

**TAKING LEGISLATURE TO THE PEOPLE (TLP) OVERSIGHT VISIT REPORT OF THE PORTFOLIO COMMITTEE ON EDUCATION; CULTURE, SPORT AND RECREATION IN GOVAN MBEKI LOCAL MUNICIPALITY ON 13 SEPTEMBER 2017**

**MSHINIWAMI ARTISAN DEVELOPMENT ACADEMY, HYDRA ARC  
DEPARTMENT OF EDUCATION AND MRTT**

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**1. INTRODUCTION**

Section 118 (1) (a) and (b) (i) of the Constitution of the Republic of South Africa empowers a provincial legislature to facilitate public access to and involvement in its oversight processes. The Mpumalanga Provincial Legislature conducted the Taking Legislature to the People (TLP) event at Govan Mbeki Local Municipality from 11 – 15 September 2017.

The Portfolio Committee on Education; Culture, Sport and Recreation (the Committee) has a mandate in terms of Rule 119 of the Rules and Orders of Mpumalanga Provincial Legislature to hold the Department of Education (the Department) accountable through various oversight mechanisms during the course of a financial year. As an entity responsible for skilling the youth, the Mpumalanga Regional Training Trust (MRTT) core mandate emanates from Outcome 5 of the Provincial Outcomes (a skilled and capable workforce to support an inclusive growth path).

During the TLP event, the Committee visited the Mshiniwami Artisan Academy Development at Hydra Arc in Secunda on 13 September 2017.

House resolutions emanating from this oversight visit report will be referred to the Department and the MRTT for implementation and report back to the Legislature.

**2. PURPOSE OF THE OVERSIGHT VISIT**

The purpose of the oversight visit conducted on 13 September 2017 was to verify and assess the progress made by the MRTT to date in implementing the funded artisan skills development programme at Hydra Arc on behalf of the provincial government.

### 3. METHOD OF WORK

The Committee issued invitations to the Department of Education, MRTT, Govan Mbeki Local Municipality, Hydra Arc management, Office of the Premier, Department of Economic Development and Tourism (DEDT), SASOL Secunda, Eskom Kusile and Kendal Power Stations, the Chemical Industries Education and Training Authority (CHIETA).

### 4. GENERAL OBSERVATIONS

The Committee observed the following:

- Hydra Arc as a leading provider of petro-chemical maintenance services and the Academy offers training programmes in welding; boiler making and pipe fitting. The Committee acknowledged that unemployed youth are benefitting as the Academy is functional and well-managed by Hydra Arc and MRTT.
- Artisan skills development has a pivotal role in eradicating poverty and unemployment, not only by creating jobs but by inspiring entrepreneurs.
- The Department and MRTT are overseeing Mshiniwami Artisan Development Academy (the Academy) at Hydra Arc on behalf of the Mpumalanga Provincial Government as per the Hon. Premier's pronouncement in his 2014 State of the Province Address to train 5 000 young people as skilled artisans over the five year period from 2015 – 2020.
- Due to non-availability of workplace opportunities in 2016, Hydra Arc proposed changes to the initial artisan programme and EXCO subsequently approved this request in December 2016. The target was then reduced to 2 100 but EXCO requested Hydra Arc to aim for 3000 learners and to invite the private sector to participate in the programme.
- One of the ways Hydra Arc intends to reach the 3 000 target is to introduce non-technical programmes in Safety and Quality Inspectors to reach about 2 500 learners.
- Since the inception of the Academy in the 4<sup>th</sup> quarter of the 2014/15 financial year a total of 1 323 learners have been recruited to date, from all municipalities around the Province.
- All the invited stakeholders attended the visit and made presentation; the Committee requested them to submit their presentations by 20 September 2017 but only Hydra Arc and SASOL complied. Follow ups will be made with the other stakeholders.

- After the interaction with all the stakeholders, a bus tour was arranged by Hydra Arc to transport the delegation to the Academy and workshop which is situated across the road.
- The MEC for Education submitted her apology as she was on leave, while the HOD was attending an EXCO meeting in Govan Mbeki Local Municipality.



The eye-catching art work on the outside of the massive Mshiniwami Artisan Academy workshop

## 5. BACKGROUND OF THE ACADEMY

Mshiniwami Artisan Development Academy was established in 2014 but opened its doors in January 2015. It was established at an estimated cost of R60 million as a public private partnership (PPP) between national government and the Hydra Arc Group, which consists of associated companies which operate primarily in the petro-chemical, construction, mining and power generation industries. The Hydra Arc Group is a world leader in the welding field, combining over 25 years of specialised experience with innovation and a willingness to embrace and develop new technologies.

Having recognised the global shortage of properly skilled and competent artisans, the Hydra Arc Group established a labour supply business, Jomele Training and Placements, which both recruits and trains artisans for placement within the Group and to its customers. Mshiniwami Artisan Development Academy is located within Jomele Training and Placements.

The artisan development programme commenced as follows:

- Recruitment campaign for the programme was launched in November-December 2014 focusing on Nkangala and Gert Sibande District as Phase 1;
- Recruitment was done with assistance of local municipalities, youth centres and NYDA;
- Entry requirements for the initial programmes were required to pass basic numeracy and literacy tests, medical examinations and practical assessments.



Learners during their practicals in the training workshop

### **Staff establishment**

The Academy has a Chief Operations Officer (principal). All practitioners of the various training programmes must be qualified artisans, with a qualification in facilitating and assessing. There are also employees who have disabilities; hence the buildings are adapted to their needs too.

### **Future development of the Academy**

The Academy plans to introduce non-technical skills development programmes (Safety Officer and Quality Control Inspector) which are crucial skills in industry and government.

## 6. INTERACTION WITH STAKEHOLDERS

### 6.1. Hydra Arc Management

Ms. Loren Clow, the Human Resources Manager at Hydra Arc outlined to the Committee the role of Hydra Arc and the progress on implementation of the project thus far.

*The following was noted from the Hydra Arc presentation:*

The Mshiniwami Training Academy is currently accredited as a training provider by CHIETA, inter alia, at the NQF 4 level in the welding, boiler making and pipe fitting trades as well as an apprenticeship training provider in welding and boiler making.

Programmes offered are skills programmes and Learnerships at the NQF 2 in the welding and boiler making (pipe fabrication) trades as per the relevant qualifications and unit standards pertaining to the same welding and boiler making apprenticeships, as well as Welding and boiler making apprenticeships. Since its inception in the last quarter of 2014/15 financial year (January – March 2015) a total of 1 323 learners were enrolled to date, from all municipalities around the Province, Out of the 1323 enrolled, 210 were terminated (found other work, ill-health, resigned or dismissed).

A total of 292 learners completed their first phase of institutional training (theory and practical) in April 2016 and were then engaged on a one year in service training contract with Hydra Arc on projects until April 2017.

The main challenge in the past was the non-availability of workplace placement opportunities which led to the 2016 strike, whereby learners from a security group raised allegations of Jomele Training and Placement was not accredited and that they (the learners) had not been enrolled at the CHIETA. Hydra Arc reported to the Committee that these allegations had been unfounded and true, as proof of Jomele's accreditation was provided to the media and the learners and they were provided with their CHIETA registration numbers and the earlier enrolled learners also received their CHIETA certificates.

Subsequently, a total of 130 learners from the security group were allocated to Eskom:

- **70 learners** to Kusile Power Station since 2016 and are still busy with their workplace in-service training (10 more still to be called by Eskom Kusile in order to meet their promised intake of 80 learners);

- **50 learners** are to be placed with different ESKOM power stations

Another important part of the changes to the artisan programme is the **conversion of artisan programmes** as follows:

- A **three year Apprenticeship programme for Welding and Boiler Making** (upon successful completion of learners must undergo a Trade Test towards achieving full artisan status)
- A **21 month Skills programme in Welding and Pipe Fabrications** (9 months theory and 12 months placement)
- An **18 month Quality Officer or Safety Inspector programme** (these are called critical scarce skills programmes or non-technical programmes).

**Hydra Arc has committed to permanently employ 90 learners from the 3 year Apprenticeship programme which commenced on 01 September 2017, once they have successfully undergone the Trade Test to comply with stringent industry standards.**

### **Total Current learners**

As of the end of August 2017 a total of 1 178 returning and new learners (693 males and 48 females) have been enrolled in the new programme as follows:

- 171 x welding apprenticeship programme (new and returning learners)
- 75 x boiler making apprenticeship returning learners
- 268 x welding skills programmes (new and returning learners)
- 373 x pipe fabrication skills programme (new and returning learners)
- 179 x international Safety Inspectors in Welding and Pipe Fabrication
- 112 x Quality Officers in welding and Pipe Fabrication

### **Challenges**

Hydra Arc reported that the number of trained returning learners decreased due to some learners not returning for various reasons. In addition, the remaining 10 learners of the 80 promised intake at ESKOM Kusile are still awaiting placement since promises made in October 2016 and they are constantly calling Hydra Arc regarding their placement at ESKOM. Furthermore, a number of learners have been dismissed for serious misconduct while corrective action was applied for minor misconduct whilst they remained in the programme.

## **6.2. Mpumalanga Regional Training Trust**

MRTT was represented by the Board Chairperson and a Member of the Board, as well as the CEO, the Planner and the Marketing Manager. Mr. R Oosthuizen, the CEO of MRTT outlined to the Committee the rollout of the provincial Artisan Development programme.

*The following was noted from the inputs by the CEO of MRTT:*

- At the beginning of the programme, there were some hiccups between MRTT and Hydra Arc, but these were subsequently addressed and now the Academy is making progress.
- Hydra Arc as a leading provider of petro-chemical maintenance services is partnering with MRTT by providing the infrastructure and management support for the programme. The role of MRTT is to coordinate the training programmes and student affairs.
- The National Youth Development Agency (NYDA) is supporting the programme and the Office of the Premier is also assisting with monitoring of the programme.

## **6.3. Trainees leadership**

The Committee was addressed by Mr. Prince Msiza as the trainees' leadership. He emphasized the gratitude of the trainees to be afforded the opportunity to be participating in the artisan development programme. However, there were challenges in terms of workplace experiential training and job placement which were raised. He also acknowledged the misconduct concerns as raised by Hydra Arc management, stating that a written submission would be made to the Committee as per its request. By the time the Committee considered its report on 04 October 2017 the written submission was not yet received.

## **6.4. SASOL**

The following was noted from the inputs made by Ms. Maureen Mboshane, the Vice-President for Public Affairs at SASOL Secunda:

- SASOL recognizes the training programme at Mshiniwami Training Academy; learners who have passed their competency tests (practical and theory assessments) are allowed to perform services on site at SASOL.
- Ms. Mboshane informed the Committee that SASOL currently does not have sufficient capacity to absorb trained artisans.

- SASOL has committed to work with the Gert Sibande TVET College with the aim of developing young entrepreneurs through local SMME's.
- The Committee requested a written submission on SASOL's role in the artisan development programme.

#### **6.5. Chemical Industries Education and Training Authority (CHIETA)**

The CHIETA, represented by the Grants Manager, Mr Ashvir Isseri, indicated their satisfaction with the implementation of the programme and the use of the funding. The Committee requested a written submission from the CHIETA in relation to their role in the Hydra Arc artisan development programme.

#### **6.6. ESKOM KUSILE and KENDAL Power Stations**

Mr. Mbie Munasi, Group Manager at ESKOM Kendal appreciated the opportunity to interact with the Committee and outlined their involvement in the artisan development programme at Hydra Arc. The Committee requested ESKOM to submit written submissions.

### **7. COMMENTS BY THE COMMITTEE**

**The Committee noted the following from the interaction with MRTT and Hydra Arc:**

- Hydra Arc assured the Committee that the Academy is fully accredited by the Chemical Industries Education and Training Authority (CHIETA) to offer the training courses;
- The CHIETA provides assessment and certification of the trainees, as well as funding;
- Hydra Arc absorbs some of the trained graduates into its various departments, where they assist in the training of learners. Some are involved in facilitation of courses, others in supervision of practicals and others in coaching the students;
- One of the main challenges for the Academy is effectively managing the exit processes (workplace experiential learning and job placement). The Committee engaged MRTT and Hydra Arc in a discussion on the placement strategy (Field Training). It was noted that placement of qualified, skilled artisans remains the biggest challenge in the process of skilling the youth of the Province.
- No impact is being made if the Province has trained but unemployed people.
- Lack of access to workplace opportunities ultimately leads to frustration amongst learners.



- g. The Committee reiterated that South Africa is not so much jobless as it is unskilled and indicated that qualified artisans can start SMME's and begin to employ people; they should not just settle to be job-seekers.

## 8. FINDINGS

After the deliberations and *in loco* inspection, the Committee made the following findings:

- 8.1. Mshiniwami Artisan Development Academy (the Academy) is functional and well-managed by MRTT and Hydra Arc in conjunction with the Chemical Industries Education and Training Authority (CHIETA).
- 8.2. Due to non-availability of workplace opportunities, EXCO resolved in December 2016 to reduce the initial target of 5 000 skilled artisans by the year 2020 to 3 000 artisans.
- 8.3. Hydra Arc has committed to permanently employ 90 learners from the new 3 year Welding Apprenticeship programme beginning from 01 September 2017, once they successfully undergo the Trade Test to comply with stringent industry standards.
- 8.4. MRTT is implementing a Placement Strategy and has made progress to date in terms of securing workplace experiential training for qualified trainees; however, there is still room for improvement.
- 8.5. The recruitment of trainees for the artisan development programme at Hydra Arc was not done properly, as some of the enrolled learners do not display the necessary disposition or passion for the artisan sector.
- 8.6. ESKOM Kusile reportedly committed to take in 80 learners from Hydra Arc on workplace training but only 70 learners were allocated by the time of the Committee's visit.
- 8.7. The CHIETA reported that it has improved the turnaround time in relation to finalization of the certification processes for qualified learners.
- 8.8. Hydra Arc reported that a number of learners were dismissed due to serious misconduct and others were disciplined for minor misconduct.

## **9. RECOMMENDATIONS**

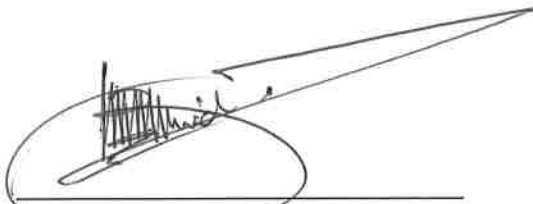
In light of the above findings, the Committee recommended that MRTT must implement the following and provide a progress report **by 30 November 2017**:

- 9.1. Provide the Committee with quarterly progress reports on the Mshiniwami Artisan Development Academy at Hydra Arc on all aspects of its functionality, including challenges encountered and the relevant interventions implemented.
- 9.2. Strengthen the monitoring processes in place to ensure that the revised target of 3 000 skilled artisans as approved by EXCO is achieved by 2020; this includes increased participation by private sector and intensified engagement of all spheres of government.
- 9.3. Update the Committee on a quarterly basis in relation to Hydra Arc's commitment to permanently employ 90 learners within the new three year Welding Apprenticeship programme which began on 01 September 2017.
- 9.4. Strengthen the implementation and monitoring of the Placement Strategy, whilst ensuring that all exit processes are in place.
- 9.5. Review the recruitment criteria (in consultation with the relevant stakeholders involved in recruitment) for learners into the artisan development programme at Hydra Arc and ensure that enrolled trainees have the appropriate disposition and passion for the sector.
- 9.6. ESKOM Kusile must ensure that the remaining 10 learners from Hydra Arc artisan development programme are allocated urgently.
- 9.7. The CHIETA must ensure ongoing effective monitoring of the certification process. Provide a progress report on the efficiency of these processes.
- 9.8. The trainees must adopt a code of conduct and they adhere to it; their behaviour must reflect gratitude for such an opportunity afforded to them by government.

**The Chairperson requests the House to adopt this Committee report with its findings and recommendations. The Department is expected to ensure that the House Resolutions contained in this Committee report are implemented and that a progress report is submitted to the Legislature by 30 November 2017.**

## 10. CONCLUSION

The Chairperson of the Committee would like to thank the Honourable Members of the Committee for their active participation during the oversight visit to Mshiniwami Artisan Academy at Hydra Arc. The Committee appreciated the co-operation and assistance of the Department of Education, MRTT and Hydra Arc Management. All other stakeholders that responded to the Committee's invitation were also appreciated for their inputs. The Committee also acknowledges the support staff for their assistance.



**HON. VV WINDVOËL**  
**CHAIRPERSON: PORTFOLIO COMMITTEE ON**  
**EDUCATION; CULTURE, SPORT AND RECREATION**

13/10/2017  
**DATE**