

**KEY NOTE ADDRESS BY HONOURABLE MR JEFF RADEBE,
MINISTER IN THE PRESIDENCY FOR PLANNING, MONITORING
AND EVALUATION, MP,
AND
CHAIRPERSON OF THE NATIONAL PLANNING COMMISSION**

Occasion: FP&M SETA Skills Development Summit
Date: Friday, 26 August 2016
Venue: CSIR Convention Centre, Pretoria

Programme Director

Deputy Minister of Higher Education and Training: Hon. Mduduzi Manana

Members of the Board of the FP&M SETA and Chief Executive Officer

Distinguished guests

Ladies and Gentlemen

Thank you for inviting me to this event. On Sunday the 21st of August 2016 we launched the brand identity for the National Development Plan (NDP) Vision 2030. The main purpose of that exercise was to enhance communication about the NDP and how each stakeholder has a role to play in taking it forward. Chapter 9 of the NDP focuses on “Improving Education, Skills and Innovation”. I urge you to refer to this chapter in framing strategies for your sector.

In 2014 government adopted the Medium-Term Strategic Framework (the MTSF) which is a five-year programme of government to contribute to the implementation of the NDP. The MTSF contains 14 outcomes that have more details regarding the specific actions, indicators, targets and roles and responsibilities for implementing NDP goals and policy proposals. The three most relevant outcomes for your conference are:

- Improved Quality of Basic Education (Outcome 1)
- A skilled and Capable Workforce (Outcome 5)
- Decent Employment Through Inclusive Growth (Outcome 4)

Basic education – comprising early childhood development for children of ages from 0 to 4 years and school education starting with Grade R at age 5 up to Grade 12 – forms the bedrock of the education system.

Minister Angie Motshekga and Deputy Minister Enver Surty are leading us in this area.

In terms of MTSF Outcome 1, the following key actions must be implemented to improve the quality of basic education, namely:

- Improved quality of teaching and learning through development, supply and effective utilisation of teachers.
- Improved quality of teaching and learning through provision of adequate, quality infrastructure and learning materials.
- Tracking of learner performance through reporting and analysis of the Annual National Assessment (ANA) at Gr 3, 6 and 9 level, and improving ANA over time to ensure appropriate feedback to learners and teachers and to benchmark performance over time.
- Expanded access to Early Childhood Development and improvement of the quality of Grade R.
- Strengthening the accountability and management system through intervention and monitoring at school, community and district level.
- Partnerships for education reform and improved quality.

I believe that this summit seeks to mobilise, stakeholder and to strengthen partnerships for the reform and improvement of the quality of education and the skills produced by it.

It is a major achievement of our country that we now have almost universal access to basic education, and we have high levels of growth in the uptake in early childhood development centres, favourable gender parity and successful interventions in relation to addressing some of the critical needs of schools in poverty-stricken areas. The NDP requires us to attend to the urgent task of ensuring high quality basic education benchmarked against the best-practice international standards.

We would hope that this summit contributes to finding ways in which we can collectively strengthen the quality of basic education as the foundation for the skills that are required by the PF&M industry, as well as interventions in other areas of weakness such as schools infrastructure, numeracy and uptake of vocational education.

Ladies and Gentlemen:

In an ideal world we would make our basic education system perfect first before we could later attend to the post-school education system. In the real world we have to attend to both of these aspects of our skills sector simultaneously. MTSF Outcome 4 which is about “A Skilled and Capable Workforce” implements the same Chapter 5 of the NDP on “Improving Education, Skills and Innovation”. Minister Blade Nzimande and Deputy Minister Mduduzi Manana take a lead in ensuring that we achieve our development goals in this regard.

Access to Higher Education and Training opportunities is pivotal for the creation of a skilled and capable workforce to drive inclusive economic growth. Access to such opportunities for young South Africans has almost doubled between 1994 and 2014. Access has increased from 495 356 students enrolled in universities and 150 000 enrolled in TVET colleges in 1994, to a total of 969 154 students enrolled in Higher Education Institutions in 2014.

There is a range of new programmes that are being implemented and, unfortunately, funding remains our biggest constraint in the higher education sector. Since Government does not have adequate resources to meet the growing financial demands of the TVET colleges and universities. The unfavourable economic conditions in the country and globally worsen the funding challenge in the short to medium-term. As you might be aware, President Zuma has appointed the Honourable Judge Hefer Commission to analyse this matter and make recommendations; and the DHET Minister, Dr Blade Nzimande, is already engaged in extensive consultations with sector stakeholders on various aspects of the higher education funding challenge.

In addition to these initiatives, government is doing its best to reprioritise money from other existing programmes to ensure that spending on skills development, infrastructure and poverty eradication programmes is prioritised. We invite the industry to also find innovative ways to contribute to meeting funding needs in this regard.

Government will continue to consolidate this progress by creating greater access to opportunities for good quality post-school education and training (PSET) for SA youth, including through the National Student Financial Aid Scheme (NSFAS) and monitoring changes in university fee-structure. We will revise the policy governing the disbursement of skills levy, to support the PSET system more effectively. We will strengthen role of Sector Education and Training Authorities (like the

FP&M Seta), Technical Vocational Education and Training (TVET) colleges in providing theoretical training for artisans, and ensure that key sector departments continue to work with business to ensure seamless transition of qualifying students into labour market. The FP&M Seta will also play an important role in this regard.

We are aware of the challenges that are specific to Fibre, Processing and Manufacturing sector. For instance, based on their research, the FP&M Sector Skills Plan identifies the following issues as some of the reasons for occupations that are hard to fill, namely:

- “Low wages in the sector rendering some occupations less attractive to young people;
- Technological improvement in the sector requiring a new skills set;
- Industry trends creating new pressures for employers in the sector to operate differently;
- Lack of immediate skills to replace an ageing and experienced workforce;
- Need for multi-skilled people to perform functions that were previously filled by people without multiple skills; and
- Graduates lacking the requisite basic skills to function.”

It is therefore imperative that are diagnosed, the root causes of these challenges and practical strategies identified that will move the sector forward in a sustainable manner. Problem-solving is fundamental for the vibrancy of this sector and how it can make more impact on the economy at large.

The range of skills that are required in this industry could have great appeal to our young people if proper career guidance, training, mentorship and coaching programmes are implemented, including opportunities for small business incubation. Unlike some industries that tend to concentrate in certain geographic areas, the sub-sectors of this industry cut across all domains, from urban to rural areas, from primary industries like agriculture and forestry to tertiary industries like media.

We therefore need to dedicate more programmes that target youth both at school level, at TVET colleges, and universities, as well as the short course skills training programmes that are fully integrated to the requirements of the economy and to innovations in these industries.

MTSF Outcome 4 about “Decent Work through Inclusive Growth” implements Chapter 3 of the NDP on “Economy and Employment”. Given the current economic challenges, government has put the issue of boosting our economic growth and employment at the top of its agenda. The Cabinet’s strategic retreat (Lekgotla) of last week, has this issue as a priority since firm decisions were taken on concrete actionable plans which will take implementation of the NDP Vision 2030 through the MTSF (2014-2019) and the 9-Point Plan to a higher level.

You will be pleased to note that government will continue to focus on labour-intensive sectors, including the need for various mechanisms to support greater impact on jobs, such as the use of our incentive programmes, amongst others: clothing, textiles, leather and footwear value-chain; agro-processing and business process services.

Another key decisions of the recent Cabinet Lekgotla was to embark on a budget reprioritisation process that seeks to direct increasing resources towards growth-enhancing and employment-intensive initiatives such as investment in research and development (R&D) and skills for the economy. This sector should address this matter in order to remain competitive in a highly innovative and rapidly changing global economic environment where investment in high-level skills for the economy is the main game changer.

As you might be aware, the agriculture and forestry sector is the primary sector of the PF&M industry. The 9-Point Plan requires government to work hand-in-glove with the private sector through Public Private Partnerships (PPPs) that will support revitalisation of agriculture and agro-processing value-chain. The Department of Rural Development and Land Reform will finalise the PPP framework for Agriparks by end of October 2016.

One of the latest incentive programmes that government is implementing in order to ensure radical economic transformation is the Black Industrialists Programme, which has already approved 10 projects in the current financial year. This programme is supporting applicants to improve their business planning skills and access relevant support.

Government will expedite the implementation of interventions on scaling up of skills development for semi-skilled and unskilled labour in order to increase absorption through SMMEs.

One of the challenges that the NDP identifies is lack of necessary capabilities within the state machinery to deliver on our mandates, including efficient management of infrastructure projects. In this regard, the need to develop programme management capacity is identified as critical to improve infrastructure delivery, development of credible funding and infrastructure investment plans, technical packaging of projects and management of partnerships with the private sector. Such skills include engineering, legal, finance, planning, cost-accounting, supply chain management, among others. Although these skills might not be core to this industry, their cross-cutting nature implies that all sectors need to make necessary investment in this regard.

Other measures that we implement include ensuring compliance to the 30-day payment of suppliers PFMA prescript and ensure effective implementation of the recommendations of the Presidential Review Committee on State-Owned Companies so as to enhance their socio-economic impact and performance.

These are some of the key decisions that show government's resolve to address the economic challenge and act decisively to accelerate progress towards meeting our NDP goals of eliminating the triple challenges of poverty, inequality and unemployment.

Last but not least, innovation is important to ensure competitiveness of this industry and our economy broadly. Research and development of new products and processes in a proactive manner will ensure that stakeholders in this industry have necessary capabilities to identify opportunities for innovation on the right time, and put in place skills programmes that will ensure that the industry capitalises on the opportunities that emerge, and mitigates the risks such as job losses associated with new mechanisation and computerisation.

In conclusion, I invite the PF&M SETA to partner with the Department of Planning, Monitoring and Evaluation (the DPME) and its public entity, the National Youth Agency (the NYDA), who are leading efforts to make

sure that the NDP vision 2030 is also realised through the National Youth Policy 2015-2020.

Our over-arching youth development goal is “empowered young people who are able to realise their full potential and understand their roles and responsibilities in making a meaningful contribution to the development of a non-racial, equal, democratic and prosperous South Africa.” All stakeholders in government and outside of government have a critical contribution to make, particularly in reversing the enormous challenge of youth unemployment.

My view is that capacity development starts with the people, and working with people requires a kind of leadership that is imbued with love, patience and appreciation of diverse developmental circumstances. We must love our young people and provide them with an enabling environment and opportunities that decisively address their developmental needs. Young people of our country declared through the National Youth Policy that: “Youth don’t want a handout; they want a hand up!”

I thank you!