The enterprise of small providers has always been a positive potential in any democratic society, and the need for their future survival is vital in keeping a balanced educational system for the future.
Guidelines for the Equitable Accreditation of Small-, Medium- and Micro Enterprise Providers of Education and Training
Table of Contents

Acronyms used in this document 4

Terms and definitions 6

Executive summary 7
  Background 7
  Objectives 8
  Overview of document 9

Chapter 1: 
  Underlying principles 11
  Introduction 11
  1.1 SMMEs as ETD Providers 11
  1.2 The role of SAQA 13
  1.3 The role of ETQAs 14
  1.4 Alignment with other initiatives 14
  1.5 International comparisons 16
  1.6 SMME survey 19
  1.7 Summary 20

Chapter 2: 
  Ranking criteria for SMME ETD Providers 21
  Introduction 21
  2.1 The National Small Business Act 21
  2.2 The need for alternate ranking criteria 22
  2.3 Summary 23

Chapter 3: 
  Developing an equitable accreditation process for SMME ETD Providers 25
  Introduction 25
  3.1 Defining accreditation 25
  3.2 Supporting SMME ETD Providers 26
  3.3 Alternative options for SMME ETD Providers 30
  3.4 Summary 32

List of sources 34

Appendix A: 
  Diagrammatic summary 37

Appendix B: 
  List of interviewed stakeholders 39

Appendix C: 
  Towards a comprehensive database of SMME Providers of Education and Training 41

Appendix D: 
  Classification of SMMEs 43
### Acronyms used in this document

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPETD</td>
<td>Association of Private Providers of Education and Training</td>
</tr>
<tr>
<td>BANKSETA</td>
<td>Banking Sector Education and Training Authority</td>
</tr>
<tr>
<td>CETA</td>
<td>Construction Education and Training Authority</td>
</tr>
<tr>
<td>CHE</td>
<td>Council on Higher Education</td>
</tr>
<tr>
<td>CTFL SETA</td>
<td>Clothing, Textiles, Footwear and Leather Sector Education and Training Authority</td>
</tr>
<tr>
<td>DIDTETA</td>
<td>Diplomacy, Intelligence, Defence and Trade Education and Training Authority</td>
</tr>
<tr>
<td>DoE</td>
<td>Department of Education</td>
</tr>
<tr>
<td>DoL</td>
<td>Department of Labour</td>
</tr>
<tr>
<td>DTI</td>
<td>Department of Trade and Industry</td>
</tr>
<tr>
<td>ESETA</td>
<td>Energy Sector Education and Training Authority</td>
</tr>
<tr>
<td>ETD</td>
<td>Education, Training and Development</td>
</tr>
<tr>
<td>ETDP SETA</td>
<td>Education, Training and Development Practices Sector Education and Training Authority</td>
</tr>
<tr>
<td>ETQA</td>
<td>Education and Training Quality Assurance Body</td>
</tr>
<tr>
<td>FASSET</td>
<td>Financial and Accounting Services Sector Education and Training Authority</td>
</tr>
<tr>
<td>FIETA</td>
<td>Forest Industries Education and Training Authority</td>
</tr>
<tr>
<td>FOODBEV</td>
<td>Food and Beverages Manufacturing Industry Sector Education and Training Authority</td>
</tr>
<tr>
<td>HRD</td>
<td>Human Resource Development</td>
</tr>
<tr>
<td>HSRC</td>
<td>Human Sciences Research Council</td>
</tr>
<tr>
<td>HWSETA</td>
<td>Health and Welfare Sector Education and Training Authority</td>
</tr>
<tr>
<td>INSETA</td>
<td>Insurance Sector Education and Training Authority</td>
</tr>
<tr>
<td>ISETT</td>
<td>Information Systems, Electronics and Telecommunication Technologies Sector Education and Training Authority</td>
</tr>
<tr>
<td>LGWSETA</td>
<td>Local Government, Water and Related Services Sector Education and Training Authority</td>
</tr>
<tr>
<td>MAPPP</td>
<td>Media, Advertising, Publishing, Printing and Packaging Sector Education and Training Authority</td>
</tr>
<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>MQA</td>
<td>Mining Qualifications Authority</td>
</tr>
<tr>
<td>NEPAD</td>
<td>New Partnership for Africa’s Development</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
</tr>
<tr>
<td>NLRD</td>
<td>National Learners’ Records Database</td>
</tr>
<tr>
<td>NQF</td>
<td>National Qualifications Framework</td>
</tr>
<tr>
<td>NSBA</td>
<td>National Small Business Act</td>
</tr>
<tr>
<td>NSDS</td>
<td>National Skills Development Strategy</td>
</tr>
</tbody>
</table>
NSF National Skills Fund
PAB Professional Accreditation Body for Health and Skincare
POSLECSETA Police, Private Security, Legal and Correctional Services Sector Education and Training Authority
PSIRA Private Security Industry Regulatory Authority
QMS Quality Management System
RPL Recognition of Prior Learning
SABPP South African Board for Personnel Practice
SABS South African Bureau of Standards
SAICA South African Institute of Chartered Accountants
SAQA South African Qualifications Authority
SAQI South African Quality Institute
SERVICES Services Sector Education and Training Authority
SETA Sector Education and Training Authority
SIC Standard Industrial Classification
SMME Small-, Medium- and Micro Enterprise
TETA Transport Education and Training Authority
THETA Tourism, Hospitality and Sport Sector Education and Training Authority
TUP Training of Unemployed Persons
UMALUSI General and Further Education Training Quality Assurance Body
W&RSETA Wholesale and Retail Sector Education and Training Authority
Terms and definitions

**Survivalist ETD provider**
An enterprise that does not pay tax, does not employ any people and is not registered as a company with regard to the applicable legislation, has an annual turnover of less than R5 million, and delivers and/or manages the assessment of learning programmes that culminate in specified NQF standards or qualifications.

**Small ETD provider**
A separate and distinct business entity, with less than 50 employees, which has an annual turnover of less than R5 million, and delivers and/or manages the assessment of learning programmes that culminate in specified NQF standards or qualifications.

**World-competitive small-scale ETD provider**
A separate and distinct business entity, with less than 50 employees, which has an annual turnover of more than R5 million, and delivers and/or manages the assessment of learning programmes that culminate in specified NQF standards or qualifications.

**Large ETD Provider**
A separate and distinct business entity, with more than 50 employees, which delivers and/or manages the assessment of learning programmes that culminate in specified NQF standards or qualifications.

**Workplace-based Provider**
Any provider that delivers and/or manages the assessment of learning programmes in an employer-based delivery site, only to the employees of the specific employer, that culminate in specified NQF standards or qualifications.

**Accreditation**
The certification, usually for particular period of time, of a person, a body or institution as having the capacity to fulfil a particular function in the quality assurance system set up by SAQA in terms of the Act.

**Provisional accreditation**
Granted for an agreed, limited period of time (not exceeding two years) according to an agreed programme of development to enable full accreditation criteria to be met provided the interests of the learner are protected.

**Short course**
A short course is a short learning programme through which a learner may or may not be awarded credits, depending on the purpose of the programme.
Executive summary

Background

The South African Qualifications Authority (SAQA) and its partners and stakeholders have a clear mandate to create an integrated national framework for learning achievements to enhance the quality of education and training and to accelerate the redress of past unfair discrimination. This guideline document is an example of such an attempt, and involves the following major roleplayers:

- the South African Qualifications Authority (SAQA);
- Education and Training Quality Assurance bodies (ETQAs1); and
- small-, medium- and micro enterprises (SMMEs2) that offer education and training.

Small businesses have a major role to play in the South African economy in terms of employment creation, income generation, and output growth. Many initiatives are currently underway to develop the SMME sector, but these initiatives are not necessarily focused on SMMEs that provide education and training.

As in other sectors, SMME provisioning is well documented. The education and training sector includes providers such as those offering training on behalf of the Department of Labour (DoL) and non-governmental organisations (NGOs) offering short courses in a particular field; e.g., aimed at non-profit organisations and consultancies. Many of these providers came into being in protest to the unjust educational policies of the past, while others developed out of the need to train staff in specific skills, such as management and information technology. The financial range and viability of these providers differ substantially, with some barely able to make ends meet, and others generating substantial income. Regardless of income, some SMME providers fall within the category of non-levy payers3 and are often subject to direct charging for accreditation by ETQAs. The cost of gaining accreditation may prove to be unaffordable for the majority of these providers.

The most important implication is that SMME education, training and development (ETD) providers may opt not to seek accreditation. This will have an impact on the right of such providers to offer education and training programmes and, just as importantly, leave them outside of the quality assurance spiral.

---

1 ETQAs were involved by using structured interviews and a dedicated workshop on 28 November 2002.
2 SMMEs were involved in a survey as well as a number of structured interviews.
3 The reference to non-levy-paying providers implies two possibilities:
   (1) No payment at all – Sole proprietors and partners, who do not employ anyone else, and non-profit organisations that do not need to pay a levy (Personal correspondence, DoL, 2002)
   (2) Payment to a different Sector Education Training Authority (SETA) – Providers who pay a levy to a specific SETA, but apply for accreditation from another.
Objectives

The importance of quality assuring National Qualifications Framework (NQF)-aligned training that is offered by SMME ETD providers has been the driving force behind this current initiative. The South African Qualifications Authority (SAQA) has been mandated to ensure the development and implementation of the NQF. Training that is not based on NQF-registered qualifications or unit standards falls outside this mandate and should be accommodated within the specific sectors. (A more detailed explanation of this process can be found in the SAQA document: *Criteria and Guidelines for Short Courses and Skills Programmes*.)

The main objective of this research has been to develop an equitable accreditation process for SMME ETD providers. This has been done in an attempt to guide ETQAs in the process of accrediting SMME ETD providers without lowering the current SAQA criteria for accreditation. The emphasis has been on supporting SMME ETD providers to comply with the accreditation requirements and to identify barriers to their inclusion in quality assurance processes.

This objective is underpinned by four research objectives, which are to:

- establish a comprehensive database of SMME ETD providers;
- identify the need for alternative^4^ ranking criteria for SMME ETD providers;
- formulate an equitable accreditation process that will facilitate accreditation of SMME ETD providers across all sectors and bands; and
- develop a guideline document for ETQAs.

The purpose of this initiative has not been to put forward yet another alternative and so to further confuse the South African public. A concerted effort was made to ensure alignment with other parallel processes^5^, such as:

- the recognition of short course providers (SAQA, 2002a);
- the funding and charging model for SETA ETQA services (DoL, 2002b);
- implementation of the Recognition of Prior Learning Policy (SAQA, 2002c);
- report of the Study Team that has investigated the implementation of the NQF (Implementation of the NQF, 2002);
- the monitoring and auditing of ETQAs by SAQA;
- various SETA-based initiatives to support SMME ETD providers (DoL, 2002a);
- the Memorandum of Understanding (MoU) between Ntsika Enterprises and the DoL (2002b);
- the alignment of the Training of Unemployed Persons (TUPs) to the NQF;
- Department of Trade and Industry (DTI): Initiatives of the Enterprise Unit;
- New Partnership for Africa’s Development (NEPAD)^6^;
- Umsobomvu Youth Fund Initiatives;

---

4 At present the National Small Business Act provides ranking criteria for SMMEs.
5 Some of these processes are discussed in more detail in Section 1.4.
6 Many principles and objectives mentioned in the NEPAD discussion document have relevance to SMMEs. [http://www.un.org/esa/africa/UNNADAFnepaddocument.htm](http://www.un.org/esa/africa/UNNADAFnepaddocument.htm)
Overview of document

This guideline document for ETQAs consists of three chapters described in brief below.

**Chapter 1** focuses on the underlying principles relevant to SMME ETD provider accreditation. The roles of SAQA and the ETQAs are explored but, most importantly, the grouping of SMME ETD providers is suggested.

In **Chapter 2** the discussion on a grouping of SMME ETD providers is continued by investigating the ranking suggested in the National Small Business Act (NSBA), and the need for applying this ranking in the ETD sector.

**Chapter 3** contains the bulk of the guidelines, including suggestions on how to support SMME ETD providers, the cost of accreditation and the identification of additional requirements that ETQAs place on providers that apply for accreditation.

Four appendices follow the last chapter:
- **Appendix A** is a diagrammatic summary of the guidelines contained in this document;
- **Appendix B** is a list of the interviewed stakeholders, including their e-mail addresses;
- **Appendix C** contains some suggestions on the establishment of a comprehensive database of SMME ETD providers; and
- **Appendix D** is a summary of the ranking suggested in the National Small Business Act.

---

7 One of the objectives of the National Skills Development Strategy is to: “stimulate and support skills development in SMMEs” (HSRC, 2000:vii).
8 DoL (2002c)
Chapter 1:
Underlying principles

Introduction

As mentioned in the Executive Summary, this chapter focuses on the underlying principles that are relevant to this study. A concerted effort has been made to include various ETQA positions in an attempt to clarify the following aspects:

- the definition of a SMME ETD provider;
- the role of SAQA as it pertains to SMME ETD providers;
- the role of ETQAs as it pertains to SMME ETD providers; and
- defining accreditation as it is applied by various ETQAs.

The remainder of the chapter is used to make comparisons with other national and international initiatives and includes a summary of the results of a SMME ETD provider survey conducted by the University of Pretoria.

1.1 SMMEs as ETD providers

According to the SAQA Act (1995:3) an ETD provider is:

A body which delivers learning programmes which culminate in specified NQF standards or qualifications and manages the assessment thereof.

If a specific grouping of ETD providers, namely SMMEs, is eligible for developmental support it is vital for this grouping to be defined. One way to define SMMEs is to use the classification as suggested in the National Small Business Act (NSBA, 1996:2). The NSBA classification is based on the number of employees, annual turnover and asset value. Enterprises are grouped into specific sectors and classes\(^9\) as indicated in the following table:

<table>
<thead>
<tr>
<th>Type</th>
<th>Number of employees (max)</th>
<th>Annual turnover (in ZAR million)</th>
<th>Gross asset value (excluding fixed property, in ZAR million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survivalist</td>
<td>0</td>
<td>Varying</td>
<td>0</td>
</tr>
<tr>
<td>Micro</td>
<td>5</td>
<td>0.15</td>
<td>0.1</td>
</tr>
<tr>
<td>Small</td>
<td>50</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Medium</td>
<td>200</td>
<td>10</td>
<td>5</td>
</tr>
</tbody>
</table>

\(^9\) See Appendix D and Chapter 2 for a more detailed analysis of this classification.
Research has shown that the NSBA classification is outdated and is not relevant to the ETD sector. According to Karungu (2000:14) the “very term SMME as a category is too inclusive, including as it does 99% of all enterprises”. This has led SAQA to suggest an alternative classification of SMME ETD providers, on the basis of extensive research within the sector.

SAQA suggests the following groupings of SMME ETD providers:

<table>
<thead>
<tr>
<th>Type</th>
<th>Number of employees (max)</th>
<th>Annual turnover (in ZAR million)</th>
<th>Gross asset value (excluding fixed property, in ZAR million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survivalist</td>
<td>0</td>
<td>Less than 5</td>
<td>N/A</td>
</tr>
<tr>
<td>Small</td>
<td>Less than 50</td>
<td>Less than 5</td>
<td>N/A</td>
</tr>
<tr>
<td>World-competitive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>small-scale</td>
<td>Less than 50</td>
<td>More than 5</td>
<td>N/A</td>
</tr>
<tr>
<td>Large</td>
<td>50 and more</td>
<td>Varying</td>
<td>N/A</td>
</tr>
</tbody>
</table>

The distinctions between the groupings should be based on criteria other than only the number of employees, turnover and asset value, and are elaborated below. The maximum number of employees and turnover is indicated solely as a guideline. The intention is that each ETQA customises these numbers in its own sector and also builds in inflation-related increases to avoid future irrelevance.

### 1.1.1 Survivalist enterprises

Survivalist activities are carried out by people who are unable to find a paid job or get into an economic sector of their choice. Income generated from these activities usually falls far short of even a minimum income standard: “Survivalists generally do not employ people, do not pay tax, and will jump at any opportunity of formal employment” (Van Rooyen, 2002:2). According to the Department of Labour (DoL), emerging providers are “usually small, less than one year old and black owned” (2002c:14). It is also important to realise that the majority of SMMEs fall into this grouping (McGrath, 2002).

A generic definition of a survivalist enterprise is suggested as follows:

An enterprise that does not pay tax, does not employ any people, is not registered as a company with regard to the applicable legislation and has an annual turnover of less than R5 million.

### 1.1.2 Small – a combination of the NSBA small and medium categories

The combination of small and medium enterprises is seen as the ‘mainstream’ of SMMEs. According to the NSBA schedule, this combination would refer to a separate and distinct business entity, with between 5 and 200 employees, an annual turnover of less than R10 million, and a gross asset value of less than R5 million.
A generic definition of a small enterprise is suggested as follows:

A separate and distinct business entity, with less than 50 employees, which has an annual turnover of less than R5 million.

### 1.1.3 World-competitive small-scale enterprises

According to the DTI (2001:9), this is a distinctly different third type of entrepreneur that functions at a high level of competitiveness:

These operators may earn a reasonable, if not even a relatively high income, and most do not suffer the type of problems which typical SMMEs in South Africa face.

A generic definition of a world-competitive small-scale enterprise is suggested as follows:

A separate and distinct business entity, with less than 50 employees, which has an annual turnover of more than R5 million.

### 1.2 The role of SAQA

The role of SAQA, as promulgated in the SAQA Act\(^\text{10}\) (1995: Paragraph 5.1), is to:
- oversee the development of the National Qualifications Framework; and
- formulate and publish policies and criteria for:
  - the registration of bodies responsible for establishing education and training standards or qualifications; and
  - the accreditation of bodies responsible for monitoring and auditing achievements in terms of such standards or qualifications.

As was mentioned in the Executive Summary, SAQA is concerned with NQF-aligned training. The quality assurance of education and training that is not based on NQF qualifications or unit standards lies beyond SAQA’s mandate. This does not imply that the quality assurance of non-aligned training is not necessary, but that it will have to be initiated within the sectors where the greatest need is experienced.

SAQA is responsible for publishing policies and criteria for the accreditation of ETQAs. The development of this guideline document is evidence of SAQA’s involvement and commitment to fulfil its mandate.

---

\(^{10}\) education.pwv.gov.za/Legislation/1995/act58-95.html
1.3 The role of ETQAs

The role of ETQAs (Regulations under the SAQA Act\textsuperscript{11}, 1998:2,5,6) is, among other things, to:

- monitor\textsuperscript{12} and audit\textsuperscript{13} achievements in terms of national standards and qualifications;
- accredit constituent providers for specific standards and/or qualifications registered on the NQF;
- promote quality amongst constituent providers;
- monitor provision by constituent providers; and
- maintain a database acceptable to SAQA.

Many ETQAs are inundated with requests from SMME ETD providers to be included in the quality assurance cycle:

\begin{quote}
Professional, regulating and licensing ETQAs tend to work with smaller providers and smaller number of learners…
\end{quote}

\textit{(Quality Management Systems for ETQAs, 2001:44).}

The current inability of many ETQAs to support SMME ETD providers is of concern and is hopefully addressed to some extent in this guideline document. ETQAs need to be able to identify SMME ETD providers within their sector using fixed criteria (at least within the specific sector) so that these providers can be supported and enabled to comply with the current minimum criteria for accreditation.

1.4 Alignment with other initiatives

At present SAQA and the ETQAs are involved with a number of processes relevant to SMME ETD providers. As was mentioned in the Executive Summary, it is vital to ensure alignment with these and other initiatives.

The most important of these are the six initiatives listed below.

1.4.1 Short course provisioning

According to the SAQA Short Courses and Skills Programmes document (SAQA, 2002a) short course\textsuperscript{14} provisioning is one of the most dynamic features of the emerging education and professional, regulating and licensing ETQAs tend to work with smaller providers and smaller number of learners…

\textit{(Quality Management Systems for ETQAs, 2001:44).}

11 www.saqa.org.za/publications/legsregs/regulations/reg1127e.html
12 The Procedures for the Monitoring and auditing of ETQAs (SAQA, 2002b:7) describe monitoring as “a continuous process of review of quality” with a formative emphasis.
13 The Procedures for the Monitoring and auditing of ETQAs (SAQA, 2002b:8) describe auditing as an event that is “conducted within a specific period” with a summative emphasis.
14 Short courses are defined as a short learning programme through which a learner may or may not be awarded credits, depending on the purpose of the programme (SAQA, 2002a:11).
training system of South Africa. It is considered a viable and common method for optimal workplace functioning and greatly facilitates access to learning in a manageable manner.

It is common knowledge that many, if not most, SMME ETD providers offer short courses. Attempts to develop a unified approach to an accreditation model for short course provisioning has until recently not been successful and has led to suggestions made by SAQA to encourage ETQAs to accommodate non-NQF aligned short courses in an appropriate way, acceptable to the specific sector. SAQA’s mandate to ensure the development and the implementation of the South African NQF does not include non-NQF aligned training.

1.4.2 Recognition of Prior Learning

The SAQA Recognition of Prior Learning (RPL) Policy (SAQA, 2002c), which included a national advocacy campaign, has been completed. Various ETQAs have undertaken RPL initiatives. The implementation of RPL policy is an important issue for SMME ETD providers who are trying to be accredited. ETQAs would expect RPL policies and procedures to be included in the submissions for accreditation.

1.4.3 SMME support projects

Just as is the case with ETQA RPL initiatives, many ETQAs have been involved in National Skills Fund (NSF) projects to support small companies within their various sectors (DoL, 2002a).

Examples of these include:
- BANKSETA’s Microfinance Skills Transfer project;
- CETA’s Skill Upliftment project;
- CTFL SETA’s project focusing on the unemployed, employees of SMMEs, assessors and ETD practitioners;
- FOODBEV’s Export and Import Replacement project;
- THETA’s Integrated Nature-based Tourism and Conservation Management Development project; and
- W&RSETA’s Retrenchees and Victory to Entrepreneurs project.

1.4.4 Department of Education registration processes for private providers

Incoherent amendments to current legislation need to be resolved to enable equitable accreditation for SMME ETD providers. Private SMME ETD providers are legally required to register with the Department of Education (DoE). In cases where these requirements differ, and even contradict SAQA policy, intervention is required. Unfortunately, the necessary intervention is currently only taking place to a very limited extent.
1.4.5 Department of Labour charging and funding model

This report arises from requests made to the DoL by a number of SETAs to authorize their charging for direct ETQA services

The study aimed at determining how much it would cost to deliver the ETQA service and how it could be funded. On the basis of the assumption that it is difficult to enforce a unified set of charges from one SETA to another, the following recommendations are made:

It is recommended that non-profit training organizations, non-VAT registered training organizations and small to medium sized organizations be exempted from these charges, or should only pay a nominal amount...The cost of serving these exempted organizations should be covered from the SETA's strategic grant

1.4.6 Ntsika-DoL capacity building programme for Local Business Service Centres to support NQF-based SMME skills development

The draft Memorandum of Understanding (MoU) between Ntsika Enterprises Promotion Agency and the DoL (2002b) is an excellent example of a capacity-building programme that attempts to ensure that SMME ETD providers become accredited and offer NQF-aligned training.

Until recently, Ntsika has implemented its own accreditation processes. The MoU is a first step towards aligning the Ntsika process with that of the ETQAs.

The following section is an attempt to identify international best practice as it relates to SMME ETD providers.

1.5 International comparisons

An international comparative study was undertaken to compare the validity of the inclusion of SMME ETD providers in the quality assurance spiral. A summary of the findings appears below.

Ireland

The National Qualifications Authority of Ireland16 establishes and maintains a qualifications framework. Two independent bodies, the Further Education and Training Awards Council and the Higher Education and Training Awards Council, validate programmes and award qualifications.

Identified SMME involvement: No evidence.

16 www.nqai.ie, also see www.fetac.ie and www.hetac.ie.
Scotland

The Scottish Qualifications Authority\(^{17}\) is responsible for the development and accreditation of qualifications and the approval of providers. This responsibility is delegated to more than 100 awarding bodies. The Scottish Council of National Training Organisations\(^ {18}\) regulates National Training Organisations, which are being replaced by UK-wide Sector Skills Councils.

**Identified SMME involvement:** No evidence.

New Zealand

The New Zealand Qualifications Authority\(^ {19}\) is responsible for developing an NQF, administering qualifications and overseeing the examination system. Quality assurance functions are delegated to the Association of Polytechnics in New Zealand and the Association of Colleges of Education in New Zealand. The New Zealand Vice Chancellors’ Committee is responsible for the quality assurance of higher education. The New Zealand Qualifications Authority also oversees 46 Industry Training Organisations.

**Identified SMME involvement:** Larger providers pay a higher annual fee. Small providers pay a ‘minimum fee’. Accreditation requirements are independent of the size of the provider.

Singapore

The Singapore Productivity Standards Board\(^ {20}\) focuses on standards and quality, as well as on SMMEs and administers the Singapore Accreditation Council, which focuses on Quality Management Systems.

**Identified SMME involvement:** Economic groupings are formed in an attempt to assist SMMEs. A process to ensure that government regulations and rules remain relevant to small providers is followed. Franchising is used as a growth strategy for local enterprises.

Australia

The Australian National Training Authority oversees the registration of training providers as well as the development of the Australian Qualifications Framework\(^ {21}\).

**Identified SMME involvement:** No evidence.

---

17 www.sqa.org.uk
18 www.sconto.org.uk
19 www.nzqa.govt.nz
20 www.psb.gov.sg
Canada

Canada has a decentralised system with various provincial initiatives: two examples of these initiatives are the Education Quality and Accountability Office\(^{22}\) in Ontario and the Council on Post-Secondary Education\(^{23}\) (which is responsible for promoting excellence and stability in Manitoba).

Identified SMME involvement: No evidence.

United Kingdom

The Quality Assurance Agency\(^{24}\) is an independent body funded by subscriptions from higher education providers. Its core business is to review the quality and standards of UK higher education.

Identified SMME involvement: No evidence.

Kenya

The Kenya Commission for Higher Education accredits private universities.

Identified SMME involvement: No evidence.

United States

A collegial process of self-review exists. There are two types of accreditation (institutional and programmatic). The Council on Higher Education Accreditation (previously known as the Commission on Recognition of Postsecondary Accreditation) recognises accrediting agencies in the private non-governmental sector. The National Skills Standards Board\(^{25}\) coalition is responsible for building a national system of skills standards.

Identified SMME involvement: The two types of accreditation (programmatic and institutional) are relevant.

Recommendations based on the international comparisons

On the basis of the summary of international comparisons, the following recommendations are made:

- in the cases where providers are charged for accreditation it is acceptable to reduce such a fee for specific providers;

\(^{22}\) www.eqao.com  
\(^{23}\) www.copse.mb.ca  
\(^{24}\) www.qaa.ac.uk  
\(^{25}\) www.nssb.org
minimum accreditation requirements are not negotiable, even for SMME ETD providers;
distinct groupings of SMME ETD providers can be valuable;
processes to facilitate access for SMME ETD providers are needed; and
it is acceptable to apply franchising to SMME ETD provisioning.

1.6 SMME survey

The University of Pretoria conducted a survey during August and September 2002 to determine the barriers to accreditation for SMME service providers. The survey involved interviews and discussions as well as the analysis of questionnaires sent to 450 SMME ETD providers with a response rate of 17.6%.26

The demographic information of the respondents can be summarised as follows:
- the majority are closed corporations (36.7%) or Section 21 companies (30.4%);
- 46.8% employ 1-5 people;
- 53% have an annual turnover of between R150,000 and R2 million;
- 61.6% are between 5-10 years old;
- 74.4% are based in Gauteng;
- 49.4% of owners completed the survey;
- 65.8% use English as home language; and
- over 50% have a tertiary qualification.

On the basis of the demographic composition of the respondents and the fact that a SAQA database was used in the survey, there is a need for a second, more comprehensive, survey. Even so, this initial survey has succeeded in identifying the following four barriers for SMME service providers listed below.

1.6.1 Documentation

Respondents indicated that the number of documents that need to be completed in an application for accreditation is too great and that they are also very time consuming to complete. Some respondents indicated that expert knowledge is required to complete these documents.

1.6.2 Location of ETQAs

Most ETQAs are located in major centres (Johannesburg, Pretoria and Cape Town). The distribution of SMME ETD providers across the country necessitates travel expense and inhibits communication and participation.

26 The questionnaire and detailed quantitative results are available on request.
1.6.3 Administrative burden
This barrier is a confirmation of the first, that of documentation. Over and above the administrative burden placed on providers during the application process, there are various reports and policies that need to be developed on an ongoing basis.

1.6.4 Costs
As implied in the previous three barriers, SMME ETD providers cannot afford to spend large parts of their budgets on accreditation-related issues.

In conclusion, the University of Pretoria recommends that ETQAs reconsider documentation and costs. The University’s study also notes that further research is needed for a greater response rate in order for more general recommendations to be made.

1.7 Summary
Various underlying principles are evident in SMME ETD provisioning. In the context of this guideline document the seven suggestions listed below are made.

1.7.1 SMME ETD providers can be grouped as follows:
- survivalist;
- small; and
- world-competitive small-scale.

1.7.2 The generic definition of each of the three groupings must be applied and contextualised by ETQAs. Inflation-related adjustments must be done on a regular basis.

1.7.3 SAQA’s role is, first, to support ETQAs in the accreditation of SMME ETD providers of education and training that deliver training programmes that culminate in specified NQF standards or qualifications and, second, to manage the assessment thereof by developing policies and guidelines.

1.7.4 The role of ETQAs is to enable equitable accreditation processes for SMME ETD providers. ETQAs should have a developmental approach, and not act as ‘gate-keepers’, because this makes it more difficult for SMME ETD providers to participate in quality-assured training.

1.7.5 Consensus between all roleplayers is vital, even though application and interpretation in different sectors might vary. This consensus includes an attempt to include an alignment with various other initiatives.

1.7.6 International comparisons reveal little support targeted at SMME ETD providers.

1.7.7 Identified barriers to accreditation for SMME ETD providers are: documentation, the location of ETQAs, the administrative burden, and costs.
Chapter 2:

Ranking criteria for SMME ETD providers

Introduction

In this chapter the classification criteria (or ‘schedule’ 27 as it is referred to in the NSBA) is discussed in more detail. During the execution of this research project it became apparent that the NSBA Schedule has become outdated and in need of regular revisions:

Some of the difficulties of the SMME strategy are the consequences of lumping vastly divergent enterprises into the same category. Sooner or later the Act may have to be amended in order to address these difficulties. Such an amended Act will then spell out variations in the strategy as it pertains to the different types of enterprises.

This chapter is an attempt to find consensus on the following:

- the need for alternative ranking criteria other than the NSBA schedule; and
- suggestions for the proposed alternative ranking.

2.1 The National Small Business Act

The main purpose of the NSBA was to provide for:

- the establishment of the National Small Business Council;
- the establishment of Ntsika Enterprise Promotions Agency; and
- the development of guidelines for organs of state to promote small business.

By using a Standard Industrial Classification (SIC), an attempt was made to define business using the following criteria:

- total full-time equivalent of paid employees;
- total annual turnover; and
- total gross asset value (fixed property excluded).

It is clear that the various categories within each classification were based on the needs within that specific sector 28. The SIC classification focuses on business in general; the NQF fields focus on vocational and academic training; and the scope of coverage of the SETAs is in most cases based on the scope of the original Industry Training Boards.

27 The NSBA Schedule can be found in Appendix D.
28 Appendix D contains a summary of the NSBA Schedule, the fields and sub-fields of the NQF and the scope of coverage of the SETAs.
When applying a costing index\textsuperscript{29} to the NSBA Schedule it is important to note the following:

- some sectors (e.g., manufacturing, electricity, gas and water) would be more able to afford to pay for accreditation;
- some sectors (e.g. agriculture, catering, accommodation and trade) would be less able to afford to pay for accreditation; and
- micro enterprises, irrespective of the sector, would be less able to pay for accreditation.

On the basis of this discussion, it is important to note that various government departments and institutions have adapted the NSBA Schedule to suit the context within which they engage with SMMEs.

\section*{2.2 The need for alternative ranking criteria}

The adaptation of the NSBA schedule points to a need for an alternative ranking for SMME ETD providers. The suggested alternative should be aligned with the NSBA schedule, and should in no way contradict it.

An example of the application of alternative ranking criteria has been found within the DTI. The DTI uses a three-track approach (Damane, 2002), differentiating mainly between formal and non-formal businesses:

- survivalist enterprises (informal);
- small to medium (indicates growth-orientated micro enterprises); and
- small-scale operations in growth sectors (competitiveness).

The DTI also emphasises differentiation based on location. It is evident that SMMEs located in small towns, rural and peri-urban areas require specific assistance.

The application of alternative ranking criteria is also evident among ETQAs. Of all the ETQAs interviewed, only one applied the schedule as found in the NSBA. And even in this case, the reason for applying the schedule was merely to improve the manageability of providers. Most ETQAs rank (categorise) providers on aspects appropriate to the education and training context\textsuperscript{30}. Examples of ranking include:

- types of accreditation;
- levels of accreditation\textsuperscript{31};
- ranking based on the types of programmes offered (NQF alignment); and
- workplace and non-workplace providers\textsuperscript{32}.

\textsuperscript{29} The costing index consists of the following calculation: (Total annual turnover + Total gross asset value) / Total full-time employees. This results in an index that provides a cost-per-employee value (Appendix D).

\textsuperscript{30} The limitation imposed on the ETQA if the NSBA Schedule is used becomes evident in the financial and accounting sector where numerous enterprises have a low number of employees, but large annual turnovers. These enterprises do not fit the mould and require an alternative approach.

\textsuperscript{31} The types and levels of accreditation are discussed again in Section 3.1.

\textsuperscript{32} The possibility of supporting workplace providers has been mooted in the Report of the Study Team on the Implementation of the NQF (2002). This option is explored in more detail in Section 3.2.
It is evident that the SMME classification of ETD providers has become too inclusive. The fact that very few ETQAs use NSBA classification supports the notion of using an alternative that would be more suitable to the ETD environment. An alternative ranking would also facilitate the implementation of measures to ensure that SMME ETD providers have access to an equitable accreditation process.

2.3 Summary

The following four points are the suggestions related to the ranking of SMME ETD providers.

2.3.1 There is no need to rank SMME ETD providers according to the sizes and classes as prescribed in the NSBA. The distinction between SMMEs in the NSBA schedule is not being used by ETQAs.

The three groupings suggested in the first chapter are suggested as an alternative to the NSBA schedule. They are:

- survivalist;
- small; and
- world-competitive small-scale.

2.3.2 The differentiation between profit- and non-profit-orientated enterprises, whether they be survivalist, small or world-competitive, has merit, yet this differentiation will be difficult to implement and even more difficult to verify. It is suggested rather that all three groupings of SMME ETD providers are supported, irrespective of profit orientation.

2.3.3 SMME ETD providers (all three groupings) that function as workplace-based providers are unique and need to receive targeted support. This would imply that small workplace providers would have an alternative option to the current one for pursuing accreditation. It is recommended that the implementation of this suggestion be delayed until ministerial approval of the Report of the Study Team on the Implementation of the NQF (2002) is obtained.

2.3.4 Although the constituency of the provider, i.e., the ETQA to whom levies are paid, will be important to individual ETQAs, this will be a matter to be debated within each ETQA. Assistance based on constituency should not impact on the ranking of the SMME ETD providers.

It is acknowledged that the accreditation of providers is not governed by size, but by the extent to which they are financially sustainable and by their capacity to deliver quality programmes.

---

33 Any provider that delivers and/or manages the assessment of learning programmes in an employer-based delivery site, only to the employees of the specific employer, that culminate in specified NQF standards or qualifications and/or manages the assessment thereof.
in terms of nationally agreed criteria. The ranking of SMME ETD providers is suggested solely to enable ETQAs to offer targeted support to providers that are in the process of applying for accreditation. The ranking of SMME ETD providers does not imply that watered-down criteria will be applied.

The last chapter explores practical ways in which ETQAs are able to support SMME ETD providers.
Chapter 3:

Developing an equitable accreditation process for SMME ETD providers

Introduction

This chapter focuses on the third research objective; namely, the formulation of an equitable accreditation process that will facilitate the accreditation of SMME ETD providers across all sectors and bands.

On the basis of the assumption that “one criteria that tries to fit all types of providers does not work efficiently” (DoL, 2002c:77) and the groupings discussed in the previous chapters (survivalist, small, and world-competitive), the discussion in this chapter suggests ways to support SMME ETD providers.

This chapter focuses on the following aspects:

• defining accreditation;
• the ways in which SMME providers can be supported; and
• the alternative options to accreditation that are available to SMME providers.

3.1 Defining accreditation

ETQAs are accredited by SAQA for “…the purpose of monitoring and auditing achievements in terms of national standards or qualifications and standards” (SAQA, 2001c:7). In turn, ETQAs are responsible for accrediting providers whose primary focus coincides with the primary focus of the ETQA, provided that the body seeking accreditation:

• is registered as a provider in terms of the applicable legislation;
• has an effective and functional QMS as required by the ETQA regulations;
• is able to develop, deliver and evaluate learning programmes, which culminate in specified registered standards and qualifications;
• has the necessary financial, administrative and physical resources;

34 In terms of the ETQA regulations a provider is defined as “a body which delivers learning programmes which culminate in specified National Qualifications Framework standards or qualifications and manages the assessment thereof”.
35 Primary focus is defined as “that activity or objective within the sector upon which an organization or body concentrates its efforts”.
36 Current legislation refers to qualifications only (a minimum of 120 credits). As many SMME providers offer Short Courses (less than 120 credits) they would be prohibited from registering with the DoE.
• has the necessary policies, practices and reporting procedures as required by the ETQA regulations; and
• has not already been granted accreditation by another ETQA. (SAQA, 2001b)

In an attempt to customise the accreditation process in various sectors, it is apparent that ETQAs are using different interpretations of the ETQA regulations. These interpretations generally improve the accessibility to accreditation for SMME ETD providers, but in some cases make the process more prohibitive and costly:

In an attempt to customise the accreditation process in various sectors, it is apparent that ETQAs are using different interpretations of the ETQA regulations. These interpretations generally improve the accessibility to accreditation for SMME ETD providers, but in some cases make the process more prohibitive and costly:

No barriers should be created to ensure that small businesses, which are expected to create new employment, are not excluded from the skills development strategy (DoL, 2001:41).

SAQA (2001a) prescribes only two forms of accreditation:
• **Provisional accreditation:** “Granted for an agreed, limited period of time according to an agreed programme of development to enable full accreditation criteria to be met, provided the interests of the learner are protected” (SAQA, 2001a:11).
• **Accreditation:** “The certification, usually for a particular period of time, of a person, a body or an institution as having the capacity to fulfil a particular function in the quality assurance system set up by the South African Qualifications Authority in terms of the Act” (SAQA, 2001a:17).

The present variety of interpretations of SAQA policy with regard to provisional accreditation and accreditation has directly contributed to the barriers that SMME providers are facing.

### 3.2 Supporting SMME ETD providers

The following section explores ways in which SMME ETD providers can be supported. Although all providers should be supported (independent of size), it is suggested that SMME ETD providers are made aware of the options that are specifically targeted at them.

#### 3.2.1 Financial assistance

Some ETQAs would be able to offer financial support to SMME ETD providers, specifically the survivalist and small groupings. When the DoL charging and funding suggestions are implemented (DoL, 2001) it will be important to take note of these groupings. The impact of charging on SMME ETD providers is significant and has to be included in any study aiming to support small providers: “High fees and cumbersome processes would drive small training providers away from the ETQA process” (DoL, 2001:34).

---

37 These interpretations include levels of accreditation (FIETA), categories of accreditation (MAPPP), and interim accreditation (MQA).

38 Various ETQAs have suggested that the possibility of accessing the NSF needs to be explored. The question that is asked is why any provider, large or small, should pay for accreditation in order to comply with government policy when the costs are ultimately borne by the taxpayer.
SAQA has engaged with the DoL on this matter and suggests the following to ETQAs:

- **Waive charges for survivalist and small providers.** At present most ETQAs waive charges in anticipation of legislation from the DoL and/or SAQA. In this case the funding of the ETQA originates mainly from SETA surplus grants. ETQAs that do not have this option, or that receive low levy income, have been forced to start charging in an effort to cover expenditure.

  The DoL supports this notion: “We therefore propose that any small business should only pay a nominal fee. The loss of income from not charging SMMEs full costs could be recovered from the strategic grant budget of the SETAs” (DoL, 2001:41).

- **Subsidise where needed.** This option suggests that an application and approval system be established so that all (including SMME) ETD providers who are in need of financial assistance can apply for subsidisation. The criteria that are used to determine successful applications need to be well documented and not based solely on a decision by the relevant ETQA manager or ETQA committee.

- **Use a sliding scale.** In the cases where providers fall above the SMME cut-off point, namely the large and world-competitive small-scale providers, ETQAs should use a sliding scale. The following is suggested: A minimum accreditation fee will cover 100 learners, and there will be a stepped increase for each additional 100 learners.

The cost to a SMME provider entails more than the payment to the relevant ETQA. The administrative work required for registering and applying for accreditation is described as “prohibitive and cost exorbitant” (Andrew, 1999:7). The survey, discussed in Chapter 1, also noted that cost is a barrier to accreditation. Measures to minimise the paperwork and time that are associated with an application for accreditation need to be implemented.

It is also evident that levy-paying providers have greater access to SETA ETQAs. It is hoped that the DoL model will address this current favouritism and not allow ETQAs to drive providers away simply because they do not pay levy to the specific SETA.

It is important to note that SAQA is attempting to align the suggestions contained in this document with the DoL study to regulate the charging and funding of ETQA services (DoL, 2001).

### 3.2.2 Minimum criteria for accreditation

The SAQA minimum criteria for accreditation (discussed in Section 3.1) are being expanded in some sectors. The reasons for doing so are related mainly to the specific nature of the sector; for example, where the circumstances in which training is offered might be of a life-threatening nature.

---

39 SERVICES SETA is an example of an ETQA that has created a funding window (i.e. waives charges) to assist and capacitate SMME providers.

40 Non-SETA ETQAs do not have access to NSF funds or strategic grant budgets and will need additional support to enable them to waive charges to survivalist and small providers.
These additional requirements\textsuperscript{41} place an increased burden on SMME ETD providers. If these providers are to be given access to an equitable accreditation process the legality of such additional requirements may have to be contested. Although these additional requirements may be absolutely necessary to ensure statutory compliance in many cases, it is important that ETQAs offer additional support to small providers when such additional requirements are enforced.

3.2.3 Targeted requirements of evidence

A targeted approach to the evidence that providers need to submit in order to comply with the minimum criteria for accreditation is supported by INSETA: “Although SAQA criteria may remain constant the quality indicators and evidence required may change in keeping with the changing needs of the education and training in the insurance sector” (Guidelines for the accreditation of providers, INSETA ETQA).

Using a similar approach, SABPP and PAB have indicated that the quality indicators or evidence may differ within their sectors. By no means does this imply that the minimum criteria are changed or lowered.

The following is an example of targeted requirements of evidence:

<table>
<thead>
<tr>
<th>Minimum criteria for provider: Shared primary focus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Minimum requirements of evidence (Developmental Approach):</strong></td>
</tr>
<tr>
<td>• Mission statement</td>
</tr>
<tr>
<td>• The band(s) and level(s) of primary focus</td>
</tr>
<tr>
<td>• Specific standards and qualifications</td>
</tr>
<tr>
<td><strong>Minimum requirements of evidence (Systems-in-place Approach):</strong></td>
</tr>
<tr>
<td>• Mission statement</td>
</tr>
<tr>
<td>• The relationship between the primary focus of the provider and that of the intended ETQA</td>
</tr>
<tr>
<td>• The band(s) and level(s) of primary focus and how these band(s) and level(s) match those of the intended ETQA</td>
</tr>
<tr>
<td>• Specific standards and qualifications, and how these standards and qualifications match those that fall within the suggested sector</td>
</tr>
<tr>
<td>• The relation of the band(s) and level(s) to a coherent, progressive pattern of registered standards or qualifications within learning pathways</td>
</tr>
<tr>
<td>• The relation of the standards and qualifications to articulation and portability within the identified pathway, other providers, and other pathways</td>
</tr>
</tbody>
</table>

It is suggested that ETQAs explore this option further. The unique nature of each sector will determine the detailed development of targeted requirements of evidence.

\textsuperscript{41} Examples of additional requirements are sponsorships (BANKSETA), audited financial statements (FOODBEV), up-to-date levy payments (FASSET), submission of Workpace Skills Plan (WSP) (FASSET), Occupational Health and Safety (OHS) compliance (ESETA), existence for more than a year (SABPP), references (HWSETA), legal status (HWSETA), recognised QMS (MQA) and affiliation to a professional body (SABPP).
3.2.4 Allocation of quality advisors

It is suggested that advisors be allocated to all (including SMME) providers who request assistance on ETQA matters. These advisors are also referred to as ‘quality assurers’, ‘accreditation evaluators’, and ‘facilitators’ (DoL, 2002c:7). It may be possible to assist providers in the accreditation process, in a process similar to the allocation of skills development advisors. It is also suggested that survivalist and small ETD providers do not pay for this service.

Although some ETQAs already have dedicated quality advisors, they will have to be sensitised to the needs of SMME ETD providers.

3.2.5 Availability of ETQA resources

Even though many SMME providers are not located in close vicinity to ETQAs, it would be possible to support providers by allowing them access to some ETQA resources.

Resources can include access to the relevant ETQA’s database. The software can be made available to providers to load onto their own computers (without charge or at least at a minimal rate). Alternatively, providers can access the database via the Internet or even at the ETQA’s offices. In such a case the provider will have to provide evidence of access to the database.

3.2.6 Pro-forma documents

The availability of pro-forma documents can increase the rate at which providers are able to comply with the minimum accreditation criteria.

These documents can include:

- QMS Policy (it may be possible to develop a QMS customised for SMME ETD providers and make this available at a nominal fee)\(^{42}\);
- staff selection, appraisal, and development policy;
- learner entry, guidance, and support policy; and
- assessment policy.

The pro-forma documents will not take the place of the evidence that providers will need to submit but, rather, give such providers a framework within which they are able to develop their own documents.

3.2.7 Telephonic consultations

ETQAs must be able to offer providers effective telephonic support. An information desk or call centre would be ideal, but could also be replaced by contact details of the ETQA staff that are available to handle such queries. Continuous reference to ETQA staff that are not available does not facilitate access for the SMME providers in particular.

---

\(^{42}\) A similar initiative is currently being undertaken to develop a customised QMS for small-scale farmers.
3.2.7 Information sharing and advocacy

It is important that ETQAs reach their constituent providers where they are based. Many SMME providers are located in semi-urban and rural areas and are in many cases totally unaware of the various ETQA processes and functions.

Fully functional websites that refer to ETQA matters in a user-friendly manner are also an effective way to advocate ETQA matters. Unfortunately many SMME providers would not benefit from this as they do not necessarily have access to the Internet.

3.2.8 Coordinated capacity building projects

At present there are various initiatives to build capacity in education and training. Some ETQAs (e.g., W&R SETA and ETDP SETA) have initiated such projects; SAQA and the DoL (DoL, 2002d) are in the process of developing similar programmes. It is suggested that greater coordination, specifically from the DoL head office, will greatly improve the effectiveness of these projects.

According to the DoL, “there is a need to build the capacity of SMME training providers to ensure that relevant programmes, that are of a high standard, and that comply with SAQA/NQF criteria, are provided to the unemployed and underemployed people of South Africa” (2002d:1).

The following section focuses specifically on the alternative options to accreditation that providers would have when offering NQF-aligned training and/or assessment.

3.3 Alternative options for SMME ETD providers

All providers have to comply with the minimum requirements for accreditation. Providers that partially comply are given provisional accreditation for a limited period of time according to an agreed programme of development, to enable full accreditation criteria to be met, provided the interests of the learners are protected (SAQA, 2001a:17).

Some providers, in particular SMME providers, may not apply for accreditation, no matter how much ETQAs try to support them in this process. These providers may prefer to look at alternative options and it would be important that ETQAs are aware of the options that are available in their various sectors, so that they can advise these providers.

3.3.1 Alignment with an accredited provider

This option will not necessarily lead to accreditation. Some small providers prefer to align themselves with larger accredited providers; examples include licensing, vendors, franchisees, satellites and associates. In most cases the smaller provider approaches a larger accredited provider which, in turn, is responsible for the training offered by the small provider and usually
3.3.2 Partnership with a lead provider

In principle, this option is very similar to the alignment option, with the following differences:

- This option could lead to accreditation.
- A large accredited provider works in a partnership with a small provider, e.g. when submitting a tender.
- The sustainability of this option is important – a possible measure has been suggested by the DoL and would require the accreditation of the small provider as one of the outcomes of the partnership.

SMME ETD providers should not be placed at the mercy of established providers and the partnership would have to be regulated by the relevant department or ETQA. Furthermore, the partnership option must make business sense to both the lead and SMME providers. The intention with a partnership is not that a lead provider creates its own competition, but rather that it broadens its business interests and gains financially from the arrangement.

3.3.3 Delivery and/or assessment groupings

This option is based on the premise that providers can be accredited as a delivery-only or an assessment-only site. It may be possible for SMME ETD providers that are not able to do formal assessments to join forces with an accredited provider that is able to. Part of the accreditation requirements could be a contractual agreement between the various providers.

This arrangement could be applied to all provisioning, irrespective of the size of the provider.

In all three of these alternative options, it would be very important to clarify the roles and responsibilities of all roleplayers. This includes the ETQAs, which are encouraged to make the following lists available to the public:

- potential lead providers;
- accredited providers;
- delivery-only providers;
- assessment-only providers; and
- accredited providers that encourage partnerships, including the type and extent of the partnerships.

43 The groupings can often be configured as consortia (DoL, 2002c:2).
3.4 Summary

The three points listed below are the suggestions related to this chapter.

3.4.1 By legislation, SAQA prescribes that providers are accredited if they meet the appropriate criteria. Providers that meet these criteria in part can be provisionally accredited for a limited period of time. The current variety of interpretations used by some ETQAs is not valid, whether they constitute a variation in definition or in application. This variety of approaches further excludes SMME providers from the quality assurance process. It is suggested that ETQAs use only the legislated criteria and terminology.

3.4.2 It is possible to support all providers (including SMMEs) in the following ways:

- providing financial assistance, including the waiving of accreditation charges (where such fees are required) for survivalists and small providers, and taking into account constituency, levy payments, and the number of years that the provider has been operating;
- limiting the additional requirements for accreditation (over and above the SAQA minimum criteria) that ETQAs place on providers to the absolute minimum and ensuring that ETQAs offer targeted support so that providers are enabled to meet this requirement;
- requiring providers to submit targeted evidence to meet the minimum accreditation criteria;
- allocating quality advisors (at no cost to survivalist and small providers);
- making available ETQA resources, such as access to the specific database;
- providing pro-forma documents, such as QMS and assessment policy;
- providing telephonic consultations;
- encouraging information sharing and advocacy; and
- setting up coordinated capacity-building projects.

3.4.3 Providers, specifically SMME ETD providers, that prefer not to apply for accreditation can be advised to follow the following options:

- alignment with an accredited provider;
- partnership with a lead provider; or
- delivery and/or assessment groupings.

All the above options imply that the ETQA has a list of larger accredited providers that are willing, and able, to support the smaller provider. These options must also be to the advantage of the larger provider and not be controlled by the ETQA.
List of sources


CTFL SETA. Undated. *Guidelines for accreditation as an external training provider in the Clothing, Textiles, Footwear & Leather Sector*.


FIETA. Undated. *Accreditation Policy*.

FOODBEV. (2001). *Guidelines for accreditation as a Training Provider with the FoodBev SETA*.

FOODBEV. Undated. *Accreditation Application Form*.

HWSETA. Undated. *Micro Provider Listing: Requirements for HWSETA listing of independent trainers and micro providers in the health and welfare sector*.

INSETA ETQA. Undated(a). *Guidelines for the accreditation of providers*.

INSETA ETQA. Undated(b). *Provider Accreditation Guidelines*.


New Zealand Qualifications Authority. (2002a). *QA Standard One: Requirements for Ongoing Registration and Accreditation of Training Establishments and Wānanga*.

New Zealand Qualifications Authority. (2002b). *Application pack for new providers: Requirements for organizations applying to become registered and accredited as training establishments*. 

Guidelines for the Equitable Accreditation of SMME Providers of Education and Training 33


SAQA. (2001b). *Criteria and Guidelines for providers*.


SAQA. (2002b). *Procedures for the Monitoring and Auditing of ETQAs*.


South Africa. Department of Labour. (2002b). Memorandum of Understanding (Draft) between NTSIKA Enterprises Promotion Agency and Department of Labour for Capacity Building programme for LBSCs to support NQF based SMME skills development.


Terblanche, B. A myth that’s cost us millions. Mail and Guardian. 28 June 2002.

Van Rooyen, M. (2002). SMME and NGO ETD Providers under threat. Article prepared for INPROV.
Appendix A:
Diagrammatic summary

SAQA
Overall Quality Assurance

ETQA
External Quality Assurance

Accredited provider
OR grouping of accredited providers

Provisional Accreditation
Can apply to become

No Accreditation
Can apply for

Alignment Partnership

Financial, Limited additional requirements, Targeted evidence, Quality advisors, ETQA resources, Proforma documents, Telephonic support, Information sharing, Coordinated capacity building

Support to all providers
Appendix B:

List of interviewed stakeholders

Structured interviews were held with the following persons:

APPETD Andries Lategan andries@sn.apc.org
BANKSETA Daphne Hamilton daphne@bankseta.org.za
CTFL SETA Hoosen Rasool hoosen@ctflseta.org.za
CETA Gerard Smith gal@ceta.org.za
CHE Theo Bhengu bhengu.t@che.ac.za
DIDTETA Nomonde Mandla nmandla@diddeta.co.za
DoL (Project 3) Gordon Freer gordon@freer.co.za
DoL/Zithulele Zondi zithulele.zondi@labour.gov.za
DoL/EU Colin Griffin colin.griffin@labour.gov.za
DTI Alice Damane nnxele@dti.pw.gov.za
ETDP SETA Albert Mathebula albertm@etdpseta.org.za
ESETA Johan Swanepoel johans@eseta.org.za
FASSET Nawaal Patel nawaal.patel@fasset.org.za
FOODBEV Knappie Eloff knappie@foodbev.co.za
FIETA Al Jackson alwyng@fieta.org.za
HWSETA Blossom Rantloane blossomr@hwseta.org.za
INSETA Glen Edwards glene@inseta.org.za
ISETT Errol Maherry errol.maherry@isett.org.za
Khula Enterprise Finance Limited Willy Hlahlele willyh@khula.org.za
LGWSETA Pauline Matlhaela paulinem@lgwseta.co.za
MAPPP Ralph Williamson williamson@mappp-seta.co.za
MQA Keith Charles keithc@mq.org.za
Ntsika Enterprise Promotion Agency John Francis jfr@nepal.co.za
PAB Karlien Nel pabhs@mweb.co.za
POSLECSETA Dawood Alexander dalexander@poslecseta.org.za
PSIRA Ash Boodhoo asb@sira-sa.co.za
SABPP Huma van Rensburg sabpp@pixie.co.za
SABS Ndileka Nobaxa nobaxan@sabs.co.za
SAICA Adri Kleinhans adrik@saica.co.za
SAQI John Moloko john@saqi.co.za
SERVICES Tertia Strauss tertias@serviceseta.co.za
TETA Wayne Adams wayne@teta26.co.za
THETA Fiona Miles fiona@theta.org.za
UMALUSI Eugene Rabe eugener@saqcert.pw.gov.za
University of Pretoria Gideon Nieman ghnieman@hakuna.up.ac.za
W&RSETA Juliet Jones jjones@wrseta.org.za
Appendix C:

Towards a comprehensive database of SMME Providers of Education and Training

The following SMME ETD provider databases have been identified:

- all ETQAs (it is assumed that all ETQAs will have a database, or are in the process of implementing such a database as this is part of their accreditation requirements)
- APPETD (including National Forum for Independent Providers of ETD);
- Ntsika Enterprises Promotion Agency[44];
- SABS[45];
- SAQI[46];
- Khula Enterprise Finance Ltd[47]; and
- the DoL.

It is recommended that:

- Each ETQA must include additional fields on its database to improve SMME-related research and thus also support the SMME accreditation process. These fields must also be reflected on the NLRD.

The following fields are suggested:

- The size of the provider: large / world-competitive / small / survivalist
- Workplace / non-workplace based
- Accreditation status: Provisional accreditation / accreditation / no accreditation (if possible, a record should be kept of the alternative options that such a provider exercises)
- The details of larger, established and accredited providers that are willing to form alignments, partnerships or groupings
- The links between providers, e.g. alignments, partnerships or groupings

- The NLRD be used as a comprehensive database of SMME providers. The establishment of a separate database is not recommended because of the amount of duplication that such a process would require.

44 http://www.ntsika.org.za/
45 http://www.sabs.co.za/137.html
46 http://www.saqi.co.za/
47 http://www.khula.org.za/
Appendix D:

Classification of SMMEs

Standard Industrial Classification

- Agriculture
- Catering, Accommodation and other Trade
- Community, Social and Personal Services
- Construction
- Electricity, Gas and Water
- Finance and Business Services
- Manufacturing
- Mining and Quarrying
- Retail and Motor Trade and Repair Services
- Transport, Storage and Communications
- Wholesale Trade, Commercial Agents and Allied Services

Field and sub-fields of the NQF

- Agriculture and Nature Conservation
- Business, Commerce and Management Studies
- Communication Studies and Language
- Culture and Arts
- Education, Training and Development Practices
- Health Sciences and Social Services
- Human and Social Studies
- Law, Military Science and Security
- Manufacturing, Engineering and Technology
- Physical, Mathematical, Computer and Life Sciences
- Physical Planning and Construction
- Services

Scope of coverage of SETAs

- Banking
- Chemical Industries
- Clothing, Textiles, Footwear and Leather
- Construction
- Diplomacy, Intelligence, Defence, and Trade
- Education, Training and Development Practices
- Energy
- Financial and Accounting Services
- Food and Beverage Manufacturing Industry
- Forest Industries
- Health and Welfare
- Information Systems, Electronics and Telecommunications
- Insurance
- Local Government, Water and Related Services
- Manufacturing, Engineering and Related Services
- Media, Advertising, Publishing, Printing and Packaging
- Mining
- Police, Private Security, Legal and Correctional Services
- Primary Agriculture
- Public Service
- Secondary Agriculture
- Services Sector
- Tourism and Hospitality
- Transport
### Guidelines for the Equitable Accreditation of SMME Providers of Education and Training

**Column 1**

**Column 2**

**Column 3**

**Column 4**

**Column 5**

**Costing index: 100**(Col 4 + Col 5)/Col 3

<table>
<thead>
<tr>
<th>Sector or sub-sectors in accordance with the Standard Industrial Classification</th>
<th>Size or class</th>
<th>Total full-time equivalent of paid employees</th>
<th>Total annual turnover</th>
<th>Total gross asset value (fixed property excluded)</th>
<th>Costing index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>M</td>
<td>100</td>
<td>R 4.00 m</td>
<td>R 4.00 m</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>S</td>
<td>50</td>
<td>R 2.00 m</td>
<td>R 2.00 m</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>VS</td>
<td>10</td>
<td>R 0.40 m</td>
<td>R 0.40 m</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>m</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
<td>5</td>
</tr>
<tr>
<td>Mining and Quarrying</td>
<td>M</td>
<td>200</td>
<td>R 30.00 m</td>
<td>R 18.00 m</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>S</td>
<td>50</td>
<td>R 7.50 m</td>
<td>R 4.50 m</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>VS</td>
<td>20</td>
<td>R 3.00 m</td>
<td>R 1.80 m</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>m</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
<td>5</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>M</td>
<td>200</td>
<td>R 40.00 m</td>
<td>R 15.00 m</td>
<td>27.5</td>
</tr>
<tr>
<td></td>
<td>S</td>
<td>50</td>
<td>R 10.00 m</td>
<td>R 3.75 m</td>
<td>27.5</td>
</tr>
<tr>
<td></td>
<td>VS</td>
<td>20</td>
<td>R 4.00 m</td>
<td>R 1.50 m</td>
<td>27.5</td>
</tr>
<tr>
<td></td>
<td>m</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
<td>5</td>
</tr>
<tr>
<td>Electricity, Gas and Water</td>
<td>M</td>
<td>200</td>
<td>R 40.00 m</td>
<td>R 15.00 m</td>
<td>27.5</td>
</tr>
<tr>
<td></td>
<td>S</td>
<td>50</td>
<td>R 10.00 m</td>
<td>R 3.75 m</td>
<td>27.5</td>
</tr>
<tr>
<td></td>
<td>VS</td>
<td>20</td>
<td>R 4.00 m</td>
<td>R 1.50 m</td>
<td>27.5</td>
</tr>
<tr>
<td></td>
<td>m</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
<td>5</td>
</tr>
<tr>
<td>Construction</td>
<td>M</td>
<td>200</td>
<td>R 20.00 m</td>
<td>R 4.00 m</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>S</td>
<td>50</td>
<td>R 5.00 m</td>
<td>R 1.00 m</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>VS</td>
<td>20</td>
<td>R 2.00 m</td>
<td>R 0.40 m</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>m</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
<td>5</td>
</tr>
<tr>
<td>Retail and Motor Trade and Repair Services</td>
<td>M</td>
<td>100</td>
<td>R 30.00 m</td>
<td>R 5.00 m</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>S</td>
<td>50</td>
<td>R 15.00 m</td>
<td>R 2.50 m</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>VS</td>
<td>10</td>
<td>R 5.00 m</td>
<td>R 0.50 m</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>m</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
<td>5</td>
</tr>
<tr>
<td>Wholesale Trade, Commercial Agents and Allied Services</td>
<td>M</td>
<td>100</td>
<td>R 50.00 m</td>
<td>R 8.00 m</td>
<td>58</td>
</tr>
<tr>
<td></td>
<td>S</td>
<td>50</td>
<td>R 25.00 m</td>
<td>R 4.00 m</td>
<td>58</td>
</tr>
<tr>
<td></td>
<td>VS</td>
<td>10</td>
<td>R 5.00 m</td>
<td>R 0.50 m</td>
<td>58</td>
</tr>
<tr>
<td></td>
<td>m</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
<td>5</td>
</tr>
<tr>
<td>Catering, Accommodation and other Trade</td>
<td>M</td>
<td>100</td>
<td>R 10.00 m</td>
<td>R 2.00 m</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>S</td>
<td>50</td>
<td>R 5.00 m</td>
<td>R 1.00 m</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>VS</td>
<td>10</td>
<td>R 1.00 m</td>
<td>R 0.20 m</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>m</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
<td>5</td>
</tr>
<tr>
<td>Transport, Storage and Communications</td>
<td>M</td>
<td>100</td>
<td>R 20.00 m</td>
<td>R 5.00 m</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>S</td>
<td>50</td>
<td>R 10.00 m</td>
<td>R 2.50 m</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>VS</td>
<td>10</td>
<td>R 2.00 m</td>
<td>R 0.50 m</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>m</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
<td>5</td>
</tr>
<tr>
<td>Finance and Business Services</td>
<td>M</td>
<td>100</td>
<td>R 20.00 m</td>
<td>R 4.00 m</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>S</td>
<td>50</td>
<td>R 10.00 m</td>
<td>R 2.00 m</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>VS</td>
<td>10</td>
<td>R 2.00 m</td>
<td>R 0.40 m</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>m</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
<td>5</td>
</tr>
<tr>
<td>Community, Social and Personal Services</td>
<td>M</td>
<td>100</td>
<td>R 10.00 m</td>
<td>R 5.00 m</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>S</td>
<td>50</td>
<td>R 5.00 m</td>
<td>R 2.50 m</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>VS</td>
<td>10</td>
<td>R 1.00 m</td>
<td>R 0.50 m</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>m</td>
<td>5</td>
<td>R 0.15 m</td>
<td>R 0.10 m</td>
<td>5</td>
</tr>
</tbody>
</table>