



**DEPARTMENT: PUBLIC SERVICE AND ADMINISTRATION  
REPUBLIC OF SOUTH AFRICA**

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**TO ALL HEADS OF NATIONAL/PROVINCIAL DEPARTMENTS AND PROVINCIAL  
ADMINISTRATIONS**

**IMPLEMENTATION OF THE SCARCE SKILLS FRAMEWORK**

1. The Scarce Skills Framework (SSF) was introduced in terms of the multi-term agreement (PSCBC Resolution 2 of 2004) and provides, among other things, for the payment of scarce skills allowances to personnel employed in occupational categories that departments have designated as scarce.
2. The framework provides Executive Authorities with an opportunity to identify scarce skills occupations and develop and implement integrated strategies to facilitate the recruitment, retention and continuous development of scarce skills. To this end, Executing Authorities are provided with specific criteria to use in the process in identifying and designating occupational groups or sub-categories thereof as scarce skills.
3. To facilitate the implementation thereof, the DPSA communiqué (Circular 1 of 2004) sent to all departments highlighted that-

before departmental/provincial strategies could be implemented, departments should ensure that they obtain the joint concurrence of the Ministers for Public Service and Administration and Finance;

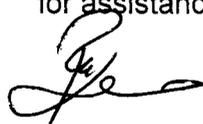
- scarce skills allowances may only be paid to employees in full-time employment on the approved establishment or additional to the establishment thereby excluding those appointed on a 5/8th or 6/8th basis;

executive authorities must review their departmental strategies every 24 months;

the payment of scarce skills allowances to personnel employed in designated occupations/sub-categories thereof will only take effect from the date determined by the Minister for Public Service and Administration in consultation with the Minister of Finance;

- the implementation of the scarce skills framework does not nullify scarce skills strategies or agreements on scarce skills allowances concluded at sectoral/departmental/provincial level in the Public Service; and
  - departments must submit their proposed strategies/policies on or before end March 2005 for consideration with a view to facilitate payment of relevant allowances effective from 1 July 2005.
4. As part of the implementation programme, the DPSA conducted a road show during May 2005 to sensitise departments and provide baseline information to facilitate the development of requisite strategies/policies. However, the majority of departments alleged during the workshops that they had not seen or read the Scarce Skills Framework (SSF).
  5. The assumption made in this regard is that the above-mentioned communiqué (Circular 1 of 2004) could have been clouded by the implementation of the cost of living adjustments and other issues, as it was part of the package for the implementation of PSCBC Resolution 2 of 2004.
  6. From the feedback received from departments during the above-mentioned roadshow/workshops, it should be indicated that:
    - a) the implementation of the SSF and the subsequent payment of the scarce skills allowance is acknowledged as a viable short term intervention that enables departments to begin the process of identifying occupations that are to be regarded as department-specific scarce skills.
    - b) there is consensus on the need to introduce the payment of the scarce skills allowances parallel to other interventions that are aimed at improvements in the physical work environment, working conditions that include the review of organisational culture and the impact of management styles, training and development programmes and processes aimed at influencing the supply side of the scarce skills further.
    - c) Departments have been experiencing varied degrees of difficulty in understanding the SSF where for some there is a perception that all management positions are critical and therefore should be designated as scarce skills considering the high turnover rates;
    - d) Departments believe that the process to identify scarce skills occupations includes negotiations with organised labour though the communiqué (Circular 1 of 2004) to departments stipulated that it should only be a consultative process.
    - e) In the case of scarce skills occupations of a transverse nature there is reluctance from departments to embark on a co-ordinated approach based on the previous experience with the unwillingness of some departments to participate in such processes.
    - f) Departments find it difficult to develop holistic strategies that include a need to influence programmes of institutions of higher learning in respect of specific skills they require for service delivery. This derives from the gaps they have identified between the theoretical programmes that potential candidates receive during their stay in these institutions and the reality when they have to apply acquired knowledge in the workplace.

8. Considering the potential negative impact of non-implementation of the scarce skills framework on the state's capacity to deliver, and to effectively respond to the above-mentioned challenges faced by departments, the DPSA will embark on a concerted communication and implementation strategy. In this regard, the DPSA will drive a co-ordinated process for such occupations as engineers (civil, electrical and others), land surveyors, scientists, hydrologists, foresters, professional groups in the agriculture sector and certain groups of technicians from the centre.
9. For this purpose, the DPSA has planned two-day national workshops during November 2005 with the following cluster groupings-
  - National and provincial departments of agriculture, environmental affairs and tourism and national Departments of Water Affairs and Forestry and Land Affairs on 7 and 8 November 2005;
  - National and provincial departments of public works, transport, and housing on 10 and 11 November 2005;
  - National and provincial departments of health and social development on 22 and 23 November 2005;
  - Departments with multi-lateral interests like the Departments of Minerals and Energy, Trade and Industry, Public Enterprise, Science and Technology, Foreign Affairs, Defence, and Arts and Culture on 28 and 29 November 2005; and
  - Departments of Justice, Safety and Security, Correctional Services and Home Affairs on 30 November 2005 and 1 December 2005.
10. Departments are requested to prepare presentations on occupations to be designated as scarce, which would provide a basis for focussed discussions that will lead to proposals or resolutions that may give direction on the way forward.
11. The venue and other logistical arrangements for the above-mentioned workshops will be forwarded to departments in due course. Departments are also requested to confirm their availability for the workshops and to provide feedback by latest 31 October 2005 on their programme of action, problems experienced and their intentions regarding the implementation of a scarce skills strategy for their respective departments or administrations.
12. Should any further clarity be required, departments are invited to contact Messieurs E Harris and B Bosman of the Remuneration Policy Unit in the DPSA for assistance at telephone numbers (012) 314-7520/7255.



**DIRECTOR-GENERAL**

DATE: 20/10/05



**MINISTRY: PUBLIC SERVICE AND ADMINISTRATION  
REPUBLIC OF SOUTH AFRICA**

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**TO ALL MINISTERS/PREMIERS/ MEMBERS OF EXECUTIVE COUNCILS**

Dear Colleague

**IMPLEMENTATION OF THE SCARCE SKILLS FRAMEWORK**

As you are aware, the State as the employer and parties to the PSCBC concluded an agreement (as part of the multi-term agreement - PSCBC Resolution 2 of 2004), which, among other things, provides for the payment of scarce skills allowances to personnel employed in occupational categories that departments have designated as scarce.

The framework provides Executive Authorities with an opportunity to identify scarce skills occupations and develop and implement integrated strategies to facilitate the recruitment, retention and continuous development of scarce skills. To this end, Executing Authorities are provided with specific criteria to use in the process in identifying and designating occupational groups or sub-categories thereof as scarce skills.

To facilitate the implementation thereof, the DPSA communiqué (Circular 1 of 2004) sent to all departments highlighted that-

before departmental/provincial strategies could be implemented, departments should ensure that they obtain the joint concurrence of the Ministers for Public Service and Administration and Finance;

scarce skills allowances may only be paid to employees in full-time employment on the approved establishment or additional to the establishment thereby excluding those appointed on a 5/8th or 6/8th basis;

- executive authorities must review their departmental strategies every 24 months;

the payment of scarce skills allowances to personnel employed in designated occupations/sub-categories thereof will only take effect from the date determined by the Minister for Public Service and Administration in consultation with the Minister of Finance;

the implementation of the scarce skills framework does not nullify scarce skills strategies or agreements on scarce skills allowances concluded at sectoral/departmental/provincial level in the Public Service; and

- departments must submit their proposed strategies/policies on or before end March 2005 for consideration with a view to facilitate payment of relevant allowances effective from 1 July 2005.

Notwithstanding the above, the response from departments has been slow. As part of the implementation strategy, the Department of Public Service and Administration (DPSA) conducted a roadshow during May 2005 to sensitise departments and provide baseline information to facilitate the development of requisite strategies/policies. However, the majority of departments alleged during the workshops that they have not seen or read the Scarce Skills Framework (SSF). The assumption made in this regard is that the communiqué (Circular 1 of 2004) could have been clouded by the implementation of the cost of living adjustments and other issues, as it was part of the package for the implementation of PSCBC Resolution 2 of 2004.

Considering the potential negative impact of non-implementation of the scarce skills framework on the state's capacity to deliver, and to effectively respond to the challenges faced by departments, the DPSA will embark on a concerted communication and implementation strategy, which includes conducting a number of two-day national sector-specific workshops during November 2005. In this regard, the DPSA has sent letters to all heads of national/provincial departments highlighting the impact of the non-implementation of the SSF and to request feedback not later than 31 October 2005 on their programme of action, problems experienced and their intentions regarding the implementation of a scarce skills strategy for their respective departments or administrations.

If your department needs further information on any aspect regarding the implementation of the Scarce Skills Framework, your officials are welcome to contact the Remuneration Policy Unit in the DPSA at telephone numbers (012) 314-7520/7255.

Kind regards,

  
MS G. J. FRASER-MOLEKETI  
MINISTER  
DATE: 20/10/05