

**THE IMPLEMENTATION OF THE STATUTORY FRAMEWORK FOR SKILLS  
DEVELOPMENT: A CASE STUDY OF THE PRIVATE SECURITY SUB-SECTOR.**

**By**

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## Abstract

South African government has since 1995, developed a considerable body of legislation that defines a holistic Human Resource Development Framework for the Private Security Sub-sector. Through this legislation development process, the Private Security Sub-sector has made considerable progress in implementing this body of legislation. However, in spite of this achievement, policy implementation success indicators are not commensurate to the policy development success indicators and several challenges are still impeding skills development of workers. In particular, the Private Security Industry has moved steadily beyond the systems development phase. It has made strong progress in implementing stipulations of the skill development legislation in the sector with the support of the skills levy fund as well as donor support. Considerable attention has been paid to the implementation of the different types of skills development related legislation including funding the skills development initiatives and employment equity.

The cases examined in the study reflect varying and different degrees of success in achieving set targets as well as challenges that have emerged in the implementation process. There is an indication that the dire shortage of skills in the private security sub-sector persists and the efforts of the drivers of training and development in the sector, the Safety and Security Sector Education and Training (SASSETA), the Private Security Industry Regulatory Authority (PSIRA) and employers have made little impact on this need. This state of affairs cannot be allowed to continue indefinitely. The study revealed a range of critical National Skills Development Strategy targets that have not been met throughout the period under study. For instance employers have failed to meet obligatory targets of employing training employees to achieve at least ABET level 4. In addition, only 54% women have been trained and 4% people with disabilities. Furthermore, there are a number of other training obligations that compounds the challenge by infringing on the rights of the affected groups. This also retards the social and economic development of workers as well as that of the country. South Africa continues to lack effective, robust

crime fighting groups of skilled crime fighters in spite of the training levy funds that have been spent on skilling the Private Security Sub-sector.

The point of departure of this study is that the Skills Development initiative is a sector programme which must be led by the sector itself, especially the employers. The employers in the workplace constitute a valuable source of capacity to effectively implement the skills development legislation. SASSETA and PSIRA are the promoters and drivers of the participation of Private Security Service providers in skills development in pursuit of the 2014 vision. It is imperative that SASSETA and PSIRA, as proponents and catalysts of skills development, listen to the concerns raised by employers and continuously engage them as well as the intended beneficiaries, the workers.

The research revealed that benefits of the skills development legislation will only be realised when critical elements such as prioritising the identified challenges and shortcomings are the focus. The study highlighted the need for industries to capacitate their employees to understand the intended benefits of training regulations and requirements. Developing management and leadership capacity, creating conditions that are conducive for skills development at the workplace, and building the capacity of Small, Medium and Micro Enterprises (SMMEs) through innovation and support were also identified as critical for successful implementation of policy in this regard. The need to train and capacitate leaders in corporate governance and financial management was also among the findings identified by the study.

The findings will present an opportunity for scholars and researchers to debate and argue their merits and demerits which will in turn influence policy-making processes positively.



## Statement of Originality

I hereby state that this is my original work both in form and content and that wherever I have referred to the work of other authors that has been duly acknowledged.

V. Toni Penxa

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I dedicate this study to my late sister, Vuyiswa, who died in a car accident while pursuing her studies in medicine.

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## Acronyms and Abbreviations

|                 |  |
|-----------------|--|
| <b>ANC:</b>     | African National Congress  |
| <b>ATR:</b>     | Annual Training Report   |
| <b>COSATU:</b>  | Congress of South African Trade Unions   |
| <b>DIDTETA:</b> | Defence, Intelligence, Diplomacy, Trade and Industry Sector Education and Training Authority |
| <b>DoE:</b>     | Department of Education  |
| <b>DST:</b>     | Department of Science and Technology   |
| <b>ESDA:</b>    | Electronic Security Distributors Association   |
| <b>ETQA:</b>    | Education and Training Quality Assurance Body  |
| <b>HET:</b>     | Higher Education and Training  |
| <b>HSRC:</b>    | Human Sciences Research Council  |
| <b>ISS:</b>     | Institute of Security Studies  |
| <b>WCSEA:</b>   | Western Cape Security Association  |
| <b>MEC:</b>     | Member of Executive Council  |
| <b>NACI:</b>    | National Advisory Council on Innovation  |
| <b>NBFET:</b>   | National Board for Further Education and Training  |
| <b>NEPI:</b>    | National Education Policy Initiative   |
| <b>NOPSA:</b>   | Northern Province Security Association   |
| <b>NQF:</b>     | National Qualifications Framework  |
| <b>NSA:</b>     | National skills Authority  |
| <b>NSB:</b>     | National Standards Body  |
| <b>NSDS:</b>    | National Skills Development Strategy   |
| <b>NTB:</b>     | National Training Board  |
| <b>NUMSA:</b>   | National Union of Metalworkers of South Africa   |
| <b>POSLEC:</b>  | Police, Security, Legal and Correctional Services  |
| <b>PSIRA:</b>   | Private Security Industry Regulatory Authority   |
| <b>RPL:</b>     | Recognition of Prior Learning  |
| <b>RSA:</b>     | Republic of South Africa   |
| <b>SABSEA:</b>  | South African Black Security Employers Association   |
| <b>SAIDSA:</b>  | The South African Intruder Detection Service Association                                     |



|                 |   |
|-----------------|---|
| <b>SAIS:</b>    | South African Institute of Security                         |
| <b>SANSEA:</b>  | South African National Security Employers Association       |
| <b>SAQA:</b>    | South African Qualifications Authority                      |
| <b>SARS:</b>    | South African Revenue Services                              |
| <b>SASA:</b>    | Security Association of South Africa                        |
| <b>SASCO:</b>   | South African Standard Classification of Occupations        |
| <b>SASSETA:</b> | Safety and Security Sector Education and Training Authority |
| <b>SDOA:</b>    | Service Dog Operators Association                           |
| <b>SESA:</b>    | Small Employers' Security Association                       |
| <b>SETA:</b>    | Sector Education and Training Authority                     |
| <b>SGB:</b>     | Standards Generating Bodies                                 |
| <b>SIASA:</b>   | Security Industry Association of South Africa               |
| <b>SIC:</b>     | Standard Industrial Classification                          |
| <b>SMME:</b>    | Small Medium and Micro Enterprise                           |
| <b>SOB:</b>     | Security Officers' Board                                    |
| <b>SSEO:</b>    | Security Services Employers Organisation                    |
| <b>SSP:</b>     | Sector Skills Plan  |
| <b>VIPPASA:</b> | VIP Protection Association of SA                            |
| <b>WSP:</b>     | Workplace Skills Plan                                       |

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### Appendix 3:

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### Appendix 4:

National Skills Development Strategy (NSDS) 2005 – 2010 (Chapter 4)

# CHAPTER 1

## BACKGROUND TO THE STUDY

### 1.1 INTRODUCTION

The concept of Private Security means different things to different people as it presents itself in a broad assortment of forms. For the purposes of this study the definition and scope of the sector is restricted to the groupings consistent with the Standard Industrial Classification (SIC) system used to classify industries in South Africa (Government Gazette No. 265, 1998). This sub-sector is described as follows: Private Security and Investigation Activities (SIC 88920), comprising private security, investigation and polygraph services. This is an area that is relatively under-researched in South Africa when compared to other fields in the safety and security sector. This is even more apparent when it comes to skills levels and skills needs. People targeted for recruitment for this sector are not necessarily trained or skilled for the jobs they occupy. They are given a uniform comprising of a khaki overall suit, brown half boots, black beret, a traditional stick with an enlarged front part called igqudu or knobkierrie and a whistle to blow in cases of a need to alert or call for backup for apprehending a detected intruder.

This research follows from the understanding that this area of employment has previously been undervalued, with the Security Guards being referred to as “*OoMantshingilane*” a derogatory word meaning “*marching on the line*” a word derived from the drilling exercise that constituted part of the meager training they received. Their primary task would be to minimize the exposure of mostly business properties to any risks. Security Guards’ tasks must include vigilance against the occurrence of unexpected situations. They, therefore, function in a continuous state of alertness, identifying and assessing all relevant risks or threats while simultaneously taking the necessary preventative measures to hopefully thwart or avoid such situations. Clearly, the above described expectations require highly skilled people.

## 1.2 VALUE OF THE RESEARCH

The research is important in that it addresses the general outcry that there is a dire shortage of skills in South Africa and that the Sector Education and Training Authority (SETA) system has made little or no impact on the skills shortage. Furthermore, Babb and Meyer (2005: 2) argue that key skills shortages, coupled with high levels of unemployment and unemployability, remain and are well documented in South Africa. There is also a complaint that learners that have gone through the learnership system have no obligation to stay with the companies, thus causing these learners to exit before completing their training programmes once they get jobs elsewhere (Dunn, 2005: 43). This is despite the billions of rands collected by SETAs through the Skills Development Levies, the high learnership targets set by the National Skills Authority (NSA) and the Minister of Labour. Added to the abovementioned challenges is the enormous amount of effort which has gone into the development of the Sector and Workplace Skills Plans.

In light of the above claimed ineffectiveness of the intervention by the SETA system, it is imperative that a review of progress in the development and implementation of the Skills Development Legislation against its objectives as outlined and translated into the National Skills Development Strategy is conducted. The findings will present an opportunity for scholars and researchers to debate and argue their merits and demerits which will in turn influence policy-making processes positively.

This section will focus on a detailed profiling of the Private Security Sub-sector. If and when problems arise due to lack of accurate statistics, figures are given in terms of percentages. Skill mixes between the sub sectors, shortages and deficiencies will also be given. In order to profile the sector appropriately, workforce demographics will also be contoured. The contouring is according to age, gender and race. This profiling will enable the researcher to critically review the effectiveness and successful implementation of skill development legislation accordingly as experienced by the various categories of employees at the workplace.

### 1.3 HISTORICAL DEVELOPMENT OF PRIVATE SECURITY INDUSTRY

Contrary to what is popularly often thought of private security, particularly as a profession, it is not a relatively modern development. As soon as rulers of almost any race in any region came into power, there were probably a select few chosen to protect these rulers. This practice can be traced back to the 970 – 931 B.C. during the reign of King Solomon. According to the New Bible commentary 21<sup>st</sup> Century Edition: Solomon becomes king (Kings 1:38) when King David gave the command that Solomon should be placed on the throne as king, they were traveling to Gihon in a procession. This procession consisted of his chief supporters and King David's bodyguards the Kerethites and the Pelethites. The Kerethites are described as a unit of men whose job was to protect the life of the king. Carson, **et al.**, (1994: 340) explain that the name Kerethites is also found in the frequent phrase "Kerethites and Pelethites" which was designated the *corps d'élite* and body-guard which were the same as the ones that escorted King Solomon to his coronation.

Private Security has developed as the result of a whole host of needs, historical events and identifiable individuals and personalities, and because private security has become an essential and critical component of modern business, industry and society, some knowledge of how it developed is not only interesting but also helpful in understanding it as an emerging and growing profession. Ancient history on the beginnings of mankind tells us that the protection of life and property is one of the oldest tasks both faced and undertaken by man. Consequently, while today it is a multi-faceted and broad-based business and profession with specialties and sub-specialties, employing more people than the policing service, and financially contributing enormously to the entire gross national product of South Africa with projections of continued growth, private security has had an evolutionary growth - with its roots buried deep in history and extending back to ancient times (Christman, 2003:1).

Rudimentary security techniques from archaeological digs and historical evidence indicate that the most primitive of man was concerned with security. Cave drawings and other evidence clearly demonstrate that protection and enforcement of social codes were of concern even to earliest man. Meeting these needs, from then until now, resulted in the development of modern day public law enforcement and private security. The role of these

two now distinct and separate functions was in the past often interwoven and indistinguishable.

Oatman (1997:34) and King (2001:67) assert that in tribal society, needs were basic; security probably did not extend beyond keeping raiding animals from devouring others in the tribe while they slept. While 'laws' as such did not yet exist, it is known that tribal customs were followed, and that some means of identifying and bringing violators of these customs before the tribal chief for punishment, existed. Private security and public law enforcement had common origins and their development has only really bifurcated in more recent times. In essence, as soon as the proliferation of survival instincts came to the fore of people's behavior, it was inevitable that the stronger members of primitive clans would protect the weaker members from any outside threats or attacks. Some of the earliest written records of protectors refer to the ancient Roman Praetorian Guards who were responsible for the protection of the ruling emperor. These 'Protectors' were probably chosen for their physical strength and materials skills, which obviously favored the weapons of that day, for example the use of the sword by Samurai in ancient Japan.

#### **1.4 THE DEVELOPMENT AND PROFILE OF THE PRIVATE SECURITY INDUSTRY IN SOUTH AFRICA**

The South African Institute of Security Studies (SAIS) in its Monograph No 39: 1999, reported that in late 1970s and throughout the 1980s, the former South African Police (SAP) withdrew from many normal policing duties to concentrate on maintaining political control. The government of the day encouraged the private security industry to fill the gap left by the police's shift in priorities. In tracing the evolution of the Private Security Sub-sector, Taljaard (2008: 76) mentions two causal factors which were critically important at different times. He attributes the first period to the transition to democracy, when the government demobilised the former homeland forces and integrated them to the SANDF to ensure a manageable size defence force, commensurate with the country's needs.

As a consequence, many South African National Defence Force (SANDF) soldiers took voluntary retrenchment packages, which later proved to be insufficient as source of

income. These former soldiers played a large part in the formation of private security companies. Taljaard (2008: 76) ascribes the second period to the escalation and persistently high levels of violent crime, leading to severely overstretched state security resources. The industry then grew in response to the need for private security in the absence of adequate protection by state organs. In support of this point, McGregor, in an article published on the Business Day 14 April 2008, contends that rampant crime and ineffective state security services have spawned a burgeoning Private Security Sub-sector populated by firms of various sizes and sophistication. The industry is showing continuous growth as it follows the inordinate growth in crime. As a result, the Private Security Sub-sector is one of the country's largest private employers.

The government has assisted the industry by providing mechanisms with which the industry could link up formally and informally with the State Security apparatus. At a formal level, the State used private security companies to guard strategic installations hence the promulgation of the National Key Points Act, 1980 (Act 102 of 1980) in 1980. The National Key Points Act, 1980 (Act 102 of 1980) granted greater powers to private security guards who were guarding strategic installations, including full powers of arrest, and search and seizure.

The privatization of security has now become a global phenomenon. It is therefore important that the meaning of the Private Security Sub-sector be clarified before delving into the effect of skills development legislation on it. For our purposes, the study of such effects should be preceded by a thorough understanding of the Private Security Sub-sector with particular focus on South Africa. According to Small (2006: 4, Wairagu *et al.*, 2004: 3), private security is an industry that operates along corporate lines and provides security services to organisations that are largely independent of the State. Jones and Newburn (2002: 129) refer to the Private Security Sub-sector as 'commercialising policing' since their activities are strictly commercially based, as opposed to mainstream policing. By policing, Jones and Newburn (1998: 18) mean the organized forms of order maintenance, peace keeping, rule of law enforcement, crime investigation and prevention and other forms of investigation and information brokering.

Schreider and Caparini (2005: 2) define private security companies as companies that specialize in providing security and protection of personnel and property, including humanitarian and industrial assets. Wairagu, **et al.**, (2004: 4) that, in the most general sense, private security is an industry made up of individuals and businesses providing a service to clients or employers. It consists of the protection and safeguarding of property and persons, and it includes the performance of functions or actions related thereto or supporting these core functions. They go on to describe the industry as being characterized by first, the choice one makes about what s/he wants to pay to enhance one's security; second, determination of who, among the many security companies should provide that service, when to provide it, where to provide it, how to provide it and at what cost; and third, payment for it. Gumedze (2007: 3) notes that while the State/public police are responsible for the maintenance of law and order, they are not necessarily expected to guard private property, install security devices in private property, or control gate booms on private property. Their primary task would be to minimize the exposure of mostly business properties to any possible risks. As already noted, the security guards' tasks must include vigilance against the occurrence of unexpected situations. They therefore, function in a continuous state alertness, identifying and assessing all relevant risks or threats while simultaneously taking the necessary preventative measures to hopefully thwart or avoid such situations. Clearly, the nature of the tasks described above requires highly trained and skilled people.

#### **1.4.1 The Employers and Employer Organisations**

The Private Security Sub-sector is regarded as one of the fastest growing sectors in South Africa. Since 1970, the industry has expanded at an average annual rate of thirty percent (30%) (PSIRA, Annual Report: 2006/07). According to the Private Security Industry Regulatory Authority (PSIRA) records, during March 2007, there were 1 083 659 registered individuals (active and inactive) on their database of which 301 586 were active in the industry. These individuals represent all security service providers and not only persons within the guarding sector. Overall, there are said to be 4833 active registered private security companies in 2007 and +/- 10 employers' associations (PSIRA, Annual Report: 2005/06). These enterprises provide services that include the protection and

safeguarding of persons and assets, and reaction to, and investigation of incidents. Employers of in-house security staff include organisations such as Eskom, Telkom, the Reserve Bank, the Atomic Energy Board, mines, the retail industry, local government and national government departments (Gumedze, 2007: 5).

Private Security service providers range from large organisations with hundreds of offices nationally and thousands of employees, to small individually owned operations, most of which are owner managed (SASSETA, Database of Levy Payers: Access<[www.sasseta.org.za](http://www.sasseta.org.za): Retrieved: 13 April 2007). ADT, Elvey Group, Fidelity Group, Chubb Security, and G4S Security are the top five big companies in the industry. Most of the private security companies are for profit. Voluntary organisations, which are not-for-profit usually, rely on charitable funds and contributions by communities. These security companies include community policing fora. In some areas unemployed youth come together to form vigilante groups while in others neighborhood watch groups by property owners through associations are formed by homeowners. Traditionally, most private security company owners and management have been white and special response units have been staffed mainly by white people (ISS, Monograph No 39: 1999). The establishment of black-owned companies, initiatives by some larger companies to sell shares to black-owned businesses, and affirmative action policies are having an impact on the racial divide in the industry.

Management structures and capability are relatively well developed in Private Security companies. In contrast, management structures and capabilities are generally under-developed in small private security companies. The owner and family members are often both managers and operators that employ few and outstretched staff so as to save costs. These security companies are largely self-reliant in management. Given the quality assurance demands set by the Private Security Industry Regulatory Authority, they are being regularly monitored and charged if they are found flouting legislation. In all companies, the tendency has always been to put professional qualifications and skills before management skills. However, there are increasing pressures for the up-grading of managerial skills and competency (SASSETA, SSP: 2005/10). Most Private Security



companies are affiliated to Employer Associations. These Employer Associations can be grouped as follows:

**Table 1/1: Private Security Sub-sector Employer Associations**

|   |
|---|
| <b>Associations that are open to all employers:</b>   |
| Security Services Employers Organisation (SSEO);  |
| South African National Security Employers Association (SANSEA) and  |
| Security Industry Association of South Africa (SIASA).  |
| <u>Professional Security Council (PSC)</u>  |
| <u>Security Association of SA (SASA)</u>  |
| <u>South African Institute of Security (SAIS)</u>   |
|   |
| <b>Associations specific to certain demographic groupings:</b>  |
| South African Black Security Employers Association (SABSEA).  |
|   |
| <b>Associations that are specific to particular parts of the industry:</b>  |
| The South African Intruder Detection Service Association (SAIDSA), representing the electronic and armed response components; |
| The Locksmith Association of South Africa.  |
| <u>Chamber of Mines (COM)</u>   |
| <u>Consumer Goods Council (CGC)</u>   |
| <u>Electronic Security Distributors Association (ESDA)</u>  |
| <u>Exhibition Association of SA (EXSA)</u>  |
| <u>Service Dog Operators Association (SDOA)</u>   |
|   |
| <b>Associations representing vested interests:</b>  |
| Small Employers' Security Association (SESA) who represents small business interests in the industry                          |
| <u>VIP Protection Association of SA (VIPPASA)</u>   |
| <b>Associations specific to regions:</b>  |
| Western Cape Security Association (WECSA); and  |

|   |
|---|
| Northern Province Security Association (NOPSA). |
|   |

(Source: SASSETA Constitution: 2005)

The above mentioned employer associations were signatories to the wage and other conditions of employment agreement entered into following the negotiations within the Private Security Sub-sector as defined in Sectoral Determination 6 (SASSETA Constitution: 2005). The 17 security associations listed above reflect the fragmentation of the industry.

Most of these associations were part of the South African Security Federation (SASFED) which was formed in 1986 following an appeal by the then Minister of Law and Order, Louis le Grange, for the industry to set up a co-coordinating structure. They are now under the Security industry Alliance (SIA), an active dynamic body which represents the interests of the industry at all levels. The SIA has been instrumental in creating submissions to government on numerous topics affecting the interest of the industry. It is a body that maintains a watchdog status and representative role for the entire Private Security Industry (The South African Private Security Industry: 1999: 3)(Access<<http://www.issafrica.org> Monographs/No39: Retrieved: 20 May 2007). The Security Industry Association (SIA)'s goal is to take the issue of interaction with government seriously and to build bridges with government departments.

This association also believes that it should work together with government on security issues as they have the same objectives. The SIA's philosophy is that there must be a properly regulated industry with a positive image and they aim to be the vehicle which will achieve this noble goal.

#### **1.4.2 THE LABOUR AND LABOUR ORGANISATIONS (TRADE UNIONS)**

The profile and character of the sector has undergone significant changes in the 21<sup>st</sup> century. A large group of people with combat experience who fought both for and against apartheid found a natural home in the private security. Also, many Private Security companies regarded the recruitment of personnel with previous security background as

desirable. These were the former military and police personnel. As a result, their involvement has had an effect on the profile and structure of training and even on the uniforms of private security companies in South Africa (The South African Private Security Industry: 1999: 1) (Access<<http://www.issafrica.org/Pubs/Monographs/ No39: Retrieved: 20 May 2007>)

With respect to job grading, the Private Security Industry Regulatory Authority (PSIRA) prescribes different levels of training within the private security industry. The type of work in relation to salary, is prescribed by the Department of Labour in terms of the Labour Legislation. The Sectoral Determination 6 refers to the following security officers:

**Table 1/2: Description and responsibilities of Security Officer, Grade A**

|   |
|---|
| <p><b>“Security Officer, Grade A”</b> means an employee who performs any one or more of the following duties:</p> |
| (a) advising or reporting on any matter affecting guarding or protection services;                                |
| (b) assisting in the screening of candidates for employment;  |
| (c) assuming responsibility for staff training;   |
| (d) drawing money or cheques or taking possession of negotiable documents;  |
| (e) drawing money at banks or similar institutions;   |
| (f) guarding or protecting goods;   |
| (g) supervising subordinate staff;  |
| (h) who may drive a motor vehicle in the performance of any or all of the employee’s duties; and                  |
| (i) who may be called upon to perform any or all of the duties of a security officer, Grade B;                    |
|   |

(Source: The Private Security Regulatory Authority, <http://www.psira.co.za>)

**“Security Officer, Grade B”** means an employee who performs any one or more of the following duties: namely, supervising, controlling, instructing or training security officers, Grade C, D or E or general workers and reporting thereon to an employer or any other specified person, and who may:–

**Table 1/3: Description and Responsibilities of Security Officer, Grade B**

|     |   |
|-----|---|
| (a) | drive a motor vehicle in the course of supervising or controlling security officers grade D or E; |
| (b) | be called upon to perform any or all of the duties of a security officer, Grade C;                |

(Source: The Private Security Regulatory Authority, <http://www.psira.co.za>)

**Security Officer, Grade C**” means an employee who performs any one or more of the following duties:

**Table 1/4; Description and Responsibilities of Security Officer, Grade C**

|     |  |
|-----|--|
| (a) | supervising or controlling security officers, Grade D or E;  |
| (b) | driving a motor vehicle in the course of supervising or controlling security officers grade D or E |
| (c) | driving a motor vehicle for the purpose of transporting security officers; and                     |
| (d) | who may be called upon to perform any or all of the duties of a security officer, grade D.         |

(Source: The Private Security Regulatory Authority, <http://www.psira.co.za>)

**“Security Officer, grade D”** means an employee who performs any one or more of the following duties:

**Table 1/5: Description and Responsibilities of Security Officer, Grade D**

|     |   |
|-----|---|
| (a) | controlling or reporting on the movement or persons or vehicles through checkpoints or gates; |
| (b) | searching persons and, if necessary, restraining them;  |
| (c) | supervising or controlling security offices, Grade E;   |
| (d) | searching goods or vehicles; and  |
| (e) | who may be required to perform any or all of the duties of a security officer, Grade E.       |

(Source: The Private Security Regulatory Authority, <http://www.psira.co.za>)

“**Security Officer, Grade E**” means an employee, other than a security officer, Grade D, who performs any one or more of the duties listed below:

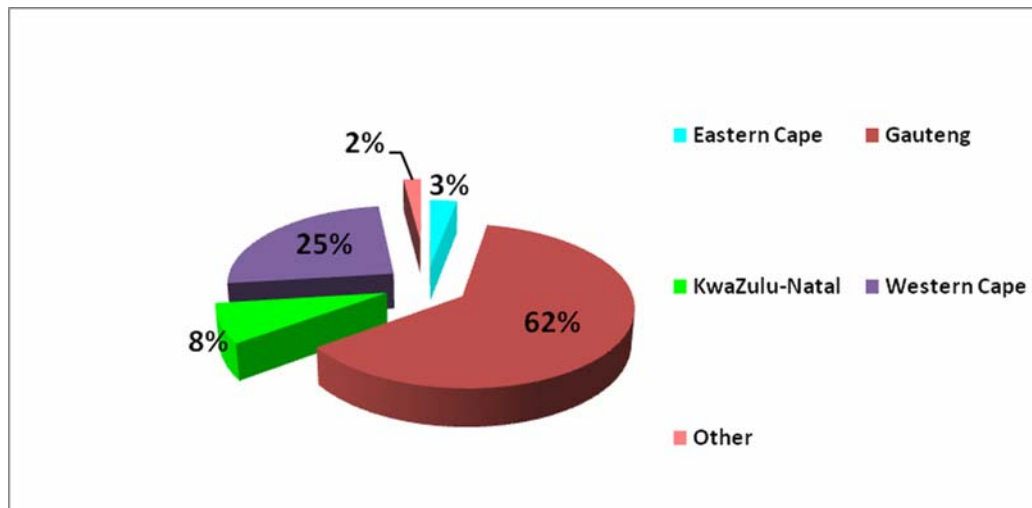
**Table 1/6: Description and Responsibilities of Security Officer, Grade E**

|     |   |
|-----|---|
| (a) | guarding, protecting or patrolling premises or goods;   |
| (b) | handling or controlling dogs in the performance of any of all of the duties referred to in (a). |

(Source: The Private Security Regulatory Authority, <http://www.psira.co.za>)

The distribution of security service employees as depicted in Figure 1-1 reflects urban and industrial concentrations. The highest number of workers is in Gauteng which is followed by the Western Cape and KwaZulu-Natal respectively. Factors such as high crime rates in specific urban areas may also contribute to this pattern.

Figure 1.1: Geographical Distribution of Workers in Private Security Industry

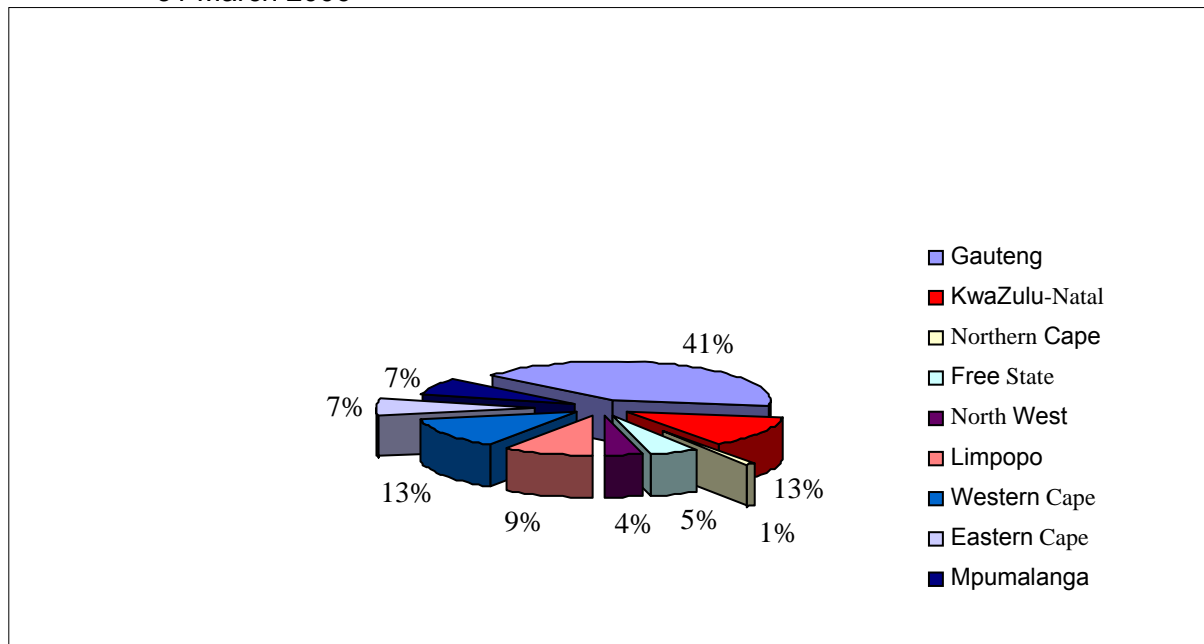


(Source: SASSETA SSPs, 2005/10)

Similarly, Figure 1.2 below depicts a similar pattern to that of Figure 1.1 above in terms of the number of Private Security Officers that are employed within the companies. The lower percentages in Figure 1.1 and Figure 1.2 could be attributed to PSIRA’s stringent registration requirements. The Private Security Industry Regulatory Authority (PSIRA) is the body that registers Private Security companies. All Private Security companies are required by law to register before they start practising. In turn, they are required to train and register their employees as Private Security Officers.

The data for the graph depicted in Figure 1.2 was sourced from PSIRA and depicts the differences in the distribution of registered Private Security Officers. On the other hand, Figure 1.1 was sourced from SASSETA, whose responsibility is to ensure that companies are accredited for training. The indication is that there are companies that employ officers and fail to register them with PSIRA. In most cases these unregistered officers are usually foreigners who enter the country illegally. Not having work permits renders them as easy recruits for cheap labour.

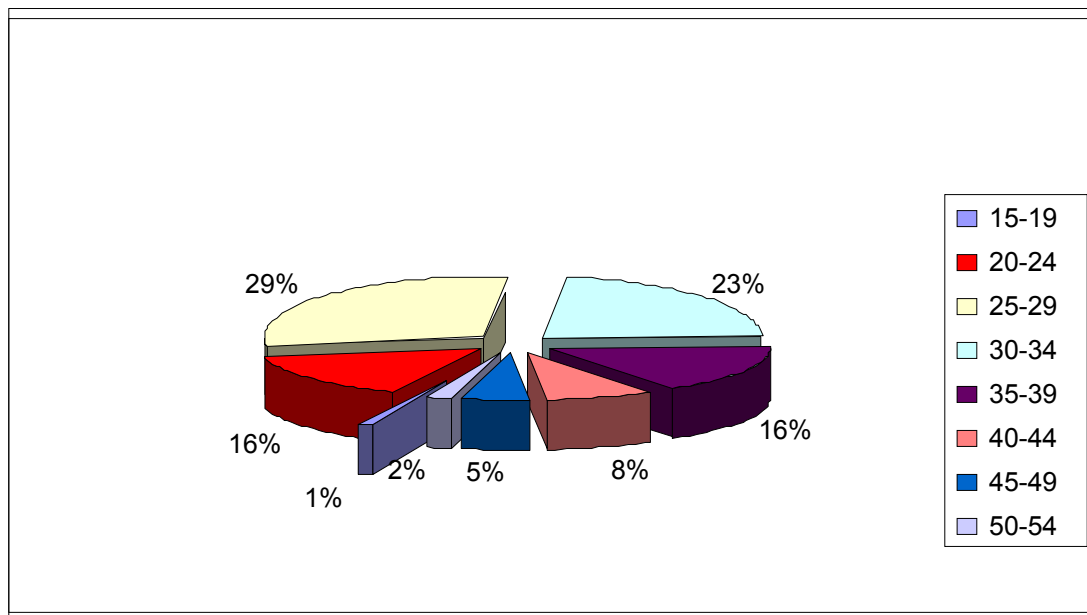
Figure 1.2: Geographical Distribution of registered Active Security Officers PSIRA on 31 March 2006



(Source: SASSETA SSPs, 2005/10)

From Figure 1.3 below, it is evident that 69% of the workers are under the age of 35. The number of workers in subsequent age groups declines rapidly thereafter. This behaviour may reflect several characteristics of the workforce, such as age restrictions for retirement due to the dangerous nature of the job or a flat organisational structure with few development opportunities, a high labour turnover rate, or even a high death rate. This necessitates interventions that improve employee wellness in the workplace. Such characteristics have a considerable influence on businesses, affecting stability and continuity (SASSETA SSP: 2005/10).

Figure 1.3: Age Distribution of PSIRA Workers on 31 March 2002

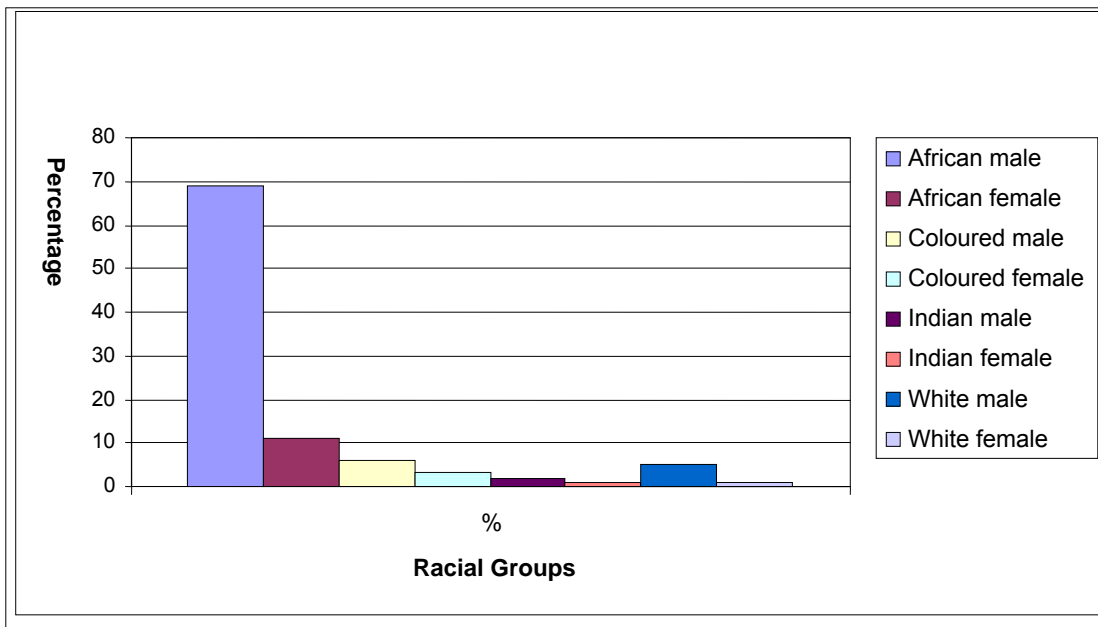


(Source: SASSETA SSP: 2005/10)

The sub-sector's race and gender profile is depicted in Figure 1.4 below. It shows an 88% share of black workers in the industry. Only approximately 11% of the workers are female. Traditionally, most security guards have been black, while the management, owners and special response units have been staffed mainly by white people (Gumedze, 2007: 3). The establishment of black-owned companies, initiatives by some larger companies to sell shares to black-owned businesses, and prescriptions of affirmative action policies are having an impact on the current racial divide in the industry. However, speaking at the launch of the KwaZulu-Natal branch of the South African Black Security Employers' Association (SABSEA) in 1996, the general secretary of the association, Steve Dube, said

that black people only held 4% of the top positions in the industry (The South African Private Security Industry, 1999: 1)(Access<<http://www.issafrica.org/Pubs/Monographs/No39>: Retrieved: 20 May 2007). This claim is supported by Taljaard (2008: 75) in his statement that anecdotal evidence suggests that the industry consists mostly of white managers and owners, and the bulk of the employees are black people. Empowerment partners include Reserve-Mvelaphanda, Kagiso, Safika and Corvest who approximately 28% of the sector (De Lange: 2006).

Figure 1.4: Gender and Race Distribution of PSIRA Workers on 31 March 2006



(Source: SASSETA SSP, 2005/10)

The graphs depict the majority of employees in the sector as black males under the age of thirty five (35) years. Females of all races are under-represented with black females as the largest group at 11%. It is argued that the gross under-representation of females in this sector is attributed to the nature of the work, which poses high personal health and safety risks. Another contributing factor could be the prescriptions that are imposed by clients on the composition of the security staff posted at their premises (SASSETA SSP: 2005/10).

The health and safety risks should not be used as an excuse for the exclusion of women in the Private Security Sub-sector as there are other kinds of security work that women can be trained to do without conducting physical contact with the dangerous situation and

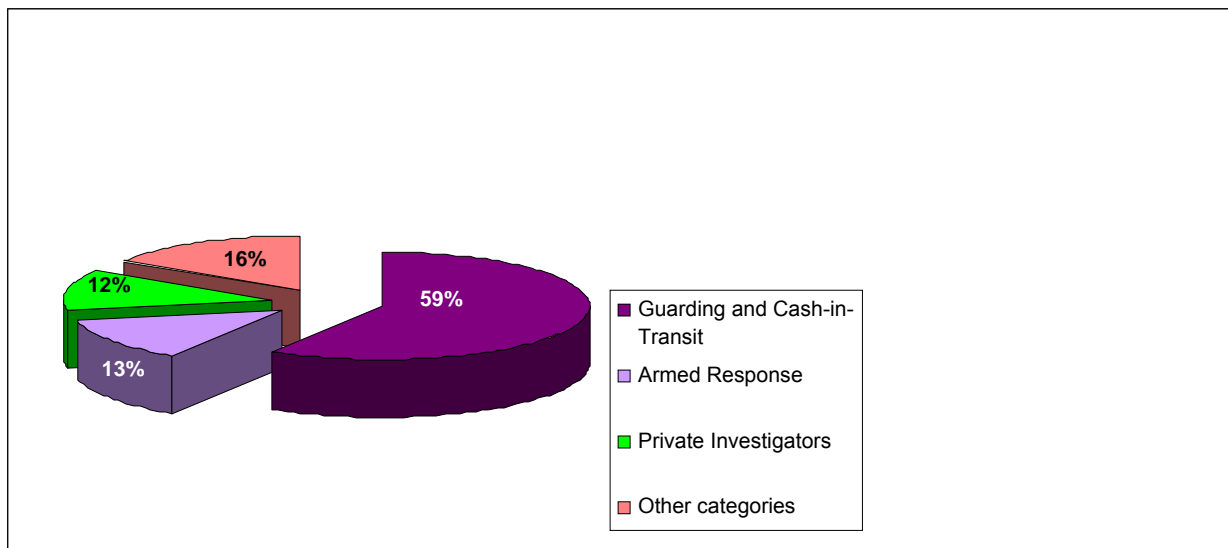


causing direct exposure to risk. These include technologically advanced security surveillance systems that feature full-motion and real-time enhanced imaging capabilities. If the sector wants to increase the number of females, as required by the Employment Equity Act, 1998 (Act 55 of 1998) in the employment and in training at the private security workplace, employers should look at other risk and danger free training areas as they do exist.

### 1.4.3 Products and Services

The industry provides a wide range of services. Many of the services are highly specialised and are often tailored to a specific niche market. These include, but are not limited, to the following three depicted in Figure 1.5 below.

Fig.: 1.5: Contribution of Different Categories of Service to the Value of the Security Industry



(Source: Institute of Security Studies, 1999)

SASSETA SSP (2005/10: 16) breaks down the main business activities of the sector as including, but not limited to, the following:

vii. Private Investigators and Risk Management

This component provides investigative and loss control services to clients. Investigations may range from a special nature to industrial espionage, may be independent of police investigations, or augment the efforts of the South African Police Service (SAPS). It also includes polygraph operators, who are increasingly used by employers in disciplinary matters.

A growing number of private security companies are developing specialised private investigation sections to investigate irregularities within their own companies and to service some of their clients' needs. Some people also hire private investigators to gather damaging information on other people. Irish (1999:2)(Access<<http://www.issafrica.org/Pubs/Monographs/No39>.: Retrieved: 20 May 2007), states that telephone tapping and surveillance and the use of disguises and decoys are methods that are favored by most private investigators. Linked to this field of security are electronic specialists who provide the equipment to perform these functions. Electronic specialists sell equipment to government officials, large corporations and private investigators. A number of private investigators are erstwhile police or intelligence personnel who worked for the previous government, or people who served in such capacities in other countries. Some, currently serving in the police or official intelligence structures, also moonlight as private investigators. It is not uncommon for such people to make use of state resources, including fingerprint files and criminal record registers to further their investigations (The South African Private Security Industry, 1999:2)(Access<<http://www.issafrica.org/Pubs/Monographs/No 39.1999>: Retrieved: 20 May 2007). The use of this kind of equipment requires the service providers to register with the Private Security Regulatory Authority (PSIRA) according to the PSIRA Act, 2001 (Act 56 of 2001).

Private investigators and risk consultants are often considered the most shady and unscrupulous members of the private security industry. The more established operators blame this reputation on *fly-by-night* operators who enter the industry in search of easy money (The South African Private Security Industry, Irish, 1999: 2) (Access<<http://www.issafrica.org /Pubs/Monographs/No 39.1999>: Retrieved: 20 May

2007). There are some extremely professional private investigators with years of investigative experience. However, the majority of investigators have little, if any, formal training in detective work. This lack of experience contributes to a general lack of professionalism within this component of the industry and accounts, at least in part, for the bad reputation of this service as a whole. According to the Security Officers' Board, some 652 private investigators and risk consultants were registered with the Board in March 1999. The number of people operating in the industry at any one time may be as high as 2000, the majority of whom are, however, *fly-by-night* operators (The South African Private Security Industry, 1999: 3) (Access<[http://issafrica.org /Pubs/Monographs/No 39.1999](http://issafrica.org/Pubs/Monographs/No_39.1999): Retrieved: 20 May 2007).

Some private investigators argue that there is a need for their service to be like that of the private security providers. Many, however, argue that regulatory legislation applies to private security only for the physical protection of clients, and that private investigators perform a different function which does not fall under the provision of physical security. In the US, private investigators and risk consultants are one of the most regulated components of the private security industry (The South African Private Security Industry, 1999: 3) (Access<[http://www.issafrica.org/Pubs/Monographs/ No 39.1999](http://www.issafrica.org/Pubs/Monographs/No_39.1999):. Retrieved: 20 May 2007). This regulation occurs through a licensing system whereby the authorities of the state in which they operate license every private investigator. In a number of states, such licenses are annually renewable.

In some cases, private investigators also operate as debt collector and tracing agents. The number of private investigators and risk consultants is growing at a rapid rate. As Hazel Friedman, an investigative journalist who has worked closely with a number of private investigators puts it, "the prying game has become a career for a growing number of South Africans" (Security Focus, 2007: 32). Lawyers regularly use the services of investigators to trace witnesses or obtain information that may be vital to their clients' case. Businesses make use of private investigators to counter economic espionage. They also enlist the services of risk consultants to advise them on security related matters.

### viii. Armed Response

This service entails the installation of electric security systems linked to a central control room, which is responsible for deploying armed response personnel when required. Armed response companies usually work within defined geographic areas. This enables them to respond quickly to emergencies.

The armed response is by far the largest in terms of service users, employers, and employees. The next largest group is vehicle security. Some way behind in terms of size are the Electronic and In-house Security groups, with Physical Protection and Perimeter Security being the smallest groups (ISS Monograph No 39: 1999). Estimations were that by 2006, the number of security companies would be 4,200 across the country, while PSIRA indicated the number of registered security companies to be just under 5000. These figures clearly show how fast the industry is growing. However, figures obtained from the PSIRA show an interesting fluctuation in the number of registered active security businesses, which does not correspond with the growth patterns shown by the steady growth in the number of registered active employee security officers. Supply and demand dynamics are fuelling the growth of the Private Security Sub-sector. With crime remaining as a high priority issue, many South Africans will turn to private security companies for their protection (Taljaard, 2008: 77).

The armed response component has grown steadily during the past decade. While armed response companies do not employ as many personnel as the guarding industry, they service more clients. In March 1999, some 673 armed response businesses were registered in South Africa. This service entails the installation of electronic security systems linked to a central control room, which is responsible for deploying armed response personnel when required. Armed response companies usually work within defined geographic areas. This enables them to respond quickly to emergencies. (The South African Private Security Industry, Irish: 2) (Access<[http:// .issafrica.org/Pubs/Monographs/No39.199](http://.issafrica.org/Pubs/Monographs/No39.199): Retrieved: 20 May 2007).

ix. Contract Guarding and Assets in Transit

The Contract Guarding and Assets in Transit component guards fixed assets and property such as buildings, schools and shopping complexes. Other services offered include the patrolling of privately owned public spaces and the policing of strike action. Assets-in-transit provides security for the transport of valuable assets, such as the well known service of cash-in-transit transportation.

The cash-in-transit component includes companies which run both cash-in-transit and guarding services. It is therefore difficult to estimate the size of this component of the industry. The Security Officers' Board classifies 412 businesses as cash-in-transit businesses. Of the 679 cash-in-transit vehicles in operation, over 85% are armoured. Electronic hardware component includes installers of alarms and other security devices. Like the cash-in-transit and guarding components, there is some overlap between the providers of armed response and electronic security services. Risk management component includes private investigators and risk consultants (The South African Private Security Industry, Irish: 2) (Access<<http://www.issafrica.org/Pubs/Monographs/No39.1999>: Retrieved: 20 May 2007).

There are several specialised branches within this category that are closely related and aligned to specific characteristics of the transport industry. In addition to these services, the services listed below are also provided in the sector:

x. Event and Crowd Management

The Event and crowd management component provides security at large gatherings such as stadiums when sports matches are played, political rallies and any other events that draw large crowds of people in one place.

xi. Electronic Security

The electronic hardware component includes advice on security equipment, installation, repairing and maintenance of alarms and other security equipment.

xii. Close Protection Services (bodyguards)

The Close Protection Services (bodyguards) component involves implementing all necessary tasks and related activities by trained professionals in order to primarily ensure the safety and security of a designated person (Principal). This safety also ensures the Principal's peace of mind and, if possible, physical comfort.

Security training establishments provides training to security industry workers. They are often operated as business units within security service providers. Services available also include manufacturing, importing and distribution of security equipment, locksmiths and persons managing, controlling or supervising security services.

Security equipment referred to above include, inter alia, the following:

- \_ Alarm systems;
- \_ Safes and /or vaults;
- \_ Satellite tracking devices, CCTV and other monitoring devices;
- \_ Devices used for intrusion detection, access control, bomb detection, fire detection, metal detection and x-ray inspection; and
- \_ Locksmith equipment (<http://www.psira.co.za>)

## 1.5 LABOUR MARKETS

The private security industry is one of the fastest growing economic sectors in South Africa. Rampant crime and the demand for specialised security services have contributed to the tremendous growth of this industry. Considerable trust is placed in the industry and is shown in the extent to which it has responded to the growing demand for its services, as

demonstrated in Figure 1.2. The growth of the turnover of the Private Security Sub-sector industry has been substantial. In 1990, the industry turnover was estimated at R1, 2 billion. This amount increased to approximately R11 billion in 1999 (SASSETA SSP, 2007: 17) and R14 billion in 2008 (Taljaard, 2008: 73). The steep incline from 1995 is striking, and signifies a dramatic change in the industry.

Private Security Companies can be categorised into large, medium and small companies. Large employers make up about 2% of the industry employing 20% of the total workforce. Medium sized employers 28%, employing 40%, and small employers 70%, most of which are owner managed, employing 40% of the total workforce. The PSIRA Annual Report (20-04/05) reports that the number of employee security officers deployed within the industry increased from 115 331 to 283 359 representing an increase of 145% between 1997 and 2005. Within the Private Security industry an average growth rate of about 13.6% per annum is estimated, with over 100 000 jobs created over a five year period. Furthermore, there are an estimated number of 60 000 security guards working in an 'in-house security' capacity who are not registered as private security guards (ISS Monograph No 39: 1999).

Wages for private security guards are among the lowest in the country and in our case studies ranged from R1000 – R1500 per month. A survey that was conducted in 2004 showed that almost 60% of private security guards earn less than R1 500 a month, while over 70% work more than 45 hours a week. Even with these conditions, a number of people search for work as security guards due to the scarcity of work. Unemployment in South Africa has been estimated to be higher than 40%. Wages are determined through sectoral determination formula prescribed by the Department of Labour and are aligned to Grades which form the Security Service Providers Career Path (Skills Development Act, 1998, Act 97 of 1998).

The advent of the labour movements in 1994 raised the wages of a large number of private security officers and caused a significant wage compression at the bottom end of the wage distribution. The high staff turnover and victimisation of employees had made the unionisation of the industry difficult, as a result, employees of the Private Security Industry have a minimal level of unionisation despite the existence of 15 trade unions (Taljaard,

2008: 75). There is some evidence of hours and employment reductions after the labour movements were introduced, though the estimated effects do not appear to be sizable. Union membership has been very low in some areas of the Sub-sector or provinces, with the exception of Gauteng, Western Cape and KwaZulu Natal. Many staff work on temporary contracts and some have no contracts while others are being exploited because of not having South African citizenship

The qualification profile of the private security industry shows a majority of workers that are at NQF Level 3, with 32.68% of the total workforce represented at this level (SASSETA SSP: 2005/10). The bulk of the workers at NQF Level 3 are African workers where 26.8% are African males and 2.06% are African females. Representation at NQF Level 4 is fair with 26.52% of the total workforce represented at this level. Again, the African male representation is significantly higher at 17.97% against a White male representation of about 2.25% and below, with a small proportion of workers moving beyond NQF level 5 (SASSETA, SSP: 2005/10). A detailed qualification profile for the private security industry is provided in Addendum 2. Training leading to qualifications has historically been restricted to certain groups, such as security officers. Though various qualifications have existed (Grades E to A) which security officers could take, these have not been required for jobs, and historically take-up has been low.

## **1.6 SKILLS AND SKILLS SHORTAGES**

Skills required for any service are to be seen in the context of work organisation and staff deployment. In all parts of the Private Security Sub-sector, the work is labour intensive, with at least one security officer per service user, rising to two or more in the case of businesses. However, for the most part, the sector has been dominated by low-skilled jobs. According to the SASSETA SSP (2006 Review) the classification of occupations in the private security and investigation activities sub-sector is relatively limited. This can be attributed to the rapid development of this industry, which is developing faster than the definition of categories in the classification system (SASSETA SSP, 2006 Review). The profiles in the abovementioned classification clearly show that the majority of employees



are the personal and protective service workers who constitute 58 717 out of 85 258 (70%) of the workers profiled.

There are differences in skill mixes between the PSIRA training provider trained and SASSETA service provider trained workers. In the private security sub-sector, traditionally the only group with extensive training and qualifications has been security officers that were trained by training providers that are Safety and Security Sector Education Training Authority (SASSETA) accredited. Prior to the establishment of SASSETA, there were no formal qualification requirements or national qualifications frameworks. In this sector, there are also basic skills problems (SASSETA SSP, 2006/07 Review). The Grades A-E were developed in the early 1990s and since then there has been a steady increase in numbers obtaining the relevant 5 levels and sometimes the General Security NQF 3 qualifications since the establishment of the National Qualifications Framework.

According to the SASSETA SSP (2006/07 Review) the Private Security officers and Electronic Security Technicians are occupations that are in short supply due to the scarcity of such skills. Factors contributing to scarcity of these skills include the requirement to implement the Employment Equity Act, 1998 (Act 55 of 1998) which impact on the availability of the skill. Some of the skills that are regarded as being scarce may only be so in relation to women, black people and people with disabilities. This therefore, is not a labour dysfunction per se, but simply an imbalance that can be corrected by targeting interventions to reach those specific groups.

## **1.7 SCOPE OF THE INDUSTRY**

In March 1999, there were 5343 active registered security businesses and 125 000 registered employed security officers in the Private Security Sub-sector in South Africa, the majority of which were guarding and in cash in transit. In March 2008 the figures recorded by PSIRA are 5504 active registered security businesses and 339 108 registered active security officers.

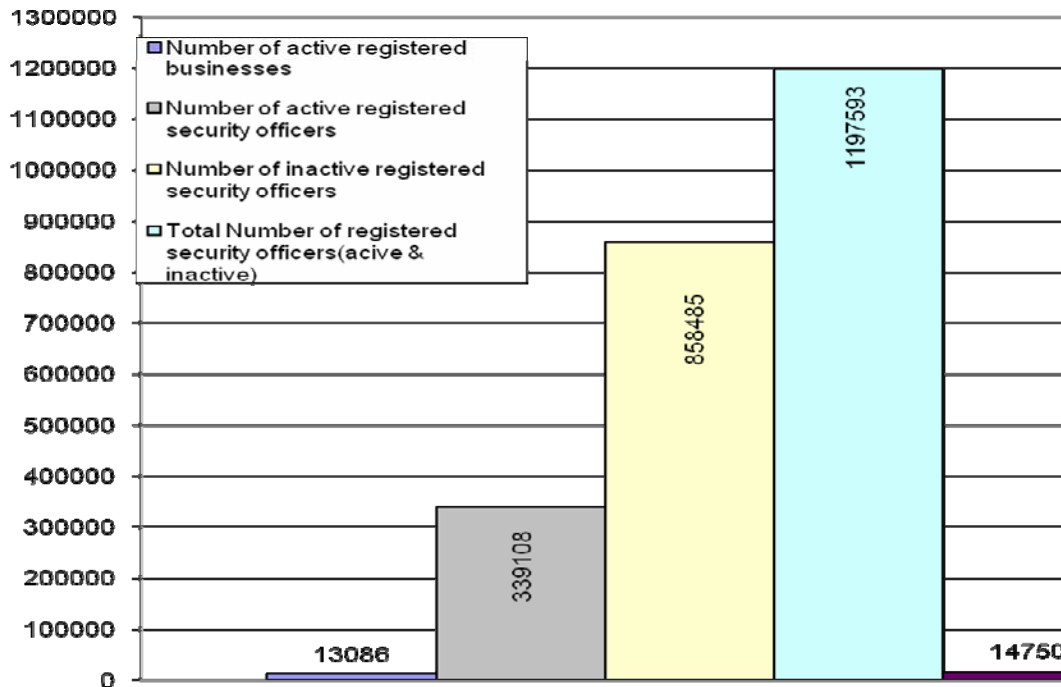
Table 1/7: Companies registered with the Private Security Industry Regulatory Authority in 1999

| Security businesses registered with the Security Officers' Board | Number of registered companies |
|--|--------------------------------|
| Guarding, and cash in transit                                    | 3174                           |
| Armed response   | 673                            |
| Private investigations   | 652                            |
| Other categories   | 844                            |
| Total  | 5343                           |

(Source: Figures supplied by Security Officers' Board, March 1999).

As the demand of the security industry shifts, so does the size of the industry. The PSIRA Annual Review for 2007/08 reports fluctuations that culminate in a large number of security service providers registered in 2008. Over a period of nine years the increase of private security businesses has been 2, 9% while that of private security officers is 63%. Although there has been a steady increase in the number of private security businesses, the number of private security officers has increased much more drastically. The actual number had increased to 1 197 593 with a huge number (858 485) of registered members inactive. Below is a historical comparison of the security service provider registration statistics that gives a graphical picture of the growth of the sector over a period of seven years.

**Fig 1.6: PSIRA Registration Statistics of Private Security businesses and security officers as at 31 March 2008.**



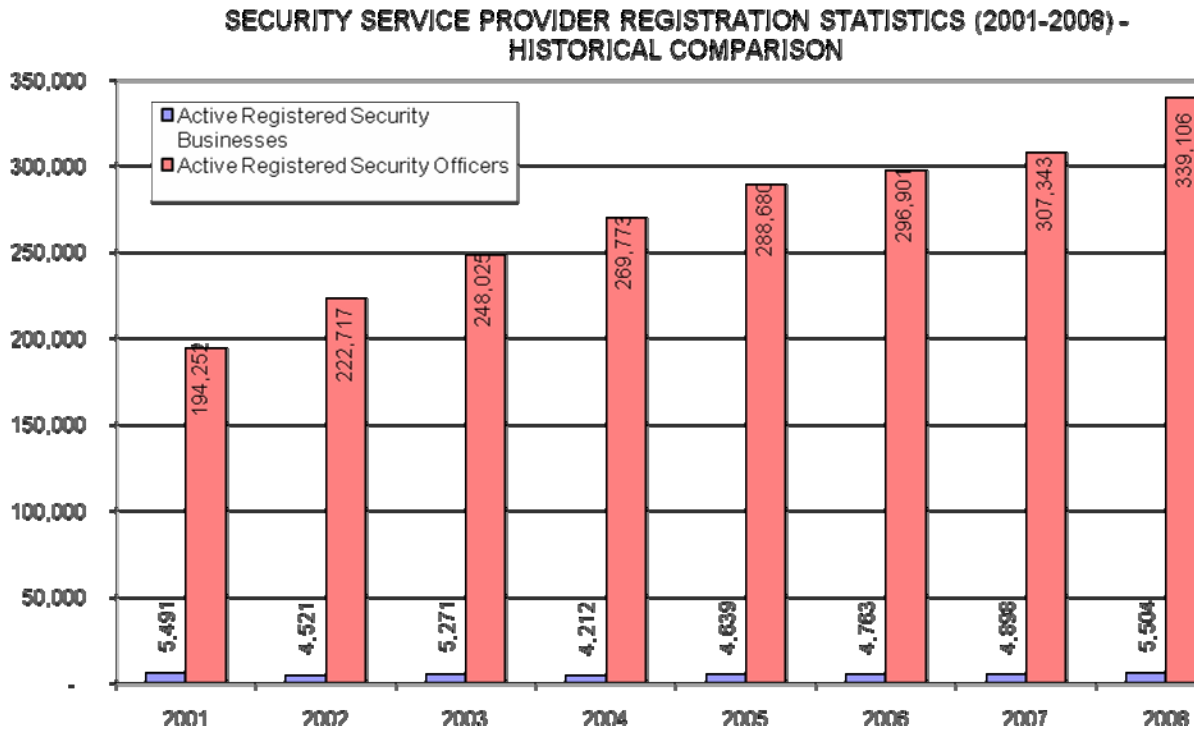
(Source: PSIRA Annual Report, 2007/08)

**Table 1/8: Specific markets utilizing electronic security services, and the proportion of total market value of each sector:**

| Markets           | Proportion of total market value of electronic security services |
|-------------------|--|
| Public sector     | 10,0%  |
| Commercial sector | 29,8%  |
| Industrial sector | 19,5%  |
| Domestic sector   | 38,3%  |
| Unspecified       | 2,0%   |

(Source: Figures supplied by Security Officers' Board, March 1999)

**Figure 1.7: Security Service Provider Registration Statistics (2001-2008) – Historical Comparison**



(Source: PSIRA Annual Report; 2007/08)

The guarding component guards fixed assets and property such as buildings, shopping complexes and schools. Other services offered by this sector include the patrolling of privately owned public spaces and the policing of strike action. In March 1999, some 125 000 guards were employed in this sector. The figure fluctuates according to the commercial contract needs of guarding companies.

The stakeholders of the private security industry came up with the above-mentioned plan as a working document that was to guide future education, training and development initiatives of the sector. Areas identified for priority attention were:

Table 1.9: Areas of Education and Training Prioritised by the Private Security Sub-sector

|  |
|--|
| Security Management  |
| Security Operations: General   |
| Security Operations Specialist   |
| Education, Training and Development Practice. Creation of Opportunities for Disabled persons |
| Adult Basic Education and Training   |
| Accounting, commercial and information technology  |
| SMME Development   |
| Firearms training  |

(ETD Plan submitted to SASSETA by SIA for funding March 2007.)

According to the above-mentioned Education and Training Development (ETD) Plan when the stated initiatives are costed with projections from 2006/7 to 2010/11 the total cost is approximately R171m with the category Security Operations: General, being by far the major cost item. This figure is confirmed by Taljaard (2008:79) in his discussion with Gremick, one of the largest private security companies in South Africa that between R125 and R157m is required by the private security sub-sector to meet its training needs and thus discharge its duties professionally. The General Security Officer learnership that is quality assured by SASSETA is regarded as the back-bone learning programme in the industry.

Training in the private security sub-sector is implemented in terms of the Training Regulations made under the Private Security Industry Regulatory Authority Act, 2001 (Act 56 of 2001). According to these regulations, the PSIRA performs its functions in terms of this regulation after such consultation with the South African Qualifications Authority (SAQA), the Safety and Security Sector Education and Training Authority SASSETA or with any other statutory body, as the Authority may deem necessary. Thus, the SASSETA as the custodian of the qualifications and Unit Standards listed below has been accredited by SAQA to assure the quality of training of the Private Security Sub-sector in these qualifications and Unit Standards.



Table 1.10: Qualifications/unit standards for which SASSETA is accredited by SAQA

| Title of Qualification   | Level   | ID No  |
|--|---------|--------|
| National Certificate in Security Practices: Electronic Security  | Level 4 | 22110  |
| National Certificate in Security Practices   | Level 3 | 22490  |
| National Certificate in Security Practices   | Level 4 | 22491  |
| National Diploma in Security Management: Electronic Security   | Level 5 | 22111  |
| National Certificate in Security Practices   | Level 3 | 22490  |
| National Certificate: Multi – National Safety and Security Operations Management                           | Level 5 | 49337  |
| Certificate in Security Practices  | Level 1 | 22489  |
| Certificate in Basic Security Practices  | Level 2 | 17214  |
| Certificate in General Securities Practices  | Level 3 | 22490  |
| Certificate in Specialist Security Practices   | Level 4 | 22491  |
| Certificate: Basic Security Practices  | Level 2 | 17214  |
| National Certificate: Locksmithing   | Level 3 | 50541  |
| National Certificate :Dog Handling   | Level 5 | 50102  |
| <b>Firearms</b>  |         |        |
| Handle and use a handgun   | Level 3 | 119649 |
| Handle and use-a self-loading rifle or carbine   | Level 3 | 119650 |
| Handle and use a manually operated rifle or carbine  | Level 3 | 119651 |
| Handle and Use a Shotgun   | Level 3 | 119652 |
| Demonstrate knowledge of the Firearms Control Act 2000 (Act 60 of 2000) applicable to possessing a firearm | Level 3 | 117705 |
| Further Education and Training Certificate :Firearms maintenance   | Level 4 | 49739  |

(Source: <http://www.sasseta.org.za>)

Research conducted by the SASSETA revealed that there are skill deficiencies in the sub sector. The Private Security industry is feeling the impact of new technology in some sectors, especially in the electronic security sector (SASSETA Sector Skills Plan: 2006 Review) (Access< <http://www.sasseta.org.za>.: Retrieved: 13 April 2007). There is a shortage of technicians with electronics skills, particularly as the industry competes with other industries for these skills and finds that skilled technicians are poached by other industries. The demand for electronic technicians reflects an underlying need for

mathematics and science skills at secondary school level, since these are the pre-requisite for entry into technical occupations.

There is also a shortage of qualified locksmiths. In addition, a great demand for management skills exists in the sector, especially for management skills, which can be customised for the sub-sector. The sub-sector also requires generic skills, such as, communications skills, literacy, numeracy, and problem solving skills in order to make appropriate decisions in the field. Similarly to their counterparts in the SAPS, security guards must be able to exercise judgment in the field and make the appropriate decision to suit the context (SASSETA Sector Skills Plan: 2006/07: 45) (Access<<http://www.sasseta.org.za>: Retrieved: 13 April 2007). It is expected that the 2010 Soccer World Cup will boost demand for electronic monitoring and event security and thus these skills are rendered more important. The Soccer World Cup is expected to heighten demand for event security and VIP protection and, consequently the skills which are needed for these functions.

During the early part of 2006 a survey was conducted in order to establish the education, training and development needs of the Private Security industry. This need was necessitated by the fact that the regulatory training standards for the industry had not been reviewed for approximately 15 years. There was a feeling that current training standards did not address the wider skills needs of the industry including management, transformation and integration of disabled persons (SASSETA Sector Skills Plan: 2006/07: 26) (Access< <http://www.sasseta.org.za>: Retrieved: 13 April 2007. It was further felt that current training standards did not address the skill needs of specialised stakeholders, such as, Civil Aviation, Ports Authority, and Events Management. It was also recognised that a major initiative was needed in the education, training, and development area if the industry was to transform itself into a credible and effective part of safety and security enforcement in South Africa.

## 1.8 CONCLUSION

Training and skills development is one of the best strategies to achieve economic, social and environmental sustainability within a company. As the Private Security Sub-sector continues to grow at an accelerated pace, it presents new and interesting opportunities not only for the South African economy but also for South African citizens and permanent residents. On the positive side, South African citizens are now exporting their military and security related skills beyond the South African borders and benefit greatly from this source of foreign investment. As one of the largest employers, the Private Security Sub-sector contributes to increased employment levels and poverty alleviation. That said, there also exists a potential danger of these private security companies being infiltrated by criminals that actively partake in criminal activities, as has already been proved in some heists and robberies. Some South African operatives have been apprehended engaging in unscrupulous behavior as mercenaries outside the South African borders. After all, they have the capacity and expertise to undertake such tasks, as some of them are mostly former members of the South African Defense Force.

The very fiber of South African society is currently under siege, given by the explosion of crime in our country. A well skilled private security component can have a massive impact in the eradication of this threat.



## CHAPTER 2

### RESEARCH METHODOLOGY

#### 2.1 INTRODUCTION

According to Schumacher & McMillan (1993:26) research provides a better source of knowledge and decision making than personal experience, beliefs, tradition, logic or intuition alone. It is a process to develop reliable educational knowledge which involves identification of research problems, empirical studies, replications research synthesis and practitioner adoption and evaluation. Booth, **et al.**, (1995: 6) defines research as a systematic process of collecting and logically analyzing data for some purpose. To Botha & Engelbrecht (1992: 18) research is simply the gathering of required information to solve a stated problem. Botha & Engelbrecht (1992: 18) add that, while science refers to the system of scientific knowledge, research refers to the process by means of which a system of this nature is established and extended. In the final analysis, research is a systematic way of conducting an investigation

This chapter deals primarily with the research methodology and issues that have relevance to the investigation. Methodology is an important component or aspect of a research process. By methodology it is meant the science of the methods of the research process. This includes the assumptions and values that serve as a rationale for research standards and criteria the researcher uses for interpreting data and come to conclusions. Blaxter **et al.**, (1996:78) argue that thinking methodologically can significantly enhance research, because it provides a better appreciation of the advantages and disadvantages of particular methods, on their own or in combination. It allows a researcher to relate it to similar projects undertaken by other researchers and it may provide an interesting perspective on the research. Also, this approach provides a range of possible research strategies, approaches and techniques available to the researcher in undertaking research (Blaxter **et al.**, 1996: 78).

Schumacher and McMillan (1993: 72) postulate that all research begins with a problem statement and usually involves literature review which is used to enhance the study.

Different methodologies and designs provide different kinds of knowledge about educational practices and in some studies provide complementary methods to investigate a research question. After choosing a research problem one must then decide on a methodological perspective that is superior to others for studying it; i.e. the nature of the stated problem should determine the methodology to be used.

Brynard & Hanekom (2006: 28) describe the purpose of research methodology as the strategy for research which is to provide a broader understanding of the way in which the research was conducted. It is said to be done through a description of the research process followed in the study, a presentation of an exposition of the research methods used. Schumacher and McMillan (1993: 23) argue that all research methodologies are valued for their potential usefulness in developing knowledge. They claim that it is misleading to think that some methodology is better than another because each methodology has its own strings and limitations. Different methodologies and designs provide different kinds of knowledge about different kinds of practices.

In this chapter, the research approach selected for the study is outlined and a rationale for selecting the particular method chosen is explained. The chapter will also explain the significance of the study while sharing the limitations experienced in the study as well. The study is qualitative in nature using a case study design. Every attempt was made to ensure the validity and reliability of the research information collected in the course of the study. The qualitative part of the research provides a general context on the public administration principles that are employed in the South African Private Security Sub-sector as a management instrument for policy development, implementation and evaluation. The quantitative aspect is the investigative facet which provides an in-depth analysis of the implementation and evaluation of policy to reveal its effectiveness in the South African Private Security Sub-sector. The focus in this respect is on the implementation of the legislative framework for skills development in the private security sub-sector, its challenges as well as an examination of the extent to which it has been effective in improving workforce skills.

## 2.2 DESCRIPTION OF RESEARCH PROCESS AND DELINEATION OF STUDY

Winfred Arthur Jr. *et al.*, (1998: 45) assert that training is one of the most pervasive methods for enhancing the productivity of individuals and communicating organizational goals to personnel. Given the importance and potential impact of training on organizations and the costs associated with the development and implementation of training, it is important that both researchers and practitioners have a better understanding of the relationship between design and evaluation features and the effectiveness of training and development efforts. Organizations are to refocus their efforts and deepen their focus on the effectiveness of their training. As such, this requires meaningful reflection that is based on evidence of what they are actually achieving in their training.

This study is a qualitative research using a case study design and is descriptive in nature. The data analysis focuses on a single phenomenon, which the researcher selects to understand in depth regardless of the number of sites for the study. It is concerned with the current status of a situation. The information obtained has been acquired from using both qualitative and quantitative research methodology. Numerical data was collected and used to analyse results. Descriptions and interpretations are portrayed with words and numbers to elaborate the findings identified in the qualitative analysis.

A qualitative study approach was thought to be appropriate for this study as it describes existing achievements through asking questions, such as, what is, and it reports things the way they are. It is concerned primarily with the present and does not involve manipulation of independent variables. The first stage in the research process was to identify the research problem. The research method chosen was determined by the problem statement as encapsulated within the title which is the identification and demarcation of the field of study. The qualitative case study approach requires the conducting of in-depth analysis of information obtained from different sources of data using triangulation.

## 2.3 CLARIFICATION OF KEY CONCEPTS AND TERMS

Etymological explanations of key concepts and terms that are used in this study are given below. Sources consulted for such explanations are given in the text as well as at the end of this manuscript as references. The literature search encompassed studies published in journals, books or book chapters, conference papers and presentations, dissertations and theses that were related to the evaluation of an organizational training programme or those that measured some aspect of the effectiveness of organizational training. An extensive literature search was conducted to identify empirical studies that involved an evaluation of a training programme or measured some aspects of the effectiveness of training.

### Case Study

A case study is defined as an empirical inquiry that investigates a contemporary phenomenon within its real life context; where the boundaries between phenomenon and context are not clearly evident, multiple sources of evidence are used (Yin, 1989: 23; 1984: 23). Patton & Sawicki (1993: 220) define the case-study approach as an evaluation method that attempts to describe the operation as understood by participants. According to Schumacher & McMillan (1993: 545) case studies are frequently used for policy research because they can be designed to give a more global analysis of the situation. Case studies provide a more complete understanding of a complex situation, identify unintended consequences, and examining the process of policy implementation, which is useful for future policy choices. Case studies are systemic and process orientated (Dyer, 1995: 48) as they explore the nature of a process that has occurred over time within a particular context.

This particular case study emphasizes detailed contextual analysis of a limited number of events or conditions and their relationships in training situations. The case study research method was therefore used as a dialogue with policy with the intention of challenging or supporting the present policy framework in the light of the practical experience of implementing policy in the Safety and Security Sub-sector.

## **Effectiveness of Policy**

Effectiveness of policy refers to the extent to which set policy objectives and other intended effects are achieved (Erridge **et al.**, 1998: 32). Patton & Sawicki (1993: 220) define effectiveness as an evaluation criterion which measures whether the policy or programme has its intended effect. Burch & Wood (1983: 181) state that any evaluation of the degree of success in carrying out the policy must be based on the objectives of that policy. They further claim that, unless we know what was intended, we cannot judge whether or not a policy has succeeded. Judgments about effectiveness can only be made on the basis of stated policy objectives, and confidence in any judgment must depend on both the rigours of the analysis and the extent to which there are clearly stated policy goals.

Chelimsky & Shadish (1997: 277) assert that studies and evaluations of effectiveness are often static, answering the question of what happened? Did a certain type of implementation lead to the achievement of the project's goals? They argue that answers to such questions contribute to the ability to implement necessary changes at the right time and with minimum resources.

## **Effectiveness Indicator**

Miles (1989: 16) defines an indicator as a measuring instrument used to give concrete, measurable but indirect value to an otherwise immeasurable, intangible concept. It can therefore, be deduced that an indicator gives an approximate value or indication of what one is looking for. On one hand, all effectiveness indicator is an evaluation criterion (Patton & Sawicki, 1993: 220) which measures whether the policy or programme has its intended effect. On the other hand, the Collins English Dictionary (1989: 766) defines impact as to have an impact or strong effect. In this regard effectiveness and impact could mean the same thing and can be used interchangeably. According to the NQF Impact Study Report 2 (2005: 81) an impact indicator is a policy relevant quantitative and and/or qualitative statistic designed to provide a profile about the current condition, the stability or change,

the functioning, and/or the effect of the Skills Development Legislative Framework on the transformation of education and training in the Private Security Sub-sector in South Africa.

Impact indicators can be grouped under social Impact indicators, which is a broad category of analysis that can be used (Cloete **et al.**, 2006: 264) to explain this relatively intangible change more accurately. Social Impact Indicators are indicators that are subjectively perceived or objective changes in individual and community profiles, status, values, institutions and behavior patterns, including personal development levels, conflict, cohesion, networks, mobilisation, participation, mobility, stability, family life, youth development and crime (Cloete, **et al.**, 2006: 264).

## **Efficiency**

Efficiency refers to a state of being efficient, functioning or producing effectively and with the least waste of effort, time and expense (Collins English Dictionary, 1998:488). Patton and Sawicki (1993:212) assert that the concept of efficiency is related to effectiveness but warn against confusing the two as maximum efficiency may not occur at the same point where effectiveness is achieved. Efficiency may be high or low. In monetary terms, efficiency can be measured in a currency (costs) per unit of output (benefit). Cost-benefit analysis is a more versatile tool for measuring efficiency (Patton & Sawicki, 1993:213). It involves the evaluation of alternatives according to comparison of both their costs and benefits when each is measured in monetary terms (Levin, 1984:21).

## **Successful**

Collins English Dictionary (1989:1521) defines the term succeed as to accomplish an aim, especially in the manner desired and defines successful as having succeeded in one's endeavors. Goeller in Patton & Sawicki (1993:364) point out that success is often difficult to define and measure because various parties have different goals and perspectives. He cautions analysts to distinguish among three types of success, which are, analytical success (how the study was conducted and presented), utilisation success (how the study was utilized by decision makers), and outcome success (the impact the policy had on the

problem or target group) rather than a single criterion. Patton & Sawicki (1993:364) points out that there is a hierarchy among these types of success, and that analytic success is the foundation for utilisation and outcome success. If the analytical study was of poor quality then the utilisation of the study results is likely to produce little outcome success. In this study, the focus is mainly on outcome success.

## **Implementation**

According to Ripley & Franklin (1986: 4) implementation is what happens after laws are passed authorising a programme, a policy, a benefit, or some kind of tangible output. The term refers to the set of activities that follow statements of intent about programme goals and desired results by government officials. It encompasses actions (and non actions) by a variety of actors, especially bureaucrats, designed to put programmes into effect, ostensibly in such a way as to achieve goals (Ripley & Franklin, 1986: 4). The Collins English Dictionary (1989: 768) defines implementation as to carry out; to put into action or to perform. Burch & Wood (1983: 15) simply define implementation as the carrying out of the policy once formally agreed to or approved.

## **Learnerships**

Learnerships emanate from three pieces of legislation that seek to promote labour market policies by introducing new institutions, high quality programmes and funding policies designed to increase investment in skills development. These laws are the Skills Development Act, 1998 (Act 97 of 1998) the Skills Development Levies Act, 1999 (Act 9 of 1999) and the South African Qualifications Authority Act, 1995 (Act 58 of 1995). The two priorities that the above mentioned legislation seeks to address are the reality of the global economy and thus the imperative to increase skills to improve the productivity and competitiveness of industry, business, commerce and services. The second is to address the challenges of social development and the eradication of poverty.

The Skills Development Levies Act, 1999 (Act 9 of 1999) describes a learnership as a work-based learning programme, combining theory and practice that results in a

qualification. It consists of a planned combination of Fundamental, Core and Elective unit standards which lead to a qualification which is directly applicable to the world of work. A learnership enables a learner to become accredited at a national level in a certain profession, skill, or qualification. Learnerships are intended to produce better skilled people more effectively and to enable them to either create self-employment opportunities or to be employed. A learnership's credit accumulation nature enables a learner to be able to work towards accreditation while still employed and doing the job, profession or skill that they are studying towards.

### **National Qualifications Framework (NQF)**

The National Qualifications Framework (NQF) is described as a set of principles and guidelines by which records of learner achievements are registered to enable recognition of acquired skills and knowledge. It is an integrated system that encourages lifelong learning. The NQF is premised on five objectives and is structured into eight levels and three bands. These are the Higher Education and Training (HET), the Further Education and Training (FET) and the General Education and Training (GET) bands NQF (SAQA, 2000:6).

The purposes and objectives of the NQF as set out in the South African Qualifications Authority Act, 1995 (Act 58 of 1995) are to achieve the following:

1. create an integrated national framework for learning achievements;
2. facilitate access to and mobility and progression within education, training and career paths;
3. enhance the quality of education and training;
4. accelerate the redress of past unfair discrimination in education, training and employment opportunities; and
5. contribute to the full personal development of each learner and the social and economic development of the nation at large.



The National Qualifications Framework is characterised by what is referred to as a common thread of ladder-like qualifications framework with credit accumulation and transfer to foster learner and worker mobility (Department of Education & Department of Labour, 2002: 5). The concept of integration is central to the idea of the NQF.

### **National Skills Development Strategy (NSDS)**

The National Skills Development Strategy (NSDS) is the Department of Labour Strategy which seeks to address two priorities, viz: (1) The increase of skills within the country, so as to improve the productivity and the competitiveness of South Africa's industry, business, commerce and services; (2) The inequalities in our society, so as to make it more inclusive and to encourage greater cohesion (SAQA Impact Study Report 2, 2005:97). The first NSDS was for addressing the skills shortage through the NSDS I: 2001 – 2005 which was adjusted and replaced by the NSDS II: 2005 – 2010.

The NSDS represents a detailed performance of Sector Education and Training Authorities and the National Skills Fund initiatives and spells out the national priority areas to which the projected income of more than R21, 9 billion from the skills development levy is allocated over the five year period. It provides the aggregate performance indicators of the skills development system that is used as a basis to formulate performance indicators through legally binding Service Level Agreements with the SETAs and projects funded under the National Skills Fund (NSF). The NSDS plays a critical role in the Accelerated Shared Growth Initiative for South Africa (ASGISA), which aims to half unemployment and poverty by 2014 and sustain a 6% economic growth rate (Powell & Groenmeyer-Edigheji, 2006: 2).

### **Safety and Security Sector Education and Training Authority (SASSETA)**

The Safety and Security Sector Education and Training Authority (SASSETA) was established through the Skills Development Act, 1998 (Act 97 of 1998). Its scope of coverage includes the following industries from the central government and business and personal service industries:

- Policing: National and Provincial Departments of Safety and Security, the South African Policing Services, the Secretariat for Safety and Security, the Independent Complaints Directorate, and the Directorate of Special Operations in the Department of Justice and Constitutional Development, and related services;
- Private Security and Investigation Services: comprising private security, investigation and polygraph services
- Legal Services: comprising legal and paralegal practices;
- Justice: which consists of the Department of Justice and Constitutional Development;
- Correctional Services: consisting of the Department of Correctional Services and private correctional service providers;
- Defence: which consists of the Department of Defence; and
- Statutory Intelligence: which consists of the National Intelligence Agency and the South African Secret Service (SASSETA SSP, 2005/10: ii).

SASSETA's function is articulated in the Skills Development Act, 1998 (Act 97 of 1998) as to develop and implement a sector skills plan within the framework of the national skills development strategy by establishing learnerships.

### **Skills Development Legislative Framework**

The National Advisory Council on Innovation (NACI) and the Department of Science and Technology (DST) (2003:4) define skills as the necessary competencies that can be expertly applied in a particular context for a particular purpose. SASSETA Workplace Skills Plan (2005/10) argues that skills are the ability to carry out the duties and tasks of a specific job. Thus, the Skills Development Legislative Framework refers to the important laws affecting skills development in South Africa. These are the Skills Development Act, 1998 (Act 97 of 1998), the Skills Development Levies Act, 1999 (Act.9 of 1999) and the South African Qualifications Authority Act, 1995 (Act 58 of 1995). These laws were developed to promote employment, alleviate poverty, enhance global competitiveness and accelerate economic growth in South Africa. This they would do by addressing the skills shortage through the National Skills Development Strategies 1: 2000/05 and 11: 2005/10.

## Scarce and Critical Skills and Occupations

Powell & Groenmeyer-Edigheji (2006: 4) highlight the importance of definitional clarity around the utilisation of economic terms such as skills, scarce skills and skills gaps. They argue that different understandings of these terms are likely to cloud remedial decision making and lead to different remedial decisions.

Scarce skills and occupations can be regarded as those that are generally in short supply within the labour market. They can also be further defined as insufficient for demand, occurring when demand for any particular skills outstrip supply and are hard to find or come by or rare (Powell & Groenmeyer-Edigheji, 2006:4).

Critical skills are specific skills within an occupation, where the people may in general be in abundance, but the particular skill is lacking among existing workforce. A critical skill is essential, crucial, and decisive or core to the running of a business; it is a skill that the business simply cannot do without (SASSETA Sector Skills Plan, 2006:44).

The Department of Labour Framework for Identifying and Monitoring Scarce and Critical Skills (2005) distinguishes between relative scarcity and absolute scarcity. It explains that scarcity of skills can arise either due to an absolute scarcity of these skills or a relative scarcity. Absolute scarcity refers to suitably skilled people that are not available, for example in a new or emerging occupation (e.g. biotechnology, information technology), a lack of sufficient numbers of workers with specific skills, or insufficient numbers to satisfy replacement demand. Relative scarcity, on the other hand, refers to a situation where suitably skilled people exist, but do not meet other employment criteria, for example they live in different geographical areas, or do not satisfy Black Economic Empowerment criteria.

## 2.4 STATEMENT OF THE RESEARCH PROBLEM

Key skills shortages, linked with high levels of unemployment and unemployability, remain a serious problem in South Africa. Youth are experiencing hardships of unemployment, and without the skills or ability to start their own micro-enterprises, they cannot survive. Compounding this challenge is what S. Macozoma, an ANC leader and businessman, mentioned in his speech, which was delivered to the Swiss Chamber of Commerce South Africa in Zurich:

*“The fissures we are concerned with here are those that highlight the continued disadvantage of being black, living in a rural area, being black and female, being disadvantaged by geographic location that often coincides with identity, being impacted upon by dysfunctional state services such as health, education, and access to land; .....Industrial based employment has diminished in South Africa as a percentage of total employment in the past 20 years. Service-based employment has grown in the same period, but it requires higher levels of education in a situation in which the education system, especially in school is dysfunctional. The result is high unemployment and a serious skills shortage at the same time” (4 November, 2008).*

The low rate of employment among school leavers of whom the majority are Africans who live in rural areas encourages these youths to leave rural areas with hopes for better opportunities in urban areas. An investigation by the HSRC in 1981 attests to the fact that the economy has failed to absorb the rising number of school leavers into the formal labour market (HSRC Pretoria, 2000).

Babb & Meyer (2005: 3) argue that Black women continue to be the most affected by unemployment, and the unemployment rate in with respect to them is more than seven times that of white males. Clearly, this problem of unemployment and skills shortage among youth, school leavers and black women is a cause for concern as a serious weakness in the basic approach to education and training. It also points to a lack of rigorous, constructive and focused programmes of study to prepare a large percentage of high school learners who are not likely to pursue a higher education programme.

In South Africa there is a general outcry that there is a shortage of skills and that the SETA system has made little or no effect at all on the skills shortage. Consequently the

effectiveness of the legislation that has been developed and implemented by the government is under serious scrutiny due to claims of failure to produce good results. There is a general agreement among practitioners and politicians that South African legislation and policies are among the most progressive in the world. However, their appropriate implementation is a major challenge facing the government (Babb & Meyer, 2005: 3).

South Africa, while burdened by the problem of skills shortages, has to, like all developing countries contend with an ever-increasing gap between growth in the need for skilled labour and the slow development of resources devoted to training systems. But, with the relentless march of globalisation, South Africa cannot afford to fall further behind if it is to survive in a competitive world economy based increasingly on knowledge and skills. Against the above given background, it is critical for South Africa to invest more in Human Resources. This inevitably means not only the allocation of more human and financial resources to market-oriented skills development but also more effective and efficient use of these resources (Department of Labour, Learnership Regulations: 2001).

Rapid industrial transformation and structural changes are taking place globally. As a result the national economy has become increasingly demanding in the quantity and quality of skills it requires. National training systems are strained due to the lack of finances and poor management and are now even under greater pressure as the qualitative demand for the retraining and upgrading of workers exceed their capacity to respond. In other words, South Africa must exercise a sounder management of training systems to achieve its goal of improving workforce skills, productivity and the economy.

In short, the greatest impediment for the Private Security sub-sector which this study is investigating, is the shortage of skilled labour including skilled technical employees (SASSETA Sector Skills Plan, 2005/10), in the face of high unemployment rate and unemployability. The country's past inadequate labour legislation and its skewed human resources policies can be identified as the main factors that can be attributed to the existing skills shortage. The formulation of new human resources policy and the adaptation of labour legislation are supposed to change circumstances in skill development.

Therefore, changes that are brought about by the development and implementation of the skills development legislation need to be investigated and evaluated.

## 2.5 RESEARCH QUESTIONS

Botha & Engelbrecht (1992: 37) contend that the topic chosen for a research study must offer the researcher the opportunity to make a contribution to existing knowledge. In that regard, mention is made of four such instances as: to gather and present new or improved evidence for supporting or disproving existing concepts, theories and models; to furnish new or improved methodology for research work with respect to both the subject of investigation as such, and the paradigm of its understanding; to conduct new or improved procedures of analysis of the subject and of the topic by virtue of the innovation of new paradigms of understanding and new procedures of investigation; and to postulate new or improved concepts or theories on the topic.

According to Patton & Sawicki (1993: 365) policies fail either because the policy could not be implemented as designed or the policy was run as designed but did not produce the desired results. It cannot be assumed that policies are carried out as designed. There could be places within the organisation where instructions may go astray, and officials must take steps to help guarantee that policies are implemented properly. These actions include ensuring that policy is unambiguously stated, that instructions for administration are clearly and consistently communicated, that trained and informed staff are available and have the authority and incentive to execute the policy, and that staff actions are reviewed.

Now that a government policy context in the form of skills development legislation, which redefines the government's approach to skills development is in place, the questions that need to be asked are:

*How has the Statutory Framework for Skills Development to enterprise training of employees been implemented to improve the state of skills in the Private Security Sub-sector?*

*To what extent has such implementation resulted in skills development in the Private Security Sub-sector?*

This study will attempt to answer the above pertinent research questions.

## **2.6 RESEARCH AIMS AND OBJECTIVES**

The basic aim of an effectiveness assessment is to produce an estimate of the net effects of an intervention – this means that the impact study needs to estimate the effect of the intervention unaffected by the influences of other processes and events that might affect the behavior and conditions at which the intervention is directed (SAQA NQF Impact Study Report 1, 2004: 13). This can also mean that the impact study should determine the desired levels of effect of the Skills Development Legislation over and above what would have occurred either without the intervention or with an alternative intervention.

The main focus of this study is to provide an objective appraisal of the implementation of the statutory framework for skills development in achieving intended results within the safety and security sector. In particular, the objectives seek to conduct an objective appraisal of the implementation of the statutory framework for skills development within the Private Security Sub-sector. This exercise will entail:

- a) providing a broad overview of training and development in South Africa in the Pre- and Post-Apartheid eras;
- b) mapping and providing an overview of all the existing statutory legislation that is regulating the skills development of the Private Security Sub-sector;
- c) discussing the role of the Private Security Industry Regulatory Authority (PSIRA) and the Safety and Security Sector Education and Training Authority as the steering agents for the implementation of the Skills Development Legislation;

- d) critical analyses of the effectiveness of the implementation work and legislation through the National Skills Development Strategy (NSDS) in the Private Security Sub-sector; as well as challenges thereof; and
- e) recommending an appropriate implementation strategy that would ensure improvement of results in skill development in the Private Security sub-sector.

## **2.7 RESEARCH METHODS CHOSEN FOR THIS STUDY**

The present study focuses on the period post – 2004, which is characterised by increased legislative revision, development and training design and methodology, and by the use of more comprehensive training and assessment techniques. The focus on qualitative methods for the measurement of impact of legislation and training effectiveness is critical for a qualitative review such as this study. Similar to past public policy development and implementation reviews (e.g., Cloete F. et al., 2006; Cloete J., 1998; Patton & Sawicki, 1993; Botes, **et al.**, 1992), the present study reviews policy implementation.

### **2.7.1 Case study research strategy**

Case study is the preferred strategy for this research. Yin (1994: 11) describes case studies as of exploratory, explanatory and descriptive types. Exploratory (exploring what is happening) and explanatory (explaining what is happening) case studies are used to discover causal relationships, whereas descriptive (describing what is happening) case studies provide complete descriptions of phenomena within their contexts. When the focus is on a contemporary phenomenon within some real life context, such a contemporary phenomenon (an explanatory case study) can also be complemented by two order types, namely; the explanatory and descriptive case studies (Yin, 1989: 13).

Exploratory research can increase the researcher's familiarity with the phenomenon in question, and it can help to clarify concepts (Yin, 1994: 11). It can also be used to establish priorities for future research identify new problems and gather information with



practical applications. If little is known about a research topic, one would use exploratory research.

Motivation for the use of the case study method for the current study also comes from Guba and Lincoln (1981: 371) who argue that this approach focuses in the way the policy operates and how participants view the programme. According to them, the purposes of this approach are to develop an understanding of what is valued by participants, to present the diverse views of involved parties, and to describe as clearly and completely as possible the community system before the programme. In addition to the stated purposes, the exact nature of the intervention, how the programme performed, and the new system that resulted are also favoured by this approach.

This study thus uses the case study method to gain insight into the effectiveness of skills development legislation in line with the described purposes of this approach. It is envisaged that the findings of the study will contribute towards improving quality and impact of training, especially in previously disadvantaged learners.

It is worth noting that the greatest concern raised on the case study research strategy has been over its lack of rigour (Yin, 1989:21). It is claimed that the case study investigator tends to allow equivocal evidence or biased views to influence the direction of findings and conclusions. A second common cause for concern about case studies is that they provide very little basis for scientific generalisation as it is not possible to generalise from a single case. In fact, scientific facts are rarely based on single experiments; they are usually based on a multiple set of experiments which have replicated the same phenomenon under different conditions. A third frequent complaint about case studies is that they take too long and result in massive, unreadable documents

## **2.8 RESEARCH DESIGN**

A research design is the logic that links the data to be collected (and conclusions to be drawn) to the initial questions of the study (Yin, 2003: 19). It refers to the plan and

structure of the investigation used to obtain evidence to answer research questions (McMillan & Schumacher, 1993: 31). The research design also describes the procedures for conducting the study, including when, for whom and under what conditions the data is obtained. In other words, design indicates how the research is set up: what happens to the subjects and what methods of data collection are used. The purpose of a research design is to provide the most valid, accurate answers possible to research questions. Since there are many types of research questions and many types of designs, it is important to match the design with the question.

It can be argued that research design is a very important part of an investigation, since certain limitations and cautions in interpreting the results are related to each design, and also because the research design determines how the data should be analysed (McMillan & Schumacher, 1993: 31). In this regard, a theoretical premise will be needed on which to base the study or a point of departure, hence, the theoretical premise for this study is that effective implementation of policy monitoring and evaluation is critical. Key variables need be noted to determine whether any changes occurred as a result of the implemented policies, so that necessary interventions can be made while implementation is in progress. A review of some theoretical positions on the premise on which the study is based forms the theoretical framework for the empirical study, usually by deriving the hypotheses from one or more of the accepted theories or models (Mouton, 2001: 92).

The basic aim of an effectiveness assessment is to produce an estimate of the net effects of an intervention (SAQA NQF Impact Study Report 1, 2004: 13). It therefore means that the effectiveness study needs to estimate the effect of the Skills Development Legislation uncontaminated by the influences of other processes and events that might affect the behavior and conditions at which the legislation is directed. This can also mean that the effectiveness study should determine the desired levels of effect of the Skills Development Legislation over and above what would have occurred either without the intervention or with an alternative intervention.

It can be further submitted that effectiveness studies are comparative in nature, comparing an intervention with an alternative intervention, or comparing an intervention with a non-

intervention or the status pre and post intervention. Chelimsky & Shadish (1997: 9) outline the purposes of doing evaluations as being, among others, to measure and account for results of public policies and programmes, to determine the efficiency of programmes, projects and their component processes and to gain explanatory insights into social and other public problems and into past and present efforts to address them. They argue that in the case where the purpose of evaluation is to measure and account for results of public policies and programmes, the evaluator is faced with answering the question of whether a particular intervention caused a particular result, or whether a change observed is attributable to the intervention. Thus, in this regard, the evaluator would have to look at the results of the intervention effected through the implementation of the skills development legislation and whether any change observed can be attributed to the intervention.

The methodology for this study is adopted and refined from the SAQA NQF Impact Study Research which was conducted in two cycles, as Cycle 1: 2004 and Cycle 2: 2005. The NQF Impact Study Report 1, 2004:11 advises thus: Researchers, particularly those engaged in future applications of the research design, should find the recommendations arising from the first cycle of the Study Report informative and helpful in adapting or refining the research design for specific purposes.

The current study has taken advantage of the advice given above and identified six phases for the research as follows:

1. Described the context against which the effectiveness of the Skills Development Legislation is measured
2. Identified and updated relevant Effectiveness Indicators for use in this study
3. Gathered Data using adapted effectiveness indicators
4. Analysed Data to evaluate the effectiveness of the Skills Development Legislation/Findings
5. Developed Recommendations
6. Produced a report

Table 2.1: Phases in which the study was conducted

|   |
|---|
| <p><b>Phase 1: Contextualisation: Putting into context the measurement of the effectiveness of the Skills Development Legislative Framework</b></p> <p>Contextualisation of this study includes a review of Skills Development Legislative Framework, SASSETA and PSIRA literature that covers the study period. It also includes a description of the role of the two organisations mentioned above as the main policy steering agencies. The following criteria were suggested and discussed in more detail in this phase of the study:</p> <ul style="list-style-type: none"> <li>• Unpacking the Skills Development Legislative Framework objectives and the NSDS Objectives;</li> <li>• Identification of variables that would indicate the successful achievement of the above objectives;</li> <li>• Coming up with a range of relevant effectiveness indicators that were used to determine the impact of the Skills Development Legislation at the workplace; and</li> <li>• Where the Skills Development Legislation objectives and NSDS objectives were found to be too broad or generalised, means of narrowing them to measurable specifics were devised.</li> </ul> <p>In addition to the above methodology, data was also collected through:</p> <ul style="list-style-type: none"> <li>• case studies of workplaces that were undertaken which included private, public and voluntary organisations selected from a cross section of the sector to cover large, medium and small organizations;</li> <li>• The case studies were underpinned by consideration of the secondary data and available literature; and a literature review.</li> </ul> |
| <p><b>Phase 2 - Identification and adapting of relevant effectiveness indicators for use in this study</b></p> <ul style="list-style-type: none"> <li>• Relevant effectiveness indicators were adopted from the National Skills Development Strategy (NSDS) targets.</li> <li>• These prescribed indicators are also referred to as Performance Indicators against which the performance of SETAs is measured by the Department of Labour.</li> </ul>   |
| <p><b>Phase 3 - Gathering Data using adapted effectiveness indicators:</b></p>  |



Data that relates to Effectiveness Indicators that had been identified was collected from the records listed below:

- SASSETA Sector Skills Plan (SSSP);
- Workplace Skills Plans (WSP)s;
- Annual Training Reports (ATR)s of Employers;
- SASSETA Annual Reports; and
- PSIRA Records including the Annual Reports;

Research methods consisted predominantly of analysis of records, and to a lesser extent, individual interviews with the sole purpose of clarification of information found in documents.

**Phase 4 – Analysis of Data and Findings:**

Data was analysed and the findings were outlined.

**Phase 5 - Development of Recommendations:**

Recommendations were developed

**Phase 6 - Production of the Report:**

The report was then produced.

## 2.9 DATA COLLECTION TECHNIQUES

For the purpose of this study, the literature review method as an instrument for collecting data was chosen. Based on the problem statement and research question already mentioned, the following methods to collect data were used:

### Planning Phase

The planning phase started with the analysis of the problem statement and the research question so as to focus the data collection efforts. The kind of setting or site was described, permission to use the site was sought and rapport, trust, and reciprocal relations with the employers from whom the records were obtained were established. A way to organise, code, and retrieve collected data for formal data analysis from literature

review of the documents that would logically yield information about the problem (archive of documents including Workplace Skills Plans and Annual Training Reports) and transcripts of field notes and the investigator's records of documents was developed

### **Beginning Data Collection**

The search for facts requires locating both primary and secondary sources. Both primary and secondary sources of data are used. Primary sources include documents or testimonies of eye witnesses to an event (Schumacher and McMillan, 1993: 447). They also include standard academic works and acknowledged authors, annual reports, acts, regulations, white papers and commissions of inquiry reports. Primary sources are used throughout the thesis where applicable. Secondary sources are text books, articles, journals and newspaper reports.

Largely, primary sources are used for analysis of the effectiveness or lack thereof of the identified variables in the implementation of the Skills Development Legislation in South Africa. The WSPs and ATRs of each category of employers are also used for analysis.

### **Data Collection**

Data collection comprised of review of existing sources of information such as SASSETA's Sector Skills Plan (SSSP), Workplace Skills Plans (WSPs), Annual Training Reports of Employers (ATR)s, SASSETA Annual Reports and PSIRA Records, including the Annual Reports. The reviewing of the above mentioned documents was followed by the extraction of information from the same documents. Information extracted from these sources helped in compiling a comprehensive database of practices from the sector. The database was broken down according to the effectiveness indicators for analysis and findings. Tentative data coding and analysis that came to the fore as the researcher mentally processed many ideas and facts while collecting data was done.

## **Interpreting the results so as to test the research question**

The active data collection phase was completed and data was analysed. The interpretation and verification of the emergent findings from the analysed documents and any further data collection needs were entertained and findings were formulated.

## **Completion**

The method chosen for this study combined a qualitative and quantitative approach. The qualitative aspects of the work sought, among others to:

- determine the extent to which employers and workers understand the mechanics and perceive the value of training and complying with prescriptions of the Skills Development Act, 1998 (Act 89 of 1998) through their implementation of the legislation;
- determine how employers comply with Skills Development Legislation and how they currently respond to the prescriptions of this legislation;
- seek to understand current practices in training and what the effect of these practices is on skills development in the workplace.

## **2.10 SAMPLING METHOD AND SAMPLE SIZE**

Sampling is the process of selecting units (e.g., people, organisations) from a population of interest so that by studying the sample we may fairly generalise our results back to the population from which they were chosen. In the sampling model, you start by identifying the population you would like to generalise to. Then, you draw a fair sample from that population and conduct your research with the sample. Finally, because the sample is representative of the population, you can automatically generalise your results back to the population. Several problems with this approach can be cited (Trochim, 2006). The first one relates to one not knowing at the time of the study who one might ultimately like to generalise to. Secondly, you may not be easily able to draw a fair or representative sample. Hence, Brynard and Hanekom (2006: 54) describe sampling as a technique

employed to select a small group (the sample) with a view to determining the characteristics of a large group (the population).

The sample for this study consisted of individual PSIRA, SASSETA and Private Security companies (subjects) that were selected from a population paying training levies to SASSETA. Probability sampling was used after categorising the subjects into Large, Medium and Small Employers. The Simple Random Sampling method was used to draw a representative sample from each category. This method was opted for in order to draw a representative unbiased sample from the population. The sample of levy payers selected include organisations which are registered and pay training levies to SASSETA. A random sample of 65 large, 52 medium and 76 small companies was selected for analysis. Each of these samples constitutes 10% of each category population size.

## **2.11 MOTIVATION FOR THE RESEARCH**

The South African government is committed to raising productivity in the country's economy and to providing better value goods and services for customers and users. A skilled workforce is central to the achievement of this goal. One critical aspect of this is the enhancement of organisational capability and the tackling of skill deficiencies via Workforce Development. There have been a number of different approaches to Workforce Development in South Africa. These varied from some organisations leaving skills development to competitive pressures in the market and to voluntary action by others while others relied on various types of collective self-regulation.

The government's current commitment to promoting skills development is through active labour market legislation demonstrated through three pieces of legislation, namely;

- South African Qualifications Authority Act, 1995 (Act 58 of 1995)
- Skills Development Act, 1998 (Act 97 of 1998)
- Skills Development Levies Act, 1999 (Act 9 of 1999)

The Skills Development Legislation is a political strategy intended to tackle the South African skills development crisis. It is supported by a pledge by the South African



workforce through its willingness to contribute 1% of its wages (Skills Development Levies Act, 1999 (Act 9 of 1999)), in response to the challenges of poverty and based on a common and shared vision of integration to eradicate poverty and to place South Africa on a path of sustainable growth and development and at the same time to participate actively in the world economy.

## **2.12 SIGNIFICANCE OF THE STUDY**

This research is important in the sense that there is a general outcry that there is a dire shortage of skills in South Africa and that the SETA system has made little or no effect on this shortage of skills. Furthermore, it is also claimed that at the higher end of the skills continuum there is a clear lack of the management, technical, financial and other professional skills required to build globally competitive organisations and national infrastructure on the scale necessary to drive economic growth (S. Babb and T. Meyer: 2005).

With the shortage of skills mentioned above, it is imperative that a review of progress in the development and implementation of the Skills Development Legislation against its objectives as outlined and translated into the NSDS is conducted. The National Skills Development Strategy has been described as the most ambitious and complex of all of South Africa's social development programmes. Besides the need to reskill the workforce, South Africa is faced with a challenge of redressing the inequities of the past so that all the citizens of the country can become skilled and enjoy the benefits that had been previously denied them. The Skills Development Legislation was developed for this purpose.

## **2.13 LIMITATIONS OF THE STUDY**

This Skills Development Legislation Effectiveness Study is bounded by the following assumptions and limitations:

- 2.13.1** Firstly, the study does not attempt to evaluate the rationale, aims or objectives of the Skills Development Act as such though it can be a variable for successful implementation.
- 2.13.2** Secondly, the study is undertaken with the knowledge that evaluative judgments on the attainment of the Skills Development Act objectives cannot be made with any degree of finality for a considerable number of years.
- 2.13.3** Thirdly, all evidence obtained in this study is merely indicative. It does not provide a valid base for generalisation as the population samples that are used are smaller than they would have been if the whole sector was studied.
- 2.13.4** Fourthly, because this is an evaluation study and evaluations can be threatening, officials of some of the evaluated departments who are custodians of the documents attempted to influence the evaluation, to block or call it to question. They also attempted to thwart data collection efforts by refusing to grant permission to carry out the study. Some of the critical information was obtained only after several efforts of appeals to higher authority in these organisations.

This Research Methodology chapter will be followed by the review of related literature on policy implementation in Chapters 3, which in turn will be followed by an overview of relevant skills development legislation in South Africa in Chapter 4. Chapter 5 and 6 will focus on the analysis of selected cases in the South African Private Security Sub-sector and on the summary of research findings, recommendations and conclusions respectively.

## **2.14 CONCLUSION**

This chapter has provided a broader understanding of the way in which the research was conducted. It has considered what is entailed in qualitative studies, in particular Case Studies. The sector that is being studied as well as the main sources of information for data collection and analysis have been outlined. The chosen research methodologies, the research design, the contextualisation of the study as part of a qualitative study were explained. Every attempt was made to ensure the validity and reliability of the research information collected in the course of the study.

Setbacks and barriers encountered included granting of permission by the Department of Labour for conducting the study in that department. Management feared that the researcher's exposure to some inside information might lead to divulging confidential information to the public. Motivation behind the study had to be given to the legal Department of Labour to allay fears and mistrust on the intentions of the study in a non threatening approach to grant her permission to conduct the study. This matter caused a lot of delay on the part of the researcher as she could not proceed without obtaining complete ethical clearance from the Department in which the study resides.

## **CHAPTER 3**

### **REVIEW OF RELATED LITERATURE ON POLICY IMPLEMENTATION**

#### **3.1 INTRODUCTION**

Schwella (2000: 38) advocates the movement towards the post-modern approach of strong visions with soft boundaries needs driven complementary partnerships and networks rather than regulated fixed bureaucratic structures and procedures. These changes further necessitate the replacement of the past strongly regulated approach to the policy process with a development oriented state based on ascribed non racial principles. This development primarily aims at enriching the quality of life of historically disadvantaged communities.

In this chapter, an overview of the concepts of public administration, public administration as core function of policy development and implementation, as well as policy implementation in relation to skills development is given. The need for regulating the South African Private Security Industry is also discussed. Hence, an extensive discussion of statutory framework regulating the private security sub-sector follows.

#### **3.2 POLICY IMPLEMENTATION AS CORE FUNCTION OF PUBLIC ADMINISTRATION**

South African public institutions are set to provide public goods and services for the maintenance of the state through a variety of activities known as functions and processes (Cloete, 1992: 50). These activities, processes or functions are collectively known as public administration. According to Cloete (1992: 90) included in the processes that constitute public administration are policy processes which can also be grouped into policy-making processes, policy implementation processes and policy analysis. Burch & Wood (1983: 168) who prefer to refer to policy as processes and products of government. They focus on the products of government and concern themselves with the carrying out of those products, whether they are rules and regulations, goods and services or transfer payments. An Act of Parliament is an example of a policy product. They speak of

consequences (policy impact) of the application of policy products for citizens. Burch & Wood (1983: 168) mark the distinction between carrying out and consequences as an important one. In framing this distinction they argue against the use of the term 'implementation' because its chronological separation from policy formulation is unreal and possibly misleading. They argue that the separation suggests that once implementation gets underway, there is no more policy making, whereas the processes are inseparable. A point of consensus between Burch & Wood (1983: 168) and Cloete (1992: 90) is on reference to policy processes.

Brynard and de Coning (2007: 209) maintain that while policy can be defined in several ways, implementation moves from set political goals to results on the ground. Hood's model of perfect administration is described as a condition in which external elements of resource availability and political acceptability combine with administration to produce perfect policy implementation. Younis (1990: 6) summarises the Hood's model of perfect administration as being based on five key conditions: the administrative system has to be unitary, with a single line of authority; the norms or rules enforced by the system would have to be uniform, objectives would be given which are clearly ascertainable to the officials; perfect obedience and/or administrative control; perfect communication and perfect coordination between administrative units; and absence of time pressure.

### **3.2.1 Public administration**

Van der Waldt and Helmbold (1995: 1) distinguish between Public Administration and public administration in order to eliminate terminological confusion when discussing the subject. The distinction Van der Waldt and Helmbold (1995: 1) make is that Public Administration refers to the field of study. They further state that, Public Administration is a science concerned with the study of administrative processes, governmental activities, and interdependent variables and, as a field of study it is also concerned with the implementation of national policy. On one hand, Van der Waldt and Helmbold (1995: 1) explain that Public Administration as a field of study must educate officials and politicians to be sensitive to community values and norms. On the other hand they argue that public administration must comply with those requirements of the citizens of the country that have

been authoritatively approved by the political process as objectives of the government. According to Dye (1987: 324) public administration refers to a practical phenomenon whose purpose is to provide services to society.

The South African public administration has undergone some drastic changes since 1990. These changes include the abolition of the Tricameral Parliament, the granting of franchise to all citizens of the country and a change in government structures and functions (Van der Waldt and Helmbold, 1995: xv11). The **South African Constitution** (Constitution 1996) has largely contributed to this move from old to new paradigm. Greater clarity in relation to national policy, the establishment of a growth rate in the economy and a goal oriented approach in the rendering of public service and accountability have begun to take prominence. With the implementation of the **South African Constitution** (Constitution 1996) (Van der Waldt and Helmbold, 1995: xv11) public administration as a functional activity has also undergone a significant change. The new direction that has emerged is in response to the political changes and increasing needs and demands from the society.

Cloete (1986:2) describes the functions of the public administration as including policy-making, management, organising, financing, staffing determining work procedures, and the exercise of control. Schutte, **et al.**, (1995: 299) regards this approach as a technicist approach. This view is also supported by Schwella (1990: 104) who regards this approach as being reductionist since it ignores societal complex phenomena and broader philosophical, political, moral and ethical questions in favour of the 'nuts and bolts' efficiency of the administrative process. Schwella (1990: 106-107) questions the relevance of this approach since it does not refer to social events such as poverty, violence and increasing accusations of gross corruption and maladministration.

Cloete (1986:2), Schutte, **et al.**, (1995: 299), Schwella (1990:104-107) share the view that public administration had to undergo transformation to accommodate basic values and principles that support democracy. Hence the new values and principles governing public administration enshrined in the **South African Constitution** (Constitution 1996: chapter 10: 107). The **South African Constitution** (Constitution 1996), espouses a new approach to public administration. Section 195(1) lists nine principles governing public administration

including; a high standard of professional ethics; efficient, economic and effective use of resources must be promoted; public administration must be development oriented; services must be provided impartially, fairly, equitably and without bias; people's needs must be responded to and the public must be encouraged to participate in policy-making; public administration must be accountable; transparency must be fostered by providing the public with timely, accessible and accurate information; good human resource management and career development practices, to maximize human potential , must be cultivated; public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past to achieve broad representation.

### **3.2.2 Policy**

According to John (1998:1) research on policy seeks to understand how the machinery of the state and political actors interact to produce public actions. The subject focuses on the decisions that create the outputs of a political system, such as the administration of a system of schooling, or the public health service. Cloete (1992: 79) takes this definition further by considering policy to be much more than decision. Here the claim is that to arrive at a policy, a series of decisions has to be taken, to implement a policy a further series of decisions have to be taken; and for policy analysis another series of decisions are necessary. In this regard, Wessels (1995: 9) states that policy is a complex and dynamic process that determines and details goals and lays down major guidelines for action. As a proposed course for action, policy is seen as a declaration of intent, a specification of objectives and a broad description of the different ways in which particular objectives are pursued. An Act of Parliament is an example of a policy product (Burch & Wood, 1983: 168).

According to Cloete (1986: 22) policy in public administration is a statement to the effect that the legislature or other competent authority has agreed and proclaimed that specified action should be taken to provide goods or services to satisfy specific aspirations, needs or values of the people. It seeks to explain the operation of the political systems as a whole,

how decisions produce changes outside political system as policy outcomes (John, 1998: 1). Hanekom & Sharkansky (1993: 96) explain that policy as a desired course of action or inaction serves as a guideline in the allocation of resources to realise societal goals and objectives, decided upon and made publicly known by the legislator.

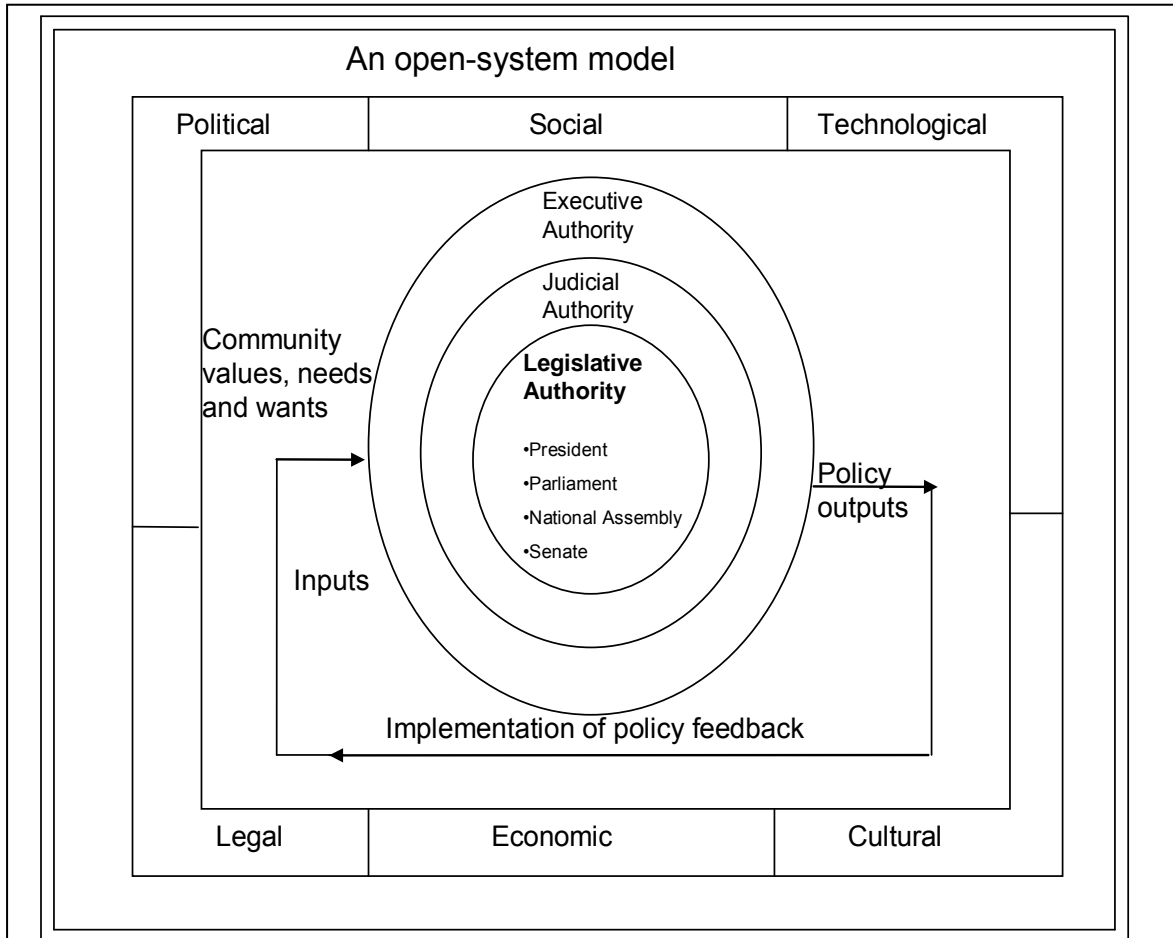
Wessels (1995:17) takes the definition of policy further by including the importance of the scope of the policy. Two broad dimensions of public policy are mentioned as being the substantive and procedural dimensions. On one hand, substantive policies are described as involving what government is going to do and is usually advocated by the governing political party (Hanekom, 1991:10). On the other hand, in contrast with the substantive policies procedural policies pertain to how something is going to be done and who is going to take action (Anderson, 1994:10). Anderson (1994:10) further explains that procedural policies include administrative matters and as a result transform substantive government policy into practical directives through an implementation strategy. Wessels (1995:18) concludes that procedural policy is therefore of a more specific nature than substantive policy, as it is concerned with the details of various aspects incorporated in a policy, with the setting of priorities and with the drawing up of a budget.

### **3.2.3 Policy-making and policy Implementation**

In terms of policy-making and implementation models, the South African Parliament adopted an open system approach. The open system approach synonymously referred to as the congruence model stresses the influence of environmental variables on institutions. In terms of the open system approach a government must pay attention to the needs and wishes of the community which are conveyed to the legislative authority as inputs. These inputs are then processed through compliance to tasks to be performed and organisational rules, thus paying attention to determination of policy with due regard to all relevant aspects. With the processing of inputs, the product is policy which is made by legislatures and conveyed to the community by government departments in the form of services and the implementation of policy (Van der Walt & Helmbold, 1995:18).



**Figure 3/1:** Schematic diagram: the open system approach model of policy making and implementation



(Source: Van der Walt & Helmbold [1995; 18]).

The open system approach was prompted by instability and constitutional change which South Africa went through. The government reacted to this instability by identifying the forces of change, identifying the interest/political groups that were the source of change, diagnosing the problem of lack of political participation by some racial groupings, determining strategic approaches of countering the change by altering the political attitudes and view points positively (Van der Walt & Helmbold, 1995: 16-17). Through the **South African Constitution** (Constitution 1996), prescription was made for people's needs to be responded to and the public to be encouraged to participate in policy-making [(section 195 (1) (e))].

It can be argued that the rationale for promoting the open system approach includes the fact that public administration is functioning within a broader environment, the society

(Schwella, 1990: 112-114). The system has to strive to maintain equilibrium within this environment, from which it constantly receives inputs and feedback, by constantly adapting to it in an evolutionary way.

The political changes in South Africa prompted a need for substantial structural changes in organizations, divisions and posts in all tiers in management and administration in government departments. Policy makers and implementers changed from the previous establishment figures to representatives of previously excluded communities (Cloete, **et al.**, 2000: 2). Cloete, **et al.**, (2000: 2) argues that the new experiences that were brought by the incoming elites did not always include formal experiences of governmental policy-making and implementation. Consequently, the limitation of lack of experience placed a heavy burden on external policy advisors and consultants. Griffiths (1987: 109), contrary to Cloete, **et al.**, (2000: 2), attests that, it is clear that the top officials of the central State departments who were concerned with the development and the establishment of the new dispensation were completely prepared and qualified for the implementation phase.

The lateral nature of policy management enables concepts to be often used interchangeably (de Coning 2007: 14). It is in that regard that distinguished scholars use terminology such as policy-making, policy formulation, policy design and policy development interchangeably to denote the same concept. Hanekom & Sharkansky (1993: 95) define policy-making as an activity which precedes the statement of a goal. Policy thus, involves thought processes and actions, inclusive of decisions on selecting from alternatives a strategy to achieve a goal. Like Hanekom & Sharkansky (1993: 95), Cloete (1986: 21) attest to the fact that the product of policy-making is policy. According to Cloete (1986: 20) policy serves to guide the officials in the rendering of goods and services to satisfy real needs, justifiable aspirations and values with a view to the promotion of the general welfare.

Hanekom & Sharkansky (1993: 96) attempts to distinguish between policy-making and policy implementation and caution researchers to regard them as two distinct and distinguishable functions. They acknowledge that because of their close interrelatedness, separating them is difficult, if not impossible or impracticable (Hanekom, 1992: 55). It

therefore, becomes evident from the use of these different but related terms that scholars have developed distinct meanings for terms and concepts in the policy management field (de Coning 2007; 13). Minogue (1993: 19) defines policy implementation as relating to specified objectives, the translation into action of the policies that emerge from the complex process of decision making. John (1998: 17) defines implementation as a term that is used to describe the post-legislative stages of decision making. In this regard, contrary to Minogue (1993: 19) and John (1998: 17) Hanekom & Sharkansky (1993: 96) argue that decision making is not synonymous with policy-making because decision making is a moment in an on-going process in which alternatives are evaluated and a deliberate choice is made. It can therefore, be argued that in practice, policy-making involves making many deliberate choices with a view to arrive at a final statement. This process is then followed by policy implementation.

Cloete (1997: 91) in line with Hanekom & Sharkansky (1993: 96) concurs that it is sometimes found that the decision-making and policy-making are used synonymously. Caution should be raised that for the purposes of public administration the term policy-making should be used to refer to the functions performed to obtain policies as described above. Policy-making consists of the performance of generic administrative processes, while decision-making is classified as a neutral auxiliary function carried out in the performance of everyone of the functions constituting public administration (Cloete, 1997: 91).

Policies are sometimes ineffective not because they are badly implemented, but because they are bad policies. That is, the policy may be based upon an inadequate understanding of a problem to be solved, causes and cure, or of an opportunity, its nature, and what is needed to exploit it (Hogwood & Gunn, 1993:238). Burch & Wood (1983:190) state conditions for effective implementation, as including clear objectives, lack of ambiguity, the skill and commitment of implementers, the support of groups and politicians, and the continuation over time of the priority given to the policy.

As already explained by various scholars including Hanekom (1987:7) policy is indicative of a goal, a specific purpose, a programme of action that has been decided upon. Thus,

Public policy is therefore a formally articulated goal that the legislator intends pursuing with society or with a societal group. To this effect, Burch & Wood (1983:184 -189) note the existence of formidable barriers to be overcome before public policy is applied to society in the way policy makers intended. These barriers and reasons why it is difficult to apply public policy as intended are summarized in Table 3.1.

**Table 3.1: Why it is difficult to apply public policy**

| <b>Reason</b>   | <b>Explanation</b>  |
|---|---|
| <b>Ambiguity</b>  | Ambiguity is a problem that is common to most policies. It is where policy objectives may be unclear, unstated or even incompatible with one another. At times the language is imprecise and words can change their meaning over time. Ambiguity also affects accountability.   |
| <b>Relating of general rules to particular situations</b> | Circumstances vary from case to case, yet a rule has to be applied. This process of application may involve a rule being refined or reinterpreted to suit the particular circumstances. A succession of detailed decisions can modify the original policy. Policy will not always be carried out as originally intended because those exercising discretion believe that policy will not be appropriate without modification. |
| <b>Enforcement</b>  | Enforcement officers lack the capacity to monitor all the potential points at which policies and rules can be undermined or broken.   |
| <b>The future is uncertain</b>                            | Policy has to be carried out in circumstances   |



|  |  |
|--|--|
|  | different from those which existed when it was first debated, and those changed circumstances cannot be accurately predicted.  |
| <b>Problems of managing large scale organisations and operations</b> | It often happens that due to fragmented responsibility, which is an organisational challenge of the large modern states, people involved do not support policies they are supposed to be carrying out.     |
| <b>Citizen compliance</b>  | The successful application of public policy frequently depends on citizen Compliance, which is variable. The fate of a policy can be determined by the extent to which citizens comply in carrying it out. |
| <b>Policy timetable</b>  | The short term interests of and considerations of top politicians can cause problems for those responsible for carrying out policies when timescale does not coincide with the political timetable.        |

(Adapted from Burch & Wood, 1983:184-189)

### 3.2.4 Critical variables essential for effective implementation of policy

Brynard and de Coning (2007:183) refer to implementation as the conversion of mainly physical and financial resources into service delivery outputs in the form of facilities and services, or into other concrete outputs aimed at achieving policy outputs aimed at achieving policy objectives.

In outlining implementation activities associated with implementation of policies, Brynard & de Coning (2007:195) mention the passing of enabling legislation, standards setting (nationally, provincially and locally); formalisation of agency operating procedure;

allocation of resources within the relevant agencies; and the issuance of violations to offenders as operating at multiple levels simultaneously as critical variables. Brynard & de Coning (2007:196) argue that in the course of its implementation, policy goes through a maze situation that is unique to each situation. The problem definition and policy design as political activities must be clear and succinct.

### **3.2.5 Critical Variables essential for Implementation of Skills Development Policy**

The skills development policy is intended to transform education and training in South Africa by improving both the quality and quantity of training. The SAQA Act, 1995 (Act 58 of 1995), and the Skills Development Act, 1998 (Act 97 of 1998) take forward their broad objectives by providing clear and focused objectives. It is believed that the achievement of these objectives will significantly move the country forward towards the overall objectives of the skills development legislation (Department of Labour, 2005a) These objectives are listed below.

SAQA's National Qualifications Framework stated objectives are:

1. create an intergrated national framework for learning achievements;
2. facilitate access to and mobility and progression within education, training and career paths;
3. enhance the quality of education and training;
4. accelerate and redress past unfair discrimination in education, training and employment opportunities; and
5. contribute to the full personal development of each learner and the social and economic development of the nation at large.

The Skills Development Act has been translated into an implementable National Skills Development Strategy. Stated objectives are to:

- I. develop a culture of high quality lifelong learning;
- II. foster skills development in the formal economy for productivity and employment growth;
- III. stimulate and support skills development in small businesses;

- IV. promote skills development for employability and sustainable livelihoods;
- V. through social development initiatives; and
- VI. assist new entrants into employment.

The above stated objectives present a highly ambitious programme of development. The critical variables that are essential for implementation of skills development legislation are embedded in the quality assurance development and implementation functions of the SAQA Act, 1995 (Act 58 of 1995) through the regulations for Education and Quality Assurance Bodies Regulations, 1998 (ETQA Regulations; RSA, 1998a). These regulations provide the enabling and regulatory framework for the implementation of the quality assurance systems and processes required by the National Qualification Framework (NQF).

As mentioned in Chapter 1 of this study, NQF Impact Study cycles 1 and 2 conducted in 2003 and 2004, as well as the NQF Impact Study Report 1 (2004) and Report 2 (2005) form the bases for this study. According to the NQF Impact Study Report 1 (2004: 1) the South African Qualifications Authority (SAQA) commissioned a research project aimed to achieve the effective measurement of the impact of the National Qualifications Framework (NQF) on the transformation of education and training in South Africa and released its Cycle 1 NQF Impact Study Report in 2004.

The NQF Impact Study Report 2 (2005: 9) states the specific objective of the first cycle of the project as being to establish the criteria against which to measure the progress of the NQF. The outcome was the development of the impact indicators for use in the measurement of the extent of achievement of the objectives of the NQF. Some of the impact indicators that are used in this study are adapted from the NQF Impact Study Report 2 (2005: 9).

According to NQF Impact Study Report 2 (2005: ii), the NQF Impact Study is a world-first. No other country that has implemented a NQF, has as yet, attempted to measure the progress of its NQF in such a comprehensive and empirical manner. As such, SAQA has set a standard for similar initiatives world wide and has also provided South African policy

makers with a rich source of information that can be used to inform future NQF developments (Walters, Chairperson of SAQA, April; 2005). The critical variables that are essential for implementation of skills development legislation as adapted from the criteria and guidelines for accreditation of ETQAs as outlined in the regulations for Education and Quality Assurance Bodies Regulations, 1998 (ETQA Regulations; RSA, 1998a) are tabulated in the Table 3.2 below:

**Table 3.2: The critical variables that are essential for implementation of skills development legislation**

| <b>CRITICAL VARIABLE</b>                            | <b>RESPONSIBILITY AND APPLICABILITY</b>   |
|---|---|
| Accreditation of ETQAs & Training Providers         | ETQAs must have been accredited by SAQA and Training Providers must be accredited by ETQAs before they can operate. |
| Quality Management Promotion (QMS)                  | ETQAs and Training Providers must have QMS in place   |
| Registration of Assessors                           | Assessors must be registered by ETQAs before they start assessing learning  |
| Registration of Training Providers                  | Private Training Providers must register with the DoE to get licenses to practise                                   |
| Monitoring and auditing                             | SAQA must monitor and audit ETQAs, while ETQAs monitor and audit Training Providers                                 |
| Registration of standards and qualifications        | SAQA must register standards and qualifications on the NQF  |
| Certification of learners                           | ETQAs must certificate learners   |
| Maintaining a data-base acceptable to the Authority | ETQAs and Training Providers must have and maintain a data-   |





|   |  |
|---|--|
|   | base of learners, qualifications and unit standards  |
| Reporting to the Authority                  | ETQAs must report to SAQA quarterly, and Training providers to ETQAs.  |
| Resources: Financial, Human and Information | ETQAs must have financial, human and information resources as required by SAQA and Training Providers as required by ETQAs |

(Source: Adapted from Education and Quality Assurance Bodies Regulations, 1998 (ETQA Regulations; RSA, 1998a))

This skills development effectiveness study is based on the implementation of the National Skill Development Strategy objectives. The impact indicators will be the achievement of the set targets as prescribed in the Service Level Agreements that are signed between the Department of Labour and the SETA which are made mandatory and legally binding.

### 3.2.6 Policy Implementation in Relation to Skills Development

The generic reasons why studying policy impact is essential and critical can be classified, for analytical purposes, into pragmatic, democratic and moral (Burch & Wood, 1983: 194). Pragmatically, it is important to ensure that government gets value for money that policies are being carried out as intended and at reasonable cost. Democratically, the conventional view of policy-making emphasizes the government and policy makers' accountability by testing whether or not the stated objectives have been achieved. Public accountability is one of the characteristics of a democratic government (Cloete, 1991:57). Morally, the performance of government must be assessed and comparisons be made by judging the extent to which citizens, and particular sectors of society, have been treated fairly or equitably, unfairly or inequitably.

Burch & Wood (1983:195) propose two distinct approaches to the study of policy impact; the study of the effectiveness of policy and whether or not a policy has worked, is working

or is likely to work and reasons for any policy failure which are observed or predicted. It is indicated as abovementioned, studies of distribution of policy products can be considered – who benefited, by how much. In this study, a combination of the two approaches mentioned above has been opted for.

South Africa's priority for transformation into a non-racial democracy has been changing the racial division of labour. Transforming management practices and the racial disparities in skills, work and wage conditions are preconditions for a non-racial democracy (Levy, 1995:318). It is believed that leveling the labour market is one of the mechanisms to effect this transformation for political unity and rapid social transformation. In this regard, in most cases, it would not be possible to realise transformation without skills development through education and training as one of the many variables for successful social transformation. It is, therefore, in this regard that the **South African Constitution** (Constitution 1996) ensured that through the Bill of Rights, chapter 2 (29) (1) everyone has the right to; a basic education (and training) including adult basic education (and training); and to further education (and training), which the state, through reasonable measures, must progressively make available and accessible. In this regard, the skills development legislation was developed, to ensure that the employees of the entire South African society have the most important tool available to better their lives and also achieve the state's goals including improved economy.

The ways in which skills development policy has been implemented in South Africa is subject to time frames within which it occurred. It is therefore prudent that the time frames covered by this study be stated and explained to ensure that things are put into perspective. Thus, the time frame for the implementation of policy for skills development commences with the Constitutional development of the new South Africa from 1993 and then continues with the development of the **SAQA Act**, 1995 (Act 58 of 1995), and the **Skills Development Act**, 1998 (Act 97 of 1998) and **Skills Development Levies Act**, 1999 (Act 9 1999) respectively. The period under study straddles the period starting from 2005-2008 covering the periods of the National Skills Development Strategy (NSDS) I and II.

The functional organisation for making and implementing the skills development policies is the national government in the form of; the National Department of Labour and the South African Qualifications Authority which reports to both the Minister of Labour and the Minister of Education. Public institutions or organisations such as state departments function and depend on the environment within which they must render their services to the community (Van der Walt & Helmbold, 1995: 24). In terms of policy-making and implementation models described in the earlier section of this chapter, the South African Parliament can be regarded as having adopted an open system approach. This is because its policy-making and implementation processes received inputs in the form of needs and wishes from the community. The National Skills Authority (NSA), as the advising body of the Minister of Labour on skills development matters, thus can be regarded as having subscribed to the open system approach in policy-making and implementation (received inputs from society through stakeholder participation and public comment from the gazetting process) (Van der Walt & Helmbold, 1995: 25).

### 3.2.7 Policy Evaluation

According to Cloete **et al.**, (2006: 246) policy evaluation is needed in order to decide whether to continue with curtail, terminate or expand the policy project or programme. The process of policy evaluation entails determining, measuring and assessing changes that occur in specific target groups, regions and sectors over a period of time. Thus, for these changes to be measured effectively, a starting point (baseline–data before the project was initiated) and cut-off point that signals the end of the evaluation period (culmination data) are needed (Cloete **et al.**, 2006: 253).

The topic of policy evaluation can be approached in various methods. Patton & Sawicki (1993: 257) view analysing policies before they are implemented (ex-ante evaluation) as well as after implementation (ex-post evaluation) as possible policy evaluation methods that can be used. In their review of both methods they highlight pros and cons of both approaches. They regard evaluation of policy before being implemented is more difficult as it requires somehow forecasting the effects of the proposed action. They go on to claim that there has not been an investment in **ex-ante** evaluation comparable to that in ex-post

evaluation, nor have the many policies and programmes of state and local governments received much attention. Another concern that is highlighted by these researchers in **ex-ante** evaluations is deciding what to evaluate, and therefore what to forecast. They outline its principal question as whether the proposed policy will work, whether it will meet the desired objectives, whether it will do so in an efficient, equitable, politically viable and successful manner. In this study, an ex-post evaluation was chosen because of its ability to determine whether the implemented policies are producing desired results, to recommend whether they ought to be modified, and even to determine whether resources should be shifted to other programmes.

Patton & Sawicki (1993: 368) in defining ex-post policy evaluation, say that it involves the examination of the extent to which policy objectives were achieved. According to Patton & Sawicki (1993: 368) ex-post policy evaluation requires relating qualitative and quantitative information derived during policy monitoring to programme goals, objectives and criteria and deciding whether the policy should be continued because it is achieving its objectives, or should be terminated because of a lack of effect or unintended negative consequences.

### **3.3 STATUTORY FRAMEWORK REGULATING THE PRIVATE SECURITY -SECTOR IN SOUTH AFRICA**

It is widely understood that both locally and internationally all industries need to have a recognised body to serve as a regulator or overseer. Regulation would then serve to ensure quality of service delivery, fairplay and ethical practice for all organisations involved as well as to set standards of practice and acceptable levels of professionalism. The growth in size of the security industry and the economic role of private security in providing business opportunities and creating employment has placed pressure on proper regulation. This is even more imperative for this industry, where poor service or fraudulent practices could cost the industry dearly in terms of safety and security (Gumedze, 2007:3).

It is therefore important to understand the overall situation in South Africa by unpacking the fundamental principles regulating the private security industry. This chapter will, in this

regard, unpack the regulatory approach of the relevant bodies and legislative aspects governing the industry.

### **3.3.1 The need for regulating the South African Private Security Industry**

The South African Constitution (Constitution 1996: chapter 11: (199)(3)), entails that other than the security services established in terms of the Constitution, armed organisations or services may be established only in terms of national legislation". Thus, the functional organisation for the making and implementation of private security legislation at central, provincial and local government levels can be described in terms of the Security Officer's Act, 1987 (Act 92 of 1987) (and amendments to it) and the Private Security Industry Regulatory Authority Act, 2001(Act 56 of 2001). The two legislations have been identified as relevant to the current regulation of the private security industry and are analysed in the section below.

### **3.3.2 The Regulation of the Private Security Industry in South Africa**

Private security in South Africa has gone through an evolutionary process of being unregulated to partially regulated and finally to a fully regulated industry. While regulations are statutory instruments, Code of Practice are revoluntary agreements devised for use by a defined population, often on a sectoral or professional basis. Adherence to Code of Practise is not a statutory requirement. Failure to comply with Code of Practice may however lead to an organisation being excluded from membership of a relevant professional body (KPMG, 2002: 4). It is recognised that there are various types of Codes of Practice from voluntary Code of Practice through to regulated Codes of Practice. Regulated Codes of Practice are considered to represent industry or occupational standards with which employers should conform whilst other Codes of Practice are more voluntary in nature. As such, Regulated Codes of Practice are more likely to directly encourage work force development. Thus, South Africa, which prefers to call it the Code of Conduct for security officers, the latter having been drawn up and made binding in terms of the Security Officers' Act, 1987 (Act 92 of 1987) has repealed and made provision for the promulgation of the Improper Conduct Enquiries Regulations, 2003. This is a clear

indication of the fact that the sector is fully regulated. Furthermore, section 28 (1) of Chapter 4 of the Private Security Industry Regulation Authority Act, 2001 (Act 56 of 2001) stipulates that the Minister must, after consultation with the Council, prescribe a Code of Conduct for security service providers which contains sufficient procedures and rules of evidence for its enforcement.

The code of conduct is legally binding on all security service providers, irrespective of whether they are registered with the Private Security Industry Regulation Authority or not. Furthermore, to the extent provided for in this Act, it is also legally binding on every person using his or her own employees to protect or safeguard his or her own property or other interests, or persons or property on his or her premises or under his or her control. The rules contained in the Code of Conduct embodied the minimum standards of conduct with which every security service provider and employer of in-house security officers must comply.

Since the early nineties the legislature actively got engaged in attempts to improve the Security Officer's Act, 1987 (Act 92 of 1987) through its various amendments that include the Security Officers Amendment Act, 1990 (Act 25 of 1990); Security Officers Amendment Act, 1992 (Act 119 of 1992); Security Officer's Act, 1996 (Act 64 of 1996); Security Officers Amendment Act, 1997 (No. 104 of 1997); and Private Security Industry Regulatory Authority Act (Act 56 of 2001). It did this in an attempt to improve the legislation with new substantive and other formal changes to address problems and deficiencies which have appeared since 1990, and to adapt the Security Officer's Act, 1987 (Act 92 of 1987) to continuously changing circumstances and the emergence of new needs within the industry and the country in general (PSIRA, unpublished document).

Chapter 2 Section 199 (3) of **The Constitution of the Republic of South Africa, 1996** provides for armed organizations or services to be established only in terms of national legislation. Section 199 (4) of the same **South African Constitution** (Constitution 1996) stipulates that security services must be structured and regulated by national legislation. It is in that respect that the Security Officers Act, 1987 (Act 92 of 1987) as amended was promulgated and the Security Officer's Interim Board was established.

The Security Officers Act, 1987 (Act 92 of 1987) established a juristic person to be known as the Security Officers' Interim Board. It sets out the responsibilities of the Security Officers' Interim Board *inter alia* as: the exercising of control over the occupation of security officers, and to maintain, promote and protect the status of that occupation, and to ensure that the industry acts in the public interest, and to submit reports from time to time to the Minister on the regulation of the security officer industry. In addition to the abovementioned responsibility, the Security Officers' Interim Board was to advise the Minister of Safety and Security as to the establishment of a new permanent Security Officers' Board (SOB) which should be constituted such that provision is made for an increased representation of the security services industry and of the community, the funding of the Board and the utilisation of its funds.

The would be established new permanent Security Officers' Board was to amend the Security Officers Act, 1987 (Act 92 of 1987), in order to promote and encourage professionalism in the security services industry, the principles of democracy, transparency, equality, accessibility, the satisfaction of the needs of the community with regard to security services and the involvement of the community in the achievement of the objects of the Board. The Security Officers Act, 1987 (Act 92 of 1987) amendment was also intended to provide for the drawing up of an enforceable code of conduct for security officers which prescribes the procedures for its enforcement, including the imposition of essential penalties in respect of the different categories of security officers, and any other matter deemed by the Board necessary or expedient to be considered by the Minister in connection with the provisions of this Act.

Over the years, the capacity of the Security Officer's Board (SOB) now replaced by the Private Security Industry Regulatory Authority (PSIRA), which is located under the Department of Safety and Security, had been an issue of concern for all South Africans alike. This was because safety and security (or lack of it) affected lives of all citizens, businesses and the public sector alike. The concerns raised included fears that citizens' rights may be infringed simply because of security guards who are put in situations for which they are not trained. For example, in one unprecedented case, 16 deaths and 80 injuries resulting from poor measures of crowd control by security guards. The commission

of inquiry that was set up to investigate the matter concluded that the security guards involved had limited training as a result they could not foresee the consequences of their crowd control methods (Show, 1969: 108).

Currently, a fairly comprehensive legislative framework has been developed in the area of Private Security and includes the Security Officers Act, 1987 (Act 92 of 1987), Private Security Industry Regulatory Authority Act, 2001 (Act 56 of 2001), Regulations made under the Private Security Industry Regulation, 2001 (Act 56 of 2001), Amendment to Regulations made under the Security Officers Act, 1987 (Act No. 92 of 1987) and Training Regulations, Regulations made under the Security Officers Act, 1987 (Act 92 of 1987). At present, for all employers and employees there is legislation which is dedicated to the improvement of skills development of all at the workplace. The training and skilling of employees is not only intended for better performance at the workplace, but to enable employees to accumulate credits that will enable them upward mobility and articulation on the National Qualifications Framework (NQF). The extent to which the National Qualifications Framework (NQF) facilitates the mobility of learners horizontally, diagonally and vertically takes cue from the South African Qualifications Authority (SAQA) qualifications. National Qualifications Framework (NQF) qualifications encouraged educational mobility (the ability to move between streams) and were more portable than non-NQF qualifications (NQF Impact Study Report 2, 2005: 46).

It can be argued that a number of positive initiatives are currently being undertaken by all South African government departments including the Department of Safety and Security to address the challenge of skills shortage and also to redress the imbalances and inequities of the past, especially in the previously disadvantaged communities. In that regard, prescriptive legislation for all Sector Education and Training Authorities (SETAs) and Employers to meet the following compulsory targets in training as well as to address employment equity (Employment Equity Act, 1998 (Act 55 of 1998) has been promulgated. It is therefore envisaged that with the implementation of the skills development legislation organisations can positively affect the country's capacity at private and public sector levels by improving the skills base.



### 3.4 THE REGULATION OF PRIVATE SECURITY SUB-SECTOR: INTERNATIONAL PERSPECTIVE

South Africa is faced with a challenge of criminals that are becoming more advanced and ruthless in their methods of operation. It means that the private security system has to be a step ahead of criminals in prevention and combating crime. In that regard, globalisation becomes a force to reckon with. The private security industry has to think in global terms and utilise international benchmarking in order to be effective and to keep up to date with current international developments in the industry. Consequently, it is vital that private security training and operations are not assessed in isolation but in comparison with international standards for competitiveness and for international recognition as well.

Literature reviewed revealed that international countries classify private security companies into three major groups in terms of regulation and governance. These groups are non-interventionist, minimal regulation and comprehensive regulation (Irish, 1999; monograph no 39).

Table 3.3: Models for classification of private security by international companies:

| <b>CLASSIFICATION</b>    | <b>CRITERIA</b>  |
|--------------------------|--|
| Non-interventionist      | The state does not take responsibility for regulating the industry. It is left to the market to ensure adequate regulation occurs.   |
| Minimal Regulation       | The state introduces minimal legislation to regulate the people who work in the industry. Such regulation may also set limited rules and standards for the industry.   |
| Comprehensive Regulation | The state extends regulation beyond controlling the type of person who enters the industry. Substantive regulation is introduced to raise the standard and quality of services provided by the private industry. |

(Source: Adapted from Irish, 1999; monograph 39)

According to Button (2007: 109) the importance and expansion of the role of private security officers in policing have led many countries to introduce special legislation to govern them. Many industrialised countries have a long history of such measures. The structures and standards introduced, however, have varied from country to country

### **3.4.1 UNITED KINGDOM: ENGLAND AND WALES**

In many European countries, by contrast, standards have been comprehensive, sometimes including hundreds of hours of mandatory training (Button, 2007: 109). In England and Wales, however, it was only in 2001 that such legal intervention was finally introduced, and the system that has begun to unfold has caused much debate on its effectiveness. Concerns regarding the exclusion of significant sectors have been raised. Some critics of the provision of security by private firms have argued that regulating the industry would confer undue legitimacy on what are inherently illegitimate actors. These critics advocate a total ban on Private Security Companies and the renationalisation of security and military service provision. The extent of the demand for and supply of private security services around the world indicates, however, that a ban is unrealistic. It would be impossible to enforce and, importantly, would work against the aim of greater transparency and accountability in the security sector by increasing the likelihood that the industry would be pushed underground (Holmqvist, 2005: 52)

Literature reviewed revealed that countries such as England and Wales in Britton are partially regulated with self regulation allowed in some instances. The United Kingdom did not have legislation that effectively cover the private security and military service sector (Holmqvist, 2005: 62). In recognition of this, in 2002 the British Government published a Green Paper outlining the options for regulating the industry. The Green Paper Provided a conceptual framework for the regulation of the private security industry and has led to changes in national legislation. The Green Paper on the regulation of the private security industry (1995) suggested ways in which regulation of British Private Security Companies could be addressed, including amending existing legislation banning military activity abroad (and recruitment for military activity abroad), to include the activities of

contemporary Private Security Companies. It also considered the self-regulation of the industry. Between these two 'all or nothing' approaches the Green Paper set out three different types of licensing schemes for the export of private security services. There was a broad consensus in the British debate that some form of licensing scheme is best suited for national legislation for PSCs.

According to the Green Paper, the British Government indicated its commitment to a partnership approach to tackling crime and disorder, particularly at a local level. Local strategies will make use of all available agencies including the private security industry if that is thought appropriate. In accordance with the British government's vision for high standard of service from the private security industry, a number of structures were established. Through effective co-operation between trade associations and professional bodies, recognised and respected inspectorates were set up to inspect companies to match the appropriate standards. On the manned guarding side, the Inspectorate of the Security Industry (ISI) has been accredited by the United Kingdom Accreditation Service (UKAS, formerly the National Approval Council for Certification Bodies (NACCB)) as an independent third party certification body. In the intruder alarm field the National Approval Council for Security Systems (NACOSS) has been similarly accredited. Three other alarm Inspectorates have been approved by the Association of Chief Police Officers (ACPO) in connection with the intruder alarm policy.

The National Training Organisation for the Secure Environment was set up by the industry to formulate and promote training for the security industry including the development of National Vocational Qualifications (NVQs) and their Scottish equivalent for individual employees. In 1997 the National Training Organisation for the Secure Environment was awarded National Training Organisation status by the Department for Education and Employment and receives financial support from the Government. (Button, 2007: 45).

There are also a number of influential trade associations and other professional bodies representing the interests of the security industry or particular parts of it. The Government believes therefore that it is necessary to license individuals wanting to provide security services to ensure that those whose backgrounds make them unsuitable cannot be

employed or set up business in the industry. The Green Paper proposed that all those who provide security services in the sectors, including managers and directors of companies should be licensed. This function is carried out by a new body called the Private Security Industry Authority.

To achieve, maintain and improve standards within the industry the Government took into account the self-regulating mechanisms that are in place in some sectors of the industry. Where these mechanisms were working well, according to the Green Paper, the Government wanted to underpin them with legislation rather than creating additional layers of bureaucracy. The Government also wanted to create a flexible structure which would be able to deal with new sectors of the industry as they arise if they fit with the Government's general approach, which is to provide better regulation to benefit the citizen and provides simpler regimes for businesses, particularly small business. The self-regulating mechanisms which were established had grown up in a disparate way for different sectors of the industry without the oversight of a co-ordinating body to ensure that similar standards were being applied throughout the industry. The Government also proposed that the Private Security Industry Authority will have oversight of the maintenance and improvement of standards within the private security industry.

Consequently, in the UK, the security industry is governed by the Security Industry Training Organisation (SITO). The SITO oversees the training standards while the Private Security Industry Authority (PSIA) is responsible for licensing and regulation (Button, 2007: 45).

### **3.4.2 Asia: India**

In the Republic of India, the Private Security Agencies (Regulation), 2005 (Act 29 of 2005), makes provision for the regulation of private security agencies and for matters connected therewith or incidental thereto. The Act was promulgated on 23 June 2005 after being drawn up by the State Government. In terms of Section 2 of the Act, a Controlling Authority is appointed with the overall authority to regulating the private security industry. The State Government, designated an officer equivalent to the rank of a Joint Secretary in the Home

Department of the State or an equivalent officer to be the Controlling Authority. Section 4 of the Act, prohibits Persons or Private Security Agency from engaging or providing private security guard without license issued under this Act: No private security agency shall provide private security abroad without obtaining permission of the Controlling Authority, which shall consult the Central Government before according such permission. The Act makes provision for a number of other important aspects such as eligibility and ineligibility for license, renewal of license, conditions for commencement of operation and engagement of supervisors, eligibility to be a private security guard, conditions of license exhibition, cancellation and suspension of license, appeals, maintaining of a register and inspection of licenses.

The Private Security Agencies (Regulation) Act, 2005 (Act 29 of 2005), also focuses on effective enforcement and monitoring of the regulation by ensuring that the Controlling Authority inspects the premises of the private security agency and examine the place of business, the records, accounts and other documents connected with the license and may take copy of any document. Issues of photo identity cards, disclosure of information to unauthorized persons, punishment for contravention of certain provisions, penalty for unauthorized use of certain uniforms, offences by companies and indemnity are also addressed.

### **3.4.3 United States of America (USA): Virginia**

The Code of Virginia Laws Relating to The Regulation of Private Security Services came into effect on 1 July, 2004. A Private Security Services Advisory Board appointed by the Criminal Justice Services Board advises this Board on all issues relating to the regulation of private security services businesses. Membership to the Private Security Services Advisory Board consists of 12 members as follows: two members shall be private investigators; two shall be representatives of electronic security businesses; three shall be representatives of private security services businesses providing security officers, armed couriers or guard dog handlers; one shall be a representative of a private security services business providing armored car personnel; one shall be a representative of a private security services business involving personal protection specialists; one shall be a certified

private security services instructor; one shall be a special conservator of the peace appointed pursuant to and one shall be a representative of law enforcement.

The functions of the Private Security Services Advisory Board are to enforce regulations regarding licensing, certification, and registration required; as well as the qualifications and the punishment of non-conformers. It is evident that a common trend is revealed in the three examples of states selected for this study. All these states are regulated, meaning that they are all having a minimum standard of competency against which people that are considered competent for private security are expected to attain. They all have a national regulatory body with which persons intending to provide private security services must register. They all have to meet certain prescribed conditions for accreditation as service providers by the regulatory body.

### **3.5 CONCLUSION**

This chapter has outlined public policy as it applies to governmental decisions designated to deal with various issues, such as those related to the nature of policy changes that have occurred in South Africa with the democratic government. The public administration and the South African policy changes which are in congruence with the past realities of accommodation of the previously excluded are also discussed extensively. How public administration has transformed to accommodate basic values and principles that support democracy is also discussed. The chapter then continued to discuss policy development and implementation. It also looked at policy as it applies to skills development and to the Private Security Sub-sector, which is the focus of the study.

The chapter later discussed the statutory framework regulating the Private Security Sub-sector in South Africa. In this section, the need to regulate the industry was outlined and the regulations that guide the industry were unpacked. Emphasis was placed on pre and post apartheid eras. The current government's appointed bodies for regulation of private security industry were examined. This examination highlighted existing duplications and overlaps in functions of these bodies. The current functions of these bodies are discussed extensively in the next chapter.

Regarding international perspectives and comparisons of the regulation of private security industry, three countries are discussed. These countries are in different continents yet common trends and strong similarities in the regulation of the private security industry emerged in the literature reviewed. It has become evident in the literature reviewed that although all three of the countries studied have regulations in place for regulating the Private Security Sub-sectors, USA and South Africa take the lead in countries that have in place national legislation on the industry, and their models therefore merit consideration for best practice. The challenge could be in the implantation, enforcement and compliance. These two countries are among the biggest producers of Private Security Companies so it is perhaps not surprising that they have come the furthest in regulating the industry. Industry stakeholders need to see the benefit of regulatory and legislative measures guiding their use as a means of ensuring that credibility in their systems.

Public policy development and implementation occurs in an environment with external influences. Certain independent and dependant variables influence the implementation thus causing effectiveness or ineffectiveness of legislation. Certain pre-determinants such as clear objectives, availability of resources, adequate time periods, capacity to implement, favorable political climate, communication and coordination as well as compliance are some of the factors which have to be satisfied for smooth implementation to be achieved. The factors mentioned above are applicable in the South African context.

## CHAPTER 4

### AN OVERVIEW OF RELEVANT SKILLS DEVELOPMENT LEGISLATION IN SOUTH AFRICA

#### 4.1 INTRODUCTION

In order to elucidate the rationale behind the current skills development legislation in South Africa, a historical evolution of training legislation is given. Claims that are made are substantiated by evidence for past interventions and their effect. The historical background reveals the origins of skills development legislation and justifies the need for transformation into the current regulatory system. The main features of the present regulatory system for training in South Africa are then outlined. The workforce training that is interrogated is training that takes place at private training centers, industry training centers for the training of the employees, the unemployed and the fund for training unemployed persons. The training requirements and targets are spelt out as objectives in the National Skills Development Strategy developed by the Department of Labour.

This chapter does not intend to enter in any detail into the complex nature of regulation prior to the current Skills Development Act, 1998 (Act 97 of 1998) or to judge the political and administrative nature of the apartheid training laws. Rather, evidence of efforts of transforming the system into a more inclusive one and of individual social development as well as the country's economic development will be spelt out. It is envisaged that implementing the government-supported skills development legislation would assist the training and up-skilling of employees to contribute to the actual development of skills in the labour market for social development and increased productivity.

Legislative background is given to substantiate claims made as well as evidence of past interventions and their effect. The main legislation that has guided training and skills development in South Africa, which is also relevant to the current skills development regulatory framework governing the private security industry is presented in Table 4.1 and is examined in this chapter. The Skills Development Legislation that is analysed and discussed is the statutory framework before 1994 as well as statutory framework post



1994. Listed below is the legislation that has been identified as being part of the build up to the current skills development regulatory framework governing training in South Africa. The purpose of the table is to demonstrate its evolutionary sequence in proper context in a summarised format.

The present legal and regulatory framework for skills development that is the focus of the study consists of three Acts, related Regulations and the National Qualifications Framework. Legislation referred to in this study is that directed at the Sector Education and Training Authorities (SETAs) for the purpose of addressing workforce development. In order to achieve the objectives of this chapter, past and present industry regulations which directly impacted upon skills are identified followed by the evolutionary history of training in South Africa.

Table 4.1: Evolutionary stages of the training legislation in South Africa (1922 to 1999)

| <b>Legislation</b>                           | <b>Purpose</b>   | <b>Institutions Provided by the Law</b> |
|--|--|---|
| Apprenticeship Act, 1922<br>(Act 26 of 1922) | The Act passed to regulate apprenticeship to certain trades and the carrying out of contracts of apprenticeship of persons thereto; to provide for the establishment, powers and functions of committees to regulate such matters; to make provision for matters connected with the training of apprentices as to other matters incidental to contracts of apprenticeship. | National Apprenticeship Board           |
| Apprenticeship Act, 1944<br>(Act 37 of 1944) | Act passed to improve an oversight or limitation of the Apprenticeship Act, 1922 (Act 26 of 1922). This oversight created a lack of uniformity which caused restriction in the mobility of labour. The Apprenticeship Act, 1944 (Act 37 of 1944) resulted in the establishment of the National Apprenticeship Board with the Minister of                                   | National Apprenticeship Board           |



|  |  |  |
|--|--|--|
|  | Labour as the Chairperson and the Secretary of Labour as the Deputy chairperson.   |  |
| Training of Artisans Act , 1951<br>(Act 38 of 1951)    | Act passed to empower the Minister of Labour to provide for the training of adults in trades where the shortage of artisans was severe enough to have an adverse effect on the public interest.  |  |
| Apprenticeship Amendment Act, 1963<br>(Act 46 of 1963) | Amendments to improve the administration of apprenticeships. In addition to that, provision was made for block release classes, voluntary attendance at technical classes beyond the second year of apprenticeships, voluntary trade tests, extension of contract periods for lost time and an apprentice log book | National Apprenticeship Board  |
| Manpower Training Act, 1981<br>(Act 56 of 1981)        | Promulgated for promotion and regulation of the training of human resources; to provide for the establishment of a National Training Board and the Manpower Development Fund.  | National Training Board, and a fund, to be known as the Manpower Development Fund<br>Industrial Training Boards (ITBs) |
| SAQA Act, 1995 (Act 58 of 1995)                        | Provides for the development and the implementation of the National Qualifications Framework and for this purpose to establish the South African Qualifications Authority, and to provide for matters connected therewith.   | South African Qualifications Authority (SAQA)  |
| Skills Development Act, 1998<br>(Act 97 of 1998)       | Act developed to establish a high quality skills development system that is cost effective and accountable, meets skills needs, and promotes employment generation and economic growth.  | National Skills Authority (NSA)<br>Sector Education and Training Authorities (SETAs)                                   |

|   |   |  |
|---|---|--|
| Skills Development Levies Act, 1999 (Act 9 of 1999) | Act developed to provide for the imposition of a skills development levy and for matters connected therewith. | National Skills Authority (NSA)<br>Sector Education and Training Authorities (SETAs) |
|---|---|--|

(Source: Adapted from various South African legislation quoted in this study)

## 4.2 THE CONCEPT OF TRAINING

Training is a learning experience in that it seeks a relatively permanent change in an individual that will improve one’s ability to perform on the job (De Cenzo & Robbins, 1994: 255). Warren (1979: 2) suggests that the mission of training is to bring about the behavior changes required to meet management’s goals. It is seen as an essential component of the organisation and is considered a major management tool to develop the full effectiveness of the organisation’s most important resource, its people. In this regard, Warren (1979: 8) claims that if the training function is to perform the behavior change task correctly, the behavior change brought about must then be measurable in terms of the organisation’s requirements. Consequently training must be result orientated, it must focus on enhancing those specific skills and abilities to perform the job, it must be measurable and it must make a real contribution to improving both goal achievement and the internal efficiency of the organisation.

The training that is referred to in the context of this study is that which is most applicable to policy objectives as set out in the SAQA Act, 1995 (Act 58 of 1995); Skills Development Act, 1998 (Act 97 of 1998); Skills Development levies Act, 1999 (Act 9 of 1999) and the National Skills Development Strategy 1, 2001/05 and National Skills Development Strategy 11, 2005/10. Types of training practice that the government sought to introduce and directly impacted upon Work Force Development are established, and a brief assessment of the ways in which regulations have been used to improve skills is conducted.

### 4.3 HISTORY OF TRAINING IN SOUTH AFRICA: STRATEGIC CONTEXT

Historically, responsibility for workforce training and development has been a partnership between the state and the employers. Enterprises concentrated on training and retraining of their workforce while the government's concern remained the youth before they are employed and the training of the unemployed (van Dyk, et al. 1997: 13). In order to understand the systemic change environment for education and training one has to grasp the comprehensive legislative framework that preceded the current skills revolution. As early as 1922, employers provided job related training as indicated by the Apprenticeship Act, 1922 (Act 26 of 1922). Various legislation was promulgated with amendments thereto up to a stage when views that a more formalised statutory approach to workforce training and development should be used for all sectors to improve the serious skill deficiencies that existed. Government made a manifesto reference that sought to replace the Industrial Training Boards with Sector Education and Training Authorities and set systems in place to facilitate the setting up of a new statutory framework for training legislation. The new approach to workforce training and development then emerged starting with the SAQA mandate as outlined in the SAQA Act, 1995 (Act 58 of 1995), Vutsila and the National Skills Development Strategy (NSDS) led by the Department of Labour, Tirisano which is the Working Together strategic development plan of the Department of Education, and the National HRD Strategy (SAQA Bulletin, Volume 5 No1; 14).

#### 4.3.1 Evolution of Skills Development Legislation in South Africa

In the past, there was limited support for employee training in the workplace. The majority of workplace training was reserved for jobs that had been defined by apartheid, the majority of which were reserved by whites for white males. Even the quality of this training was questionable, as it tended to be infrequent, unstructured and not geared towards any clear objectives (van Dyk, et al. 1997: 13).

According to van Dyk, et al., (1997: 87), the Master and Servants Acts, 1867 (Act of 1867) were the only acts that remotely referred to training in the previous century. Subsequent to this Act, it was felt that the best method of training skilled workers to attain artisan status

was through apprenticeship and the was consequently passed to regulate apprenticeship Apprenticeship Act, 1922 (Act 26 of 1922). The Act was made applicable to industries such as: boot making, building, clothing, carriage building, electrical engineering, food, furniture, leather working, mechanical engineering and printing. It provided for the designation of trades and apprenticeship committees for each of the industries listed above consisted of an equal number of employers and employees as well as inspectors of apprenticeships contracts and their registration with mines and industries. Following the Apprenticeship Act, 1922 (Act 26 of 1922), the number of apprenticeships increased as apprentices were required to attend technical classes (Abedian and Standish: 1992). The Apprenticeship Act, 1922 (Act 26 of 1922) is claimed to have failed to promote coordination between apprenticeship committees in different areas thus creating lack of uniformity causing restriction in the mobility of labour. This act was subsequently repealed and replaced by the Apprenticeship Act, 1944 (Act 37 of 1944).

In 1945 the United Party government appointed a commission of enquiry through the De Villiers Commission of Enquiry into Technical and Vocational Education. The Commission report was released in 1948 and led to the promulgation of the Training of Artisan Act, 1951 (Act 38 1951). This Act empowered the Minister of Labour to provide for the training of adults in trades where a shortage of artisans was severe enough to have an adverse effect on the public interest (Sooklaal, 2005: 26). In 1958 there was a growing dissatisfaction about the apprenticeship system and as a result the Minister of Labour requested the National Apprenticeship Board to investigate possible revision of the act. This revision led to the promulgation of the Apprenticeship Amendment Act, 1963 (Act 46 of 1963). This act made provision for improvement of apprenticeships, provision for block release classes, voluntary attendance technical classes beyond the second year of apprenticeship and voluntary trade tests (van Dyk, **et al.**, (1997: 88).

In an attempt to identify a way forward for skills development the government established the Van Zyl Committee to investigate the low level of training for unskilled Black employees. This committee in 1973 made a number of recommendations for more state intervention in the field of training for Blacks. The recommendations of this committee included the need for the establishment of public sponsored training centres, and other

training centres established by industrialists which would be encouraged by a system of tax concessions. All of these recommendations were implemented through the Black Employees In-Service Training Act, 1976, the In-Service Training Act of 1979 and the Manpower Training Act, 1981 (Act 56 of 1981).

The Manpower Training Act No. 56 of 1981 was promulgated in 1981 and became effective on 1 November 1981. According to Government Gazette No. 7762 of September 1981 the act was promulgated to provide for promotion and regulation of the training of human resources and for that purpose of providing for the establishment of a board, to be known as the National Training Board, and a fund, to be known as the Manpower Development Fund; to provide for the recognition of skilled persons as artisans; the registration of contracts of apprenticeship, group training centres, private training centres and training schemes; and the imposition on certain employers of a levy in the aid of training; and to provide for matters connected therewith.

The Department of Manpower also became responsible for approving and registering these training centres and by 1985 a total of 746 private training centres had been registered. However, a number of problems were experienced with the way in which the training centres were funded, including an inefficient use of resources and low employer take-up. The consequence of some of these problems was that the tax concession legislation that has been passed to support these initiatives was subsequently abolished (van Dyk, **et al.** 1997: 89-90)

#### **4.3.2 Apprenticeships Training through the Manpower Training Act**

Before 1994, training for skilled workers happened through mainly through apprenticeships. This can be a good way of developing skills, but the way they worked in South Africa and the skills that the systems produced did not always match what the economy needed. An apprentice spent 100 weeks working under the guidance of a skilled, qualified artisan. The apprentice also had one or two periods at a technical college to learn theory for a National Technical Certificate or “N” courses (van Dyk, **et al.** 1997: 136). This system worked fine for many years, but over time problems arose including the following:

- Not enough apprentices were being trained. So there were too few people with the skills needed for a growing economy;
- More and more people enrolled for the 'N' courses at technical colleges but could not find companies to give them work experience. This was a big waste of time and money;
- By the 1990s only a few employers were taking apprentices as the government took away the tax incentive system. Also, employers got less skilled workers to do the more routine parts of the artisan's job for less pay, while technicians did the more skilled parts of the job.

#### **4.3.3 Changing the education and training system**

According to Powell and Groenmeyer-Edigheji (2006: 3) South Africa's entry into the global market and the concomitant growth in trade has shifted human resource needs to higher level skills. They argue that this is unlike the apartheid era where the economy absorbed large numbers of lowly or semi-skilled workers. In this regard, Meyer and Altman (2005: 33-56) in outlining economic development approaches of the apartheid and democratic periods indicate that developing and late industrialising countries confront two possible economic interventions namely: (i) Import Substitution Industrialisation (ISI) or (ii) Export-Oriented Industrialisation (EOI). The ISI approach endeavours to build industrial capacity within a developing economy by replacing imported goods with domestic products (generally manufactured goods and raw materials).

In the period of early industrialisation, South Africa relied on the ISI approach through import protection and subsidisation. Politically, this approach absorbed whites rapidly entering the urban areas (Powell and Groenmeyer-Edigheji, 2006; 3). Legislation prevented the development of a black artisan class, as whites moved into higher paid jobs. The Group Areas Act, supported by a battery of discriminatory employment and educational policies created a huge gap in skills attainment amongst black people. On the eve of democracy, South Africa was one of the most unequal countries in the world, with a distorted middle income economy and a skill formation that matched a less developed country (Powell and Groenmeyer-Edigheji, 2006: 3).

With the unbanning of the political movements, changes began to take place in training and education in South Africa. In the Manifesto of 2004, in the message from the President of South Africa, Vision 2014 it is stated that “The combination of some of the most important targets and objectives making up the vision 2014 include: to provide skills required by the economy, build capacity and provide resources across society to encourage self-employment with an education system that is reared for productive work, good citizenship and a caring society” (Manifesto 2004, Message from the President; Vision 2014 - Forward to the Second Decade of Freedom; 6). To ensure that the 2014 vision is realised, the South African Government appointed a National Skills Task Force to review post 1994 education and training.

The process of transforming the South African workplace to ensure equity and productivity began with the new Labour Relations Act, 1995 (Act 66 of 1995), which promotes fair labour practises and simplifies dispute resolution procedures for business and labour. It was followed by the Basic Conditions of Employment, 1997 ( Act 75 of 1997, which covers the day-to-day rights of people in the workplace. From 1995 to 1999, a range of Acts was passed which strongly affected education and training in South Africa:

- i. The South African Qualifications Authority Act, 1995 (Act 58 of 1995);
- ii. The Skills Development Act, 1998 (Act 97 of 1998); and
- iii. The Skills Development Levies Act, 1999 (Act 9 of 1999).

Simply explained, the Skills Development Act, 1998 (Act 97 of 1998) ensures that training happens, the South African Qualifications Authority Act, 1995 (Act 58 of 1995) ensures that training is effective, the Skills Development Levies Act, 1999 (Act 9 of 1999) ensure that training is affordable while the Employment Equity Act, 1998 (No 55 of 1998) ensures that training is equitable (Tourism Learnership Project, 2001).

#### **4.3.4 The Human Resources Development Strategy for South Africa (HRD)**

No country can utilise its human resources to the optimum if there is no planning for the future demands to be made on human resources. Training and development of human



resources is not a short-term process, nor is the planning of human resources. Briggs (1987: 1213) states that the effective planning of a country's human resources will contribute much to national productivity, and as such lead to increased economic growth. A need has always existed for the South African government to devise a strategy for rigorous, constructive and focused programmes of study to prepare the large percentage of unemployed youth for employment. The majority of this group is constituted by the high school leavers who are not likely to pursue a university education programme but would like to join the workforce. Also included in this group is the current inadequately- skilled work force.

The Human Resources Development Strategy was identified by the Reconstruction and Development Programme as one of the core programmes to drive the implementation of the reconstruction and development in South Africa (HRD Strategy, 2009-2014: 12). Coupled with the Government's economic policies, the HRD Strategy requires human resource development at a large scale. Improved training and education are fundamental to higher employment, the introduction of more advanced technologies, and reduced inequalities (White paper on Reconstruction and Development, 1994). According to the White Paper on Reconstruction and Development (1994) higher labour productivity will be the result of new attitudes towards work and especially new skills in the context of overall economic reconstruction and development.

Human Capital theory explores the ways individuals and society derives economic benefits from investment in people. Analysis of most successful organisations will reveal that the source of that success rests on human capital. Phillips (2005: 1) describes human capital as representing the relationship between what organisations invest in employees and the emerging success. It is the people and how the organisation has attracted, maintained, motivated and retained the knowledge, skills, and creative capacity of those employees. It is important that there be greater understanding of this kind of investment in order to make the appropriate decisions on investment. From an economist's point of view, human capital designates investments in improving competencies and skills (Phillips, 2005: 190).

The Human Resources Development (HRD) Strategy concept was adopted to support a holistic approach to human resource training and development in the Public Service. To enable it to actualise its constitutional mandate of creating a better life for all, the government envisages a public service that is guided by the ethos of service and committed to the provision of high quality service (Human Resources Development Strategy, 2002/06:3). The Human Resources Development (HRD) Strategy for South Africa ensures that the various components of the state work together to deliver opportunities for human development and to ensure that relevant constitutional provisions are progressively implemented.

#### **4.3.5 The National Skills Development Strategy (NSDS)**

The second strategy, the National Skills Development Strategy (NSDS II; 2005/10), is aimed at addressing the structural problems of the labour market that were inherited from the past. It is also intended to transform the South African labour market from one with a low skills base to one characterised by rising skills and a commitment to lifelong learning. The National Skills Development Strategy Implementation Report (NSDS; 2003/04) describes the strategy as an inclusive one, and that it addresses national sectoral, workplace and individual needs. The strategy identifies priorities for skills development and the contribution it makes towards an emerging national human resources development strategy. It then makes provision for a new system of learning, which combines structured learning and work experience, culminating in nationally recognised qualifications that signify job readiness within the National Qualifications Framework (NQF).

The South African Government's commitment to promoting active labour market policies and strategies while guaranteeing the quality of training and education provided is demonstrated in the South African Qualifications Authority Act, 1995 (Act 58 of 1995); Skills Development Act, 1998 (Act 97 of 1998), and the Skills Development Levies Act, 1999 (Act 9 of 1999). Collectively, the legislation introduces new institutions, programmes and funding policies designed to increase investment in skills development. The overriding priorities include: the global economy and the imperative to increase skills within the country to improve productivity and the competitiveness of its industries, businesses,

commerce and services; and the challenges of an unequal society, to make it more inclusive and to encourage greater cohesion (Human Resources Development Strategy for the Public Service, 2002/06: 6).

With the change in government, the Department of Education in response to the shortage of highly trained graduates in fields such as science, engineering, technology and commerce (largely as a result of discriminatory practices that limited access to black students) embarked on a plan to review the framework underpinning training legislation in Higher Education. The Higher Education Act, 1997 (Act 101 of 1997) was developed to articulate legislation for higher education provision of training for both public and private institutions. Subsequent to the development of the Higher Education Act, 1997 (Act 101 of 1997), the Human Resource Development Strategy for the Public Service, (2002/2006) was developed. It ensured that practical effect is given to both the National Skills Development Strategy and the Human Resource Development Strategy for South Africa (Human Resource Development Strategy for the Public Service, 2002/06:10).

#### **4.3.6 Skills Development Legislation: Post-1994**

South African training legislation is aimed at creating structures for improving the level of skills of all classes of work (including rural workers). It enhances their employment opportunities and creates the possibility of improving their conditions of work and life. Skilled workers have always enjoyed higher wages than laborers and hence are able to afford a better quality of life (van Dyk, **et al.**, 1997: 86).

The South African Qualifications Authority Act, 1995(Act 58 of 1995) was the very first act that was passed by the new democratic government. The Act provides for the development and implementation of a new framework for education and training in South Africa by creating a single, unified system of education and training qualifications in the country, the National Qualifications Framework (NQF) South African Qualifications Authority Act, 1995 (Act 58 of 1995). The South African Qualifications Authority Act, 1995 (Act 58 of 1995) also enabled the accreditation of SETAs as Education and Training Quality Assurance bodies (ETQAs) to ensure that these qualifications are of a high quality.

SAQA, through the NQF has developed a national quality assurance system that affects the quality of learning for all learners, for those in high profile occupations, those attending celebrated institutions and selected schools and those participating in formal and informal education programmes.

Appointed by the Ministers of Education and of Labour, the South African Qualifications Authority (SAQA) comprises of a Board of 29 members who are identified by stakeholders in education and training. SAQA also advise the Ministers of Education and Labour on matters affecting registration of standards and qualifications as well as on the pool of human resources across the job market that are available to satisfy the country's work requirements in South Africa (NQF Impact Study Report 1, 2004: 11). In terms of section 5(1) a-d of the South African Qualifications Authority Act, 1995 (Act 58 of 1995) the functions of SAQA are to oversee the development and implementation of the National Qualifications Framework defined as in table 4.1:

**Table 4.1: Functions of the South African Qualifications Authority**

| Section |    | Function   |
|---------|----|--|
| 5.(1)   | a. | (i) to oversee the development of the National Qualifications Framework  |
|         |    | (ii) to formulate and publish policies and criteria for<br>aa. the registration of bodies responsible for establishing education and training standards or qualifications; and<br>bb. the accreditation of bodies monitoring and auditing achievements in terms of such standards and qualifications |
|         | b. | (i) to oversee the implementation of the National Qualifications Framework, including;   |
|         |    | (ii) the registration or accreditation of standards generating bodies and the assignment of functions to them  |
|         |    | (iii) the registration of national standards and qualifications  |
|         |    | (iv) steps to ensure compliance with provisions for accreditation ; and  |
|         |    | (v) steps to ensure that the standards and registered qualifications are internationally comparable;   |
|         | c. | (i) to advise the Minister on matters affecting the registration of standards  |

|  |    |   |
|--|----|---|
|  |    | and qualifications; and   |
|  | d. | (i) to be responsible for the control of the finances of the Authority. |

(Source: Adapted from the South African Qualifications Authority Act, 1995 (Act 58 of 1995))

As per South African Qualifications Authority Act, 1995 (Act 58 of 1995) the Authority is required to perform the tasks listed in Table 4.1 above after consultation and in co-operation with all bodies and institutions responsible for education, training and certification of standards which are affected by the National Qualifications Framework. In carrying out the above mentioned tasks, it must comply with the various rights and powers of bodies in terms of the **South African Constitution (Constitution 1996)** and Acts of parliament.

Another critical role that is played by SAQA in fulfilling its mandate is development and maintenance of the electronic information management system referred to as the National Learner Records Database (NLRD). The first version of the NLRD was launched in 1999. Its purpose is to provide reports and research that can be used to advise the Ministers and other decision makers about education and training matters. This electronic information management system is populated with registered standards and qualifications, so that there is a single record of what education and training is available in South Africa. It is also populated with accredited institutions so that learners and employers know training providers that are able to offer qualifications of required standard. Furthermore, learner achievements are kept on the National Learners Records Database so that decision makers know what qualifications are being offered to learners, the areas in which learners are experiencing success and where gaps are in the provision of training (The National Qualifications Framework: An Overview, 2000: 19).

#### **4.3.7 The National Qualifications Framework (NQF)**

One of the key tasks of the South African Qualifications Authority was to oversee the development of the National Qualifications Framework (NQF) (South African Qualifications Authority Act, 1995 (Act 58 of 1995)). According to Tuck, **et al.**, (2004:11) the NQF has its origins in the development of modular or unit-based systems pioneered over the last 20 years in Scotland, New Zealand and South Africa. Frameworks have now been developed

(or are being developed) around the world: for example, in Australia, most SADC countries, many European Union (EU) and EU candidate countries, and in a number of former Soviet Republics. The SADC countries include Botswana, Mauritius, Namibia, the Seychelles, Tanzania and Zambia. The understanding of what a qualifications framework is and what it is intended to achieve will not only vary from country to country but may even vary within countries. These variations are tied to the political and cultural context of the country developing the framework. Tuck (et al. 2004: 3) state the main reasons for developing qualifications frameworks internationally as including: addressing issues of social justice, improving access to the qualifications system and progression within it, establishing standards, achieving comparability and intra-national or international benchmarking. South Africa's framework, as Granville (2004) points out, is the main (or perhaps sole) example of a framework primarily intended to contribute to a national programme of social reconstruction and, from that point of view alone, is worth studying.

The South African NQF traces its origins back to the labour movement of the early 1970s (The National Qualifications Framework: An Overview, 2000; 4-5). From the early 1970s, black trade union demands for a living wage were repeatedly rejected by employers, on the grounds that workers were unskilled and therefore their demands were unjustified. This in turn led to black workers seeing training as a means of achieving their demands for better wages. The struggle to persuade employers to accede to worker demands continued into the 1980s and in 1989 the National Union of Metalworkers of South Africa (NUMSA), established a research group comprising workers and union officials, to formulate recommendations on training. On the assumption that skills development would lead to better wages, an integrated proposal was formulated, based on a staged improvement in skills, linked to grading increments. The proposal stressed the need not only for basic education, without which workers would not be able to access the proposed system, but also for portability and national recognition of training so that workers would not be at the mercy of a single employer. The proposal was formally adopted by the Congress of South African Trade Unions (COSATU) in July 1991.

The mid-1970s also witnessed a demand for change in education, spearheaded by the non-governmental education sector. Protest was epitomised in the Soweto student uprising

of 1976, which was followed by nation-wide student protest. By the 1980s the entire education system had been discredited and rejected. Non-governmental education sector resistance resulted eventually in the formation of the National Education Policy Initiative (NEPI), which set about developing proposals for the restructuring of the formal education system (Hartshorne, 1992: 344). In 1990, efforts of the government's intention to dismantle apartheid gave added movement to, and were symptomatic of the change of the policy towards worker and student demands.

According to the National Qualifications Framework: An Overview (2000:19), the shift in thinking was from education for employment – developing the ability to do a specific job – to education for employability – developing the ability to adapt acquired skills to new working environments. The Department of Manpower, through the National Training Board (NTB), embarked as far back as the 1980s upon a number of initiatives, notably the restructuring of the apprenticeship system into a competency-based modular training system run by autonomous industry training boards (van Dyk, **et al.**, 1997: 88). However, unions viewed the process as flawed, not only because it excluded workers, but also because the proposals emanating from the initiatives were narrowly focused on apprenticeships to the exclusion of basic education, which was seen as a point of access to skills training. A working group with representation from trade unions, employers, the State, providers of education and training, the ANC Education Department, and the democratic alliance finally reached an agreement on a seamless integrated framework similar to that adopted by Scotland, England, New Zealand and Australia (NQF Impact Study Report 1, 2004: 7).

The primary objective of the NQF is an integrated approach to education and training in one national system, while opening up access and possibilities for articulation and mobility within the system through the portability of accumulated credits. The significance of the NQF cannot be overstated as it provides for the first time in the history of South African education, an integrated system of qualifications for its citizens. Through the NQF all South Africans have the assurance that their SAQA registered qualification will have credibility in the workplace and will contribute to career development. Learners benefit from training

towards national qualifications as lifelong learning and career advancement facilitated by the learning paths in the qualification structure (Tourism Learnership Project; 2001).

Education and training are best seen as representing a continuum of learning. According to the report of the Study Team on the Implementation of the National Qualifications Framework (2002: 68) the general and vocationally oriented programmes of learning have different purposes, these purposes overlap and can be profitably linked within a single framework. For one thing, many qualifications fall into neither the education nor training camps but are combinations of both. For another, learners need increasingly to move from one to the other, and one of the important contributions of the NQF is to make this happen more efficiently and coherently.

The NQF also attempts to integrate education with training and claims that both education and training are recognised forms of learning. Its first objective is the creation of an integrated framework for learning achievement as shown in table 4.2 below.



**Table 4.2: Structure of the National Qualifications Framework (NQF)**

| NQF LEVEL                                  | BAND                           | QUALIFICATION TYPE  | LEARNING PROVIDER  |
|--|--------------------------------|---|--|
| <b>Higher Education and Training Band</b>  |                                |   |  |
| 8<br>7<br>6<br>5                           | Higher Education and Training  | <ul style="list-style-type: none"> <li>• Further Research Degree</li> <li>• Doctorate</li> <li>• Master's Degree</li> <li>• Professional qualification</li> <li>• National First Degree (360 credits)</li> <li>• Higher Diploma</li> <li>• National Diploma (240 credits)</li> <li>• National Certificate(120 credits)</li> </ul> | Registered institutions (including universities, technikons, and colleges) accredited as Public or Private Higher Education and Training Providers in terms of the Higher Education Act (1997) and the Education and Training Quality Assurance Body Regulations (1998). |
| <b>Further Education and Training Band</b> |                                |   |  |
| 4<br>3<br>2                                | Further Education and Training | <ul style="list-style-type: none"> <li>• National certificate (120 credits)</li> </ul>  | Registered institutions (including schools) accredited as Public or Private Further Education and Training Providers in terms of the Further Education and Training Act (1998) and the Education and Training Quality Assurance Body Regulations (1998).                 |
| <b>General Education and Training Band</b> |                                |   |  |
| 1  | General Education and Training | <ul style="list-style-type: none"> <li>• National certificate (120 credits)</li> </ul>  | Registered institutions (including schools) accredited as Public or Private Further Education and Training Providers in terms of the Further Education and Training Act (1998) and the Education and Training Quality Assurance Body Regulations (1998).                 |

(Source: SAQA, NQF Impact Study Report 1: 2004)

The intention of “an integrated framework” was to remove disparities of esteem. First, either between learning attained in formal educational institutions or in workplaces (the formal - non-formal divide), and second, between various institutions (the status of institutions). At

the same time, according to Christie (1997: 89-90), it was understood that an integrated framework “would allow different curricula to work within it, to meet the needs of different situations and different sets of learners, while achieving equivalence in outcome”. In other words, an integrated framework would make it possible for learners to enter education and training from different pathways because such pathways would be equally valuable.

The Skills Development Act, 1998 (Act 97 of 1998) was introduced in 1998. The act makes provision for encouraging employers to invest on training thereby developing and growing skills in the workplace. The Act also aims to bring about a culture of continuous learning, providing both new entrants to the labour markets and individuals who have previously experienced difficulty in finding employment with new job opportunities (Succeed/ Essential Special Publication: 28).

The overall aim of the Skills Development Act, 1998 (Act 97 of 1998) is to improve the skills of people of South Africa. A better-educated and trained workforce is needed to make the country more efficient and to trade more competitively with the rest of the world. To secure a better trained workforce the Act:

- Introduces a new set of guidelines, rules, and structures to determine and implement national sector and workplace skills development strategies;
- Makes sure that more training and development programmes provide workers with nationally recognised qualifications that are that are recognised in the National Qualifications Framework;
- Provides for learnerships that lead to recognised qualifications;
- Establishes new ways to pay for skills development through a levy/grant system and the National Skills Fund; and
- Establishes a National Skills Authority (NSA) and Sector Education and Training Authorities (SETAs).

The Skill Development Act, 1998 (Act 97 of 1998) has led to the establishment of SETAs which are agencies responsible for implementing skills development and identifying priorities for skills development. Twenty five SETAS were originally n established by the

Minister of Labour according to economic sectors. Each sector covers a group of economic activities that are linked and related. SAQA has accredited these SETAs as Education and Training Quality Assurance (ETQAs) bodies for quality assuring education and training in their sectors. The 25 SETAs have now been reduced to 23 since 2005.

Supporting the initiatives promoted by this legislation are national laws and strategies to promote the employment of previously disadvantaged people include legislation on quota obligations and employment equity. In 2001, the Minister of Labour, on advice by the National Skills Authority launched a National Skills Development Strategy. This strategy outlines specific and measurable targets to achieve the broader objectives of the legislation (NQF Implementation Report, 2004: 1). The quota schemes include an obligation on companies to train and place a specified percentage of Africans, Females and People with disabilities in their workforce. They stipulated that 85% of employees should be black, 54% female and 4% disabled for each SETA.

One of the reasons for poor skills development in the past was that not enough money was being spent on training. With the promulgation of the Skills Development Act, 1998 (Act 97 of 1998), the Skills Development Levies's Act, 1999 (Act 9 of 1999) and regulations which prescribe how the skills development strategy is funded were laid down. The Skills Development Act, 1998 (Act 97 of 1998) made changes to traditional training by creating new structures for training through funding incentives to encourage more training forms of learning programmes and proposed ways of assisting all people get skills and jobs. The responsibility for investing in training lies with individuals, business and the government. Moreover, the government considered a range of financial incentives to encourage training. These included both public expenditure and tax incentives. In order to promote the learnership targets in the National Skills Development Strategy (NSDS), the learnership tax allowance was introduced in 2002 as an enabling mechanism Income Tax Act, 1962 (Act 58 of 1962 as amended). The tax incentive provides financial benefits to employers regarding the cost of training.

According to section 12H of the Income Tax Act, 1962 (Act 58 of 1962 as amended) an employer is entitled to a tax allowance both when a learner registers on the learnership

programmes and another one on the successful completion of the programme. The tax incentive has enabled employers to recruit additional learners that were previously unemployed. The Department of Labour attest to the fact that the number of learners have increased drastically, exceeding 100 000 since the introduction of the learnership tax incentive Income Tax Act, 1962 (Act 58 of 1962 as amended).

The Skills Development Levies Act, 1999 (Act 9 of 1999) serves to introduce a levy payment system to fund skills development. It describes how money is collected through levies paid by employers. The act is in three chapters with chapter one providing for the administration, imposition and recovery of the levy; chapter two deals with collection of the levy by SETAs and chapter three deals with general provisions and penalties. A National Skills Fund (NSF) was established in 1999 in terms of the Skills Development Act, 1998 (Act 97 of 1998) to support the implementation of the National Skills Development Strategy (NSDS). The Skills Development Levies Act, 1999 (Act 9 of 1999) promotes the development and improvement of the skills of the country's workforce. The Act requires that employers pay a skills development levy from which they can claim portions for the training they have implemented. This compulsory levy was given force through the Act which also outlines the details of who should pay the levy and what amounts should be paid. The levy is 1% of the leviable amount, this being the total amount of remuneration, paid or payable, by an employer to its employees during any month including normal salary, wages, overtime pay, bonus, gratuity, commission, pensions and retirement allowances and travelling allowances. This levy must be paid by every employer who is registered with the South African Revenue Services (SARS) for PAYE and employers who have an annual payroll in excess of R250 000.

According to the Skills Development Levies Act, 1999 (Act 9 of 1999) SASSETA is to pay grants to employers in their sector who have met the criteria for various categories of grants. From 2001, eligible employers were to claim grants up to 70% of the levy they have paid. The grants are categorized into Mandatory grants and discretionary grants. Mandatory Grants are paid by SASSETA when employers who pay the levy meet the established requirements and they are approved by SASSETA. This grant is payable on approval of the nominated Skills Development Facilitator, a Workplace Skill Plan and an

Implementation Report. Discretionary Grants are paid to employers (who may or may not be paying levy) who implement skills initiatives that are usually in addition to those in the Workplace Skills Plan. With effect from 2001/02 discretionary grant payment focused on implementing learnerships and instituting Recognition of Prior Learning.

#### **4.4 NEW FORMS OF PROFESSIONAL AND VOCATIONAL EDUCATION AND TRAINING**

The Skills development legislation mandates SASSETA to identify the need for skills in the Private Security Sub-sector. SASSETA is also required to identify scarce and critical skills for implementation through workplace based training. SAQA determines the standards for these skills and the Skills Development Levies legislation provides the funds for the development of these skills. It is imperative that the meaning of this new kind of training be explained before elaborating on the new forms of professional and vocational education and training.

##### **4.4.1 Workplace based training**

According to the South African Qualifications Authority Act, 1995 (Act 58 of 1995) all training that takes place at workplaces is written in learning outcomes which explains what learners will know and can do when they are competent. These outcomes are recognised through national standards and qualifications. Qualifications are made up of standards, each of which carries a number of smaller parts called credits. Each credit is equal to an average of about ten hours of learning. Trainees can earn their credits without going to a course if they can show that they already have the skills and knowledge required in the standards and qualifications. This concept is referred to as the Recognition of Prior Learning (RPL). It means that people's skills must be recognised even if they have learnt it simply through doing, rather than through a formal course.

Through the South African Qualifications Authority Act, 1995 (Act 58 of 1995) standards and qualifications obtained through work-based training are recognised by every training provider and will be portable or transferable from one workplace to another and one provider to another. Also, standards are the same across the country so that everyone knows what a particular standard means. Every standard is registered on the National Qualifications Framework (NQF) which is available on the SAQA web site and documents for everyone.

#### 4.4.2 Learnerships

Problems with apprenticeships were highlighted earlier in this study and learnerships were highlighted as the preferred and most appropriate training programmes to replace them. In view of the problems that arose from the apprenticeship system as well as the end of apartheid laws, new laws that gave equal opportunities to all were developed. These laws include the **South Africa Constitution** (Constitution 1996), Labour Relations Act, 1995 (Act 66 of 1995) and the Employment Equity Act, 1998 (Act 55 of 1998). These laws paved way for recognition of human rights, issues of equity, access, redress and discrimination to be addressed. These laws signified the end of working and doing things the old way.

Learnerships are defined as a work-based route for learning and gaining qualifications. They are registered with the Department of Labour through a SETA once it meets the criteria set out in the regulations and a qualification is registered by SAQA, which then relates it to an occupation (Zimmelman, 2005: 198). Learnerships were introduced through the Skills Development Act, 1998 (Act 97 of 1998). They are intended to help in meeting the skills shortages that the country is faced with. According to the Skills Development Act, 1998 (Act 97 of 1998) section 16: A SETA (Sector Education and Training Authority) may establish a learnership if:

- a) The learnership consists of a structure of learning component;
- b) The learnership includes practical work experience of a specified nature and duration;
- c) The learnership would lead to a qualification registered by the South African Qualifications Authority and is related to an occupation.

Learnerships form part of an integrated human resource development system within the enterprise which focuses on education, training and employment services that replace the old apprenticeship system. They also serve as a mechanism to link structured learning and work experience into qualifications registered on the National Qualifications Framework that will reliably signify readiness for work (Coetzee, 2002:106). The objective of a learnership is to develop broad competency against a full qualification while at the same time providing the opportunity for the learner to be able to contribute to the business and to perform effectively for the period during which he or she is with the company.

A person who successfully completes a learnership gets awarded with a qualification that signals occupational competence and which is recognized throughout the country. Learnerships are important in that they are meant to be suitably flexible to changing needs. Their emphasis is on intended outcomes and practical use of skills that have been taught. Trainees are also taught the reasons why things are done the way they are to understand the theory that lies beneath the practice (SASSETA Sector Skills Plan, 2005-2010: 32)(Access: [http://www. Sasseta.org.za](http://www.Sasseta.org.za). Retrieved: 13 April 2007). At various stages the learners are assessed to see if they are progressing and are able to perform the tasks for which they had been trained. This assessment focuses on what learners know and are able to do. What is common to all learnerships, however, is that they are a solution to a perceived national, profession or organisational need. Learnerships often service all three of these levels of need for skills enhancement (Babb & Meyer, 2005:18).

It is open to any employer, group of employers, trade association, professional body, training provider and community group to design and develop a learnership in close liason with the relevant SETA. In practice, employers enter into learnership agreements with learners and training providers. These can be both large and small employers and a group of employers might join together to provide learnerships (Skills Development Act, 1998 (Act 97 of 1998)).

Stakeholders in learnerships include The Department of Labour, the SETA, Employers and Organized Labour. The structure is critical and instrumental in the implementation and functioning of learnerships as they usually form part of the governance structures.

Table 4.3: Key Stakeholders in Learnerships

| Key Stakeholder                                   | Role   |
|---|--|
| 1. Department of Labour                           | <ul style="list-style-type: none"> <li>• Registers the learnership</li> <li>• Provides funding for the learnership through the National Skills Fund (NSF)</li> <li>• Monitoring and evaluating SETA performance on the implemented learnerships</li> </ul>   |
| 2. Sector Education and Training Authority (SETA) | <ul style="list-style-type: none"> <li>• Registering the learnerships to the Department of Labour</li> <li>• Applying for funding from the National Skills Fund (NSF) and administering the funding obtained</li> <li>• Reporting on quarterly bases on the progress of learnerships to the Department of Labour</li> <li>• Communicating and marketing learnerships</li> <li>• Registering learnership agreements</li> <li>• Monitoring and evaluating the success of the implemented learnerships</li> </ul> |
| 3. Employers                                      | <ul style="list-style-type: none"> <li>• Preparing the workplace for placement of learners</li> <li>• Communicating within the organisation as appropriate</li> <li>• Offering learners structured workplace experience</li> <li>• Coaching and mentoring of learners for the duration of the learnerships</li> <li>• Reporting to the SETA on the on the progress of the learners in the workplace</li> </ul>   |
| 4. Organised Labour                               | <ul style="list-style-type: none"> <li>• Serving on the governance structure and training committee</li> <li>• Ensuring fairness in the learnership implementation</li> <li>• Assisting in the marketing of learnerships</li> </ul>  |

(Source: Adapted from: Bank SETA Learnerships: Babb & Meyer, 2005)

The learnership agreement, in which employers enter with each learner, spells out the duties and obligations of the employer, the learner and the training provider. Learnerships are intended to develop broad competency against a full qualification while at the same time providing the opportunity for the learner to be able to contribute to the business and to perform effectively for the period during which s/he is with the company (Babb and Meyer, 2005: 198). Learnerships are available for young as well as mature people. They are



designed at different levels on the NQF and range from introductory to paraprofessional levels.

#### **4.5 THE PRIVATE SECURITY INDUSTRY REGULATORY AUTHORITY (PSIRA) AND THE SAFETY AND SECURITY SECTOR EDUCATION AND TRAINING AUTHORITY (SASSETA)**

There are currently two government appointed bodies that are custodians of regulatory law enforcement and standard setting for the security industry in South Africa. They are the Private Security Industry Regulatory Authority (PSIRA) and the Safety and Security Sector Education and Training Authority (SASSETA).

##### **4.5.1 The Establishment of the Private Security Regulatory Authority (PSIRA)**

Following growing anxiety in the country regarding lack of skills among Security Officers, the Security Officers Act, 1987 (Act 92 of 1987), which did not emphasize or prioritize training of Security Officers as obligatory, was later replaced by the Security Officers Amendment Act, 1997 (Act 104 of 1997). The Security Officers Amendment Act, 1997 (Act 104 of 1997) amended the Security Officers Act, 1987 (Act 92 of 1987) in order to substitute the definition of Board, to determine the seat of the head office of the Interim Board, make provision for the establishment and the constitution of an Interim Board to exercise control over the occupation of security officer and to maintain, promote and protect the status of that profession until a new permanent Security Officers Board has been established and to determine the objects, functions, powers and duties of the Interim Board. In addition to the functions mentioned above, the Security Officers Act, 1987 (Act 92 of 1987) was passed to provide for the Minister for Safety and Security to conduct certain consultation before the appointment of the members of the Interim Board, to authorise the Interim Board to submit reports to the Minister for Safety and Security regarding the statutory functions thereof, to provide for calling of a meeting of the Interim Board upon receipt by the chairperson of a request by seven or more members.

The Private Security Industry Regulatory Authority came into being through the promulgation of the Private Security Industry Regulation Act, 2001 (Act 56 of 2001) which

came into effect in 2002. This new Act repealed the Security Officers' Act, 1987 (Act 92 of 1987) and made provision for the establishment of the new Private Security Industry Regulatory Authority (PSIRA) in terms of section 2(1) of the Act. The primary objectives of the Authority as stipulated in Section 3 of Chapter 2 of this Act include the regulation of the of the private security industry and to exercising effective control over the practice of the occupation of security service providers in the public and national interest and in the interest of the private security industry itself. Included in the PSIRA objectives is also the promotion of the empowerment and advancement of persons who were historically disadvantaged through unfair discrimination in the private security industry. The rest of the objectives of the PSIRA are listed in the table below:

Table 4.4: The primary objectives of the Private Security Industry Regulatory Authority (PSIRA)

|  |
|--|
| (a) promote a legitimate private security industry which acts in terms of the legislation.   |
| (b) ensure that all security service providers act in the public and national interest in the rendering of security services;              |
| (c) promote a private security industry which is characterised by professionalism, transparency, accountability, equity and accessibility; |
| (d) promote stability in the private security industry;  |
| (e) promote and encourage trustworthiness of security service providers;   |
| (f) determine and enforce minimum standards of occupational conduct in respect of security service providers;                              |
| (g) encourage and promote efficiency in and responsibility with regard to the rendering of security services;                              |
| (h) promote, maintain and protect the status and interests of the occupation of security service providers;                                |
| (i) ensure that the process of registration of security service providers is transparent, fair, objective and concluded timeously          |

|  |
|--|
| (j) promote high standards in the training of security service providers and prospective security service providers;   |
| (k) encourage ownership and control of security businesses by persons historically disadvantaged through unfair discrimination;  |
| (i) encourage equal opportunity employment practices in the private security industry;   |
| (m) promote the protection and enforcement of the rights of security officers and other employees in the private security industry;  |
| (n) ensure that compliance with existing legislation by security service providers is being promoted and controlled through a process of active monitoring and investigation of the affairs of security service providers; |
| (o) protect the interests of the users of security services;   |
| (p) promote the development of security services which are responsive to the needs of users of such services and of the community;   |

(Source: Adapted from the Private Security Industry Regulation Act, 2001 (Act 56 of 2001))

#### **4.5.2 The Establishment of the Safety and Security Education and Training Authority (SASSETA)**

The SASSETA is the former Police, Private Security, Legal Practices, Correctional Services and Department of Justice (POSLEC) SETA which was established through the Skills Development Act, 1998 (Act 97 of 1998). The SASSETA was re-established by the Minister of Labour on the 1<sup>st</sup> of July 2005 after an exercise of SETA landscaping that resulted in the amalgamation of the five POSLEC SETA sub-sectors with three of the former Defence, National Intelligence, Diplomacy, Trade and Industry and Secret Services (DIDTETA) Sub-Sectors, namely Defence, National Intelligence Agency and Secret Services.

The Safety and Security Sector Education and Training Authority (SASSETA) started as the Police, Private Security, Legal, Correctional Services & Justice Sector Education &

Training Authority (POSLEC SETA or SETA) which was established through the Skills Development Act, 1998 (Act 97 of 1998). The Police, Private Security, Legal, Correctional Services & Justice Sector Education & Training Authority (POSLEC SETA or SETA) was established by the Minister of Labour on 20 March 2000 in terms of section 9(1) of the Skills Development Act 1998 (Act 97 of 1998).

The scope of coverage of the POSLEC SETA, as approved and set out in the Government Gazette Notice No. 265 of 20 March 2000, included the following subsectors:

- Policing - includes South African Police Services, the Independent Complaints Directorate, the Secretariat for Safety and Security and the Scorpions;
- Private Security Services - including all private security companies, companies providing personal protection and intruder detection companies;
- Legal Practice - including all Advocates, Attorneys, Paralegals, Intellectual Property Practitioners and Commercial Legal Advisors;
- Justice - including all Judicial Officers, the Department of Justice, Sheriffs, Registrars/Masters, Interpreters and Public Defenders; and
- Correctional Services - including the Department of Correctional Services, private prisons and detention centers (private and public).

As prescribed by the Skills Development Act, 1998 (Act 97 of 1998), the composition of a Sector Education and Training Authority (SETA) is restricted to members representing organised labour, organised employers (including small business) and relevant government departments in the sector. Unlike bargaining councils under the Labour Relations Act, 1995 (Act 66 of 1995), trade unions, employer organisations and the State do not have the status of parties to a SETA. They are represented on the SETA by the members they have nominated. A SETA must have an equal number of members representing employees and employers. Apart from this requirement, the Act is silent on how the representation of organised labour and organised employers on the SETA should be determined or how disputes about representation should be resolved (SASSETA; Workplace Skills Plan: 2006).

SASSETA was formed through the amalgamation of the Poslec SETA with DIDTETA. DIDTETA was the SETA that was responsible for Defence, Intelligence, Diplomacy, National Intelligence Agency and the South African Secret Services. The Minister through the Skills Development Amendment Act, 2003 (Act 31 of 2003) amalgamated POSLEC SETA and DIDTETA after consulting the National Skill Authority and the SETAs in question and publishing in the Government Gazette. The two SETAs had three months within which to amalgamate to meet the deadline of 30 June 2005. On the 1<sup>st</sup> of July 2005 SASSETA was established with a new Constitution as well as a new Governing Board. Its functions were to:

**Table 4.5: Statutory functions of Safety and Security Sector Education and Training Authority**

|   |
|---|
| a. develop a sector skills plan within the framework of the national skills development strategy;   |
| b. implement its sector skills plan by--<br>i. establishing learnerships;<br>ii. approving workplace skills plans;<br>iii. allocating grants in the prescribed manner to employers, education and training providers and workers; and<br>iv. monitoring education and training in the sector; |
| c. promote learnerships by--<br>i. identifying workplaces for practical work experience;<br>ii. supporting the development of learning materials;<br>iii. improving the facilitation of learning; and<br>iv. assisting in the conclusion of learnership agreements;                           |
| d. register learnership agreements;   |
| e. within a week from its establishment, apply to the South African Qualifications Authority for accreditation as a body contemplated in section 5 (1) (a) (ii) (bb) and must, within 18 months from the date of that application, be so accredited;  |
| f. collect and disburse the skills development levies in its sector;  |
| g. liaise with the National Skills Authority on--<br>i. the national skills development policy;<br>ii. the national skills development strategy; and<br>iii. its sector skills plan;  |
| h. report to the Director-General on--<br>i. its income and expenditure; and<br>ii. the implementation of its sector skills plan;   |
| i. liaise with the employment services of the Department and any education body   |

|  |
|--|
| <p>established under any law regulating education in the Republic to improve information—</p> <p>i. about employment opportunities; and</p> <p>ii. between education and training providers and the labour market;</p> |
| <p>j. appoint staff necessary for the performance of its functions; and</p>  |
| <p>k. perform any other duties imposed by this Act or consistent with the purposes of this Act.</p>  |

(Source: Skills Development Act, 1998 (Act 97 of 1998))

SASSETA is now in the middle of the second cycle of its life span since its establishment as Poslec SETA in 2000. The first cycle started from April 2000 to March 2005 while the second cycle started from April 2005 to March 2010. SASSETA has a number of mandatory obligations which it is required to fulfil. It has to report on its performance to the Department of Labour through an Annual Business Plan, Service Level Agreement and Sector Skills Plan (Implementation of Sector Skills Plan; Draft Guide, 2003). In addition to these documents, SASSETA has to meet certain prescribed National Skill Development Strategy Targets (NSDS) targets. Included in these targets are:

- Payment of grants to employers (NSDS Indicators 2.1 and 2.2);
- The continued development of learnerships (2.3 and 5.1);
- A sharp decrease in the number of workers who do not have an NQF 1 qualification;
- The implementation of learnerships and increasing the numbers of young people under 30 who enter the programmes (5.1);
- Increasing the number of disabled people who are participating in skills development initiatives (NSDS equity target of 4%). (Sector Skills Plan Targets and Business Plan; 2005-2010).

#### 4.6 CONCLUSION

The SAQA Act, 1995 (Act 95 of 1995), the Skill Development Act, 1988 (Act 67 of 1998) and the Skills Development Levies Act, 1998 (Act 9 of 1998) have been enacted to put in place systems and processes that can transform skills development in South Africa. These

can be described as public policy which is instrumental for the attainment of governmental mandates, capacity building and systems change. With the concerns that education and training provision has not always been responsive to the demands of the economy, it is important that policy implementers be mindful that the fact that policies are endorsed and enacted in legislation of various kinds, does not necessarily lead to their effective implementation because certain internal and external variables could impact on the attainment or on the implementation process.

The implementation stage is regarded as the stage that determines the success or failure of public policy. Emphasis should be on enabling employers to train their workforces rather than imposing regulation. As such, they can only be considered to advocate rather than enforce training and must rely on employers seeing the benefits of developing employees. For the South African Government to consider the introduction of revised and improved statutory frameworks for training, a greater understanding is required about the extent to which skills development regulations impact on skills development in South Africa. Information is required on the extent to which regulations cause employers to train employees and/or encourage skill improvements in the Private Security Sub-sector.

This study provides important new insights into the dynamics between regulations and workforce development. Its findings will be used to inform the direction of future policy development. Having identified the legislation which was developed to directly or indirectly impact upon skills development, it is envisaged that the legislation mechanism that controls and influences employers in a variety of ways. A wide range of legislation has been developed to control and guide the way in which employers empower their employees. However, it cannot be guaranteed that these laws have the intended impact on the way in which employers train or develop their employees.

## CHAPTER 5

### ANALYSIS OF SELECTED CASES IN THE SOUTH AFRICAN PRIVATE SECURITY SUB-SECTOR

#### 5.1 INTRODUCTION

Discourse in the South African labour market has always been centred on the essentiality of skills development to ensure that economic growth is shared. It highlights serious skills disparity levels among South Africans to participate effectively in the socio and economic mainstream of the country. The Accelerated Shared Growth Initiative of South Africa (AsgiSA) addresses this discourse (Address of the Minister of Labour to parliament, August 2006) (Access<<http://www.info.gov.za/speeches>: Retrieved: 17 August 2006). A notable development in the sphere of training and development is the alignment of the skills development strategy with government's economic and social programmes to a far greater extent than ever before. This alignment takes place against complaints from labour unions regarding the economic upswing in the first economy but with continuing conditions of joblessness and poverty in the second economy. President Thabo Mbeki has pointed out that in order for the first economy to continue to grow successfully and to be able to absorb more people from the second economy skills development has to be a priority (Address of the President of South Africa, Thabo Mbeki; to the first Joint Sitting of the third Democratic Parliament, Cape Town: May 21, 2004).

The labour market challenges that faced South Africa led to the alignment of the country's legislative environment with internationally accepted norms and standards. To this end, the Department of Labour responded by developing three Ministerial programmes of Action. The first Programme of Action ran for the period 1994 – 1999, the second ran from 1999 – 2004 and the third covers 2004 – 2009. All programmes were translated into Strategic Plans and associated work plans by the Department of Labour and each programme translated departmental policies that were developed during the same period into action. The first programme of action (between 1994 and 1999), which was the first cycle for the



South African democracy, was based on the pronouncement by the then President Rolihlahla Mandela when in his first state of the nation address he said:

*“Accordingly, the purpose that will drive this government shall be the expansion of the frontiers of freedom. The acid test of the legitimacy of the programmes we elaborate, the government institutions we create, the legislation we adopt, must be whether they serve these objectives”.*

The call by the then President Mandela came at an opportune time as the Department of Labour was in a process of laying the foundation of an optimally functioning labour market through the process of intensive labour laws reform and the creation of appropriate institutions to support economic growth, job creation, labour market stability and social dialogue. Consequently, the Department of Labour proceeded to establish a new labour policy regime comprising a new Labour Relations Act, 1995 (Act 66 of 1995) Basic Conditions of Employment Act, 1997 (Act 75 of 1997) an Employment Equity Act, 1998 (Act 55 of 1998) and a Skills Development Act, 1998 (Act 97 of 1998) which is complemented by the South African Qualifications Authority Act (Department of Labour, 2004: 8).

The South African Qualifications Authority Act, 1995 (Act 58 of 1995), the Skills Development Act, 1998 (Act 97 of 1998), and the Skills Development Levies Act, 1999 (Act 9 of 1999) set out requirements for skills development for all South African learners. They place a responsibility on the registered employer to ensure that all its employees receive appropriate training, mentoring and appraisal and are enabled to obtain further qualifications appropriate to the work they perform. On one hand, the South African Qualifications Authority Act, 1995 (Act 58 of 1995) set out in detail the requirements that each Sector Education and Training Authority (SETA) as well as the training providers have to meet to satisfy accreditation conditions before they can partake in training activities. On the other hand, the Skills Development Act, 1998 (Act 97 of 1998), and the Skills Development Levies Act, 1999 (Act 9 of 1999) provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce and provide for financing of skills development by a levy-grant scheme and a National Skills Fund. Of particular significance are the requirements stipulated in the Employment Equity Act, 1998 (Act 55 of 1998) of each

SETA and Employer to meet the following training obligation: 85% blacks, 54% females and 4% disabled people.

In order to understand the dynamics through which legislation in the form of Acts and Regulations have shaped workforce development, it is essential to capture the implementation of the legislation by the private security industry employers. Debates on skills development in the South African labour sector take place in a climate of government performance against the challenge of skills shortage. Economists such as Abedian (2003:16) argue that the most powerful factor contributing to the current unemployment quagmire has been technological changes within industries and sectors transforming skills requirements across all occupations over recent decades. There are still severe shortage of skills in some economic sectors coupled with skills mismatch for adequate delivery for economic development. For the most part it is argued that South Africa today possesses a much more skills-intensive economy and its industries are a great deal more globally competitive, while existing jobs are far more sustainable and better paid (Abedian, 2003:16). It is further argued in skills development discourse that the current legislation has not addressed the skills needs of the South African economy. It is also argued that the skills development shortage is not addressed at the pace that is required by the fast growing South African economy.

This chapter, therefore, examines how three selected South African Private Security Sub-sector organisations, i.e. namely: Private Security Industry Regulatory Authority (PSIRA), Safety and Security Education and Training Authority (SASSETA) and private security businesses have influenced the pace of skills growth. The implementation initiatives (of the statutory framework for skills development) from the three financial years 2005/06 to 2007/08 are scrutinized to determine how the Private Security Sub-sector implemented the skill development legislation and whether the sector has achieved the skills development objectives set out in the skills development legislation by the government. How the skills development regulations have impacted upon the workforce will also be examined. Primarily, this chapter will identify how different organisations and employers have implemented the skills development legislation and how the legislation has impacted on the selected organisations.

## **5.2 AN OVERVIEW OF THE SKILLS DEVELOPMENT LEGISLATION IMPLEMENTATION EFFORTS IN INCREASING PRIVATE ENTERPRISE TRAINING IN SOUTH AFRICA IN THE POST-1994 ERA**

Improvement of the economic development of the country as well as socio-economic improvement of conditions of the citizens has been among the South African government's priorities since 1994. In this regard, a number of initiatives were undertaken including developing legislation that seeks to address the skills shortage and unemployment in the country as a whole. In 2003, an overview of skills development over the period 1994 – 2004, which was conducted by the Human Sciences Research Council (HSRC) as commissioned by the Department of Labour as well as data collected by the Department of Labour on the impact of the first NSDS, from 2001 – 2005 confirmed that reasonable progress had been made in launching a new approach to enterprise training by the private sector in South Africa. The survey sought to assess among other issues, the training practises of enterprises, the profile of beneficiaries, as well as the factors that motivate enterprises to train, or inhibit training in the workplace (Department of labour, NSDS Implementation Report: 2003/2004).

### **5.2.1 A Synopsis of Training in Enterprises across Sectors in South Africa**

The Skills Development Levies Act, 1999 (Act 9 of 1999) was developed to promote and operationalise the National Skills Development Strategy (NSDS) through the financing of skills development by means of a levy-grant scheme and a National Skills Development Fund. The first National Skills Development Strategy (NSDS) was launched in February 2001 (Ministerial Programme of Action: 2004/09). The strategy seeks to support economic growth for employment creation and poverty eradication, promote productive and equitable citizenship by aligning skills development with national strategies for growth and development and accelerated Broad-based Black Economic Empowerment (BBBEE). The strategy is critical in realising the government's goal of halving unemployment by 2014 by providing skills the economy requires (Strategic Plan, Department of Labour: 2006/09).

The results of the national training of enterprises across all sectors in South Africa as well as all size categories conducted (in small, medium and large private enterprises) during the financial year 2002/03 reflects progress with respect to National Skills Development Strategy in all sectors. The training rate of SETAs by sector, occupational category, race and enterprise size, training expenditure as a percentage of payroll by enterprise size as well as enterprises claiming grants revealed varying results. These results are summarised in Table 5.1 below:

Table 5.1: Private Sector Training Survey results 2002/03 (%)

|  | Small   | Medium  | Large   | Average |
|--|---------|---------|---------|---------|
| Training rate by enterprise size                                   | 22      | 27      | 26      | 25      |
| Training rate in by enterprise size and race                       | 27 *(C) | 33 *(W) | 32 *(A) | 28 *(A) |
| Training Expenditure as a percentage of payroll by enterprise size | 1       | 1.1     | 2.8     | 2.1     |
| Enterprise registered with SETAs by size                           | 56      | 78      | 95      | 63      |
| Enterprises claiming grants from SETAs by size                     | 29      | 66      | 85      | 41      |
| Enterprises having workplace skills plans by size                  | 39      | 76      | 94      | 51      |

(Source: Adapted from Department of Labour; State of Skills in South Africa, 2005)

\*(C) – Coloureds; \*(W) – Whites; \*(A) - Africans

Table 5.1 reflects that the average access to training among permanent workers in private enterprises was 25%. This meant that 1 in 4 workers in South African enterprises received training in the 2003/04 financial year. The training rate for medium enterprises was the highest followed by that of large enterprises. According to the report, the training rate of African workers was the highest (28%). The higher training rate for African workers suggests that improved training access is beginning to benefit some former disadvantaged groups.

### 5.2.2 A Synopsis of National Training by SETAs in South Africa

In South Africa, expenditure on training within the influence of the levy-grant scheme is an important indicator of the extent to which enterprises have bought into the prescription of Skills Development Levies Act, 1999 (Act 9 of 1999). Expressed as a proportion of payroll for employers, expenditure on training is the key indicator of willingness to invest in developing the skills of their workers. The average expenditure on training as a percentage of payroll was 2.1% with large enterprises spending 2.8% which is a higher proportion than medium and small enterprises. This pattern of higher levels of spending on training in large enterprises compares favourably with international examples, where expenditure on training usually increases with enterprise size (NSDS Implementation Report: 2003/04). Investment in training was reported as differing among SETAs with the mining sector showing the highest average expenditure on training, followed by tourism and hospitality, and the transport sectors respectively.

Enterprises are required by legislation to register with SETAs that are in their areas of focus. One of the indicators of effectiveness of SETAs is the participation rate of firms in the levy – grant system as prescribed in the Skills Development Act, 1999 (Act 9 of 1999). The compliance rate of large enterprises with the registration requirement was very high at 95% followed by medium enterprises with 78%. This gives a clear indication that the SETAs are very effective in their implementation and promotion of government initiatives in skill development (NSDS Implementation Report: 2003/04). A core element for skills development by the government is the levy-grant scheme that incentivises enterprises to train their employees. For enterprises to qualify for claiming grants they have to train their employees as indicated in their Workplace Skills Plans (WSP)s and Annual Training Reports (ATR)s. Once again, the percentage of large enterprises that claim grants was the highest (85%) followed by medium enterprises at 66%. The trend was the same with the submission of WSPs to SETAs. Most large enterprises submitted WSPs (94%) followed by medium enterprises (76%). This is an indication that these enterprises include the planning of training in their planning processes (NSDS Implementation Report: 2003/04). It is evident that the overall participation of large enterprises in skills development training

initiatives of the government is the greatest, though the medium and small enterprises are also participating reasonably.

The support and close monitoring of training in the workplace proved to be successful in that South African employers are becoming more involved in the training and capacity building of their workforce. The most benefits are gained by large enterprises who invest more on training expenditure as well as compliance to skills development legislation. Although the high training rate of large firms could be seen as great benefit to the large numbers of employees trained, the R2,2 billion (92%) that was claimed by large and medium firms in 2005/06 financial year from the R2,3 billion mandatory funds that were received by SETAs poses a threat to the Small, Medium and Micro Enterprises (SMMEs) that are in need of skills and employment creating mechanisms (Keynote address of the Minister of Safety and Security, Membathisi Mdladlana, Skills Graduation Ceremony, Johannesburg, August 2006).

Compounding the above mentioned challenge, is the exemption as from August 2005 of companies with an annual payroll that is less than R500 000 from paying skills levies. This has resulted in a loss of 294 236 SMME companies from an original of 368 254 that were eligible for levy, a fact that reduced the number down to only 73 764 medium and large companies. The 80% reduction meant that levy funds available to support SMMEs has been dramatically depleted with the end result being SMMEs who need the skills most and very important in creating employment are going to become the biggest losers from the skills development initiatives unless an alternative source of funding is found (Keynote address of the Minister of Safety and Security, Membathisi Mdladlana, Skills Graduation Ceremony, Johannesburg, August 2006).

The level of skills development over the years has been less than desirable, especially for the previously disadvantaged black South Africans. In the rural areas which make up quite a big percentage of South African population (HSRC Pretoria, 2000), the situation is even worse with very few job opportunities due to lack of industrialisation and marginalisation of the former Homelands. One of the factors attributed to poor skills development is that not enough money was being spent on training in the past. The Skills Development Act, 1998

(Act 97 of 1998) now lays down regulations which prescribe how the skills development strategy should be funded. The Skills Development Levies Act , 1999 (Act 9 of 1999) serves to introduce a levy payment system to fund skills development. The act provides for the administration, imposition and recovery of the levy. It also deals with collection of the levy by SETAs and outlines how enforcement and compliance matters should be handled.

Contrary to the challenges of the past where less money was allocated and spent on training, the current challenge is failure to spend all funds collected through the levy system for training. This concern is captured by the Minister of Labour Membathisi Mdladlana who notes in a paper presented at the National Skill Development conference in October 2003 when R2,8 billion from unspent levies by the SETAs collectively;

*“It is unacceptable that SETAs have such huge sums of unspent money when we have a critical shortage of skill in the country..... The recorded 2.8 billion rands (R2,8 billion) surplus from SETAs will have to be used for skill development immediately. I am told that SETAs nationally are sitting on a surplus....We must act now and develop the skills of our people before it's too late. The performance of the SETAs is not the same and some of them need a push”.*

The Skills Development Act, 2003 (Act 31 of 2003) as amended, gave the Minister power to act against poorly performing SETAs. The amendments are also aimed at ensuring that SETAs operate within a system of checks and balances while the central reason was to give the Minister the right to remedy the problems that had arisen within the SETAs. In the amendment, a new obligation for all SETAs was added to enter into Service Level Agreements with the Department of Labour that clearly set out performance outcomes. The amendments also allow the Minister to take steps if any SETA failed to meet its obligations in terms of these agreements. It gave the Minister the powers to instruct a SETA to remedy a problem, and if it fails to do so, then that will constitute grounds for the takeover of its administration. The Skills Development Act, 1998 (Act 97 of 1998) made changes to traditional training by creating new structures for training through funding incentives to encourage more training forms of learning programmes and proposed ways of assisting all people get skills and jobs. The responsibility for investing in training lies with individuals, business and the government.

The low growth in the economy, together with structural and technological shifts in the economy over the years contributed significantly to increased numbers of unemployed within the labour market (Ministerial Programme of Action; 2004 - 2009). The inability of these individuals to find employment made the country's unemployment problem structural in nature. Coupled with this unemployment, an unequal share of Black workers are reported to be under or unskilled and these jobless individuals lack the required skills to take up the primarily high skill jobs on offer. Contributing to employment creation and to the enhancement of skills development is an important part of the South African government's commitment to the reduction of poverty and to the increase of social and economic development of individual lives.

The first NSDS was followed by the second phase NSDS 2005 - 2010 which was launched in 2005. This strategy is very critical in realising the government's goal of halving unemployment and poverty and reducing inequality by 2014 by providing skills that the economy requires (Department of Labour; NSDS Implementation Report 2005-2006). During the launch of the first National Skills Development Strategy in 2001 the Minister of Labour committed himself to reporting annually on the progress in achieving the objectives of the strategy and has honoured that commitment.

### **5.3 Skills Development Stakeholder Analysis**

To present a balanced perspective of the implementation of the Skills Development Legislation in the Private Security Sub-sector of South Africa, it is important to examine stakeholders, agents and bodies that are involved in the implementation of skills development legislation. Since the launch of the NSDS1 in 2001 and the adjusted NSDS 2 in 2005, the majority of training providers that participated in the process and continue to benefit mostly from engagement with particular SETAs have been private training providers. Where public FET and HET institutions were involved these tended to be side projects that were happening in some obscure place between individuals or specific faculties and SETAs (Address of the Minister of Labour, Membathisi Mdladlana, NBFET



National Workshop, House of Parliament, Cape Town, August 2006). With that concern, the Minister urged these institutions to be part of the mainstream programmes in order to multiply the effort and increase the numbers of skilled artisans that the economy need.

The South African government has now adopted a strategy of collaborating in partnerships and alliances to improve skills development. The practical implementations espoused by the government involve interaction with stakeholders in and outside government. With collaboration, synergy and a common understanding on what it is that the government is trying to achieve across all institutions and bodies in education and skill development it is critical to compliment each other’s initiative and multiply efforts in developing skills in the country (Address of the Minister of Labour, Membathisi Mdladlana, NBFET National Workshop, House of Parliament, Cape Town, August 2006). Training private providers are institutionalised through registration and accreditation by SETAs to offer approved courses that are registered on the National Qualifications Framework (NQF). The government is also empowering workers to become involved in their own training development. For example, workers are trained to form part of training committees and Employment Equity Committees at the workplace and to fully participate in the identification of training needs of employees (SASSETA WSP: 2005/06). A stakeholder analysis is depicted in table 5.2 below.

Table 5.2: Skills Development Stakeholder Analysis

| Stakeholder                                      | Role   | Interest  | Contribution  |
|--|--|---|---|
| 1. Department of Labour                          | <ul style="list-style-type: none"> <li>• Development of legislation</li> <li>• Development of National Skills Development Strategy</li> <li>• Monitors</li> <li>• Implement</li> </ul> | <ul style="list-style-type: none"> <li>• Skills Development in the country</li> <li>• Competent workforce</li> </ul>  | <ul style="list-style-type: none"> <li>• Resources</li> <li>• Research</li> <li>• Guidelines for implementation</li> </ul>                                  |
| 2. South African Qualifications Authority (SAQA) | <ul style="list-style-type: none"> <li>• Develops legislation</li> <li>• Develops the NQF</li> <li>• Develops qualifications</li> <li>• Accredits SETAs</li> <li>• NLRD</li> </ul>     | <ul style="list-style-type: none"> <li>• Quality Assurance of all education and training</li> <li>• Improving Quality of Standards and Qualifications</li> <li>• Electronic Management Information System (EMIS) of the NQF</li> <li>• To be the Source of key</li> </ul> | <ul style="list-style-type: none"> <li>• Research</li> <li>• Guidelines for implementation</li> <li>• Compliance and Performance Audits of SETAs</li> </ul> |



|                       |   |   |   |
|-----------------------|---|---|---|
|                       |   | <p>data for the National HRDS</p> <ul style="list-style-type: none"> <li>• Recognition of Prior learning</li> </ul>   |   |
| 3. PSIRA              | <ul style="list-style-type: none"> <li>• Develops legislation</li> <li>• Regulates training activities</li> <li>• Regulates and exercises effective control over the practices of the occupation</li> <li>• Determine the state of the implementation of skills development legislation in the sector</li> </ul>  | <ul style="list-style-type: none"> <li>• Regulated and compliant sector</li> <li>• Competent and high performing sector</li> <li>• Professionally developed workforce</li> <li>• Improved service delivery</li> </ul> | <ul style="list-style-type: none"> <li>• Research</li> <li>• Guidelines for implementation</li> <li>• Monitoring and Compliance Inspections</li> </ul>  |
| 4. SASSETA            | <ul style="list-style-type: none"> <li>• Accredit Training Providers</li> <li>• Quality Assurance of training</li> <li>• Develops Sector Skills Plan</li> <li>• Disburse Grants</li> <li>• Registration and Implementation of learnerships</li> </ul>   | <ul style="list-style-type: none"> <li>• Skills Development of the Sector</li> <li>• Institutional Development</li> <li>• Competent and high performing sector</li> <li>• Improved service delivery</li> </ul>        | <ul style="list-style-type: none"> <li>• Resources and support</li> <li>• Research</li> <li>• Guidelines for implementation</li> <li>• Compliance and Performance Audits of Training Providers</li> </ul> |
| 5. Employers          | <ul style="list-style-type: none"> <li>• afford employees opportunities to learn</li> <li>• determine training and development needs</li> <li>• plan, manage learning and career development</li> <li>• participate in learnerships and skill programmes</li> <li>• development of WSPs</li> <li>• payment of training levies</li> <li>• Establish training committees</li> <li>• Employment of Skill Development Facilitators</li> </ul> | <ul style="list-style-type: none"> <li>• Employees' willingness to grow</li> <li>• Competent and high performing sector</li> <li>• Improved service delivery</li> <li>• Training grants</li> </ul>                    | <ul style="list-style-type: none"> <li>• WSPs</li> <li>• Provide support and create a learning environment and opportunities</li> <li>• Training levies</li> </ul>  |
| 6. Training Providers | <ul style="list-style-type: none"> <li>• Provide quality training for development</li> <li>• Assessment</li> <li>• Ensure competent workforce</li> <li>• Facilitate skills development</li> </ul>   | <ul style="list-style-type: none"> <li>• Contributions towards skills development</li> <li>• Trained workforce</li> <li>• Training for development</li> </ul>   | <ul style="list-style-type: none"> <li>• Training and support</li> <li>• Skills and knowledge</li> <li>•</li> </ul>   |

(Source: Adapted from Human Resource Development Strategy for the Public Service; Skill Development for Transformation and Service Delivery: 2002/06)

## 5.4 NATURE OF THE SELECTED SOUTH AFRICAN CASE STUDIES

The South African cases that have been selected for this study are public and private organisations. The public institutions fall under the Department of Safety and Security and report to the Minister of Safety and Security through the Director General. The private organisations have to register with the South African Revenue Services (SARS), with the Private Security Industry Regulatory Authority (PSIRA) who in turn report to Parliament through the Minister of Safety and Security. All the cases presented have their core business directly related to private security and their interactions are specifically focused on the Private Security Sub-sector. Their business interest and focus is legislated and they operate according to the prescriptions of relevant legislation.

It is worthwhile to examine the implementation of current legislative and regulatory framework for skills development by these organisations to determine best practices for reviewing and formulating effective, reasonable and realistic frameworks and to improve flawed legislation where it does exist. Further, regulatory frameworks are futile without adequate enforcement mechanism (Messner, 2008: 146). The need for good legislative and regulatory frameworks cannot be over emphasized. It is important for the industry to feel the need to be regulated because of its close to being policing or military in nature. In that case it will realise the incentives and benefits thereof as well as to understand them so as to be able to justify the basis of legislation and regulation. The discussions are based on activities from the following South African Safety and Security Industry organisations which are under the Department of Safety and Security:

- 5.4.1 Case Study One: Private Security Industry Regulatory Authority (PSIRA)
- 5.4.2 Case Study Two: Safety and Security Education and Training Authority (SASSETA)
- 5.4.3 Case Study Three: Selected Large, Medium and Small Companies in the Private Security Sub-sector.

#### 5.4.1 Case Study One: Private Security Industry Regulatory Authority (PSIRA)

The Safety and Security Ministry has attempted, with some degree of success to regulate the training activities of the Private Security Sub-sector industry. This has ensured that the sector has capacity and skills while also acting within the law. Table 5.3 is a comparison of PSIRA regulatory objectives, initiatives taken and outcomes thereof:

Table 5.3: Comparison of PSIRA regulatory objectives, initiatives taken and outcomes thereof.

| <b>Objective</b>   | <b>Initiatives</b>  | <b>Outcomes</b>  |
|--|---|--|
| To regulate practises in the Private Security Industry   | Provision for the governance of the Authority by a Council of persons who are independent of the private security industry<br><br>Promulgated an enforceable code of conduct for security service providers which prescribes the procedures for its enforcement | Promotion of a legitimate private security industry by exercising control over the security service providers.<br><br>Reduction in the number of scrupulous training business  |
| To take such steps necessary to maintain standards of practise   | Enforcing punitive measures on transgression of the code of conduct including differential penalties in respect of security service providers<br><br>Establishment of SAPS Monitoring and Auditing Unit   | The protection of the rights of employee security officers.<br><br>The promotion and protection of the status of the occupation of security service providers.<br><br>Investigation of criminal cases related to PSIRA, successful arrests made. |
| To gather information relevant to one's occupation as a security officer in connection with persons who are security officers or applying for registration as such | The registration of applicant security service providers and applicant security officers<br><br>Development of a  | Existence of a computerised data base /register of all security service businesses and security officers<br><br>The collection of accurate   |



|   |   |  |
|---|---|--|
|   | <p>computerised data base consisting of all registered security officers and security businesses.</p> <p>As part of this process the screening of all persons wanting to enter into the private security industry both as employers and employees.</p>  | <p>information on the occupation of security service providers and the private security industry in general.</p> <p>Screened and vetted applicants</p>   |
| <p>*Promulgation of the Training Regulations (1992) made under the Security Officer's Act, 1987 (Act 92 of 1987)</p> <p>To determine standards of training, and the promotion of the maintenance of those standards</p> | <p>Predetermined minimum criteria and guidelines for accreditation of security officer training establishments</p> <p>Monitoring and evaluation of security officer training establishments in place</p> <p>Quality assurance of all education and training in the industry by SAQA accredited ETQA (SASSETA)</p> | <p>Prohibition of rendering of security services by non-trained security officers</p> <p>Prohibition on offering non-prescribed training courses</p> <p>Prohibition of training by non-accredited training institutions and training instructors</p> |

(Source: Adapted from the Security Officers' Act, 1987 (Act 92 of 1987) and the Training Regulations, 1992 made under the Security Officer's Act, 1987 (Act 92 of 1987)

#### 5.4.1.1 Regulation of Training in the Private Security Sub-sector by PSIRA

In 1987, The Minister of Law and Order, after consultation with the Security Officer's Board, under section 32(1) of the Security Officer's Act, 1987 (Act 92 of 1987), made training regulations for the training of Security Officers. Since 1987, the Safety and Security Department, through the Private Security Industry Regulatory Authority (PSIRA) defined the primary objectives of the Authority. The primary objectives of the Authority are

to regulate the private security industry and to exercise effective control over the practice of the occupation of security service provider in the public and national interest and in the interest of the private security industry itself.

The training regulations for the training of Security Officers came into operation in 1992 (Regulations made under Section 32(1) of the Security Officer's Act, 1987(Act 92 of 1987). The training regulations set out to control and promote the training of security officers. In addition, it guided the PSIRA on determining different training levels for different categories or grades of security officers, and should for that purpose take into consideration such different categories or grades of security officers as may have been determined under the Wage Act, 1957 (Act 5 of 1957). The regulations suggested how the PSIRA should determine the contents of training courses which the Board regards as the most suitable for the training of security officers. They also give guidance on determination of different training levels for different categories or grades of security officers. In addition to the above, the regulations give instructional objectives to be achieved with regard to any training modules offered, determine the most suitable minimum time periods for the practical and theoretical training, respectively, determine the best methods and procedures for the testing and evaluation of trainee security officers, from time to time compile, amend or substitute, an Instructors' Training Manual (Training Modules) with respect to security officers of the relevant grades or categories.

As contained in the Private Security Industry Regulatory Act, 2001 (Act 56 of 2001), the PSIRA Board receives and evaluates applications from persons, boards, institutions or other bodies for accreditation by the Board as training establishments for the training of security officers. The Board may issue to any successful applicant for accreditation as a training establishment for security officers, an accreditation certificate in the form determined from time to time by the Board. It may also receive an application from any person for accreditation by the Board as a training instructor at any accredited training establishment for the training of security officers while able to issue to any successful applicant for accreditation as a training instructor at any accredited training establishment for security officers, an accreditation certificate in the form determined from time to time by the Board (Regulations made under section 32(1) of the Security Officer's Act, 1987(Act 92

of 1987). The regulations prohibit offering of non-prescribed training courses and allow no accredited training institution or accredited training instructor to offer any training course of which the contents do not substantially comply with the minimum criteria contemplated in regulations. Furthermore, the regulations prohibit the rendering of security services by non-trained employees (Annual Review, PSIRA: 2006/07)

At the end of every financial year the Private Security Industry Regulatory Authority (PSIRA) reports to the Parliament of the Republic of South Africa on its mandate of regulating. It accounts on how it has exercised effective control over the practice of the occupation of security service provision. The initiatives that are currently being undertaken and reported in the Annual Reports submitted for the financial years 2005/6; 2006/7 and 2007/8 are therefore analysed to determine the actual implementation of skills development legislation in the Private Security Sub-sector.

During 2005/06-2007/08, PSIRA conducted a number of inspections on existing security service providers as means of ensuring effectiveness and enforcement of legislation. Also, the additional purpose of these inspections was to check if compliance with regulations, registration and accreditation conditions was still being adhered to. These inspections led to a number dockets for contraventions of provisions of the statutory Code of Conduct for Security Service Providers. The charges mainly related to illegal underpayment of employees and general non-compliance with labour legislation, the deployment of untrained and unregistered security officers, as well as administrative irregularities (PSIRA Annual Reviews: 2005/06-2007/08). The nature and findings of inspections conducted will be discussed below.

To guide the Council in the implementation of training legislation as well as its business, PSIRA responded to a Strategic Plan that it had adopted. The strategic plan prioritised strategic objectives of promoting high standards in the training of security officers and prospective security service providers as well as compliance with legislation. (PSIRA Annual Review: 2006/07)

The State has significant interest in regulating training in the Private Security Sub-sector for a number of reasons. With an annual turnover of approximately R50 billion per year, the South African private security industry has made a significant mark on our country's economy. However, in such a big industry the importance of continuously improving its standards is paramount (Kempen: 2008). This growth of the industry poses major challenges, such as, the need to tighten the regulatory framework and to increase PSIRA's enforcement capacity so as to regulate the industry more effectively (PSIRA Annual review: 2006/07). Over and above this, the sector being in the safety and security sector has a potential for violence in its operations (even if in self-defense) and by its nature has to work within legal frameworks. The services provided by companies within the industry have the potential to affect the power projection capabilities of potential rivals within the industry, and the state finds it within its interest to regulate such power projection (Avant, 2005:65). Also, there is potential that the behavior of private companies in this industry could affect the reputation of the state. For these reasons, and more, it is reasonable that the state would seek to regulate the private security industry to ensure that it is equipped with critical skills and compliance to legislation.

#### **5.4.1.2 Training Regulatory Law Enforcement by PSIRA**

The PSIRA is responding to the need to regulate the private security industry by ensuring compliance to skills development regulations and legislation. It investigates challenges and non-compliances in the sector by conducting monitoring, inspections and audits of Security Businesses in all South African Provinces. These compliance audits expose businesses that contravene the provisions of the statutory Code of Conduct for security service providers (PSIRA Annual Review: 2006/07). These include offences such as operating businesses without registration, employing untrained and unregistered security officers, illegal underpayment of security officers, compliance with labour legislation and criminal offences. With each non compliance reports are produced and dockets are opened and follow ups are made according the punitive action that needs to be taken.



Table 5.4: Audits conducted and improper conduct investigation docket opened within the period of 2005/06 – 2007/08

|                 | Audits conducted | Dockets opened | % non compliance |
|-----------------|------------------|----------------|------------------|
| 2005/06         | 6527             | 1738           | 26.6             |
| 2006/07         | 6377             | 1480           | 23               |
| 2007/08         | 6874             | 1433           | 20.9             |
| <b>AVERAGE:</b> | <b>6592</b>      | <b>1550</b>    | <b>23.5</b>      |

(Source: Adapted from PSIRA Annual Reviews: 2005/06 - 2007/08)

Table 5.4 reflects that the percentage of non-compliances improved from 26.6% to 20.9% over a period of three years. The reduction in non-compliances is an indication of growth in awareness and compliance to legislation by the sector.

The Security Officer's Act, 1987 (Act 92 of 1987) through a Government Gazette Notice 2399 with effect from the 1 April 1991, prohibited any person from rendering security service unless that company or close corporation is registered with the Board as a security company. Over and above this requirement, no employee of a person rendering a security service shall allow that he or she be used in the course of his/her employment for rendering a security service unless he/she is registered with the Board as a security officer. This section of the Act clearly indicates the controls and monitoring responsibilities that are placed on the Board to ensure compliance to legislation. It is for that reason that inspection and monitoring of service providers centers on different types of inspections.

As an important step in ensuring the capacity at PSIRA, the Council initiated a human resource audit of the Authority. The audit entailed a structural assessment of the organisation, including staffing requirements and the appropriate grading /remuneration levels. The Audit was also intended to inform the Council on whether the organisation in its various staffing positions, has the requisite skills to best discharge its mandate. With the enormous task of having to regulate such a huge and fast growing industry, it was also important for the human resources audit to inform the Council on any possible misalignment between skills and positions for immediate rectification (PSIRA Annual review; 2005/6). As a result of this audit, the Law Enforcement Division has been given

priority attention by giving it additional resources. Additional inspectors were employed and the vacant positions for branch managers at provincial branches were addressed. Support staff was also increased for administration work.

Routine inspections were conducted at centers run by accredited training providers as well as at other centers following changes of address, which led to the approval of some centers concerned. Results of the 2005/06 to 2007/08 inspections are summarised in Table 5.5 below.

Table 5.5: A breakdown of the type of inspection conducted from 1 April 2005 to 31 March 2008

|  | 2005/06 | 2006/07 | 2007/08 |
|--|---------|---------|---------|
| Total number of routine/regulatory/training/infrastructure/accreditation/Inspections conducted | 6527    | 6377    | 6874    |
| First-time inspections   | 1334    | 1242    | 1503    |
| Triggered inspections  | 1862    | 1643    | 1630    |
| Infrastructure inspections   | 977     | 765     | 1404    |
| Total  | 10700   | 10027   | 11411   |

(Source: PSIRA Annual Reviews: 2005/06 - 2007/08)

The first-time inspections referred to above relate to the inspection of businesses that have not been subjected to an inspection since their date of registration. These businesses are newly registered businesses. Triggered inspections relate to inspection of businesses that that have been reported through complaints made via the help desk and telephonic, written or personal complaints, the Internet, newspaper articles and debtor clerks at PSIRA (PSIRA Annual Reviews 2005/06-2007/08).

Over the period under study, the number of inspections conducted has increased. The highest number of inspections conducted was on triggered inspections. There was an increase in the number of complaints received from the industry players themselves about non-compliant practices in their own ranks. This indicates an increase in self-regulation within the industry as well as a positive result of more effective regulation and greater

compliance (PSIRA Annual review: 2006/07). Furthermore, this increase in complaints received reflects greater accountability to the marketplace. This also indicates growing levels of awareness among consumers of private security services about the rights and obligations of consumers vis-à-vis those of the service providers. Marketplace accountability is a means of holding the private security industry liable for its conduct. The PSIRA Law Enforcement Division ensures that its operational policy prioritise following up on complaints and infrastructure inspections, after which attention can be given to other complaints. Routine inspections were conducted, depending on the particular area visited, on the basis of when last an inspection of a particular security service provider was conducted.

At the core of the implementation of skills development legislation is a need for a strong commitment by all service providers to ensure that they continue to strengthen the most important vehicle available to the state to achieve its goals for changing the Private Security Sub-sector skills development. Service providers have to ensure that skills within the sector are increased to improve productivity and the competitiveness of the industry. For the private security service providers to deliver on their mandate of provision of high quality service they must be guided by the ethos of excellent service delivery and the quest to empower the individual employees as well. It is in that regard that to ensure excellent service delivery, inspections conducted focused on different aspects of compliance requirements such as routine, regulatory, training, infrastructure, and accreditation inspections.

In a Budget Votes 22 and 20 speeches of the Department of Safety and Security, presented by the Minister of Safety and Security and Independent Complaints Directorate, Charles Nqakula, MP, at the National Assembly, Cape Town, 4 June 2008 , a concern was raised that the last few years have seen the mushrooming of private security companies. According to the Minister (4 June 2008), some of these companies are guilty of non-compliance with the laws of the country, including labour legislation resulting in mal-practices such as the exploitation of workers. To deal with this problem, a commitment to strengthening the legislative and regulatory framework within which the private security companies operate was made. In his speech, the Minister of Safety and

Security and Independent Complaints Directorate, further committed that the powers of the secretariat for the Department of Safety and Security will be extended to allow the monitoring the activities of the private security companies in conjunction with the Private Security Industry Regulatory Authority (PSIRA).

An outline of the categories of private security businesses that are registered and inspected by PSIRA is depicted in Table 5.6 below:

Table 5.6: Category or Class of Security Service Provider that are registered and inspected by PSIRA

|     |   |
|-----|---|
| 1.  | Commercial/Industrial/Residential/Guarding or Patrolling  |
| 2.  | Assets in transit   |
| 3.  | Close protection Services   |
| 4.  | Reaction and response services and monitoring signals from security equipment (control room)        |
| 5.  | Ensuring safety and order on premises (special events)  |
| 6.  | Car watch or related activities   |
| 7.  | Providing advice on the protection of persons/property (consultants/advisors)                       |
| 8.  | Installing, servicing or repairing security equipment   |
| 9.  | Private investigators   |
| 10. | Providing security training or instruction as well as accreditation                                 |
| 11. | Providing the services of a locksmith   |
| 12. | Making persons or their activities available for the rendering of security service (labour brokers) |
| 13. | In-house  |
| 14. | Manufacturing, importing, distributing or advertising of monitoring devices                         |

(Source: PSIRA Annual Review 2005/06)

Given the reality of the problem of non-compliance, it is reasonable that PSIRA would seek to clearly define and categorise security service providers that need to be regulated and monitored. In that regard, the Training Regulations clearly listed the Security Service Providers that needed to register and prescribed how they should be evaluated. The PSIRA then prioritised the monitoring of all the listed categories of private security business to ensure compliance to legislation.

During the period under study, PSIRA inspected a number of different categories of security service providers nationally. The numbers of businesses inspected for routine purposes of compliance to training regulations, availability and suitability of infrastructure and for purposes of accreditation are listed below in table 5.7:

Table 5.7: Statistical information on the different categories of security service providers inspected by PSIRA nationally during the financial years 2005/06-2007/08

|                                  | 2005/06   | 2006/07 | 2007/08 |
|----------------------------------|---|---------|---------|
| <b>Provinces</b>                 | <b>Total Number of Routine /Regulatory /Training/Infrastructure/Accreditation/ Inspections conducted per province</b> |         |         |
| <b>Gauteng</b>                   | 2523  | 2314    | 2185    |
| <b>Mpumalanga</b>                | 431   | 438     | 644     |
| <b>Limpopo</b>                   | 485   | 493     | 486     |
| <b>North West</b>                | 418   | 409     | 333     |
| <b>Free State/ Northern cape</b> | 447   | 389     | 382     |
| <b>Western Cape</b>              | 1060  | 1017    | 957     |
| <b>Eastern Cape</b>              | 382   | 485     | 365     |
| <b>KwaZulu Natal</b>             | 781   | 832     | 1522    |
|                                  |   |         |         |
| <b>Total</b>                     | 6527  | 6377    | 6874    |

(Source: PSIRA Annual Reviews 2005/06-2007/08)

The trend that has emerged from these compliance audits indicates that there has been considerable improvement with respect to registration of security service providers, registration of security officers and course reports from the financial years 2005/06, 2006/07 and 2007/08. Analyses of the registration records from the audits reflect steady progress with respect to growth of the industry as well as compliance to legislation (PSIRA Annual Reviews: 2005/06-2007/08). The results are summarized in Table 5.8 to 5.12 respectively:

Table 5.8: Growth of the industry in size from 2005/06 to 2007/08

|   | 2005     | 2006     | 2007      | 2008      | % growth |
|---|----------|----------|-----------|-----------|----------|
| Active registered security/guarding/Cash in Transit/armed response businesses | 9 648    | 10 543   | 10 961    | 13 086    | 73       |
| Active registered security officers   | 288, 686 | 296, 901 | 307,343   | 339,108   | 85       |
| Registered security officers (active & inactive)                              | 918,533  | 982,396  | 1,083,659 | 1,197,593 | 77       |

(Source: PSIRA Annual Reviews –2005 /06; 2006/07 and 2007/08)

Table 5.8 reflects the actual number of Active registered security/guarding/Cash in Transit/armed response businesses, active security officers and registered security officers (active & inactive). A statistical comparison of financial years 2005, 2006, 2007 and 2008 reveals that there is a steady and consistent increase of companies that are compliant to legislation. In particular, the categories of security companies and security officers that are listed above show compliance with registration requirements.

Nine thousand six hundred and forty eight (9648) security service providers were recorded on the PSIRA's register as at 1 April 2005 as compared to 13086 active registered security businesses as at 1 April 2008. This represents an increase of 73% of security service providers in a period of three years. With respect to active registered security officers, 288,686 were recorded in the register of security service providers as at 1 April 2005 as compared to 339,108 active registered security officers as at 1 April 2008 with an increase of 85% in three years. With respect to registered security officers (active and inactive), a further 918,533 were recorded as at 1 April 2005 as compared to one million, 1,197,593 recorded in the PSIRA register as at 1 April 2008 indicating an increase of 77% in three years.

While it is clear that a lot of work has been done in terms of developing a legislative framework for skills development for the Private Security Sub-sector, the test is always in the successful implementation and effective translation of legislation into strategic plans and implantation thereof. In light of the above claim from Tables 5.7 and 5.8, it can be argued that effective implementation and enforcement of legislation has yielded better results in terms of achieving PSIRA strategic objectives. Strong and timeous monitoring

and adequate intervention through regular audits of business practices enabled the PSIRA to meet the desired goals and continuous improvement. Clearly, it is evident that some progress is being made in this regard, but the fact that there are dockets opened after each audit session indicates some transgressions that need to be looked at closer for the purposes of credible business practice and for the protection of sector reputation. This means that not only is the sector enforcing the registration requirements and prescriptions, but comprehensive monitoring is also being effected through regular audits and inspections. This indicates vigilance on the part of the implementers of legislation.

With response to the PSIRA strategic objective of promoting high standards of training of security providers and prospective security service providers, accredited security training centers were monitored through different types of audits. These audits included classroom capacity, adherence to the occupational Health and Safety Act, accreditation, and course content. Another area of concern that was highlighted in the Ministry of Safety and Security and Independent Complaints Directorate is that the conditions of service of workers in the industry that leave much to be desired (Budget Vote 22 and 20, speech by Charles Nqakula, MP, Minister for Safety and Security, National Assembly, Cape Town; June 2008). The Minister complained about recruitment practices in the industry that are said to be erratic, thus exposing the industry to possible infiltration by criminals. Flowing from challenges posed by weaknesses in the recruitment process, the private security industry discussed with the Ministry for Safety and Security and the police, the necessity to subject the industry to security vetting, in terms of the recruitment processes as well as the vetting of the service providers. The issue of vetting of service providers as well as lack of continuous evaluation and vetting beyond the initial process were also raised as a concern.

It is reported that the Private Security Sub-sector has also borne witness to a number of incidents of training by illegitimate, non-registered and non-accredited training providers (PSIRA Annual Review: 2005/06). In view of this past practice, it is important that role players in the sector guard against illegal practitioners while genuine service providers continue with their positive work unrestricted. The audits conducted covered the period from 1 April 2005 to 31 March 2008 as set out below. The security businesses audited

were categorized according to large, medium and small businesses. For the purpose of this statistical information, a small business is regarded as employing fewer than 20 security officers, a medium one, 21 to 50 security officers and large one, 51 and more security officers:

Table 5.9: Statistics on inspections conducted at large, medium, and small private security companies from 2005/06 to 2007/08

|                           | 2005/06 | 2006/07 | 2007/08 |
|---------------------------|---------|---------|---------|
| Small Businesses          | 3302    | 3314    | 4152    |
| Medium Businesses         | 1142    | 1168    | 804     |
| Large Businesses          | 1106    | 830     | 514     |
| Infrastructure & capacity | 977     | 1065    | 1404    |

(Source: PSIRA Annual Reviews: 2005/06 to 2007/08)

Efforts to promote ethical practices constitute an important aspect of the skills development legislation implementation process. According to the PSIRA Annual Reports (2005/06 – 2007/8), the inspected businesses mentioned above in table 5.6 were obliged to comply with a Code of Conduct prescribed under Section 28 of the Private Security Industry Regulation Act, 2001 (Act 56 of 2001) by the Minister of Safety and Security. The code of conduct is legally binding on all security service providers, irrespective of whether they are registered with the Private Security Industry Regulatory Authority or not. For instance, all security service providers must comply with all obligations imposed by law on them aimed at the training and skills development of their employees. They are required to, before employing any person as a security officer, take all reasonable steps to verify the registration status as security service provider, level of training, qualifications and all other relevant facts concerning such a person.

Improper conduct by a security service provider includes contravention of a provision of the Act, committing of an offence contemplated in the Schedule to the Act, failure to comply with a provision of the Skills Development Levies Act, 1999 (Act 9 of 1999), failure to comply with a provision of the Code of Conduct (2003), and being guilty of improper conduct and on conviction liable to various penalties prescribed in the Code of Conduct



(regulation 25: 2003). These penalties include a warning or a reprimand; suspension of registration as security service provider for a period not exceeding 6 months; withdrawal of registration as security service provider; a fine not exceeding R10 000, which is payable to the Authority; publication of appropriate details of the conviction of improper conduct and any penalty imposed; or any combination of the above.

According to Chapter 3 section 11 (7) of the Code of Conduct, a security service provider must, at his or her own cost and as often as it is reasonable and necessary, but at least once a year, provide training or cause such training to be provided, to all the security officers in his or her employ to enable them to have a sufficient understanding of the essence of the applicable legal provisions regarding the regulation of the private security industry and the principles.

The Code of Conduct (2003) prescribes a number of obligations to Security Service Providers providing security training including provision of security training which is of a high quality, employing training methods and materials which are the most suitable in the circumstances in order to promote and achieve the officially approved outcomes. The training provider may only provide security training in terms of his or her own qualifications and official accreditation or authorisation, and must comply with every condition attached to such accreditation or authorization and must provide security training in accordance with all legal provisions applicable to such training. The enforcement of the Code of Conduct (2003) through inspections revealed the number of transgressions listed below. Improper Conduct Enquiries Regulations are incorporated into this Code.

Table 5.10: Improper conduct (breaching of Code of Conduct) investigations conducted by PSIRA

|                   | 2005/06 | 2006/07 | 2007/08 | Total |
|-------------------|---------|---------|---------|-------|
| Small Businesses  | 960     | 871     | 893     | 2724  |
| Medium Businesses | 350     | 259     | 252     | 861   |
| Large Businesses  | 428     | 350     | 288     | 1066  |
|                   | 1738    | 1480    | 1433    |       |

(Source: Adapted from PSIRA Annual Reviews (2005/05, 2006/07 and 2007/08))

With reference to the statistics in table 5.10 above, it is quite evident that measures are in place to apprehend transgressors for punitive action by the Council. The statistics show gradual decrease in the number of transgressions committed over the period under study from 1738 to 1433 with the majority of culprits being from small businesses.

The PSIRA Board compiled guidelines for the evaluation and monitoring of security officer training establishments (Training Regulations, made under the Security Officers Act, 1987 (Act 92 of 1987)). PSIRA published a document: with minimum criteria and guidelines for the evaluation of training establishments. These criteria and guidelines describe accreditation and registration requirements within the structures and processes required for implementing accreditation policies and mechanisms by training establishments. The accreditation of training establishments is therefore firmly based within the functions of PSIRA, which is tasked to ensure quality of learning provision and learning achievement.

While it is clear that a lot has been done in putting the skills development legislative framework together, the critical aspect is on the successful and effective implementation thereof. The sequel of this effective implementation is to leverage the opportunity presented by job creation, stimulating the economy, combating crime and promoting social cohesion. In an effort to ensure delivery and effective implementation, the government encourages collaboration among stakeholders in the Private Security Sub-sector. The ETQA Regulations (RSA, 1998) prescribed a principle of one provider one accreditation. To avoid duplication, this principle prevents training providers from dual accreditations by the Private Security Industry Regulatory Authority (PSIRA) and the Safety and Security Sector Education and Training Authority (SASSETA), since they were both involved in skills development in the Private Security Sub-sector. In that regard, an initiative was taken by these two organisations through a Memorandum of Understanding (MoU) signed between them, SASSETA and PSIRA. In terms of the MoU, SASSETA assumed the accreditation and quality assurance responsibility of all training conducted within the private security industry whilst the Private Security Industry Regulation Act (Act 56 of 2001) stipulates the requirement that all those who fall within the definition of "security service provider" (which includes persons providing training in the security field) must

comply with the registration provisions and be registered with PSIRA before becoming active in the industry.

The MoU also addressed the alignment of the PSIRA grades (the old training standards which the NQF is moving away from) to the SASSETA skills programmes that are made up of various SAQA registered unit standards. The communiqué also informed training providers who are registered with PSIRA and offering the grades and other specialised training as well as SASSETA-accredited training providers of the new proposed statutory training standards for the private security industry, and to advise the industry on accreditation procedures with SASSETA. Illustrated below in Table 5.8 is the alignment of PSIRA Grades with SASSETA NQF aligned Unit Standards:

Table 5.11: Alignment of Grades and other PSIRA programmes to NQF-registered Unit Standards that are accredited by SASSETA

|  |   |
|--|---|
| 1. Grades “E” to “C”                       | The qualification, General Security Practices, has been sub-divided into three skills programmes with a minimum skills entry-level requirement for each skills programme. The three skills programmes address (incorporate) the traditional PSIRA Grades “E – C” courses. This provides learner compliance with the PSIRA Act, 56 of 2001 and the opportunity of entering the workplace for a career in the private security industry.  |
| 2. Grades “B” to “A”                       | Unit standards on NQF level 3, 4 and 5 have been identified and clustered in two skills programmes. These skills programmes incorporate the traditional PSIRA grades “B – A” courses.   |
| 3. Specialists and other Security Services | Unit standards on NQF level 4 have been identified. In most cases, the minimum grades or equivalent skills programmes must be completed successfully prior to a learner entering the specialised field, i.e. <ul style="list-style-type: none"> <li>• Assets in Transit – Grade “C” or Skills Programme 3</li> <li>• Reaction Officer – Grade “C” or Skills Programme 3</li> <li>• Special Events – Relevant Skills Programme depending on the security service rendered</li> <li>• Aviation Security – Relevant Skills Programme depending on the security service rendered</li> </ul> |
| 4. Electronic Security Industry            | Unit standards within the following qualifications have been identified: <p>Electronic Security Practices (NQF level 4)</p> <ul style="list-style-type: none"> <li>• Security Management and</li> <li>• Electronic Security (NQF level 5) Electronic security equipment includes, inter alia, the following: <ul style="list-style-type: none"> <li>• Detection Devices;</li> <li>• Audible and Visual Warning Devices;</li> </ul> </li> </ul>  |

|                         |   |
|-------------------------|---|
|                         | <ul style="list-style-type: none"> <li>• Cameras;</li> <li>• Monitors and Control Equipment;</li> <li>• Control Panels;</li> <li>• Electric and Mechanical Fire Safety and Fire Locking Systems and</li> <li>• Security Doors and Door Controls.</li> </ul> |
| 5.Private Investigators | Unit standards on NQF level 5 have been identified and clustered in a skills programme for Private Investigators.   |
| 6. Dog Handlers         | Unit standards were grouped in clusters to develop skills programmes, in order to compare it with the current PSIRA “DH 1” to “DH 5” courses.   |

(Source: <http://www.psira.co.za> : Retrieved 20 October 2008)

On the part of this particular case study, cooperation between the two organisations PSIRA and SASSETA as well as a firm commitment to working together is shown through the joint MoU and Communiqués. The joint regular communiqués show well planned and communicated efforts and the sharing of a common goal, which stands a chance of being achieved. When inclusive and sound planning principles are not followed and, as more often than not, policies are fraught with discrepancies, they inevitably fail to achieve the desired results (Ile 2007:149). In this case study the critical mix for project efficiency indicates planning from both organisations with commitment to building the necessary partnership which has been managed through effective communication, which led to improved capacity and resource availability, thus helping delivery across the sector.

One of the most important issues in the PSIRA/SASSETA interaction was the alignment of and comparison between the accredited courses in terms of the Training of Security Officers Regulations, 1992 and the NQF Registered Unit Standard of the National Certificate in General Security Practices. This alignment is not only crucial to the recognition of prior learning, but also will determine the basis for the new statutory training qualifications for all security officers in the industry. The Authority alluded to the fact that it will, in due course, have to repeal the Training of Security Officers Regulation, 1992 and replace the minimum training requirements for security service providers with an outcomes-based system built on the unit standards and qualifications registered on the National Qualifications Framework (NQF) and quality assured by SASSETA. As stated

earlier, the alignment process will set the basis for new training regulations in the security industry (PSIRA Annual Report: 2006/07).

Other initiatives that have been undertaken by PSIRA include collaboration with SAQA and SASSETA to discuss the security qualification for an event especially in view of the 2010 Soccer World Cup, and the application of information technology for training providers presenting NQF-registered skills programmes (PSIRA Annual Report: 2005/06).

#### **5.4.2 Case Study Two: Safety and Security Sector Education and Training Authority (SASSETA)**

As the custodian of skills development in the Safety and Security Sector, the Safety and Security Sector Education and Training Authority (SASSETA) has an obligation to submit to the Department of Labour a Business Plan. This business plan is the basis on which the SETA sets annual targets, operational goals and performance standards, allocates its staff, and determines its budget. With the amendments to the Skills Development Act, 1998 (Act 97 of 1998), the powers of the Minister to regulate the SETAs performance were increased. The Service Level Agreements that are signed between the Department of Labour and the SETA are made mandatory and legally binding. The professional monitoring and review of SASSETA performance is now even more crucial.

The Ministerial Programme of Action (2004 - 2009) commits the Department of Labour to a Programme of Action that is focused on accelerating the effective and efficient implementation of government policies in the labour market. Accompanied by ongoing institutional transformation, the programme also entrusts the department with enhancement of service delivery as well as with the implementation, monitoring and evaluation of the impact of the government policies. These policies include skills development policies. In accordance with the Skills Development Act, 1998 (Act 97 of 1998), the Minister of Labour established the Safety and Security Sector Education and Training Authority (SASSETA) as the institution that shall have the responsibility of implementing the Skills Development Legislation for the Private Security Sub-sector. Its approach to the implementation of its mandate is through the development and implementation of a Sector Skills Plan (SSP), promoting learnerships and registering

learnership agreements, accrediting training providers and collecting and disbursing skills development levies in the safety and security sector. In addition, SASSETA is required to liaise with the National Skills Authority (NSA) on the national skills development policy, National Skills Development Strategy (NSDS) and its Sector Skills Plan (SSP).

#### **5.4.2.1 Training rate of SETAs in comparison to International Trends**

One of the indicators of effectiveness of skills development legislation is the measure of the distribution of access to training among workers. The training rate is a measure of the proportion of workers who received some form of training in a specified time period, and is expressed as a percentage. To enable a broader perspective of training, it is imperative that we first look at the training rate of the economic sectors as a collective so that a comparative analysis can be conducted. This exercise will give us an indication of how the training rate in the Private Security Sub-sector compares with the rest of the South African economic sectors.

Results obtained from a study conducted by the Department of Labour (2005: 32) revealed that the training rate among permanent workers in private enterprises was 25% (Table 5.12). This means that 1 in 4 workers in South African enterprises received training in the 2002/03 financial year. The training rate for medium sized enterprises was slightly higher than for large enterprises while that of small companies was the lowest. This finding pertains to training in enterprises through out South Africa. A comparative analysis of the training rate of South African enterprises, of SASSETA and that of the Private Security Sub-sector could reveal trends, common practises as well as contributing factors to the findings. This comparative analysis could also reveal best practise among the various sizes of enterprises in the Private Security sub-sector.

The above training results compare favourably with international trends in similar training. The above illustrated training rate compares with comparative data for the Organisation for Economic Co-operation and Development (OECD) countries. The South African private enterprise training rate measure is similar to that achieved by South Europe and countries such as Spain and Italy, but is lower than the Nordic countries, France and the United Kingdom.

Table 5.12: Participation rate of adult workers in training in selected OECD countries

| Country                | Measure           |              |              |              |                     |
|------------------------|-------------------|--------------|--------------|--------------|---------------------|
|                        | IALS<br>1994-1998 | ECHP<br>1998 | CVTS<br>1999 | ESWC<br>2000 | National<br>sources |
| Australia              | 41,4              | -            | -            | -            | 47,0                |
| Germany                | -                 | 32,1         | 32,0         | 30,1         | 42,0                |
| Ireland                | 26,2              | 21,2         | 41,0         | 30,4         | -                   |
| Italy                  | 28,4              | 12,2         | 10,0         | 20           | -                   |
| Portugal               | 15,7              | 7,0          | 17,0         | 12,1         | -                   |
| Spain                  | -                 | 22,6         | 25,0         | 17,8         | -                   |
| Sweden                 | 59,2              | 67,1         | 61,0         | 26           | 45,0                |
| United Kingdom         | 53,7              | 44,4         | 49,0         | 47,6         | -                   |
| Unweighted<br>average: | 40,8              | 28,3         | 34,3         | 31,3         | none                |

(Source: Department of Labour; State of Skills in South Africa: 2005)

The above comparison of South African training can be regarded as tentative as benchmarking the performance of South Africa against other countries in a meaningful way is difficult (Department of Labour; State of Skills in South Africa: 2005). The difficulty is attributed to the fact that measures of training are influenced by methodological, contextual, and cultural factors. It is these contextual factors that make comparisons cautious. At the same time, the training rate for the Private Security Sub-sector in South Africa falls within the very wide range of statistics on training in the OECD, and suggests that the South African training rate is roughly comparable to those achieved in some economies in Southern Europe and that South Africa is not such a bad performer in skills matters as is generally assumed (Department of Labour: State of Skills in South Africa, 2005: 33). The 2005/06 NSDS Implementation Report reports that the re-establishment of the SETAs most of the first quarter of 2005/06 was used to set up implementation systems and it is only on the second quarter that progress was realised.

#### **5.4.2.2 Selective overview of skills development by the Safety and Security Education and Training Authority (SASSETA)**

According to the Ministerial Programme of Action (2004 – 2009; 12), since 2001 about 3,9 million workers have participated in structured training by all the twenty three SETAs. Of the 3,9 million, 2,2 million learners successfully completed their training. These learners benefited from new NQF aligned learning programmes, new approaches to implementing workplace-based learning and financial incentives. Of these learners, 7895 successfully completed learning programmes (learnerships and apprenticeships) during the period between 2005 and 2008 under SASSETA assisted initiatives (SASSETA Annual Reports; 2005/06 – 2007/08). Since the figure 2,2 million is the total output of the 23 SETAs, an average of 95,652 learners are supposed to have graduated from each SETA including SASSETA. Instead, only 7895 learners graduated from SASSETA during the same period which is far less than the average number (87,757 less).

The main priority of the Safety and Security Sector Education and Training Authority (SASSETA) as embedded in its mandate has been to implement the National Skills Development Strategy (NSDS) in the Private security sub-sector. The first objective of the NSDS is to develop a culture of high quality life-long learning for skills development for productivity and employment growth, for employability and assisting new entrants into the employment market. Through the National Skills Development Strategy, SASSETA has to ensure quality provision of skills development and qualifications in the safety and security environment through effective and efficient partnerships. In order to achieve this ideal, a comprehensive skills development system that enables access to training and development has been developed. SASSETA has developed a tool for enabling its stakeholders and staff to understand the SETA business objectives in all aspects of the organisation through a Business Plan (SASSETA Business Plan: 2005/06). These business objectives are outlined in Table 5.13 below. They are compared to the initiatives actually undertaken in the implementation of the skills development legislation as well as the outcomes thereof.



Table 5.13: Comparison of SASSETA skills development objectives, initiatives taken and outcomes thereof.

| <b>SASSETA Objectives</b>  | <b>Initiatives by SASSETA</b>  | <b>Outcomes</b>  |
|--|--|--|
| To develop a Sector Skills Plan (SSP).                               | A pre-designed tool from the Department of Labour is provided to SASSETA to provide its registered employers with a standard user-friendly tool for completion and submission of Workplace Skills Plans (WSP)s.  | Records of training and development and assessment planned in preparation for implementation known for each year;<br><br>SASSETA Scarce and Critical Skills (priority skills) list are available to support ASGI-SA;<br><br>Employment trends, patterns of occupations, and skills needs of the sector are identified and training in the industry is prioritised accordingly. |
| To implement its Sector Skills Plan (SSP).                           | Learnerships are developed according to the skills needs identified in the SSPs. They are registered with the DoL.   | Funds are made available annually.<br><br>Unemployed individuals and those with low level qualifications are provided with NQF registered Qualifications   |
| To promote learnerships.   | Assisting in the conclusion and signing of learnership agreements;<br><br>Identifying workplaces for practical work experience;<br><br>Funds are made available for the development of learning materials;<br><br>Funds are made available for training and learner support. | Employers qualify for claiming tax break;<br><br>Employers also receive money for training per learner trained;<br><br>Learnership grants are received by learners;<br><br>Increase in skills pool for employers.  |
| To collect and disburse the skills development levies in its sector. | Receive, process, approve workplace skills plans;<br><br>Support of the NSDS objectives  | Employers claim back a portion of their training levy through training grants annually;<br><br>Allocating discretionary grants in the prescribed manner to employers, education and  |

|  |   |   |
|--|---|---|
|  |   | training providers and workers.   |
| To apply to the South African Qualifications Authority for accreditation as an Education and Training Quality Assurance body (ETQA). | Accredit training providers;<br><br>Monitoring and improving the facilitation of learning in the sector.  | Shift towards quality training and learning.  |
| To liaise with the National Skills Authority on policies, NSDS and SSP   | SETA develops a Strategic Plan stating priority action areas over a specific time period;<br><br>SETA signs a Service level Agreement with the DoL; | Clear understanding of the magnitude of tasks and challenges that must be addressed<br><br>Ensured delivery on the NSDS objectives. |
| To report to the Director-General on its income and expenditure, and the implementation of its Sector Skills Plan                    | Quarterly report is submitted to the DG   | Ensured and monitored service delivery.   |

(Source: Adapted from SASSETA Sector Skills Plan (2006/07/08 Reviews))

### 5.4.2.3 Implementation of the National Skills Development Strategy (NSDS) by SASSETA

Thirteen years after the promulgation of the South African Qualifications Authority Act, 1995 (Act 58 of 1995) a growing number of organisations are recognising skills development as a key element for corporate success. Many employers in the Private Security Sub-sector see skills development as an integral part of the business that must permeate throughout the organisation and be linked to business strategy. Indeed, the submission of WSPs and ATRs to SASSETA by a number of employers indicates that progress has been made in integrating skills development into the management and business strategy of the organisations. The Workplace Skills Plans (WSP)s and Annual Training Reports (ATR)s have enabled the Safety and Security SETA to develop a Sector Skills Plan (SSP) for each year of submission to provide private security stakeholders with information that will guide their skills planning strategy at the workplace (SASSETA Sector Skills Plan, 2006 Review; ii).

The implementation of the Sector Skills Plan (SSP) by SASSETA has led to a number of initiatives to improve and redress skills development in the Private Security Sub-sector of South Africa. It is noted in table 5.13 above that the improvements in skills development are identified. The implementation of the Sector Skills Plan by SASSETA reflected very strongly the interrelatedness as well as the interdependence of its sub-sectors in terms of job functions enabling greater synergy in learnerships, utilisation of infrastructure, and funding of learnerships (SASSETA Skills Plan, 2006 Review; ii). According to the SASSETA Skills Plan (2006 Review) the synergy in learnerships and utilisation of infrastructure for its subsectors strengthens alliances in addressing the common purpose in skills development. The implementation and promotion of learnerships are given highest priority. Learnerships are meant to assume the central role in skills development while skills programmes play a supplementary role (The Tourism Learnership Project, 2002) (Access<<http://www.theta.org.za>: Retrieved: 01 September 2008).

The National Skills Development Strategy (NSDS) which was developed to support the implementation of the skills development legislation has begun to have the impact of a strategic intervention towards the reduction in unemployment (Department of Labour, State of Skills: 2005). A serious challenge that SASSETA is grappling with is 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 as demanded by NSDS Objective 4 (Table 5/15).

SASSETA succeeded to increase the number of learners that completed learnership training from 6965 to 9943 during the period under study. However, of the 9932 learners who completed, none were able to find placement in neither Employment nor Self Employment (SE) opportunities. Furthermore, of the 566 learners that were trained and mentored to form sustainable new ventures none operated new ventures or had their ventures still operating 12 months after completion of new programmes (SASSETA Annual reports: 2005/06 – 2007/08). While labour market policies do contribute to the promotion of decent work, they cannot themselves create jobs. A combination of properly harmonised macro-economic, industrial as well as labour market policies is necessary for ensuring that

the economy generates enough employment opportunities to reduce the rate of unemployment (ASGISA, March 2006).

A range of integrated approaches is required for success in job creation and for learners to enter the labour market. It is in that regard that the Expanded Public Works Programme (EPWP) has become one of government's primary initiatives for creating employment opportunities and work experience for the unemployed, so that workers can be gainfully employed. The programme started in April 2004 and six months thereafter about R1,5 billion had been spent on to ensure that EPWP meets its targets in terms of the number of work opportunities created. In its first year, at least 75 000 work opportunities were created in the first six months of the financial year while targeting 130 000 work opportunities by the end of the year (Minister Stella Sigcau, 2005). The EPWP is targeting 1,000,000 unemployed people by the end of 2009 in an initiative that is focused on improving the labour market, but has in many ways left the majority of citizens outside the fold of the job market.

The Department of Labour has an obligation to ensure that jobs are available for all Citizens. Over and above, the ruling party, the ANC committed itself to providing jobs for all citizens during its electioneering campaign. This large scale programme of the EPWP therefore, is structured to use labour intensive methods to upgrade rural and municipal roads, municipal pipelines, storm water drains and paving as well as fencing of roads, community water supply and sanitation, maintenance of government buildings, housing, schools and clinics, rail and port infrastructure, and electrification infrastructure to provide more jobs. The Private Security Sub-sector benefits in all the ventures as the security officer's services are utilised at all times in these initiatives (ASGISA, March 2006).

In examining the operational systems of training support by the SASSETA, the study has revealed that the Skills Development Levies Act, 1999 (Act 9 of 1999) aims to increase the amount of funds spent on education and training in the workplace and ensure that the money is well spent. It also sets up the rules for the collection of training levies. While only some employers have to pay the levy, every employer must register as an employer with SARS whether or not they are exempt from paying levy. This enables SARS to have a

record of every employer in the sector. SASSETA has a mandate of collecting the skills development levies in the Private Security Sub-sector and disbursing training grants that are claimed by employers in its sector. According to the SASSETA Annual Reports 2005/06 - 2007/08, Skills Development Levy income collected is as reflected below:

Table 5.14: Skills Development Levy income collected by SASSETA in 2005/06 - 2007/08

|                                  | 2005/06 (Million) | 2006/07<br>(Million) | 2007/08<br>(Million) |
|----------------------------------|-------------------|----------------------|----------------------|
| Employer Grants                  | 39,860            | 54,302               | 63,596               |
| Discretionary Grants             | 15,708            | 20,713               | 25,454               |
| Project Expenditure              | 45,986            | 38,581               | 43,337               |
| Skills Development Levy : Income | 101,554           | 113,596              | 132,387              |

(Source: Adapted from SASSETA Annual Reports: 2005/06-2007/08)

Over the years there has been an increase in the skills development levy collected which is largely due to employer grants and discretionary grants. The table 5.14 above reflects this increase. The percentage increase in collected levy between the first two years was 11.9% and between the following two years was 16.5%. Of the collected levy, project expenditure remains stagnant i.e. R45m, R38m and R43m over the consecutive financial years (2005/06, 2006/07 and 2007/08). The government's programme of skilling the Private Security Sub-sector through the SASSETA has been promoted, and resources have been increasingly committed over the years to meet the desired goal. Between 2005 and 2008, of the R126m spent on projects, a total of R65, 730,000 budget was approved for Private Security skills development projects. An analysis of the SASSETA project portfolio matrix reveals that of the R65, 730,000 budgeted for projects R10, 253, 956 was spent in 2005/06, R25, 482,720 was spent in 2006/07 and by January 2007, R32, 017,280 was unspent (SASSETA Board Report: Dec 2007). This means that over a period of three financial years only half of the budgeted funds were spent on planned projects. This is of serious concern as this under spending of budgeted funds indicates a lack of capacity in management as well as a lack of monitoring by leadership. From the discussion above it is

clear that SASSETA has experienced successes as well as failures in many of its NSDS programmes.

To enable unemployed workers to be assisted to enter learning programmes and access scarce skill training, SASSETA makes funding in the form of discretionary grants available. These grants include grants for learnerships, bursary grants, internship grants and study support to learners acquiring basic entry, intermediate and high level scarce skills identified as scarce in the sector (Department of Labour, 2005c). A National Skills Fund (NSF) Critical Skills Support Funding Window provides top-up funding.

One of the ways in which institutional transformation has occurred is in that Industry Training Boards are substituted by SETAs. SETAs organise and promote training within a sector, rather than within an industry as the old Industry Training Boards had done. This means that people who are not formally employed in an industry but work or want to work within a sector (e.g. small business, the unemployed) can gain access to the development opportunities where they could not do so before hand (Tourism Learnership Project; 2002)(Access<<http://www.theta.org.za>: Retrieved: 01 October 2008).

#### **5.4.2.4 SASSETA's performance against the NSDS objectives targets set by the strategic plans 2005/06 – 2007/08**

The Safety and Security Sector Education and Training Authority (SASSETA) has to fulfill certain mandatory obligations prescribed by the Skills Development Legislation. The Department of Labour, through the National Skills Development Strategy, has translated these obligations into implementable objectives and annual targets to be met by each SETA. SASSETA has to spell out its own objectives and targets on a Business Plan which delineates how it will function during each financial year of its existence. In this business plan, it also has to outline in terms of annual targets and milestones, how it intends to achieve its NSDS targets and other objectives as prescribed by the Department of Labour (Implementation of SSP, Draft Guide: 2004/05). SASSETA also has an obligation to report to Parliament on its performance against the NSDS targets set out on its business plan. This business plan also informs a Service Level Agreement that is signed with the

Department of Labour to which SASSETA reports and accounts in terms of performance on its mandate. The analysis of SASSETA Annual Reports (2005/06 – 2007/08) spell out the performance attained by SASSETA against the set targets in table 5.15 below.

Table 5.15: SASSETA's performance against the NSDS objectives targets set in the strategic plan 2005/6 – 2007/8

| NSDS SUCCESS INDICATOR   | SETA TARGETS |        |        |             | SETA PERFORMANCE |        |        |             |
|--|--------------|--------|--------|-------------|------------------|--------|--------|-------------|
|  | 2005/6       | 2006/7 | 2007/8 | Total       | 2005/6           | 2006/7 | 2007/8 | Total       |
| <b>NSDS Objective 1: prioritising and communicating critical skills for sustainable growth, development and equity</b>     |              |        |        |             |                  |        |        |             |
| 1.2 Training of SDF: skills development supports national and sectoral growth, development and equity priorities.          | 200          | 340    | 200    | <b>740</b>  | 60               | 330    | 817    | <b>1207</b> |
| <b>NSDS Objective 2: promoting and accelerating quality training for all in the workplace</b>                              |              |        |        |             |                  |        |        |             |
| 2.1 80% of <b>large</b> firms and 60% of <b>medium</b> firms supported by skills development and impact assessed.          | L117         | L126   | L162   | <b>405</b>  | L132             | L212   | L182   | <b>526</b>  |
|  | M116         | M121   | M120   | <b>357</b>  | M102             | M157   | M100   | <b>359</b>  |
| 2.2 Skills development in at least 40% of <b>small</b> levy paying firms supported and the impact of the support measured. | 757          | 756    | 757    | <b>2270</b> | 1108             | 940    | 182    | <b>2230</b> |
| 2.5 Annually increasing the number of small BEE firms and BEE Cooperatives supported by skills development                 | -            | 50     | 50     | <b>100</b>  | -                | 43     | 18     | <b>61</b>   |
| 2.7 At least 70 000 workers to have achieved at least Abet level 4.  | 800          | 3200   | 1600   | <b>5600</b> | 691              | 964    | 0      | <b>1655</b> |
| 2.8 At least 125 000 workers   | 2531         | 1853   | 1053   | <b>5437</b> | 1812             | 2230   | 3853   | <b>7895</b> |



|   |                       |                      |                        |                          |                     |                   |               |                        |
|---|-----------------------|----------------------|------------------------|--------------------------|---------------------|-------------------|---------------|------------------------|
| assisted to enter programmes and at least to have successfully completed (learnerships and apprenticeships).  |                       |                      |                        |                          |                     |                   |               |                        |
| <b>NSDS Objective 3: promoting employability and sustainable livelihoods through skills development</b>   |                       |                      |                        |                          |                     |                   |               |                        |
| 3.2 At least 2000 non-levy paying enterprises, non-governmental organisations (NGOs), community based organisations (CBOs) supported by skill development and impact measured, showing 75% success rate.  | 2                     | 150                  | 34                     | <b>186</b>               | 253                 | 677               | 47            | <b>977</b>             |
| <b>NSDS Objective 4: 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</b>                                       |                       |                      |                        |                          |                     |                   |               |                        |
| 4.1 At least 125 000 unemployed workers assisted to enter programmes and at least to have successfully completed (learnerships and apprenticeships).  | 3941                  | 1971                 | 1053                   | <b>6965</b>              | 476<br>1            | 2349              | 2833          | <b>9943</b>            |
| 4.2 100% of learners in critical skills programmes covered by sector agreements from Further Education and Training (FET) and Higher Education and Training (HET) institutions assisted to gain Work Experience (WE) and at least 70% to find placement in Employment or Self | WE<br>75<br>SE<br>105 | WE<br>75<br>SE<br>53 | WE<br>150<br>SE<br>105 | <b>300</b><br><b>263</b> | WE<br>13<br>SE<br>0 | WE<br>208<br>SE 0 | WE 40<br>SE 0 | <b>261</b><br><b>0</b> |





|  |     |     |     |            |   |   |   |          |
|--|-----|-----|-----|------------|---|---|---|----------|
| Employment (SE).   |     |     |     |            |   |   |   |          |
| 4.3 t least 10 000 young people trained and mentored to form sustainable new ventures and at least 70% of new ventures operating 12 months after completion of new programmes. | 133 | 133 | 300 | <b>566</b> | 0 | 0 | 0 | <b>0</b> |
|  | -   | 93  | 210 | <b>303</b> | 0 | 0 | 0 | <b>0</b> |
| <b>NSDS Objective 5: improving the quality and relevance of provision</b>  |     |     |     |            |   |   |   |          |
| 5.1 Each SETA recognises and supports at least five institutes of sectoral occupational excellence (ISOE) and private institution through public private partnerships (PPP).   | 2   | 2   | 6   | <b>10</b>  | 2 | 2 | 2 | <b>6</b> |

(Source: Adapted from SASSETA Annual Reports (2005/06 – 2007/08))

From table 5.15 above, it can be deduced that while enormous challenges still remain, SASSETA has made steady progress with interpreting legislation, developing policies, implementing them, monitoring and evaluating their impact. Positive developments are reported since the implementation of the first NSDS by SASSETA in 2005. It can be seen that mixed results over the period under study (2005/06 - 2007/08) were obtained with performance targets exceeded in some instances while in other instances performance left much to be desired.

The NSDS objectives require SASSETA to ensure that information on critical and scarce skills in its sector is widely available to learners. To carry out this task it has to train Skills Development Facilitators or Sector Specialists in the use of the guide and to ensure that

skills development supports national and sectoral growth, development and equity priorities. The SETA exceeded its target of 740 for this deliverable and trained 1207 which is 63% exceed above its set target. Of the 80% of large firms and 60% of medium firms that it was supposed to support through skills development and impact assessed, SASSETA exceeded its target in large companies by 29% and medium companies by only 0.5% (SASSETA Annual Reports 2005/06 -2007/08).

The NSDS requirement to support at least 2000 non-levy paying enterprises, Non-Governmental Organisations (NGOs), Community Based Organisations (CBOs) by skill development and impact measured, showing 75% success rate, SASSETA exceeded its set target for the three year by 791 which is 425% above target. Nine thousand, nine hundred and forty three (9943) unemployed workers were assisted to enter programmes and at least to have successfully completed (learnerships and apprenticeships) 43% more than the set target of 6965. Clearly, a lot of progress has been made in this regard. However, failure to meet most of the targets as well as non performance in others is an indication of serious challenges in those areas.

The NSDS target of skills development in at least 40% of small levy paying firms could not be supported and the impact of the support measured could not be met as required of SASSETA and the underperformance was -1.7% in that regard. SASSETA was also supposed to increase the number of small BEE firms and BEE Cooperatives supported by skills development annually. This target was also not met and the underperformance was -39% below target. Furthermore, SASSETA had to ensure that at least 70 000 workers have achieved at least Abet level 4. Once again, this target was not met and the underperformance was -70% below target. With the target of 125 000 workers that were supposed to be assisted to enter programmes and at least to have successfully completed (learnerships and apprenticeships) the under achievement was -45% below target.

Among the serious challenge of underperformance of SASSETA is its failure to place all learners in critical skills programmes covered by sector agreements from Further Education and Training (FET) and Higher Education and Training (HET) institutions. It also failed to ensure that learners are assisted to gain Work Experience (WE) and at least 70%

to find placement in Employment or Self Employment (SE). These are some of the NSDS objectives and stipulated targets that had to be met. SASSETA's underachievement in this objective was -35%. Out of the 263 learners that were given work experience, not a single one was reported as having been placed in employment or self-employment. One of the NSDS objectives required at least 10 000 young people to be trained and mentored to form sustainable new ventures and at least 70% of new ventures operating 12 months after completion of new programmes. Once again, SASSETA did not achieve on this objective (SASSETA Annual report: 2002/06 – 2007/08). SASSETA was to recognise and support at least 10 institutes of sectoral occupational excellence (ISOE) and private institution through public private partnerships (PPP). Again, they missed their target by four institutes.

The implementation of the Skills Development Levies Act, 1999 (Act 9 of 1999) and compliance by employers on its prescriptions is a clear indication of effectiveness of this legislation. The participation rate of employers in the levy-grant system which is a central lever of the government's National Skills Development Strategy would be a strong indicator of the effectiveness of legislation. In examining the implementation of the first NSDS by SASSETA in 2005, it is evident that a number of positive developments can be reported. SASSETA has an increased number of registered and active learnerships. The SASSETA Annual Reports (2005/06 – 2007/08) indicate that the learnerships registered by SASSETA with the Department of Labour have increased as the time progressed from 2005 to 2008. This means that a large number of employed people have been receiving training. A dramatic increase has also been observed in the number of learners who have entered learnerships programmes (from 3941 to 9943). The government views the implementation of the learnerships and the increased uptake of unemployed learners into learnerships to be essential and in keeping with the targets set in the Growth and Development Summit agreements as there was also a specific emphasis on skills development generally and learnerships in particular (NSDS Implementation Report: 2003/04). This is also an indication that employers are starting to take training seriously, and that they are indeed realising that through training, they invest in their workers. It is also noticeable that employers now recognise the mutual benefit that they and their workers derive from skills development (NSDS Implementation Report: 2005/06).

The number of employers submitting their WSPs and ATRs as well as the expenditure reports on skills development activities has also shown a positive increase during the years under study. There is also an increase in the number of small enterprises being supported by SASSETA. The number of large enterprises claiming grants has increased as well as those paying levies (Table 5.15). The challenges that the SETA is still faced with are with permanently placing learners who have successfully completed the learnership programmes. Of the 566 that completed training, none have been placed in jobs. Another challenge is the one of meeting the equity targets as stipulated in the Employment Equity Act, 1998 (Act 55 of 1998). The training is still male dominated and very few disabled people have been trained.

Judging by the steady increase in the number of WSPs and ATRs submitted to SASSETA, it is evident that employers, organised labour and stakeholders are familiar with the Skills Development Legislation requirements as well as the National Skills Development Strategy. It is believed that the successes and challenges that have been encountered in the implementation of the Skills Development legislative framework will be lessons learnt that will guide the development of improved legislation. They will also inform the design of an even more encompassing and focused strategy that will be implemented from 2010 – 2015 (NSDS Implementation Report: 2007/08).

#### **5.4.2.5 Challenges Impacting on the Effective Implementation of Skills Development Legislative Framework by SASSETA**

Notwithstanding the progress made by SASSETA in implementing its Skills Development legislative framework, numerous challenges are reported. These challenges are mainly in respect of meeting its NSDS targets. Constant underperformance with regards to the training of workers for ABET remains a challenge. This underperformance is reflected throughout the period under study with a set target of 5600 and achievement of 1655 reflecting a 29.5% success rate. Meeting the overall employment equity targets is another noteworthy challenge. The aspect of equity targets that was almost met is the training of 85% of blacks. As far as the required 54% women and 4% disabled, the organisation is far

from meeting these targets. These areas of serious underperformance are remnants of the inequities created by the past apartheid system and the Government is making every means to eradicate them through enforcing legislation. The Private Security Sub-sector is still very male dominated and training has clearly focused on male employees. Efforts of ensuring that people with disabilities register and complete learning programmes have completely failed, hence the failure by SASSETA to meet this target.

In addition to these challenges, there has been no concerted placement of youth at workplaces. This shortcoming poses a serious challenge to the SETA as it is one of the most critical objectives of the Skills Development Legislation. This requirement has been prescribed as one of the targets and obligations of SASSETA to deliver on and has not been met by SASSETA (see Table 5.16).

Table 5.16: Challenges impacting on the Implementation of the NSDS Objectives by SASSETA

|                        |  |
|------------------------|--|
| 1. Generic challenges  | Balancing Priorities<br>Competing Needs (All Urgent And Needing Immediate Attention)<br>Limited Resources<br>Doing More With Less<br>Stakeholders' Unrealistic Expectations  |
| 2. Specific challenges | <p>Not all eligible companies participate in skills development. Fewer companies submitted their WSPs and ATRs than those registered with the SETA.</p> <p>This renders SASSETA unable to meet the grants payment target, which is one of the performance targets they have to meet. It will be left with huge unclaimed grants (which are supposed to be an incentive to employers for training). Huge unspent funds qualify SETAs by the Auditor General.</p> <p>Chambers always fight for more discretionary funding even if their plans for projects will not address the implementation of NSDS targets. The fight delays the whole process of implementing NSDS targets because the project will not kick start.</p> <p>Once Learnership Agreements are generated SASSETA sends them back to the employer so as to enable the three parties involved to affix their signature to the Agreement. These Learnership Agreements are supposed to be signed and returned to the SASSETA. Employers and learners do not prioritise this requirement, therefore delaying implementation of projects which affect completion time.</p> |



|   |  |
|---|--|
|   | <p>It is only when the signed Learnership Agreements are received that they can be captured same onto the system, to track learner progress and report on these figures to the Department of Labour.</p> <p>The learner drop-out rate is quite high. Once learners get fulltime employment elsewhere they leave the programme. In other instances learners are not committed to the process, but merely enter the Learnership solely due to the allowance they get.</p> <p>The timelines that the SETA chooses to fund and implement Learnerships does not correspond to the time that employers are ready to implement Learnerships. This results in poor responses when request for expressions of interest go out to employers. In some instances even when expressions of interest are received by the time the SETA revert to employers allocating them learners they are no longer interested in the project.</p> <p>Some Employers and Training Providers are not committed to the Learnership process and are also in it for the monetary gains. This results in a situation where learners are:</p> <ul style="list-style-type: none"> <li>- neither released to attend theoretical training nor given sufficient on the job experience;</li> <li>- not paid their learnership allowances appropriately</li> <li>- some learners are unemployed graduates. They enrol for learnership training as means of income earning while they wait for job opportunities due to scarcity of jobs. As soon as job opportunities exist they abandon the learnership and opt for the appropriate jobs.</li> </ul> |
| <p>3. New venture creation (Its purpose is to train and capacitate emerging business people and those who need basic skills on opening of new ventures/business).</p> | <p>New Venture qualification caters for unemployed and not people in workplaces</p> <p>Five of the seven chambers which SASSETA quality assures belong to the Public Sector in workplaces including Corrections The different Sub-sectors have to participate in meeting the set targets. New Venture Creation does not fall under SASSETA's primary focus as a result, meeting this target poses a serious challenge to the SETA.</p>   |
| <p>5. Legislation Vs Implementation Reality</p>   | <p>When the discretionary grants are allocated within the chambers, they also allocate funds to projects which are impossible to be implement within a 12 months period. Chambers are unwilling to put the money in the pool for access by other chambers when their projects are not kick-starting;</p> <p>Projects are not kick-starting within scheduled time. Eighty percent of the projects for 2006/2007 financial year started late while others started in the following financial year;</p>   |

|  |   |
|--|---|
|  | <p>Training providers or Chambers find it difficult to find qualifying learners to participate in Learnership;</p> <p>There are often disputes with Training Providers which force the projects to drag beyond set time frames. Some take time to be completed while others are terminated before completion by learners;</p> <p>SASSETA Board does not make immediate decisions when the disputes or challenges are referred to them even with the recommendation from Management;</p> <p>Chambers always fight for more discretionary funding even if they do not have a proper plan for projects which will address the implementation of NSDS targets. The fight delays the whole process of implementing NSDS targets because the project will not kick start.</p> |
|--|---|

(Source: Adapted from a speech by the SASSETA CEO made at a Correctional Services Workshop March 2007)

It can be argued that, although performance measurement of SASSETA through the Service Level Agreements signed with the Department of Labour reflects reasonably high performance for the years under study, serious weaknesses are still evident. Judging by the number of challenges that have emerged (Table 5.16), the real challenge lies with the Board of Director's inability to give strategic direction and to be decisive towards all the organisation's barriers to performance is a serious hindrance. The Board needs to prioritise focusing on efforts to achieve the SETA goals. It cannot be disputed that a lot has been achieved over these three years, however, critical action is necessary to pay attention to all the areas of underachievement or non-performance.

For the Department of Labour's policy of 'skills for all' as well as its adopted Fifteen-Point Programme of Action to be a reality, a sustained and focused action by all stakeholders should be a priority. Of serious concern is the SETA's failure to perform in areas such as placement of learners in workplaces and creating opportunities for self-employment as this is one of the most critical reasons why SETAs were established. The SETA performance in skills development remains the key to improving skills in the safety and security sector.

The NSDS Objectives and their targets have already made it possible for SASSETA to identify its areas of weaknesses. It should now identify and document best practise and success stories in respect of SETA performance in skill development. It is also in an advantageous position as it has got 23 peers that it can learn from as some of the SETAs are over achieving (NSDS Implementation Reports; 2005/06 – 2007/08). In order to prevent learner drop outs, the SETA could tie the learner down in terms of the contract they sign with the employer. SASSETA could insist that all the learners that have dropped out and took up permanent jobs pay back the amount expended for their training. Practically speaking though, it should be remembered that the SETA is primarily dealing with unemployed people and the chances of recovery of funds are slim unless they get permanent employment. As regards to correlation of timelines for Learnership Projects SASSETA needs to engage with stakeholders and keep them apprised of developments at all times. The SETA could also cater for its needs within its project plans and have staggered implementation dates within projects. Failing which, project planning should be a joint effort between training providers, employers and the SETA, so that everybody takes ownership of the projects.

In concluding this section, SASSETA embarked on a number of projects to implement policy on its mandate and objectives of skills development in the Private Security Sub-sector. In this process, it had substantial successes while grappling with a number of challenges and limitations from 2005 to 2008. In that regard, it should put more effort into overcoming these challenges and limitations that have caused it not to meet its skills development targets, especially those which entail improving the lives of previously disadvantage people in South Africa.

While the above section provides analysis of implementation of the Skills Development Legislation at SETA level, the cases that follow provide specific contextual indicative evidence on the extent to which skills development legislation has been implemented and how the legislation has stimulated workforce development. It highlights the results of the analysis of Annual Training Reports (ATRs) submitted by employers in the Private Security Sub-sector submitted to SASSETA for the three financial years that are under study. The



analysis focused on various aspects of the private sector training as prescribed by skills development legislation.

### 5.4.3 Case Study Three: Large, Medium and Small Private Security Companies

Training in the South African Private Security Industry is regulated by the Private Security Regulatory Authority (PSIRA) as well as by Safety and Security Sector Education and Training Authority (SASSETA). When it became apparent that private security employers are faced with a task of having to duplicate efforts of meeting regulatory requirements, these two organisations agreed to sign a Memorandum of Understanding (MoU) between themselves. The MoU delegated the training and Education and Training Quality Assurance (ETQA) functions to SASSETA, and authorised SASSETA to carry out these functions on behalf of PSIRA while PSIRA focused on the registration of private security training providers and private security officers (PSIRA Annual report, 2005/06). From the onset, PSIRA handed over the quality assurance function to SASSETA which immediately set up a task team consisting of SASSETA and PSIRA members to facilitate the processes spelt out in the MoU.

Unlike SASSETA registered private security employers whose workers were trained on NQF registered qualifications and skills programmes, PSIRA registered employers had their workers trained on grades that were not NQF registered. This created a challenge as the present government encouraged SAQA NQF registered qualifications. Furthermore, there had been much criticism of the PSIRA standards regulating training. For example, a minimum of five hours of training were required for security officers to be permitted to carry firearms while on duty. The companies, to whom firearm licences were issued, were not legally bound to prove the nature of the firearm training that its security officers had received (Problems in the Industry, 1999: 2) ([www.issafrica.org.za](http://www.issafrica.org.za)): *Retrieved 24 April 2007*. The training of in-house security personnel is another area where training by PSIRA registered training providers was identified as inadequate. A commission of enquiry into the death of 16 people and the injury of 80, at a Thembisa train station (Gauteng) in July 1996, found that the actions and conduct of the private security officers at the station had

contributed to the tragedy. Commenting on the training of the Security Officers, the Commission found that:

*“The D grade security officers have such limited training that they either could not foresee that their conduct could result in the injury and death of commuters, or that if they could foresee the consequences of their conduct, they were unable to act in a manner necessary to avert such consequences.”*

In-house security officers were not governed by the standards set by the Security Officer’s Board, and no statutory regulatory standards allied to this category of security officers. In-house security personnel could perform security functions for a private business. However, in performing their duties, such officers often interact with the public. Regulatory standards were required to protect the public from harm as a result of the lack of training of in-house security personnel (Problems in the Industry, 1999: 1) ([Access<http://www.issafrica.org.za](http://www.issafrica.org.za): Retrieved 24 April 2007).

Significant in the case of the MoU between PSIRA and SASSETA were issues about clarity of roles and a need for improved training standards and strategic direction for stakeholders through constant effective joint communication with stakeholders. PSIRA and SASSETA held road shows throughout the county to familiarise the Private Security Sub-sector with accreditation requirements and procedures as well as programme alignment with NQF requirements (SASSETA Annual report: 2006/07). PSIRA committed itself to imposing a moratorium on grade training to make way for the new NQF aligned approach of training. This was a positive step towards improving training standards in the Private Security Sub-sector. Table 5.17 is a comparison of private security companies’ skills development objectives initiatives taken and outcomes thereof:

Table 5.17: Comparison of Private Security Companies’ skills development objectives, initiatives taken and outcomes thereof:

| <b>Private Security Companies Objectives</b>   | <b>Initiatives by Private Security Companies</b>                                       | <b>Outcomes</b>   |
|--|--|---|
| Employers are encouraged to train their workers and ensure that the workplace is an active | Priority skills are identified in WSPs and training is initiated through learnerships, | <u>Workers</u> will progress in their individual career growth within the work environment; |



|  |   |  |
|--|---|--|
| <p>learning environment;</p>   | <p>apprenticeships and skills programmes.</p>   | <p><u>Workers</u> may be promoted to higher positions or move for better opportunities in other enterprises.</p> <p><u>Workers</u> will be better skilled and competent thus increasing efficiencies leading to improve performance and productivity;</p>  |
| <p>Employees are provided with opportunities to acquire new skills;</p> <p>New entrants to the labour market are provided with new opportunities to gain work experience;</p> <p>Persons who find it difficult to be employed to be provided with employment .</p> | <p>Internship programmes are implemented, artisan training through indenturing learners in apprenticeship programmes; bursaries; Recognition of Prior Learning (RPL).</p> | <p>Employers will find qualified employees</p> <p>Enterprise competitiveness will improve leading to economic growth in the country.</p> <p>Work-seekers will find work</p> <p>Retrenched workers will re-enter the labour market</p> <p>Unemployment rate decreased;</p> <p>Contribution to Government's ASGI-SA programme and the JIPSA initiative</p> |
| <p>Accelerate employment equity</p>  | <p><u>Employment Equity Act, 1998 (Act 55 of 1998)</u> prescribes targets to be met by employers</p>  | <p>85% Blacks are trained and employed;</p> <p>54% females are trained and employed; and</p> <p>4% people with disabilities are trained and employed</p>   |

(Source: Adapted from SASSETA Sector Skills Plan 2005/06 – 2007/08)

#### 5.4.3.1 Selected cases of Employers in the Private Security Sub-sector

Today, security officers work at some of the country's busiest and most recognisable buildings, and operate complex systems that comprehensively track and control visitors. When guests arrive, building officers verify the identity of the visitor, send real-time notification of the visitor's arrival to the host, and automatically print a guest badge, enabling guest access to the building. Additionally, security officers use advanced integrated security solutions based on trace-detection equipment and X-ray screening

systems. These systems, managed by trained security officers, help safeguard both those on the front lines and the public at large, protecting buildings and transportation systems, and screening everything from a ticket to a truck (Coleman; 2008,1). It is thus critical that private security officers be skilled in high and advanced technology for all situations in their work environment.

In accordance with the Skills Development Act, 1998 (Act 97 of 1998), employers are responsible for ensuring that the workplace is an active learning environment, employees are provided with opportunities to acquire new skills, new entrants to the labour market to gain work experience and are provided with new opportunities, and persons who find it difficult to be employed are employed. Employers have to ensure that their security officers are responsible, accountable, skilled and optimally deployed. Training and development is crucial in keeping the rapidly increasing physical security workforce ready and able to take on the daily challenges it will face. Today, the South African government through the skills development legislation is making training in the private security industry not only better, but also more accessible.

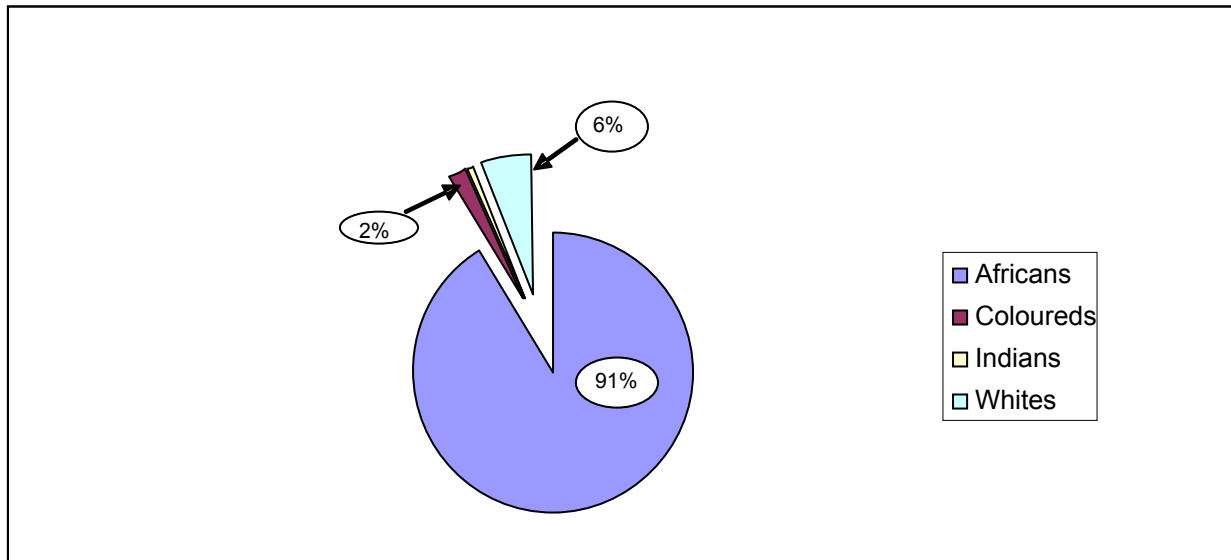
The Freedom Charter (26 June 1955) which provided for a new and democratic South African envisaged for a State that is developmental and caring, that seeks to improve the livelihood of millions of its people, particularly the poor and marginalised. The Legislative framework is fairly developed in this regard and it promotes the acceleration of empowerment and employment equity in designated groups. The Employment Equity Act, 1998 (Act 55 of 1998) is one such legislation which promotes employment equity for designated groups through prescribing the training of 85% blacks, 54% women and 4% people with disabilities by all employers in South Africa. This prescription is also one of the NSDS targets which seeks to encourage employers to close the gaps created by the apartheid system. Large, medium and small firms are encouraged to train their workers to meet the employment equity targets mentioned above. Employers in the Private Security Sub-sector are required to keep records of all training activities and development initiatives implemented through the workplace for the preparation of Annual Training implementation Reports. These implementation reports enable them to receive payments of grants which

could amount to about 50% of their levy paid (Skills Development Levies Act, 1999 (Act 9 of 1999)).

The Workplace Skills Plan (WSP) and Annual Training Reports (ATR) requirements are required in terms of SETA Grant Regulations regarding monies received by a SETA and related matters, as published in Notice No. 27801 dated 18 July 2005 and Notice No 29584 dated 2 February 2007. Employers are expected to WSPs and ATRs to their SETAs. If the WSPs and ATRs meet the minimum set criteria, that include amongst others, submitting the WSPs and ATRs by June 30 each year, the employers will receive incentives in the form of mandatory grants paid by the SETAs.

Fig 5.1 reflects that from April 2005 to March 2008 a total of 9943 trained workers benefited from the training by the companies under study. From this figure, 91% were Africans, 2% were Coloured, and 1% was Indian, and 6% were White. A total of 94% blacks was trained by large firms, thus exceeding the target of 85% set by legislation for this designated group.

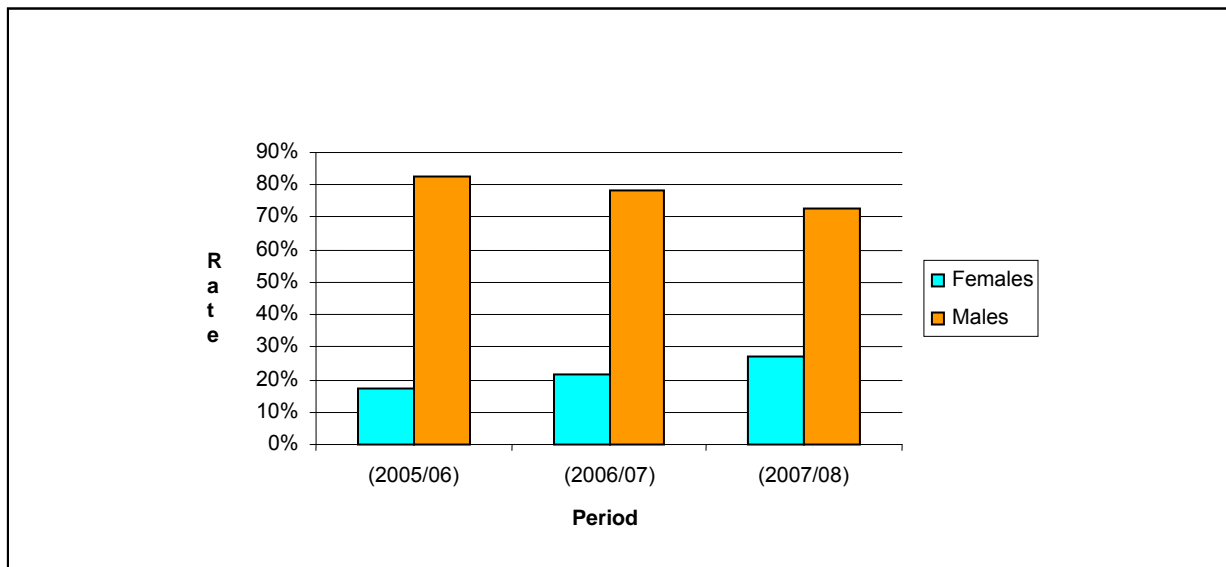
**Fig 5.1: Employees Trained by Large Private Security Companies by Race over the period 2005/06 - 2007/08**



Source: Analysis of data from the Employer Annual Training Reports (ATR) submitted to SASSETA

Fig 5.2 below illustrates the training rate according to gender by large private security firms between 2005/06 to 2007/08. When looking at training year by year between the years under study, it shows that the large firms failed to meet the target of 54% prescribed by legislation in training females. The majority of trained employees are males, who have reached levels of 82%. This indicates that males did not only benefit from training opportunities available, but that they also benefited from participating in the labour market by being employed in larger numbers than females. A positive and encouraging observation is the gradual decline in numbers of males trained throughout the years and the gradual increase in numbers of females trained with the highest number of trained females recorded as 28% in 2007/08 (Fig 5.2). The gradual increase in the number of females trained by large firms is also an indication of increasing access to the job market by females.

**Fig 5.2: Training Rate of Large Private Securities companies by Gender over the period 2005/06 – 2007/08**

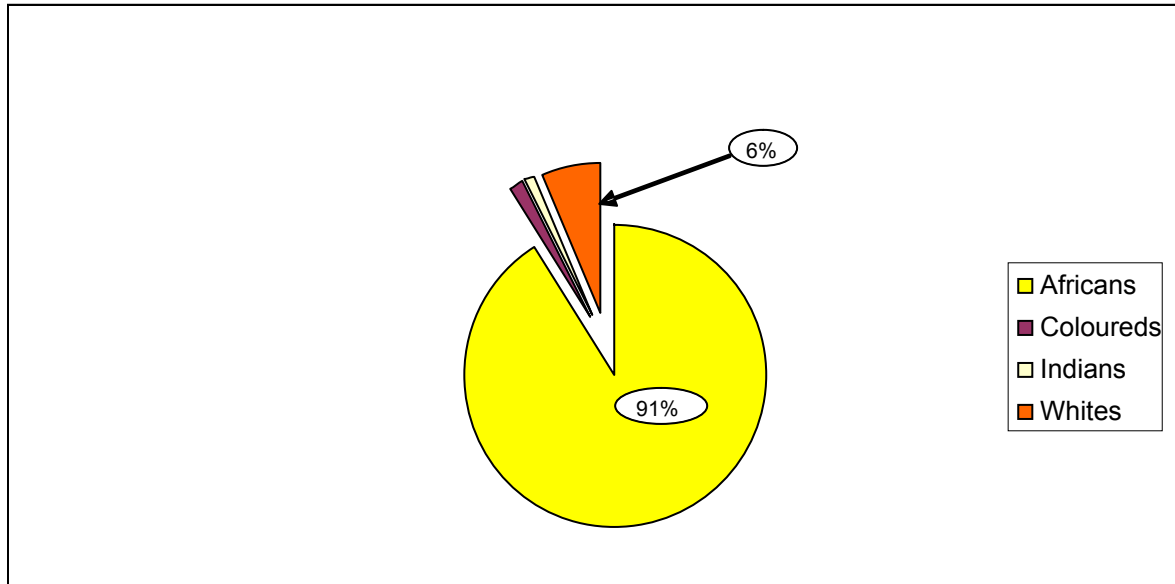


Source: Analysis of data from the Employer Annual Training Reports (ATR) submitted to SASSETA

Fig 5.3 reflects medium firm’s training results that are similar to those of large private security firms. From April 2005 to March 2008 out of the trained new workers that benefited in the companies under study 94% were black and only 6% were White. Once

again, the legislatively prescribed target of 85% was exceeded by medium private security firms in training this designated group.

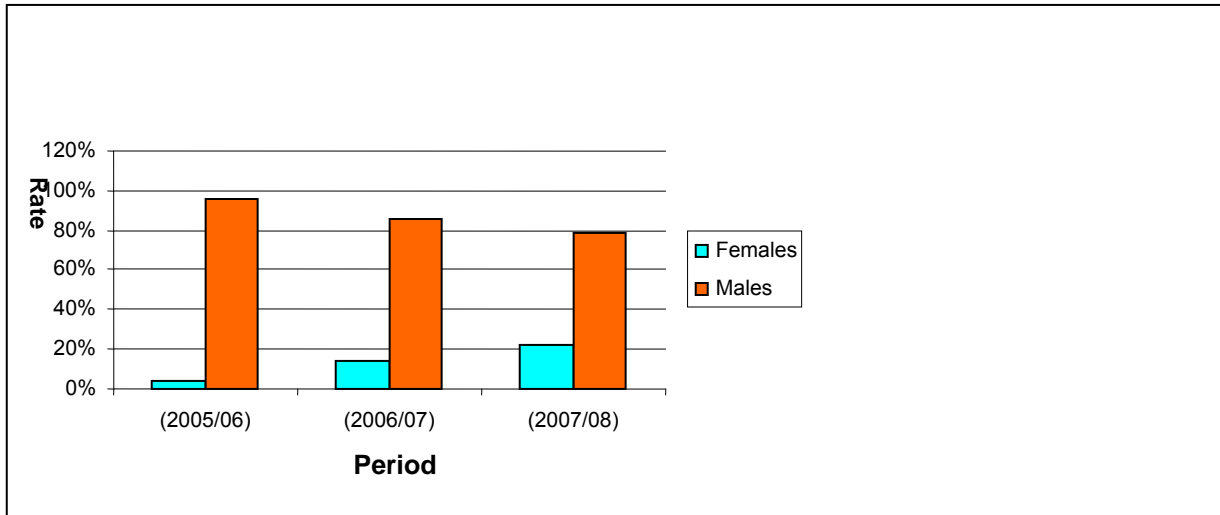
**Fig 5.3: Employees Trained by Medium Private Security Companies by Race over the period 2005/06 – 2007/08**



(Source: Analysis of data from the Employer Annual Training Reports (ATR) submitted to SASSETA)

Similarly, when looking at training according to gender year by year between the years under study, it is evident that medium private security firms failed to meet the prescribed target of 54% in the training of females. The majority of trained employees are males, who have even reached levels of 88%. As was in the previous case, males did not only benefit from training opportunities available, but also benefited from participating in the labour market by being employed in larger numbers than females. In the case of medium companies the highest number of trained females only reached 22% which is less than that of large private security companies. Also, the encouraging trend of gradual decline in numbers of males trained throughout the years and gradual increase in numbers of females trained is repeated in Fig 5.4. Females are also gaining ground by gradually accessing the job market as evident in the increasing numbers.

**Fig 5.4: Training Rate of Medium Security Companies by Gender over the period 2005/06 - 2007/08**

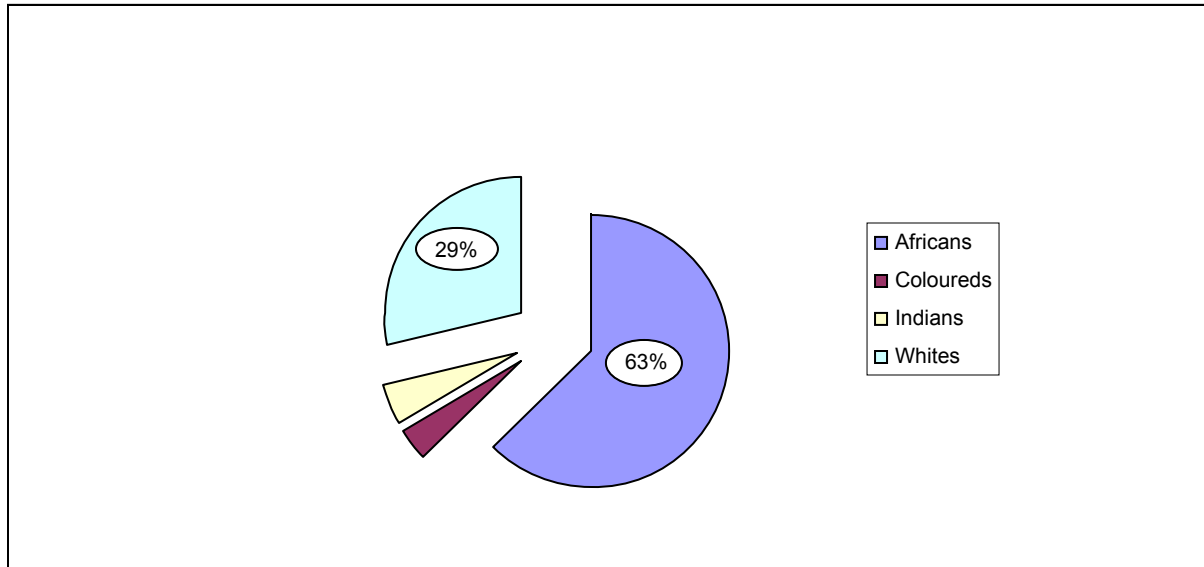


(Source: Analysis of data from the Employer Annual Training Reports (ATR) submitted to SASSETA)

Fig 5.5 reflects racial training results that are completely different from those of the two previous large and medium private security firms. From April 2005 to March 2008 out of the trained workers that benefited from the training by the small companies under study 71% were Black and 29% were White. This means that the small private security firms did not reach the legislatively prescribed target of 85% in the training of this designated group.



**Fig 5.5: Employees Trained Rate in Small Private Security Companies by Race over the period 2005/06 - 2007/08**

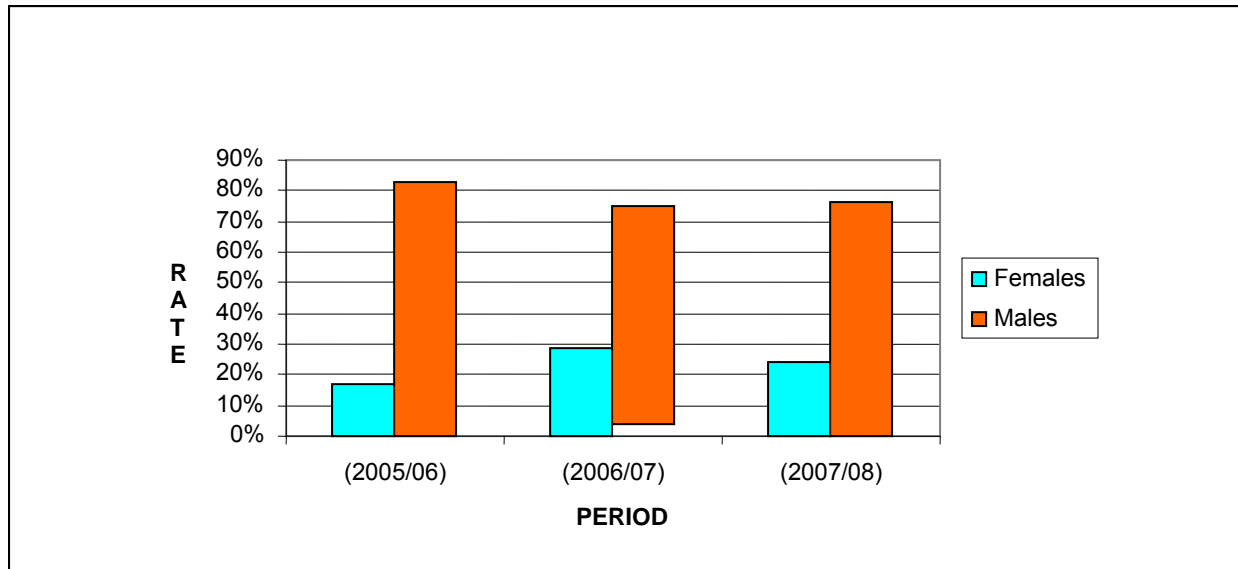


(Source: Analysis of data from the Employer Annual Training Reports (ATR) submitted to SASSETA)

When looking at training according to gender by small private security firms during the years under study, it is revealed that just as the case was with the large and medium companies, these employers failed to meet the prescribed target of 54% in the training of females. The majority of trained employees are males, who attained levels of 82%. Similarly, just as the case was with large and medium private security employers, males did not only benefit from training opportunities available, but also benefited from participating in the labour market by being employed in larger numbers than females. In the case of small companies the largest number of trained females only reached 29% which was attained during the financial year 2006/07. Another observation that is worth mentioning is that unlike in the cases of large and medium companies, training of males and females does not follow a straight pattern of decline and that of females regular increase. Fluctuations are visible throughout the three financial years. Also noteworthy, is the fact that small security companies have trained the largest number of females over the years under study with 29%, followed by medium companies 28% and large companies 22%. It is envisaged that the encouraging trend of gradual decline in numbers of males

trained throughout the years and gradual increase in numbers of females trained will eventually reach the required targets as set by legislation.

**Fig 5.6: Training rate of Small Private Security Companies by Gender over the Period 2005/06 – 2007/08**

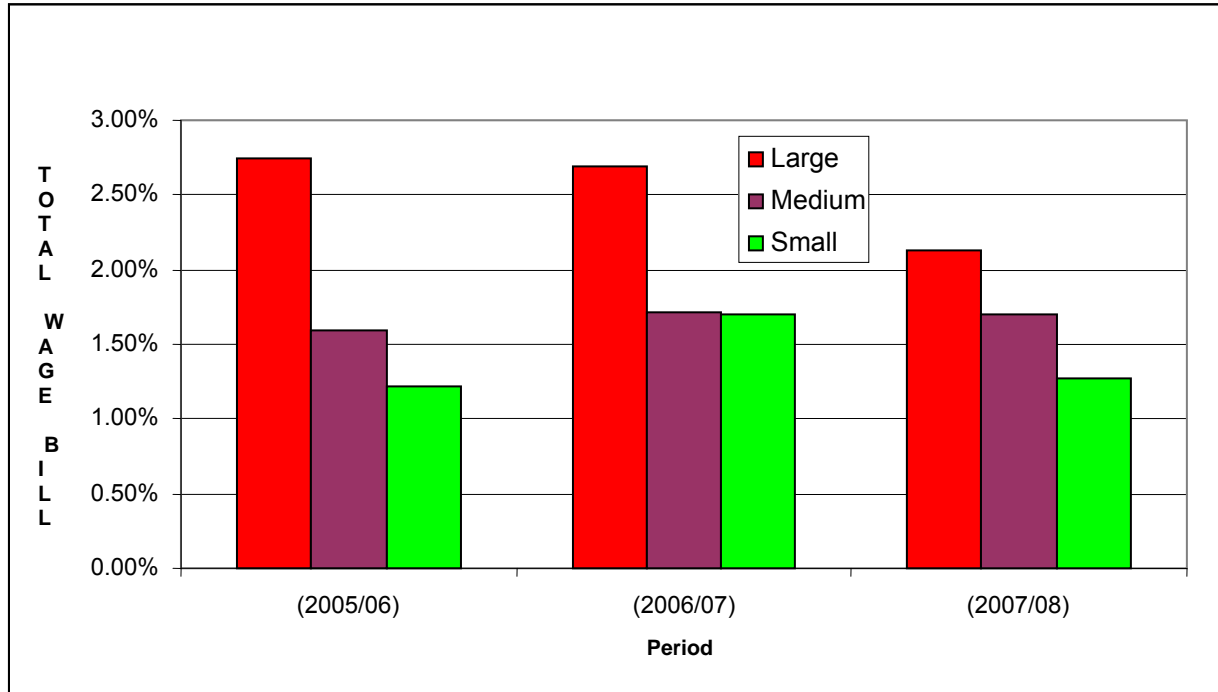


(Source: Analysis of data from the Employer Annual Training Reports (ATR) submitted to SASSETA)

The Skills Development Act 1987, (Act 97 of 1998) requires employers in the private security sector to pay a skills development levy from which they can claim portions for the training they have completed. This compulsory levy is given force by the Skills Development Levies Act 1999, (Act 9 of 1999) by outlining the levy amounts to be paid as well as details of who is required to pay. According to the SETA Grant regulations regarding monies received by a SETA and Related Matters, as published in Notice No. 27801 dated 18 July 2005 and Notice No. 29584 dated 2 February 2007, employers in the private security sector paid 1% of their total amount of remuneration that is payable by an employer to its employees during any month as levy to the South African Revenue Services (SARS) no later than seven days after the end of each month. Employers whose payroll is less than R250 000 per year and who are not required to register for PAYE are exempted from paying levy. Employers have to submit applications for Mandatory Grant by submitting their WSP combined with the ATR. An employer who submits an application on time to SASSETA will receive 50% of the total of the levies paid over a period of a financial

year. The Mandatory Grant application contains a training plan for the following financial year and training report for the previous financial year. Should the application meet all criteria, a Mandatory Grant of 50% will be paid to the employer on a quarterly basis.

**Fig 5.7: Expenditure on Training as a percentage of Total Wage Bill**



(Source: From analysis of data from the Employer Annual Training Reports (ATR) submitted to SASSETA)

From the graphs above, it can be derived that owing to the new South African government of 1994, there has been concerted effort to ensure that employers invest in their human resources. Skills development policies have influenced employers’s decisions on training expenditures and have been instrumental in building commitment among private security enterprises to invest in their human resources. The collaboration between these private enterprises and government has also encouraged the exploration of other sources of funding of training from various stakeholders such as Umsobomvu Youth Fund. The incentives provided by the collaboration between government and private security employers resulting in claiming 50% and more of the training levy have also acted as an incentive for employers to invest more on training and encouraged voluntary initiatives which have resulted in spending more than the minimum 1% on training.

As evident in figure 5.7, private security employer spending has increased significantly over the period under study and arguably across all employer sizes. Employers from all the various sectors of the private security industry have spent more than 1,5% of their total annual wage bill. Given that prior to 1981 training legislation barred blacks from qualifying as artisans and work reservation prevented non-whites in South Africa from filling many positions at the workplace (van Dyk et al. 1999: 54), this is a step in the right direction. Be that as it may have been, Private Security Industry employers have made significant strides in closing the skills gap between black and white by skilling more from the previously disadvantaged groups. The graphs in Figure 5.7 above indicate that all the categories of employers did not stick to minimum stipulated training expenditure. The highest spenders on training are the large companies, followed by medium companies then small companies. Though the expenditure of large employers decreased throughout the years, it has never been below 2%. Medium enterprises expenditure increased and remained constant on the second and third years. Noteworthy, are the fluctuations visible throughout the three financial years of small companies' training expenditure. Though the percentage expenditure by small companies increase and later decrease, they still remain above 1, 5%. This is an indication of a working strategy by legislation as some of the small employers are exempted from paying levies due to their wage bill that does not meet the threshold for payment. In that regard, these small companies are intrinsically motivated to participate in skill development.

#### **5.4.3.2 Employment and Training of People with Disabilities by Large, Medium and Small Private Security Companies**

The Employment Equity Act, 1998 (Act 55 of 1998) pays considerable attention to provision of equity for people with disabilities. Because of this legislation, training and employment opportunities for people with disabilities have changed dramatically in various sectors in recent years in South Africa due to its enforcement. These changes reflect a growing movement towards promoting the inclusion of people with disabilities in all sectors of society.

In this study, it proved difficult to ascertain the implementation of legislation and extent of training or skills development for people with disabilities. This is due to the fact that employers in the Private Security Sub-sector pay very little attention to the training of people with disabilities. However, the following challenges have emerged:

Table 5.18: Challenges facing the training and employment of people with disabilities:

|   |   |
|---|---|
| 1. Employment challenge                                 | <p>In most of the cases private security employers do not have people with disabilities in their employment profile;</p> <p>In a few cases where training reports indicated numbers of people with disabilities employed, those numbers were ridiculously low. For example, in a company employing 3544 employees nationally, only 1 (one) employee had a disability. In two other private security companies employing 1473 and 1827 workers, only 2 and 4 disabled people were employed respectively.</p> |
| 2. Legislation implementation and enforcement challenge | <p>In a number of cases, employers did not even bother to explain why they do not have people with disabilities in their employ though provision is made in the Annual Training Report for such explanations;</p> <p>There is no penalty that is imposed to employers that do not have people with disabilities in their workforce;</p>   |

(Source: Adapted from analysis of Annual Training Reports submitted to SASSETA (2005/06 – 2007/08)

Responses given in the ATRs by the few employers that bothered to respond when invited to comment on difficulties they experienced in aligning their WSPs with Employment Equity Plans include:

- “The company is currently in the process of establishing an Employment Equity, Training and Occupational Health and Safety Committee”;*
- “The combined Employment Equity and Skills Committee expressed satisfaction at its involvement”;*
- “The business grew so quickly, it was difficult to align Workplace Skills Plan with Employment Equity Plan”;*
- “We tried to get a training committee going, no sooner were they appointed, then they were promoted”;*

The State undertakes to protect effectively the rights of the people with disabilities to earn a living with dignity in a freely chosen occupation, profession or trade. Evidence, however, indicates a bleak employment situation and let alone training. Employers in the Private Security Sub-sector have devoted less attention to ensuring the effectiveness of legislation that seeks to improve employment opportunities for disabled people (SASSETA ATRs: 2005/06-2007/08). This concern is central, not only in terms of the economic rights of disabled people, but also to their broader social and political rights which are closely linked to economic empowerment. There is a need for stronger enforcement measure to be put in place on effective implementation strategies in terms of employment outcomes for disabled people. There is also a strong understanding that the incidence of disability is increasing in the sector owing to widespread crime in South Africa. The high risk nature of private security puts its employees at the firing line or exposure to dangerous situations by virtue of its nature.

## **5.5 Conclusion**

In this chapter, the implementation of skills development legislative framework in three selected South African Private Security Sub-sector government and private organisations between the financial years 2005/06 to 2007/08 is analysed. The objectives, the achievements and challenges faced by the PSIRA, SASSETA, and Large, Medium and Small Employer organisations were interrogated. The chapter explored the extent to which regulations and codes of practice are currently implemented by employers as mechanisms to stimulate workforce skills development. The analysis collated information on the issue through a strategic mapping exercise of employer organisations' annual reviews and through in-depth scrutiny of the programme and projects implementation reports of those industry sectors where regulations were deemed to have some impact on the level of workforce development. This chapter therefore provides important insights into the extent to which skills development regulations and thus codes of practice cause employers to train employees and/or encourage skill improvements in specific sectors. The trends that have emerged from the cases presented have been outlined and discussed.

Since 1995, a considerable body of legislation that defines a holistic Human Resource Development Framework for South Africa has been promulgated. No other country, developed or otherwise, has yet established as complex and all encompassing a framework for human resources. Overall, it is clear that the South African government has made strong progress in developing and implementing this body of legislation.

The Private Security Industry has moved steadily beyond the systems development phase. It has made strong progress in implementing stipulations of the skill development legislation in the sector with the support of the skills levy fund as well as donor support. Considerable attention has been paid to the implementation of the different types of skills development related legislation including funding skills development initiatives and employment equity. The cases examined reflect varying and different foci of implementation approaches ranging from focusing on inspections and compliance audits to focusing on achievement of set targets. There are different degrees of success in achieving set target as well as challenges that have emerged in the implementation process.

A considerable number of large, medium and small private security companies have risen to the challenges of improvement of skills of workers in South Africa. The objectives under review indicated a positive progress especially in the training of Black people. In terms of training of Black people, equity target were met and exceeded by the two largest groups of private security employers, large and medium. Although small private security companies trained quite a large number of Black employees (71%), they failed to reach the prescribed target of 85%. In the category of trained females, it is disappointing that though the companies have exceeded the minimum requirement for racial training not a single group met the target for the training of women and people with disabilities. Employers need more incentives to take and train more women into their programmes.

Positive progress in the number of companies participating in and complying with skills development legislation has also been observed. The submission of WSPs and ATRs to the SASSETA even by small companies which are non levy paying companies (total annual remuneration for employees does not exceed R500 000) is one such indication of

progress and a positive development. This will help in the eradication of inequality and discrimination at the workplace.

Training and employment opportunities for Blacks have changed dramatically in the Private Security Sub-sector during the years under study. These changes reflect a strong, growing movement towards promoting the inclusion of previously disadvantaged groups, particularly Blacks, women. A range of measures to support the implementation of policies has been implemented including quota schemes which obligate private security companies to employ and train a specified percentage of people from designated groups. Another support measure is the financial support given to employers through grants to serve as an incentive to employers to train their employees. Enforcement of the legislation is foreseen through the Labour Inspectorate, through an administrative monitoring system such as the Quality Audits conducted by SASSETA.

With all the notable achievements in the implementation of skill development legislation in the Private Security Sub-sector, there are still a number of challenges that need to be addressed. Tougher measures for compliance need to be enforced while not abandoning incentivising employers to encourage them.



## CHAPTER 6

### RESEARCH FINDINGS, RECOMMENDATIONS AND CONCLUSIONS

#### 6.1 Introduction

The prospects of the National Skills Development Strategy (NSDS) as a programme that can save South African citizens from underdevelopment and poverty are very high. It is therefore important for the South African government to work hard to ensure effective implementation of the Skills Development Legislative Framework if it is to respond to challenges posed by the second economy, which economy constitutes the structural manifestation of poverty, underdevelopment and marginalisation of our country. Addressing the First Joint Sitting of the Third Democratic Parliament on 21 May 2004 in Cape Town, South Africa, President Thabo Mbeki made a promise to South Africans that the process of skills development will be speeded up, focusing on shortfalls that have already been identified. He further committed that all Sector Education and Training Authorities (SETAs) will be engaged to increase the uptake of learners and improve the focus on the skills that are in short supply. In line with that commitment, this research investigated the Private Security Sub-sector and how it has implemented the Skills Development Legislative Framework. However, due to the reluctance of organisations studied to impart information and relevant documents, broader statistical evidence was not available. The findings will therefore, not be generalisable. The main findings of the study are as summarised below.

The driving force behind this study was to determine how the Statutory Framework for Skills Development has been implemented to enterprise training and development of employees as well as how it has improved the state of skills in the Private Security Sub-sector of South Africa. The study investigated the extent to which the implementation of Skills Development Legislation and related regulations has resulted in the development of skills in the Private Security Sub-sector workforce. In particular, this enquiry focused on the Private Security Industry Regulatory Authority (PSIRA), the Safety and Security Education

and Training Authority (SASSETA) and Large, Medium and Small Private Security Service Provider Companies.

Chapter One introduced the study by explaining the value of the research. The historical development of private security industry was discussed by outlining the development and profile of the private security industry in South Africa. To elucidate the nature of this profile, stakeholders such as the employers and employer organizations, labour organisations (trade unions), labour markets, and the scope of the industry were explored. In order to profile the sector appropriately, workforce demographics were also outlined according to age, gender and race. This profiling enabled the researcher to critically review the effectiveness and successful implementation of skill development legislation accordingly as applicable to the various categories of employees at the workplace. The range of services provided by the industry as well and the niche market it catered for was outlined. Later labour markets for the sector together with skills required for the industry as well as skills shortages were presented.

Chapter Two presented the research methodology that guided the study through a description of research process and a delineation of key concepts and terms. The chosen research methodology, the research design, the contextualisation of the study that is partly qualitative and quantitative was explained. It has considered what is entailed in qualitative studies, in particular the Case Studies. The research problem and question were stated. The research aims and an objective together with the research methods chosen for this study were outlined. The research design, data collection techniques, sampling methods and sample size, motivation for the research, significance of the study and limitations of the study were outlined. Every attempt was made to ensure the validity and reliability of the research information collected in the course of the study.

For a clearer understanding of the selected problem and to help place the results of the study in a historical perspective a carefully conducted literature review was presented. Chapter Three concentrated on the review of existing related literature on policy implementation as core function of public administration. The literature review relied heavily on both primary literature and secondary literature (research reports, journals,

dissertations, monographs, textbooks, and encyclopedia and computer search). An in-depth analysis of public administration in relation to policy, policy-making and policy implementation was carried out. Public policy as it applies to governmental decisions designated to deal with various issues, such as policy implementation in relation to skills development and critical variables essential for effective implementation of policy was discussed. The public administration and the South African policy change which is in congruence with the regulation statutory framework regulating the Private Security Sub-sector in South Africa was also discussed. The need for regulating the South African private security industry training in line with related legislation was outlined and interrogated. To get an International perspective of the regulation of the Private Security Sub-sector, literature on the regulation of the Private Security Sub-sector in the United Kingdom (England and Wales), Asia (India) and USA (Virginia) was reviewed. These countries are in different continents yet common trends and strong similarities in the regulation of the private security industry emerged in the literature reviewed.

Chapter Four concentrated on unpacking the current legislative framework impacting on skills development in the private security sub-sector through an overview of relevant skills development legislation in South Africa. The South African Qualifications Authority Act, 1995 (Act 58 of 1995), the Skills Development Act, 1998 (Act 97 of 1998) and the Skills Development Levies Act, 1999 (Act 9 of 1999) as legislation that is set to transform skills development in South Africa were scrutinised extensively. These pieces of legislation can be described as public policy which is instrumental for the attainment of governmental mandates, capacity building, and systems change. The history of training in South Africa was then traced and discussed. The evolution of skills development legislation and the changing of the education and training system in South Africa were extensively interrogated, so was the human resources development strategy. Learnerships as new forms of professional and vocational education and training in the workplace were explained.

In Chapter Five, to present an objective view of the implementation of the skills development in the Private Security Sub-sector, it was important to give an overview of the implementation of skills development legislation efforts in the private enterprise training in

South Africa. In doing so, a synopsis of training in private enterprises across sectors in the post-1994 era was outlined and it reflected a similar trend to that of Private Security Sub-sector training outcomes. An outline of the national training by Sector Education and Training Authorities (SETAs) in South Africa was also given as well as skills development stakeholder analysis. Literature that expounded the nature of the selected South African case studies as well as inherent issues was later reviewed.

Chapter five also analysed the implementation of the skills development legislative framework by three selected South African Private Security Sub-sector government and private organisations between the financial years 2005/06 to 2007/08. The objectives, the achievements and challenges faced by the PSIRA, SASSETA, and Large, Medium and Small Private Security Employer organisations were explored. The chapter interrogated the extent to which regulations and codes of practice are currently implemented by employers as mechanisms to stimulate workforce skills development. The study collated information on the issue through a strategic mapping exercise of employer organisations' annual reviews, workplace skills plans, annual training reports and through in-depth scrutiny of programmes and project implementation reports of those industry sectors where regulations were deemed to have some impact on the level of workforce development. This chapter therefore provides important insights into the extent to which skills development regulations and thus codes of practice were implemented to address the skills shortage while encouraging skill improvements in the private security sub-sector. The findings that have emerged from the cases presented have been analysed and presented.

Chapter Six provides a summary of all the study chapters, the research findings, and make assorted recommendations. It later draws conclusions in respect of the study conducted on the Implementation of the Statutory Framework for Skills Development: A Case Study of the Private Security Sub-Sector. These areas opened a potential for further investigations in the same sector or replication of similar studies in other areas of investigation.

## 6.2 SUMMARY OF RESEARCH FINDINGS

This study provides information through which to gain an understanding of how the Statutory Framework for Skills Development has been implemented in enterprise training of employees in the Private Security Sub-sector in South Africa. It also looked at the extent to which such implementation has resulted in skills development in the Private Security Sub-sector. Investigating the extent to which the Skills Development Legislative Framework and the related regulations have been used to tackle skills deficiencies through the workforce development in this sector has revealed a number of findings. However, it must be borne in mind that the study covered only three financial years and a single sub-sector of the eight sub-sectors of the Safety and Security Sector. The study is therefore, not generalisable.

The findings of the study revealed that overall, the Private Security Industry has made considerable progress in developing and implementing legislative framework for skills development in its sector. It can be discerned that the foundations for the improvement of skills of the workforce in the Sub-Sector has been laid through sound Legislative Framework for Skills Development. What remains is to accelerate the effective and concrete implementation of programmes and strategies by all stakeholders and implementing organisations to meet the set targets. In order to realise the skills development objectives thus improving the socio-economic lives of South Africa, a number of crucial conditions have to be met.

The SAQA Act, 1995 (Act 58 of 1995), the Skill Development Act, 1998 (Act 97 of 1998) and the Skills Development Levies Act, 1998 (Act 9 of 1998) have been enacted to put in place systems and processes that would accelerate skills development. With the concerns that education and training provision has not always been responsive to the demands of the economy, it is important that policy implementers be mindful of the fact that policies are endorsed and enacted in legislation of various kinds. Policy development does not necessarily lead to its effective implementation often due to certain internal and external variables which could impact on the attainment or on the implementation process. The

implementation stage therefore, is regarded as the stage that determines the success or failure of public policy.

The study indicates that the development and implementation of the NQF is a motive driven goal, given that no other country, developed or otherwise, has as yet established as all-encompassing a framework as the NQF, for education and training as in South Africa. The development of standards and qualifications by the Standards Generating Bodies has enabled the Safety and Security SETA to accredit training providers in its sector for relevant training standards and qualifications that are required by the workplace. These standards and qualifications are suitable for workplace training and can be awarded from the workplace for developing skills relevant to work and which reflect the needs of the sector. All these qualifications are outcomes-based and no longer input driven.

### **6.2.1 PSIRA and SASSETA as custodians and drivers of skills development in the private security sub-sector**

Qualitative and quantitative difference into training provision in the Private Security Sub-sector is evident. Various organisations in the sector provide different training with some providing unit standards based training while others provide training based on grades. With the implementation of the SAQA Act, 1995 (Act 58 of 1995) and the NQF, training providers in the Private Security Sub-sector are phasing out training based on grades and introducing standards based training. Under the unit standards approach, training providers are required to have been accredited by SASSETA. Their programmes also have to be approved by SASSETA before implementation. The training provider has to think through a whole set of decisions including statement of specific objectives, which outlines what the learner should know and be able to do before hand. The NQF has facilitated the establishment of bodies (Education and Training Quality Assurance Bodies) which are responsible for ensuring accountability in the quality of education and training provision by the training providers in the Private Security Sub-sector.

Legislative Framework that was developed by the Department of Labour and the Department of Safety and Security for skills development has been interpreted and

developed into implementable policy guidelines, business plans and strategies for implementation in the Private Security Sub-sector. Both PSIRA and SASSETA have developed guideline documents for implementation of policy and there is evidence that considerable attention has been paid to their implementation. The regulations prohibit the offering of non-prescribed training courses and do not allow accredited training institution or instructors to offer any training course whose contents do not substantially comply with the minimum criteria contemplated in the regulations. Furthermore, the regulations prohibit the rendering of security services by non-trained employees.

The study has revealed that the PSIRA's main area of focus has been in compliance with set legislations more than on performance. The monitoring and enforcement of compliance to legislation has been through compliance audits and inspections. These compliance audits expose businesses that contravene the provisions of the statutory Code of Conduct for security service providers. These include offences such as operating businesses without registration, employing untrained and unregistered security officers, illegal underpayment of security officers, compliance with labour legislation, and criminal offences. The reduction in non-compliances is an indication of growth in awareness and compliance to legislation by the sector.

It is, however, of concern that over the three year period under study, no impact study or effectiveness of training legislation has been reported in terms of skills development and improvement. Training regulations were promulgated and implemented by PSIRA. It is also, evident that the interest of PSIRA is in policing the industry for compliance to legislation instead of performance evaluations for skills improvement in the sector. The PSIRA has adopted a traditional model which is more administrative in nature over an outcomes-based model that will seek to measure performance against set objectives against their legislative framework in a comprehensive and empirical manner.

The Private Security Sub-sector practices show signs of maturity which reflect characteristics of self-regulation within the industry. For instance, there is an increase in the number of complaints received by PSIRA from the industry players themselves about non-compliant practices in their own ranks. Furthermore, this increase in complaints

received reflects greater accountability to the marketplace and accountability in the industry. This also indicates growing levels of awareness among consumers of private security services about the rights and obligations of consumers vis-à-vis those of the service providers. Marketplace accountability is a means of holding the private security industry liable for its conduct. The PSIRA Law Enforcement Division ensures that its operational policy prioritise following up on complaints and infrastructure inspections, after which attention can be given to other complaints. However, all these complaints received pertain to compliance issues rather than performance in skills development or the state of skills. The number of dockets submitted on improper conduct investigations and illegal practices is high considering that innocent consumers and employees are victims in these instances. The reports analysed do not indicate the nature of training related offences besides statistics of offences.

One of the outcomes of the implementation of the NQF is the improvement of communication and cooperation in the sector. On the part of this particular case study, cooperation between the two organisations PSIRA and SASSETA as well as a firm commitment to working together is shown through the joint MoU and joint communiqués. The joint regular communiqués served to:

- address the alignment of the PSIRA grades (the old training standards which the NQF is moving away from) to the SASSETA skills programmes that are made up of various SAQA registered unit standards;
- inform training providers who are registered with PSIRA and offering the grades and other specialized training as well as SASSETA-accredited training providers of the new proposed statutory training standards for the private security industry; and
- advise the industry on accreditation procedures with SASSETA.

It is, however, still necessary for the two organisations to streamline their functions further as service providers complain of being loaded with a lot of paperwork and beaurocracy. Service providers in the sector still have to register with both organisations and at the same time have to be accredited by both of them for different purposes. SASSETA and



PSIRA conduct sight visits to service providers at different times of the year meaning that they have to abandon training and focus on preparations for different sets of requirements.

Payment of training levies to SASSETA can be regarded as a catalyst for skills development at the Private Security Sub-sector workplace. It is also clear that the funding formula through the skills development levies have made an important contribution in facilitating Private Security Industry success in skills development. The skills development levy has provided a creative way of funding the development of the areas of learning within the workplace. Various projects have been development and implemented through the skills levy. A challenge in this regard is that most benefits are gained by large enterprises who invest more on training expenditure as well as compliance to skills development legislation.

Although the high training rate of large firms could be seen as of great benefit to the large numbers of employees trained, the high collective amount of grants that they claim (large and medium firms) poses a threat to the Small, Medium and Micro Enterprises (SMMEs) that are in need of skills and employment creation. Exacerbating the above mentioned challenge, is the exemption as from August 2005 of companies with an annual payroll that is less than R500 000 from paying skills levies. This has resulted in a loss of a number of SMME companies that were eligible for levy. The reduction meant that levy funds available to support SMMEs have been dramatically depleted. The end result is SMMEs who need the skills most and are very important in creating employment have become the biggest losers from the skills development initiatives unless an alternative source of funding is found.

The study revealed a serious need for capacity building in the leadership of SASSETA. That will rapidly address a number of areas identified in its lack of effective service delivery. The under spending of funds and failure to meet targets are indication of a number of inter-related contributing factors that inhibit effective implementation and performance of the SASSETA. Due to the complex and comprehensive nature of the NSDS targets, one cannot prescribe a single approach to achieve them but rather the adoption of several approaches to deal with the problem.

## **6.2.2 Employers and the National Skills Development Strategy (NSDS) targets imposed by the Statutory Framework for Skills Development**

The study points to a strong need for a project management approach to meeting the NSDS targets. The targets that SASSETA failed to achieve were some of the most critical ones as they affect workers from the designated group of the previously disadvantaged. These targets include supporting small levy paying firms financially for skills development, increasing the number of small Black Economic Empowerment (BEE) firms and Black Economic Empowerment Cooperatives (BEEC) supported by skills development annually, and increasing the number of employees that attain Adult Basic Education and Training (ABET) level 4. SASSETA's failure to place all learners in critical skills programmes covered by sector agreements from Further Education and Training (FET) and Higher Education and Training (HET) institutions, failure to assist qualified learners to gain Work Experience (WE) and to find placement in employment or Self Employment (SE). None of the young people that were to be trained and mentored to form sustainable new ventures after completion of new programmes were trained or mentored. SASSETA failed to recognise and support at least 10 Institutes of Sectoral Occupational Excellence (ISOE) and private institutions through Public Private Partnerships (PPP) as required, only six were supported.

The success of SASSETA is dependent on sound administrative capacity and quality of leadership in the SETA. Effective leadership must have adequate administrative skills to implement the NSDS successfully. Support and guidance of the SETA's by the Department of Labour in implementation and meeting the NSDS targets is also critical. A serious failure to spend all funds allocated to skills development projects for the Private Security Sub-sector by SASSETA has also been revealed by the study. It is unacceptable that SASSETA has such a huge sum of unspent money when there is a critical shortage of skill in the sector. This is an indication of lack of capacity and supervision by leadership.

The study suggests that many employers are taking seriously the obligations which are placed on them. They are definitely setting aside time for the training of employees as well as making significant effort to respond to skills development legislation obligations. The

workplace is recognised as a site of learning and teaching and, hence, as a site of knowledge. Development and registration of learnerships in the Private Security Sub-sector which are a new set of qualifications that constitute a work-based route of qualifications, are demand-led, not supply driven and have a focus across all levels of the NQF. There have long been skills problems and market failures in this sector. Given this and some of the characteristics of the sector (a large number of small firms, high labour turnover, sectoral determination by government), it can be argued that the sector was well suited to interventions effected.

It can be argued that the new regulatory framework is changing employers' attitudes and behaviour regarding training and skills development. The large number of employers submitting WSPs to SASSETA clearly indicates high employer participating rate in skills development. The targets themselves are having a direct effect, but there is also an indirect effect on management processes and delivery on NSDS targets. To meet the required targets, employers should be encouraged to engage with outside bodies, such as employers' professional bodies and unions in their localities for a collective effort. Capacity building with regards to financial planning and management has been one strong need that has emerged. Coupled with time management, the SETA needs to also focus more on project management skills training as the NSDS targets are time bound.

### **6.2.3 The Statutory Framework for Skills Development and its impact on different types of security enterprises**

There is some evidence that the legislation is impacting differentially on different types of companies. In the Private Security Sub-sector, large companies meet the set training targets and challenges while small companies fail to meet these. The large companies seem to be able to also attempt to meet the employment equity targets while small companies are struggling. The obligatory training targets prescribed by the Employment Equity Act, 1998 (Act 55 of 1998) are having different effects on different types of employers. They are having a positive effect on the training of Blacks. They are also having a significant and beneficial effect on the training of Black males but none whatsoever on females of all racial groups.

There is evidence that alliances between police, private security services and the Security Industry Alliance (SIA) can be a considerable help in reducing crime. Cooperation between enterprises that have affiliated with professional bodies and unions has ensured a fundamental part of raising consumer confidence in the sector. This has led to recognition that raising skills in the sector forms a fundamental part of raising consumer confidence in the sector. As such, the employers, professional bodies and unions are working together to ensure that the qualifications and competencies which form part of the framework meet the needs of the industry. The statutory weight of the professional bodies means that they are able to prescribe the training needs in the sector and address the technical skill gaps which affect it.

In this study, it proved difficult to ascertain the implementation of legislation and the extent of training or skills development of people with disabilities. This is due to the fact that employers in the Private Security Sub-sector pay very little attention to the employment and training of people with disabilities. This shortcoming also points to the failure of management and leadership to enforce effective implementation of legislation. The effective implementation of the employment equity legislation cannot be achieved in isolation from other fundamental changes within the workplace. It forms part of an essential change of attitudes and beliefs. In this regard, there is a need for management and leadership to buy in and own relevant legislation as theirs. This will ensure that they take responsibility for seeing to it that there is a cultural change towards the employment of females and people with disabilities in the Private Security Sub-sector.

It is also imperative for management and leadership as well as recipients of the services to take into consideration the cultural misconceptions affecting the employment of women and disabled people in the Private Security Sub-sector. It is through dispelling such cultural biases that barriers to the employment of women and people with disabilities will be broken. Employers should also take cognisance of creating a workplace environment that is conducive to the employment and training of people with disabilities. The **South African Constitution** (Constitution 1996) demands respect for the human rights of all South

African citizens. Management and leadership should take ownership of the Skills Development legislation and be accountable for lack of delivery.

### 6.3 RECOMMENDATIONS

When the Framework for Skills Development was introduced by the Department of Labour in the late 1990's and realised with the inauguration of the first twenty five SETAs in the year 2000, the intention was to skill South Africans with specific emphasis on those previously disadvantaged. This framework was supported by the Skill Development Act, 1998 (Act 97 of 1998), SAQA Act, 1995 (Act 58 of 1995) and the Skill Development Levies Act, 1999 (Act 9 of 1999) among others. This support laid the foundation for the country to evolve from self-centred profit approach to an employee recognition approach. The study revealed that now for the first time the focus shifted towards the employees and their continuous development needs. Even to the extent that employers are willing to pay levies to ensure the skilling of their employees.

On one hand, the study has shown that great improvements took place regarding skilling of workers in the Private Security sub-sector. On the other hand, however, is the question of what impact those skilled people have made on the country's performance as a whole. South Africa is currently under siege by criminals, national and international. The South African Police Services is not coping with the situation hence the massive increase in the Private Security Sub-sector. Virtually every citizen has first hand experience of being a crime victim. Many have multiple experiences. The time is now ripe for an integrated approach regarding the safety and security position of the country. The skilling of private security employees must of necessity complement the South African Policing Services and their affiliates, i.e. Correctional Services and the Department of Justice. The alignment of training programmes and the quality assurance thereof must be made a SASSETA priority. The position where the country and all its citizens are held captive by criminals must be tuned around.

Judging by the number of Private Security service providers submitting Workplace Skills Plans and Annual Training Reports to SASSETA, there is overwhelming support for the

Framework for Skills Development in the Private Security Sub-sector as a South African owned and led programme. Furthermore, it is regarded as presenting an opportunity for the accelerated human and economic development of the workforce in the South African Private Security Sub-Sector. However, the various challenges that have emerged during its implementation should be taken seriously, interrogated and addressed. Outlined below are some of the recommendations emerging from the findings articulated above.

**Recommendation 1: Industries should Capacitate their Employees to Understand Training Regulations together with their Requirements**

All workplaces that employ more than 50 employees are obligated to submit their employment equity status report to the Department of Labour. Employers should ensure that the established Training and Employment Equity Committees are capacitated to understand the prescriptions of the training regulations together with their requirements. The Employees need to have an awareness of regulations as part of the job role so that they can fight for their right to training and development. Trade unions, through incapacity and lack of focus, have not equipped shop stewards to input into workplace skills plans. Workers do not know their right to access training at the workplace. The trade unions should arouse the awareness of the workers in terms of their right to training at the workplace through their contributions of the skills levy. This will prohibit the employers from focusing the training on unduly soft training such as adult basic education on health and safety issues only. This will enhance the legitimacy and the ownership of the programmes in the eyes of the people it seeks to benefit. Also, these structures and committees that are constituted by employees are better placed to be able to sensitise leadership on matters impacting positively or negatively to achieving training objectives.

**Recommendation 2: Developing Management and Leadership Capacity**

The study revealed a serious need for capacity building in the leadership of SASSETA. That will rapidly address in a number of areas identified in its lack of effective service delivery. The under-spending of funds and the failure to meet targets are indications of a number of inter related contributing factors that inhibit effective implementation. Thus, poor performance points to under-capacitated leadership in the organisations. Due to the

complex and comprehensive nature of the NSDS as well as the targets it is set to meet, one cannot prescribe a single approach to achieving them, but rather the adoption of several approaches to dealing with the shortcomings.

The success of the SASSETA is dependent on the sound administrative capacity and high quality of leadership in the SETA. Effective leadership must have adequate administrative skills to implement the NSDS successfully. The support and guidance of the SETA's by the Department of Labour in implementing and meeting the NSDS targets is also critical.

### **Recommendation 3: Creation of Conditions Conducive for Skills Development at the Workplace**

There is a need for the creation of conditions conducive for skills development, increased investment in human development, mobilising resources and asserting relations between the employers and employees on the basis of mutual respect and acknowledgement of the need to work together as partners. A serious problem is that many employees enter into training programmes with the hope of promotion or increased remuneration at the end of the training programme. When such expectations are not met the employees become disillusioned and disgruntled and lose interest in further development. Companies should ensure that there is mutual understanding between management and employees regarding the need and benefits of training to employees.

### **Recommendation 4: Capacity Building of Small, Medium and Micro Enterprises (SMME)s through Innovation and Support**

The Private Security Industry sub-sector Small, Medium and Micro Enterprises (SMMEs) are struggling to meet the NSDS and employment equity targets. Large private security service providers (mentors) and small private security service providers (mentees) should work together, instead of competing over a profit to yield better results for both parties. This would enable the small companies to draw from the expertise and experiences of the

large companies. Sectoral action plans and strategies can include the identification of priority programmes and projects in various areas of the prescribed legislation, the mobilisation of human, institutional and financial resources in support of the implementation of skills development programmes. These required developments include the establishment of the implementation frameworks that will assist and guide small companies through direct participation, thus enhancing their capacity and performance. Effective monitoring and supervision, mentorship and guidance as well as adequate administrative skills to implement NSDS successfully must be a priority. In particular, this is important for creating employer confidence, which is vital in encouraging the prioritising of participation in training and skilling employees instead of profit. Regular consultations through meetings and workshops between the participants should also be encouraged. Such consultations should be in concert with regular progress appraisals to achieve the intended objectives and prescribed targets.

**Recommendation 5: Building of Partnerships within the Sector Locally for Better Co-ordination and Streamlining of Efforts for a Common Purpose**

Effective implementation of the skills development legislation depends on the manner in which proper coordination and relationships among role players are built and managed. The police, private security and Security Industry Alliance share a common purpose of crime fighting and combating. In that regard, alliances between them can have a considerable impact on crime. Practical cooperation and integration of efforts between the law enforcement agencies and the private security industry could encourage skills transfer and cross-pollination. Thus, learning from each other's strengths and collective wisdom can guarantee better results. It is also fortunate that these services share a common custodian for qualifications and skills development which is the Safety and Security Sector Education and Training Authority (SASSETA). It should also be realised that raising skills in the sector forms a fundamental part of raising consumer confidence in the sector.



As such, the employers, professional bodies and unions should work together to ensure that the qualifications and competencies which form part of the framework meet the needs of the industry. Co-operation between enterprises that have affiliated with professional bodies and unions will ensure better results and benefits. The statutory weight of the professional bodies means that they are able to prescribe the training needs in the sector and address the technical skill gaps which affect the sector.

### **Recommendation 6: Building Partnership with Peers and other South African Business Sectors**

Alliances and partnerships between South African Private Security Sub-sector service provider stakeholders and other business sectors' stakeholders should be encouraged to ensure that the programme of skills development in the country is embraced by all. Surely, some SETAs are better performing than others as it had been revealed earlier in Chapter 5. Sectors can learn from each other's success stories. The challenge to make the Skills Development legislative framework work should be a responsibility of all the stakeholders within the country if poverty and underdevelopment are to be defeated. South Africa has the potential to succeed and available capacities within the country should be appropriately harnessed to realise this ideal.

### **Recommendation 7: Systems for Improving Performance in the sector and Not Just Compliance to Legislation should be put in place**

Whereas a considerable amount of work has been done in terms of developing legislative framework for skills development for the Private Security Sub-sector, the successful and effective implementation thereof is questionable. The compliance inspections conducted by PSIRA do not give an indication of the state of skills after training through the three year period that was studied. On the basis of evidence obtained from the documents analysed, it is not possible to conclude on the type of skills that have been acquired though the implementation of training due to the deficiencies in the statistical data that was available.

Performance Audits should be conducted and focus placed on outcomes and impact of implementation of legislation to reveal the state of skills that are required by the sector.

### **Recommendation 8: Parity of Esteem between Training offered in the Sector**

There is a discourse that is taking place among various Private Security Sub-sector regarding the intellectual demands of trades training that is offered by training providers that are registered with PSIRA in comparison to NQF based qualifications and Unit Standards. The NQF has been developed to ensure intellectual parity between all education and training in South Africa. It is through the implementation and use of the NQF that the parity of esteem of qualifications will be established in the sector. SASSETA and PSIRA should ensure that all the training providers in their sector are accredited so that all education and training provided in their sector is quality assured through accredited training providers. Trades training should be aligned with NQF Unit Standards based training to address matters of parity.

### **Recommendation 9: Espousal of Ethics and Values as Enshrined in the South African Constitution (Constitution 1996)**

The Private Security Sub-sector leaders should promote and protect human rights, consolidate a culture of good governance and the respect of legislation at the workplace. Employment policies should encompass all needs of employees and eliminate discrimination against any group of workers. The study reflects that the targets that were not met affected workers from the designated groups, these being women, people with disabilities and youth. The study also points to failure of management and leadership to enforce the effective implementation of employment equity legislation. The effective implementation of the employment equity legislation cannot be achieved in isolation from other fundamental changes within the workplace.

To address this shortcoming, it is recommended that employment and training of women and people with disabilities be employed and trained in low risk areas such as electronic fields of private security. The proposed kind of training is especially ideal for women and people with disabilities as this kind of technology allows identification of potential threats quickly and discretely, from a distance, without conducting physical contact with the situation and causing direct exposure to danger. This kind of training could also offset the imbalance of black male domination in the employment and training at the private security workplace.

### **Recommendation 10: Training and Capacitating of Leadership in Corporate Governance and Financial Management.**

More pressure should be exerted on the leadership's and management's accountability and commitment to implementing policy and legislation effectively. Council should sign performance agreements with the Department of Labour. The SASSETA has a mandate to disburse funds from skills development levy grants for training projects. The findings of this study have revealed a lack of capacity to disburse and spend funds in line with implementation policy and legislation. Lack of ability to understand and interpret financial policies implies failure to translate policy into implementable strategies. This can be attributed to the root cause of non-delivery on the NSDS based projects. Also, training in financial management for non-financial managers would go a long way in enabling skills for disbursement of funds as required by the SASSETA mandate. It also transpired that the leadership spends more time on turf and sector battles over allocation of funds, with each sub-sector demanding a larger allocation for itself. Leadership should be trained and capacitated in order to be able to distinguish between governance and operational matters. This will strengthen the work environment to enable all to discharge their respective mandates successfully.

#### **6.4 Possibilities for Further Investigation**

It can be argued that in the skills development sector tensions are always experienced between objectives oriented, results based training processes and the complex realities in

the field of the skills development work. These tensions can result in a disjunction between the planning and implementation of skills development. In addition, there is usually little time for meaningful reflection on the effectiveness of the work done to develop skills as focus tends to always be on policy implementation and results. Also, accounting for and reporting on the effectiveness of training would enable making of vital review and adjustment of plans/decisions for vertical and horizontal accountability on efficiency. Furthermore, the effect of training for feedback about what difference and impact the implemented interventions are making is critical, instead of concentrating on checklists of what has been delivered.

There are a number of possibilities for further investigation of the implementation of the skills development legislative framework and its impact. Some of these possibilities are outlined below:

Firstly, it is possible to do a more statistically based study at a larger scale. As it has already been mentioned in the previous section, official data and statistics that were received from the organisations under study had shortcomings. Moreover, employers were reluctant to release all the documents that were required for the study. To date, it is too early to identify any trends on the effectiveness of the implementation of the new Skills Development Legislative Framework in the Private Security Sub-sector. However, in time, it should be possible to see whether there have been any upward trends in terms of throughput on the meeting of NQF and NSDS targets.

Secondly, databases of quality audits and inspection reports from the monitoring of the private security service providers by PSIRA and SASSETA can be utilised for further research to investigate the quality of training, progress made and the upward mobility of learners in terms of training levels and credit accumulation that is offered at the Private Security Sub-sector workplace. That will allow for a more thorough assessment of impact of the Skills Development Legislative Framework at the workplace.

In the third place, another approach would be to conduct more detailed qualitative studies of the attitudes and behaviour of workers towards training at the workplace. Workers are

normally trained on fire drills, occupational health safety, First Aid and general hygiene. As this is basic training which does not lead towards any qualifications, NQF aligned training would allow workers to accumulate credits towards a qualification. These credits tend to raise expectations of workers about upward mobility and promotion. It would be worthwhile to investigate the impact of such training on upward mobility and promotions at the workplace.

In the fourth instance, qualitative studies of the attitudes and behavior of employers towards training at the workplace could also be explored. There is a common understanding that not all employers participate in skill development. A serious problem is that many companies are merely treating the skills levy as a new form of tax and ignore their important obligation of training the workers. They tend to worry more about time that will be lost through training instead of focusing on productivity. Investigating the effect of the skills development legislative framework implementation on the attitudes of employers towards training of their workforce shed light on behavioral changes that have been brought about by this legislative framework. This study could provide more information on the commitment of organisations to equip employees with required skills because of seeing the benefits of developing employees rather than just chase numbers for compliance and claiming of training levies.

A fifth possibility for investigation would be for gaining a greater understanding of the extent to which skills development regulations impact on skills development in South Africa. Information is required on the extent to which regulations cause employees to utilize their newly acquired skills to improve productivity at the workplace and thus economic development. Skill surveys could also be conducted on current skills analyses to pinpoint whether training provided through the regulations and codes of practise create skills gaps or shortages or indeed impact on skills shortages at all.

A sixth possibility would be the usefulness to drawing on the international comparative literature in the area. Work has been done on training in the Private Security Sub-sector in other countries, suggesting a spread of Private Security Sub-sector providers with different types of human resource regimes and different outcomes. There is also some work in the

United Kingdom, India and USA, where there would seem to be more diversity in the quality of provision and where more use is made of private security for different purposes.

A seventh possibility would be a study of the implementation of the legislative framework for skills development in other sectors of the Safety and Security Sector. These sub-sectors include the Policing Services, Correctional Services, Legal Practices, Defence and Department of Justice. These are sectors that pay their training levies to SASSETA, and there are always turf wars amongst them due to disagreement on the allocation of training grants amongst themselves.

Finally, with the finding that SASSETA has not been able to disburse all the funds that were allocated for the skills development projects, it would be interesting to conduct a study on the disbursement of these accumulated. These are funds are collected from training levies paid by the Safety and Security Sector employers for training of the sector. This study could possibly reveal the barriers and bottlenecks that could be inhibiting effective implementation of the Skills Development Levies Act. Also, issues of incapacity or limitations could also be revealed.

## **6.5 Conclusion**

This study has provided information through which to gain an understanding of the implementation of the legislative framework for skill development in the private security sub-sector of the safety and security sector in South Africa.

It is also clear that the Private Security Industry sector, over the three years that were studied, effectively implemented skills development policies. Also, the Department of Labour had approved the strategic plans for skills development in the sector. Much has been achieved by the sector in terms of the implementation of legislation. However, undoubtedly, there are some problems and challenges in meeting some of the critical targets, but there are some indications that the implementation of recommended strategies may provide an effective vehicle for improvement and for addressing the challenges.

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**APPENDIX 1:**

**SOUTH AFRICAN QUALIFICATIONS AUTHORITY ACT,  
1995 (Act 58 of 1995)**



## OFFICE OF THE PRESIDENT

No. 1521. 4 October 1995

### NO. 58 OF 1995: SOUTH AFRICAN QUALIFICATIONS AUTHORITY ACT, 1995.

It is hereby notified that the President has assented to the following Act which is hereby published for general information:-

#### ACT

To provide for the development and implementation of a National Qualifications Framework and for this purpose to establish the South African Qualifications Authority; and to provide for matters connected therewith.

(English text signed by the President.) (Assented to 28 September 1995.)

**BE IT ENACTED** by the Parliament of the Republic of South Africa, as follows:-

#### Definitions

1. In this Act, unless the context indicates otherwise-
  - i. "Authority" means the South African Qualifications Authority established by section 3; (viii)
  - ii. "company" means a company or close corporation registered under any law, which provides education or training for its employees or clients; (v)
  - iii. "Director-General" means the Director-General of Education; (i)
  - iv. "Minister" means the Minister of Education and, for the purposes of sections 4(2), 4(3), 4(4), 4(5), 4(6), 5(1)(c), 11, 13(2), 14 and 15(2), the Minister of Education in consultation with the Minister of Labour; (vi)
  - v. "National Qualifications Framework" means the National Qualifications Framework approved by the Minister for the registration of national standards and qualifications; (vii)
  - vi. "organised teaching profession" means an organisation or union which is a member of the Education Labour Relations Council established in terms of the Education Labour Relations Act, 1993 (Act No. 146 of 1993), and is recognised by the Minister for the purposes of this Act; (ii)
  - vii. "prescribe" means prescribe by regulation; (x)
  - viii. "qualification" means the formal recognition of the achievement of the required number and range of credits and such other requirements at specific levels of the National Qualifications Framework as may be determined by the relevant bodies registered for such purpose by the South African Qualifications Authority; (iv)

- ix. "registered" means registered in terms of the National Qualifications Framework; (iii)
- x. "standard" means registered statements of desired education and training outcomes and their associated assessment criteria. (ix)

### **Objectives of National Qualifications Framework**

- 2. The objectives of the National Qualifications Framework are to-
  - a. create an integrated national framework for learning achievements;
  - b. facilitate access to, and mobility and progression within education, training and career paths;
  - c. enhance the quality of education and training;
  - d. accelerate the redress of past unfair discrimination in education, training and employment opportunities; and thereby
  - e. contribute to the full personal development of each learner and the social and economic development of the nation at large.

### **Establishment of South African Qualifications Authority**

There is hereby established a juristic person called the South African Qualifications Authority.

### **Constitution of Authority**

- 4. (1) The Authority shall consist of a chairperson who shall be appointed in terms of subsection (2), such members as shall be appointed in terms of subsections (3) and (4), and an executive officer who shall be appointed in terms of subsection (7).
  - (2) The Minister shall appoint a person of experience and expertise in matters relating to the functions of the Authority, to be the chairperson of the Authority.
  - (3) The Minister shall appoint the following persons as members of the Authority, in the manner provided for in subsection (4)-
    - a. one member nominated by the Director-General;
    - b. one member nominated by the heads of provincial education departments;
    - c. one member nominated by the Director-General: Labour;
    - d. one member nominated by the National Training Board;
    - e. two members nominated by the national organisations representing organised labour;
    - f. two members nominated by national organisations representing organised business;

- g. one member nominated by the Committee of University Principals established by section 6 of the Universities Act, 1955 (Act No. 61 of 1955);
- h. one member nominated by the Committee of Technikon Principals established by section 2 of the Technikons Act, 1993 (Act No. 125 of 1993);
- i. one member nominated by the national body representing teachers' college rectors and recognised by the Minister for this purpose;
- j. one member nominated by the national body representing technical college rectors and recognised by the Minister for this purpose;
- k. one member nominated by national organisations representing colleges other than teachers' colleges and technical colleges and recognised by the Minister for this purpose;
- l. one member nominated by national organisations representing the adult basic education and training sector and recognised by the Minister for this purpose;
- m. one member nominated by national organisations representing the early childhood development sector and recognised by the Minister for this purpose;
- n. two members nominated by the organised teaching profession;
- o. two members nominated by national organisations representing lecturers and trainers and recognised by the Minister for this purpose;
- p. one member nominated by national organisations representing the special education needs sector and recognised by the Minister for this purpose;
- q. not more than six members appointed by the Minister at his or her discretion;
- r. not more than two members co-opted by the Authority at its discretion and recommended to the Minister for appointment.

(4) For the purpose of seeking nominations as contemplated in subsection (3), the Minister shall give notice in the Gazette of his or her intention to appoint members of the Authority, and shall request any body or organisation in the fields referred to in subsection (3) to submit the names of persons who, on account of their experience and expertise in matters relating to the functions of the Authority may be suitable candidates for appointment as members of the Authority and in submitting the names of candidates due recognition shall be given to the principle of representivity.

(5) For the purpose of the nominations contemplated in paragraph (n) of subsection (3), not more than one nomination shall be made by any one organisation or union.

(6) A member of the Authority excluding the executive officer, shall hold office for such period which shall not exceed three years, as the Minister may determine at the time of his or her appointment, and a member may be re-appointed for one further term of office when his or her initial term of office expires.

(7) The Minister shall, in filling any vacancy, take the provisions of subsection (3) into account.

(8) The members contemplated in subsections (2) and (3), shall, with the approval of the Minister, appoint a competent person to be executive officer on such conditions of service as may be determined by the Authority with the approval of the Minister, granted with the concurrence of the Minister of Finance.

### **Functions of Authority**

5. (1) Subject to the provisions of subsection (2), the Authority shall-
- a. (i) oversee the development of the National Qualifications Framework; and
  - (ii) formulate and publish policies and criteria for-
    - aa. the registration of bodies responsible for establishing education and training standards or qualifications; and
    - bbb. the accreditation of bodies responsible for monitoring and auditing achievements in terms of such standards or qualifications;
  - b. oversee the implementation of the National Qualifications Framework, including-
    - i. the registration or accreditation of bodies referred to in paragraph (a) and the assignment of functions to them;
    - ii. the registration of national standards and qualifications;
    - iii. steps to ensure compliance with provisions for accreditation; and
    - iv. steps to ensure that standards and registered qualifications are internationally comparable;
  - c. advise the Minister on matters affecting the registration of standards and qualifications; and
  - d. be responsible for the control of the finances of the Authority.

(2) The Authority shall pursue the objectives of the National Qualifications Framework as provided in section 2 and execute the functions of the Authority as provided in subsection (1)-

- a. after consultation and in co-operation with the departments of state, statutory bodies, companies, bodies and institutions responsible for education, training and the certification of standards which will be affected by the National Qualifications Framework;
- b. with due regard for the respective competence of Parliament and the provincial legislatures in terms of section 126 of the Constitution, and the rights,

powers and functions of the governing bodies of a university or universities and a technikon or technikons as provided in any Act of Parliament.

### **Functions of executive officer**

6. (1) The executive officer shall-
- a. be responsible to the Authority for the execution of its functions in terms of this Act;
  - b. supervise the officers and employees of the Authority; and
  - c. be the accounting officer of the Authority charged with accounting for moneys received, payments made and movable property purchased by the Authority.

(2) The executive officer shall be assisted in the performance of his or her duties in terms of subsection (1) by such officers and employees of the Authority as the executive officer may designate for this purpose.

### **Powers of Authority**

7. (1)
- a. The Authority may establish committees and appoint persons who are not members of the Authority to the committees.
  - b. The Authority shall appoint the chairperson of every committee.
  - c. The Authority may dissolve or reconstitute a committee.
  - d. The Authority may delegate any of its powers, excluding the powers referred to in this section, to any of its committees, but shall not be divested of a power so delegated and may at any time withdraw such a delegation.
  - e. The Authority may amend or set aside any decision of such a committee.

(2) The Authority may resolve disputes relating to the performance of its functions referred to in section 5.

(3) The Authority may acquire and dispose of assets.

(4) The Authority may cause research to be done which it considers relevant to the performance of its functions.

(5) The Authority may perform any other function which the Minister may designate which is relevant to the National Qualifications Framework.

### **Meetings of Authority and committees**

8. (1) The meetings of the Authority or of a committee shall be held at such times and places as the chairperson of the Authority or the committee, as the case may be, may determine.
- (2) The proceedings of the Authority or of a committee shall not be invalid by reason of a vacancy on the Authority or the committee, as the case may be.
- (3) If the chairperson of the Authority or of a committee is absent from any meeting of the Authority or a committee, as the case may be, the members present shall elect from among themselves a person to preside at that meeting.
- (4) The Authority may prescribe rules relating to the procedures at its meetings or at the meetings of a committee, including the quorum for such meetings.

### **Vacation of office by members of Authority**

The chairperson or any member of the Authority referred to in section 4(3) shall vacate his or her office if-

- a. his or her estate is sequestrated or he or she enters into a compromise with his or her creditors;
- b. he or she is detained as a mentally disordered person in terms of any law;
- c. he or she is absent from three consecutive meetings of the Authority without leave from the Authority;
- d. he or she resigns by giving notice in writing to the Minister; or
- e. he or she, during the course of his or her term of office, is found guilty of an offence and sentenced to imprisonment without the option of a fine.

### **Funds of Authority**

- (1) The funds of the Authority shall consist of-
- moneys appropriated by Parliament for the achievement of the objectives of the Authority;
- moneys received by the Authority by virtue of the regulations made in terms of section 14;
- moneys obtained by means of loans raised by the Authority with the approval of the Minister, granted with the concurrence of the Minister of Finance;
- donations, contributions or royalties received by the Authority; and
- interest on investments.
- (2) The Authority shall employ its funds to defray expenses in connection with the performance of its functions.
- (3)

(a) The Authority shall in each financial year, at such time and in such form as the Minister may determine, submit a statement of its estimated income and expenditure for the ensuing financial year to the Minister for approval.

(b) The moneys contemplated in subsection (1)(a) shall be employed by the Authority in accordance with the approved statement referred to in paragraph (a), and any unexpended balance shall be carried forward as a credit to the following financial year.

(4) Subject to the provisions of subsection (3)(b), the Authority may invest any portion of its funds in such manner as the Minister, with the concurrence of the Minister of Finance, may approve.

(5) The Authority may charge or waive fees-

- a. for the granting of any registration or accreditation; and
- b. for any services provided by the Authority.

### **Officers and employees of Authority**

The Authority may, subject to the conditions of service determined by the Authority with the approval of the Minister and the concurrence of the Minister of Finance, appoint such officers and employees as the Authority may deem necessary for the performance of its functions in terms of this Act.

### **Allowances and remuneration of members of Authority and committees**

12. The chairperson, every other member of the Authority and any person appointed as a member of a committee under section 7(1) who is not in the full-time service of the State may, in respect of services rendered by him or her in connection with the affairs of the Authority or a committee, be paid by the Authority-

such travelling, subsistence and other allowances; and  
in the case of the chairperson of the Authority, such additional remuneration, as the Minister with the concurrence of the Minister of Finance may determine.

### **Auditing and annual report**

13. (1) The books of account and financial statements of the Authority shall be audited at the end of each financial year by the Auditor-General.

(2) The Authority shall not later than six months after the end of each financial year submit to the Minister a report in such form as the Minister may determine on its functions during that financial year, including an audited balance sheet and a statement of income and expenditure.

(3) The Minister shall table copies of the report, including the balance sheet and statement of income and expenditure referred to in subsection (2), in Parliament within 14 days after the receipt thereof if Parliament is in ordinary session, or, if Parliament is not in ordinary session, within 14 days after the commencement of its next ensuing ordinary session.

### **Regulations**

14. The Authority may, with the approval of the Minister, make regulations relating to-
- a. any matter which by this Act is required or permitted to be prescribed;
  - b. the moneys payable to the Authority in respect of matters referred to in section 10(5)(a) and (b); and
  - c. any other matter the regulation of which is necessary or expedient to give effect to the provisions of this Act.

### **Transitional provision relating to existing bodies**

15. (1) Any body established by law which performs functions similar to those of the Authority as provided in section 5 shall continue to perform such functions until the body is abolished or its functions are changed by law.

(2) No body contemplated in subsection (1) shall be abolished nor shall the functions of any such body be changed until the Authority and the body have jointly examined the implications of such abolition or change and the implementation of the National Qualifications Framework and made recommendations to the Minister.

(3) This section shall not apply to any body established by a private law of a university.

### **Short title**

16. This Act shall be called the South African Qualifications Authority Act, 1995.



## **APPENDIX 2:**

### **SKILLS DEVELOPMENT ACT, 1998 (Act NO. 97 OF 1998)**

**SKILLS DEVELOPMENT ACT  
NO. 97 OF 1998**

[ASSENTED TO 20 OCTOBER, 1998]  
[DATE OF COMMENCEMENT TO BE PROCLAIMED]

(Unless otherwise indicated)

*(English text signed by the President)*

**ACT**

**To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the National Qualifications Framework contemplated in the South African Qualifications Authority Act, 1995; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-grant scheme and a National Skills Fund; to provide for and regulate employment services; and to provide for matters connected therewith.**

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**CHAPTER 2**

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## **CHAPTER 1 DEFINITIONS, PURPOSE AND APPLICATION OF ACT**

**1. Definitions.**--In this Act, unless the context otherwise indicates--

"**Basic Conditions of Employment Act**" means the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997);

"**Department**" means the Department of Labour;

"**Director-General**" means the Director-General of Labour;

"**employee**" means--

- a. any person, excluding an independent contractor, who works for another person or for the State and who receives, or is entitled to receive, any remuneration; or
- b. any other person who in any manner assists in carrying on or conducting the business of an employer, and "employed" and "employment" have corresponding meanings;

**"employment services"** means the provision of the service of--

advising or counselling of workers on career choices either by the provision of information or other approaches;

assessment of work-seekers for--

entry or re-entry into the labour market; or

education and training;

the reference of work-seekers--

to employers to apply for vacancies; or

to training providers for education and training;

assistance of employers by--

providing recruitment and placement services;

advising them on the availability of work-seekers with skills that match their needs;

(advising them on the retrenchment of employees and the development of social plans; or

any other prescribed employment service;

**"government department"** means any department or organisational component referred to in Schedule 1 or 2 of the Public Service Act, 1994 (Proclamation No. 103 of 1994);

**"Labour Court"** means the Labour Court established by section 151 of the Labour Relations Act, 1995 (Act No. 66 of 1995);

**"Minister"** means the Minister of Labour;

**"National Skills Authority"** means the National Skills Authority established by section 4;

**"national skills development policy"** means the national skills development policy referred to in section 5 (1) (a) (i);

**"national skills development strategy"** means the national skills development strategy referred to in section 5 (1) (a) (ii);

**"National Skills Fund"** means the National Skills Fund established by section 27;

**"NEDLAC"** means the National Economic Development and Labour Council established by section 2 of the National Economic Development and Labour Council Act, 1994 (Act No. 35 of 1994);

**"prescribed"** means prescribed by regulation;

**"regulation"** means a regulation made and in force in terms of section 36;

**"SETA"** means a sector education and training authority established in terms of section 9 (1);

**"Skills Development Levies Act"** means national legislation imposing levies for skills development;

**"skills development levies"** means the skills development levies payable in terms of the Skills Development Levies Act;

**"South African Qualifications Authority"** means the South African Qualification Authority established by section 3 of the South African Qualifications Authority Act;

**"South African Qualifications Authority Act"** means the South Africa Qualifications Authority Act, 1995 (Act No. 58 of 1995);

**"this Act"** includes any regulations but does not include the footnotes; and

**"worker"** includes an employee, an unemployed person and a work-seeker.

(Date of commencement of s. 1: 2 February, 1999.)

**2. Purposes of Act.--**(1) The purposes of this Act are--

(a) to develop the skills of the South African workforce--

- i. to improve the quality of life of workers, their prospects of work and labour mobility;
- ii. to improve productivity in the workplace and the competitiveness of employers;
- iii. to promote self-employment; and
- iv. to improve the delivery of social services;

(b) to increase the levels of investment in education and training in the labour market and to improve the return on that investment;

(c) to encourage employers--

- i. to use the workplace as an active learning environment;
- ii. to provide employees with the opportunities to acquire new skills;
- iii. to provide opportunities for new entrants to the labour market to gain work experience; and
- iv. to employ persons who find it difficult to be employed;

(d) to encourage workers to participate in learnership and other training programmes;

(e) to improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education;

( f ) to ensure the quality of education and training in and for the workplace;

(g) to assist--

- i. work-seekers to find work;
- ii. retrenched workers to re-enter the labour market;
- iii. employers to find qualified employees; and

(h) to provide and regulate employment services.

(2) Those purposes are to be achieved by--

(a) establishing an institutional and financial framework comprising--

- i. the National Skills Authority;
- ii. the National Skills Fund;
- iii. a skills development levy-grant scheme as contemplated in the Skills Development Levies Act;
- iv. SETAs;

- v. labour centres; and
- vi. the Skills Development Planning Unit;

(b) encouraging partnerships between the public and private sectors of the economy to provide education and training in and for the workplace; and

(c) co-operating with the South African Qualifications Authority.

(Date of commencement of s. 2: 2 February, 1999.)

**3. Interpretation.**--Any person applying this Act must interpret its provisions to give effect to--

(a) its purposes; and

(b) the objects of the South African Qualifications Authority Act.

(Date of commencement of s. 3: 2 February, 1999.)

## **CHAPTER NATIONAL SKILLS AUTHORITY**

**2**

**4. Establishment of National Skills Authority.**--The National Skills Authority is hereby established.

(Date of commencement: 2 February, 1999.)

**5. Functions of National Skills Authority.**--(1) The functions of the National Skills Authority are--

(a) to advise the Minister on--

- i. a national skills development policy;
- ii. a national skills development strategy;
- iii. guidelines on the implementation of the national skills development strategy;
- iv. the allocation of subsidies from the National Skills Fund; and
- v. any regulations to be made;

(b) to liaise with SETAs on--

- i. the national skills development policy; and
- ii. (the national skills development strategy;

(c) to report to the Minister in the prescribed manner on the progress made in the implementation of the national skills development strategy;

(d) to conduct investigations on any matter arising out of the application of this Act; and

(e) to exercise any other powers and perform any other duties conferred or imposed on the Authority by this Act.

(2) For the purposes of investigations referred to in subsection (1) (d), the Authority has the prescribed powers of entry and to question and inspect.

(3) The Authority must perform its functions in accordance with this Act and its constitution.

(Date of commencement of s. 5: 2 February, 1999.)

**6. Composition of National Skills Authority and term and vacation of office.**--

(1) The National Skills Authority consists of--

- a. a voting chairperson appointed by the Minister;
- b. 24 voting and three non-voting members appointed by the Minister; and
- c. its non-voting executive officer appointed in terms of section 8 (2) (a).

(2) The members referred to in subsection (1) (b) are--

five voting members nominated by NEDLAC and appointed by the Minister to represent organised labour;

five voting members nominated by NEDLAC and appointed by the Minister to represent organised business;

five voting members nominated by NEDLAC and appointed by the Minister to represent organisations of community and development interests, which must include--

a woman who represents the interests of women;

a person who represents the interests of the youth; and

a disabled person who represents the interests of people with disabilities;

five voting members appointed by the Minister to represent the interests of the State;

four voting members appointed by the Minister to represent the interests of education and training providers;

two non-voting members, who have expertise in the provision of employment services, appointed by the Minister; and

a non-voting member nominated by the South African Qualifications Authority and appointed by the Minister to represent that Authority.

(3) The Minister must designate four members as deputy chairpersons, one deputy chairperson each from the members to be appointed to represent--

organised labour;

organised business;

organisations of community and development interests; and  
the interests of the State.

(4) A member of the Authority holds office for a period of three years and is eligible for re-appointment.

(5) A member of the Authority vacates office if that member--

a. is removed from office by the Minister as contemplated in subsection (6); or

b. resigns by written notice addressed to the Minister.

(6) The Minister may remove a member of the Authority--

a. on the written request of the body that nominated that member in terms of subsection (2);

b. for serious misconduct;

c. for permanent incapacity;

d. for absence from three consecutive meetings of the Authority--

i. without the prior permission of the Authority; or

e. unless the member shows good cause; or

f. for engaging in any activity that may undermine the functions of the Authority.

(7) If a member of the Authority vacates office before the expiry of the period of office, the Minister must, in terms of subsection (2), appoint a new member for the unexpired portion of that period.

(Date of commencement of s. 6: 2 February, 1999.)

**7. Constitution of National Skills Authority.--**(1) The National Skills Authority must, as soon as possible after the appointment of its members, adopt its constitution.

(2) Subject to this Act, the constitution of the Authority--

- a. must provide for--
  - i. procedures for the nominations of members of the Authority referred to in section 6 (2) (a), (b), (c) and (g);
  - ii. the establishment and functioning of committees, including an executive committee;
  - iii. subject to subsection (3), the rules for convening and conducting of meetings of the Authority and its committees, including the quorum required for and the minutes to be kept of those meetings;
  - iv. the voting rights of the different members and the manner in which decisions are to be taken by the Authority and its committees;
  - v. a code of conduct for the members of the Authority;
  - vi. the determination through arbitration of any dispute concerning the interpretation or application of the constitution; and
  - vii. subject to subsections (4) and (5), a procedure for amending the constitution and advising the Minister on regulations to be made; and
- b. may provide for--
  - i. the delegation of powers and duties of the Authority to its members, committees and employees, provided that the Authority may impose conditions for the delegation, may not be divested of any power or duty by virtue of the delegation and may vary or set aside any decision made under any delegation; and
  - ii. any other matter necessary for the performance of the functions of the Authority.

(3) At least 30 days notice must be given for a meeting of the Authority at which an amendment of the constitution or a regulation to be made is to be considered.

(4) A supporting vote of at least two thirds of the Authority's members and the approval of the Minister is required for an amendment to its constitution.

(5) A supporting vote of at least two-thirds of the Authority's members is required for advising the Minister on regulations to be made.

(6) Despite subsection (2) (a) (i), the Minister must determine the procedure for the nominations for the first appointment of members of the Authority referred to in section 6 (2) (a), (b), (c) and (g).

(Date of commencement of s. 7: 2 February, 1999.)

**8. Remuneration and administration of National Skills Authority.--**(1) A member of the National Skills Authority who is not in the full-time employment of the State may be paid the remuneration and allowances determined by the Minister with the approval of the Minister of Finance.

(2) Subject to the laws governing the public service, the Director-General must--



- a. appoint a person to be the executive officer of the National Skills Authority who will, upon such appointment, be in the employ of the public service; and
- b. provide the Authority with the personnel and financial resources that the Minister considers necessary for the performance of its functions.

(Date of commencement of s. 8: 2 February, 1999.)

### **CHAPTER 3 SECTOR EDUCATION AND TRAINING AUTHORITIES**

**9. Establishment of SETA.--**(1) The Minister may, in the prescribed manner, establish a sector education and training authority with a constitution for any national economic sector.

(2) The Minister must determine a discrete sector for the purposes of subsection (1) by reference to categories of employers and for the purposes of that determination take into account--

- a. the education and training needs of employers and employees that--
  - i. use similar materials, processes and technologies;
  - ii. make similar products; or
  - iii. render similar services;
- b. the potential of the proposed sector for coherent occupational structures and career pathing;
- c. the scope of any national strategies for economic growth and development;
- d. the organisational structures of the trade unions, employer organisations and government in closely related sectors;
- e. any consensus that there may be between organised labour, organised employers and relevant government departments as to the definition of any sector; and
- f. the financial and organisational ability of the proposed sector to support a SETA.

(3) On the establishment of a SETA, the Minister may provide assistance to the SETA to enable it to perform its functions.

**10. Functions of SETA.--**(1) A SETA must--

- a. develop a sector skills plan within the framework of the national skills development strategy;
- b. implement its sector skills plan by--
  - i. establishing learnerships;
  - ii. approving workplace skills plans;
  - iii. allocating grants in the prescribed manner to employers, education and training providers and workers; and
  - iv. monitoring education and training in the sector;
- c. promote learnerships by--
  - i. identifying workplaces for practical work experience;
  - ii. supporting the development of learning materials;
  - iii. improving the facilitation of learning; and
  - iv. assisting in the conclusion of learnership agreements;
- d. register learnership agreements;
- e. within a week from its establishment, apply to the South African Qualifications Authority for accreditation as a body contemplated in section 5 (1) (a) (ii) (bb) and must, within 18 months from the date of that application, be so accredited;
- f. collect and disburse the skills development levies in its sector;

- g. liaise with the National Skills Authority on--
  - i. the national skills development policy;
  - ii. the national skills development strategy; and
  - iii. its sector skills plan;
- h. report to the Director-General on--
  - i. its income and expenditure; and
  - ii. the implementation of its sector skills plan;
- i. liaise with the employment services of the Department and any education body established under any law regulating education in the Republic to improve information--
  - i. about employment opportunities; and
  - ii. between education and training providers and the labour market;
- j. appoint staff necessary for the performance of its functions; and
- k. perform any other duties imposed by this Act or consistent with the purposes of this Act.

(2) A SETA has--

- a. all such powers as are necessary to enable it to perform its duties referred to in subsection (1); and
- b. the other powers conferred on the SETA by this Act.

(3) A SETA must perform its functions in accordance with this Act and its constitution.

**11. Composition of SETA.**--A SETA may consist only of members representing--

- a. organised labour;
- b. organised employers, including small business;
- c. relevant government departments; and
- d. if the Minister, after consultation with the members referred to in paragraph (a), (b) and (c), considers it appropriate for the sector--
  - i. any interested professional body;
  - ii. any bargaining council with jurisdiction in the sector.

**12. Chambers of SETA.**--(1) A SETA may, with the Minister's approval, establish in its sector chambers.

(2) A chamber so established must consist of an equal number of members representing employees and employers and may include such additional members as the SETA determines.

(3) That chamber must perform those functions of the SETA as delegated to it in terms of the constitution of the SETA.

(4) A chamber of a SETA is entitled to such percentage of the skills development levies collected in its jurisdiction as the Minister after consultation with the SETA determines.

**13. Constitution of SETA.**--(1) For the purpose of the establishment of a SETA, the Minister must approve the constitution of the SETA.

(2) The Minister may, after consultation with the SETA, amend its constitution in the prescribed manner.

(3) Subject to this Act, the constitution of a SETA--

- a. must specify--

- i. the trade unions, employer organisations and relevant government departments in the sector;
- ii. the circumstances and manner in which a member of SETA may be replaced;
- iii. the number of members to be appointed to the SETA, provided that the SETA must consist of an equal number of members representing employees and employers;
- iv. the procedure for the replacement of a member of the SETA by the organisation that nominated that member;
- v. the circumstances and manner in which a member may be replaced by the SETA;
- vi. the election of office-bearers by the members of the SETA and of persons to act during their absence or incapacity, their term of office and functions and the circumstances and manner in which they may be replaced;
- vii. the establishment and functioning of committees, including an executive committee;
- viii. the rules for convening and conducting of meetings of the SETA and its chambers and committees, including the quorum required for and the minutes to be kept of those meetings;
- ix. the voting rights of the different members and the manner in which decisions are to be taken by the SETA and its chambers and committees;
- x. a code of conduct for members of the SETA and its chambers;
- xi. the appointment of an executive officer, and such other employees necessary for the effective performance of the functions of the SETA, by its members, including the determination of their terms and conditions of employment; and
- xii. the determination through arbitration of any dispute concerning the interpretation or application of the constitution; and
  - b. may provide for--
    - i. the delegation of powers and duties of the SETA to its members, chambers, committees and employees, provided that the SETA may impose conditions for the delegation, may not be divested of any power or duty by virtue of the delegation and may vary or set aside any decision made under any delegation; and
    - ii. any other matter necessary for the performance of the functions of the SETA.

**14. Finances of SETA.--(1) A SETA is financed from--**

- a. the skills development levies collected in its sector;
- b. moneys paid to it from the National Skills Fund;
- c. grants, donations and bequests made to it;
- d. income earned on surplus moneys deposited or invested;
- e. income earned on services rendered in the prescribed manner; and
- f. money received from any other source.

(2) The money received by a SETA must be paid into a banking account at any registered bank and may be invested only in--

- a. savings accounts, permanent shares or fixed deposits in any registered bank or other financial institution;
- b. internal registered stock contemplated in section 21 (1) of the Exchequer Act, 1975 (Act No. 66 of 1975);

- c. a unit trust scheme managed by a company which has been registered as a management company in terms of section 4 or 30 of the Unit Trusts Control Act, 1981 (Act No. 54 of 1981); and
- d. any other manner approved by the Minister.

(3) The moneys received by a SETA may be used only in the prescribed manner and to--

- a. fund the performance of its functions; and
- b. pay for its administration within the prescribed limit.

(4) In each financial year, ending on the prescribed date, every SETA must, at a time determined by the Minister, submit to the Minister a statement of the SETA's estimated income and expenditure for the following financial year.

(5) Every SETA must, in accordance with the standards of generally accepted accounting practice--

keep proper record of all its financial transactions, assets and liabilities; and  
within six months after the end of each financial year, prepare accounts reflecting income and expenditure and a balance sheet showing its assets, liabilities and financial position as at the end of that financial year.

(6) The Auditor-General must--

- a. audit the accounts, financial statements and financial management of a SETA; and
- b. report on that audit to the SETA and to the Minister and in that report express an opinion as to whether the SETA has complied with the provisions of this Act, and its constitution, relating to financial matters.

**15. Taking over administration of SETA.--**(1) The Minister may, after consultation with the National Skills Authority, by notice in the Gazette, direct the Director-General to appoint an administrator to take over the administration of a SETA if the Minister is of the opinion that--

- a. the SETA fails to perform its functions;
- b. there is mismanagement of its finances; or
- c. its membership no longer substantially represents the composition contemplated in section 11.

(2) In that notice the Minister--

- a. must determine the powers and duties of the administrator appointed in terms of subsection (1);
- b. may suspend or replace one or more members of the SETA for a reason contemplated in subsection (1) (a), (b) or (c);
- c. may suspend the operation of the constitution of the SETA; and
- d. may, in the prescribed manner, transfer funds in the SETA's bank account to the National Skills Fund.

(3) If a notice is published in terms of subsection (1), the Minister may, to ensure that the SETA resumes the performance of its functions--

- a. amend its constitution;
- b. reinstate any of its members; and

c. withdraw or amend any provision of the notice contemplated in subsection (2) on such conditions as the Minister considers appropriate.

## **CHAPTER 4 LEARNERSHIPS**

**16. Learnerships.**--A SETA may establish a learnership if--

- a. the learnership consists of a structured learning component; the learnership includes practical work experience of a specified nature and duration;
- b. the learnership would lead to a qualification registered by the South African Qualifications Authority and related to an occupation; and
- c. the intended learnership is registered with the Director-General in the prescribed manner.

**17. Learnership agreements.**--(1) For the purposes of this Chapter, a "learnership agreement" means an agreement entered into for a specified period between--

- a learner;
  - an employer or a group of employers (in this section referred to as "the employer");
- and
- a training provider accredited by a body contemplated in section 5 (1) (a) (ii) (bb) of the South African Qualifications Authority Act or group of such training providers.

(2) The terms of a learnership agreement must oblige--

- a. the employer to--
  - i. employ the learner for the period specified in the agreement;
  - ii. provide the learner with the specified practical work experience; and
  - iii. release the learner to attend the education and training specified in the agreement;
- b. the learner to--
  - i. work for the employer; and
  - ii. attend the specified education and training; and
- c. the training provider to provide--
  - i. the education and training specified in the agreement; and
  - ii. the learner support specified in the agreement.

(3) A learnership agreement must be in the prescribed form and registered with a SETA in the prescribed manner.

(4) A learnership agreement may not be terminated before the expiry of the period of duration specified in the agreement unless--

- a. the learner meets the requirements for the successful completion of the learnership;
- b. the SETA which registered the agreement approves of such termination; or
- c. the learner is fairly dismissed for a reason related to the learner's conduct or capacity as an employee.

(5) The employer or training provider that is party to a learnership agreement may be substituted with--

the consent of the learner; and

the approval of the SETA which registered the agreement.

(6) A SETA must, in the prescribed manner, provide the Director-General with a record of learnership agreements registered by the SETA.

**18. Contract of employment with learner.--**(1) If a learner was in the employment of the employer party to the learnership agreement concerned when the agreement was concluded, the learner's contract of employment is not affected by the agreement.

(2) If the learner was not in the employment of the employer party to the learnership agreement concerned when the agreement was concluded, the employer and learner must enter into a contract of employment.

(3) The contract of employment with a learner contemplated in subsection (2) is subject to any terms and conditions that may be determined by the Minister on the recommendation of the Employment Conditions Commission established by section 59 (1) of the Basic Conditions of Employment Act.

(4) Chapters Eight and Nine<sup>1</sup> of the Basic Conditions of Employment Act apply, with the changes required by the context, to a determination made in terms of subsection (3) except that--

a. for the purposes of section 54 (3) of that Act, the Employment Conditions Commission must also consider the likely impact that any proposed condition of employment may have on the employment of learners and the achievement of the purposes of this Act; and

b. section 55 (7) of that Act does not apply.

(5) The contract of employment of a learner may not be terminated before the expiry of the period of duration specified in the learnership agreement unless the learnership agreement is terminated in terms of section 17 (4).

(6) The contract of employment of a learner terminates at the expiry of the period of duration specified in the learnership agreement unless the agreement was concluded with a person who was already in the employment of the employer party to the agreement when the agreement was concluded.

**19. Disputes about learnerships.--**(1) For the purposes of this section a "dispute" means a dispute about--

a. the interpretation or application of any provision of--

- i. a learnership agreement;
  - ii. (a contract of employment of a learner; or
  - iii. a determination made in terms of section 18 (3);
- b. this Chapter; or
- c. the termination of--
- i. a learnership agreement; or
  - ii. a contract of employment of a learner.

(2) Any party to a dispute may in writing refer the dispute to the Commission for Conciliation, Mediation and Arbitration established by section 112 of the Labour Relations Act, 1995 (Act No. 66 of 1995).

(3) The party who so refers the dispute must satisfy that Commission that a copy of the referral has been served on all the other parties to the dispute.

- (4) The Commission must attempt to resolve the dispute through conciliation.
- (5) If the dispute remains unresolved, any party may request that the dispute be resolved through arbitration as soon as possible.
- (6) The law that applies to the lawfulness<sup>2</sup> and fairness<sup>3</sup> of a dismissal for a reason related to an employee's capacity or conduct applies to a dispute contemplated in subsection (1) (c) (ii).

## **CHAPTER 5 SKILLS PROGRAMMES**

**20. Skills programmes.**--(1) For the purposes of this Chapter, a "skills programme" means a skills programme that--

- a. is occupationally based;
- b. when completed, will constitute a credit towards a qualification registered in terms of the National Qualifications Framework as defined in section 1 of the South African Qualifications Authority Act;
- c. uses training providers referred to in section 17 (1) (c); or
- d. complies with the prescribed requirements.

(2) Any person that has developed a skills programme may apply to--

- a. a SETA with jurisdiction for a grant; or
- b. the Director-General for a subsidy.

(3) The SETA or the Director-General may fund the skills programme if--

- a. it complies with--
  - i. subsection (1);
  - ii. any requirements imposed by the SETA or the Director-General; and
  - iii. any prescribed requirements; and
- b. it is in accordance with--
  - i. the sector skills development plan of the SETA; or
  - ii. the national skills development strategy; and
- c. there are funds available.

(4) A SETA or the Director-General may set any terms and conditions for funding in terms of subsection (3) that the SETA or the Director-General, as the case may be, considers necessary.

(5) The SETA or the Director-General must monitor the skills programmes funded by the SETA or the Director-General, as the case may be.

(6) A SETA or the Director-General that has made funds available for a skills programme may withhold funds or recover any funds paid if the SETA or the Director-General, as the case may be, is of the opinion that--

the funds are not being used for the purpose for which they were made available;  
any term or condition of the funding is not complied with; or  
the SETA or the Director-General, as the case may be, is not satisfied that the training is up to standard.

**21. Disputes.**--Any party to a dispute about the application or interpretation of--

- a. any term or condition of funding referred to in section 20 (4); or

b. any provision of this Chapter,

may refer the dispute to the Labour Court for adjudication.

## **CHAPTER 6 INSTITUTIONS IN DEPARTMENT OF LABOUR**

**22. Skills Development Planning Unit.**--(1) Subject to the laws governing the public service, the Director-General must--

- a. establish a Skills Development Planning Unit in the Department; and
- b. provide the Unit with the personnel and financial resources necessary for the performance of its functions.

(2) The functions of the Skills Development Planning Unit are--

to research and analyse the labour market in order to determine skills development needs for--

- South Africa as a whole;
- each sector of the economy; and
- organs of state;
- to assist in the formulation of--
- the national skills development strategy; and
- sector skills development plans; and
- to provide information on skills to--
- the Minister;
- the National Skills Authority;
- SETAs;
- education and training providers; and
- organs of state.

**23. Employment services.**--(1) Subject to the laws governing the public service, the Director-General must--

- a. establish labour centres in the Department; and
- b. appoint such number of persons in the public service at each centre as is necessary to perform the functions of that centre.

(2) The functions of those labour centres are--

- a. to provide employment services for workers, employers and training providers, including improvement of such services to rural communities;
- b. to register work-seekers;
- c. to register vacancies and work opportunities;
- d. to assist prescribed categories of persons--
  - i. to enter special education and training programmes;
  - ii. to find employment;
  - iii. to start income-generating projects; and
  - iv. to participate in special employment programmes; and
- e. to perform any other prescribed function related to the functions referred to in paragraphs (a) to (d).



(3) The Minister may, after consulting the National Skills Authority, by notice in the Gazette, require each employer to notify a labour centre in the prescribed manner of--

- a. any vacancy that employer has; and
- b. the employment of any work-seeker referred by that labour centre.

**24. Registration of persons that provide employment services.--**(1) Any person who wishes to provide employment services for gain must apply for registration to the Director-General in the prescribed manner.

(2) The Director-General must register the applicant if satisfied that the prescribed criteria have been met.

(3) If the Director-General--

- a. registers an applicant, the prescribed certificate must be issued to that person; or
- b. refuses to register an applicant, the Director-General must give written notice of that decision to the applicant.

(4) A registered employment service must comply with the prescribed criteria.

**25. Cancellation of registration of employment service.--**(1) Subject to this section, the Director-General may cancel the registration of an employment service if satisfied that the employment service is not complying with the prescribed criteria.

(2) If the Director-General has reason to believe that an employment service is not complying with the prescribed criteria and accordingly that its registration should be cancelled, the Director-General must, before cancelling its registration--

- a. notify the service of the intention to cancel registration and the reasons for doing so;
- b. give the service 30 days from the date of the notice to make representations on why its registration should not be cancelled; and
- c. take those representations into account in reaching a decision.

(3) If the Director-General cancels the registration of an employment service, the Director-General must give written notice of that decision to the employment service.

**26. Appeal against Director-General's decision.--**(1) Any person aggrieved by a decision of the Director-General in terms of section 24 (3) (b) or 25 (3) may, within 30 days of the written notice of that decision, in writing, request the Director-General to give that person written reasons for the decision.

(2) The Director-General must give that person written reasons for the decision within 30 days of receiving that request.

(3) Any person aggrieved by a decision of the Director-General in terms of section 24 (3) (b) or 25 (3) may appeal to the Labour Court against that decision within 60 days of--

- a. the date of the Director-General's decision; or
- b. if written reasons for the decision are requested, the date of those reasons.

(4) The Labour Court may, on good cause shown, extend the period within which a person may note that appeal.

## CHAPTER 7 FINANCING SKILLS DEVELOPMENT

**27. National Skills Fund.**--(1) The National Skills Fund is hereby established.

(2) The Fund must be credited with--

a. 20 per cent of the skills development levies as contemplated in the Skills Development Levies Act;

(Date of commencement of paragraph (a) to be proclaimed.)

the skills development levies collected and transferred to the Fund, in terms of the Skills Development Levies Act, in respect of those sectors in which there are no SETAs;

(Date of commencement of paragraph (b) to be proclaimed.)

- a. money appropriated by Parliament for the Fund;
- b. interest earned on investments contemplated in section 29 (3);
- c. donations to the Fund; and
- d. money received from any other source.

(Date of commencement of s. 27: 2 February, 1999.)

**28. Use of money in Fund.**--The money in the Fund may be used only for the projects identified in the national skills development strategy as national priorities or for such other projects related to the achievement of the purposes of this Act as the Director-General determines.

(Date of commencement: 2 February, 1999.)

**29. Control and administration of Fund.**--(1) The Director-General is the accounting officer of the Fund in terms of the Exchequer Act, 1975 (Act No. 66 of 1975) and must--

- a. control the Fund;
- b. keep a proper record of all financial transactions, assets and liabilities of the Fund; and
- c. as soon as possible after the end of each financial year, ending on the prescribed date, prepare accounts of the income and expenditure of the Fund for the year and a balance sheet of its assets and liabilities as at the end of that year.

(2) Any money in the Fund not required for immediate use may be invested with the Public Investment Commissioner or with a financial institution approved by the Minister and may be withdrawn when required.

(3) Any unexpended balance in the Fund at the end of the financial year must be carried forward to the next financial year as a credit to the Fund.

(Date of commencement of s. 29: 2 February, 1999.)

**30. Budget for training by public service employers.**--Each public service employer in the national and provincial spheres of government--

- a. must budget for at least one per cent of its payroll for the training and education of their employees with effect from 1 April 2000; and
- b. may contribute funds to a SETA.

## CHAPTER 8 GENERAL

**31. Jurisdiction of Labour Court.**--(1) Subject to the jurisdiction of the Labour Appeal Court and except where this Act provides otherwise, the Labour Court has exclusive jurisdiction in respect of all matters arising from this Act.

(2) The Labour Court may review any act or omission of any person in connection with this Act on any grounds permissible in law.

(3) If proceedings concerning any matter contemplated in subsection (1) are instituted in a court that does not have jurisdiction in respect of that matter, that court may at any stage during proceedings refer the matter to the Labour Court.

**32. Monitoring, enforcement and legal proceedings.**--Chapter Ten and Schedule Two of the Basic Conditions of Employment Act apply, with changes required by the context, to-

- a. the monitoring and enforcement of this Act; and
- b. any legal proceedings concerning a contravention of this Act.

**33. Offences.**--It is an offence to--

- a. obstruct or attempt to influence improperly a person who is performing a function in terms of this Act;
- b. obtain or attempt to obtain any prescribed document by means of fraud, false pretences or by submitting a false or forged prescribed document;
- c. furnish false information in any prescribed document knowing that information to be false; or
- d. provide employment services for gain without being registered in terms of section 24.

**34. Penalties.**--Any person convicted of an offence referred to in section 33 may be sentenced to a fine or imprisonment for a period not exceeding one year.

**35. Delegation.**--(1) The Minister may in writing delegate to the Director-General or any other officer of the Department any power or duty conferred or imposed on the Minister by this Act.

(2) The Director-General may, in writing, delegate to any officer of the Department any power or duty conferred or imposed on the Director-General by this Act.

(3) Any person to whom any power or duty has been delegated in terms of subsection (1) or (2) must exercise that power or perform that duty subject to the conditions that the person who made the delegation considers necessary.

(4) Any delegation in terms of subsection (1) or (2)--

- a. must be in writing;
- b. does not prevent the person who made the delegation from exercising the power or performing the duty so delegated; and
- c. may at any time be withdrawn in writing by that person.

**36. Regulations.**--The Minister may, after consultation with the National Skills Authority, by notice in the Gazette, make regulations relating to any matter which--

- a. may or must be prescribed under this Act; and
- b. is necessary to prescribe in order to achieve the purposes of this Act.

**37. Repeal of laws and transitional provisions.--**(1) The laws referred to Schedule 1 are hereby repealed to the extent specified.

(2) The repeal of those laws is subject to any transitional provision in Schedule 2.

**38. Act binds State.--**This Act binds the State.

**39. Short title and commencement.--**(1) This Act is called the Skills Development Act, 1998.

(2) This Act takes effect on a date to be determined by the President by proclamation in the Gazette.

## **Schedule 1**

### **REPEAL OF LAWS**

(Section 37 (1))

| No. and year of law | Short title                         | Extent of repeal   |
|---------------------|-------------------------------------|--------------------|
| Act No. 56 of 1981  | Manpower Training Act, 1981         | The whole.         |
| Act No. 62 of 1981  | Guidance and Placement Act, 1981    | The whole.         |
| Act No. 41 of 1985  | Local Government Training Act, 1985 | The whole          |
| Act No. 106 of 1996 | Telecommunications Act, 1996        | Sections 78 to 87. |

## **Schedule 2**

### **TRANSITIONAL PROVISIONS**

(Section 37 (2))

#### **1. Definitions.--**In this Part--

**"Guidance and Placement Act"** means the Guidance and Placement Act, 1981 (Act No. 62 of 1981);

**"Local Government Training Act"** means the Local Government Training Act, 1985 (Act No. 41 of 1985);

**"Manpower Training Act"** means the Manpower Training Act, 1981 (Act No. 56 of 1981); and

**"Telecommunications Act"** means the Telecommunications Act, 1996 (Act No. 103 of 1996).

**2. National Training Board.--**Until the chairperson and other members of the National Skills Authority are appointed, the National Training Board, established in terms of section 3 of the Manpower Training Act, continues to exist and to perform the functions of the National Skills Authority.

**3. Manpower Development Fund.--**All assets, rights, liabilities and obligations of the Manpower Development Fund, established by section 38 of the Manpower Training Act, are hereby transferred to the National Skills Fund.

**4. Training boards and apprenticeships.--**(1) Subject to subitem (4), a training board, established and accredited in terms of sections 12A and 12B of the Manpower Training Act, continues to exist and perform its functions as if that Act had not been repealed, until 31 March 2000.

(2) When a training board ceases to exist on 31 March 2000--

that training board must be wound up in terms of its constitution; and  
any apprentice under a contract of apprenticeship, registered by that training board and in existence immediately before the training board ceases to exist, must be dealt with as if the Manpower Training Act had not been repealed except that the Director-General must perform the functions of the training board until that contract of apprenticeship expires.

(3) The Minister must, by notice in the Gazette, abolish a training board before 31 March 2000 if--

a SETA is established; and  
that SETA has jurisdiction over any part of an industry or area in respect of which the training board has been accredited in terms of section 12B of the Manpower Training Act.

(4) When a training board is abolished in terms of a notice referred to in subitem (3)--

a. all the assets, rights, liabilities and obligations of the training board are transferred to the SETA designated in that notice; and

b. any apprentice under a contract of apprenticeship, registered by the training board and in existence immediately before the training board is abolished, must, subject to subitem (6), be dealt with as if the Manpower Training Act had not been repealed except that that SETA must perform the functions of the training board until the contract of apprenticeship expires.

(5) Subject to sub-item (4) (b), sections 13 to 29 of the Manpower Training Act remains in force as if that Act had not been repealed until a date determined by the Minister by notice in the Gazette.

(6) From the date immediately after the date referred to in sub-item (5)--

a. any trade designated under section 13 (1) of the Manpower Training Act is regarded to be a qualification contemplated in section 16 (c) of this Act;

b. the applicable provisions of any contract of apprenticeship registered in terms of section 18 of that Act are deemed to be a learnership agreement registered in terms of section 17 (3) of this Act and a contract of employment referred to in section 18 (3) of this Act; and

c. any apprentice referred to in section 17 of that Act is regarded to be a learner in relation to such a learnership agreement.

**5. Training centres.--**(1) In this item "training centre" means any--

a. centre registered as a regional training centre registered in terms of section 31 of the Manpower Training Act;

b. training centre registered as an industry training centre in terms of section 34 of the Manpower Training Act; or

c. training trust established in terms of any law mentioned in Schedule 1 of the Integration of Labour Laws Act, 1994 (Act No. 49 of 1994),

and in existence immediately before the commencement of this Act.

(2) Subject to subitem (3), a training centre continues to exist and perform its functions as if the Manpower Training Act or any law mentioned in Schedule 1 of the Act referred to in subitem (1) (b) had not been repealed.

(3) A training centre must be liquidated<sup>4</sup> in terms of its constitution not later than 31 March 2000 unless it has been registered as an association not for gain in terms of section 21 of the Companies Act, 1973 (Act No. 61 of 1973) before that date.

(4) The Director-General may take steps to liquidate a training centre after 31 July 1999 if that centre has not--

applied for registration as such an association not for gain; or  
taken steps to liquidate itself in terms of its constitution.

(5) If a training centre is liquidated, any assets and rights not required to discharge the obligations and liabilities of that centre must be disposed of in accordance with the directions of the Director-General.

(6) Section 32 of the Manpower Training Act remains in force as if the Manpower Training Act had not been repealed, until a date determined by the Minister by notice in the Gazette.

**6. Arrangements for training of trainees.**--Any arrangement contemplated in section 30 of the Manpower Training Act and in force immediately before the commencement of this Act remains in force as if the Manpower Training Act had not been repealed, until a date determined by the Minister by notice in the Gazette.

**7. Grants-in-aid.**--Section 35 of the Manpower Training Act remains in force as if the Manpower Training Act had not been repealed, until a date determined by the Minister by notice in the Gazette.

**8. Fund for Training of Unemployed Persons.**--(1) Any balance of the Fund for the Training of Unemployed Persons established by section 36A of the Manpower Training Act is hereby transferred to the National Skills Fund.

(2) The balance so transferred may be used only for the training of unemployed persons.

**9. Training schemes.**--(1) Subject to subitem (2), any scheme declared binding in terms of section 39 (5) of the Manpower Training Act continues as if that Act had not been repealed.

(2) Any such scheme must be discontinued not later than 31 March 2000 unless the scheme has been--

registered as an association not for gain in terms of section 21 of the Companies Act, 1973 (Act No. 61 of 1973), before that date, provided that from that registration any notice issued in terms of section 39 (5) in respect of that scheme ceases to be in force;

sold with the agreement of the members of the training board with jurisdiction over employers subject to the scheme before that date; or

transferred to a SETA with the agreement of those members of the training board before that date.

(3) If that scheme is discontinued, any assets and rights not required to discharge the obligations and liabilities of that scheme must be disposed of in accordance with the directions of the Director-General.

**10. Training levies.**--(1) Subject to subitem (2), section 39 of the Manpower Training Act remains in force as if the Manpower Training Act had not been repealed, until 31 March 2000.

(2) A notice imposing a levy in terms of section 39 of the Manpower Training Act and issued, before or after the commencement of this Act--

- a. may be amended by the Minister, by notice in the Gazette, to provide that the levy be paid to a SETA designated in that notice; and
- b. ceases to be in force when withdrawn in terms of the Skills Development Levies Act.

**11. Training advisers.**--Sections 45 and 46 of the Manpower Training Act remain in force as if the Manpower Training Act had not been repealed, until a date determined by the Minister by notice in the Gazette.

**12. Registered work-seekers.**--Any work-seeker registered in terms of section 4 of the Guidance and Placement Act immediately before the commencement of this Act is regarded to be a registered work-seeker in terms of section 23 (2) (b).

**13. Private employment offices.**--Any private employment office registered in terms of section 15 of the Guidance and Placement Act immediately before the commencement of this Act is regarded to be an employment service registered for gain in terms of section 24 of this Act.

**14. Local government sector.**--(1) The Local Government Training Fund (in this item referred to as "the Fund"), established by section 7 of the Local Government Training Act continues to exist, subject to subitems (5) to (7), as if that Act had not been repealed.

(2) Any body or institution, including a local government body, recognised as a training centre under section 9A of the Local Government Training Act immediately before the commencement of this Act, continues to be so recognised for a period of four months from that commencement as if the Local Government Training Act had not been repealed.

(3) Subject to subitem (7) (c), any levy imposed in terms of section 10 of the Local Government Training Act and in force immediately before the commencement of this Act, remains in force until 31 March 2000 unless withdrawn before that date by the Minister in terms of section 2 (3) of the Skills Development Levies Act as if the Local Government Training Act had not been repealed.

(4) Subject to subitem (7)--

- a. the powers conferred and duties imposed on the Training Board for Local Government Bodies established by section 2 of the Local Government Training Act may be exercised and must be performed by the Local Government Education and Training Board established in terms of section 12A of the Manpower Training Act; and
- b. all the assets, rights, liabilities and obligations of the Training Board for Local Government Bodies are hereby transferred to the Local Government Education and Training Board.

(5) The Director-General: Constitutional Development must administer the Fund and is the accounting officer for the Fund.

(6) The Minister for Provincial Affairs and Constitutional Development may, after consultation with the Local Government Education and Training Board, utilise the moneys in the Fund to fund any person or institution that in the opinion of the Minister can take

action to develop the skills, knowledge, expertise or attitudes of a person elected to a municipal council or employed by a municipality.

(7) When a SETA is established for the local government sector--

- a. the Local Government Education and Training Board ceases to exist;
- b. the assets, rights, liabilities and obligations of that Training Board must be transferred to that SETA;
- c. the levy referred to in subitem (3) is regarded to be a levy imposed in terms of section 39 (1) of the Manpower Training Act as mentioned in item 10;
- d. the Fund ceases to exist; and
- e. the Director-General: Constitutional Development must transfer any balance of moneys in the Fund into the banking account of that SETA.

**15. Telecommunications sector.--**(1) Subject to subitem (2), the Human Resources Fund referred to in section 78 (1) of the Telecommunications Act continues to exist as if sections 78 to 87 of that Act had not been repealed.

(2) The Fund referred to in subitem (1) ceases to exist--

- a. on 31 March 2000; or
- b. on the establishment of a SETA with jurisdiction in the telecommunications sector.

(3) If that Fund ceases to exist in terms of--

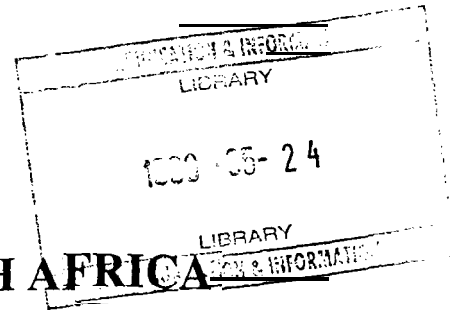
- a. subitem (2) (a), the balance of the money in the Fund must be transferred to the National Skills Fund; or
- b. subitem (2) (b), the balance of the money in the Fund must be transferred to the SETA referred to in that subitem.

(4) Subject to subitem (5), the contributions contemplated in section 86 (1) of the Telecommunications Act which are in force immediately before the commencement of this Act, remain in force until 31 March 2000 as if that Act had not been repealed.

(5) If a SETA with jurisdiction in the telecommunications sector is established, the contributions contemplated in subitem (4) must be credited to that SETA.

**16. Exemptions from transfer duty, donations tax or any other tax.--**Any transfer of assets or rights contemplated in this Schedule is exempt from transfer duty, donations tax or any other duty or tax.





REPUBLIC OF SOUTH AFRICA

# GOVERNMENT GAZETTE

IRIPHABLIKI YASENINGIZIMU AFRIKA

# IPHEPHANDABA LEZAZISO LIKAHULUMENI

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OFFICE OF THE PRESIDENT

IHOVISI LIKAPRESIDANTI

No. 516.

30 April 1999

Ino. 516.

30 Aphreli 1999

It is hereby notified that the President has assented to the following Act which is hereby published for general information:—

Ngalokhu kwaziswa ukuthi uMongameli uvumelana nalomthetho olandelayo nokumele ukuthi ushicilelwe ukuze ube ulwazi jikelele:—

No. 9 of 1999: Skills Development Levies Act, 1999.

Ino. 9 ka 1999: uMthetho weZaMakhono, 1999.



UNIVERSITEIT VAN PRETORIA  
UNIVERSITY OF PRETORIA  
YUNIBESITHI YA PRETORIA

**GENERAL EXPLANATORY NOTE:**

- [                    ] Words in bold type in square brackets indicate omissions from existing enactments.
- Words underlined with a solid line indicate insertions in existing enactments.

*(English text signed by the President.)*  
*(Assented to 14 April 1999.)*

# ACT

**To provide for the imposition of a skills development levy; and for matters connected therewith.**

**B**E IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

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**SCHEDULE****AMENDMENT OF SKILLS DEVELOPMENT ACT**

10

**CHAPTER 1****ADMINISTRATION, IMPOSITION AND RECOVERY OF LEVY****Definitions**

1. In this Act, unless the context otherwise indicates—
- “**approved body**” means the body approved by the Minister in terms of section 7(1)(b) to collect the levy on behalf of a SETA; 15
- “**Commissioner**” means the Commissioner for the South African Revenue Service, established by section 2 of the South African Revenue Service Act, 1997 (Act No. 34 of 1997);
- “**Director-General**” means the Director-General of Labour; 20
- “**employee**” includes an employee as defined in the Fourth Schedule to the Income Tax Act;
- “**employer**” includes an employer as defined in the Fourth Schedule to the Income Tax Act;
- “**Income Tax Act**” means the Income Tax Act, 1962 (Act No. 58 of 1962); 25
- “**interest**” means any interest payable in terms of section 11;
- “levy” means the skills development levy referred to in section 3;
- “**Minister**” means the Minister of Labour;
- “**National Skills Authority**” means the National Skills Authority, established by section 4 of the Skills Development Act; 30
- “**National Skills Fund**” means the National Skills Fund, established by section 27(1) of the Skills Development Act;
- “**penalty**” means any penalty payable in terms of section 12;
- “prescribed” means prescribed by regulation in terms of section 22;
- “sector” means a sector as determined by the Minister in terms of section 9(2) of 35 the Skills Development Act;
- “**SETA**” means a sector education and training authority, established by section 9(1) of the Skills Development Act;
- “**Skills Development Act**” means the Skills Development Act, 1998 (Act No. 97 of 1998); 40
- “**this Act**” includes any regulation made in terms of section 22, but does not include the footnotes.

**Administration of Act**

2. (1) Subject to subsection (2), the Director-General must administer this Act.
- (2) The Commissioner must administer the provisions of the Act in so far as it relates 45 to the collection of the levy payable to the Commissioner in terms of this Act.
- (3) The Director-General may delegate any part of the administration of this Act, contemplated in subsection (1), to the executive officer of a SETA.
- (4) A delegation in terms of subsection (3)—

- (a) is subject to the conditions the Director-General determines;  
 (b) must be in writing;  
 (c) does not prevent the Director-General from performing the part of the administration so delegated: and  
 (d) may at any time be withdrawn in writing. 5

### Imposition of levy

3. (1) Every employer must pay a skills development levy from—  
 (a) 1 April 2000, at a rate of 0,5 per cent of the leviable amount; and  
 (b) 1 April 2001, at a rate of one per cent of the leviable amount.
- (2) Despite subsection (1), the Minister may, in consultation with the Minister of Finance and the Minister for Provincial Affairs and Constitutional Development and by notice in the *Gazette*, impose a skills development levy on every municipality, as defined in section 10B of the Local Government Transitional Act, 1993 (Act No. 209 of 1993), or any group category or type of municipality, which must be determined on the leviable amount at a rate specified in that notice determined in accordance with subsection (3). 15
- (3) The aggregate of the levies collected from a municipality by virtue of a notice in terms of subsection (2) and budgetary allocations for training purposes to that municipality, must from—  
 (a) 1 April 2000, be less than 0,5 per cent of the leviable amount;  
 (b) 1 April 2001, be less than one per cent of the leviable amount; and 20  
 (c) 1 April 2002, not be less than one per cent of the leviable amount.
- (4) For the purposes of subsections (1), (2) and (3), but subject to subsection (5), the leviable amount means the total amount of remuneration, paid or payable, or deemed to be paid or payable, by an employer to its employees during any month, as determined in accordance with the provisions of the Fourth Schedule to the Income Tax Act for the purposes of determining the employer's liability for any employees' tax in terms of that Schedule, whether or not such employer is liable to deduct or withhold such employees' tax.<sup>1</sup> 25
- (5) The amount of remuneration referred to in subsection (4) does not include any amount— 30  
 (a) paid or payable to any person contemplated in paragraphs (c) and (d) of the definition of "employee" in paragraph 1 of the Fourth Schedule to the Income Tax Act, to whom a certificate of exemption has been issued in terms of paragraph 2(5)(a) of that Schedule;  
 (b) paid or payable to any person by way of any pension, superannuation 35 allowance or retiring allowance;  
 (c) contemplated in paragraphs (a), (d), (e) or (eA) of the definition of "gross income" in section 1 of the Income Tax Act;  
 (d) payable to a learner in terms of a contract of employment contemplated in section 18(3) of the Skills Development Act. 40
- (6) Despite subsection (1), on the request of a SETA, the Minister may, in consultation with the Minister of Finance and by notice in the *Gazette*, determine from time to time a rate and basis for the calculation of a levy payable by employers within the jurisdiction or a part of the jurisdiction of a SETA, different from the rate and basis contemplated in subsection (1)(a) or (b), as the case may be, but subject to subsection (7). 45
- (7) The rate and basis determined in a notice in terms of subsection (6) may not have the result that the amount of the levies collected by virtue of such notice is less than the amount of the levies which would have been collected, based on the rate and basis contemplated in subsection (1)(a) or (b), as the case may be.

1. This means that the remuneration paid to employees below the Income Tax threshold must be incorporated into the remuneration for determining the leviable amount in this Act.

(8) The Minister may, in consultation with the Minister of Finance, determine criteria for purposes of any determination contemplated in subsection (6).

(9) The notice referred to in subsection (6) must contain—

- (a) the rate and basis for the calculation of the levy;
- (b) the date on which the levy becomes payable; 5
- (c) a description of the employers falling within the jurisdiction of the SETA or part of the jurisdiction of the SETA in respect of which the levy is payable;
- (d) any other matter necessary to ensure the effective collection of the levy.

#### Exemptions

4. The levy is not payable by— 10

- (a) any public service employer in the national or provincial sphere of government;
- (b) any employer where section 3(1)(u) or (b) applies and—
  - (i) during any month, there are reasonable grounds for believing that the total amount of remuneration, as determined in accordance with section 3(4), paid or payable by that employer to all its employees during the following 12 month period will not exceed R250 000, or such other amount as the Minister may determine by notice in the *Gazette*; and 15
  - (ii) that employer is not required to apply for registration as an employer in terms of paragraph 15(1) of the Fourth Schedule to the Income Tax Act; 20
- (c) any religious or charitable institution contemplated in section 10(1)(f) of the Income Tax Act or any fund contemplated in section 10(1)&A) of the Income Tax Act, established solely to provide funds to any such institution; or
- (d) any national or provincial public entity, if 80 per cent or more of its expenditure is defrayed directly or indirectly from funds voted by Parliament. 25

#### Registration for payment of levy

5. (1) When an employer is liable to pay the levy, that employer must—

- (a) apply to the Commissioner in such manner as the Commissioner may determine, to be registered as an employer for the purposes of the levy and indicate in such application the jurisdiction of the SETA within which that employer must be classified (if any); and 30
  - (b) if the employer is affected by the establishment or amendment of a SETA as contemplated in subsection (4), indicate to the Commissioner the jurisdiction of the SETA within which that employer must be classified.
- (2) For the purposes of subsection (1), where an employer falls within the jurisdiction of more than one SETA, that employer must, having regard to— 35
- (a) the composition of its workforce;
  - (b) the amount of remuneration paid or payable to the different categories of employees; and
  - (c) the training needs of the different categories of employees, 40
- select one SETA within which it must be so classified for the purposes of this Act.
- (3) A selection by an employer in terms of subsection (2) is binding on the employer, unless the Commissioner having regard to the factors contemplated in subsection (2)(a), (b) and (c) otherwise directs.
- (4) If a SETA is established or its jurisdiction is amended after 1 April 2000, the 45 Minister must, by notice in the *Gazette*—
- (a) inform employers of any change in respect of which SETA the levy is or becomes payable; and
  - (b) determine a date, more than 60 days after the date of the notice, from which employers will be affected by that establishment or amendment of jurisdiction. 50



(5) An employer that falls within the jurisdiction of a SETA specified in a notice referred to in section 7(1), must—

- (a) apply to the SETA in such manner as the SETA determines, to be registered as an employer for the purposes of the payment of the levy;
- (b) within 21 days from the date of such notice, submit a statement to the Commissioner confirming that such employer falls within the jurisdiction of that SETA and that payment of the levy will be made to that SETA.

(6) Any employer that is exempt from the payment of the levy as contemplated in section 4(a), (c) and (d), must register in terms of subsection (1).

#### Payment of levy to Commissioner and refund

6. (1) Subject to section 7, every employer must pay the levy to the Commissioner in the manner and within the period determined in this Act.

(2) An employer must, not later than seven days, or such longer period as the Commissioner determines, after the end of each month in respect of which the levy is payable, pay the levy to the Commissioner and together with such payment submit a statement—

- (a) in such form as the Commissioner may require; and
- (b) reflecting the amount of the levy due by that employer and containing such other information as the Commissioner may require.

(3) If the amount of any levy, interest or penalty paid by an employer to the Commissioner was not leviable or payable, or was in excess of the amount leviable or payable in terms of this Act, that amount must be refunded to that employer by the Commissioner, which refund is a drawback against the National Revenue Fund.

(4) If the Director-General has allocated in accordance with section 8 the full amount or any portion of the amount referred to in subsection (3), the Director-General must, when necessary, withhold the amount so allocated from future payments due to the SETA or National Skills Fund, as the case may be, in terms of this Act.

(5) The Commissioner must, before the seventh day of each month, notify the Director-General of—

- (a) the names of employers in each SETA and the amount of levies, interest and penalties collected from and refunds made to those employers; and
- (b) the names of employers which do not fall within the jurisdiction of any SETA and the amount of levies, interest and penalties collected from and refunds made to those employers,

during the previous month.

#### Payment of levy to SETA and refund

7. (1) Subject to subsection (2), the Minister may, in consultation with the Minister of Finance and by notice in the *Gazette*, determine that all employers that fall within the jurisdiction of any SETA specified in that notice, must pay the levy to—

- (a) that SETA; or
- (b) a body nominated by the SETA and approved by the Minister to collect the levy on behalf of that SETA.

(2) Before making a determination contemplated in subsection (1), the Minister and the Minister of Finance must be satisfied that—

- (a) sufficient grounds exist for the SETA to collect the levy from the employers in its jurisdiction;
- (b) the SETA, or the body nominated by the SETA to collect the levy on its behalf, has demonstrated the required competence to collect the levy; and
- (c) the costs pertaining to such collection will not exceed two per cent of the total amount of the levies collected.

(3) The Minister may withdraw the notice contemplated in subsection (1) if he or she is satisfied that the SETA has not complied in the prescribed manner with section 10(1)(a), (b), (g)(iii) and (h)(ii) of the Skills Development Act.

(4) An employer must, not later than seven days after the end of each month in respect of which the levy is payable—

- (a) pay the levy; and
- (b) submit to the SETA or approved body and to the Commissioner a statement—
  - (i) in such form as the SETA or approved body, as the case may be, and the Commissioner, respectively, may require; and
  - (ii) reflecting the amount of the levy paid to the SETA or approved body and 5 containing such other information as the SETA or approved body, as the case may be, and the Commissioner may require.

(5) If the amount of a levy, interest or penalty paid by an employer to the SETA or approved body was not leviable or payable, or was in excess of the amount leviable or payable, in terms of this Act, that amount must be refunded to the employer by the SETA 10 or approved body from the funds of the SETA.

(6) If any portion of the amount refunded in terms of subsection (5), has been paid over to the National Skills Fund in terms of section 9(a), the SETA must withhold that portion from future payments to the Fund in terms of this Act.

#### **Distribution of levies paid to Commissioner**

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8. (1) The levies, interest and penalties collected by the Commissioner, after deduction of refunds, must be paid into the National Revenue Fund.

(2) Subject to section 6(4), the total amount of levies, interest and penalties paid into the National Revenue Fund in terms of subsection (1), is a direct charge against the National Revenue Fund for the credit of— 20

- (a) the SETA to the amount contemplated in subsection (3)(b);
- (b) the National Skills Fund to the amount contemplated in subsection (3)(a) and (c).

(3) The Director-General must, within 14 days after receipt of a notice from the Commissioner in terms of section 6(5), allocate— 25

- (a) 20 per cent of the levies, interest and penalties collected in respect of a SETA to the National Skills Fund;
- (b) 80 per cent of the levies, interest and penalties collected in respect of a SETA to that SETA after he or she is satisfied that the SETA has complied in the prescribed manner with section 10(1)(a), (b), (g)(iii) and (h)(ii) of the Skills 30 Development Act;
- (c) the levies, interest and penalties collected by the Commissioner from employers which do not fall within the jurisdiction of a SETA to the National Skills Fund.

(4) The levies, interest and penalties allocated to a SETA in terms of subsection (3)(b) 35 must be dealt with in accordance with section 14 of the Skills Development Act.

#### **Distribution of levies paid to SETA**

9. Subject to section 10(3), the executive officer of a SETA or its approved body, as the case may be, must—

- (a) not later than the 15th day of each month, pay 20 per cent of the levies 40 collected by that SETA in terms of section 7(1), and of any interest and penalties collected in respect thereof, to the National Skills Fund;
- (b) deal with the balance of the levies, interest and penalties so collected in accordance with section 14 of the Skills Development Act.

#### **Collection costs**

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10. (1) Subject to subsection (2), the Director-General must, on a monthly basis as may be agreed between by the Commissioner and the Director-General, defray the costs of collection by the Commissioner from the levies paid into the National Skills Fund.

(2) The total amount of collection costs referred to in subsection (1), excluding the 4 start-up capital costs, may not exceed two per cent of the total amount of the levies 50 calculated at the rate referred to in section 3(1)(b).

(3) Subject to subsection (4), a SETA or its approved body may withhold from its payment to the National Skills Fund in accordance of section 9(a), the cost of collection of the SETA or approved body.

(4) The total amount of collection costs referred to in subsection (3) may not exceed two per cent of the total amount of the levies collected. 5

#### Interest on late payment

11. If an employer fails to pay a levy or any portion thereof on the last day for payment thereof, as contemplated in section 6(2) or 7(4), interest is payable on the outstanding amount at the rate contemplated in paragraph (b) of the definition of "prescribed rate" in section 1 of the Income Tax Act, calculated from that last day for payment to the day 10 that payment is received by the Commissioner, SETA or approved body, as the case may be.

#### Penalties on default

12. (1) Subject to subsection (2), if any levy remains unpaid after the last day for payment thereof as contemplated in section 6(2) or 7(3), a penalty of 10 per cent of that 15 unpaid amount is payable in addition to the interest contemplated in section 11.

(2) The Commissioner or the executive officer of the SETA or approved body, as the case may be, may, having due regard to the circumstances of the case, remit the penalty or any portion thereof imposed by subsection (1).

#### Applicability of Income Tax Act 20

13. The provisions of the Income Tax Act relating to—
- (a) the administration thereof as contained in Chapter I of the Income Tax Act;
  - (b) returns, the production of information, documents or things, enquiries, searches and seizures and evidence on oath;
  - (c) assessments; 25
  - (d) objections and appeals;
  - (e) the payment and recovery of tax, interest and penalties;
  - (f) refunds;
  - (g) representative taxpayers as contained in the Fourth Schedule to the Income Tax Act; 30
  - (h) transactions, operations or schemes for purposes of avoiding or postponing liability for taxes on income or reducing the amount of taxes on income; and
  - (i) reporting of unprofessional conduct,
- apply, with the changes required by the context, to the levy paid or payable to the Commissioner in terms of this Act in respect of— 35
- (i) the administration of this Act;
  - (ii) statements, the production of information, documents or things, enquiries, searches and seizures and evidence on oath for the purpose of obtaining full information in respect of the calculation of the levy due and payable in terms of this Act; 40
  - (iii) any assessment, objection and appeal and the payment recovery or refund of the levy, interest or penalty;
  - (iv) representative taxpayers;
  - (v) any transaction, operation or scheme entered into or carried out for the purposes of avoiding or postponing liability for the levy or reducing the amount of the levy and in the application of the provisions contemplated in paragraph (h), such provisions are regarded to include a reference to the levy; 45
  - (vi) reporting of unprofessional conduct.



## CHAPTER 2

### RECOVERY OF LEVY BY SETA

#### Recovery of levy

14. (1) A levy payable by an employer in terms of section 7(1) to a SETA or its approved body is regarded to be a debt due to the SETA. 5

(2) If an employer—

(a) fails to submit a statement in respect of the amount of levies due as contemplated in section 7(4)(b); or

(b) submits a statement reflecting an amount which, in the opinion of the executive officer of the SETA or approved body, as the case may be, is less than the amount which is due in terms of this Act, 10

the executive officer of the SETA or approved body, as the case may be, may estimate the amount of the levy due and issue an assessment for the outstanding amount.

(3) If any amount of the levy payable by an employer to a SETA in accordance with section 7(1), or any interest or penalty in respect thereof, remains unpaid on the last day for payment thereof as contemplated in sections 7(4)(a), 11 and 12, respectively, the SETA or approved body, as the case may be, may, despite any law to the contrary, recover the outstanding amount by action in a magistrate's court having jurisdiction in the area in which the person liable for the levy, interest or penalty carries on business. 15

#### Appointment of inspectors 20

15. (1) A labour inspector appointed in terms of section 63 of the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997), is regarded to be an inspector for the purposes of this Act in so far as it relates to the collection of levies by a SETA or its approved body.

(2) The Director-General must, by a signed certificate, designate any person appointed in the prescribed manner and against the prescribed criteria as an agent of a SETA or its approved body as an inspector for the purposes of this Act in so far as it relates to the collection of levies by the SETA or approved body, as the case may be. 25

#### Powers of entry of inspectors

16. (1) In order to monitor and enforce compliance with this Act in so far as it relates to the collection of levies by a SETA or its approved body, an inspector may without warrant or notice at any reasonable time, enter any workplace or any other place where an employer carries on business or keeps any records, which is not a home. 30

(2) An inspector may enter a home or any place other than a place contemplated in subsection (1) only— 35

(a) with the consent of the owner or occupier; or

(b) if authorised by a warrant, in terms of subsection (3), to do so.

(3) A magistrate, or judge of a High Court, in chambers having jurisdiction may issue a warrant contemplated in subsection (2) only on written application by an inspector, referred to in section 15, and stating under oath or affirmation the reasons for the need to enter a place in order to monitor compliance with this Act in so far as it relates to the collection of levies by a SETA or its approved body. 40

#### Powers of inspector to question and inspect

17. (1) In order to monitor compliance with this Act in so far as it relates to the collection of levies by a SETA or its approved body, an inspector referred to in section 15 may— 45

(a) require a person to disclose information either orally or in writing, and either alone or in the presence of witnesses on any matter to which this Act so relates, and require that the disclosure be made under oath or affirmation;

- (b) inspect, and question a person about, any document to which this Act so relates;
  - (c) copy that document, or remove that document to make copies of, or extracts from, that document;
  - (d) require a person to produce or deliver to a place specified by the inspector that 5 document for inspection; and
  - (e) perform any other prescribed function necessary for monitoring or enforcing compliance with this Act in so far as it relates to the collection of levies by a SETA or its approved body.
- (2) The inspector may be accompanied by an interpreter and any other person 10 reasonably required to assist in conducting the inspection.
- (3) The inspector must—
- (a) produce on request the certificate of appointment as inspector;
  - (b) provide a receipt for any document removed or delivered in terms of 15 subsection (1)(c) or (d); and
  - (c) return anything so removed or delivered within a reasonable time.

### Co-operation with inspectors

18. (1) Any person who is questioned by an inspector referred to in section 15 must answer all relevant questions lawfully put to that person, truthfully and to the best of his or her ability. 20
- (2) An employer must provide any facility and assistance at his or her premises that is reasonably required by an inspector to perform his or her functions effectively.

### Undertakings and compliance orders

19. Sections 68 to 73 of the Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997), apply, with the changes required by the context, to— 25
- (a) the monitoring and enforcement of this Act in so far as it relates to the collection of levies by a SETA or its approved body; and
  - (b) any legal proceedings concerning a contravention of this Act, in so far as it relates to the collection of levies by a SETA or its approved body.

## CHAPTER 3

30

### GENERAL PROVISIONS

#### Offences

20. Any person who—
- (a) fails to apply for registration for purposes of the levy;
  - (b) fails to pay any levy on the date determined for payment thereof; 35
  - (c) furnishes any false information in a statement or other document required in terms of this Act, knowing the information to be false;
  - (d) fails to—
    - (i) submit or deliver any statement or other document or thing;
    - (ii) disclose any information; 40
    - (iii) reply to or answer truly and fully, any questions put to him or her; or
    - (iv) attend and give evidence, required in terms of this Act; or
  - (e) hinders or obstructs any person in carrying out his or her functions in terms of this Act, 45
- commits an offence and is liable on conviction to a fine or imprisonment for a period not exceeding one year.



**Proof of accuracy of statement**

21. In any proceedings concerning a contravention of this Act, it is for an employer to prove that the information supplied by that employer in a statement required to be submitted in terms of this Act is accurate.

**Regulations**

5

22. The Minister may, in consultation with the Minister of Finance and after consultation with the National Skills Authority, make regulations about any matter which—

- (a) may or must be prescribed in terms of this Act; and
- (b) is necessary for the effective administration of this Act.

10

**Amendment of Skills Development Act**

23. The Skills Development Act is amended as set out in the Schedule.

**Short title and commencement**

24. This Act is called the Skills Development Levies Act, 1999 and takes effect on a date to be determined by the President by proclamation in the *Gazette*.

15

## SCHEDULE

## AMENDMENT OF SKILLS DEVELOPMENT ACT

(Section 23)

**Amendment of section 1 of Act 97 of 1998**

1. Section 1 of the Skills Development Act is hereby amended by the substitution for the definitions of “Skills Development Levies Act” and “skills development levies” of the following definitions:

“**‘Skills Development Levies Act’** means the Skills Development Levies Act, 1999;  
**‘skills development levies’** means a levy as defined in section 1 of the Skills Development Levies Act.”

**Amendment of section 2 of Act 97 of 1998**

2. Section 2 of the Skills Development Act is hereby amended by the substitution in subsection (2)(a) (iii) for the expression “levy-grant” of the expression “levy-financing”.

**Amendment of section 10 of Act 97 of 1998**

3. Section 10 of the Skills Development Act is hereby amended—

(a) by the substitution for paragraph (f) of subsection (1) of the following paragraph:

“(f) when required to do so as contemplated in section 7(1) of the Skills Development Levies Act, collect the skills development levies, and must disburse the levies, allocated to it in terms of sections 8(3)(b) and 9(b), in its sector.”;

(b) by the substitution for paragraph (k) of subsection (1) of the following paragraph:

“(k) perform any other duties imposed by this Act or the Skills Development Levies Act or consistent with the purposes of this Act.”;

(c) by the substitution for paragraph (b) of subsection (2) of the following paragraph:

“(b) the other powers conferred on the SETA by this Act or the Skills Development Levies Act.”; and

(d) by the substitution for subsection (3) of the following subsection:

“(3) A SETA must perform its functions in accordance with this Act, the Skills Development Levies Act and its constitution.”.

**Amendment of section 14 of Act 97 of 1998**

4. Section 14 of the Skills Development Act is hereby amended—

(a) by the substitution for paragraph (a) of subsection (1) of the following paragraph:

“(a) 80 per cent of the skills development levies, interest and penalties collected in respect of the SETA, as allocated in terms of sections 8(3)(b) and 9(b) of the Skills Development Levies Act.”; and

(b) by the deletion of paragraph (c) of subsection (2).

**Amendment of section 27 of Act 97 of 1998**

5. Section 27 of the Skills Development Act is hereby amended by the substitution for paragraphs (a) and (b) of subsection (2) of the following paragraphs:

“(a) 20 per cent of the skills development levies, interest and penalties collected in respect of every SETA, as required by sections 8(3)(a) and 9(a) of the Skills Development Levies Act; ‘



- (b) the skills development levies, interest and penalties collected by the Commissioner from employers which do not fall within the jurisdiction of a SETA, as required by section 8(3)(c) of the Skills Development Levies Act.'.

#### **Amendment of section 30 of Act 97 of 1998**

6. Section 30 of the Skills Development Act is hereby amended by the substitution for paragraph (a) of subsection (1) of the following paragraph:

- “(a) must budget for at least—  
(i) 0,5 per cent of its payroll with effect from 1 April 2000;  
(ii) one per cent of its payroll with effect from 1 April 2001,  
for the training and education of its employees; and”.

#### **Insertion of section 30A in Act 97 of 1998**

7. The following section is hereby inserted after section 30 of the Skills Development Act:

##### **“Budget for training by national and provincial public entities**

30A. If 80 per cent or more of the expenditure of a national or provincial public entity is defrayed directly or indirectly from funds voted by Parliament, that entity must budget for at least—  
(a) 0,5 per cent of its payroll with effect from 1 April 2000;  
(b) one per cent of its payroll with effect from 1 April 2001,  
for the training and education of its employees.”.

#### **Amendment of item 10 of Schedule 2 to Act 97 of 1998**

8. Item 10 of Schedule 2 to the Skills Development Act is hereby amended by the deletion of paragraph (b) of subitem (2).

#### **Amendment of item 14 of Schedule 2 to Act 97 of 1998**

9. Item 14 of Schedule 2 to the Skills Development Act is hereby amended by the substitution for subitem (3) of the following subitem:

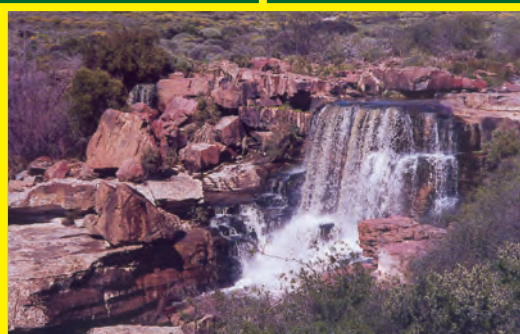
- “(3) Subject to subitem 7(c), any levy imposed in terms of section 10 of the Local Government Training Act and in force immediately before the commencement of this Act, remains in force until 31 March 2000 [unless withdrawn before that date by the Minister in terms of section 2(3) of the Skills Development Act] as if the Local Government Training Act had not been repealed.”.

#### **Amendment of long title of Act 97 of 1998**

10. The long title of the Skills Development Act is hereby amended by the substitution for the expression “levy-grant” of the expression “levy-financing”.



# National Skills Development Strategy 1 April 2005 – 31 March 2010



labour

Department:  
Labour  
**REPUBLIC OF SOUTH AFRICA**



# labour

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## Foreword

I am pleased to present the National Skills Development Strategy (NSDS) 2005 – 2010 to the nation at large and people of South Africa. The adjusted strategy will replace our first National Skills Development Strategy 2001 – 2005.



**Mr MMS Mdladlana**  
**Minister of Labour**

The strategy is a culmination of a process that commenced in 2003, with the National Skills Authority (NSA) constituency consultation process and presentation of their views on the NSDS 2001 - 2005 during the 2003 Skills Conference. It represents a detailed performance of Sector Education and Training Authorities and our National Skills Fund initiatives over the last four years. It represents healthy and sometimes very difficult debates on implementation matters, concerns and future aspirations of the various constituencies represented on the NSA.

The NSDS 2005 – 2010 spells out the national priority areas to which the projected over R 21,9 billion income from the skills development levy, will be allocated over the next five years. It provides the aggregate performance indicators of the skills development system that will be used as a basis to formulate performance indicators through legally binding Service Level Agreements with the SETAs and projects funded under the National Skills Fund (NSF).

It is my belief that through the NSDS 2005 – 2010, together with our social partners, we will support the broader goals of government to halve unemployment and poverty, and reduce inequality by 2014, and further to ensure that the institutions of skills development, which in the main are the SETAs and the NSF, use their resources to advance our skills revolution.

I would like to thank the National Skills Authority members, and all the many thousands of women and men who have contributed to the development of this adjusted strategy across all provinces. We have set and exceeded targets in our first strategy. The targets in the NSDS 2005 – 2010 are no less ambitious to those that were contained in our NSDS 2001 – 2005. I have no doubt in my mind, that as long as we continue to share a common vision on what our strategy intends achieving, and the principles to implement this strategy, nothing will stop us from realising our skills revolution objective.

**Mr MMS Mdladlana, MP**  
**Minister of Labour**

1 March 2005



# Vision

Skills for sustainable growth, development and equity

# Mission

The National Skills Development Strategy (NSDS) contributes to sustainable development of skills growth, development and equity of skills development institutions by aligning their work and resources to the skills needs for effective delivery and implementation

# Indicator

Government and its social partners assess the contribution of the NSDS institutions and resources to the nationally agreed strategies for growth, development and equity

# Principles

1. Support economic growth for employment creation and poverty eradication.
2. Promote productive citizenship for all by aligning skills development with national strategies for growth and development.
3. Accelerate Broad Based Black Economic Empowerment and Employment Equity. (85% Black, 54% women and 4% people with disabilities, including youth in all categories). Learners with disabilities to be provided with reasonable accommodation such as assistive devices and access to learning and training material to enable them to have access to and participate in skills development.
4. Support, monitor and evaluate the delivery and quality assurance systems necessary for the implementation of the NSDS.
5. Advance the culture of excellence in skills development and lifelong learning.

# Objective 1

**Prioritising and communicating critical skills for sustainable growth, development and equity**

## Success Indicator 1.1

Skills development supports national and sectoral growth, development and equity priorities.

### Lever 1.1

- Sector Education and Training Authorities (SETAs) use their discretionary funds to identify critical skills in the sector using guidelines prepared by the Department of Labour and the National Skills Authority (NSA)
- Critical skills needed, at entry, intermediate and advanced levels, are aligned and agreed with growth, development and equity strategy drivers and skills development bodies at national level within agreed timeframes.

## Success Indicator 1.2

Information on critical skills is widely available to learners. Impact of information dissemination researched, measured and communicated in terms of rising entry, completion and placement of learners.

### Lever 1.2

- Department of Labour consolidates SETA inputs and national/generic priorities and prepares a national guide on occupational/employment trends, periodically updated as agreed
- Relevant stakeholders ensure that information is utilised and report back to Department of Labour
- The National Skills Fund's (NSF) Critical Skills Support Funding Window will fund the guide and the training of career guidance counselors in the use of this information
- SETAs will use Discretionary Funds to fund the development of guides and the training of sector specialists or Skills Development Facilitators in the use of this information for their sectors.

# **Objective 2**

**Promoting and accelerating quality  
training for all in the  
workplace**



## Success Indicator 2.1

By March 2010 at least 80% of large firms' and at least 60% of medium firms' employment equity targets are supported by skills development. Impact on overall equity profile assessed.

### Lever 2.1

- All Workplace Skills Plans (WSPs) to be submitted no later than 30 September for 2005 and thereafter 30 June each year. Newly registered skills levy-payers submit WSPs within 6-months from establishment
- WSP to be judged against three criteria in 2005: (1) Timeframe (submitted in time) and (2) WSP meets EE + BBBEE and charter compliance criteria. (3) Stakeholder signoff
- From 2006 onwards the WSP will be judged by an additional criterion, i.e. a report on the performance against the previous year's WSP
- If the WSP successfully meets set criteria then full 50% grant paid in quarterly tranches
- Firms failing to meet the set criteria will automatically forfeit the WSP grant for the given financial year. Forfeited grants will be transferred directly into SETA discretionary funds.

## Success Indicator 2.2

By March 2010 skills development in at least 40% of small levy paying firms supported and the impact of the support measured.

### Lever 2.2

- The SETA determines the best form of intervention and grant, such as WSP grants or the provision of free courses. 40% of total population of small firms in sector to be reached by such initiatives is the target. SETAs to spend at least 80% of the total levy income from small firms on the achievement of this indicator

## **Success Indicator 2.3**

By March 2010 at least 80% of government departments spend at least 1% of personnel budget on training and impact of training on service delivery measured and reported.

### **Lever 2.3**

- Government budgetary process used to ensure that national and provincial departments spend at least 1% of personnel budget on training

## **Success Indicator 2.4**

By March 2010, at least 500 enterprises achieve a national standard of good practice in skills development approved by the Minister of Labour.

### **Lever 2.4**

- Firms achieving a national standard of good practice in skills development approved by the Minister will automatically get 50% of levy paid and for period standard is maintained. SETAs will secure agreement on information required from such firms based on regulation

## **Success Indicaor 2.5**

Annually increasing number of small BEE firms and BEE co-operatives supported by skills development. Progress measured through an annual survey of BEE firms and BEE co-operatives within the sector from the second year onwards. Impact of support measured.

### **Lever 2.5**

- SETA discretionary BEE grants

## Success Indicator 2.6

From April 2005 to March 2010 there is an annually increasing number of people who benefit from incentivised training for employment or re-employment in new investments and expansion initiatives. Training equity targets achieved. Of number trained, 100% to be South African citizens.

### Lever 2.6

- NSF – Industry Support Programme grants. The Department of Labour must provide an annual report on progress made in respect of employment or re-employment generated, linked to new investment initiatives and expansions

## Success Indicator 2.7

By March 2010 at least 700 000 workers have achieved at least ABET Level 4.

### Lever 2.7

- SETAs use discretionary funds and may with the agreement of their Boards include the provision of ABET as a criteria for the release of WSP grants. Total sum of all SETA targets to be at least 700 000 workers

## Success Indicator 2.8

By March 2010 , at least 125 000 workers assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.

### Lever 2.8

- SETA discretionary grants to include 18(1) grants for learnerships, bursary grants, internship grants and study support to learners acquiring basic entry, intermediate and high level scarce skills identified as scarce in their sectors

# Objective 3

**Promoting employability and sustainable livelihoods through skills development**





## Success Indicator 3.1

By March 2010, at least 450 000 unemployed people are trained. This training should incrementally be quality assured and by March 2010 no less than 25% of the people trained undergo accredited training. Of those trained at least 70% should be placed in employment, self-employment or social development programmes including (EPWP), or should be engaged in further studies. Placement categories each to be defined, measured, reported and sustainability assessed.

### Lever 3.1

- NSF Social Development Initiatives Funding Window including EPWP grants

## Success Indicator 3.2

By March 2010, at least 2 000 non-levy paying enterprises, Non-governmental Organisations, Community Based Organisations, and community-based co-operatives supported by skills development. Impact of support on sustainability measured with a targeted 75% success rate.

### Lever 3.2

- 20% SETA discretionary funds and 80% NSF Informal Sector Support Funding Window

## Success Indicator 3.3

By March 2010, at least 100 000 unemployed people have participated in ABET level programmes of which at least 70% have achieved ABET Level 4.

### Lever 3.3

- NSF ABET funding window to top up Department of Education funding of Adult Learning Centres and funding to other public providers, as well as private and donor funding to other ABET initiatives

# Objective 4

**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**

## Success Indicator 4.1

By March 2010 at least 125 000 unemployed people assisted to enter and at least 50% successfully complete programmes, including learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills. Impact of assistance measured.

### Lever 4.1

- SETA discretionary grants to include 18(2) grants for learnerships, bursary grants, internship grants and study support to learners acquiring basic entry, intermediate and high level scarce skills identified as scarce in their sectors. The NSF Critical Skills Support Funding Window provides top-up funding

## Success Indicator 4.2

100% of learners in critical skills programmes covered by sector agreements from Further Education and Training (FET) and Higher Education and Training (HET) institutions assisted to gain work experience locally or abroad, of whom at least 70% find placement in employment or self-employment.

### Lever 4.2

- SETA provides Work Experience Grants, as per agreement, to levy paying and non-levy paying employers in their sector that will provide work experience opportunities to students/graduates in sector-relevant programmes

## Success Indicator 4.3

By March 2010, at least 10 000 young people trained and mentored to form sustainable new ventures and at least 70% of new ventures in operation 12 months after completion of programme.

### Lever 4.3

- SETA Discretionary New Venture Creation grants plus NSF Informal Sector Support Funding Window top-up

# Objective 5

**Improving the quality  
and relevance of  
provision**

## Success Indicator 5.1

By March 2010 each SETA recognises and supports at least five Institutes of Sectoral or Occupational Excellence within public or private institutions and through Public Private Partnerships where appropriate, spread as widely as possible geographically for the development of people to attain identified critical occupational skills, whose excellence is measured in the number of learners successfully placed in the sector and employer satisfaction ratings of their training.

### Lever 5.1

- SETA Institute of Sectoral or Occupational Excellence Grant. This Grant to cover any or all of the following – and may be used to upgrade a facility in order that it can achieve the status of excellent:
  - Infrastructural Development
  - Educator/Trainer up-skilling
  - Curriculum and materials development
  - Learner support initiatives
  - Upgrading of satellite institutions (e.g. emerging providers in partnership with excellence institution)
  - Other – by mutual agreement

## Success Indicator 5.2

By March 2010, each province has at least two provider institutions accredited to manage the delivery of the new venture creation qualification. 70% of new ventures still operating after 12 months will be used as a measure of the institutions' success.

### Lever 5.2

- SETA discretionary grants plus National Skills Fund New Venture Creation Delivery Grant from the Informal Sector Support Funding Window

## **Success Indicator 5.3**

By March 2010 there are measurable improvements in the quality of the services delivered by skills development institutions and those institutions responsible for the implementation of the National Qualifications Framework (NQF) in support of the NSDS.

### **Lever 5.3**

- SETA discretionary grants and specific NSF grants from the Provisioning Support Funding Window approved after advice by the NSA

## **Success Indicator 5.4**

By March 2010, there is an NSA constituency based assessment of an improvement in stakeholder capacity and commitment to the National Skills Development Strategy.

### **Lever 5.4**

- SETA discretionary funds and NSF Constituency Capacity Building and Advocacy Funding Window

