.

merSETA will do what is required as set out below in terms of incentives:

Effective implementation will require a constant desire to improve. Too often the incentives do not encourage people to make the extra effort. In the public service, there are few consequences for public servants who do not perform, and sometimes the incentives can encourage people to do things that are inimical to the public good.

Similarly, we see from the many businesses that are failing to invest in growing their businesses or recruiting and training young talent that the private sector also faces many disincentives to taking decisions that will benefit it in the long term.

The long-term framework provided by the NDP should help to address some of these incentive problems; others will be identified and addressed through the processes of focused dialogue described above.

The steps the NDP identifies as necessary to improve the capacity of the state will also be important in this regard, as the state (at national, provincial and local levels) needs to be proactively involved in identifying and overcoming obstacles to implementation.

5 THE CWIL SOLUTION

5.1 INTRODUCTION

Based on the findings of the skills research in 2012 and 2013, as well the findings to date of this follow-up research project, work integrated learning is viewed as the most effective form of skills delivery required by the Motor Sector.

5.2 CWIL CRITERIA

The following key success factors have been identified:

KEY SUCCESS FACTOR	DISCUSSION
Successful selection methods	It is essential that the correct learners be secured
Updated curricula	Existing unit standards are mostly out dated
New learning material	The learning material should be rewritten for compliance with the curriculum.
Updated qualifications	Learners Will need to know what they enroll for. However, if prior approval has not been obtained, enrolment risk should be spelled out to them.
Streamlined learning material	Due to the above existing curricula need to be updated
Stakeholder participation	The CWIL can only function effectively if stakeholders work together as a team
Securing funding for CWIL	This is an expensive project that requires sufficient funding
Quality Industry entrants	Entrants to Industry should be of a high calibre
Appropriate training methodologies	Such methodologies are the essence of a COE
Maintaining public awareness	A major initiative of this nature should be shared with the public
Conditions of public trade	Such compliance is essential
Industry best practices	The CWIL should deliver skills required by Industry and best practices are therefore essential
Programme sustainability	The CWIL should be sustainable over time
Holistic development	Not just equipping the learner with workplace skills – but also ensuring related soft-skills and the development of reasoning, problem solving, analytical and common-sense does also form part of the

	holistic development
Effective policies and procedures	A complex venture of this nature cannot function effectively without policies and procedures
E-learning capability and capacity	Most learners have insufficient time to attend classroom training that requires optimum use of E-learning
Sufficient equipment	Equipment actually dictates the learning environment in a technical Business
Empowerment enablers such as Cooperatives	Learners who exit jobs to become entrepreneurs Will need assistance such as cooperatives or other empowerment models.

Based on these factors, the following criteria are proposed:

KEY SUCCESS FACTOR	CRITERIA
Successful selection methods	An assessment centre in close proximity of the CWIL skills providers/stakeholders
Updated curricula	Curricula for all positions of the 14 trades with provision for all 2020 requirements, irrespective of whether unit standards exist or not.
New learning material	Courses and other material for at least 50% of critical and scarce skills
Updated qualifications	New qualification for all trades at all levels is the ultimate but the cost involved will be substantial
Streamlined learning material	Learning material should facilitate earning from the very basics to the delivery of the final service or product.
Stakeholder participation	All key stakeholders should participate on a continuous basis
Securing funding for CWIL	A funding sources should be considered
Quality Industry entrants	As suggested during focus groups, a section process must be mandatory
Appropriate training methodologies	Theoretical and practical methodologies should be included
Maintaining public awareness	Regular communication with the public through the press and media is essential
Conditions of public trade	This criteria should be actively pursued
Industry best practices	Bes practices should be both nationally and internationally
Programme sustainability	The delivery f skills should be sustainable over the medium to long term

Holistic development	A total one stop holistic development service should be provided
Effective policies and procedures	The CWIL should be driven by industry as well as government policy as expressed in CWIL policies and procedures
E-learning capability and capacity	E-learning should be optimized to reduce classroom training and to promote productivity in the workplace
Sufficient equipment	Sufficient equipment that are not used for company production should be available
Empowerment enablers such as Cooperatives	Empowerment models such as cooperatives are required to promote entrepreneurship.

5.3 THE CONCEPTUAL MODEL

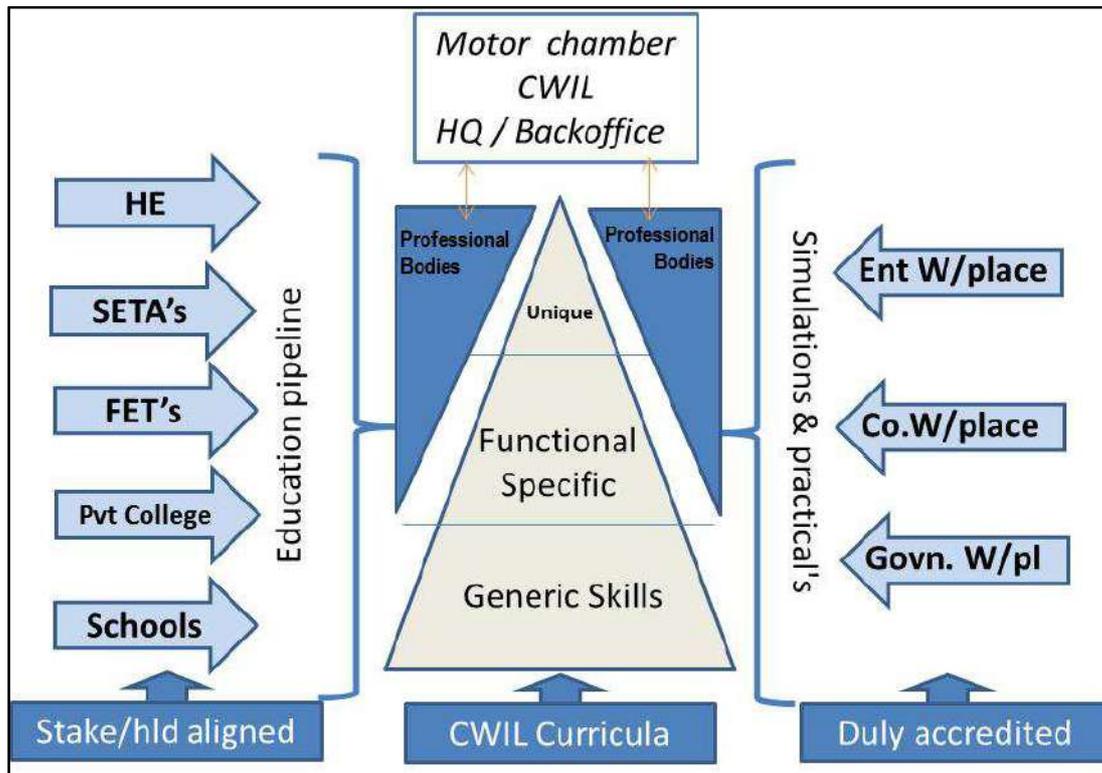
Based on the preceding work, a conceptual model for the CWIL has been developed. This is a conceptual model that should be viewed as basis for further refinement and implementation as outlined in the implementation plan. Based on the strategic analyses, it was deemed necessary to express the overarching model in terms of the following push and pull forces:

Push or restraining forces:

- Insufficient progress in the rural areas
- The unemployed
- Impoverished communities
- Unemployed graduates
- Government promises and insufficient delivery
- Angry youth with no hope
- The high cost of the CWIL solution

Pull or helping forces:

- Nelson Mandela university
- The massive automotive activity in Part Elizabeth
- Professional bodies
- Industry
- Government (legacy)
- Business chambers
- Eager learners in all industry trades to participate
- Available funding to use



The big picture surrounding the proposed CWIL can be summarised as follows:
 Players and stakeholders:

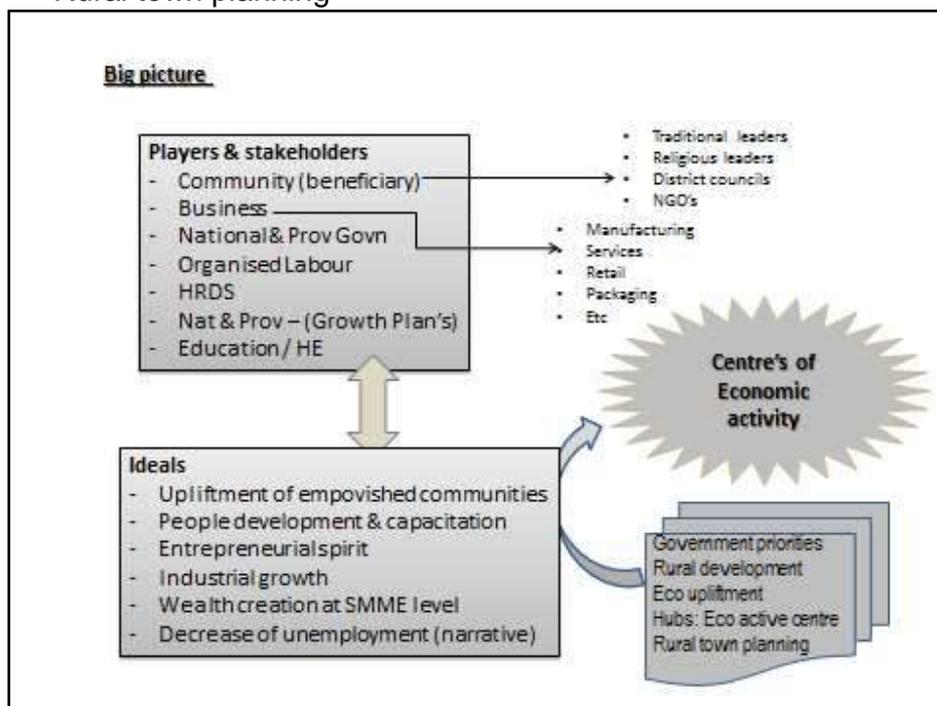
- Community (beneficiary)
- Business
- National and provincial government
- HRDS
- National and Provincial Growth paths
- Education/HE
- Participating providers of skills (Institutional as well as private)
- The community that includes:
 - Traditional leaders
 - Religious leaders
 - District councils
 - NGO's
- Business that includes:
 - Manufacturing
 - Services
 - Retail
 - Packaging
 - Etc.

The ideals for the CWIL can be summarised as follows:

- Upliftment of impoverished communities
- People development & capacitation
- Entrepreneurial spirit
- Industrial growth
- Wealth creation at SMME level
- Decrease of unemployment (narrative)

The Centre of Excellence is therefore enhanced by:

- Government priorities
- Rural development
- Eco upliftment
- Hubs: Eco active centre
- Rural town planning



The project phases can be summarised as follows:

Phase 0:

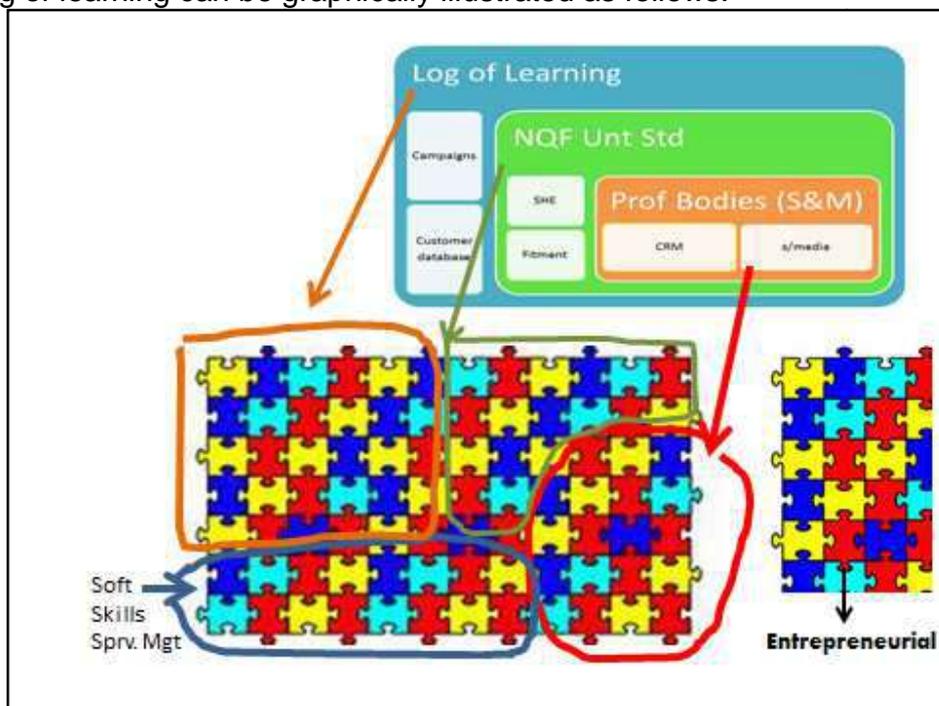
- Selection and screening:
 - Testing
 - Career mapping

- Future

Phase 1:

- Introduction to workplace:
 - Admin
 - Kitting
 - Orientation to CWIL
 - Criteria for success (Ethics & behaviour)
 - LoL (log of Learning)

The log of learning can be graphically illustrated as follows:



Phase 2.1:

- Induction and deployment
 - Expose to all the various business processes in the value chain
 - Observe / shadow & assist
 - Record LoL \ moderate

Phase 2.2:

- Theory

- Registration
- Attend to either
 - Modules
 - Unit Standards
 - Learnership
 - Qualification
 - PoE
- Moderation

Phase 3.1

- Controlled simulator
 - Real cases:
 - Wash-bay
 - Kiosk
 - Restaurant
 - Automotive shop
 - Future

Phase 3.2

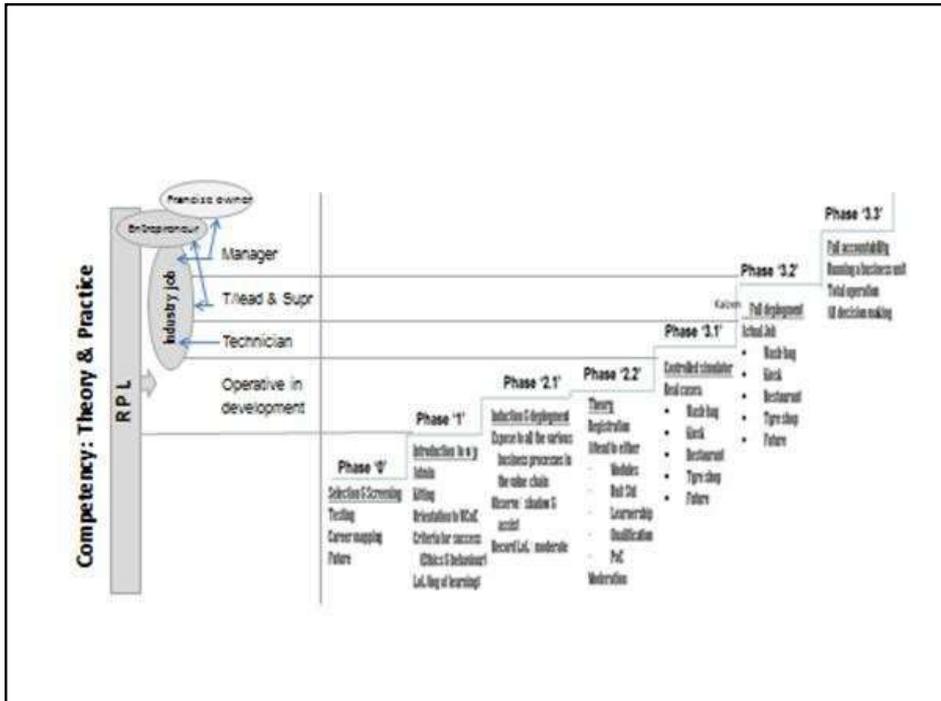
- Full deployment
 - Actual Job
 - Wash-bay
 - Kiosk
 - Restaurant
 - Automotive shop
 - Future

Phase 3.3:

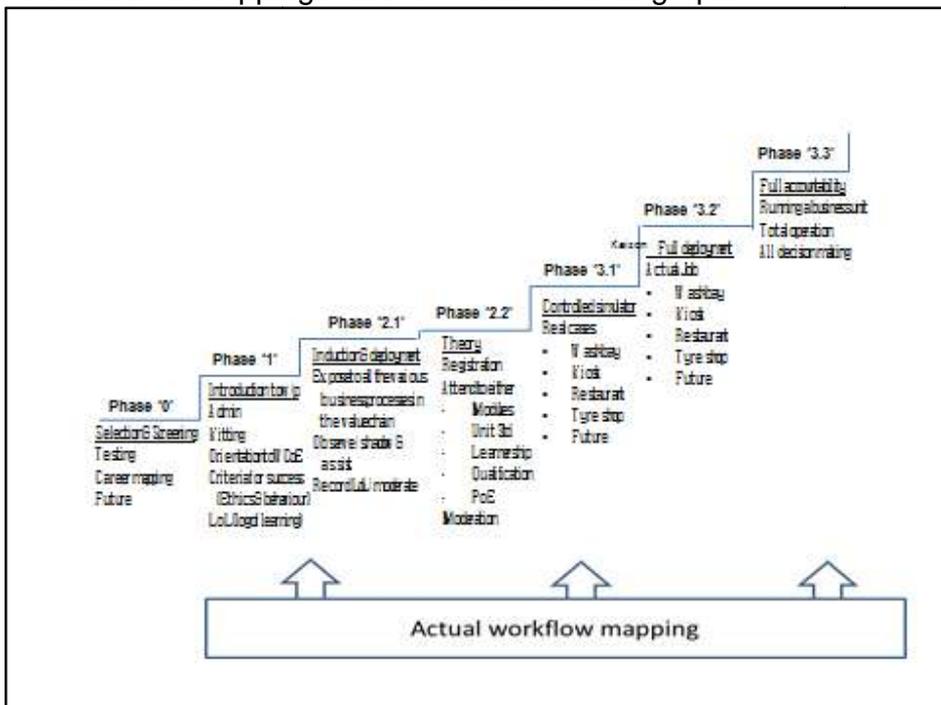
- Full accountability
 - Running a business unit
 - Total operation
 - All decision making

The CWIL model can further be clarified as follows in terms of responsibility levels:

- Manager
- Team leader and Supervisor
- Technician
- Operative in development



The actual workflow mapping is illustrated in the next graph:



5.4 THE PILOT PROJECT PHASES

The following pilot project phases are proposed

Phase	Comments	Completion date
Meeting held with merSETA decision makers to agree on the road ahead based on the position document and post project decisions	It is essential that merSETA Fully buys into the position document and the road ahead	
Agreement reached on the pilot venue	Although Port Elizabeth is viewed as the most suitable area, agreement should be reached on the specific venue/s	
Agreement reached on the stakeholders	Agreement should be reached on <ul style="list-style-type: none"> • Training/Education institutions • Employers • Professional bodies • Government departments • NGOs • Traditional leaders • Other stakeholders 	
Curriculum input finalized	Due to the extensive scope of possible service delivery, to the interim curriculum should be agreed upon realistic inputs pertaining	
Qualifications and skills programmes to be offered agreed upon	It is essential that learners know as soon as possible what to expect from their participation in the CWIL concept	
Interim agreement reached in the qualifications to be offered	It is exacted that the SAQA route is too lengthy to commence with the CWI pilot project in reasonable time	
Agreement reached on the funding of non-unit standard based training	Unit standards do not exist for key competencies required	
Course development programme agreed upon	Industry needs need to be captured in learning material	
CWI budget approved	All requirements need to be expressed in financial terms	
Funding secured	All sources of possible funding need to be optimized such as	

	<ul style="list-style-type: none"> • Private sector funding • SETA funding • NSF funding • DTI funding • Other sources of funding 	
Commencement date agreed upon	Although focus group inputs suggested a not too long implementation period, insufficient funding might postpone implementation	
Selection criteria agreed upon	All stakeholders should agree on the selection criteria	
Selection process finalized	Industry experts agreed at the focus groups that a selection process be developed and implemented	
Existing employees evaluated	It was agreed that the evaluation process commence with existing staff members	
Industry career path information documented and made available to training institutions	Possible industry entrants must know what career opportunities exist in the industry	
Recruitment campaign commences	Recruitment should preferably commence at the training institutions	
External recruitment commences	Recruitment campaigns may be launched	
First CWIL learners complete programme and receive qualifications	This will be the first tangible delivery of the CWIL	
Road ahead agreed upon	It is essential that a longer term end result be pursued at this stage	

5.5 VENUE AND PARTICIPANTS

Although it remains merSETA's management prerogative to select a venue and participants, the criteria set out in section 5.2 should be used as basis for the selection.

KEY SUCCESS FACTOR	CRITERIA
Successful selection methods	An assessment centre in close proximity of the CWIL skills providers/stakeholders
Updated curricula	Curricula for all positions of the 14 trades with provision for all 2020 requirements, irrespective of whether unit standards exist or not.
New learning material	Courses and other material for at least 50% of critical and scarce skills
Updated qualifications	New qualification for all trades at all levels is the ultimate but the cost involved will be substantial
Streamlined learning material	Learning material should facilitate earning from the very basics to the delivery of the final service or product.
Stakeholder participation	All key stakeholders should participate on a continuous basis
Securing funding for CWIL	A funding sources should be considered
Quality Industry entrants	As suggested during focus groups, a section process must be mandatory
Appropriate training methodologies	Theoretical and practical methodologies should be included
Maintaining public awareness	Regular communication with the public through the press and media is essential
Conditions of public trade	This criteria should be actively pursued
Industry best practices	Bes practices should be both nationally and internationally
Programme sustainability	The delivery f skills should be sustainable over the medium to long term
Holistic development	A total one stop holistic development service should be provided
Effective policies and procedures	The CWIL should be driven by industry as well as government policy as expressed in CWIL policies and procedures
E-learning capability and capacity	E-learning should be optimized to reduce classroom training and to promote productivity in the workplace
Sufficient equipment	Sufficient equipment that are not used for company production should be available
Empowerment enablers such as Cooperatives	Empowerment models such as cooperatives are required to promote entrepreneurship.

At the focus groups it was agreed that criteria for venue and participants be selected and discussed.

In view of the following considerations, the Port Elizabeth area is viewed as the most suitable if the above criteria are taken into account:

- HE availability of various workplaces of high standard
- The economic activity to attract high caliber industry entrants
- Close proximity to the Nelson Mandela University and industrial development zones in the OR Tambo District on the eastern side of the Eastern Cape Province.
- Various other skills providers such as schools, TVET colleges and private providers

The following participants are recommended:

- As agreed during focus groups, the Nelson Mandela University should participate
- Industrial development zones in the OR Tambo District on the eastern side of the Eastern Cape Province.
- Sufficient local schools to feed the universities
- Two or three TVET colleges
- Relevant private providers

For the practical and exposure components, at least two vehicle manufacturers should participate.

5.6 CURRICULUM DEVELOPMENT

5.6.1 INTRODUCTION

Curriculum development is a major developmental phase of the CWIL concept. It is clear that the following three levels of education be complimented:

- School education
- TVT Education
- HE education such as university education.

5.6.2 SCHOOL EDUCATION

Based on valuable inputs by industry experts at the focus group consultative sessions, it was agreed that schools should be empowered to promote careers in the Motor Sector market as well as the aftermarket. Collaboration with school lecturers on assignments should be encouraged. It is also essential that school lecturers pay regular visits to the industry to acquaint themselves with the practical aspects of the industry

Consideration should be given to the promotion of technical workshops at selected schools. It is recommended that RMI and merSETA fund these workshops and provide industry banners and information displays at schools. Career shows must be promoted in collaboration with schools.

The value that schools can add to future skills required can be optimized if the Motor Industry lobbies with the Department of Basic Education to add a driver's license as part of their education syllabus. A driver's license is a significant skill and work enabler.

The Department of Basic Education can add further value if life skills are incorporated as part of their curricula in terms of enterprise acceptable practices such as:

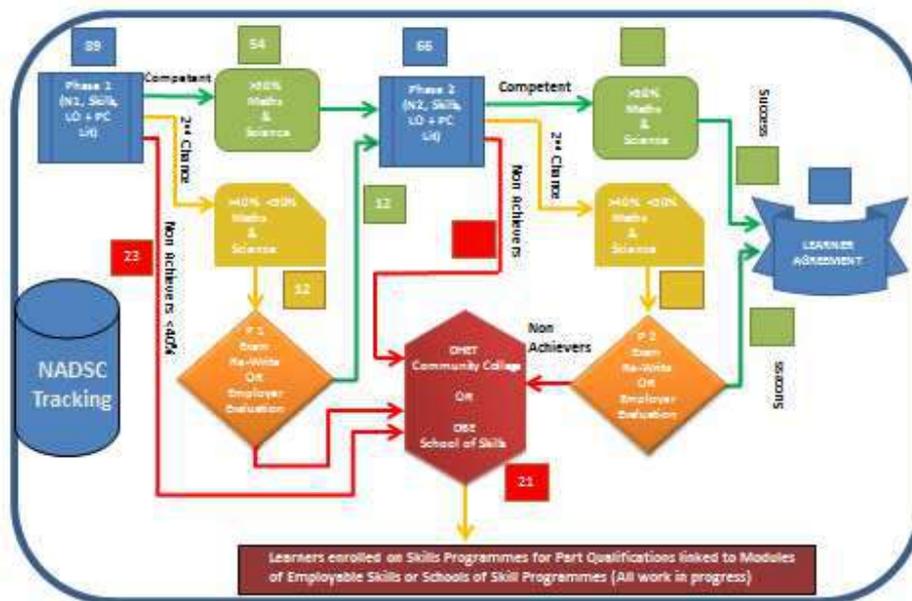
- Way to address and client engagement
- Problem solving
- Basic customer satisfaction – etc.

5.6.3 TVET EDUCATION

The following Cohort (Intake) progress reports of merSETA participating TVET Colleges illustrates key TVET processes:

GTPP PROGRESS REPORT

- **1st GTPP Cohort:**
 - 100 Learners (NEETs) were enrolled at the College of Cape Town (Athlone Campus) and only 30 completed both Phase 1 and Phase 2 successfully. 13 Learners were placed with dealerships around Cape Town and the rest (17) are still unemployed.
- **2nd GTPP Cohort:**
 - **Three TVET Colleges:**(College of Cape Town, Ehlanzeni and Capricorn) **have enrolled a total of 245 Learners and 175 Learners have completed Phase 1 successfully and are currently busy with Phase 2.**
- **Capricorn TVET:**
 - Enrolled: 74
 - Passed: 61
- **College of Cape Town TVET:**
 - Enrolled: 82
 - Passed: 48
- **Ehlanzeni TVET:**
 - Enrolled: 89
 - Passed: 66



It is essential that the CWIL skills delivery programme be coordinated with the above processes, commencement and completion times.

5.6.4 UNIVERSITY EDUCATION

University education should play an important role in the delivery of skills required by the Motor Sector. Since the Nelson Mandela Metropolitan University has been identified as key stakeholder, it is important to take the following **Word from Professor Theo van Niekerk (Chair)** into account: (<http://vwsadaad.nmmu.ac.za/>)

In the Eastern Cape the automotive industry has an important impact on the South African economy. The companies mainly focus on production and manufacturing of motor vehicles developed in automotive development centres for a global market in the northern hemisphere. This situation provides the region with a link to global industry and business.

The NMMU is the largest tertiary institution in the Eastern Cape with an engineering education program responsible to serve this industry with well-trained automotive engineers on all academic levels. Due to highly innovative product development in this industry the education contents have to follow these trends and industry needs.

Therefore the establishment of the VWSA / DAAD International Chair in Automotive Engineering between Volkswagen South Africa, the German Academic Exchange Service (DAAD) and the NMMU was a necessary decision to support the engineering training in this global prospective.

Goals and purposes of the chair:

- Education and training of students and professionals in automotive engineering, focusing on manufacturing and component development.
- Facilitate knowledge transfer into teaching and learning concepts and integrate into engineering programs, particular in relevant Higher Education of automotive engineering at NMMU.
- Intensify international co-operations between NMMU, German Universities and global automotive industry.
- Support of Eastern Cape car manufacturers and component suppliers in engineering and research services and projects.
- Establishment of new research and development initiatives in the field of energy systems, materials and manufacturing technology.

Under a long-term view this institution could become a competence centre for automotive engineering, education and research at the NMMU (Nelson Mandela Metropolitan University) and support the recommendation of this region in an automotive world.

During focus groups education beyond artisan level was also stressed that could be incorporated in Higher Education at Universities.

5.7 PROPOSED MISSION VISION AND VALUES

The following mission, vision and values are purely illustrative and subject to merSETA and stakeholder approval.

Vision

To become the leading training provider of skills required by industry in the Eastern Cape.

Mission

To expand to create leading industry technical training academies in other areas of South Africa that deliver skills through state of the art technologies.

CWIL strives to be self-sustainable over the long term by generating income for the services rendered to industry.

Values

CWIL is driven by the following values:

- Setting and implementing the highest standards in skills delivery
- Ensuring the highest possible quality through a Quality Management System

- Recruiting the best individuals to ensure delivery of the high quality of skills required by industry
- Continuous liaison and consultation with employers where learners get practical exposure
- Pursuing a professional finish in all activities
- Promoting teamwork
- Following policies and procedures to guide the delivery of professional services
- Compliance with the protocol of all regulating authorities.

5.8 PROPOSED ORGANISATION STRUCTURE, POLICIES AND PROCEDURES

From the information secured to date, provision should be made in the structure for:
The following organisation structure is proposed:

- Manager to be in control of the entire WoPCOE
- Financial manger
- Marketing manager
- 1 marketing officer
- Head of research
- 4 Training specialists
- 2 Assessors
- 1 Moderator
- E-learning coordinator
- IT specialist
- Human resource manager
- Operations manager
- Public Relations manager
- 4 clerks
- 1 Personal Assistant
- Telephonist

It is recommended that policies and procedures be developed. It should be stated that any CWIL can only operate successfully if it is managed professionally. It is therefore recommended that the following policies be prioritised for development and implementation:

- Recruitment and selection
- Pre-placement medical screening
- Appointment of incubates/learners and WoPCOE staff members
- WoPCOE entry and exit
- Best practice
- Remuneration and stipends
- Disciplinary code and grievance procedure
- Skills development

- Assessment and moderation
- Bursaries
- Qualifications
- Learnerships
- Internships
- Career guidance
- Experiential learning
- Skills programmes
- Prescribed unit standards
- BBEE
- Gender
- Delegation of authority
- Corporate governance
- Staff Transfers
- Promotions
- Staff Transfers
- Employment Equity
- Retirement
- Retrenchment and redundancy
- Death and disability/ incapacity
- Medical Boarding
- Job Descriptions
- Succession Planning
- Hours of work and absenteeism
- Overtime
- Housing allowance/ subsidies
- Subsidised education
- Alcohol and drug abuse
- Disciplinary code and procedure
- Grievance procedure
- Sexual harassment and favouritism
- Occupational Health and safety
- Smoking policy and procedure
- HIV & AIDS Policy and procedure
- Employee assistance
- Stock control and procurement
- Printing and stationary

5.9 THE VALUE OF THE CWIL CONCEPT

Based on comprehensive desktop research and focus group feedback on skills needs, the value or benefits of the CWIL concept can be summarised as follows:

- A truly one stop skills provision solution is required
- The industry will be marketed to ensure that the best learners are attracted to the industry
- Key problem areas experienced with current skills delivery will be addressed.
- Life skills will be included in the curriculum
- Both theoretical and practical skills will be transferred to learners
- Learners will be empowered with skills that the industry needs
- Learners will receive career guidance to enable them to take the correct decisions
- Entry and exit levels will be introduced that will enable learners to realise their full potential.
- Qualifications can be shortened to ensure learners to ensure that learners only receive the specialised skills they need.
- Learners will have wider industry knowledge
- EI-learning will reduce classroom training
- The concept will be applied to enhance women and youth development
- Rural development will be enhanced if the concept is extended to the rural areas
- Skills required to serve the after-market will be delivered
- Challenges experienced with the current institutions will be proactively addressed.

5.10 THE PILOT PROJECT BUDGET FRAMEWORK

The pilot project budget will be informed by the elements set out in the table below. The actual budget will be derived at once the site has been selected. It was agreed no figures are needed at this stage.

Table: Detailed Budget Breakdown items for the CWIL pilot project making provision for Capital Expenditure (Capex) and Operational Expenditure (Opex)	
Budget item	Discussion
Capital Expenditure (Capex)	Provision should be made a detailed capital budget, depending on the requirements set out below
A. Setup	Setup costs are capital costs that need to be incurred prior to commencement of the pilot project
Newco establishment & corporate identity	Newco is purely used as new entity for the CWIL. An very descriptive name should be selected and appropriate

	corporate identity items such as a logo should be developed
Newco: Policies and procedures + delegation of authority	As set out in section 5.8 of this report it would not be possible to effectively manage the CWIL without detailed policies and procedures
Newco to be transferred to COE (BOT)	Depending on the entity chosen, it might be necessary to transfer the entity to a Centre of Excellence.
B. Development of Training Material	The 2012-013 skillsresearch has shown that there are no suitable unit standards or learning material for skills required in areas identified in the 2020 drivers of change
The qualifications listed below are merely examples of qualifications that need to be developed or updated according to requirements	
Development: 83946: National Certificate: Management	It is firmly believed that a management qualification should be customised for the 14 trades of the Motor Sector
Development: 49648: National Certificate: New Venture Creation (SMME)	New Venture creation is an essential qualification to develop entrepreneurs, especially for the after-market
Development: 57712: Further Education and Training Certificate: Generic Management	Some general management qualification is required
Development: 66249: Further Education and Training Certificate: New Venture Creation	Both the NVC qualifications (NQF 2 and NQF 4) might be required
Accreditation (Extension of Scope) per Development	The skills research has clearly identified the need for scope extension in various areas.
New Accreditation for company/CWIL	The new CWIL will have to be accredited, which is a lengthy process.
BSC - Performance Management System	A performance management system needs to be developed to optimise the efficiency of CWIL
Development of workplace in learning (WiL) Toolkit	The CWIL concept is based on work-integrated learning. A toolkit to empower CWWI staff and selected other stakeholders need to be developed.
CPD training	Continuing Professional Development (CPD) is required to optimise the CWIL
Train the trainer (15 x R 20,000)	Training the trainer is absolutely essential to qualify trainers for new sets of skills transfer
C. Quality Assurance	

Selection & Screening (interns)	At the focus groups the need for a thorough selection and screening process was stressed.
- All related aptitude testing (including learning receptiveness testing)	Such techniques need to be developed/purchased and implemented. The following 4 points pertaining to current workers were recorded: 1) Assessment of all workers 2) Give them all business training 3) Not all workers will go on training 4) Determine viability
- Reference checking	Since the Motor Sector needs high caliber staff with credible work records reference checking is essential
- Recruitment	Provision should be made for recruitment cost, either by CWIL staff or recruitment agencies.
Selection & Screening (staff)	After recruitment appropriate selection procedures including shortlisting should be followed.
Case study & profile development (action research)	To ensure the effective transfer of practical skills case studies and profile development need to be done

D. Enabling Resources	Sufficient capital will be required to purchase and install enabling resources illustrated below
Infrastructure for EQ & Prof body training	Depending on the CWIL venue and curriculum focus on required infrastructure and related training such as professional body training sufficient funds will be required.
- EQ _ Studio + camera's	
- Tables x40 (including software)	
- venue (1x1) = 5x	
- large venue x2 [40m)	
Simulators and equipment in the following illustrative fields:	

<ul style="list-style-type: none"> • Welding • Painting • Production lines • Suspension fitment • Shock fitment • Break fitment • Exhaust fitment • After-market requirements 	To develop competencies in these and other fields, the application of simulators might be necessities.
- Marketing media centre	Capital should be available for marketing, including the possible development and implementation of a marketing media centre.
Provision should be made for cost items such as:	
Media centre	These items are illustrative until detailed requirements have been agreed upon.
Programming (set-up cost)	
Vehicles	
IT support:	
- bunker & server	
- license & software	
- Operating control platform	
Programme admin & control centre & records	
Office & reception	
- Office desks & equipment	
The capital budget will then need to be consolidated as follows:	
<ul style="list-style-type: none"> • Total Budgeted Capital Expenditure (excluding accommodation facility for learners) • Hostel (Building & grounds) - Not owned by the incubator • Total Budgeted Capital Expenditure (including accommodation facility for learners) 	
2. Operational Expenditure (Opex)	Operational expenditure will now be set out in more detail
A. Administration	
Centre of Excellence: Governance Structure	A Governance Structure need to be established and provision be made for its regular funding
Institutionalise COE for period agreed upon [Broadening of scope and capacity]	This step is a logical next item that need to be financed
B. Development of Training Material	
General Travelling Expense	Training material development will require a substantial traveling budget
HR Professional	These monthly costs need to be

	provided for
Media	Regular media costs need to be included
Life skills training [done parallel]	Identified life skills during focus groups can run parallel with core curriculum subjects
Soft skills training: Provision should also be made for training in areas such as - Problem solving budgeting etc. .- After hours extra curricula (toast masters) - Assertiveness / problem solving / etc. - hard team-building - Individual assessment -Individual visits & plant tours (x6 pa) - R100k per trip	Provision should be made in the operational budget to fund activities in the agreed areas, of which illustrative examples are given
C. Quality Assurance	
External Moderators	CWIL should definitely make provision for moderation costs to ensure long term skills transfer
ETQA	Funds should also be available for ETQA and QCTO expenses
D. Human Resources	
As per section 5.8, the proposed organisation structure makes provision for the following positions: <ul style="list-style-type: none"> • Manager to be in control of the entire WoPCOE • Financial manager • Marketing manager • 1 marketing officer • Head of research • 4 Training specialists • 2 Assessors • 1 Moderator • E-learning coordinator • IT specialist • Human resource manager • Operations manager • Public Relations manager • 4 clerks • 1 Personal Assistant 	Provision should be made in the operational expenditure budget for items including: <ul style="list-style-type: none"> • Salaries • Bonuses • Leave provision • Statutory fees • Other items as per policies and procedures set out in section 5.8 of this report

<ul style="list-style-type: none"> • Telephonist <p>Depending on the identified CWIL needs more staff may be required</p>	
Retention strategy budget	Cost for these items are required to ensure an effective CWIL that will deliver industry skills required on a sustainable basis.
Marketing and Promotions	
Supervisor	
Material	
Marketing and roadshow of model	
E. Other	
Learner: Stipend	Experience has shown that learners stipends are very necessary to attract learners and to ensure that they complete their qualifications/training programmes
Learner Incentive	Provision should also be made for other learner incentives
Learning material (to increase in line with intake)	Learning material needs to be purchased regularly to ensure continuous skills transfer.
Maintenance	Provision should also be made for maintenance costs.
<p>The operational budget will then need to be consolidated as follows:</p> <ul style="list-style-type: none"> • Total Budgeted Operational Expenditure • Total Budgeted Cost (including Hostel) • Total Budgeted Cost (excluding Hostel) 	

It is clear that the he pilot project budget will be informed by the elements set out above.

FOURTH AND FINAL REPORT

6 REASSESSMENT OF SKILLS RESEARCH AND OTHER ISSUES

In the SLA it was agreed that the 2012/3 skills research be reassessed and other issues that emerged during the latest focus groups be taken into account. The priorities and objectives formulated during the skills research are viewed as key pillars of the skills research and will now be reassessed.

6.1 REASSESSMENT OF THE SKILLS RESEARCH

The Skills research done in 2010-2013 was reassessed and the following conclusions can be drawn:

As stated in the conclusion of the final report it is clear that the Motor Chamber of merSETA has broken new ground in the challenging skills landscape of a very demanding industry. It is clear that existing skills delivery needs to be intensified and accelerated to meet future skills demands. Very few SETAs look beyond the 2011-2016 planning period. The problem with this insufficient longer term skills planning is the possible exclusion of key skills requirements for a prosperous future. The study also highlighted the further opportunity to enhance career planning in the Motor industry. Up to NQF level 3 the situation is more acceptable, but more interventions are required to bridge the gap leading to NQF 5 and 6.

In addition, the following conclusions can be drawn:

- Drivers of change towards 2020 will still dictate skills needs in the Motor Sector
- The CWIL solution will address most of the current problem areas in the skills delivery chain
- The new objectives clearly address the current problem areas
- The CWIL solution will unite stakeholders into a coherent whole that work together.

It is clear that this project can be viewed as a logical continuation of the skills research with specific focus on skills required by the Motor sector in future.

7 PRIORITIES

Based on the above strategic analysis, 10 priorities or focus areas have been identified. The relevance of these priorities in terms of the follow-up project can now be assessed as follows:

Priority	Assessment of relevance in terms of the SLA of the follow-up project.
Priority 1: To accelerate e-learning	Although no new e-learning issues were raised, this method learning still of critical importance, especially due to the fact that economically active people are not readily available for classroom training
Priority 2: To accelerate SMME development	SMME development was raised as priority at the recent focus groups. The development of a SMME toolkit was stressed as priority. It is therefore essential that such a toolkit be developed as soon as possible, especially for use in the rural areas to develop entrepreneurs for the after-market.
Priority 3: To align learning content with the 2020 landscape / and drivers of change	In the completion of the skills research, no new unit standards in the critical areas such as technological innovation and the Green agenda were introduced. The development of learning material in was also not appropriately addressed
Priority 4: To strengthen the resource base through further research projects	<p>Consultation with industry experts at the focus groups. The following contributions a focus groups highlighted the need for further research</p> <ul style="list-style-type: none"> • RPL should be addressed especially pertaining to applied knowledge. • A revised curriculum to guide the project • Provision for the development of a SMME toolkit should be included in the next report
Priority 5: To develop the after market	Development of the after-market did not commence since completion of the skills research and the importance of this priority was confirmed at al focus groups.
Priority 6: To focus on Rural area needs	The policy imperative as well as the need to address the needs of the rural areas were once again confirmed at the consultative focus groups
Priority 7: To expedite the delivery of artisans required by the motor industry.	It was clearly stated that the Higher qualifications beyond artisan should be addressed. Curricula should be updated to make provision for 2020 skills identified during the skills research
Priority 8: To facilitate the	The CWIL concept was actively supported.

<p>establishment of centres of excellence to improve skills delivery and partnering with education & talent pipeline providers, bringing about the meeting of industry entrance requirements</p>	<ul style="list-style-type: none"> • It should function as a “one-stop-shop” where selection assessments, all institutional training and all the workplace development aspects can be facilitated; • Be linked to higher education and training institutions (i.e. university acceptable to merSETA) <p>The following requirements should be met to ensure a viable pilot project:</p> <ul style="list-style-type: none"> • A detailed pilot budget • A pilot site, preferably a service provider to industry • Relationships with key stakeholders • A revised curriculum to guide the project • Approval by the related authorities, e.g. SAQA <ul style="list-style-type: none"> • A final position document and implementation report that includes <ul style="list-style-type: none"> • A conceptual CWIL model • Implementation guidelines and recommendations • An implementation budget <p>The above issues will be clearly spelled out in the implementation section of this report</p>
<p>Priority 9: To market the industry among potential entrants</p>	<p>It was once again confirmed that industry entrants do not know the industry and the opportunities it offer. Industry marketing should therefore be done at Institutions such as schools, TVET colleges and universities.</p>
<p>Priority 10: To address skills accelerations and overcome career path restrictions</p>	<p>Based on findings of this research project new career path should be identified where possible and implemented.</p>

8 OBJECTIVES

Based on available information gathered so far, strategic objectives per priority / focus area were defined below. MerSETA management should allocate responsibilities and target dates. Based on research done to date, it was decided to assess the relevance of the objectives on the following scale:

- 5 - Extremely relevant
- 4 - Very relevant
- 3 - Relevant
- 2 – Relevant to some degree
- 1 – Not relevant

Objective	Relevance
1.1 Assess existing e-learning practices in South Africa	4
1.2 Identify areas to apply e-learning	4
1.3 Develop E-learning material for at least the following policy imperatives: <ul style="list-style-type: none"> • Rural development. • Youth development. • Women development. • SMME empowerment. 	5
2.1 Critically assess related existing toolkits and product offerings in the market	4
2.2 Customise existing material to meet the entrepreneurial needs of the Motor industry.	4
2.3 Make an electronic toolkit available to all existing small business owners and prospective entrepreneurs in the Motor industry.	5
3.1 Assess the impact of the following drivers of change in terms of key positions in the Motor industry: <ul style="list-style-type: none"> • Technological innovation. • The green agendas. • Social media. • Social drivers of change. • Ageing population and growing middle class. 	5
3.2 Update all learning content and curricula	5
5.1 Identify all jobs required to enhance the aftermarket.	4
5.2 Identify training material to cater for the skills required per position	4
5.3 Complete all learning material to develop people for these positions	5
6.1. Feasibility and Impact Study.	4

6.2. Aftermarket availability.	5
6.3. Social Media connectivity advantage study.	4
6.4. Exploiting BEE requirements for Rural Shareholders and Enterprise Development in order to create franchises in hotspot areas.	5
6.5 Establish clusters of training facilities in the rural areas in collaboration with stakeholders	4
7.1 Determine the capacity of all artisan delivery institutions/providers	4
7.2 Secure funding to finance a national artisan recruitment campaign.	5
7.3 First artisans successfully complete their apprenticeships and are made available to the motor industry for employment.	4
8.1 Identify at least three areas to establish centres of excellence	4
8.2 Identify key stakeholders to participate and consult	4
8.3 Establish at least three centres of excellence.	4
9.1 Do a research project on careers in the Motor industry from NQF 2-NQF	4
9.2 Issue a career guide for the Motor industry to all schools and FET colleges.	4
9.3 Issue a tender to conduct a career Expo at appropriate schools and FET colleges.	4
10.1. Review of current career progress limitations in the workplace.	3
10.2. Foster an environment for continuous professional development in the sector.	4
10.3. Develop an implementation solution to break the class ceiling within the sector by focusing on core skills and generic soft skills required to progress in the workplace/professional environment.	4

Although the above assessments lay a solid foundation to strategise the following additional matrix can be used to prioritise the implementation of the strategic plan:

Please use the following scale for your rating.

- 5: Very high
- 4: High
- 3: Average
- 2: Below average
- 1: Low

Finally, rate the priority ranking in the final column.

Priority	Priority ranking criteria			Ranking
	Benefit to the industry	Cost of the priority	Supporting the merSETA vision	
Priority 1: To accelerate e-learning				
Priority 2: To accelerate SMME development				
Priority 3: To align learning content with the 2020 landscape / and drivers of change				
Priority 4: To strengthen the resource base through further research projects				
Priority 5: To develop the after market				
Priority 6: To focus on Rural area needs				
Priority 7: To expedite the delivery of artisans required by the motor industry				
Priority 8: To facilitate the establishment of centres of excellence to improve skills delivery and partnering with education & talent pipeline providers, bringing about the				

meeting of industry entrance requirements				
Priority 9: To market the industry among potential entrants				
Priority 10: To address skills accelerations and overcome career path restrictions				

The above additional rating can only be used if consensus is not achieved among merSETA decision makers.

9 ASSESSMENT OF OTHER KEY ISSUES AND THE WAY FORWARD

As agreed at the meeting held on 28 October, the agreement of the road ahead, outstanding SLA items as well inputs made at the last focus group meeting should be verified for inclusion in the final report. The following table will indicate achievement and also the location of the item in the report

Area	Comments
The road ahead as agreed on at the 28 October focus group	
The inputs from the workshop of 22 nd will be used to update 2 nd report. Report sections to be splitted-out to meet SLA requirements	Included in full the entire report
For the 5 th December a report that describe more in detail the CWIL	Completely covered in sections 5.2-5.8
Function as a “one-stop-shop” where selection assessments, all institutional training and all the workplace development aspects can be facilitated;	The proposed model is indeed a one shop where theoretical and practical training is provided in accordance with industry requirements
Be linked to higher education and training institutions (i.e. university acceptable to merSETA)	Nelson Mandela University proposed by merSETA and institutions in industrial development zones in the OR Tambo District on the eastern side of the Eastern Cape Province
The following requirements should be met to ensure a viable pilot project:	
<ul style="list-style-type: none"> • A detailed pilot budget 	Attached as Annexure A
<ul style="list-style-type: none"> • A pilot site, preferably a service provider to industry 	The pilot site must preferably in Port Elizabeth
<ul style="list-style-type: none"> • Relationships with key stakeholders 	This position document should be made available to a stakeholders and a stakeholder conference should be convened to further consult and secure sustainable buy-in.
<ul style="list-style-type: none"> • A revised curriculum to guide the project 	A curriculum format is proposed in section 5.6
<ul style="list-style-type: none"> • Approval by the related authorities, e.g. SAQA 	This process should be negotiated on strength of the findings of this report
A final position document and implementation report that includes	
<ul style="list-style-type: none"> • A conceptual CWIL model 	Included in section 5.3
<ul style="list-style-type: none"> • Implementation guidelines and recommendations 	Set out in section 7.4
<ul style="list-style-type: none"> • An implementation budget 	Attached as Annexure A

A matrix will be provided to assist with the election of a venue – for the pilot	Set out in section 8
The above deliverables will be achieved through the following methodology:	
- The desktop research as outlined above	Completed and discussed in first report
- Qualitative research	Set out in this report
- Possible site visits in January 2015 – to Rosslyn & Other benchmark sites	To be finalized
- Final input from project team & Steercom	Feedback on this report awaited
- Final report February 2015	Will be submitted on time
It can be concluded that sufficient and valuable inputs were secured at the meeting to complete the project as scheduled.	All inputs recorded and attended to
Checklist from last meeting	
The NDP and Vision for 2030 should be clearly assessed and included in the next report	Done in section 4
Agreed to use Prof Henry's updated Government National Development plan CW L will have a regional meeting.	Done in section 4
RPL should be addressed especially pertaining to Applied knowledge.	To be accommodated in a separate project
The following 4 points pertaining to current workers were recorded	
1) Assessment of all workers	To be done during pilot project
2) Give them all business training	To be done during pilot project
3) Not all workers will go on training	To be done during pilot project
4) Determine viability	To be done during pilot project
The Government's rural development plan too generic and needs to be customised.	Customised in implementation plan in section 7.4
Provision for the development of a SMME toolkit should be included in the next report	Recommended project
TVET college staff should be empowered on industry skills (Focused upskilling)	Part of implementation plan in section 7.4
The question What will the CWL bring should be clearly addressed in the next report?	Addressed in section 5.10
As far as possible the Nelson Mandela and Walther Sisulu Universities should be included in the future skills solutions be need to be included (CWIL_	Proposed as key participants

Specific areas that reflect shortages in terms of NDP requirements must be addressed	Addressed in section 4
What the CWIL cost will be must be included.	Addressed in section 5.10
NDP is really important.	Addressed I section 4
Women empowerment muse be addressed	Addressed in section 7
Funding structure and structural issue.	Addressed in Annexure A
Pilot project must not be long driven.	Addressed in section 5.4
CWIL must comply with the primary objective of merSETA	Addressed in Section 5
Add NSDS III pertaining to the entire report with specific reference to CWIL	Addressed in section 3
Addressing also the country's need.	Addressed in section 3
Advise how the SMME toolkit will enhance rural development	Part of recommendations in section 7
Set out CWIL management and administration	Set out in section 5.7
Address Higher qualification beyond artisan.	Set out in section 5.5
Technological must cover from diagnosis to repair. Look at the entire process.	Essential to include in the revised curriculum in section 5.5

10 IMPLEMENTATION REPORT

10.1 METHODOLOGY & BEING INFORMED BY OTHER EXISTING CoE's

This implementation report is based on proven best practices that the bidder has refined over many years based on cutting edge technology and proven best practices

It was recommended at the meeting of 28th October 2014 that the Steering committee nominates a small delegation to go on a site visit to similar CWIL & Skill CoE' created by AIDC / NTIP / etc. in January 2015. Such visit should inform decisions and recommendation of the final report.

10.2 STRATEGIC ANALYSIS: COMPETITIVE ADVANTAGE

Competitive advantage is a strategy that is frequently used in the motor industry. It was therefore deemed appropriate to compare the CWIL skills delivery solution to other forms of skills delivery such as:

- Just education such school, TVET college or university education
- Private sector training
- In-house training by employers
- E-learning

In practice some of the above skills delivery mechanisms are often combined to add value to employers.

Since CWIL is a one-stop solution, it will now be assessed on the following 4 factors of competitive advantage:

Cost. Unfortunately CWIL scores very low on the cost variable since a costly one-stop solution by various forms of delivery is provided.

Differentiation. The CWIL solution differentiates itself from all other forms of skills delivery since it adds considerable unique value to the industry/employer in terms of a one stop service that transfer the following forms of skills, knowledge and competencies:

- Theory
- Practice
- Industry competence
- Trade secrets through coaching and mentoring
- Life skills
- Desired work attitudes
- Emotional "intelligence"
- Problem solving skills
- Etc.

CWIL is in effect a balanced combination of all-available skills transfer methods and therefore scores very high on differentiation.

Focus

CWIL has basically one niche market, namely industry. CWIL provides the skills required by industry and industry needs is therefore the most significant focus. CWIL model scores very high as a strategy to gain competitive advantage.

Speed. Two forms of speed can lead to competitive advantage, namely:

- **Speed of delivery.** To deliver industry skills cannot be done overnight but it takes time. However, an unplanned form of skills delivery through normal methods takes longer than skills delivery through CWILs. It can therefore be concluded that CWIL scores higher on delivery speed than traditional methods.
- **Speed of innovation.** CWIL must innovate to stay abreast with the latest developments and to integrate other forms of skills delivery. Constant research on the 2020 landscape proves a continuous innovative approach to skills delivery. CWIL therefore scores high on speed of innovation.

10.3 PESTEL ANALYSIS

An analysis that is often used to capture future challenges is the PESTEL analysis referring to the Political, Economic, Social, Technological, Environmental and Legal parameters that have an impact on the future. The PESTEL analysis in the context of this research project is to assess the external environment in which the planned skills delivery will take place.

It was agreed to strengthen the skills development decision-making basis with the inclusion of a PESTEL analysis that focuses on the key external environmental influences on the Motor Sector. To improve the relevance of the PESTEL analysis, the focus on the various parameters is very brief with a strong skills development perspective.

The drivers of change presented in earlier sections of the report as well as the skills research and the first report of this project are now taken one step further, namely to summarise the essence of the various drivers of change under PESTEL headings to guide the strategic analysis component of this updated SSP. The PESTEL analysis can therefore be summarised as follows:

Political

As far as the political environment is concerned, by far the most significant impact on most sectors is the wide range of mandatory policies that have an effect on skills development. These policies include the NDP, NSDSIII, Skills Accord, New Growth Path, Medium Term Strategic Framework and others. It is clear that the greatest challenge would be to adhere to the South African political policy framework, whilst keeping in line with contrasting global forces such as reduced job creation.

It is essential that the sector stay in touch with political decisions in terms of the skills development landscape such as further possible rationalisation of SETAs and the further refinement and implementation of the QCTO. The essence of this research project's outcomes would be to determine **what is best for South Africa solution** in the Motor sector since global forces such as reduced employment is in steep contrast with the South African policy agenda.

The political environment is also challenging from key focus areas such as increased rural development.

The impact of labour on political decisions is also expected to increase. Labour will continue to demand worker recognition at all levels. Since some workers can do the work but do not have qualifications will also put greater pressure on RPL

Economical

Since there are some similarities between Wholesale and Retail Sector, some economic perspectives done by them are included. "Despite the economic recession and these adverse economic factors, the sector is positioned for further growth amid challenges the Retailers are cautiously optimistic heading into 2012. However, household income from property and employment growth may be adversely affected by international developments, while rising prices are likely to limit real wage increases going forward. Coupled with subdued credit growth amid global uncertainty, the resulting slowdown in real disposable income growth should weigh on consumer spending for the remainder of 2012. (Kemp, & Ellis, 2012 particular attention in all sectors).

This report further states: "Consumer confidence is currently at its lowest level since the onset of the global financial crisis in the second half of 2008. Coupled with deterioration in the outlook for household income growth, the decline in consumer confidence foreshadows a substantial slowdown in the growth in household consumption expenditure during the remainder of 2012." (W&R Seta SSP 2011-2016)

The economic shift from the West to the East will also have a major impact on the motor sector, with Increased competition from countries such as Korea, China and India.

Social

It is clear that the South African policy agenda is also loaded with various social challenges and opportunities.

From an empowerment perspective, the social parameter also dictates more industry focus on issues such as life skills.

The Motor sector is well informed on the opportunities and challenges of the social landscape. HIV/AIDS should receive

The rapid growth of social media also has important implications for the Motor sector. Increased focus is also placed on youth and women development. Projects to increase women and youth development should therefore be encouraged.

Technological

The technological drivers of change are very challenging to most sectors, especially to develop skills development solutions. Computerization has changes the motor industry considerably in recent years and further innovations can be expected. Vehicle maintenance has changes due to computerization.

It is clear that the aftermarket catering for SMME business will be challenged in particular to stay abreast with technological changes. Specific trends affecting the sector such as welding trends should be studied and skills development interventions should be adapted accordingly.

During the 2012/3 skills research, various new skills sets have been identified such as welding tends. During recent focus groups new trends such as water painting, 3D and ID initiatives have been identified that need new solutions

Legislation and government policy

It is clear that the Consumer Protection Act and other legislation that has a major impact on the industry and provision should also be made for the preparation of the sector for changes in the training and development landscape such as the proposed functioning of the Quality Council for Trades and Occupations (QCTO)

To ensure that the analyses cover the most important environmental issued, it was decided to briefly assess the impact of the Medium term Strategic framework on skills development on the Motor Sector. The results can be summarised in the following table:

Table: Impact of the MTSF on skills development in the Motor

Priority	Impact on skills development
Speed up growth and transform the economy to create decent work and sustainable livelihoods.	This priority will be challenging in the current economic climate after the recession, but it should be pursued in the best interest of all stakeholders. Innovative solutions will be required to position the Motor industry to meet this objective. The opportunism identified at consultative interaction with key stakeholders such as the after-market should be considered.
Implement a massive programme to build economic and social infrastructure.	This priority is also very challenging in the Motor environment, however proposed developments in the Eastern Cape might contribute significantly
Implement a comprehensive rural development strategy linked to land and agrarian reform and food security.	The wholesale Motor sector's volume of activity can be extended within the rural that could make a further contribution. SMME development in the rural areas is viewed as opportunity that needs further skills development work.
Strengthen the skills and human resource base.	One of the key objectives of this follow-up research project is to achieve this specific objective. The fact that the required skills base is viewed from a longer-term perspective adds further value. The external environment is constantly changing and requires innovative skills solutions
Improve the health profile of all South Africans.	Most empowerment efforts should be aligned with focused health initiatives, especially pertaining to pandemics such as HIV/AIDS. The fact that a HIV module is part of all qualifications is viewed as a step forward
Intensify the fight against crime and corruption.	The Motor industry is very sensitive to crime and corruption. From a skills development perspective this reality should be taken into account.
Build cohesive, caring and sustainable communities.	Actions are required to strengthen the relationship within communities where the industry operates. This priority is especially important in the rural where insufficient progress has been made in areas such as skills development in the after-market sector
Pursue African advancement and enhanced international cooperation.	Managing the contradictions between the South African environment and global forces forms an important part of this objective. Further African advancement should be strengthened. The motor industry in S is an integral part of a global industry. The drivers of change highlighted the economic shift towards Eastern countries that should be further addressed
Manage and use resources sustainably.	Resource optimisation is of critical importance in the industry, especially from a technological application perspective. The developments in the Eastern Cape are also expected to further optimise resources
Build a developmental state, including the improvement of public services and strengthening of democratic institutions.	The successful implementation of the outcomes of this research project should support the realisation of this priority.

10.4 SWOT ANALYSIS

10.4.1 ASSUMPTIONS ABOUT THE INTERNAL ENVIRONMENT

Based on an analysis of the internal environment, the following strengths and weaknesses have been identified:

- **Strengths:**
 - Research alignment with SA policy
 - Women leadership empowerment initiative
 - Skills base within the industry
 - 2020 awareness i.t.o. Skills requirements
 - Extensive expertise in the Motor sector
 - Access to media
 - Potential for job creation
 - Policies in place to address all the issues
 - Willingness to participate
 - Bargaining council- synergy between training and other processes that could hamper production
 - Fairly successful track record in terms of skills delivery
 - Very committed people (experts of industry)
 - Maturity of the people in terms of reasoning abilities

- **Weaknesses:**
 - SMME sector not well developed
 - Industry not well expanded in rural areas
 - Absence of entrepreneurial toolkits
 - Insufficient funds
 - Insufficient people to serve the entire country (e.g. rural areas)
 - Insufficient buy-in from employers
 - Limited entrepreneurial solutions
 - Lack of transformation of the sector
 - Inefficient processes and red tape
 - Not attracting quality people to the industry
 - Separation of substantive and training issues
 - Assessment language (insufficient material in key languages)

10.4.2 ASSUMPTIONS ABOUT THE EXTERNAL ENVIRONMENT

Based on a careful analysis of the anticipated external environment, the following opportunities and threats have been identified:

- **Opportunities:**
 - SMME empowerment
 - Women empowerment

- Rural development
- The after-market opportunities
- The need for skills in rural areas
- The need for E-learning
- The need for ICT infrastructure and Internet Cafes
- Institutional arrangement with key stakeholders
- Community/private partnership
- Bridging programmes
- People with skills but not qualifications RPL
- 2020 needs
- Rural development
- Curriculum development
- People with the knowledge but not qualification (RPL opportunity)
- Middle class market

According to the Eastern Cape Development Corporation (ECDC) the following provincial opportunities exist in terms of the automotive and component sector:

- **New component manufacture** - potential exists for investment into component manufacture in support of the automotive industry in the province.
- **Catalytic converters** - business opportunities exist for investment in stainless steel, ceramic core & assembly operations directly related to the catalytic converter industry based in Port Elizabeth.
- **Automotive tooling, parts and components** - opportunities exist for businesses to invest or expand in the areas of tooling, jigs, assembly lines, auto and safety glass, plastic automotive fittings, engine parts and rubber and plastic components.
- **Automotive supplier park** - the ASP is up and running at the East London IDZ, offering attractive opportunities to component manufacturers, particularly those that supply the nearby Mercedes Benz South Africa operation.
- **Business opportunities in the automotive component cluster** - co-operation with established first and second tier suppliers for storage solutions, JIT distribution, research and development and training initiatives.
- **New vehicle manufacture** - the Eastern Cape has been identified as a potential investment destination for a new electric car production and assembly plant for both domestic market and export. The Eastern Cape offers excellent location advantages coupled to access to SADC and African markets.

Source: Eastern Cape Development Corporation (ECDC, 2012)

It is clear that these opportunities imply a significant skills gap that needs to be addressed.

- Threats:
 - Economic pressures

- High price of fuel
- Uncertainty about QCTO
- Bureaucracies to get funds approval
- Schools and basic education insufficient
- People drop out before completing a qualification
- The low quality of broad band at this stage
- Poor link between FETs and industry
- Economic scenario Unfavourable
- HIV/AIDS
- Employer resistance in terms of RPL

10.5 IMPLEMENTATION PLAN

In terms of the extensive list of deliverables outlined in the SLA It must first be accepted that the 3 reports of the 2012/13 skills research, the first report of the follow-up project (which covers report 1 & 2 in accordance with SA) as well as this report (which covers reports 3 and 4 in accordance with SA) should be viewed as a coherent whole. To ensure focused reading, all relevant sections will not be repeated. Ample cross referencing was made throughout and the key focus will now be determine actual skills requirements in relation to the identified change drivers within the various geographical and market sectors to determine what type of motor skills sector skills are required in those areas. In the previous report, the drivers of change were updated and should be evaluated in conjunction with the skills research reports Through focus groups and the Provincial Synthesis skills report it can be concluded that the skills requirements per geographical area has been thoroughly assessed, especially if viewed in conjunction with the SSP.

The implementation plans, as set out below will therefore focus on packaging the road ahead in terms of focus areas and proposed realistic and challenging objectives with timeframes.

Firstly new objectives are set for the existing 10 priorities of the skills research project based on the preparatory work done in section 8 of this report. Since criteria for the CWIL concept and other key areas were so stressed at the focus groups, it was necessary to reprioritise existing objectives ad set new ones:

OBJECTIVE	RESPONSIBILITY	TARGET DATE (TBC)
Priority 1: To accelerate e-learning	Introduction of E-learning systems to serve the following segments <ul style="list-style-type: none"> • The after market • Women and youth development 	
Priority 2: To accelerate SMME development	Development of the SMME toolkit	
Priority 3: To align learning	Prioritise programmes to update	

content with the 2020 landscape / and drivers of change	content Develop the prioritised learning material	
Priority 4: To strengthen the resource base through further research projects	Conduct research in the following areas <ul style="list-style-type: none"> • Rural, youth and women development • Continuous reassessment of drivers of change • The green agenda • Technological innovation 	
Priority 5: To develop the after market	Prioritise specific after-market needs in the 14 trades Implement rural training programmes	
Priority 6: To focus on Rural area needs	Position the after-market as rural focus Extend the CWIL solution to one rural area	
Priority 7: To expedite the delivery of artisans required by the motor industry.	Incorporate in the CWIL solution with including focus on the levels higher than artisan	
Priority 8: To facilitate the establishment of centres of excellence to improve skills delivery and partnering with education & talent pipeline providers, bringing about the meeting of industry entrance requirements	This priority has been reformulated as priority 11	
Priority 9: To market the industry among potential entrants	Introduce a marketing plan at skills institutions	
Priority 10: To address skills accelerations and overcome career path restrictions	Reconsider and redesign career paths and include in marketing plan	
Based on inputs by industry experts at focus groups, the following priorities have been added		
Priority 11: To introduce at least on CWIL	Implement the pilot project as set out in section 5	

11 CONCLUSIONS AND RECOMMENDATIONS

It is clear that this research project should be viewed as a logical continuation of the 2012/13 skills research to ensure that a sufficient skills base is secured for medium to longer term Motor sector requirements.

The previous referred and current research project should therefore be viewed as a coherent and ongoing project up to the year 2020 and beyond.

The **PESTEL analysis** confirmed the following strengths, weaknesses, opportunities and threats:

Strengths:

- Research alignment with SA policy
- Women leadership empowerment initiative
- Skills base within the industry
- 2020 awareness i.t.o. Skills requirements
- Extensive expertise in the Motor sector
- Access to media
- Potential for job creation
- Policies in place to address all the issues
- Willingness to participate
- Bargaining council- synergy between training and other processes that could hamper production
- Fairly successful track record in terms of skills delivery
- Very committed people (experts of industry)
- Maturity of the people in terms of reasoning abilities

Weaknesses:

- SMME sector not well developed
- Industry not well expanded in rural areas
- Absence of entrepreneurial toolkits
- Insufficient funds
- Insufficient people to serve the entire country (e.g. rural areas)
- Insufficient buy-in from employers
- Limited entrepreneurial solutions
- Lack of transformation of the sector
- Inefficient processes and red tape
- Not attracting quality people to the industry
- Separation of substantive and training issues
- Assessment language (insufficient material in key languages)

Opportunities:

- SMME empowerment
- Women empowerment
- Rural development
- The after-market opportunities
- The need for skills in rural areas
- The need for E-learning
- The need for ICT infrastructure and Internet Cafes
- Institutional arrangement with key stakeholders
- Community/private partnership
- Bridging programmes
- People with skills but not qualifications RPL
- 2020 needs
- Rural development
- Curriculum development
- People with the knowledge but not qualification (RPL opportunity)
- Middle class market

Threats:

- Economic pressures
- High price of fuel
- Uncertainty about QCTO
- Bureaucracies to get funds approval
- Schools and basic education insufficient
- People drop out before completing a qualification
- The low quality of broad band at this stage
- Poor link between FETs and industry
- Economic scenario: Unfavourable
- HIV/AIDS
- Employer resistance in terms of RPL

It is clear that clear linkages between the study objectives; findings; analysis and interpretation data and, conclusion and recommendations are summarised in the above recently completed SWOT analysis.

From a skills development perspective, the following areas of ongoing effort emerged from the SWOT analysis:

- Drivers of change that make the longer term skills landscape completely different from now, for example welding and paint trends
- Women development
- Youth development
- The after market

- Other opportunities listed above

It was also established that clear linkages between the study objectives; findings; analysis and interpretation data and conclusion are reflected in the priorities set out in section 10.5 above that are revisited from a linkage perspective

PRIORITIES	ALIGNMENT WITH LINKAGES
Priority 1: To accelerate e-learning	Surely E-learning is a key enabler of all actions required to develop the requirements of the 2020 skills landscape
Priority 2: To accelerate SMME development	Development of the SMME toolkit will ensure accelerated SMME, women, youth and rural development. The linkages between these areas are very clear
Priority 3: To align learning content with the 2020 landscape / and drivers of change	It is clear that the drivers of change revealed the urgent need for updated learning material
Priority 4: To strengthen the resource base through further research projects	Research in the following areas have been reconfirmed and is fully aligned with study objectives and recommendations <ul style="list-style-type: none"> • Rural, youth and women development • Continuous reassessment of drivers of change • The green agenda • Technological innovation
Priority 5: To develop the after market	The after-market emerged as key focus area since the first consultation with industry experts during the 2012/3 skills research. The CWIL solution also requires a strong after-market component
Priority 6: To focus on Rural area needs	The best solution is to position the after-market as rural focus and to extend the CWIL solution to one rural area
Priority 7: To expedite the delivery of artisans required by the motor industry.	Incorporate in the CWIL solution with including focus on the levels higher than artisan. It was also found that artisans required over the longer term, will need skills sets that

	differ substantially from now, which requires a CWIL skills solution
Priority 8: To facilitate the establishment of centres of excellence to improve skills delivery and partnering with education & talent pipeline providers, bringing about the meeting of industry entrance requirements	This follow-up research project identified the CWIL solution as the most ideal solution to develop skills required over the long term. The CWIL solution can therefore be viewed as the linkage between all study objectives
Priority 9: To market the industry among potential entrants	This priority also fully supports all research objectives since entrants are required that show an interest in the Motor Sector
Priority 10: To address skills accelerations and overcome career path restrictions	The CWIL will also significantly contribute towards streamlining career paths
Priority 11: To introduce at least one CWIL	Implement the pilot project as set out in section 5 is absolutely urgently required now

Finally it can be concluded that this position paper becomes the fundamental basis to develop the skills required by the Motor Sector up to 2020 and beyond. It is recommended that:

- This report and implementation plan be approved by the merSETA Board
- Projects run concurrently such as alignment between rural development, the after-market, Women development and youth development.
- Drivers of change be updated on a regular basis. The 2020 skills landscape is challenging and it is essential that the pioneering work done by the Motor Chamber be continued with.
- merSETA decision makers allocate responsibilities and target dates to objectives in the implementation plan.
- Monthly progress meetings be facilitated by BE at UP as project extension.
- Priority be given to the two major initiatives raised at the focus groups namely RPL and the SMME toolkit.
- That the Motor Chamber initiative be extended to other merSETA chambers to ensure full alignment of efforts, especially from a CWIL perspective.

It is clear that merSETA has set new standards in skills development with this skills research and this follow-up project. The study objectives, findings; analysis and interpretation of data and conclusion and recommendations merged into a coherent whole in this project.

Industry experts from the Motor Sector and merSETA are complimented with taking this initiative and are thanked for their validation and confirmation that this report is of a good standing during the final round-robin sign-off in the week of 6 – 13 March 2015. They are further required to continue persevering by successfully implementing the stated recommendations.

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Comment: merSETA has MOU's with the following SETAs. Should the CWIL concept be embraced – then the roll-out of such needs to be planned by bearing in-mind how these MOU's and possible cross SETA collaborations could be structured. Service SETA is seen as important from at least the entrepreneurial initiative since the New Venture Creation learning material could to some extent be used.

1. MOU's

merSETA has signed Memorandums of Understanding with the ETQAs of the following SETAs:

1.  [Chemical Industries Education & Training Authority \(CHIETA\)](#)
2.  [Clothing, Textiles, Footwear & Leather SETA \(CTFL\)](#)
3.  [Construction Education & Training Authority \(CETA\)](#)
4.  [Education Training & Development Practices Seta \(ETDP\)](#)
5.  [Energy Sector Education & Training Authority \(ESETA\)](#)
6.  [Financial & Accounting Services SETA \(FASSET\)](#)
7.  [Food & Beverages Manufacturing Industry SETA \(FOODBEV\)](#)
8.  [Health & Welfare SETA \(HWSETA\)](#)
9.  [Media, Advertising, Publishing, Printing & Packaging \(MAPPP SETA\)](#)

10.



[Mining Qualifications Authority \(MQA\)](#)

11.



[Public Service SETA \(PSETA\)](#)

12.



[Services SETA](#)

13.



[Tourism & Hospitality & Sport Education & Training Authority \(THETA\)](#)

14.



[Transport Education & Training Authority \(TETA\)](#)

15.



[Wholesale & Retail SETA \(W&RSETA\)](#)