

# Lack of small business participation (small fishing companies SIC Code 13100) in the Transport Education Training Authority-Supported Schemes

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## **ABSTRACT**

The study focusses on the transport sector, where company participation level is measured at approximately 20% of levy paying enterprises, and this level is mostly based on relatively high levels of participation from large and medium-sized companies. The study explores the relationship between Sector Education and Training Authorities (SETAs) and the companies within the sectors they are mandated to serve by researching the Transport Education Training Authority (TETA) maritime subsector. The research focus is on small companies and the focus is specifically on the low rate of participation of smaller entities in the skills development landscape. The consequences of the lack of participation are investigated and the study concludes that the SETA's ability to effectively research its sector skills, as well as the SETAs ability to provide effective skills planning in support of the national agenda, are both negatively affected by current levels of poor participation. The research was conducted on small fishing companies registered with TETA, in order to determine the reasons for low participation in the government's mandatory grant scheme. The research is survey-based across participating and non-participating small companies.

In addition, it is proposed that the elements contained herein are transferable to other subsectors of the transport economy (e.g. air, road and rail), and to the multitude of other SETAs that have small companies registered with them. Succinctly, there is no financial incentive to a small company to participate, the SETAs should consider incentives schemes to increase participation that is project-based and allows for subsidised training.

The value of an improved Sector Skills Plan (SSP) that matches the skills needs of the sector increases the likelihood of projects having a meaningful impact on the sector and reduces fruitless and wasteful expenditure in the sector. The small business environment has huge potential to assist in skills development, a skilled workforce, improved productivity and reducing unemployment. The findings and solutions are important tools for taking the maritime development agenda forward.

**Keywords:** SETA, mandatory grant, employer participation, small business, fishing company

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## I INTRODUCTION

According to the Quarterly Labour Force Survey released by Statistics South Africa,<sup>1</sup> around 24.7% of South Africa's working-age population is unemployed. This situation has led to the prioritisation of the development of small, medium and micro enterprises (SMMEs) to reduce unemployment. The SMME sector accounts for over 35% of the gross domestic product (GDP) and approximately 72% of all employment in the country.<sup>2</sup>

In order to develop SMMEs, a detailed understanding of the needs of the enterprises is critical to support them with relevant and fitting solutions. Sector Education and Training Authorities (SETAs) are well positioned to identify and develop SMMEs registered to a SETA, and skills challenges are identified as one of the top five reasons for small firms not growing their number of employees.<sup>3</sup>

The transport sector contributes significantly to South African economy in terms of the country's employment, and, since 2012, has contributed approximately 9% of the country's GDP. The sector's revenue contribution increased to about R256 billion in 2015 and accounts for approximately 6% of the country's labour force. Gauteng serves as the region with the highest economic and labour activity for the sector; the coastal provinces of KZN, Western Cape and Eastern Cape, which are largely driven by ocean business, fall behind Gauteng (TETA, 2018). TETA is the SETA that is responsible for supporting and developing the transport sector by way of skills development.

## II PROBLEM STATEMENT, RESEARCH QUESTION AND OBJECTIVES

### Problem statement

On average (2018), 80% of the transport-registered companies do not participate in skills development with the TETA. As a result, the development of the SSP is based on data sourced primarily from large and medium-sized companies that have the resources and to participate in the mandatory grant process. As the SSP is a critical document that prioritises projects and funding to address skills shortages in the sector, 20% participation is insufficient to inform the SSP with data relevant to addressing skills shortages in the sector. This results in a high risk of failure of projects implemented and funded by TETA, which is especially true where the non-participating companies are mainly small-sized companies, whose needs could be totally different to the needs raised by the large and medium-sized companies.

### Aim, objectives and assumptions of the research

The research aim is to identify the reasons why participation is so low and to suggest solutions to increase participation. The rationale is to ensure that the TETA SSP and the annual funded projects match the sector's needs, and that projects implemented are both relevant and assist the employers and employees to access skills development opportunities. The research was conducted utilising semi-structured interviews in the Eastern and Western Cape with TETA-registered small fishing company owners and/or representatives.

<sup>1</sup> Statistics South Africa (Stats SA) 'Quarterly Labour Force Survey' Stats SA 2013 (available from: <[http://statssa.gov.za/publication/find\\_publication](http://statssa.gov.za/publication/find_publication)>).

<sup>2</sup> CM Rogerson 'SMME Development in South Africa Priority Sectors. A Report for the Department of Trade and Industry' (Tshwane, Department of Trade and Industry 2008) at 142.

<sup>3</sup> The Presidency National Planning Commission (NPC) 'Our Future: Make it Work: National Development Plan, 2030' NPC August 2012.

### Objectives of the research

In order to achieve the aim, the specific objectives of the research were:

- To provide a summary of the SETA environment including any applicable theories, literature and legislative considerations applicable to small companies.
- To identify the reason or reasons for low participation, as identified by the non-participating companies.
- To identify and quantify any training that is taking place in non-participating companies, and to assess how the unreported participation would influence the SETA SSP.
- To identify and provide solutions or potential solutions to increase company participation with the SETA.

### Assumptions

The following preliminary assumptions were made:

- Participation is dependent on financial return and, where the cost to participate exceeds the benefit of participating is compounded by a one-year penalty (for first-time applicants), the environment provides a poor incentive to participate.
- Ineffective communication has resulted from the fact that there is no communication strategy or projects to encourage and support participation.
- Under-reporting of training in the SSP arising from the fact that significant training occurs in the small business companies, but is unknown to the SETA. This results in the SSP not reflecting SMMEs in the reported training, planned training or scarce and critical skills.

### Exclusions and limitations

In order to reduce the size of the research area and to ensure a cluster of similar-type organisations, the

research focussed on companies that fall under the SIC Code 13100 (ocean and coastal fishing). Geographically, the research is limited to the Eastern Cape and Western Cape provinces, where the bulk of fishing companies in the country are registered.

The decision to narrow the scope of the research to small levy-paying fishing companies registered to TETA SIC code 13100 automatically excluded the following organisations/entities:

- small-scale fishers (ie fishers with traditional rights that are not registered to a SETA)
- fishing cooperatives (ie cooperatives that are not registered to a SETA)
- fishing companies registered with another SETA
- fishing companies registered with TETA but exempt from paying the Skills Development Levy (SDL).

This decision was made intentionally in order to focus the research on increasing the participation of TETA and also to exclude additional levels of complexity that arise within the environment of the small-scale fishers and fishing cooperatives.

## III IMPORTANCE OF THE SETA (TETA) SECTOR SKILLS PLAN (SSP)

### SETA sector representation and role

The South African economy is represented by 21 SETAs and each SETA represents a sector of the economy. The functions of a SETA are set out in the Skills Development Act (SDA).<sup>4</sup> The Act defines the role of the SETA is to:

- develop an SSP to identify trends in the sector, skills that are in demand and priorities for skills development
- develop and administer learnerships
- support implementation of the National Qualifications Framework (NQF)
- undertake quality assurance.

<sup>4</sup> Section 10 of the Skills Development Act 97 of 1998, chap 3.

### SETA SSP-development and implementation

Development of an SSP is one of the most important roles of a SETA because it is the SSP that informs the SETA on how to prioritise funding and projects that address the skills shortages needed to grow the sector. The SETA data are reliant on the employers submitting an annual Workplace Skills Plan (WSP) and Annual Training Report (ATR). The data submitted is utilised to profile the sector. The relevance of the SSP to the SETA sector is dependent on quantity (percentage of employers that make a submission to a SETA) and the quality (completeness) of data submitted. Employers are incentivised to submit these plans by being able to recover a percentage of the SDL they pay to the SETA they are registered with. The percentage of SDL recovered is mandated by the Skills Development Levies Act<sup>5</sup> and is set at 20% of levies paid to the SETA.

Based on this structure, each SETA is responsible for formulating and implementing an SSP. The main purpose of the plan is to 'provide the sector with a strategic overview of trends and challenges for the given period, as well as to assist companies to develop and implement a framework that promotes economic growth and achieves the goals of the NSDS'.<sup>6</sup> Accordingly, the SSP includes a sector profile, an analysis of skills supply and demand, and a profile of the SMME environment. The plan forms the basis for reporting to the Department of Labour (DoL) regarding achievements against targets, as stipulated in a service level agreement (SLA) between the SETA and DoL. The system is funded by payment of an SDL by companies; current legislation has set this levy at 1% of payroll. Each company can reclaim a percentage of the levy by meeting the minimum requirements of the SDA, and any reasonable criteria added by the SETA. Collectively, these criteria are referred to as mandatory grant criteria and are used to determine whether a company will receive a percentage of their

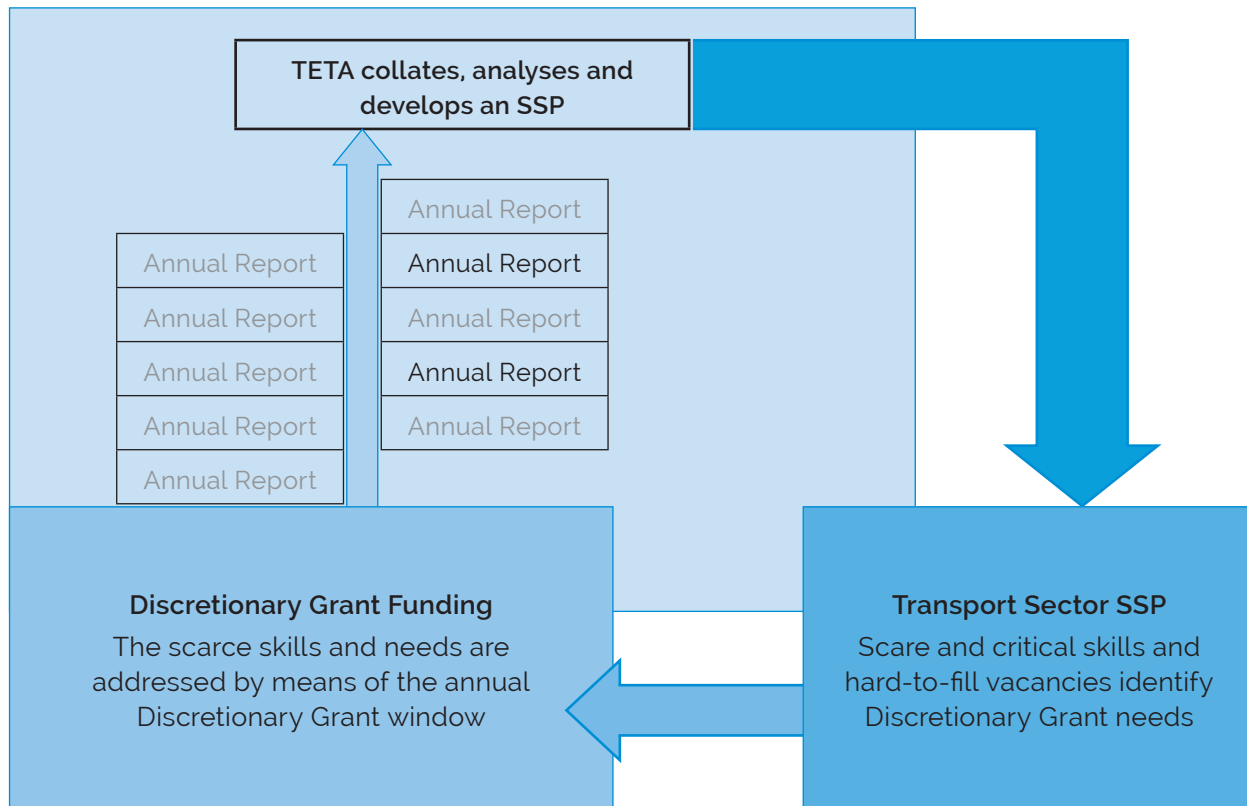
levy as a grant. This provides the financial incentive for companies to participate in the National Skills Development Strategy (NSDS) and the levy return is meant to fund training and development in employer organisations. The Department of Higher Education and Training (DHET) convincingly argues for an integrated post-school system and provides clarity on the next phase of the NSDS. DHET emphasises where the strategy should change the traditional role of SETAs from those that they had previously performed.<sup>7</sup> The intention is to simplify the role of the SETAs and to build capacity in line with its core functions. The SETA focus will be on developing skills within existing enterprises and also on developing the skills pipeline into these workplaces. This effectively narrows the focus of the SETAs that have historically suffered from target creep, and a dilution of their energies and funding pools. Renee Grawitzky deals well with the context of the SSP in the broader SETA environment and this is best summarised by: 'What you measure is what you get'.<sup>8</sup> Notably, Grawitzky notes that, while the SETA may have achieved the NSDS targets, this may not meet or match public expectations or sector needs. This has the effect that, while the SETA may appear to achieve the NSDS targets set per annum, the targets set out in the SSP is not necessarily accurate regarding the needs of the sector. Low employer participation has a direct impact on the SETA SSP and its use as a tool by role-players in guiding the sector with respect to skills development and informing national strategies. It becomes critical therefore that the SSP is informed by actual skills development information. This is required to ensure accurate sectoral planning and national economic growth.

<sup>5</sup> Skills Development Levies Act 9 of 1999.

<sup>6</sup> Department of Higher Education and Training (DHET) 'Guidelines on the Implementation of SETA Grant Regulations' *DHET* 2013 (available from: < <https://www.dhet.gov.za/>>).

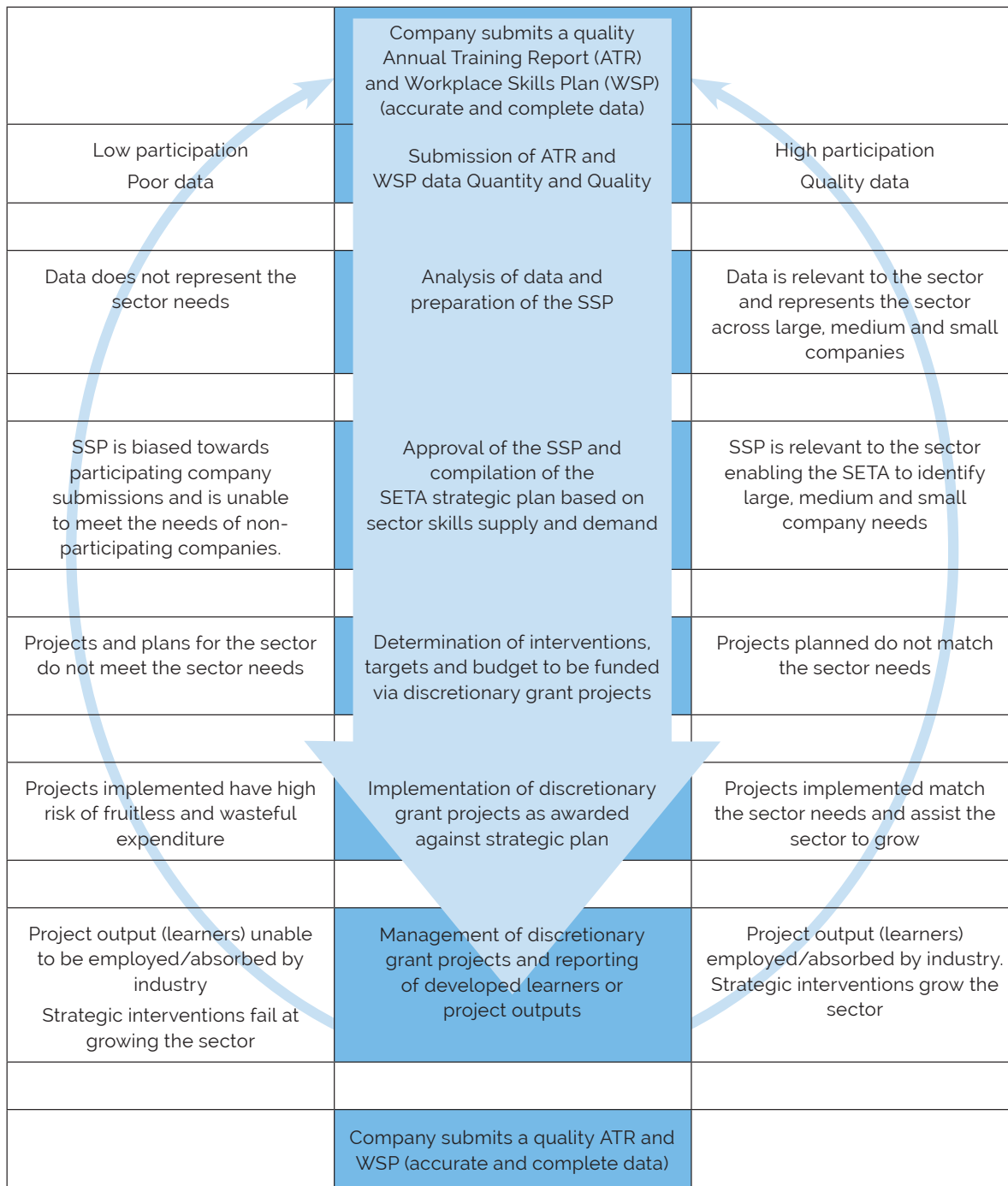
<sup>7</sup> Department of Higher Education and Training (DHET) 'White Paper for Post School Education and Training. Building an Expanded, Effective and Integrated Post-School System' *DHET* 2014 (available from: <<https://psetresearchrepository.dhet.gov.za/post/738>>).

<sup>8</sup> R Grawitzky 'SETAs – A Vehicle for Skills Revolution?' DPRU Working Paper 07/125 (Cape Town, University of Cape Town Development Policy Research Unit 2007) at 30.



**Figure 1:** Source and Usage of Sector Skills Plan Information  
**Source:** Author.

In the large blue square, representing TETA employers, the employer bodies submitting annual reports are indicated in black text, that is, 20% or 2 out of 10 are represented; while the grey text indicates employer bodies that do not submit annual reports. The SSP indicated in the red square draws data from participating employer bodies and uses this information to address scarce and critical skills by means of a discretionary grant window. The discretionary grant window indicated in the green square is made up of the skills requirements, as identified by the SSP, that are prioritised for funding by the SETA.



**Figure 2:** Mandatory Grant (MG)<sup>9</sup> Data, Development of SSP and SETA Annual Performance Plan (APP)

Source: Author's adaptation of the Wits School of Governance.<sup>10</sup>

<sup>9</sup> The mandatory grant (MG) is a grant payable against criteria as specified by DHET.

<sup>10</sup> Wits School of Governance *The WSP/ATR Data* [PowerPoint slides – slide 2] Wits School of Governance 2016.

#### IV THEORETICAL FRAMEWORK

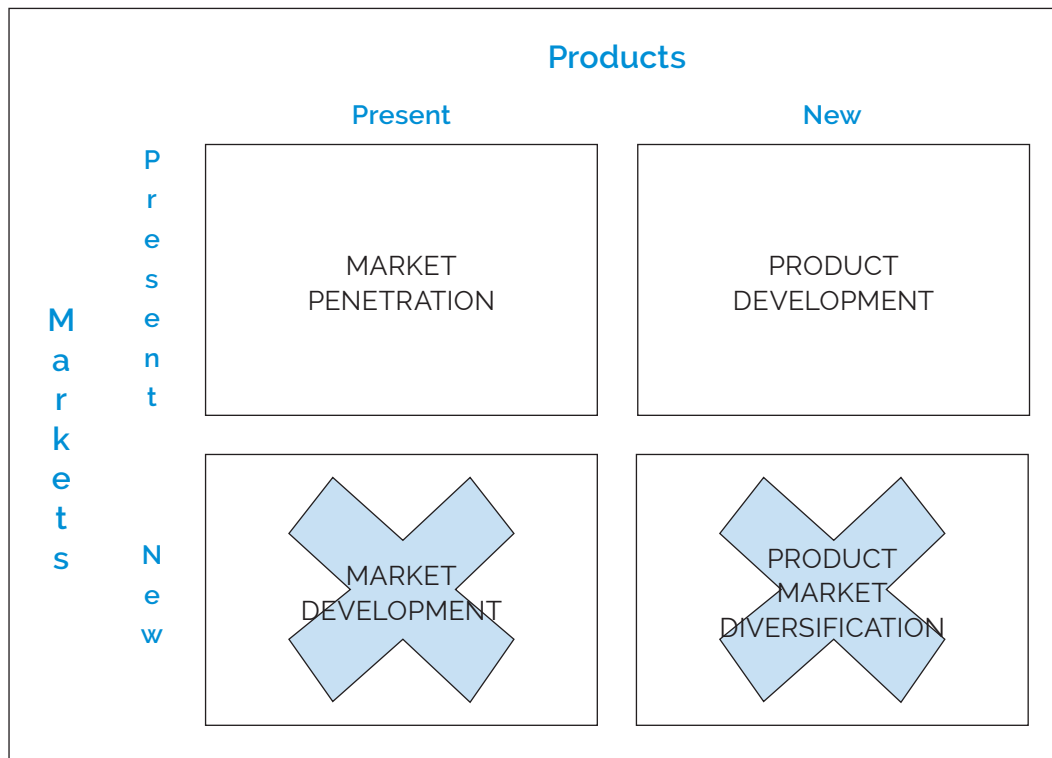
A review of the SETA websites and requests made by email to the SETAs were unfortunately unsuccessful in identifying or accessing any research related to SETA employer participation, as such participation is largely unexplored by researchers. No theoretical framework is directly applicable to this area of research. Business study theory has been referenced as a model to increase the SETA participation in the absence of any development studies model applicable to the SETA environment. This research belongs in development studies as the SETA SSP is a plan for the sector and profiles the employer organisations, with significant detail of the employee, including age, race and gender. The SSP also identifies scarce and critical skills with hard-to-fill vacancies and is a critical source of information to enable the sector to align to and implement national strategies, particularly the transformational agenda. This enables targeted skills development projects to reduce unemployment and grow the relevant sector through skills development.

#### The Ansoff matrix amended to fit SETA business model

This research intended to find ways in which to increase small company participation and the Ansoff matrix<sup>11</sup> provides a useful and relevant framework. As employer participation is low, the knock-on effect on the SSP is significant as one cannot profile a sector with low participation because the data is insufficient to profile the sector. Any SETA needs to follow business theory in their sector in order to grow participation. The Ansoff matrix is a strategic planning tool that provides a framework to help executives devise strategies for future growth. The model, devised by H Igor Ansoff, a mathematician with insight into business management, provides four alternatives of marketing strategy, namely market penetration, product development, market development and diversification.

Figure 3 (below): The Ansoff Matrix Applied to the TETA Business Environment

Source: Adapted from Ansoff.<sup>12</sup>



<sup>11</sup> HI Ansoff *Corporate Strategy: An Analytic Approach to Business Policy for Growth and Expansion* (New York, McGraw-Hill 1965).

<sup>12</sup> Ibid.

Because of the legislative environment and the DHET reporting/validation requirements, TETA's market is defined as the transport sector and levy-registered companies. Accordingly, of the four strategies, those relating to market development and diversification are both excluded from any desire a SETA may have to increase participation. The Ansoff matrix applicable to a business environment can be considered as the 'next best' approach to SETA participation in the absence of any other model. The SETA is viewed as a business operating in a SETA-demarcated sector, the transport sector in this case.

Figure 3 shows the Ansoff matrix as it applies to a SETA business environment where, of the basic four strategies available, legislation precludes SETA creativity to its own defined sector. This leaves market penetration and product development as possible strategies to follow in order to increase participation. Market penetration and product development within the South African business environment must take account of the influence that the Broad-Based Black Economic Empowerment (B-BBEE) policy and codes have on the particular sector. TETA has felt the influence by way of increased participation of large and medium-sized companies that simply have to participate to maximise their B-BBEE score in order to do business with government in South Africa.

There has been a visible increase in self-funded workplace training (where a company funds a learnership, for example, without any TETA funding) because of a company's efforts to achieve an improved B-BBEE rating. However, the necessary skills and understanding required to change business practice in order to align to B-BBEE codes are simply not available or affordable in small companies. Of relevance to the small fishing companies is the quota allocation process that a company must go through with Department of Agriculture, Forestry and Fisheries (DAFF). This process is called the Fishing Rights Application Process (FRAP), which includes an allocation of points towards scoring a fishing company to determine whether a fishing right (or quota) should be awarded.

The communication to the small business community needs to survey the small business environment and offer such companies an attractive user-friendly option that supports other sector imperatives or government legislation. An example would be the DAFF quota allocation process taking into consideration the fishing company's skills development history with the SETA.

## V METHODOLOGY

### Research philosophy

The context of this research study is the reality as experienced by company representatives as potential participants in the SETA relationship. The ontological position of the researcher is relativist within the understanding that our experiences are relative to our specific cultural and social framing being open to a range of interpretation.<sup>13</sup> This study follows a qualitative research design because the nature of the problem needs to be investigated in depth and needs to be based on the experience of the small company with TETA.

### Data collection methods

Data collection is field-based, using interviews, documents and company/participant history of submissions. The research design provided for both exploratory and explanatory research. The study was exploratory to the extent that it would identify the profile of small companies' submissions (ie what the rate of participation is) and explanatory in that it would identify the reasons why they do not participate. Neuman<sup>14</sup> identifies that exploratory research identifies the 'what' and it is the 'what' that allows for extrapolation of, or at least insight into, the 'why' (explanatory).

A common error encountered in qualitative studies is the tendency of researchers to attempt to answer too broad a question or address a topic with too many objectives. Several authors, including Yin,<sup>15</sup> suggest

<sup>13</sup> N King & C Horrocks *Interviews in Qualitative research* (London: Sage Publications 2010).

<sup>14</sup> WL Neuman *Social Research Methods: Qualitative and Quantitative Approaches* 3 ed (Boston, Allyn and Bacon 1997).

<sup>15</sup> R Yin *Case Study: Research and Design Methods* 4 ed (Thousand Oaks, Sage Publications 2009).



placing boundaries to prevent this from happening. The case study is limited to transport SETA-registered small fishing companies (SIC Code 13100), registered with a levy number as identified by the levy reconciliation received from DHET. This was made available to the researcher by the TETA's finance unit, with the agreement that the data provided would not be used for any other purpose than this research project.

### Selection of participants

Convenience sampling was applied to generate data for this study. This is a technique widely used in qualitative research for the identification and selection of information-rich cases for the most effective use of limited resources.<sup>16</sup> In the approach followed, the company levy data for the period 2016/2017 defines the sample by SETA (code 26) and fishing subsector (13100). Geographically, the fishing company distribution is as follows: Western Cape (51); Eastern Cape (40); and one company registered in each of Kwazulu Natal, Mpumalanga, Northern Cape and Limpopo. The researcher focussed on the Western Cape and the Eastern Cape as provincial areas for the interviews. This resulted in a full census consisting of 91 companies in the Eastern and Western Cape out of a potential 94 companies nationally.

### Identifying the population

Using company levy data for the period 2016/2017 (as provided by the TETA finance unit) in MS Excel, I sorted the data into the categories of the SIC code 13100. This process identified 121 fishing companies of which five are large, eight are medium-sized and 108 are small companies, as defined by skills development legislation. Currently, 100% of large companies and 87% (seven out of eight) medium-sized companies participate in the mandatory grant process. Interestingly the eighth medium-sized company was unknown to the maritime chamber until the levy data was analysed.

### Fishing sector interviews

The initial research plan was to stratify the types of organisations into two groups, namely small fishing companies (group 1) and training providers of fishing companies (group 2). While conducting interviews, it became apparent that no simple groupings were possible because an individual may own multiple companies (ie fishing boats), each with their own levy number, or that a single consultant may represent multiple companies. It transpired that in every case where an owner had multiple vessels, they also had levy numbers registered with at least two SETAs (e.g. TETA and FOODBEV SETA). Training providers facilitated the SETA relationship and were appointed as Skills Development Facilitators (SDFs) by the companies.

The appointment as SDF is a formal agreement to represent the company at any SETA opportunity that the provider may have facilitated or is aware of. The SDF relationship is of a passive nature and activated only when small business opportunities are available, and typically does not include active participation of the companies in the online ATR/WSP submissions. As the interviews commenced, it became clear that the intention to interview a client per levy number would not be possible and the interviews would take place across groups of levy numbers held by a single SDF/company representative, with the company's participation ranging from:

- those currently actively participating in mandatory grants
- those currently actively participating in Small Business Development (SBD)
- those that had previously participated in SBD but no longer do so
- those that have never previously participated
- those that are registered with another SETA.

<sup>16</sup> N Patton *Qualitative Research and Evaluation Methods* 3 ed (Thousand Oaks, Sage Publications 2002).

### Limitations

The scope of this research study was limited to the TETA fishing subsector-registered small companies in the Eastern and Western Cape, as these provinces have significantly higher numbers of small fishing companies than other coastal provinces. The research is bound within the skills development regulations and also TETA participation criteria, guidelines and templates. As a result, the findings are applicable to TETA-registered small business, irrespective of chamber of registration. Generalisations can be made within TETA, across TETA subsectors, because the skills development policy and criteria are standardised. While the findings will be transferrable to other SETAs in relation to small business participation, any solutions offered by this research will need to be reviewed within any other SETA's unique systems and criteria.

It must be noted that the interviewer was a TETA representative, and this may have influenced the responses by the company representatives, that is, the interviewer is the maritime practitioner responsible for monitoring and evaluating the company's mandatory and discretionary grants. It is likely that responses may have been tempered to ensure a positive working relationship in the future. Response consistency was assessed by means of triangulation of the responses to the questions, using different question statements. The TETA SSP also allowed for cross-referencing and validation of the data gathered from the interviews.

## VI FINDINGS

SETA records of levy-registered companies prove that, despite small business being the largest number of companies registered to a SETA, they remain largely non-participating, with the result that the SETA-identified sector needs from the SSP will not match small business needs. This is a lost opportunity to grow small business to improve the economy, to reduce unemployment and to drive economic transformation.

The answers to increasing small business support are to be found in the registration of the small business with the South African Revenue Service (SARS), in improved government department communication and targets between the Department of Small Business

Development and DHET, in improved communication and targets between DHET and the SETAs and, finally, in improved communication and targets between the SETA and the sector. Using a top-down approach, DHET should guide the SETAs to baseline registered companies (stratified into large medium and small), and then set annual targets off this baseline to increase participation. Part of this exercise would be ensuring that companies registered with the SETA do, in fact, belong to the SETA they are registered with.

### Participation is dependent on financial return

A company's motivation to make a submission to its SETA is dependent on the perceived financial return it will acquire in exchange. The cost of submission, that is, appointing a consultant or attempting to submit data on their own, the time required to be up-to-date with respect to legislation and criteria, consolidation of the annual report and plan, the technical requirements to access the online system and make a submission, and the current mandatory grant criteria (ie recovery of 20% of levies paid) exceeds the potential return for small companies.

The cost to participate far exceeds the potential recovery of 20% of levies paid in purely time cost. This is even before the first-year penalty (no grant payable as no previous plan was submitted) and the company having to carry the cost of submission for two years before being eligible to recover the 20% of levies paid. Ultimately the participation cost would reduce the available training budget. The irony is that more training would be conducted by the company if they did not participate in the SETA.

### Communication is not effective

The current communication strategy used by TETA is geared towards companies that are currently participating – and such communication is not heard or understood by small companies. There is no communication strategy targeting non-participating companies. Common across all the respondents' experiences were the related challenges of identifying and making contact with the SETA the company is registered with, and then also the general experience

of delays when transferring from one SETA to another. None of the respondents had any positive experience in this regard.

General knowledge regarding the role and function of SETAs tended to be a simplistic notion that SETAs support training. Generally, all respondents prioritised their limited time to activities that would drive or support their business, they simply do not have the time to dedicate to trying to find which SETA they are registered with. Even if they are eventually successful, the low return on value simply does not make the exercise worthwhile to the company.

All respondents prefer to outsource the SETA activities to external SDFs or consultants to administer the process. The companies already outsource labour relations, B-BBEE reporting and fishing quota applications to consultants who add SETA relationships as a value-add product. Outsourcing to external SDFs has the negative effect of distancing the company from the SETA.

### **Aggressive targeted strategy to increase participation**

As the most significant SETA for the fishing sector, TETA has no dedicated strategy to support or increase participation of levy-paying registered companies. Small companies form the largest segment of those companies that are not participating as levy-paying companies, and should be targeted for support and participation. Lyal White's<sup>17</sup> identification of Brazil's initiative, which provides for clear definition and categorisation of small businesses, is one that should be heeded in South Africa, and by SETAs in particular.

The SETA-specific targets allocated to small businesses should be categorised in order to help distinguish small companies that are survivalist against those that are commercialised. Currently, identification and support are muddled.

Annual target setting with DHET can easily define targets for small TETA-registered companies by

distinguishing those that are registered (whether levy-paying or not) from those that are not registered. Section 2.1 of the SDA clearly identifies the purpose of the Act to develop the skills of the South African workforce and, in particular s 2(1)(a), to improve the quality of the life of workers, their prospects of work and labour mobility.

SETA levy data records received from DHET do not link companies to subsectors, unless a company has accessed the system previously and selected an SIC code. An additional 67 TETA-registered small fishing companies were identified by way of the interview process. The 67 companies were in the levy records but not allocated an SIC code and, therefore, were unknown to the maritime chamber.

The SETA levy records can provide the following data:

- a. Identify companies that are economically active and with a payroll above R500 000.00, as these levy numbers will record levy payments.
- b. Data sorting from highest to lowest levies paid will set a priority scale of companies that should be contacted to participate. Accordingly, the companies that are not submitting WSP/ATR need to be targeted for participation.

### **Under-reporting of training in the SSP**

Recent changes to the South African Maritime Safety Authority (SAMSA) standards have necessitated that all crew at sea, and all crew/shore staff on board a vessel in harbour or working in the harbour, should meet certain standards. As a result, the companies plan and implement significant training in the maritime sector, whether supported by a SETA or not. The SAMSA requirements have a huge impact on the skills supply and the perception by fishing companies is the following:

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*It seems as if the short courses stop and are replaced by longer more expensive courses, especially officer training which is not accessible to the previously disadvantaged fishers due to cost of the training.*

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<sup>17</sup> L White *Small Business: The Case of Brazil* (Braamfontein, The South African Institute of International Affairs 2005).

This is a general summary of all ten respondents' comments relating to the SAMSA training requirement changes.

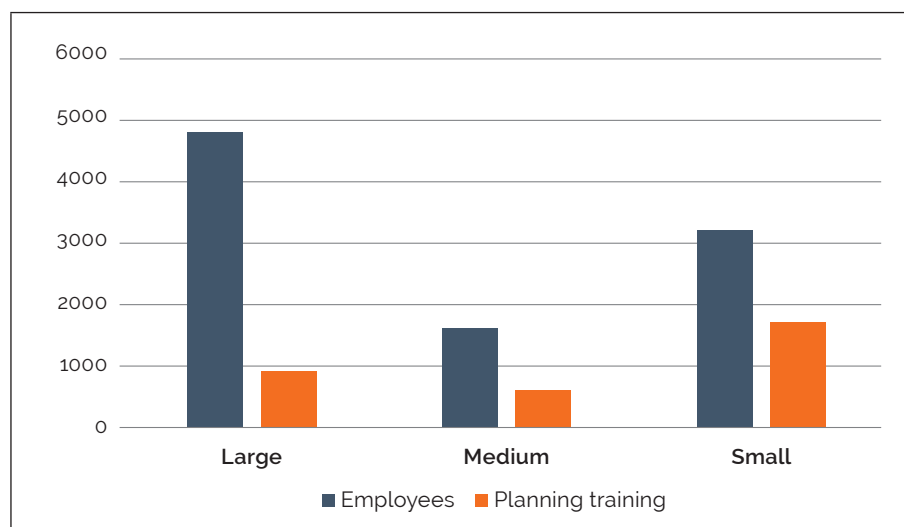
The SAMSA requirements inform minimum skills requirements at sea and in harbour. Two new requirements are the need for a Shore Safety Officer and the need for everyone who works on a vessel in harbour to obtain a pre-sea certificate. The increasing standards place a high financial burden on the fishing companies and the crew. As a result of the companies not participating in the SETA via the mandatory grant submissions, TETA is not formally aware of these challenges, and is unable to respond to specific skills shortages by supporting by means of funded discretionary grant projects to fund the identified skills need. The skills supply and demand are critical information required to inform the TETA SSP through annual mandatory grant submissions.

All respondents raised the challenge of low literacy because there remains a large number of fishing entrants (including youth) who do not have a strong educational background or level. The new fishers are challenged when training, particularly as the training increases in complexity up the different fishing levels (eg ordinary seaman, able seaman, motorman, mate

and skipper etc). This results in a high failure rate, with re-writes and re-doing courses, meaning that training takes longer and costs more.

Figure 4 represents the 2018 WSP data reduced to maritime chamber-registered companies and compares the percentage of planned training in the workforce for large, medium and small companies. Large and medium companies plan to train less than a 1 000 employees each, while the small companies, albeit increased as a result of a new TETA intervention, planned to train just under 2 000 employees. This is critical information that the SSP requires, which is only available if small companies submit data. An analysis of the 2018 mandatory grant information submitted to TETA provided some interesting data regarding the maritime chamber-registered companies' employment profiles and planned training for the 2018/2019 period:

- 10 Large companies with 4778 employees and plan to train 937 employees
- 18 Medium companies with 1633 employees and plan to train 625 employees
- 143 Small companies with 3160 employees and plan to train 1728 employees.



**Figure 4:** 2018 Report: Company Size and Planned Training per Category

Source: TETA 2018 08 Mandatory Grant Report.<sup>18</sup>

<sup>18</sup> Internal report held by TETA and used to compile TETA's annual reports.

Figure 4 is a real indication of the amount of training happening in the small fishing company sector, which would not otherwise be available to the SETA. Where previously the large and medium companies seemed to train larger numbers of employees, the 2018 maritime increase in participation is the first year that the maritime fishing sector had a significant number of small companies submitting WSP data. This increase in small business data paints a very different picture of maritime-registered companies. Small companies had planned to train more employees on average than both large and medium companies had planned to train during the 2018/19 period. Small companies plan to train more employees than large and medium companies do, even when the planned numbers for large and medium companies are added together.

It is likely that small business participation will change the profile of the sector as currently represented in the annual SSP, based on the maritime example. Table 1 shows a size profile of participating maritime-registered companies for the period 2016–2019.

There are a number of interesting points in the data:

- ‘Not payable’ refers to a company submitting for the first time or a company that participates but does not pay levies (NLPE).
- ‘Accessed but did not complete’ refers to an SDF that accessed the system but did not submit the mandatory grant (ATR/WSP). These SDFs need support to use the system.
- Between 2017 and 2018, the mandatory grant submissions doubled as a result of the pilot SBD project.

**Table 1:** Maritime Registered Company Participation 2016–2019

YEAR	Large	Medium	Small	Total	Comments
2016	8	20	63	91	68 Approved (payable) of which 12 Approved (not payable). 3 Declined 20 Accessed but did not complete
2017	9	21	61	91	79 Approved (payable) of which 11 Approved (not payable) 12 Accessed but did not complete
2018	9	21	152	182	176 Approved (payable) of which 99 Approved (not payable) 6 Accessed but did not complete
2019	9	24	170	203	153 Recommended approved (payable) of which 24 Recommended approved (not payable New submissions) and 25 Recommended approved WSP (Not payable – NLPE)

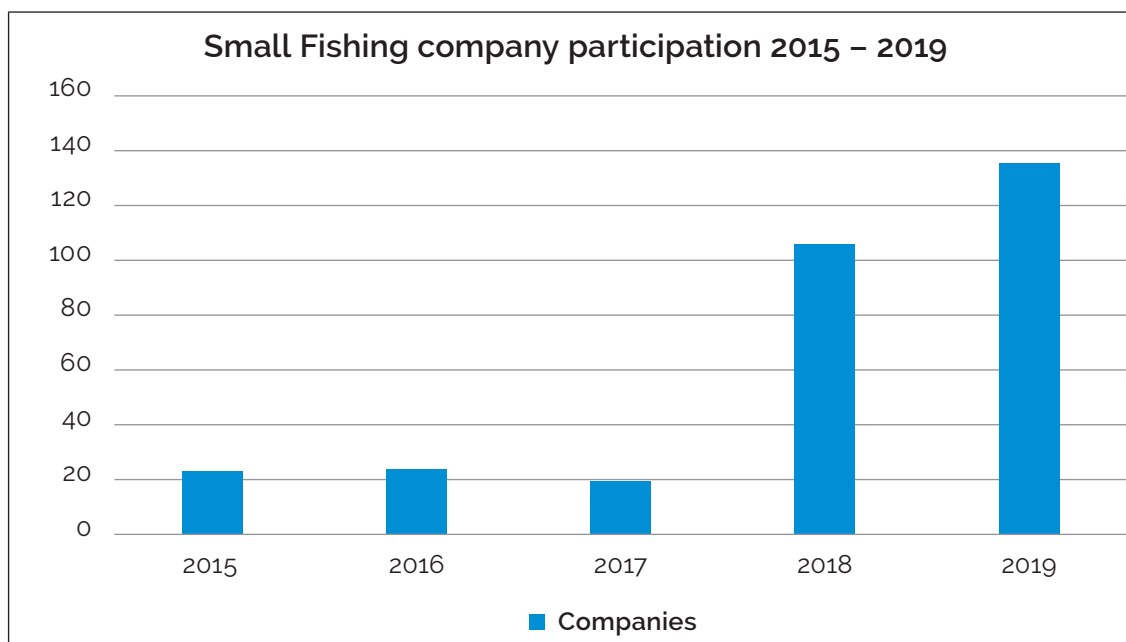
Source: 2016–2019 TETA MG Levy History (TETA MG records).<sup>19</sup>

<sup>19</sup> Internal report held by TETA and used to compile TETA’s annual reports.

The pilot SBD project emanates from the researcher’s study and was introduced during the course of the research work. Having adopted the preliminary finding, the TETA executive provided a budget of R2 500 000.00 for the maritime chamber to introduce the pilot SBD project to support small TETA maritime companies to submit the WSP 2018/19. The project objective was to increase the participation of small companies. It did so by incentivizing participation through funding the cost of the SDF to submit the WSP 2018/19 (ie planned training for 2018/19) and then again when submitting the ATR for 2018/19 (ie implemented training during the 2018 period) and WSP 2019/20 (ie planned training for 2019). In addition, the training planned in the WSP for 2018/19 would be funded to a maximum budget limit of R50 000 per participating company with a planned number of 50 new small companies.

This was later increased to 99 new companies as a result of demand.

As can be seen from Table 1, the participation rate has grown exponentially between 2017–2019. This is triggered by funded support to companies in submitting the 2018 WSP and the funded training as identified in the WSP. The growth continued in 2019, and this can be attributed to compliance with the funded support contract whereby the 2018 ATR and 2019 WSP submission continued to be funded and the training reported would be paid for by TETA. An added incentive is the preparation of fishing companies for the 2020 FRAP requirements which will assess a company’s skills development participation. Twenty-five of the new submissions were from NLPEs, that is, companies that are unable to claim grants back as they do not contribute levies.



**Figure 5:** Small Fishing Company Participation Growth 2015–2019

**Source:** 2015–2019 researcher data – Small fishing company participation.<sup>20</sup>

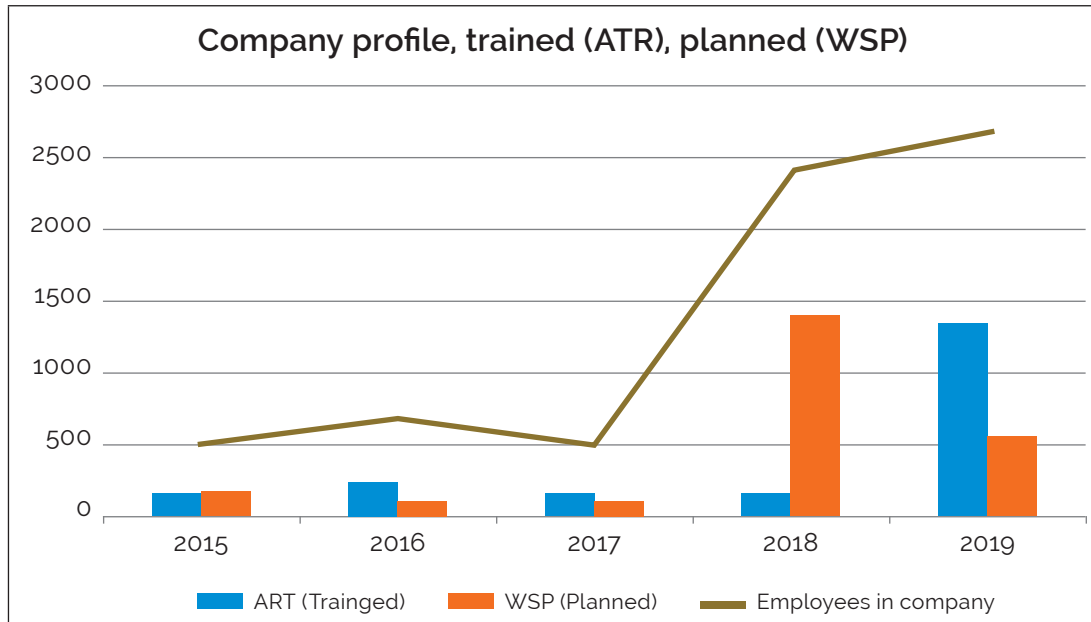
The increased participation illustrated in Figure 5 proves the viability of SETA-funded projects to target small company participation within existing funding models (SBD funding model). The company-submitted ATR/WSP reports on the company profile (number of

employees), planned training and achieved training. This is critical data needed by a SETA to develop an SSP, particularly in profiling the sector and identifying the training trends and scarce skills.

<sup>20</sup> Internal report held by TETA and used to compile TETA’s annual reports.

The scarce skills and hard-to-fill vacancies form the basis of the discretionary grant projects that aim at addressing skills shortages. Significant skills development occurs in maritime-registered small

fishing companies and Figure 6 shows how the increase in participation results in improved employment and training data (planned and achieved).



**Figure 6:** Small Fishing Company Data Increase 2015–2019

**Source:** 2015–2019 Small Fishing Company MG Records (TETA).<sup>21</sup>

Figure 6 proves the importance of increased participation in improving the quantity of data available to a SETA that can be used in annual sector updates. The increase in real sector data makes a valuable contribution to the data sources utilised to develop and update the SSP, and the small business data is especially useful in a SETA’s ability to profile and analyse small business needs.

Some examples of increased data are listed below:

- Company employment profile data increased from 500 to over 2 500 employed fishers. The data includes age, race, gender and occupation details.
- Occupational profile (based on the 2017 Organising Framework of Occupations (OFO) codes) increased from 500 to over 2 500 employees.

- Completed training data increased, and this data includes age, race, gender, occupation details, training type and training level.
- Planned training data increased, and this data includes age, race, gender, occupation details, training type and training level.

### SETA–employer relationships

The fishing responses represented the following types of relationships based on the company representative’s experience of participation with a SETA.

<sup>21</sup> Internal report held by TETA and used to compile TETA’s annual reports.

### Company lose/TETA lose

This relationship is characterised by a zero relationship between the fishing company and the SETA. The fishing company does not participate in any way and does not receive any funding or support from the SETA, either directly (mandatory grant or SBD contract) or indirectly (through a discretionary grant contract awarded to a local provider). The SETA has no relationship with or knowledge of the company skills needs or activities. There is no annual data submitted via the ATR/WSP and this results in less fishing data to inform the SETA SSP. As the SSP does not contain these companies' skills needs, the discretionary grant funding, targets and projects cannot meet these unknown needs. These companies have no financial incentive to participate as the cost to make a submission, the first-year penalty and the 20% return of levies paid in year two only effectively serve as a disincentive to participate. Nonparticipation with the SETA actually allows for a larger training budget in year one (no cost accrued by submitting), as the training budget is wholly spent on training when measured against an MG return of 20% of levies paid. TETA is unable to support or report under mandatory grants or discretionary grants.

### Company win/TETA lose

The non-participating companies previously benefited from the SBD contracts and this 'easy access' to funding actually served as an incentive to not participate, as the levy returns were of a lower financial value than the SBD contracts awarded. TETA, while supporting the companies via SBD, does not gain any new company-employment information needed to strengthen the SSP, so TETA benefits with regard to the APP performance (small business support) but loses the opportunity to gain data needed for SSP development. This includes TETA reporting low mandatory grant participation due to the company being supported under the discretionary grant.

### Company win/TETA win

Fishing companies mandatory grant participation, that is, the company submits data for the purposes of compliance to the fishing quota application and, where

due, levies are recovered (ie the long-term fishing quota goal is the incentive and levy recovery is mostly an added benefit).

Ten respondents representing 171 fishing companies were interviewed. Thirteen of these companies are registered to other SETAs and eight of these are trying to transfer to TETA. Forty of the companies are not SETA-registered and are not registered to pay levies. Sixty-nine of the companies registered to TETA, are participating in the mandatory grant system – even when, as in the case of a few companies, the levy return is zero. The SDFs (two internal and three consultants) all submit their data in order to best position the company with regard to the fishing quota application process.

### Turning fishing company relationships to win/win

From a SETA perspective, mandatory grant participation is crucial to profiling and developing sector plans and, as a result, any small company incentive must include the mandatory grant submission. Conversely, the small company cannot see the rationale in paying for the submission and then waiting a year to submit again (and pay again) in order to then receive 20% of levies paid by the company.

Creative solutions are needed, much like the pilot SBD project developed in this study. The SETA can run small business support projects whereby the submission costs are covered for the WSP (year 1) and ATR/WSP (year 2). The incentive should include financially supporting the planned training in terms of the WSP for year 1. This was piloted in 2018 and resulted in an additional 99 small fishing companies participating in the mandatory grant. This increase doubled the maritime chamber company participation for 2018.

### Additional findings

During the research, additional areas were identified that could play a significant role in 'freeing up' the skills development environment across a range of areas.



### SARS registration and SETA transfer

During the interview process, additional findings were made outside the scope of the original research. These findings contribute to the challenges encountered by companies within the skills development environment, which commence at the point of first registration and the allocation and choice of a SIC code. This first step is critical in ensuring that a company is homed in the correct SETA. Companies that are incorrectly homed (registered to the wrong SETA) experience delays and frustration when moving to the correct SETA. As long as the company is with the incorrect SETA, both the company and the SETA lose because the company's submissions may be challenged by unique SETA criteria, while the SETA has an inflated company count against which participation is measured. Any data used by the SETA will dilute the SETA SSP as the company skills profile, supply and demand do not fit that SETA.

If the registration with SARS can be improved to ensure the correct SIC code and SETA are identified, all SETAs will benefit as the companies registered with the SETA will be correctly homed, and no further identification and transfer will be required. In some cases, small companies have been trying for over a year to transfer SETAs, which serves to exasperate companies trying to transfer as they are unable to participate fully until transferred. Until the company consistently submits their data for at least two years, no grants will be paid. B-BBEE verification has, of late, been very useful in advising the company whether they are correctly registered and this has assisted greatly in prompting the inter-SETA transfer (IST) process.

### SARS company registration and SIC code

Generally, companies only start paying attention to the SETA relationship when it is measured for B-BBEE coding or if, for example, an accountant notices that a relatively high value of levy is being paid – and should not be written off as a tax. This is far too late in an organisation's life; at the point of registration, the SARS has an important advisory role to play in advising the company as to its best fit to a SETA. This is based on the core business of the company and the SIC code which is ultimately selected.

### Initial registration and SIC code

Guidance from SARS is crucial and will pay dividends in the future when the company grows and starts contributing levies exceeding the R 500 000 payroll threshold. At the point that the company commences investigating how to recover the levy, it is immediately penalised by a year for not having submitted an application previously, unless they have registered the company, or have commenced paying levies, within six months prior to submission to the SETA. The trend is that by the time a company commences participation there is an automatic one-year penalty when commencing participation.

### SIC code–SETA alignment

From the above, the SIC code 13100 (TETA) is the best fit for any fishing company that utilises vessels in order to catch fish. The SIC Code 13100 should be set by SARS as the default for any fishing company.

### Central database access to SETA – company registration

There are challenges experienced when a company is trying to determine the SETA they are registered with. DHET should make baseline levy data available to all SETAs, where the company name, levy number and levy history (paying or not) can be checked by SETAs. Currently, when a company calls into the SETA, the SETA staff are limited to levy numbers registered with their SETA. This means that, if the company querying their levy number is not registered with the SETA they have contacted, the SETA can only state '*not registered to us*' and then provide some guidance as to how likely SETA is to call.

### IST efficiency

The summary of types of small companies identifies that 8% of companies (ie 13/167) are known to be registered to an incorrect SETA and have been waiting up to 18 months to be transferred to TETA. The company representatives were frustrated by the delays and poor customer service experienced. The consultants raised

the issue regarding delays experienced when requesting an IST. Some examples were discussed where the IST had been submitted as far back as 2016. Any SETA-registered company may submit an IST and motivate why they are incorrectly registered. This process should be between 60 and 90 days, and the request to transfer must be submitted to the SETA that the company is currently registered with.

SETA transfers are planned between April and June, annually. The delays in transferring to the correct SETA results in the company being excluded from any opportunities arising within the SETA they should be registered with (ie they are not on the database), while not being able to participate with the SETA they are incorrectly registered to (ie scarce skills and priorities do not align). A number of companies are currently registered with SETA 99 (SETA unknown); this alone indicates that there are issues at registration if a default position is an unknown SETA. There simply cannot be an option of an unknown SETA as these companies are effectively in the wilderness. Who do they contact if each SETA can only check companies that are registered with them?

### Company-SETA fit (SIC) and participation

Every SETA has an unknown quantity of incorrectly registered companies. The vast number will be small companies that have no incentive to submit their data and will be identified in the SETA levy data as non-participating and paying levies. Unless SETAs take proactive action to analyse the levy contributors and to verify they are correctly registered, SETA participation will always be a challenge and profiling of the sector will be diluted by any data submitted by incorrectly registered companies.

As the submitted data is used to develop the SSP and fund discretionary grant projects, the data compromises the relevance of any discretionary grant projects implemented to address any skills shortages, with the risk of wasteful or fruitless expenditure.

### Company relevance to sector profile

A SETA must aggressively interrogate the levy data received from DHET to categorise the organisations based on: a) sector fit, that is, are they correctly registered; and b) identify and prioritise companies based on levy return to proactively engage with them in order to encourage and support participation. The Wits study provides a perfect example of how a story can be misinterpreted if the data is not understood.<sup>22</sup> The report indicates that only 5% of transport companies participate in mandatory grants; this from a total of 16 252 registered companies. The number of participating companies (ie 852) is, indeed, correct, and this can be measured. It is, however, impossible to measure the non-participating companies using registered companies as the baseline; because only companies that pay levies (ie 4 228) will potentially submit data to recover the 20% of levy paid. This changes the participation to 20% (ie 852 out of 4 228).

This measurement is still incorrect as there are an unknown number of companies within the 4 228 that are not relevant to the TETA SIC codes and should be transferred to their correct SETA. There is also a large number of companies that are just over the threshold and pay very low levies, making the levy recovery cost higher than the levies recovered. Bearing in mind that the return of levy is designed to support the training of employees, the value returned after the cost of submission must incentivise the company to submit data. Even at 50% levy recovery, the levies paid are so low that there is no incentive to submit data and the levy is merely written-off as another tax. This emphasises the importance of SARS's advice when registering a company. To clean a database of thousands of companies is a huge challenge, to correctly register a single company at SARS is a simple solution.

The total number of companies registered with TETA (ie 16 252) is inclusive of non-transport sector companies, shelf companies and holding companies; in addition to the 12 024 (74%) companies that do not pay skills development levies. This means that no less than 74% of levy numbers registered to TETA have no

<sup>22</sup> Wits op cit note 10 at 4.

incentive to submit data whatsoever. It is difficult to determine the number of relevant and valid (operating) small transport sector companies that are represented in this number, and it would take dedicated research to clean the SETA data in order to develop a more accurate and reliable baseline level which could be used as an indicator of participation.

Four thousand two hundred and twenty-eight companies do pay the skills development levy to TETA and, of these, 852 currently participate in the mandatory grant system. Within this group, there are nevertheless companies that are not transport-related companies and are erroneously registered with the SETA, some of which participate in the SETA mandatory grant process. This poses some risk to the relevance of the SSP that is developed from the submitted ATR/WSP data, however, it is a low risk, as many participating companies are B-BBEE-verified and the B-BBEE verification process assists the company to identify the correct SETA (based on SIC code) and to transfer to the correct SETA, if necessary.

### **TETA SBD strategy (pre-2018) counter productive**

The TETA SBD strategy implemented by the awarding of small business contracts had the unintended consequence of incentivising the companies not to submit an ATR/WSP. The reason for this is that the SBD contract could claim up to R50 000, while the ATR/WSP would only ever pay a maximum 20% of levies paid by the company from year two of participation. This effectively encourages companies not to submit ATPs and reports and this reduces the data informing the SSP, which, in itself, serves to guide TETA on how to support and develop the transport sector. Small business is severely under-represented in the SSP and TETA should encourage and support small business WSP/ATR reporting in order to strengthen the SSP relevance to small business needs. However, the SBD strategy can be revised to include financial support mechanisms aimed at increasing the participation of small companies. The 2018 pilot SBD project targeting TETA small fishing companies has shown that product development can make a huge difference to participation (the maritime chamber doubled participation in 2018).

### **Interpretation of the Ansoff matrix in light of the empirical results**

As concluded already, the strategies for market development and diversification are both excluded from any desire a SETA has to increase participation. This leaves market penetration and product development as possible strategies to follow in order to increase participation. Market penetration (in the TETA context to increase small business participation) is to focus on the TETA-registered companies to identify the non-participating companies and to target the companies in order to encourage them to participate. Product development (in the SETA context to provide a unique product tailored to small business) is possible in the SETA environment. This requires TETA to develop reports and plans specifically for small business.

### **Market penetration**

Aspects that SETAs should consider when pursuing a strategy of market penetration include:

- market identification by analysing levy data received from DHET
- identifying new companies and contacts to verify company correctly registered
- transferring companies to the correct SETA if not correctly registered
- connecting the company to the relevant unit within the SETA (if correctly registered) in order to assist with regard to participation
- classifying the levy numbers registered to the SETA in order to determine relevance (transfer if required)
- Analysing levy income so that it can guide in incentivising companies to participate. A simple approach is to data sort levy income from highest to lowest value and prioritise high values for attention.

While the above is a huge task, it will define the market into categories and ranking within each category will allow the SETA to identify the companies with the greatest incentive to participate. The task will require specific attention but, over a period of time, will ensure that the SETA databases are clean and that companies

have been transferred to the correct SETA. Participation can be increased by means of product development.

### Product development and market penetration

SETAs would be required to develop product offerings that are unique to the small business environment and that incentivise small businesses to participate. The current product and service on offer have essentially been the same for a number of years. Despite the 20% recovery, B-BBEE alignment has assisted in increasing participation – this is mainly due to companies wanting to increase their scorecard rating. The pilot SBD project implemented in 2018 showed an increase of 99 small fishing companies, where both the company and TETA benefited. As a pilot, this project was very useful in product development, realising increased market penetration.

### Application of product development and market penetration pilot

Small business is recognised as a sector with significant opportunities for economic growth in South Africa and also an area where many employees can derive benefit from the skills development legislation. Maritime chamber categorised and prioritised the company levy data, identified companies per province and hosted workshops to capacitate the companies regarding the benefits of participating.

As most of these companies had indirect relationships with a SETA via consultants, the workshops included the consultants who also fulfilled the role of SDF but generally steered the company towards SBD contracts (highest return).

The SDFs were advised of the pilot SBD project, the intention being to increase submissions and the incentive was that TETA would pay for each submission (offset cost of submitting) and also fund the training submitted in the WSP. This incentive worked for both TETA, the small companies and the consultants, as evidenced

through 99 new company submissions to maritime for the 2018/2019 submission period.<sup>23</sup> Because of the small size of the company and the relatively small size of the first submission (WSP only), a flat rate of R750 was paid to the SDF upon TETA acceptance and verification that the WSP submission met the required standard. The first submission is recorded as a submitted plan, but the grant will be rejected.

The submitted WSPs allowed for simple budgeting, R750 per WSP and up to R50 000 per company for training as identified in the WSP. One year later, the SDF will submit the ATR/WSP and again be paid R750. The submission process is via an online platform and the management of the WSPs at TETA level is primarily driven by the system rules. The project was implemented via the interviewed respondents and was open to all small fishing companies registered with TETA. During implementation, the increased participation required the planned number of companies to be increased to 100, of which 99 submitted. The project was budgeted utilising the TETA SBD funding model (R50 000) per company.

The pilot project directly resulted in increased participation of small maritime companies. One hundred and forty-three small companies submitted a WSP, of which 99 were first-time participating companies. As 2017/18 period reported 35 small companies, to increase participation to 143 is a huge increase. As a direct result of the small company data entered into the TETA online mandatory grant system, the TETA SSP includes small fishing company needs.

It is unknown is whether the company will continue to submit after the first year of funded support has lapsed and the participation costs revert to the company. Only if the SETA is able to prove that the SETA relationship has benefits to the companies will the companies participate and maintain participation.

Ironically, the current national skills development company 'free' training, as offered in their product, will not benefit the maritime subsector, where SAMSA

<sup>23</sup> Transport Education Training Authority (TETA) 'Mandatory Grant Submissions Report' (Randburg, TETA 2019).

regulatory training is the main priority. Currently, national SDF companies do not offer regulatory training in their product offering and this may limit the value-add to any company with a high demand of regulatory training.

## VII CONCLUSION

The research conducted has raised a number of topics with solutions discussed below. The topics are arranged from SETA/DHET-specific areas of improvement, followed by the importance of communications. Topics include the unintended consequences of a SETA-specific SBD product and close with the Ansoff matrix, with reference to product development and market penetration solutions.

Some of the solutions (single IT provider and system for SETAs) have the potential to save the country large amounts of money, reduce complexity and facilitate standardisations across SETAs. The benefits that accrue are almost exponential. Leaving the monetary costs aside, improved sector reporting and the availability of consistent quality data across all SETAs would be a huge step forward in having reliable and consistent quality data available to inform sector development and national plans.

### Small business participation SETAs – generic

Each SETA would need to define its own appetite to increase participation and this would be budget-dependent. The SETA would annually establish small businesses targets and these should increase incrementally each year; thus allowing support to be maintained to participating companies by means of both training and SDF services.

This study proves the importance of increased participation in improving the quantity of data available to a SETA that can be used in annual sector updates. The increase in real-sector data is a valuable contribution to the data sources utilised in developing and updating the SSP. Some examples of increased data are listed below. Small business data is especially useful in a SETA's ability to profile and analyse small business needs for

prioritising support. This would improve the SSP data and enable many employees, currently denied skills development opportunities, to be trained and advanced, as intended by the skills development legislation. The maritime chamber example reflected the increase in small companies submitting in 2018 and identified that small companies plan to train more employees than large and medium companies added together.

### Small business strategy TETA

The small business pilot project has indicated that relatively small changes to an existing strategy can bring about large increases in participation. The TETA small business strategy for TETA registered levy companies would do well to consider offering SDF roles and subsidised training as a package funded by TETA. The cost is already budgeted for annually, it's the methodology and implementation that differs slightly.

### Small business participation TETA – maritime

The maritime sector has the additional incentive that fishing companies will be assessed on SETA participation in order to be considered for an award of a fishing quota. This provides incentives to the fishing companies to participate, which is evidenced by the high rate of submissions by fishing companies in the Eastern Cape, irrespective of levy recovery. This message alone needs to be communicated to the subsector from DAFF, the National Fishing Forum and TETA, and will serve to further increase participation. In addition, fishing subsector workshops should be conducted in Port Nolloth (Northern Cape), Saldanha (Western Cape), Cape Town (Western Cape), Mossel Bay (Western Cape), Port Elizabeth (Eastern Cape) and St Francis Bay (Eastern Cape).

These workshops should target registered small fishing companies and would aim to capacitate fishing company and vessel owners with skills development, as well as introduce them to SDFs or SDF partnerships with TETA. Using lessons learned from the current pilot project and small business support, the only effective and efficient way forward is to partner with a national skills development consultancy and define

the requirements for TETA. Using the current small business target and funding model will provide the mandate and budget to seriously target small business participation.

The partnership will define the quality and quantity of the annual ATR/WSP submission, with a special focus on scarce and critical skills. This will significantly improve participation and SSP relevance. The SSP information, especially scarce and critical skills and hard-to-fill vacancies, will inform the discretionary grant targets. Added to the partnership should be the option for each small company to implement one learnership. This would assist the fishing companies with quota allocations, assist the employees in achieving a qualification, access tax rebates and assist TETA with rolling out learnerships to address skills shortages and transformation.

The recommendations of dedicated small company-support by means of facilitated and incentivised SDF relationships will likely prove to be the most efficient solution to increasing participation in the small fishing company environment. We simply cannot expect any participation in the absence of an incentive to participate. Without increased participation from the SETAs and government, plans will always mean fishing in waters without knowing what fish they intend to catch.

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