

The Costs of A21 Implementation

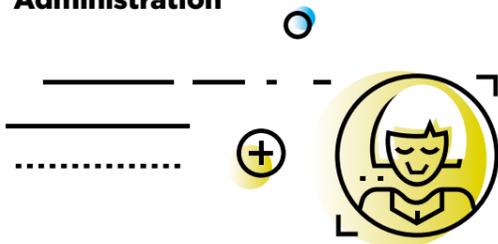
Q Is an A21 expensive to implement?

A Learning comes at a cost, making it important to carefully consider the various cost elements of implementing an A21 to avoid failure.

Q What are the cost elements associated with an A21 Implementation?

A There are various cost elements, let's break it down.

1 Employer / Lead Employer Administration



The management of learners requires considerable resources, especially given the socio-economic background of many young people in South Africa. This is a cost that an employer or a lead employer must be very aware of. The concept of a lead employer is a concept that has developed with skills development processes in South Africa. This is typically an organisation that specialises in management learner administration, especially payroll and industrial relations processes. A lead employer contracts a group of "host" employers where learners are placed and rotated for actual on-the-job learning - somewhat similar to a subcontracting process.

such as: does the occupation involve working at height, hard physical work or even underground work? All the elements of career guidance and planning are encapsulated in costs around this step. Given the massive investment that is planned for an apprentice, getting an upfront process like this right is critical. The entry requirement of an occupational qualification must also be carefully considered. The quality of schooling at present does not allow for a learner at Grade 9 level to actually be able to achieve the requirements of the occupational qualification. This must be checked with an appropriate suitability test to determine actual levels of cognitive ability. The need for a learner to be old enough to actually hold a driver's license is needed for a dual system method since the learner must travel between employers and colleges. An A21 must not be seen as a second-class option for persons who cannot complete academic learning.

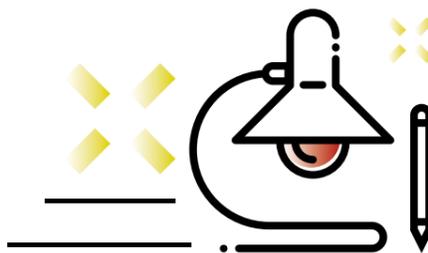
qualification must undergo a formal Foundation Learning Competence (FLC) assessment through the Independent Examinations Board (IEB). This is an online assessment for mathematics, literacy and communications and costs R500-00 per learner. Should a learner not pass this assessment, they would need to re-enter a learning process for foundation learning. At present, there are no exemptions for the FLC such as a matric, diploma, or degree.

2 Recruitment, Screening and Technical Check

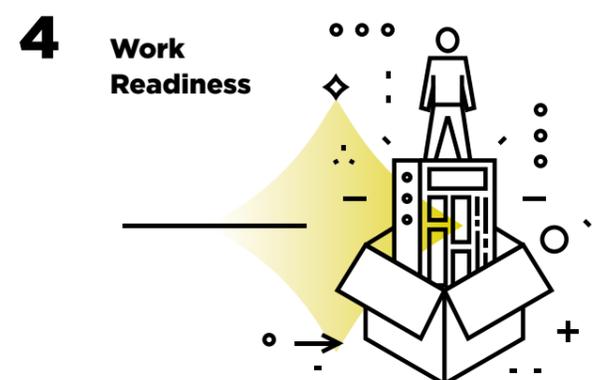


The first step in an A21 is for an employer to identify the right young person to contract as an apprentice. This is a very critical process that must be undertaken carefully, considering company culture, learner preferences and aptitude, as well as any specific technical requirements related to an occupation,

3 Foundation Learning Competence Check



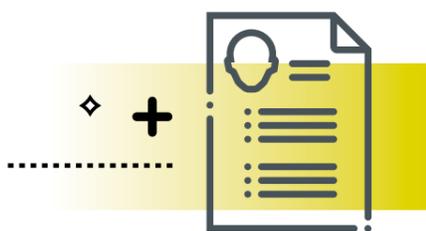
Many young people, for reasons beyond their control, have simply not developed competence in what is known as foundational or fundamental knowledge, typically numeracy and literacy. This can have a devastating effect on an apprentice once they enter the learning process as they struggle to learn without a solid foundation. To try to ensure that this is not the case, The Quality Council for Trades and Occupations has a policy in place that ALL learners enrolled onto an NQF Level 2 (Grade 10) to NQF Level 4 (Grade 12) occupational



This has become a serious impediment to many young people entering workplaces as apprentices and a reason why many employers are reluctant to open their doors to young people. This is being addressed through many organisations in the country in an attempt to try to assist as well as support young people. Typically, a work readiness programme includes employer expectations, youth expectations, professional behaviour, communication, values, ethics and developing a career path. While some of this is covered through life orientation at schools and institutions, some programmes supported by Government, SETA's, and employers may need to consider some additional costs attached to this process usually related to their own working context or culture.

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5 Agreements and Contracts



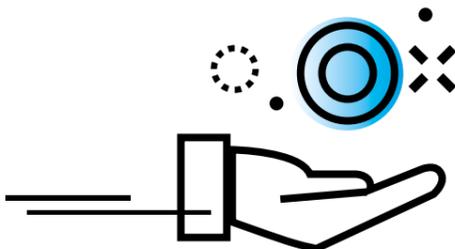
The formal legal process for an A21 requires a set of agreements to be put in place, determined by South African regulations. This can be an administrative burden and often confusing process for all role players, simply because the official regulatory policy for the A21 has only recently been partly clarified with the release of the Workplace Based Learning Programme Agreement Regulations on 16th November 2018 in Gazette 42037, applicable from 1 April 2019.

These new regulations now allow for an apprenticeship agreement only for trade occupations. Any other occupation that is rolled out as an A21 requires a learnership agreement, although actual delivery will be done through an A21 dual system process. Agreements signed before 1 April 2019 will continue to use a learnership agreement in lieu of an apprenticeship contract or agreement. All of these agreements are a tripartite agreement signed between an employer (or lead employer), the TVET College as a skills development provider and the learner that has been selected by the employer.

In addition to the apprenticeship or learnership agreement, a fixed-term employment agreement is also required between the employer and learner should the learner be an unemployed person, and for A21s this would probably always be the case. Labour Laws in South Africa require this for all apprentices. Should a lead employer or lead provider be involved, there is a necessity for an agreement between the lead employer and the host employers as well as between lead provider and “host” providers.

While these seemingly bureaucratic processes are seen as a nightmare by all role players, global best practise apprenticeship systems all have such arrangements in place so that the roles and responsibilities of all parties are clearly spelt out in writing. SETAs can and do facilitate this agreement process, often offering an online solution. But they are not one of the legal parties in the agreement. Registration of the agreements with a SETA is a legal requirement to enable incentives to be realised, explained further in the benefits information sheet. Costs attached to all of these administrative processes need to be considered.

6 Stipends, COIDA, UIF



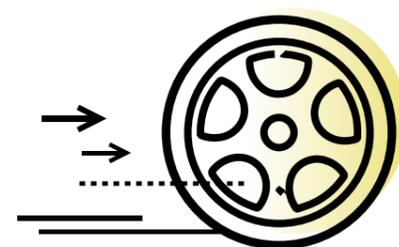
This is the single largest cost element of an A21 programme and can be 60% to 70% of the total cost. This is the Cost To Company (CTC) of the learner as an employee. It includes a salary (known as stipend or allowance), occupational health and accident insurance (COIDA) and unemployment insurance (UIF). Stipends are regulated by Learnership/Apprenticeship Sectoral Determination that now falls under the Basic Minimum Wage Legislation and is currently set at R3500-00 per month.

However, in some instances, employers are required by Labour Laws to be members of Bargaining Councils that have different minimum stipend or allowance levels for apprentices at those firms. This is typically between R4500-00 to R6000-00 per month. In such cases, employers may be required to top up on the stipends or find complementary funding sources for the top-up amount. This remains a serious challenge to many companies as they cannot afford to top up the funding. Some industries do allow exemptions for learners, but not all.

The management governance around this cost element must be efficient and carefully controlled since this is an area where maladministration and corrupt practices have been known to creep into the system.

of Trade and the environment where learning takes place often also requires an apprentice to wear special clothing or equipment to ensure that they are safe and healthy. For traditional trades, such PPE is common and easy to obtain but modern, digital type occupations may require new and yet to be identified types of PPE. These items are also cost issues to be considered by an employer.

8 Transport, Accommodation and Subsistence



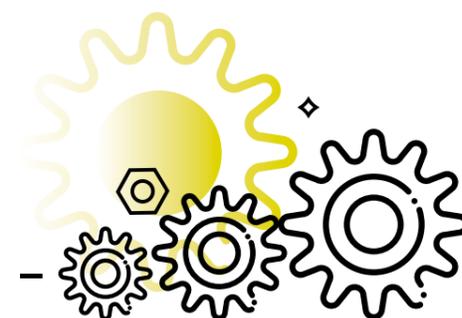
The socio-economic conditions of most young South Africans often preclude them from many progressive and effective learning programmes such as the A21 process. In many cases, this is simply because arrangements are made to cover the costs of transport, accommodation or even food to allow young people to learn without hindrance. The stipends paid over to young people is intended to cover these costs but fall woefully short of the amount of money needed to just cover minimum costs. Employers may need to find ways of covering such extra costs to allow for a productive A21 process, but within a regime that ensures that such support is not open to abuse by learners of other role players in the system.

7 Tools of Trade & Personal Protection Equipment (PPE)



All apprentices, whether in traditional artisanal trades or even modern emerging 4th Industrial Revolution occupations, require Tools of Trade and Personal Protection Equipment (PPE) to be able to do their work. This includes tools such as hammers, drills, power tools, computers, sophisticated measuring equipment and the like, all specific to a relevant chosen occupation. The use of these Tools

9 Programme Roll Out



One of the pre-conditions of the A21 in place is that the programme roll-out will be implemented as per the work situations sequencing determined in the NOCC. This requires the rotation of the learner between the College for Knowledge and Practical Skills Modules and the Employer site for the Work Experience Modules. Costs for these are included in the “linked up” or “joined up” funding

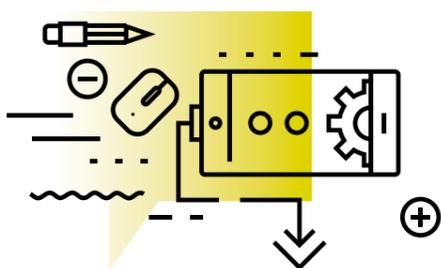
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mechanism described in the funding information sheet. But there is a critical need for College Staff and Employer staff to continuously interact with each other to ensure the efficient and effective implementation of the A21. College Lecturers/ Trainers and Employer Workplace Mentors need to be continually developed and trained as a collective to support a young apprentice in gaining full competence.

Generally, employers prefer the same learners on rotation but there may be a problem ensuring complete coverage of the scope of learning required by the curriculum. Some employers may not actually do all the work required by the qualification. This could be avoided through a lead employer model that rotates learners across host employers. Depending on the complexity of the knowledge component of their qualification, the rotation period at the College could be longer to allow for a more productive learner when they arrive there. Learners at a College should also be prepared for a workplace more contextually by having mentors from their workplace having information sharing sessions with learners at the College before they enter the workplace.

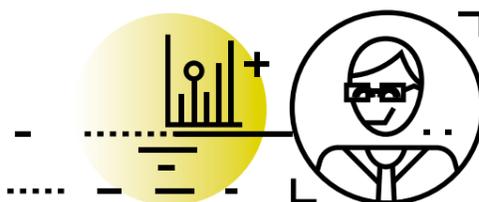
This ongoing development process between employer and college personnel may need additional resourcing over time.

10 Monitoring and Evaluation



The successful implementation of an A21 requires regular and constant monitoring and evaluation of the learning processes. This process is supported by the instruments included in the assessment specification, curriculum and National Occupational Curriculum Content (NOCC), for each occupation. Employers and Colleges need to allow for costs attached to the utilisation of these instruments by relevant staff across the entire A21 process. Such costs may include the need for training and capacity building of staff to effectively use such instruments. There may also be travel and accommodation costs associated with monitoring and evaluation.

11 Assessment, Moderation and Certification

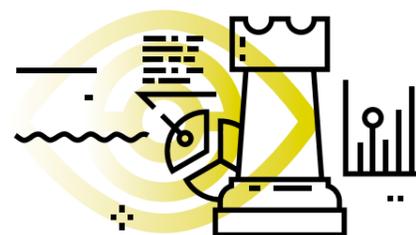


The final part of the A21 process is when a learner that applies for a final External Integrated Summative Assessment, also known as an EISA. In terms of an artisan trade occupation this is known as a trade test. This is only possible once a learner has successfully completed all the work situations and processes, as required by the NOCC and occupational qualification. Centres accredited by the Quality Council for Trades and Occupations (QCTO) implement EISAs for specific occupations. As a general policy, 10% of all assessments are also moderated by the Assessment Quality Partners (AQPs) as a quality assurance mechanism to ensure that assessments are fair and appropriate. All learners that successfully complete an EISA and, where relevant, receive a positive moderation are then certificated by the QCTO with a National Occupation Certificate.

Costs for assessments in particular can be considerable, with additional smaller amounts for moderation and certification. Although all of these costs should be included in the combined “joined up” or “linked funding” described in the funding information sheet, this needs to be confirmed by employers. A problem to avoid is the waiting period for an apprentice to access a trade test after his final contract date. This should be built into the funding model as part of the apprentice’s contract.

It should be noted that the trade test regulations require the learning programme agreement period to include at least three trade test attempts and this should be included in the funding model. In some cases, EISA or trade test preparations should also be considered to allow for a standard approach to testing with common equipment tools.

12 Contingencies



Since an apprenticeship system such as the A21 is a social construct that requires the interaction of many human role players, there are always hiccups along the way. It makes sense to allow for 5% to 10% of total costs contingency in any A21 budget to allow for such hiccups. This amount can be reduced annually as risk management, system development and automation are progressively implemented.

