

ANNUAL PERFORMANCE PLAN

2021/2022



LEADERS IN CLOSING THE SKILLS GAP

Accounting Authority Statement

The development of the 2021/22 Annual Performance Plan (APP) comes at a time when the country is facing significant economic and social challenges such as a looming economic recession, increasing unemployment and inequality. This has been exacerbated by the COVID-19 pandemic which has plunged the global economy into a severe contraction which is expected to shrink by 5.2% (World Bank, 2020). The Manufacturing, Engineering and Related Services (mer) sector is one of the many sectors that has been affected by the economic contraction as a result of the COVID-19 pandemic. The 2021/22 APP therefore takes into cognisance the local and global political, social, economic and technological context.

Despite the challenges that the mer sector is facing as a result of the looming recession, deindustrialisation and the COVID-19 pandemic, there are opportunities presented to accelerate the implementation of national priorities such as economic transformation, localisation and reindustrialisation. These are instrumental in accelerating the recovery and growth of the economy. This also calls for the need for various stakeholders to work together in ensuring the successful implementation of initiatives aimed at stimulating growth and finding sustainable solutions to South Africa's perennial unemployment challenges that have increased poverty and inequality. The merSETA is also committed to support South Africa's economic reconstruction and recovery plan announced by the President of South Africa on the 15th of October 2020.

In order to overcome some of these challenges, the merSETA has proposed skills priority actions that build on its previous successes, and strategically align with the trajectory of industry and national priorities. Given the context in which the mer sector operates, merSETA operations will focus on these clearly articulated imperatives, including:

- Supporting structural economic transformation and the inclusive growth agenda through skills to support; reindustrialisation, localisation, manufacturing diversification, black industrialists, women in manufacturing, youth, SMEs, cooperatives and other entrepreneurship activities
- Jobs and occupations of the future, mapping opportunities for the merSETA labour force in the emerging and new economy

- Advances in education, training and curriculum in line with new technologies and skills drivers
- Strengthening the role of the SETA as an intermediary body to facilitate the transformation and responsiveness of the skills development ecosystem

Finally, in order to achieve the envisioned outputs contained in this Annual Performance Plan, the merSETA must put in place internal mechanisms and systems to advance the SETA's vision of becoming a leader in skills development. The merSETA envisions itself as a professional and capable organisation grounded in ethical leadership, best practice governance and management, appropriate competencies (staff, governance structures, implementing partners and stakeholders), and good employee experience. This is supported by policies, systems, processes and fair remuneration, as well as performance-based impact delivery of products and services, and best practice consequence management. Key among some of the internal systems that the SETA will strengthen are (i) research and innovation systems, (ii) data management and governance systems, (iii) strengthened monitoring and evaluation system, (iv) partnerships, learning networks and collaboration systems and (v) strengthened governance, administrative and resourcing systems.

Signature:



.....

Kate Moloto (Ms)

Chairperson of the Accounting Authority (merSETA)

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan was developed by the management of the Manufacturing and Engineering Related Services Sector Education and Training Authority (merSETA) under the guidance of the Accounting Authority, and takes into account all the relevant policies, legislation and other mandates that govern the merSETA responsibilities, and accurately reflects the Impact, Outcomes and Outputs which the Manufacturing, Engineering and Related Services Sector Education and Training Authority will endeavour to achieve over the period 2021/22.

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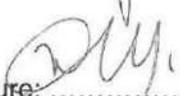
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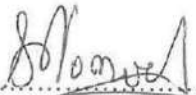
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ACRONYMS

AA	Accounting Authority
AAP	Audited Actual Performance
ABET	Adult Basic Education and Training
AGSA	Auditor General of South Africa
AET	Adult Education and Training
AI	Artificial Intelligence
APP	Annual Performance Plan
AQP	Assessment Quality Partner
ARPL	Artisan Recognition of Prior Learning
ATR	Average True Range
B-BBEE	Broad-Based Black Economic Empowerment
BER	Bureau of Economic Research
BRICS	Brazil, Russia, India, China, South Africa
CBO	Community Based Organisation
CBQ	Cost Benefit Quality
CEO	Chief Executive Officer
CET	Community Education Training
CFO	Chief Financial Officer
COO	Chief Operations Officer
CoS	Centres of Specialisation
CETEMF	Capital Equipment, Transport Equipment, Metal Fabrication
CHE	Council for Higher Education
COMET	Competence Measurement in Education and Training
CSIR	Council for Scientific and Industrial Research
DG	Discretionary Grants
DBE	Department of Basic Education
DHET	Department of Higher Education and Training
DPME	Department of Performance Monitoring and Evaluation
DQP	Development Quality Partner
DSAP	Dual System Apprenticeship Programme
DTI	Department of Trade and Industry
ECM	Enterprise Content Management
EEA	Employment Equity Act
EE	Employment Equity
ETQA	Education and Training Quality Assurance
FET	Further Education and Training
FLC	Foundation Learning Certificate
FMCG	Fast Moving Consumer Goods
GDP	Gross Domestic Product
GET	General Education and Training
GWM&E	Government-Wide Monitoring and Evaluation
HEI(s)	Higher Education Institutions
HEMIS	Higher Education Management Information System
HET	Higher Education and Training
HO	Head Office
HR	Human Resources
HRM	Human Resource Management
HSRC	Human Sciences Research Council
ICT	Information and Communication Technology

ID	Identity Document
IDZs	Industrial Development Zones
IPAA	Intellectual Property Amendment Act
IPAP	Industrial Policy Action Plan
IRD	Innovation Research and Development
ISO	International Organisation for Standardisation
KM	Knowledge Management
LMI	Labour Market Intelligence
LMIP	Labour Market Intelligence Partnerships
M&E	Monitoring and Evaluation
MANCO	Management Committee
mer-sector(s)	Manufacturing, Engineering and Related sector(s)
merSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MIS	Management Information Systems
MoA	Memorandum of Agreement
MTEF	Medium Term Expenditure Framework
NAMB	National Artisan Moderation Body
NEMA	National Environmental Management Act
NCPC-SA	National Cleaner Production Centre of South Africa
NDP	National Development Plan
NGOs	Non-Government Organisations
NLPE	None-Levy Paying Enterprises
NPO	Non-Profit Organisation
NQF	National Qualifications Framework
NSDMS	National Skills Development Management System
NSDP	National Skills Development Plan
OFO	Organising Framework for Occupations
PDP	Public Driver Permit
PESTEL	Political, Economic, Social, Technological, Environmental and Legal
PFMA	Public Finance Management Act
PIVOTAL	Professional, Vocational, Technical and Academic Learning
PMIS	Programme and the Manufacturing Investment Scheme
POPIA	Protection of Personal Information Act
PSET	Post-School Education and Training
PWD	People with Disabilities
QCTO	Quality Council for Trades and Occupations
QMS	Quality Management Systems
RMB	Rand Merchant Bank
SA	South Africa
SETA	Sector Education and Training Authority
SME	Small and Medium Enterprises
SWOT	Strengths, Weaknesses, Opportunities and Threats
TVET	Technical and Vocational Education and Training
WIL	Workplace Integrated Learning
WP-PSET	White Paper for Post-School Education and Training
4IR	Fourth Industrial Revolution

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PART A: OUR MANDATE

1 Updates to the relevant legislative and policy mandates

1.1 Constitutional mandate

The Constitution of the Republic of South Africa provides the enabling framework for the establishment and operations of Sector Education and Training Authorities (SETAs). Section 22 of the Constitution states that every citizen has the right to choose their trade, occupation or profession freely. Section 29 (b) also states that everyone has the right to further education, which the state, through reasonable measures, must make progressively available and accessible.

1.2

Legislative and policy mandates

1.2.1 The legislative frameworks

The merSETA is a schedule 3a public entity, governed by the *Public Finance Management Act No. 1 of 1999 (as amended)*. The entity's mandate is derived from the *Skills Development Act No. 97 of 1998* and its subsequent amendments. Its responsibilities include the following:

- i. *Develop a Sector Skills Plan (SSP) within the framework of the National Skills Development Strategy (NSDS).*
- ii. *Establish and promote learnerships through:*
 - *Identifying the need for a learnership*
 - *Developing and registering learnerships*
 - *Identifying workplaces for practical work experience*
 - *Supporting the development of learning materials*
 - *Improving the facilitation of learning, and*
 - *Assisting in the conclusion and registration of learnership agreements*
- iii. *Collect and disburse the skills development levies in its sector; approve workplace skills plans and allocate grants in the prescribed manner to employers, education and training providers and workers*
- iv. *Fulfil the functions of an ETQA, as delegated by the QCTO*
- v. *Monitoring education and training in the sector*

Some of the legislation that informs the merSETA mandate are as follows:

- *Public Finance Management Act No. 1 of 1999 as amended (PFMA)*
- *Treasury Regulations issued in terms of the Public Finance Management Act (Treasury Regulations) of 2005*
- *Directive: Public Finance Management Act under GN647 of 27 May 2007*
- *Public Audit Act No.25 of 2004*
- *Public Audit Amendment Act No. 5 of 2018*
- *Skills Development Act No. 97 of 1998*
- *Skills Development Levies Act No. 9 of 1999*
- *Sector Education and Training Authorities (SETA) Grant Regulations regarding monies received by the SETA and related matters ("Grant Regulations") under Notice 35940 of 3 December 2012*
- *Service Level Agreement Regulations under regulation number No. R716 of 18 July 2005*
- *Government Gazette No. 42589, re-establishment of SETAs from 1 April 2020 to 31 March 2030, within the New SETA landscape*
- *Approval of the Constitution for the Manufacturing, Engineering and Related Services Sector Education and Training Authority (merSETA) as contemplated in Section 13 (1) of the Skills Development Amendments Act No. 26 of 2011 and Standard Constitution of the Sector Education and Training Authority (merSETA Constitution)*
- *Promotion of Access to Information Act No. 2 of 2000*
- *Promotion of Administrative Justice Act No. 3 of 2000*
- *Employment Equity Act No. 55 of 1998*
- *Labour Relations Act No. 66 of 1995*
- *Basic Conditions of Employment Act No. 75 of 1997*
- *Occupational Health and Safety Act No. 85 of 1993 and*
- *Applicable tax laws*

1.2.2 The policy environment

The policy environment which informs the merSETA mandate is the following:

- *National Development Plan*
- *White Paper for Post-School Education and Training (WP-PSET)(2014)*
- *Human Resource Development Strategy for South Africa (2015)*
- *National Skills Development Plan*
- *New Growth Path*
- *Industrial Policy Action Plan (2018/19 – 2020/21)*
- *Medium-Term Strategic Framework (2019 -2024)*

2 Updates to institutional policies and strategies

The merSETA Annual Performance Plan takes into consideration sectoral priorities, national priorities, strategies, and policies. The following are some of the key national policies and strategies central to the work of the merSETA.

National Development Plan (NDP)

The NDP aims to eliminate poverty and inequality by 2030. The merSETA has a significant role to play in contributing to the priorities set in the NDP. This strategic plan considers the need to contribute to these priorities. Three priorities that stand out include the following:

- (i) Raising employment through faster economic growth
- (ii) Improving the quality of education, skills development and innovation
- (iii) Building the capability of the state to play a developmental and transformational role

The National Skills Development Plan (NSDP)

The aim of the NSDP is to ensure that South Africa has adequate, appropriate, and high-quality skills that contribute towards economic growth, employment creation, and social development. The NSDP is one of the key policies that will inform the work of the merSETA until 2030, and has been crafted within the policy context of the National Development Plan, and White Paper on Post School Education and Training (WP-PSET). The merSETA will focus on addressing the eight NSDP outcomes highlighted

in Table 1. The eight outcomes are mapped to the merSETA strategic outcomes for the period 2020/21 – 2024/25.

Table 1: NSDP Outcomes

National Skills Development Plan Outcomes	merSETA Outcomes
Outcome 1: Identify and increase production of occupations in high demand.	Outcome 4: Skills for a transformed South African merSETA sector in engineering and manufacturing industries, to support EE demographics transformation, changing business models of production and technology, and transformation for the diversification of ownership, control, and management. Outcome 5: A skilled, agile and flexible current and future workforce for emerging and future occupations and employment opportunities, within the merSETA sector engineering and manufacturing industries, and related labour market.
Outcome 2: Linking education and the workplace.	Outcome 3: PSET education, training and skills development public institutions responsive to the changing occupations, and skills demand required for the merSETA sector engineering and manufacturing industries, and related labour market.
Outcome 3: Improving the level of skills in the South African workforce.	Outcome 4: Skills for a transformed South African merSETA sector in engineering and manufacturing industries, to support EE demographics transformation, changing business models of production and technology, and transformation for the diversification of ownership, control, and management. Outcome 5: A skilled, agile and flexible current and future workforce for emerging and future occupations and employment opportunities, within the merSETA sector engineering and manufacturing industries, and related labour market.
Outcome 4: Increase access to occupationally directed programmes.	Outcome 4: Skills for a transformed South African merSETA sector in engineering and manufacturing industries to support EE demographics transformation, changing business models of production and technology, and transformation for the diversification of ownership, control, and management. Outcome 5: A skilled, agile and flexible current and future workforce for emerging and future occupations and employment opportunities, within the merSETA sector engineering and manufacturing industries, and related labour market.
Outcome 5: Support the growth of the public college system.	Outcome 3: PSET education, training and skills development public institutions responsive to the changing occupations and skills demand required for the merSETA sector engineering and manufacturing industries, and related labour market.
Outcome 6: Skills development support for entrepreneurship and cooperative development.	Outcome 2: Skills for productive enterprises within the social economy, to support integration into the merSETA sector engineering and industry value chains.
Outcome 7: Encourage and support worker-initiated training - driven by critical networks of employee representatives and unions officials.	Outcome 4: Skills for a transformed South African merSETA sector in engineering and manufacturing industries, to support EE demographics transformation, changing business models of production and technology, and transformation for the diversification of ownership, control, and management. Outcome 5: A skilled, agile and flexible current and future workforce for emerging and future occupations and employment opportunities, within the merSETA sector engineering and manufacturing industries, and related labour market.
Outcome 8: Support career development services.	Outcome 5: A skilled, agile and flexible current and future workforce for emerging and future occupations and employment opportunities, within the merSETA sector engineering and manufacturing industries, and related labour market.

Industrial Policy Action Plan (IPAP)

The Industrial Policy Action Plan (IPAP) is firmly entrenched in government's overall policy and plans to address the key challenges of economic and industrial growth, and race-based poverty, inequality and unemployment. The focus of the merSETA will therefore be to develop and implement skills development initiatives that promote industrial growth and structural transformation of the manufacturing economy, particularly in relation to control, ownership and management.

IPAP identifies **master plans** for the priority sectors as pivotal in stimulating growth in those priority sectors. Some of the priority sectors identified are within the merSETA scope of coverage. The sector master plans relevant to the merSETA are briefly discussed below:

The Automotive master plan – The vision of the automotive master plan is to support the development of “a globally competitive and transformed industry that actively contributes to the sustainable development of South Africa’s productive economy, creating prosperity for industry stakeholders and broader society”. The key development objectives developed to achieve this vision include:

- (i) Growing South African vehicle production to 1% of global output
- (ii) Increasing local content in South African assembled vehicles to up to 60%
- (iii) Doubling total employment in the automotive value chain
- (iv) Improving automotive industry competitiveness levels to that of leading international competitors
- (v) Transformation of the South African automotive industry through the employment of black South Africans, upskilling of black employees, empowerment of dealerships and authorised repair facilities, and substantially increasing the contribution of black-owned automotive component manufacturers within the automotive supply chain
- (vi) Deepening value addition within South African automotive value chains

Metals and engineering sector master plan - The master plan is in the process of being developed and is expected to play a key role in unlocking the growth opportunities for the metal and engineering sector which is facing challenges due to

rising input costs, lack of demand and stiff competition. The metals and engineering industry is expected to benefit from the automotive master plan objective to increase local content to 60%.

Plastics sector master plan - The vision for the plastics industry adopted in the draft master plan is to be “a proactively adapted industry that is able to fully supply the growing and forever changing needs of the local and export markets; an industry that is able to create jobs, advance transformation and economic inclusion; and sustainably industrialises in an environmentally responsible manner”.

To support this vision three objectives have been identified in the draft master plan namely:

- (i) Reducing the trade deficit to less than 10% of the total value of the industry by 2035
- (ii) Maintaining or improving the tons per employee which equates to 30 tons per formal job in 2018, and finally
- (iii) To reduce the visible amount of plastics litter in the environment and to increase recycling rates to 60%.

Supporting localisation, entrepreneurship, small and medium enterprises (SMEs) and the growth of the local manufacturing sector will remain a key focus of the merSETA. The merSETA will also play a central role in supporting the Black Industrialist Programme, as well as putting in place interventions to gear up and respond to challenges and opportunities presented by the digitalisation of manufacturing, engineering and related industries in the age of the Fourth Industrial Revolution.

These key policies and strategies draw focus to the following key issues to which the merSETA needs to respond through various interventions.

Supporting economic transformation and the inclusive growth agenda through skills to support; reindustrialisation, localisation, manufacturing diversification, black industrialists, women in manufacturing, youths, SMEs, cooperatives and entrepreneurship.

Reindustrialisation has been as key in stimulating the growth of the economy. The COVID-19 pandemic has once more proven the critical role manufacturing plays in sustaining an economy. Opportunities have been created to diversify the South African manufacturing base to support local demand while at the same time creating opportunities for international markets during the COVID-19 crisis through global manufacturing value chains. Initial findings from the merSETA economic complexity research have pointed out that manufacturing diversification is one of the key strategies that South Africa can adopt in its reindustrialisation. As the economy becomes complex in terms of product diversification job opportunities are created which require skills development interventions to prepare the current and future workforce to take up the opportunities created. From the research conducted, the components manufacturing sector and other related sectors that have well-established local and global manufacturing value chains have great potential to assist South Africa with its reindustrialisation efforts.

The combination of stagnant growth and rising unemployment means that South Africa's economic trajectory is unsustainable (National Treasury, 2019). This has been worsened by the COVID-19 pandemic that has plunged the economy into a recession. Government has implemented strategies for promoting economic transformation, supporting labour-intensive growth while creating a globally competitive economy through supporting black industrialists, SMEs, cooperatives, entrepreneurs, and other forms of businesses. The effective implementation of these strategies will require that SETAs partner with other role players in developing and implementing relevant skills development initiatives to support the growth and development of black industrialists, women in manufacturing and other forms of business. The need for support through an ecosystem of a range of support mechanisms besides skills only is linked to promoting the role of the social economy in the inclusive growth agenda.

A looming recession as a result of the economic meltdown caused by the COVID-19 pandemic will have a far-reaching impact in the economy and society. This coupled with deindustrialisation will result in massive job losses in the sector. Skills development initiatives to support the creation of economic opportunities and

sustainable livelihood for the youth, women, and people living with disabilities, township, rural and marginalised communities are therefore required. The merSETA has taken a decision to prioritise the funding of projects that address the needs of the social economy and community development. The merSETA should also consider broadening access through locally based education and training social change entities (e.g. training CBO/NGOs). Innovative ways of supporting rural provincial/regional beneficiaries through partnerships with government and other entities should also be considered.

Jobs and occupations of the future, mapping opportunities for workers in the emerging and new economy

Disruptions in the labour market as a result of changes brought by advances in manufacturing in the Fourth Industrial Revolution (4IR), the looming global recession as result of the global COVID-19 pandemic and the growth of the gig economy require that South Africa re-evaluates the notion of jobs and occupations. New jobs and occupations are expected to emerge in the new economy driven by localisation, economic patriotism, a strengthened informal sector and infrastructure development and maintenance. SETAs, as facilitators of skills development, need to be at the forefront of identifying these changes so as to prepare the labour market.

Advances in education, training and curricula driven by technology, innovation, the future of work regulation, local and global trends requires that the SETA and its skills development partners looks into innovative ways of ensuring that they continue to deliver programmes that are relevant and responsive to the sector's needs. The global COVID-19 pandemic has redefined the world of work, education, and training. SETAs and other players in the skills development ecosystem cannot be oblivious of that fact. Some of the rapid changes also require a responsive regulatory framework. This therefore requires changes in policy and regulation to create an enabling environment for innovation in training, education, and curriculum. The SETA therefore needs to position itself as an influencer of policy to respond effectively to these developments.

Strengthening the role of the SETA as an intermediary body to facilitate the transformation and responsiveness of the skills development ecosystem

SETAs as intermediary bodies are uniquely positioned to drive change in the skills development ecosystem. Various researches conducted by merSETA and engagement with merSETA stakeholders have identified challenges and opportunities for improvement in the skills development value chain and system. Funding of initiatives aimed at driving the transformation or innovation in the skills development ecosystem to improve efficiencies will therefore need to be encouraged and supported. The SETA should partner with other leaders and innovators in civil society, government and HEIs to lead change in key areas such as digital transformation and other reforms.

To summarise, the key strategic issues facing the merSETA and its sector relate to:

- Addressing strategic skills development challenges to drive employment (including self-employment) and economic growth.
- Supporting structural transformation of the national economy (ownership, composition, management, and control).
- Responding to the digital driven Fourth Industrial Revolution (digitalisation of manufacturing, engineering, and related industries), future skills and changing occupations.
- Promoting inclusive growth (economic growth that is distributed fairly across society and creates opportunities for all).
- Supporting the social economy to address poverty and unemployment.
- Making opportunities available to People with Disabilities (PWD)
- Supporting the Circular, Green and Blue economies for sustainability.
- Supporting rural development for meaningful participation in the economy.
- Promoting youth development through creating opportunities for sustainable employment and entrepreneurship.
- Addressing demographic transformation, linked to employment equity within the merSETA sector labour market.

Overall, in line with its mandate, the merSETA must facilitate skills development to meet the needs of the mer sector under the conditions as described above. Its actions must reflect the development of skills for promoting growth and diversification of the local manufacturing sector, structural economic transformation, the social economy, sustainability (circular, green, and blue economies) and advanced manufacturing. This requires innovation not only with respect to adaptation of current and future workers and their skills, but also of the mode of delivery for upskilling, reskilling and offering on-the-job training. As such, delivery of education and training should also offer a mix of methods accessible to new labour market entrants, future workers as well as the current work force. Futuristic curricula must be developed in time to meet the demands of the future. With this in mind, there is an emphasis on science, engineering and technology, increasing digital fluency and using technology to solve complex problems, as well as offering career advice and support in aid of lifelong learning and career advancement.

Presidential Job Summit outcomes (2018)

The merSETA is committed to supporting the outcomes of the Presidential Job Summit aimed at identifying solutions for job retention and addressing job creation blockages to stimulate greater participation in the economy. The merSETA has committed to increasing access to training opportunities for the youth through supporting Community Education and Training (CET) and Technical and Vocational Education and Training (TVET) colleges. Supporting small businesses and entrepreneurship is also central in supporting the outcomes of the Presidential Job Summit.

Green paper on the social economy (2019)

The South African government recognises that the social economy has the potential to stimulate economic activity while fostering greater social cohesion, inclusion, and solidarity. The social economy is defined as “a people-centred approach to economic development based on the principles of sustainable economic activity that stimulates socially and environmentally responsible growth by leveraging and simultaneously building solidarity and social inclusion” (Department of Economic Development, 2019:4). Four areas have been identified as pivotal in supporting the social economy namely:

- **Legal and regulatory environment** that will stimulate activities in the social economy and reduce barriers to start up and grow social economic entities
- **Financial inclusion** by promoting access to finance for the social economy
- **Access to markets** to enable the social economy to participate in the broader economy
- **New economies** – putting in place measures and policies to enable the Social Economy to benefit from the 4IR and at the same time promoting employment creation as a response to potential job losses because of the introduction of 4IR technologies.

SETAs have a critical role to play in enabling players in the social economy to meaningfully participate in the new economy through relevant skills interventions. The four priority areas also call for an eco-systematic approach to supporting the social economy. Various role players need to work together in supporting the social economy. For example, funding partners, policy makers, SETAs and industry need to work together in building the capacity of players in the social economy to participate in the new economy.

Economic transformation, inclusive growth, and competitiveness: Towards an Economic Strategy for South Africa (2019)

The combination of low growth and rising unemployment means that South Africa's economic trajectory is unsustainable. This has been worsened by the COVID-19 pandemic which has put into jeopardy government's economic transformation and inclusive growth agenda. Government urgently needs to implement a series of growth strategies that promote economic transformation, support labour-intensive growth, and create a globally competitive economy (National Treasury, 2019). At the centre of this strategy is 'economic transformation' defined as the rapid and fundamental change in the systems and patterns of ownership and control that govern the economy.

The primary focus of the change in economic relations must be the creation of opportunities for all South Africans to live productive, prosperous, and dignified lives.

The strategy identifies a complexity of factors that have hindered greater participation by new firms in the economy, such as the existence of scale economies; regulations and policies that support incumbents or are ineffective in assisting rivals and new firms; competition legislation that favours large firms and incumbents; and access to finance challenges (National Treasury, 2019). The strategy identifies implementing youth employment interventions such as continued support for government programmes that incentivise job creation (e.g. learnerships) and apprenticeships that facilitate school-to-work transition based on close cooperation between institutions of learning and the private sector as one of the five building blocks for supporting growth that promotes economic transformation, supports labour-intensive growth, and creates a globally competitive economy. The strategy also acknowledges that a combination of short and long-term solutions are required to address the skills challenges confronting the South African economy.

The National Strategic Plan (NSP) on Gender Based Violence and Femicide (GBVF) (2020)

Gender-based violence and femicide in South Africa has reached alarming levels. The National Strategic Plan (NSP) on Gender Based Violence and Femicide (GBVF) sets out to provide a cohesive strategic framework to guide the national response to this scourge. The purpose of the strategy is to provide a multi-sectoral, coherent strategic policy and programming framework to ensure a coordinated national response to the crisis of gender-based violence and femicide by the government of South Africa and the country as a whole. The department of Higher Education and Training has responded by developing a policy framework to address gender-based violence in the PSET institutions and to provide a monitoring instrument for the department to assess the implementation of the Policy Framework. The merSETA is determined to support the fight against gender-based violence in South Africa, which has reached crisis levels. The merSETA will therefore seek opportunities to partner with organised employers, unions, civil society, public institutions and institutions of learning in supporting initiatives such as research, training and awareness campaigns in the workplace and institutions of learning aimed at addressing gender-based violence.

The manufacturing sector remains largely male dominated, thus, is a high-risk sector when it comes to issues of gender-based violence.

Relevant court rulings

None

3 Situational analysis

The Manufacturing, Engineering and Related Services Sector Education and Training Authority (merSETA) was established in 2000 in terms of the Skills Development Act No 97 of 1998. The merSETA scope of industrial coverage for skills development broadly includes auto manufacturing, including automotive components manufacturing; vehicle sales and after service; the production and fabrication of metals, plastics and new tyres. These are among some of the key sectors that have been identified by government as key in stimulating economic growth, economic and reindustrialisation. The merSETA therefore has a role to play in supporting the development and growth of these sub-sectors through relevant skills development initiatives.

3.1 External environment analysis

The global COVID-19 pandemic is arguably one of the most significant developments that has impacted the mer sector and which has, to some extent, shaped the political, economic, social, technological, and legal trajectory. Using the PESTEL framework, an analysis of how the global and local political, economic, social, technological, environmental, and legal conditions shape the manufacturing, engineering and related services sector in South Africa was undertaken.

POLITICAL: Political conditions play a significant role in the growth of the manufacturing sector, and of the economy in general. Political stability is key in creating a conducive environment for developing and implementing development-oriented policy that can stimulate the growth of the economy and addressing socio-economic challenges such as poverty, unemployment and inequality. The global COVID-19 pandemic is one of the historic events that has not only shaped the economic trajectory but the political trajectory as well. The COVID-19 pandemic has tested the ability of government and political leadership to work with various stakeholders in dealing with this crisis the impact of which is predicted to last for the coming three to five years. Despite criticism for handling of certain issues such as the restriction of trade in some sectors, the government and political leadership has done

well in managing the crisis, which if mishandled could have had significant social, political, and economic ramifications. In April 2020 the World Health Organisation (WHO) Director General, Dr Tedros Adhanom Ghebreyesus commended President Cyril Ramaphosa for his leadership and South Africa's government and all of society for their response to COVID-19 in doing their best to adhere to the measures taken to contain the coronavirus.

Corruption remains one of the significant barriers that has slowed economic growth and social development. Allegations of corruption levelled against some government officials and I exposed persons in handling of the COVID-19 crisis have once again drawn attention to the extent of this scourge. The 6th administration has also made some headway in dealing with corruption, poor governance and maladministration within the ranks of government. There is however a call to strengthen government's efforts in accelerating this fight as this is key in restoring confidence and credibility in the democratically elected government. Civil society, government and business all have a role to play in fighting corruption which is rooted not just in the public sector but the private sector as well.

SETAs as schedule 3A public entities play a critical role in helping government implement its policy agenda particularly around strengthening efforts to fight poverty, inequality, and unemployment through skills development. Skills development is expected to play a role in supporting the implementation of national priorities aimed at promoting economic transformation by expanding access to education and training opportunities. Key to that is the ability for SETA's to leverage their role as intermediary bodies to partner with other social partners in advancing the economic transformation agenda.

ECONOMIC: South Africa is facing what has been termed the worst economic crisis in a century. The South African economy has experienced sluggish growth since the global 2008/2009 recession. Despite the development of policies aimed at stimulating economic growth, the implementation of policies has been confronted by a complexity of factors such as poor coordination, lack of political will, poor stakeholder participation and support of some key policies. The global COVID-19 pandemic has added to South

Africa's economic woes and plunged South Africa into a recession. The increasing fiscal deficit and debt burden as the government tries to save the economy from the effects of the recession mean that the recovery of the economy may take longer than anticipated. The current negative growth rates, increasing debt-servicing costs and a declining tax base calls for urgent intervention and policy change that will stimulate economic growth.

The unemployment rate has soared above 30% and could even be higher given the economic recession. To add to this youth unemployment sits at an overwhelming 60%. This has triggered a socio-economic crisis and is likely to increase poverty, unemployment and inequality. In response, government has put in place measures through its social grant system to assist unemployed people during the COVID-19 crisis. These measures are however temporary and concerted effort is required in finding a sustainable solution to the growing unemployment rate. SETAs also have a role to play in supporting government's efforts through skills development to support employment (including self-employment), entrepreneurship, cooperatives, the informal sector and small businesses, key to supporting sustainable livelihoods in communities and the broader social economy.

The Business confidence index is a key economic indicator as it highlights the satisfaction of business in the prevailing economic conditions. There is no doubt that the economic lockdown triggered by the COVID-19 pandemic has impacted business conditions. As the lockdown is eased there is hope that business conditions will improve. South Africa's SACCI business confidence index for example rose to 82.8 in July of 2020 from 81.4 in June 2020. According to Trading Economics (2020). This is the highest reading since March 2020, helped by improving global economic activity but remaining well below average due to rising local infections and the slow pace of the economy's reopening.

The COVID-19 crisis has once more highlighted the importance of a sound local manufacturing base for sustaining the domestic market while creating opportunities for the export of essential products. In April 2020, government launched a National Ventilator Project aimed at building more local machines due to the shortage of ventilators globally.

Deindustrialisation and increased competition in the global manufacturing sector demand the South African economy to increase its complexity to remain competitive. The need to industrialise through the growth and diversification of the manufacturing sector features prominently in South Africa's economic policy framework (DPRU, 2020). In the aftermath of the COVID-19 pandemic, the sector will struggle to regain its presence in the domestic and international markets but building economic complexity offers opportunities to diversify and create employment opportunities.

New jobs and occupations are also expected to emerge in the new economy driven by localisation, economic patriotism, a strengthened informal sector, infrastructure development and maintenance. SETAs, as facilitators of skills development, need to be at the forefront of identifying these changes to prepare the labour market and the sector.

On the 15th of October 2020, the President of the republic of South Africa announced South Africa's economic reconstruction and recovery plan. The plan focuses on the extraordinary measures South Africa needs to take to stimulate the economy to promote inclusive growth following the economic and social devastation caused by COVID-19. The merSETA is also set to play a key role in supporting the plan's objectives which are to:

- Create jobs, primarily through aggressive infrastructure investment and mass employment programmes;
- Reindustrialise our economy, focusing on growing small businesses;
- Accelerate economic reforms to unlock investment and growth;
- Fight crime and corruption; and,
- Improve the capability of the state.

SOCIAL: The COVID-19 pandemic has thrown South Africa into a deep social crisis with increasing unemployment, inequality and poverty. Unemployment in South Africa has reached alarming levels, as the local economy continues to shed jobs in critical sectors such as mining and manufacturing. According to Statistics SA (2020), the unemployment rate has increased to 30,1%, which is the highest unemployment rate since 2003. Increasing unemployment has resulted in a shrinking tax revenue base, which has constrained the national fiscal, resulting in an increasing number of people relying on social grants.

Youth unemployment remains high, the lack of skills among the youth in South Africa is partly responsible for the escalating unemployment rate as we transition to the digitalisation of the manufacturing, engineering and related industries in the 4IR. In the manufacturing sector, this has been worsened by advances in manufacturing technology that is increasingly demanding high level skills. A poor basic education system remains one of the weakest links to the socio-economic transformation agenda. Coupled with the high cost of higher education, this has resulted in a systematic hindrance to a number of young people from obtaining skills that are pertinent for them to access the world of work, or to become entrepreneurs. The merSETA has a critical role to play in putting in place initiatives aimed at addressing challenges such as unemployment through skills development initiatives aimed at increasing the employability (including self-employment) of youth. Interventions should also cater for workers in the sector who might lack the relevant skills as a result of the digitalisation of the mer-industries.

As South Africa battles increasing unemployment, unlocking the social economy remains one of the key strategies in fighting poverty and increasing inequality. SETAs have a role to play in supporting the creation of economic opportunities and sustainable livelihood for the youth, women, people living with disabilities as well as township, rural and marginalised communities.

TECHNOLOGICAL: The manufacturing, engineering and related services is experiencing disruptions as a result of the rapid technological advances and the digitalisation of the mer-Sector. With the intensification of the technological revolution, a competitive manufacturing and engineering sector depends on the capacity of firms to master advanced technology domains, to innovate and to meet the precise needs of customers. Whilst advanced manufacturing systems offer the greatest advantage for economic growth, this requires firms and PSET systems to keep abreast of advanced manufacturing technologies, data analytics, robotics, digital platforms and high-level skills development, on a continuous basis.

The COVID-19 pandemic has, more than ever, accelerated the need for adoption of advanced technologies and business models that will allow the sector to thrive in the new digital driven economy. To remain competitive in the digital driven economy, South Africa needs to build its innovation, research and development (IRD) and skills

capability around new and emerging technologies such as Artificial Intelligence (AI), robotics, data science and machine learning. This also calls for the need for industry and the PSET sector to work together in strengthening South Africa's IRD and skills capability. South Africa's universities are highly recognised for their IRD capability and the quality of training but challenges remain in the TVET college sector as these have often been criticised for their poor capability. TVET colleges have a significant role to play in delivering skills for the digital driven economy. SETAs as intermediary bodies have a critical role to play in working with other role players such as industry, civil society and government in strengthening the capability of TVET colleges.

Technology has also disrupted education and training. Microlearning, big data analytics, immersive learning, gamification, data driven learning and insights as well as adaptive and personalised learning are some of the technological trends that are impacting education and training in the digital driven 4IR. Data is also at the core of these technologies and the adoption calls for institutions to embrace a data centric approach. These technological trends present the PSET sector with opportunities in responding to some of the challenges. For example, immersive learning technologies such as extended reality (XR) technologies which incorporate various technologies such as augmented reality (AR), virtual reality (VR) and mixed reality (MR) promote immersive learning experiences. Advances in these technologies have led to increased adoption of simulated training as a means to increase training efficiency through reducing costs and risks where the physical environment maybe unsafe especially in the mer-Sector.

The extent of the adoption of these learning technologies in South Africa remains unclear. There are however several initiatives currently being implemented by civil society organisations, HEIs, government, industry and private training providers aimed at promoting the adoption of these technologies. The merSETA, for example, is using a 4IR paradigm to reimagine and develop a high-quality new apprenticeship skills development process in South Africa that is more efficient, accessible, scalable and prepares apprentices for Industry 4.0. The PSET CLOUD initiative is a key initiative in promoting technology adoption in the PSET sector by, among other things, advocating for a data centric approach through interoperability. In the mer sector the adoption of technologies such as extended reality technologies and simulated training can assist with addressing challenges such as shortage of workspaces for workplace based learning.

The COVID-19 pandemic has once again highlighted the urgent need for the adoption of digital technologies. With the imposition of the lockdown, the majority of education and training institutions adopted blended learning through the use of technology. There are however concerns over the risk of the exclusion of learners from disadvantaged backgrounds who lack access to reliable internet, data and equipment such as laptops. These concerns call for the need for government, civil society and industry to work together in ensuring that no learner is left behind as the country settles into the new normal.

ENVIRONMENTAL: According to the World Economic Forum (2020), the COVID-19 pandemic could give rise to a greener global future as countries see the urgent need to change their behaviour around environmental issues. The post-COVID-19 reconstruction phase should thus, among other things, be centred on the green economy and its role in stimulating economic growth and investment while increasing environmental quality, awareness and social inclusiveness.

Concerns around climate change, food shortages, depleting natural resources and health issues have contributed to growing pressure for national and international policies to support sustainable development. Sustainable development is economic development that meets the needs of the current generation without depleting natural resources for future generations. This has placed pressure on the manufacturing sector which is one of the major contributors to the depletion of natural resources, environmental waste and climate change. The green, blue and circular economies have been identified as a sustainable development imperative with the potential for job creation and new business and manufacturing opportunities. Some of the merSETA industries are already supporting a low carbon economy through innovative forms of environmental management, and proactive clean manufacturing processes. In various merSETA sub-sectors, waste management is both a risk mitigation factor as well as a driver of repurposing and reusing materials to manufacture alternative products.

Developments in policy and growing advocacy, the world over, around sustainable manufacturing activities have caught the attention of the merSETA over the years. The merSETA commissioned a study to understand green skills within the mer sector in order to foster merSETA's understanding of its sub-sectors regarding the green

economy and its related skills progress and requirements. Initial findings from the study indicate that in order to transition the mer sector to a green economy, there was a need to raise awareness to understand what the green economy is and what drives it. Initial findings also indicated that although there was a recognition for the need for introducing new green jobs and activities within the mer sector, the findings indicated a need for upskilling and transforming current jobs to be greener.

LEGAL: The legal framework in SA plays a pivotal role in achieving government's priorities, such as ending poverty and unemployment and promoting equity. Moreover, in SA's maturing democracy, the notions of social cohesion, social justice and active citizenry underpin the transformation agenda as a whole and have become deeply infused in skills development. Transformative intent and participation in various fora remain essential in ensuring fair and equitable implementation processes. Participation of all role players in legislative processes of this nature remains critical. Technological developments have also cast a spotlight on issues of privacy and security in the digital environment. The sector also operates within a social and economic legislative framework that significantly impacts on the sector. Significant pieces of legislation worth mentioning include:

- The B-BBEE Act, which is aimed at advancing economic transformation and enhancing the economic participation of black people in the South African economy. Programmes such as the Black Industrialist programme are a support mechanism for the implementation of the B-BBEE Act, which promotes structural transformation of the economy through increasing the number of black manufacturers.
- The Employment Equity Act No. 55 of 1998 (EEA) is aimed at transforming the race and gender make-up of the labour market, particularly in the technical, professional and managerial occupations. It also addresses the inclusion of people with disabilities (PWD) in the mainstream economy. Skills development is a main contributor to such transformation.
- The National Environmental Management Act No. 55 of 1998 (NEMA) is another piece of legislation aimed at establishing a framework for integrating good environmental management into all development activities, including manufacturing. Companies in the sector have also been investing in training and awareness for their employees in issues related to health, safety and environmental awareness.

- The Protection of Personal Information Act No. 4 of 2013 (POPIA) is aimed at the protection of personal privacy and the security of personal information held by both private and public bodies. It is set to impact on information and data governance. This calls for investment in mechanisms aimed at promoting good data management, and governance practices.
- The Intellectual Property Amendment Act No. 28 of 2013 (IPAA) promotes the protection of intellectual property rights, including the recognition and protection of certain manifestations of indigenous knowledge as a species of intellectual property. This is critical especially as South Africa's works on strengthening its IRD capability.

3.2 Internal Organisational Environment

The merSETA organisational environment is analysed in terms of the 7S Framework Model. The 7S Framework divides the seven organisational elements of successful organisations into two categories: "hard" (easy to identify) and "soft" (intangible) elements. These are illustrated below (see Figure 1):

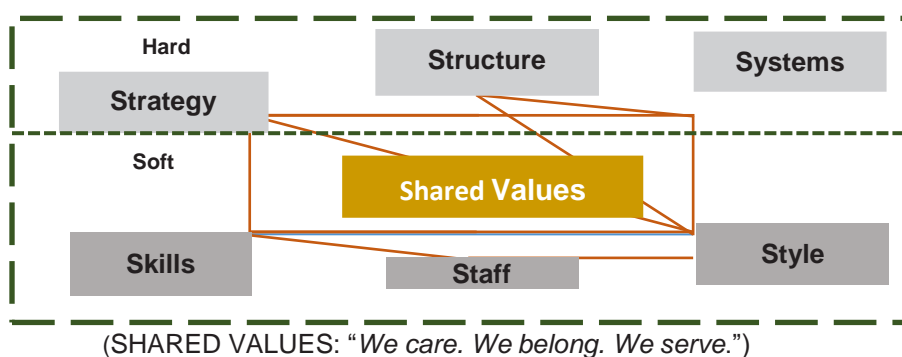


Figure 1: The merSETA organisational environment

STRATEGY: The merSETA strategy comprises of four linked components – the Sector Skills Plan (SSP), the five-year Strategic Plan (SP), the Annual Performance Plan (APP) and the Service Level Agreement (SLA).

The SSP is research based and provides an overview of critical economic, labour market and social drivers; signals and indicators within the merSETA manufacturing, economic, and government policy environment that impact on skills demand and supply, particularly pertaining to skills gaps and skills shortages. The SSP is developed by the merSETA and its three main social partners (employers, labour and government), in order to provide strategic direction for skills development priority actions. Furthermore, the SSP is also an instrument that can provide direction to education and training institutions, skills

development providers, and other interested parties with regard to developing relevant education, training and skills development responses for the merSETA manufacturing and engineering environment.

The five-year Strategic Plan is the instrument that the merSETA uses to identify five-year achievable and realistic targets aligned to its legislated mandate and SSP. These targets are translated into five-year strategic outcomes, budget programme structure (aligned to the SETA main areas of service delivery responsibility) and strategic outputs that clearly state the merSETA planned actions regarding the achievement of its strategic outcomes.

The APP outlines what the merSETA intends doing in the upcoming financial year and provides a three-year Medium-Term Expenditure Framework (MTEF) horizon for implementing its strategic plan. It sets out performance indicators and targets towards achieving its strategic outcomes and outputs. The APP is the basis upon which the SETA reports to Parliament annually, through the Minister of Higher Education, Science and Technology. The SLA, based on the approved Strategic Plan and APP, is the signed agreement (contract) between the Minister and the merSETA Accounting Authority (AA), setting out the SETA's specific annual obligations and responsibilities. It is the assessment framework which the Minister and the Department of Higher Education and Training (DHET) utilise to monitor the activities of the merSETA. The annual operational plan of the merSETA, for all its operational core functions (see Figure 2 below), is determined mainly on the basis of the obligations and responsibilities of the SLA and APP, with a line sight to the five-year Strategic Plan outcomes and SSP priorities.

STRUCTURE: The merSETA is a Schedule 3a public entity that reports to the Minister of Higher Education, Science and Technology. In terms of the PFMA, the Minister of Higher Education, Science and Technology is defined as the Executive Authority and reports to Parliament. In this regard, the merSETA makes all the required submissions to the Executive Authority.

The Accounting Authority, comprising of 15 members including a Chairperson, is generally responsible for governance and ensuring that the merSETA achieves its mandate by reviewing its strategy and monitoring performance and

compliance, while being accountable to the Minister. The Chief Executive Officer is the Accounting Officer as delegated by the Accounting Authority. The diagram below (Figure 2), depicts the governance and operational structure of the merSETA.

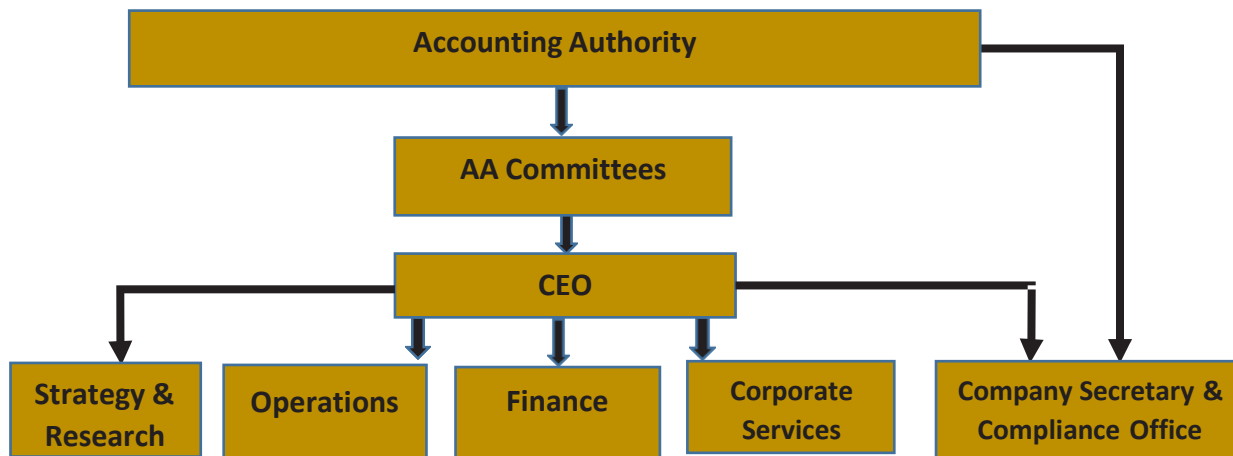


Figure 2: Governance and operational structure

The following governance committees are charged with meeting the strategic outcome goals of the merSETA:

- (i) Accounting Authority
- (ii) Executive Committee
- (iii) Audit and Risk Committee
- (iv) Human Resources and Remuneration Committee
- (v) Finance and Grants Committee and,
- (vi) Governance and Strategy Committee.

The merSETA has six Chamber Committees,: Automobile Manufacturing, Metal and Engineering, Motor Retail, Components Manufacturing, New Tyre Manufacturing, and Plastics Manufacturing are sub-committees of the Accounting Authority. These are established to support the merSETA in carrying out its mandate.

Other strategic advisory committees are the Education, Training, Quality Assurance Committee and Regional Committees. The governance and organisational structure has evolved over many years and has thus far responded effectively and efficiently to SETA needs.

The review of the operational structure is critical in ensuring that the merSETA is responsive to its renewed mandate as pronounced in the NSDP, which calls for greater collaboration, integration, and a strong emphasis on governance. Compliance, particularly regarding compliance imperatives of the PFMA and the Public Audit Act No 5 of 2018 (as amended) is critical in-service delivery.

SYSTEMS: The merSETA has developed and implemented systems to support planning, decision making and its operations. The following systems support the functioning of the merSETA:

- **Information Technology** - Information and Communication Technology (ICT) is a critical pillar of the merSETA. It is a key enabler of organisational processes supporting the strategy and organisational performance. The merSETA is in the process of reviewing its ICT infrastructure, policies, procedures, business processes, systems and structures in line with the new strategy. ICT is set to play an important role in enhancing business efficiency and effectiveness, through driving digital transformation. Currently a project is underway to enhance the merSETA information and data ecosystem to address the above mentioned. The merSETA digital ecosystem project is a direct response to the enterprise content management and digital transformation roadmap that was developed to guide the merSETA in its digital transformation journey, to address challenges and opportunities in data, information and knowledge management practices, processes and technologies. The COVID-19 pandemic highlighted the critical role of ICT in supporting the merSETA's operations and strategic process. ICT should thus be central in the SETA's strategy going forward as part of the digital transformation agenda.
- **Governance** - The Accounting Authority is the oversight body within the merSETA that ensures good corporate governance. It works within the governance framework of the Public Finance Management Act and ensuing regulations. Responsibilities and tasks are delegated to various structures, committees, management and staff members, but the Accounting Authority is ultimately accountable for all the SETA's affairs, in line with the Skills Development Act. Going forward, in light of changes in key legislation such as the Public Audit Act Amendment Act 5 of 2018, strengthening governance and compliance is key.

- **Programme Implementation** - The purpose of Programme Implementation is to support the management of Discretionary Grants (DG) from application to awarding of funding. This is done through the signing of agreements, processing claims, managing commitment schedules as well as the monitoring of DG contracts. Priorities identified in the merSETA strategy guide the conceptualisation and implementation of programmes.
- **Quality Assurance** - The quality assurance system is a critical component of programmes and projects implementation. Going forward, a strong focus will be to ensure the quality assurance of merSETA funded interventions, to ensure alignment to industry expectations. The quality assurance system is also critical in ensuring that learners receive quality training. This is consistent with the NDP and NSDP vision of ensuring that South African citizens have access to quality education and training to enhance their capability to be active participants in developing the potential of the country. One of the key roles of the Quality Management System is the implementation of the process-based approach and evidence-based approach in the alignment of the Quality Management System with the merSETA's own strategic direction, understanding and maintaining this relationship to maximise the merSETA's efficiency and potential in meeting and exceeding its strategic goals and objectives.
- **Communication** - The merSETA is responsible for effective and regular communication to all stakeholders within and outside the designated sector. Communication takes place through multiple channels, including the print media, social media, and face-to-face engagement such as regular workshops, colloquia, seminars and conferences. Stakeholder representatives meet regularly in the various committees mentioned. The merSETA has enhanced communication to stakeholders through the establishment of regional offices in Mpumalanga, Limpopo, Eastern Cape, Free State, Northern Cape, Gauteng North/North West, Gauteng South, KwaZulu-Natal and the Western Cape as well as the Head Office, in Johannesburg. The regional offices service member companies and other stakeholders at the coalface of implementation. The merSETA will also focus on increasing its reach to its stakeholders, showcasing its successes and brand communication.

- **Research, planning, monitoring, reporting and evaluation** - The merSETA research, planning, monitoring and evaluation is guided by the Department of Planning, Monitoring and Evaluation (DPME), and the National Treasury Framework of policies and guidelines for planning and performance management. Planning is conducted annually, based on research and evidence-based decision making. Performance monitoring and reporting to the DHET and National Treasury takes place on a quarterly basis, and through annual reporting.

In addition, performance monitoring and reporting takes place through internal and external audits, bi-annual budget reviews, as well as regular management meetings and AA (inclusive of its committees) meetings. Processes, systems and impact evaluations of the delivery of merSETA skills development programmes and projects are implemented to continuously inform the merSETA of challenges, successes and impact of skills development delivery for the merSETA sector. Research is aimed at understanding economic, labour market and social drivers, signals and indicators that impact on skills development for the merSETA sector, particularly pertaining to shortages and gaps related to occupations and skills in demand. The applied research and innovation system focusses on research and innovation projects intended to pilot and test concepts and solutions prior to full scale implementation.

- **Finance** - The financial system is informed by the PFMA, Public Audit Act No 5 of 2018 as amended and Treasury Regulations. Financial management includes administration of the organisation and disbursement of mandatory and discretionary grants. There is regular reporting of financial information to the management, Accounting Authority, committees, Treasury and DHET. Internal and external audits of financial information take place annually in terms of the legislation. The merSETA exercises strong fiduciary responsibility which is evident in the unqualified audit reports from the Auditor-General's office year-on-year. The merSETA will also tighten internal controls to reduce audit findings.
- **Knowledge Management** - The purpose of knowledge management (KM) at the merSETA is to help foster an open and enabling forum for the communication of ideas, concepts and information throughout the organisation. The knowledge management framework focuses on issues of

access, sharing, integration and preservation of the merSETA knowledge assets in order to turn the merSETA into an innovative, learning and knowledge-based organisation.

- **Quality Management** - The merSETA has been certified to ISO 9001:2008 since August 2009 and in August 2018 the merSETA was re-certified to ISO 9001:2015. This milestone signifies that the merSETA business systems, processes and activities have been benchmarked against the best, aligning them with the International Quality Management System. The achievement of this certification also means that the merSETA provides confidence to all the interested parties and stakeholders as it seeks to achieve and exceed stakeholders' needs and services in the achievement of its strategic priorities.

STAFF: The merSETA staff establishment component totals 271. Currently, 80% of the merSETA positions are filled. The review of the operational structure necessitates a review of jobs and competencies. To effectively implement its strategy, continuous skilling and development of the merSETA staff is key to ensure that they have the competencies to implement projects, programmes and systems supporting the organisation's strategy. The strategy also places merSETA staff at its core with guidance from leadership drive the implementation of the strategy. Creating an environment that promotes growth, innovation and employee wellness is important to the success of the merSETA.

Table 2: The merSETA staff component

	Male				Female				Foreign Nationals		
OCCUPATIONAL LEVEL	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	Total
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	1	0	0	2	0	0	1	0	0	4
Professionally Qualified	12	2	1	4	8	4	2	4	2	0	39
Skilled and Qualified	38	10	4	6	30	6	1	2	0	0	97
Semi-skilled	25	1	0	0	43	5	0	4	0	0	78
Unskilled	1	0	0	0	9	2	0	0	0	0	12
Total Permanent	76	14	5	10	92	17	3	11	2	0	230
Temporary Staff	14	0	0	0	27	0	0	0	0	0	41
Grand total	90	14	5	10	119	17	3	11	2	0	271

The merSETA vacancy rate falls within the normal range. The staff turnover rate fluctuates below 5%. An average staff tenure of >3 years and a staff satisfaction rate of >72% is indicative of employee stability and good practice in human resource management (HRM). Going forward, the merSETA organisational structure and human resources planning needs to be reviewed to ensure a relevant delivery mechanism that is sustainable and aligned to the emerging strategic and operational objectives. An in-depth organisational development process is needed, which includes the systematic identification and analysis of quantitative and qualitative workforce requirements.

The outcomes of the organisational development process must be entrenched through the following (and other) operational activities:

- (i) A consultative process that culminates in an approved strategic human resource capacity plan that is both aligned and relevant to the South African context
- (ii) Integration of human resource planning and other relevant HRM interventions to the strategic planning and budgeting cycle of the organisation
- (iii) Development of appropriate budgeting or cost modelling for the human resource plan
- (iv) Ensuring an adequate skills supply and pipeline of qualified and competent staff

The merSETA has identified its staff as one of its important resources, and a strong emphasis should be placed on recruitment and retention of skilled and talented people. Systems to support recognition, innovation and performance management are also critical in building a capable organisation.

SKILLS: In carrying out its mandate, the merSETA relies on its skilled personnel in planning and implementing skills development initiatives that address the needs of the sector and national priorities. The recruitment and retention of skilled people is at the centre of the merSETA's operations. Changes brought by technology and innovation in systems and processes require that the merSETA invests in continuous professional development to address skills gaps. Skills audits are also important in determining the current level of knowledge and skills in the organisation against the required level of skills desired by the organisation.

This will enable the merSETA to put in place relevant initiatives to address the gaps and optimal use of its skills base.

STYLE (Governance and leadership): The leadership style of the Accounting Authority is highly consultative, providing opportunities for stakeholder inputs and endorsement through a range of committees and stakeholder fora. The Management Committee (MANCO) serves as a link between internal operational management and governance structures. Leadership is guided by the value system with an emphasis on self-leadership, collaboration and self-reflection.

3.3 Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

The SWOT analysis is used to determine and define the strengths, weaknesses, opportunities and threats in both the internal and external environment within which the merSETA operates. Table 3 summarises the SWOT analysis.

Table 3: Swot analysis

Strength	Weakness
<ul style="list-style-type: none"> Stability in the management structure Good administration Institutional memory Good governance and leadership Good track record, reputation Strong relationships with stakeholders/ partnerships 	<ul style="list-style-type: none"> Fragmented business processes and systems Stakeholder engagement and marketing Poor monitoring and evaluation of outcomes Capacity issues in the regions to meet stakeholder needs Obsolete ICT infrastructure and systems
Opportunities	Threats
<ul style="list-style-type: none"> Strengthened partnerships particularly to improve the quality of TVET Colleges The social economy in support of entrepreneurship, Small, Medium and Micro Enterprises (SMEs), Co-ops Career awareness (young people, adults and workers) Long-term research into new growth areas such as the social economy, green, blue and circular economy Adapting to new ways of doing business due to technology advances 	<ul style="list-style-type: none"> Reduced income due to the 4-month skills development levy holiday (the impact of the levy base is expected to last long after the lockdown) Global recession and the economic crisis is likely to impact the prioritisation of skills development Slow adoption of digital transformation Poor data management and governance Dependencies on other role players in the skills ecosystems (with poor capability)

In order to build a stronger SETA that is responsive to the changing skills development ecosystem, the merSETA needs to strengthen its systems to support the development and implementation of a responsive strategy. These include:

Research and innovation systems

Rapid changes in the sector require that the merSETA strengthens its research and innovation system for investigating, conceptualising and designing, testing and implementing innovative and scalable solutions towards solving skills related problems identified through research and other processes. The research and innovation system are critical to strengthen the role of the SETA as a driver of change/ transformation and innovation in the skills development ecosystem.

Data management and governance systems

The recognition of data is a strategic asset for strengthening strategic planning, strategic decision-making, performance reporting, governance and operational efficiency calls for the need to urgently implement efficient data management and governance systems. The data management and governance system will play an important role in enabling the merSETA to harness, streamline and manage its data and information resources in an efficient manner to achieve the outcomes and outputs as defined in the merSETA strategy. A collaborative approach is required in the development and implementation of an effective system.

A strengthened monitoring and evaluation system.

The implementation of an improved M&E system requires a renewed approach to how the organisation manages its data and records, provides greater collaboration beyond compliance to performance information and changes in human behaviour. Strengthening of supporting systems such as quality assurance, records management, quality management and management information systems is also critical.

Partnerships, learning networks and collaboration systems

It is clear that the role of partnerships in the development and implementation of skills development programmes and initiatives will remain pivotal in light of the disruptions in the world of work and education caused by recent developments as a result of the global COVID-19 pandemic. The merSETA should use its partnerships more strategically and endeavour to participate in relevant learning networks, building systems for collaboration and learning as important vehicles for promoting an integrated approach to developing as well as implementing targeted, bespoke skills development initiatives. These should be relevant to the needs of the worker,

employers, sector industries, community and national priorities. Partnerships, learning networks and collaboration systems should be used more to develop and implement transformative and innovative solutions to the challenges and opportunities confronting the skills development ecosystem, the mer sector and the economy and society.

A strengthened governance, administrative and resourcing system

The development and implementation of systems, processes and mechanisms for enabling the merSETA to fulfil its mandate in these unprecedented times need to be supported by a strong governance, administrative and resourcing system. Governance structures should continue playing an important role in representing the interests of the sector, monitoring implementation as well as providing leadership in driving change and innovation in the sector. A strengthened merSETA governance system would enable governance structures to play an important role in not only delivering skills to the sector but also in influencing policy to be responsive to change and innovation in education, training and skills development. The funding mechanisms of the SETA should be reviewed such that focus is on quality and impact for the short, medium- and long-term skills development of current and future employees and the current and future growth trajectories of the mer industries/businesses.

PART C: MEASURING OUR PERFORMANCE

4 Institutional Programme Performance Information

4.1 Programme 1: Administration

Programme purpose

The purpose of this programme is to:

- (i) Instil a single coherent best practice effective and efficient governance, leadership and management activities for the AA, its committees, management and staff of the merSETA
- (ii) Ensure compliance to legislated and regulated obligations, as well as to organisational policies, and
- (iii) Establish a skilled high-performance environment

Programme 1: Administration indicators and targets

Table 4 highlights performance indicators and targets for programme 1 over the medium-term expenditure framework.

Table 4: Programme 1: MTEF Performance Indicators, Annual and Quarterly Targets for 2021/22

Outcomes	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual performance			Estimated performance (current year)	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Outcome 1: Ethical governance and resourced capable merSETA operations established and maintained, to equitably provide skills development related services, goods and products responsive to occupations and skills growth demand of the	Strategic Output 1: Effective and efficient governance and leadership practice implemented.	Percentage of compliance with Corporate Governance Compliance report	New	New	100%	100%	100%	100%	100%
	Strategic Output 2: Improved financial and corporate management.	Percentage reduction of internal control deficiencies reported in previous	70%	74%	100%	100%	100%	100%	100%

merSETA sector industries, and labour market		external and internal audit reports							
		Percentage achievement of annual Employment Equity (EE) targets	N/A	N/A	N/A	100%	100%	100%	100%

Table 5: Programme 1 Quarterly Targets 2021/22

Output Indicators	Annual Target	1 st	2 nd	3 rd	4 th
Percentage of compliance with Corporate Governance Compliance report	100%	100%	100%	100%	100%
Percentage reduction of internal control deficiencies reported in previous external and internal audit reports	100%	30%	50%	90%	100%
Percentage achievement of annual Employment Equity (EE) targets	100%	N/A	N/A	N/A	100%

4.2 Programme 2: Skills Planning

Programme purpose

The purpose of this programme is to establish an effective mechanism for sector skills planning. The functions of this programme encompass research, planning, monitoring and evaluation as well as applied research and innovation. It is intended to research economic, labour market and social drivers, signals and indicators that impact on skills development for the merSETA sector, particularly pertaining to shortages and gaps related to occupations and skills in demand. Applied research and innovation refers to research and innovation projects intended to pilot and test concepts and solutions prior to full scale implementation. Grants are availed to support this programme, so as to enable partnerships with a broad range of partners, including merSETA employer and labour stakeholders. This programme is also about establishing systems, processes and policies to promote research, planning, monitoring and evaluation.

Programme 2: Skills planning indicators and targets

The Table below highlights the performance indicators and targets over the medium-term expenditure framework.

Table 6: Programme 2 MTEF Performance Indicators, Annual and Quarterly Targets for 2021/22

Outcome	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual Performance			Estimated performance (current year)	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Outcome 2: Skills for productive enterprises within the social economy, to support the integration into the merSETA sector engineering and industry value chains Outcome 3: PSET education, training and skills development public institutions responsive to the changing occupations, and skills demand required for the merSETA sector engineering and manufacturing industries and related labour market Outcome 4: Skills for transformed SA merSETA sector engineering and manufacturing industries, to support EE demographics transformation, changing business models of production and technology, and the transformation for the diversification of ownership, control and management Outcome 5: A skilled, agile and flexible current and future workforce for	Strategic Output 3: Establishment of credible and effective systems and strategies for research, planning, monitoring and evaluation	Number of WSPs and ATRs approved for small firms: (49 or less employees)	2 111	1750	2 135	2 242	2 118	2 353	2471
		Number of WSPs and ATRs approved for medium firms: (50-149 employees)	853	860	833	875	918	964	964
		Number of WSPs and ATRs approved for large firms: (150 + employees)	509	528	500	525	551	579	579
		Number of learners who completed workplace based learning programmes absorbed into employment or self-employment (tracer studies conducted every two years)	N/A	N/A	N/A	1	0	1	0
		Number of sector research agreements signed for TVET growth occupationally directed programmes	N/A	N/A	N/A	2	2	3	4

Outcome	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual Performance			Estimated performance (current year)	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
emerging and future occupations and employment opportunities, within the merSETA sector engineering and manufacturing industries, and related labour market		Number of established and emergent cooperatives trained on sector and national identified priority occupations or skills	N/A	N/A	N/A	10	30	35	40
		Number of small and emerging enterprises trained on sector and national identified priority occupations or skills	N/A	N/A	N/A	2060	700	750	800

Table 7: Programme 2 Quarterly targets

Indicators	Annual target 2021/22	1 st	2 nd	3 rd	4 th
Number of WSPs and ATRs approved for small firms: (49 or less employees)	2118	N/A	1059	1 059	N/A
Number of WSPs and ATRs approved for medium firms: (50-149 employees)	918	N/A	459	459	N/A
Number of WSPs and ATRs approved for large firms: (150 + employees)	551	N/A	276	275	N/A
Number of learners who completed workplace based learning programmes absorbed into employment or self-employment (tracer study conducted every two years)	No target	N/A	N/A	N/A	N/A
Number of sector research agreements signed for TVET growth occupationally directed programmes	2	N/A	N/A	N/A	2
Number of established and emergent cooperatives trained on sector and national identified priority occupations or skills	30	N/A	N/A	N/A	30
Number of small and emerging enterprises trained on sector and national identified priority occupations or skills	700	N/A	N/A	N/A	700

4.3 Programme 3: Learning Programmes and Projects

Programme Purpose

This programme is central in the implementation of NSDP outcomes by implementing programmes, projects and a range of financial incentives, as well as merSETA non-financial services that will facilitate merSETA to achieve its targets for a skilled workforce in response to local, regional, national and sectoral priorities. Partnerships and strategic alliances with employers, PSET institutions, non-levy

paying entities, SMEs, cooperatives, labour organisations, NPOs, public entities, other SETAs, informal sector, and international partners is critical in delivering programmes and projects.

The situational analysis indicates that due to technological advancements and other changes, the manufacturing sector is undergoing rapid changes both globally and locally. This means that the merSETA must be flexible in its responses to facilitate, support and incentivise skills development initiatives for its sector. The merSETA financial incentives and non-financial services framework is geared towards the effective use of its resources to respond to sectoral national, regional and local priorities. Initiatives are funded through Mandatory Grants, full Discretionary Grant subsidy, partial Discretionary Grant subsidy and non-financial support and services for learning. The breakdown of the funding of programmes and projects using this model is highlighted in the Service Level Agreement (see Annexure A). The tables below highlight the top 10 occupations in demand that are common across all six Chambers and occupations in demand per Chamber. However, the listed occupations in demand are not the only skills needs that will be addressed through Programme 3. These are priority skills needs that are specific to individual industries, firms, regions, provinces and other skills which emerge from a variety of sources, especially given the impact of continuous innovations and disruptions within the manufacturing context that require new sets of skills. The main Professional, Vocational, Technical and Academic Learning (PIVOTAL) interventions for the listed occupations in demand will be apprenticeships, learnerships, skills programmes and academic programmes, whilst a few may be addressed through internships and work placements.

Table 8: The merSETA top 10 Occupations in Demand - PIVOTAL List (ranked)

OCCUPATION	SPECIALISATION/ ALTERNATIVE TITLE	INTERVENTIONS	NQF LEVEL
Engineering Production Systems Worker	Automated Machine Operator	Learnerships	2 - 4
	Brake Press Operator		
	Automated Machine Operator		
	Computer Numeric Control (CNC) Machine Operator		
Automotive Motor Mechanic	Automotive Mechanician	Apprenticeship, Learnership, Skills Programmes	4 - 6
	Brake and Clutch Mechanic / Repairer / Fitter		
	Motor Mechanic		

OCCUPATION	SPECIALISATION/ ALTERNATIVE TITLE	INTERVENTIONS	NQF LEVEL
Sales Manager	Sales Manager	Bursary, Skills Programmes	6 - 9
	Sales Executive		
Boiler Maker	Boilermaker-Welder	Apprenticeship, Learnership, Skills Programmes	4 - 6
	Boilermaker		
Steel Fixer	Steel Blender	Apprenticeship, Learnership, Skills Programmes	4 - 6
Corporate General Manager	Corporate General Manager	Bursary, Skills Programmes	6 - 9
Welder	Special Class Welder	Apprenticeship, Learnership, Skills Programmes	4 - 6
	Electric Arc Welder		
	Welding Tradesperson		
	Automotive Acetylene and Electrical Welder		
Diesel Mechanic	Truck Mechanic	Apprenticeship, Learnership, Skills Programmes	4 - 6
	Diesel Fitter-mechanic		
	Field Service Technician (Diesel)		
Metal Machinist	Machine Setter	Apprenticeship, Learnership, Skills Programmes	4 - 6
	Turner Machinist		
	Automotive Machinist		
	Turner (Metal)		
	CNC Machinist		
	Lathe Operator / Setter / Tradesperson		
Management Consultant	Commercial Analyst	Bursary, Skills Programmes	6 - 9
	Business Consultant		
	Service Solutions Project Manager		

Table 9: The merSETA Sub-Sector Skills Priorities (ranked)

Rank	OFO	Occupation	Auto	Auto Components	Metal	Motor Retail	New Tyre	Plastics
1	2019-214101	Industrial Engineer	X	X	X	X		X
2	2019-718905	Engineering Production Systems Worker		X	X	X		X
3	2019-653101	Automotive Motor Mechanic			X	X	X	
4	2019-652301	Metal Machinist		X	X	X		X
5	2019-214401	Mechanical Engineer	X	X	X			X
6	2019-671202	Millwright		X	X	X		X
7	2019-132107	Quality Manager		X	X	X		X
8	2019-121101	Finance Manager		X	X	X	X	
9	2019-311904	Manufacturing Technician			X	X	X	X
10	2019-242303	Human Resource Advisor			X	X	X	X
11	2019-122102	Sales Manager			X	X		X
12	2019-651302	Boiler Maker		X	X			X

Rank	OFO	Occupation	Auto	Auto Components	Metal	Motor Retail	New Tyre	Plastics
13	2019-121901	Corporate General Manager	X		X	X		
14	2019-651202	Welder		X	X	X		
15	2019-653306	Diesel Mechanic			X	X		
16	2019-243301	Industrial Products Sales Representative		X	X	X		
17	2019-671101	Electrician			X	X		X
18	2019-671208	Transportation Electrician		X	X	X		
19	2019-331201	Credit or Loans Officer			X	X		X
20	2019-122101	Sales and Marketing Manager		X	X	X		
21	2019-652201	Toolmaker		X	X			X
22	2019-643202	Vehicle Painter			X	X		
23	2019-653303	Mechanical Fitter		X	X			X
24	2019-714101	Rubber Production Machine Operator		X		X	X	
25	2019-312201	Production / Operations Supervisor (Manufacturing)			X		X	X
26	2019-226302	Safety, Health, Environment and Quality (SHE&Q) Practitioner			X	X		X
27	2019-643201	Industrial Spray painter		X	X	X		
28	2019-311401	Electronic Engineering Technician		X	X			X
29	2019-432201	Production Coordinator		X	X			X
30	2019-431101	Accounts Clerk			X	X	X	
31	2019-524903	Sales Clerk / Officer		X			X	X
32	2019-132104	Engineering Manager	X		X		X	
33	2019-652302	Fitter and Turner		X	X	X		
34	2019-522303	Automotive Parts Salesperson			X	X		
35	2019-242101	Management Consultant			X	X		
36	2019-684904	Panel beater				X		
37	2019-642702	Refrigeration Mechanic			X	X		
38	2019-432101	Stock Clerk / Officer				X		X
39	2019-431102	Cost Clerk		X		X		
40	2019-251201	Software Developer			X	X		
41	2019-132401	Supply and Distribution Manager		X	X			
42	2019-311301	Electrical Engineering Technician		X	X			
43	2019-121905	Programme or Project Manager			X			X
44	2019-671204	Lift Mechanic			X	X		
45	2019-411101	General Clerk			X	X		
46	2019-332302	Purchasing Officer	X		X			
47	2019-241102	Management Accountant	X		X			
48	2019-651403	Metal Plate Bender		X	X			
49	2019-714208	Plastics Manufacturing Machine Minder		X				X
50	2019-671202	Millwright			X			
51	2019-351201	ICT Communications Assistant			X			

Rank	OFO	Occupation	Auto	Auto Components	Metal	Motor Retail	New Tyre	Plastics
52	2019-712101	Metal Processing Plant Operator			X			
53	2019-311801	Draughtsperson			X			
54	2019-714202	Plastic Compounding and Reclamation Machine Operator						X
55	2019-524901	Materials Recycler						X
56	2019-734402	Forklift Driver			X			
57	2019-642701	Air-conditioning and Refrigeration Mechanic			X			
58	2019-132402	Logistics Manager		X				
59	2019-313501	Metal Manufacturing Process Control Technician			X			
60	2019-215101	Electrical Engineer			X			
61	2019-311501	Mechanical Engineering Technician			X			
62	2019-311201	Civil Engineering Technician			X			
63	2019-214605	Metallurgist			X			
64	2019-325705	Safety Inspector			X			
65	2019-214104	Production Engineering Technologist	X					
66	2019-652205	Master Toolmaker		X				

Source (MerSETA SSP)

Programme 3: Programmes and projects indicators and targets

Table 10 highlights performance indicators and targets for programme 3 over the medium-term expenditure framework. There are targets in programme 3 that are further broken down in the Service Level Agreement according to the merSETA grant incentive model, as well as financed administrative and support services for the delivery of merSETA learning programmes.

Table 10: Programme 3 MTEF Performance Indicators, Annual and Quarterly Targets for 2021/22

Outcome	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual Performance			Estimated performance (current year)	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Outcome 2: Skills for productive enterprises within the social economy to support the	Strategic output 4: Facilitation of skills development interventions	Percentage of discretionary grant (DG) budget allocated to programmes	N/A	N/A	N/A	17%	17%	17%	17%

Outcome	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual Performance			Estimated performance (current year)	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
<p>integration into the merSETA sector engineering and industry value chains</p> <p>Outcome 3: PSET education, training and skills development public institutions responsive to the changing occupations and skills demand required for the merSETA sector engineering and manufacturing industries, and related labour market</p> <p>Outcome 4: Skills for transformed SA merSETA sector engineering and manufacturing industries, to support EE demographics transformation, changing business models of production and technology, and the transformation for the diversification of ownership, control and management</p> <p>Outcome 5: A skilled, agile and flexible current and future workforce for emerging and future occupations and employment opportunities, within the merSETA sector engineering and manufacturing industries, and related labour market</p>	to enable increased access to employment opportunities , and support to economic growth opportunities	or projects aimed at developing high level skills e.g. managers, professionals and technicians & associate professionals							
		Percentage of discretionary grant (DG) budget allocated to programmes or projects aimed at developing mid-level skills e.g. clerical, sales and service, skilled craft and trade workers	N/A	N/A	N/A	59%	59%	59%	59%
		Percentage of discretionary grant (DG) budget allocated to programmes or projects aimed at developing elementary skills e.g. machine operators & elementary workers	N/A	N/A	N/A	24%	24%	24%	24%
		Number of unemployed learners registered for WIL programmes from TVET	N/A	1746	3 000	2440	300	400	500
		Number of unemployed learners completing WIL programmes from TVET	N/A	934	2440	600	100	300	400
		Number of unemployed learners registered for WIL programmes from HEIs	642	427	325	300	270	300	400

Outcome	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual Performance			Estimated performance (current year)	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
		Number of unemployed learners completing WIL programmes from HEIs	366	378	325	280	360	370	380
		Number of unemployed learners registered for workplace experience/internships	554	419	400	300	400	400	400
		Number of unemployed learners completing workplace experience/internships	399	247	250	184	330	340	350
		Number of unemployed learners registered for skills programmes	4176	3309	4000	3200	4100	4150	4150
		Number of unemployed learners completing skills programmes	1633	2631	2633	2560	2856	2913	2913
		Number of unemployed learners registered for learnership programmes	4 665	4061	2 500	2400	2160	1920	2160
		Number of unemployed learners completing learnership programmes	2 804	2800	3 000	2571	2870	2927	2927
		Number of unemployed engineering graduates registered for candidacy programmes	N/A	22	20	16	20	25	30
		Number of unemployed engineering graduates completing candidacy programmes	N/A	4	20	2	3	4	5
		Number of unemployed learners registered for bursary programmes (new entries)	401	194	475	100	110	120	120

Outcome	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual Performance			Estimated performance (current year)	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
		Number of unemployed learners registered for bursary programmes (continuing)	N/A	N/A	N/A	309	309	394	402
		Number of unemployed learners completing bursary programmes	16	120	475	193	100	150	200
		Number of employed learners registered for learnership programmes	2634	2033	1 900	1600	1440	1280	1600
		Number of employed learners completing learnership programmes	1846	1448	3230	1314	1183	1052	1314
		Number of employed learners registered for bursary programmes (new entries)	309	133	98	115	104	93	82
		Number of employed learners registered for bursary programmes (continuing)	N/A	N/A	N/A	80	102	104	104
		Number of employed learners completing bursary programmes	171	25	97	40	36	32	28
		Number of employed learners registered for skills programmes	4 320	5483	4000	3350	4084	4368	4368
		Number of employed learners completing skills programmes	1 819	3182	3 100	2094	2094	2362	2409
		Number of employed or unemployed learners registered for AET programmes	1 210	498	600	380	510	520	520
		Number of employed or	1 166	388	400	1600	1500	2000	2550

Outcome	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual Performance			Estimated performance (current year)	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
		unemployed learners completing AET programmes							
		Number of learners registered for trade / artisan qualifications (new registration)	4 221	4217	4 366	3290	2960	2632	2303
		Number of learners completing trade / artisan qualification	2 819	3315	3 400	3570	2800	3000	3000
		Number of learners entering Artisan Recognition of Prior Learning (ARPL) programme	2 495	2057	1 500	1257	1000	1040	1092
		Number of learners completing Artisan Recognition of Prior Learning (ARPL) programme	2 495	2057	1 500	1257	800	850	892
Outcome 3: PSET education, training and skills development public institutions responsive to the changing occupations and skills demand required for the merSETA sector engineering and manufacturing industries and related labour market Outcome 4: Skills for transformed SA merSETA sector engineering and manufacturing industries, to support EE demographics transformation, changing business models of production and technology, and the transformation for the diversification of	Strategic Output 5: Strategic skills development related collaborations and partnership, to respond to national, provincial, local and sector strategic priorities	Number of active TVET college partnerships established	8	12	8	9	30	33	35
		Number of active SETA-HEI partnerships established	2	24	6	7	12	15	18
		Number of active CET partnerships established	N/A	N/A	N/A	2	3	4	4
		Number of new SETA-Employer partnerships established	1786	1569	1600	1680	1512	1344	1344

Outcome	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual Performance			Estimated performance (current year)	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
ownership, control and management. Outcome 5: A skilled, agile and flexible current and future workforce for emerging and future occupations and employment opportunities, within the merSETA sector engineering and manufacturing industries, and related labour market									
Outcome 2: Skills for productive enterprises within the social economy, to support the integration into the merSETA sector engineering and industry value chains	Strategic Output 6: Facilitation of skills development intervention, to support the development and establishment of sustainable SMEs, cooperative, and local or community-based employment and income generation activities, aligned to merSETA engineering and manufacturing value chain	Number of cooperatives funded for skills that enhance enterprise growth and development	17	11	20	10	20	25	30
		Number of small businesses funded for skills that enhance enterprise growth and development	1 651	545	1 500	2060	50	60	70
		Number of CBOs/NGOs/NPOs funded for skills to grow/develop and sustain their activities or organisations	27	26	12	13	14	15	15
		Number of trade unions supported through skills development	4	4	4	4	4	4	4
		Number of rural development projects supported through skills development	4	4	4	4	4	4	4
		Number of people trained on entrepreneurship supported to start their business (Number of people funded	N/A	N/A	N/A	480	480	490	500

Outcome	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual Performance			Estimated performance (current year)	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
		for enterprise growth/enterprise development skills)							

Table 11: Programme 3 Quarterly Targets

Indicators	Annual target 2021/22	1 st	2 nd	3 rd	4 th
Percentage of discretionary grant (DG) budget allocated to programmes or projects aimed at developing high level skills e.g. managers, professionals and technicians and associate professionals	17%	N/A	N/A	N/A	17%
Percentage of discretionary grant (DG) budget allocated to programmes or projects aimed at developing mid-level skills e.g. clerical, sales and service, skilled craft and trade workers	59%	N/A	N/A	N/A	59%
Percentage of discretionary grant (DG) budget allocated to programmes or projects aimed at developing elementary skills e.g. machine operators and elementary workers.	24%	N/A	N/A	N/A	24%
Number of unemployed learners registered for WIL programmes from TVET	300	75	75	75	75
Number of unemployed learners completing WIL programmes from TVET	100	10	20	30	40
Number of unemployed learners registered for WIL programmes from HEIs	270	60	60	70	80
Number of unemployed learners completing WIL programmes from HEIs	360	N/A	100	100	160
Number of unemployed learners registered for workplace experience/internships	400	50	100	100	150
Number of unemployed learners completing workplace experience/internships	330	50	50	80	150
Number of unemployed learners registered for skills programmes	4100	800	800	800	1700
Number of unemployed learners completing skills programmes	2856	425	425	580	1426
Number of unemployed learners registered for learnership programmes	2160	500	500	560	600
Number of unemployed learners completing learnership programmes	2870	430	430	600	1410
Number of unemployed engineering graduates registered for candidacy programmes	20	4	4	4	8
Number of unemployed engineering graduates completing candidacy programmes	3	N/A	N/A	1	2
Number of unemployed learners registered for bursary programmes (new entries)	110	N/A	N/A	N/A	110
Number of unemployed learners registered for bursary programmes (continuing)	309	309	N/A	N/A	N/A
Number of unemployed learners completing bursary programmes	100	N/A	N/A	N/A	100
Number of employed learners registered for learnership programmes	1440	200	200	300	740
Number of employed learners completing learnership programmes	1183	210	210	270	493
Number of employed learners registered for bursary programmes (new entries)	104	40	10	20	34
Number of employed learners registered for bursary programmes (continuing)	102	40	10	20	32
Number of employed learners completing bursary programmes	36	N/A	N/A	N/A	36
Number of employed learners registered for skills programmes	4084	600	600	880	2004
Number of employed learners completing skills programmes	2094	100	300	500	1194
Number of employed or unemployed learners registered for AET programmes	510	75	75	100	260

Indicators	Annual target 2021/22	1 st	2 nd	3 rd	4 th
Number of employed or unemployed learners completing AET programmes	1500	0	0	750	750
Number of learners registered for trade / artisan qualifications (new registrations)	2960	300	650	950	1060
Number of learners completing trade / artisan qualifications	2800	300	500	800	1200
Number of learners entering Artisan Recognition of Prior Learning (ARPL) programme	1000	100	200	270	430
Number of learners completing Artisan Recognition of Prior Learning (ARPL) programme	800	80	160	210	350
Number of active TVET college partnerships established	30	N/A	5	10	15
Number of active SETA-HEI partnerships established	12	N/A	3	3	6
Number of active CET partnerships established	3	N/A	1	N/A	2
Number of new SETA-Employer partnerships established	1512	N/A	N/A	500	1012
Number of cooperatives funded for enterprise growth/enterprise development skills.	20	N/A	3	4	13
Number of small businesses funded for enterprise growth/enterprise development skills.	50	5	10	15	20
Number of CBOs/NGOs/NPOs funded for skills to grow/develop and sustain their activities or organisations	14	N/A	7	N/A	7
Number of trade unions supported through skills development	4	N/A	2	1	1
Number of rural development projects supported through skills development	4	N/A	2	1	1
Number of people trained on entrepreneurship supported to start their business (Number of people funded for enterprise growth/enterprise development skills).	480	0	80	100	300

4.4 Programme 4: Quality Assurance

Programme Purpose

The purpose of the quality assurance programme is to monitor the quality of the implementation of qualifications, part qualifications, and the learning programmes thereof (learnerships, apprenticeships, skills programmes, skills sets, etc.). The Quality Assurance programme further ensures that National Qualification Framework (NQF) national standards for quality delivery are adhered to by education and training and skills providers. This is done through monitoring and auditing of delivery, rewarding of successful learners with valid industry accepted certification, and constantly reviewing the quality cycle, in order to ensure continuous improvement. This programme also ensures that qualifications and programmes are checked for relevance and responsiveness to demand.

This programme is also a key area for curriculum research, innovation and development for emerging occupations, and skills needed for the development, expansion and diversification of the manufacturing, engineering and related services industries. It must address the development of the merSETA delivery system (learning programmes and materials, institutions, skills development providers, workplace trainers and mentors, assessors and moderators), to align to emerging and future skills

requirements, and draw on innovative learning, assessment and certification methodologies.

The quality assurance functions may be executed as a delegated function by the QCTO, either as a Development Quality Partner (DQP) or Assessment Quality Partner (AQP), and supported by SLA with QCTO. These delegated functions include the development of curricula for occupational qualifications or part qualifications, supporting the accreditation and quality management of providers, the registration of assessors and moderators, and supporting assessment and moderation processes, including the certification of learners as proof of successful completion of qualifications within the mer-Sector.

Programme 4: Quality Assurance indicators and targets

Table 12 (below) highlights performance indicators and targets for programme 4 over the medium-term expenditure framework.

Table 12: Programme 4 MTEF Performance Indicators and Annual and Quarterly targets 2021/22

Outcome	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual performance			Estimated performance (current year)	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Outcome 3: PSET education, training and skills development public institutions responsive to the changing occupations and skills demand required for the merSETA sector engineering and manufacturing industries, and related labour market	Strategic Output 7: Support to the growth and quality improvement of technical and vocational education and training (TVET) colleges	Number of active TVET Centres of Specialisation (CoS) supported	N/A	N/A	N/A	2	3	4	5
		Number of TVET colleges funded for merSETA occupational programmes, equipment and workshop infrastructure	N/A	N/A	N/A	4	6	7	8
		Number of TVET college Lecturers awarded bursaries	116	262	50	20	54	56	56
		Number of TVET college Managers receiving training on curriculum related studies	N/A	N/A	N/A	40	70	80	80

Outcome	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual performance			Estimated performance (current year)	MTEF Period		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
		Number of TVET college Lecturers exposed to the industry through skills programmes	N/A	N/A	N/A	10	60	70	70
		Number of SETA offices maintained in TVET colleges	N/A	N/A	3	3	3	3	3
	Strategic Output 8: Support to the growth and quality improvement of community education and training (CET) colleges	Number of CET college lecturers awarded skills development programmes	N/A	N/A	N/A	20	15	20	20
		Number of CET college Managers receiving training on curriculum related studies	N/A	N/A	N/A	10	15	20	20
		Number of CET colleges funded for merSETA occupational programmes, equipment and workshop infrastructure	N/A	N/A	N/A	2	3	4	5
		Number of CET learners accessing AET programmes	N/A	N/A	N/A	20	15	20	30
Outcome 5: A skilled, agile and flexible current and future workforce for emerging and future occupations and employment opportunities, within the merSETA sector engineering and manufacturing industries, and related labour market	Strategic Output 9: Support career development services	Number of career development events in urban areas on occupations in high demand	N/A	N/A	N/A	10	12	15	18
		Number of career development events in rural areas on occupations in high demand	N/A	N/A	N/A	10	12	15	18
		Number of career development practitioners trained	N/A	N/A	N/A	30	30	30	30
		Number of capacity building workshops on career development services initiated	N/A	N/A	N/A	5	6	7	8

Table 13: Programme 4 Quarterly Targets 2020/21

Indicators	Annual target 2021/22	1 st	2 nd	3 rd	4 th
Number of active TVET Centres of Specialisation (CoS) supported	3	N/A	N/A	N/A	3
Number of TVET colleges funded for merSETA occupational programmes, equipment and workshop infrastructure	6	N/A	N/A	N/A	6
Number of TVET college Lecturers awarded bursaries	54	N/A	N/A	N/A	54
Number of TVET college Managers receiving training on curriculum related studies	70	N/A	N/A	N/A	70
Number of TVET college Lecturers exposed to the industry through skills programmes	60	N/A	N/A	N/A	60
Number of SETA offices maintained in TVET colleges	3	N/A	N/A	N/A	3
Number of CET college lecturers awarded skills development programmes	15	N/A	N/A	N/A	15
Number of CET college Managers receiving training on curriculum related studies	15	N/A	N/A	N/A	15
Number of CET colleges funded for merSETA occupational programmes, equipment and workshop infrastructure	3	N/A	N/A	N/A	3
Number of CET learners accessing AET programmes	15	N/A	5	5	5
Number of career development events in urban areas on occupations in high demand	12	2	4	3	3
Number of career development events in rural areas on occupations in high demand	12	2	4	3	3
Number of career development practitioners trained	30	N/A	N/A	N/A	30
Number of capacity building workshops on career development services initiated	6	1	1	2	2

5 Explanation of planned performance over the medium term

5.1 Programme 1: Administration

This programme relates to achieving best practice governance, leadership and management in accordance with the Public Finance Management Act and Treasury Regulations, King IV Principles, Skills Development Act mandate, the merSETA Constitution and Code of Ethics, AA committees' terms of reference, approved Delegation of Authority Framework, and strategic and operational policies. It is also to achieve the following:

- (i) Best practice management for planning, budgeting, and performance in accordance with the Department of Planning, Monitoring and Evaluation (DPME), AGSA and National Treasury Framework of legislation, regulations and guidelines.
- (ii) Efficient management of financial controls and grants disbursements in accordance with the PFMA, National Treasury Regulations, AGSA and Grant Regulations.

- (iii) Best practice operational management systems for implementing incentives, programmes and projects in accordance with internal and external audit requirements and standard operating procedures.
- (iv) Best practice management systems for human, ICT and facilities infrastructure resources.
- (v) Best practice management systems for governance and management of data, records and knowledge assets of the SETA.
- (vi) Best practice management systems for communication, marketing and information dissemination in accordance with relevant legislation.

The overall intended results must support the merSETA outcome of “Ethical governance and resourced capable merSETA operations, established and maintained to equitably provide skills development related services, goods and products responsive to occupations and skills growth demand of the merSETA sector industries, and labour market”.

The evidence of achievements for this programme should manifest in the governance structures functioning in accordance with best practice governance processes, for example, the office of the CEO, the functional operations of the Chief Financial Officer, Chief Operations Office, Corporate Service and Strategy and Research complementing the functioning of governance structure, by ensuring best practice management for the execution and operationalisation of the AA strategy.

5.2 Programme 2: Skills Planning

In the implementation of a credible institutional mechanism for skills planning, applied research and innovation projects, greater attention will be placed on the development of a model that will facilitate the responsiveness of the SETA to national, regional, local and sectorial needs. Research and innovation should address priorities such as structural economic transformation, curriculum development, supporting the growth and development of the public PSET system, occupations in high demand and support of the social economy. This programme is therefore key in supporting the following merSETA outcomes:

- (i) Skills for productive enterprises within the social economy, to support the integration into the merSETA sector engineering and industry value chains.
- (ii) PSET education, training and skills development in public and private institutions responsive to the changing occupations and skills demand required for the merSETA sector engineering and manufacturing industries, and related labour market.
- (iii) Skills for transformed SA merSETA sector engineering and manufacturing industries, to support EE demographics transformation, changing business models of production and technology, and the transformation for the diversification of ownership, control and management.
- (iv) A skilled, agile and flexible current and future workforce for emerging and future occupations and employment opportunities, within the merSETA sector engineering and manufacturing industries, and related labour market.

This programme is also about the implementation of applied research and innovation projects. These are projects that are about testing and piloting innovations and new ideas, with the intention of taking such projects to scale if successful. Innovative approaches are critical in responding to changes in education, training and learning as well as entering the world of work.

The programme also supports the implementation of different types of evaluation studies (drawing on research approaches and methodologies), in order to assess processes, systems and impact of merSETA skills development programmes and projects, in order to inform the merSETA of its successes and non-achievements, thus influencing ongoing decisions regarding strategic skills development interventions. This is also key in responding to the NSDP, which has placed a greater emphasis on monitoring and evaluation of impact. These different types of research-based activities must be assessed in terms of their value to evidence-based decisions making capability. Some of the outputs of this programme include research projects conducted, the SSP, established research partnerships to increase the research capability of merSETA, research papers and publications.

5.3 Programme 3: Learning programmes and projects

This programme is key in achieving four of the five merSETA outcomes which include skills for productive enterprises within the social economy. It supports integration into the merSETA sector engineering and industry value chains; PSET education, training and skills development public and private institutions responsive to the changing occupations and skills demand required for the merSETA sector engineering and manufacturing industries and related labour market as well as skills for transformed South African merSETA sector engineering and manufacturing industries, to support EE demographics transformation, change business models of production and technology and the transformation for the diversification of ownership, control and management. And, it also fosters a skilled, agile and flexible current and future workforce for emerging and future occupations and employment opportunities, within the merSETA sector engineering and manufacturing industries and related labour market.

Various programmes and projects are implemented with an aim of reskilling and upskilling the currently employed people, skilling the unemployed to facilitate their entry into the merSETA sector labour market and increasing participation of large, medium and small sized levy paying employers. The programme is also intended for initiatives aimed at ensuring that PSET education, training and skills development public and private institutions and is continuously responsive to the changing occupations and skills demand required for the merSETA sector engineering and manufacturing industries and related labour market.

The programme also focuses on increasing workplace experiential learning opportunities including support for employers to take on more learners in the workplace, introducing training within the SME sector and for informal entrepreneurs, it also addresses the low level of youth and adult skills. Also focussing on the implementation of innovative skills development solutions to address emerging new complex skills challenges increases the capacity for entrepreneurs to enable new ventures into new areas of production activities and growth of existing businesses. Transformational goals aimed at increasing the participation of youths, women, PwD, Black Industrialists and coloured people in the labour market are also supported through this programme.

The Grants Policy allows the merSETA to offer a range of incentives that enable optimal participation from our various stakeholders and partners. It is through the different types of incentives that merSETA will be able to reach its targets for this programme.

5.4 Programme 4: Quality Assurance

Through Programme 4, the merSETA is committed to building self-directed career and vocational guidance. This programme positions the manufacturing, engineering and related services industry as providing attractive pathways for personal and career development to current workers, new entrants and future workers. The merSETA has initiated several partnerships with various institutions that focus on innovative career development initiatives. The priorities for the next period are to increase the number of career guidance practitioners in technology focussed institutions, entrench activities related to the international World Skills competition in the South African artisan development landscape and, to provide career development to workers through career path mapping and advice. There will be an increasing focus on career advice and advocacy on new and emerging occupations.

The quality improvement of institutions and skills providers is important in ensuring that PSET education, training and skills development public and private institutions are responsive to the changing occupations and skills demand required for the merSETA sector engineering and manufacturing industries and related labour market. Support through curriculum research and development, equipment and workshop infrastructure, staff development, employer-education partnerships, quality management of interventions to ensure relevance and increased throughput is critical in ensuring that the merSETA delivers on its mandate.

6 Programme resource considerations

Table 14 (below) summarises the income and expenditure over the medium-term. The economic challenges impacting the performance of the manufacturing sector (highlighted in the situational analysis) have impacted the growth of the levy income. The effects of the economic recession and the COVID-19 economic lockdown are likely to be felt in the coming few years. The merSETA financial incentives and non-financial services framework (business funding model) is part of merSETA's response to supplementing its stagnating levy income. Table 15 also summarises the budget for the four programmes over the medium term 2021/22 to 2023/24

Table 14: INCOME AND EXPENDITURE FORECAST

merSETA												
STATEMENT OF FINANCIAL PERFORMANCE												
INCOME AND EXPENDITURE BUDGET & FORECAST 2021/22												
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Increase %				
	HISTORICAL	HISTORICAL	HISTORICAL	REVISED BUDGET	BUDGET	FORECAST	FORECAST		21 vs 20	22 vs 21	23 vs 22	24 vs 23
INCOME												
Levies	1 391 469 047	1 455 047 363	1 466 870 302	709 815 757	1 064 722 116	1 096 663 891	1 129 563 508	3%	-52%	50%	3%	3%
Mandatory (20%)	349 021 161	361 649 571	365 711 145	177 453 942	266 180 529	274 165 973	282 390 877					
Discretionary (49.5%)	859 799 751	902 393 095	908 728 834	439 198 498	658 796 809	678 560 783	698 917 421					
Administration (10.5%)	182 648 135	191 004 697	192 430 323	93 163 317	139 744 778	143 937 136	148 255 210					

Penalties and Interest	32 741 669	29 350 438	19 620 548	22 057 466	20 013 954	20 614 373	21 232 304	3%	12%	-9%	3%	3%
Investment Income	227 448 263	276 854 314	311 866 815	372 000 000	409 000 000	450 000 000	495 000 000	10%	19%	10%	10%	10%
Other Income	123 297	116 535	65 867	127 900	131 000	135 000	139 000	3%	94%	2%	3%	3%
Surplus on disposal of property & equipment	-	-		-	-	-	-					
TOTAL INCOME	1 651 782 276	1 761 368 650	1 798 423 532	1 104 001 123	1 493 867 070	1 567 413 264	1 645 934 812		-39%	35%	5%	5%
EXPENDITURE												
Mandatory grants	249 776 298	251 582 706	251 532 466	128 742 297	191 888 176	197 707 841	203 697 523					
Mandatory grants	250 530 586	253 442 626	250 309 394	125 992 297	188 988 176	194 657 841	200 497 523	3%	-50%	50%	3%	3%
Other Mandatory expenses/ (recoveries)	(754 288)	(1 859 920)	1 223 072	2 750 000	2 900 000	3 050 000	3 200 000	5%	125%	5%	5%	5%
Discretionary grants	736 448 511	807 038 022	763 248 233	1 213 120 718	995 698 321	1 026 676 588	1 058 612 068					
Discretionary projects - direct expenses	688 824 500	768 557 932	721 584 672	1 155 719 748	940 332 469	968 542 443	997 598 716	3%	60%	-19%	3%	3%
Discretionary administration expenses	39 759 679	37 756 934	38 091 287	46 900 970	44 365 852	46 584 145	48 913 352	5%	23%	-5%	5%	5%
Other discretionary expenses/ (recoveries)	7 864 332	723 156	3 572 274	10 500 000	11 000 000	11 550 000	12 100 000	5%	194%	5%	5%	5%
Administration expenses	161 430 804	172 101 529	171 561 854	192 220 027	202 422 939	210 453 312	218 802 902					

Administration expenses	153 912 459	162 591 067	162 249 451	187 783 677	195 768 426	203 599 163	211 743 130	4%	16%	4%	4%	4%
QCTO administration fee	7 467 653	9 488 781	9 170 658	4 436 350	6 654 513	6 854 149	7 059 772	3%	-52%	50%	3%	3%
Loss on disposal of property & equipment	50 692	21 681	141 745	-	-	-	-					
TOTAL EXPENDITURE	1 147 655 613	1 230 722 257	1 186 342 553	1 534 083 042	1 390 009 436	1 434 837 741	1 481 112 493		29%	-9%	3%	3%
Net surplus/ (deficit)	504 126 663	530 646 393	612 080 979	(430 081 919)	103 857 634	132 575 523	164 822 319		- 170%	- 124%	28%	24%
Accumulated surplus BOY	2 506 200 897	3 013 823 560	3 544 469 953	4 156 550 932	3 726 469 013	3 830 326 647	3 962 902 170		17%	-10%	3%	3%
Prior year adjustment	3 496 000	-	-	-	-	-	-					
Accumulated surplus EOY	3 013 823 560	3 544 469 953	4 156 550 932	3 726 469 013	3 830 326 647	3 962 902 170	4 127 724 489		-10%	3%	3%	4%
Admin expenditure as % admin levy income	88%	90%	89%	206%	145%	146%	148%					
QCTO as % levies	0,4%	0,5%	0,5%	0,5%	0,5%	0,5%	0,5%					
Project admin as % project expenditure	5,3%	4,5%	4,9%	3,8%	4,4%	4,4%	4,5%					
Discretionary project expenses as % DG levy income	80%	85%	79%	263%	143%	143%	143%					
Mandatory grants as % MG income	72%	70%	68%	71%	71%	71%	71%					

MERSETA												
STATEMENT OF FINANCIAL PERFORMANCE												
INCOME AND EXPENDITURE FORECAST FOR APP 2021/22												
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Increase %				
	HISTORICAL	HISTORICAL	HISTORICAL	REVISED BUDGET	BUDGET	FORECAST	FORECAST		21 vs 20	22 vs 21	23 vs 22	24 vs 23
	R000's	R000's	R000's	R000's	R000's	R000's	R000's					
INCOME												
Levies	1 391 470	1 455 050	1 466 870	709 815	1 064 722	1 096 664	1 129 564	3%	-52%	50%	3%	3%
Mandatory	347 868	363 763	365 711	177 454	266 181	274 166	282 391					
Discretionary	860 972	900 312	908 729	439 198	658 797	678 561	698 918					
Administration	182 630	190 975	192 430	93 163	139 745	143 937	148 255					
Penalties and Interest	32 742	29 351	19 620	22 057	20 014	20 614	21 232	3%	12%	-9%	3%	3%
Investment Income	227 448	276 854	311 867	372 000	409 000	450 000	495 000	10%	19%	10%	10%	10%
Other Income	123	117	66	128	131	135	139	3%	94%	2%	3%	3%
TOTAL INCOME	1 651 783	1 761 372	1 798 423	1 104 000	1 493 867	1 567 413	1 645 935		-39%	35%	5%	5%
EXPENDITURE												
Operational Admin	153 964	162 614	162 393	187 784	195 768	203 599	211 743	4%	16%	4%	4%	4%
QCTO	7 468	9 489	9 171	4 436	6 655	6 854	7 060	0.5% of levy income	-52%	50%	3%	3%
	161 432	172 103	171 564	192 220	202 423	210 453	218 803		12%	5%	4%	4%
Administration related projects	2 520	4 516	4 301	8 014	5 962	8 350	10 941	5%	86%	-26%	40%	31%
Total Administration	163 952	176 619	175 865	200 234	208 385	218 803	229 744		14%	4%	5%	5%
Skills Planning	33 846	37 513	53 342	69 273	112 978	116 459	120 049	5%	30%	63%	3%	3%
Learning Programmes & Projects	948 563	1 012 479	955 519	1 263 798	1 067 399	1 098 291	1 129 994	2%	32%	-16%	3%	3%
Quality Assurance	1 295	4 112	1 618	777	1 247	1 285	1 325	5%	-52%	60%	3%	3%
TOTAL EXPENDITURE	1 147 656	1 230 723	1 186 344	1 534 082	1 390 009	1 434 838	1 481 112		29%	-9%	3%	3%

	-	-	-	-	-	-	-					
Net surplus	504 127	530 649	612 079	-430 082	103 858	132 575	164 823		-	-	28%	24%
Accumulated surplus BOY	2 506 200	3 013 823	3 544 472	4 156 551	3 726 469	3 830 327	3 962 902		17%	-10%	3%	3%
Prior year adjustment	3 496	-	-	-	-	-	-					
Accumulated surplus EOY	3 013 823	3 544 472	4 156 551	3 726 469	3 830 327	3 962 902	4 127 725		-10%	3%	3%	4%
Admin expenditure % Admin levy income	9%	9%	9%	21%	15%	15%	15%					

Table 15: Programme budgets

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	R000's	R000's	R000's	R000's	R000's	R000's	R000's
PROGRAMME 1							
Compensation	109 481	115 734	130 924	138 785	145 077	152 331	159 947
Depreciation	2 239	2 101	2 281	5 699	3 934	4 130	4 337
Goods and services	52 130	58 623	42 498	55 723	59 151	62 108	65 214
Direct project admin costs	-	-	-	-	-	-	-
Allocated project admin expenditure	102	161	162	27	223	234	246
	163 952	176 619	175 865	200 234	208 385	218 803	229 744
% Project admin	0,062%	0,091%	0,092%	0,013%	0,107%	0,107%	0,107%
PROGRAMME 2							

Compensation	5 905	7 096	6 311	9 622	7 002	7 212	7 428
Depreciation	-	-	-	-	-	-	-
Goods and services	26 578	28 952	45 029	57 217	101 755	104 808	107 952
Direct project admin costs	-	-	-	-	-	-	-
Allocated project admin expenditure	1 363	1 465	2 002	2 434	4 221	4 439	4 669
	33 846	37 513	53 342	69 273	112 978	116 459	120 049
% Project admin	4,2%	4,1%	3,9%	3,6%	3,9%	4,0%	4,0%
PROGRAMME 3							
Compensation	1 187	2 434	2 285	2 864	3 575	3 682	3 793
Depreciation	948	364	365	364	363	374	385
Goods and services	908 237	973 697	917 003	1 216 157	1 023 585	1 052 373	1 081 869
Direct project admin costs	-	-	-	-	-	-	-
Allocated project admin expenditure	38 191	35 984	35 866	44 413	39 876	41 862	43 947
	948 563	1 012 479	955 519	1 263 798	1 067 399	1 098 291	1 129 994
% Project admin	4,2%	3,7%	3,9%	3,6%	3,9%	4,0%	4,0%
PROGRAMME 4							
Compensation	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-

Goods and services	1 243	3 965	1 557	750	1 200	1 236	1 273
Direct project admin costs	-	-	-	-	-	-	-
Allocated project admin expenditure	52	147	61	27	47	49	52
	1 295	4 112	1 618	777	1 247	1 285	1 325
% Project admin	4,2%	3,7%	3,9%	3,6%	3,9%	4,0%	4,1%
TOTAL EXPENDITURE	1 147 656	1 230 723	1 186 344	1 534 082	1 390 009	1 434 838	1 481 112

Human and infrastructure resources

The merSETA has a national footprint and operates in the seven regional offices that cover all the nine provinces. This is critical in the implementation of its various national, regional and sectorial initiatives. The staff in the regional offices play a critical role in stakeholder engagement and liaison, implementation of programmes and projects and the monitoring of implementation. To effectively implement its strategy, continuously skilling and development of the merSETA staff is key in ensuring that they have the competencies to implement projects, programmes and systems supporting the new strategy.

The merSETA will conduct an organisational review to determine the adequacy of the current organisational functions, structure, systems and staff establishment for implementation of its strategy. The merSETA has made the decision to make further investment in the ICT infrastructure to ensure that the most relevant and latest technology is in place to support merSETA's enterprise content management system, as well as to govern and manage its data, records and knowledge assets. This is critical in positioning the merSETA for the digital driven 4IR era.

The response of the merSETA to the COVID-19 pandemic was commendable. With the announcement of the lockdown the SETA was able to adjust its internal operations to suit the "new normal". In implementing its strategy, the merSETA will continuously look at innovative ways to respond to some of the opportunities and challenges.

7 Key Risks

The global recession caused by the COVID-19 pandemic and an already ailing economy has exposed the merSETA to significant outcome and output risks. However, the merSETA has responded by coming up with ways to mitigate some of the risks as unpacked in Table 16 and Table 17.

Table 16: Outcome risks

Outcome	Key risk	Risk mitigation
Ethical governance and resourced capable merSETA operations established and maintained, to equitably provide skills development related services, goods and products responsive to occupations and skills growth demand of the merSETA sector industries and labour market	Non-compliance to legislative and regulatory environment and inability to deliver on the mandate	<ul style="list-style-type: none"> Implementation, communication and monitoring of relevant government frameworks. Development and implementation of functional strategies (ICT, HR, Marketing and Communications etc.) aligned to the merSETA strategic Plan
Skills for productive enterprises within the social economy to support the integration into the merSETA sector engineering and industry value chains	<ul style="list-style-type: none"> Low level of skills to enable meaningful participation in the recovery and reconstruction of the manufacturing economy Unavailability of adequate workplaces for training 	<ul style="list-style-type: none"> Development and implementation of a strategy to recruit and increase participation in merSETA skills development initiatives Strategies to support SMEs in building their capability to be used as workplaces for training in a sustainable manner
PSET education, training and skills development public institutions responsive to the changing occupations and skills demand required for the merSETA sector engineering and manufacturing industries, and related labour market	Non-responsive PSET institutions for the merSETA labour market and economy	Provision of the necessary support for teaching, learning, and innovation appropriate for merSETA skills demand
Skills for transformed SA merSETA sector engineering and manufacturing industries to support EE demographics transformation, changing business models of production and technology, and the transformation for the diversification of ownership, control and management	No skills for the transformation goals	Creative incentive measures for diversified innovative skills development initiatives and continuous monitoring and feedback for continuous improvement
A skilled, agile and flexible current and future workforce for emerging and future occupations and employment opportunities within the merSETA sector engineering and manufacturing industries, and related labour market	Inadequate agile and flexible skills to support the recovery and reconstruction of the economy post COVID-19	<ul style="list-style-type: none"> Collaboration with the QCTO to put in place occupational qualifications for emerging/transforming/new occupations and skills Diversified innovative support and incentives for formal and informal skills development initiatives for emerging/transforming/new skills

Table 17: Output risks

Output	Key Risk	Risk Mitigation
Effective and efficient governance and leadership practice implemented	Inefficient governance and non-compliance to legislation	<ul style="list-style-type: none"> • Implementation, communication and monitoring of relevant government frameworks • Separation of duties and responsibilities between the accounting authority and management • Training and capacity building
Improved financial and corporate management	<p>Poor service delivery and qualified audit due to poor internal controls, poor data management and governance and poor record keeping</p> <p>Reduction of levy income due to the impact of the economic recession and the global pandemic</p>	<ul style="list-style-type: none"> • Improved internal control systems, committing funding to the right programmes, strengthening data management as well as governance and records management • Use partnerships (including the core funding mechanism) to deliver skills to the sector
Establishment of credible and effective systems and strategies for research, planning, monitoring and evaluation	Poor planning and evidence-based decision-making in relation to delivery on merSETA mandate due to poor data quality	<ul style="list-style-type: none"> • Implementation of credible systems and strategies to monitor the effective implementation of policies, processes and systems • Implement a data management and governance framework to strengthen data management and governance
Facilitation of skills development interventions, to enable increased employment and growth opportunities	<ul style="list-style-type: none"> • No pool of relevant skills required by the labour market • Learner dropouts in merSETA programmes due to the social and economic impact of the COVID-19 pandemic • Lack of availability of workplaces • SMEs not adequately equipped to participate in 	<ul style="list-style-type: none"> • Creative incentives and programmes <p>Wrap-around learner support services to increase throughput of learners on merSETA-learning programmes</p> <ul style="list-style-type: none"> • Ensuring that employers commit to opening the workplace as a training space • Explore the use of simulated training, learning factories and other technologies
Strategic skills development related collaborations and partnerships to respond to national, provincial, local and sector priorities		
Facilitation of skills development interventions to support the development and establishment of sustainable		

SMEs, cooperatives, and local or community-based employment and income generation activities aligned to merSETA engineering and manufacturing value chain	skills development programmes due to the economic and social effects of the COVID-19 pandemic and global recession	<ul style="list-style-type: none"> • merSETA strategies to support SMEs in building their capability to be used as workplaces for training in a sustainable manner, with minimal disruption to core business activities • Provide more support to SMEs, entrepreneurship and community based enterprises such as cooperatives
Support of the growth and quality improvement of Technical and Vocational Education and Training (TVET) Colleges	Poor quality of provisioning or delivering	<ul style="list-style-type: none"> • Enabling policy framework • Partner with other role players to strengthen support for the TVET sector • Qualitative monitoring of TVET colleges to identify risks and challenges as they occur
Support of the growth and quality improvement of Community Education and Training (CET) Colleges	Poor capacity within the CET colleges	<ul style="list-style-type: none"> • Partner with other role players to strengthen support for CET colleges • Qualitative monitoring of CET colleges to identify risks and challenges as they occur
Facilitating diverse career development, advice and awareness related services	Low reach of career development, advice and related services	<ul style="list-style-type: none"> • Increased customised and diversified career awareness platforms e.g. social media, exhibitions, radio, etc.

8 Public Entities: N/A

9 Infrastructure Projects: N/A

10 Public Private Partnerships: N/A

Programme 1: Administration Technical Indicator Descriptors

1.1 Percentage of compliance with corporate governance compliance report

Indicator title	Percentage of compliance with corporate governance compliance report
Definition	This indicator must measure in percentage, the merSETA's overall compliance with PFMA (including National Treasury directives), Skills Development Act (and the Regulations thereof) and Public Audit Act No 5 of 2018 (as amended), as well as management's and AA's role in monitoring such compliance
Source of data	Quarterly Governance Report
Method of calculation/ Assessment	The total number of Governance Reports submitted to and accepted by DHET divided by four and multiplied by 100
Means of verification	Approved Governance Report
Assumptions	Committee meetings will take place as per schedule
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities (PwD): N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/2022 APP achieved
Indicator responsibility	Company Secretary and Compliance Officer

1.2 Percentage reduction of internal control deficiencies reported in previous external and internal audit reports

Indicator title	Percentage reduction of internal control deficiencies reported in previous external and internal audit reports
Definition	This indicator measures the extent to which the internal control weaknesses, which were identified in the 2019/20 external and internal audit reports, have been resolved, in order to monitor remedial actions that will be taken to address the findings, to enable the merSETA to improve its internal controls and processes, thereby ensuring compliance with all related regulations, successful delivery of the SETA mandate, and accurate reporting
Source of data	NSDMS OR merSETA records
Method of calculation/ Assessment	Total number of previous findings addressed in the year under review, divided by the total number of issues identified in the previous year
Means of verification	Internal audit log; follow-up reviews conducted by internal and external auditors, QS reports
Assumptions	All merSETA business units will implement internal controls to address identified internal control weaknesses, Access and availability of data/information
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A

Indicator title	Percentage reduction of internal control deficiencies reported in previous external and internal audit reports
	Target for People with Disabilities (PwD): N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/2022 APP achieved
Indicator responsibility	Chief Financial Officer

1.3 Percentage achievement of annual Employment Equity (EE) targets

Indicator title	Percentage achievement of annual Employment Equity (EE) targets
Definition	<p>This indicator measures in percentages, the implementation of planned employment equity targets in line with the merSETA annual EE plan as submitted to the Department of Labour, which refers to the merSETA workforce profile in terms of the following categories:</p> <ul style="list-style-type: none"> - Race: Black (African, Coloured, and Indian); and White - Gender: Male and female - People with disability (PwD)
Source of data	Recruitment data or records
Method of calculation/ Assessment	Count the number of current workforces divided by the merSETA planned employment equity target multiplied by 100
Means of verification	Employment equity plan and employment equity reports
Assumption	Appropriate recruitment and retention strategies in place
Disaggregation of Beneficiaries (where applicable)	<p>Target for Race: African - 78,5%</p> <p>Coloured - 9,6%</p> <p>Indian - 2,8%</p> <p>White - 9,1%</p> <p>Target for Gender (Women): 3% of the total number of women in senior management</p> <p>Target for People with Disabilities (PwD): 3%</p>
Spatial Transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2021/2022 APP achieved
Indicator responsibility	Corporate Services Executive

Programme 2: Skills Planning Technical Indicator Descriptors

2.1 Number of WSPs and ATRs approved for small firms (49 or less employees)

Indicator title	Number of WSPs and ATRs approved for small firms: (49 or less employees)
Definition	Number of WSPs and ATRs that have been approved for small levy paying firms (organisations employing 49 or less employees). Approval of a WSP/ATR doesn't necessarily mean that the firm was paid a mandatory grant, but that the WSP/ATR submission was accepted and deemed as appropriate by the merSETA
Source of data	NSDMS records or MG schedules
Method of calculation/ Assessment	Each small levy paying firm is counted once for each successful approval of WSP/ATR
Means of verification	Remittance advice or proof of payment, or record of approval of grant application (WSP/ATR)
Assumptions	merSETA companies will participate in the WSP/ATR (mandatory grant application process)
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/2022 APP achieved
Indicator responsibility	Chief Operations Officer

2.2 Number of WSPs and ATRs approved for medium firms (50-149 employees)

Indicator title	Number of WSPs and ATRs approved for medium firms: (50-149 employees)
Definition	Number of WSPs and ATRs that have been approved for medium levy paying firms (organisations employing between 50-149 employees). Approval of a WSP/ATR doesn't necessarily mean that the firm was paid a mandatory grant, but that the WSP/ATR submission was accepted and deemed as appropriate by the merSETA
Source of data	NSDMS records or MG schedules
Method of calculation/ Assessment	Each medium levy paying firm is counted once for each successful approval of WSP/ATR (mandatory grant)
Means of verification	Remittance advice or proof of payment; or record of approval of grant application (WSP/ATR)
Assumptions	merSETA companies will participate in the WSP/ATR (mandatory grant application process)
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/2022 APP achieved

Indicator title	Number of WSPs and ATRs approved for medium firms: (50-149 employees)
Indicator responsibility	Chief Operations Officer

2.3 Number of WSPs and ATRs approved for large firms (150+ employees)

Indicator title	Number of WSPs and ATRs approved for large firms: (150 + employees)
Definition	Number of WSPs and ATRs that have been approved for large levy paying firms (organisations employing 150+ employees). Approval of a (WSP/ATR doesn't necessarily mean that the firm was paid a mandatory grant, but that the WSP/ATR submission was accepted and deemed as appropriate by the merSETA
Source of data	NSDMS records or mandatory grant schedules
Method of calculation/ Assessment	Each large levy paying firm is counted once for each successful approval of WSP/ATR
Means of verification	Remittance advice or proof of payment; or record of approval of grant application (WSP/ATR)
Assumptions	merSETA companies will participate in the WSP/ATR (mandatory grant application process)
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/2022 APP achieved
Indicator responsibility	Chief Operations Officer

2.4 Number of learners who completed workplace based learning programmes absorbed into employment or self-employment (*tracer studies conducted every two years*)

Indicator title	Number of learners who completed workplace based learning programmes absorbed into employment or self-employment (<i>tracer studies conducted every two years</i>)
Definition	This indicator refers to the number of learners absorbed into employment including self-employment after completing merSETA skills development interventions, including but not limited to internships, apprenticeship, skills programme/sets, learnerships programme, training on entrepreneurship skills, or on completion of studies where a bursary was offered. Absorption rates will be determined through tracer studies conducted every two years
Source of data	Tracer study reports
Method of calculation/ Assessment	Count the number of learners absorbed
Means of verification	The tracer study reports
Assumptions	Research expertise, availability of alumni information
Disaggregation of Beneficiaries (where applicable)	A detailed methodology stating the required sample based on representability related to gender, race and age.
Spatial transformation (where applicable)	The sampling criteria will take into account spatial transformation, to ensure a balanced representation of urban and rural learners.

Indicator title	Number of learners who completed workplace based learning programmes absorbed into employment or self-employment (<i>tracer studies conducted every two years</i>)
Calculation type	Non-cumulative
Reporting cycle	Bi-Annually
Desired performance	No studies planned for 2021/2022
Indicator responsibility	Strategy & Research Executive

2.5 Number of sector research agreements signed for TVET growth occupationally directed programmes

Indicator title	Number of sector research agreements signed for TVET growth occupationally directed programmes
Definition	Number of research agreements signed to implement research studies to enable TVET colleges provide occupationally directed programmes for the merSETA
Source of data	NSDMS MoA records or register of merSETA MoAs
Method of calculation / Assessment	Count of research MoA(s)
Means of verification	Research MoA signed with either the TVET college or with researchers
Assumptions	TVET colleges participation or support for research
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

2.6 Number of established and emergent cooperatives trained on sector and national identified priority occupations or skills

Indicator title	Number of established and emergent cooperatives trained on sector and national identified priority occupations or skills
Definition	Number of co-operatives that have been funded by the merSETA to train on sector and national identified priority occupations or skills
Source of data	NSDMS records or register of partnership agreements
Method of calculation / Assessment	Count the number of co-operatives funded by the merSETA to train on sector and national identified occupations or skills. Each signed agreement is counted once in the financial year, irrespective of the number of agreements entered with the co-operative.
Means of verification	Copy of an agreement; a copy of a detailed site visit report or progress report

Indicator title	Number of established and emergent cooperatives trained on sector and national identified priority occupations or skills
Assumptions	Cooperatives have the capability (resources, project management and relevant infrastructure) to implement agreements
Disaggregation of Beneficiaries (where applicable)	30% of co-operatives supported should be run by women or have women as the primary beneficiaries
Spatial Transformation (where applicable)	90% of co-operatives supported will be from rural areas and townships
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

2.7 Number of small and emerging enterprises trained on sector and national identified priority occupations or skills

Indicator title	Number of small and emerging enterprises trained on sector and national identified priority occupations or skills
Definition	Number of small business (organisations with 1-49 employees) that have been funded by the merSETA to train on sector and national identified priority occupations or skills
Source of data	NSDMS records or register of partnership agreements
Method of calculation / Assessment	Count the number of small businesses that have been funded by the merSETA to train on sector and national identified priority occupations or skills. Each signed agreement is counted once in the financial year, irrespective of the number of agreements entered with the small business
Means of verification	Copy of an agreement; a copy of a detailed site visit report or progress report.
Assumptions	The merSETA has a strategy and supporting measures in place to encourage participation of SMEs in its activities and interventions
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	10% of small businesses supported through skills development will be from rural areas and townships
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

Programme 3: Learning Programmes and Projects Technical Indicator Descriptors

3.1 Percentage of Discretionary Grant (DG) budget allocated to programmes or projects aimed at developing high level skills e.g. managers, professionals and technicians, and associate professionals

Indicator title	Percentage of Discretionary Grant (DG) budget allocated to programmes or projects aimed at developing high level skills e.g. managers, professionals and technicians, and associate professionals
Definition	This indicator measures in percentages, the extent to which discretionary grants have been allocated and committed to develop high level skills for example managers, professionals and technicians, and associated professionals, through anyone of the following learning interventions: bursaries, skills programmes/sets, learnerships, non-credit bearing courses, internships, candidacy, WIL, or Continuous Professional Development (CPD)
Source of data	Learner Management System or commitment schedules
Method of calculation / Assessment	Total of allocations multiplied by total DG income divided by 100
Means of verification	Discretionary Grant (DG) allocation agreements
Assumptions	Companies will apply for discretionary grant, accept allocation and successfully implement allocations
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% of the total budget allocated for this category Target for Youth: 25% of the total budget allocated for this category Target for People with Disabilities (PWD): 2% of the total budget allocated for this category
Spatial Transformation (where applicable)	20% will be allocated to beneficiaries from rural areas
Calculation type	Non-Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.2 Percentage of Discretionary Grant (DG) budget allocated to programmes or projects aimed at developing mid-level skills e.g. clerical, sales and service, skilled craft and trade workers

Indicator title	Percentage of Discretionary Grant (DG) budget allocated to programmes or projects aimed at developing mid-level skills e.g. clerical, sales and service, skilled craft and trade workers
Definition	This indicator measures in percentages, the extent to which discretionary grants have been allocated and committed to develop mid-level skills e.g. clerical, sales and service, skilled craft and trade workers (referred to as intermediate skills in the NSDP), through any of the following learning interventions: bursaries, skills programmes/sets, learnerships, apprenticeships, non-credit bearing courses, internships, candidacy, WIL, or Continuous Professional Development (CPD)
Source of data	Learner Management System or commitment schedules
Method of calculation / Assessment	Total of allocations multiplied by total DG income divided by 100
Means of verification	Discretionary Grant (DG) allocation agreements
Assumptions	Companies will apply for discretionary grant, accept allocation and successfully implement allocations
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% of the total budget allocated for this category Target for Youth: 20% of the total budget allocated for this category Target for People with Disabilities (PWD): 2% of the total budget allocated for this category.
Spatial Transformation (where applicable)	20% will be allocated to beneficiaries from rural areas
Calculation type	Non-Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.3 Percentage of Discretionary Grant (DG) budget allocated to programmes or projects aimed at developing elementary skills e.g. machine operators and elementary workers

Indicator title	Percentage of Discretionary Grant (DG) budget allocated to programmes or projects aimed at developing elementary skills e.g. machine operators and elementary workers
Definition	This indicator measures in percentages, the extent to which discretionary grants have been allocated and committed to develop elementary skills e.g. machine operators and elementary workers (referred to as entry level skills in the NSDP), through anyone of the following learning interventions: bursaries, skills programmes/sets, learnerships, non-credit bearing courses, internships, WIL, or Continuous Professional Development (CPD)
Source of data	Learner Management System or commitment schedules
Method of calculation / Assessment	Total of allocations multiplied by total DG income divided by 100
Means of verification	Discretionary Grant (DG) allocation agreements
Assumptions	Companies will apply for discretionary grant, accept allocation and successfully implement allocations
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% of the total budget allocated for this category Target for Youth: 50% of the total budget allocated for this category

Indicator title	Percentage of Discretionary Grant (DG) budget allocated to programmes or projects aimed at developing elementary skills e.g. machine operators and elementary workers
	Target for People with Disabilities (PwD): 2% of the total budget allocated for this category
Spatial Transformation (where applicable)	20% of the total budget will be allocated to machine operators and elementary workers from rural areas.
Calculation type	Non-Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.4 Number of unemployed learners registered for WIL programmes from TVET

Indicator title	Number of unemployed learners registered for WIL programmes from TVET
Definition	Number of TVET learners who are placed in work places to acquire the compulsory workplace-based experience component, to enable them to complete their qualifications (National Nated Diploma). This includes learners placed on structural work experience or work simulated programmes
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every registration on WIL TVET placement programme
Means of verification	Learner agreement and employment contract, or confirmation letter of employment status for the duration of the learning programme; an ID or passport copy or confirmation of application of an ID or foreign identification document, and a copy of highest qualification from the TVET college
Assumptions	Availability of workplaces, employer commitment to avail workspaces for learning
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50% Target for People with Disabilities (PwD): 2%
Spatial transformation (where applicable)	20% unemployed learners registered for WIL programmes from TVET will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.5 Number of unemployed learners completing WIL programmes from TVET

Indicator title	Number of unemployed learners completing WIL programmes from TVET
Definition	Number of TVET learners completing compulsory workplace-based experience so as to obtain their qualification (National Nated Diploma). This includes learners completing structural work experience or work simulated programmes
Source of data	Learner Management System

Method of calculation / Assessment	Each learner is counted once for every WIL TVET programme completion
Means of verification	Learner completion letter and copy of ID or passport, or confirmation of application of an ID or foreign identification document
Assumptions	Availability of workplaces, employer commitment to avail work spaces for learning.
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50% Target for People with Disabilities (PwD): 2%
Spatial transformation (where applicable)	20% unemployed learners completing WIL programmes from TVET will be from rural areas.
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Targets stated in 2021/2022 APP achieved
Indicator responsibility	Chief Operations Officer

3.6 Number of unemployed learners registered for WIL programmes from HEIs

Indicator title	Number of unemployed learners registered for WIL programmes from HEIs
Definition	Number of HEI learners who, prior to registering for WIL were unemployed, and are placed at a workplace or workshop or work simulated programme in order to acquire a National Diploma
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every HEI WIL programme registered
Means of verification	Learner agreement and employment contract, or confirmation letter of employment status for the duration of the learning programme; an ID or passport copy, or confirmation of application of an ID or foreign identification document, and a copy of highest qualification from the HEI
Assumptions	Availability of workplaces, employer commitment to avail work spaces for learning
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	20 % unemployed learners registered for WIL programmes from HEIs will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Targets stated in 2021/2022 APP achieved
Indicator responsibility	Chief Operations Officer

3.7 Number of unemployed learners completing WIL programmes from HEIs

Indicator title	Number of unemployed learners completing WIL programmes from HEIs
Definition	Number of unemployed HEI learners completing WIL at a workplace or workshops or work simulated programme in order to acquire a National Diploma
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every HEI WIL programme completed
Means of verification	Learner completion letter and an ID or passport copy, or confirmation of application of an ID or foreign identification document
Assumptions	Availability of workplaces, employer commitment to avail work spaces for learning
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50% Target for People with Disability (PWD): 3%
Spatial transformation (where applicable)	20 % unemployed learners completing WIL programmes from HEIs will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Targets stated in 2021/2022 APP achieved
Indicator responsibility	Chief Operations Officer

3.8 Number of unemployed learners registered for workplace experience/internships

Indicator title	Number of unemployed learners registered for workplace experience/internships
Definition	The number of unemployed graduates who are placed on a structured work experience plan at a company, or a work simulated programme in order to acquire workplace-based experience
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every workplace-based experience/internship programme registered
Means of verification	Learner agreement and employment contract, or letter confirming employment status for the duration of the learning programme; an ID or passport copy, or confirmation of application of an ID or foreign identification document, and a copy of highest qualification
Assumptions	Availability of workplaces, employer commitment to avail work spaces for learning
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50% Target for People with Disability (PWD): 2%
Spatial transformation (where applicable)	20% unemployed learners registered for workplace experience/internships will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Targets stated in 2021/2022 APP achieved
Indicator responsibility	Chief Operations Officer

3.9 Number of unemployed learners completing workplace experience/internships

Indicator title	Number of unemployed learners completing workplace experience/internships
Definition	The number of unemployed graduates who have completed a structured work experience plan at a company or a work simulated programme in order to acquire workplace-based experience
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every workplace experience/internship programme completed
Means of verification	Learner completion letter and an ID or passport copy, or confirmation of application of an ID or foreign identification document
Assumptions	Availability of workplaces for internship/work experience
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 30% Target for People with Disability (PwD): 2%
Spatial transformation (where applicable)	20% of unemployed learners completing workplace experience/internships will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Targets stated in 2021/2022 APP achieved
Indicator responsibility	Chief Operations Officer

3.10 Number of unemployed learners registered for skills programmes

Indicator title	Number of unemployed learners registered for skills programmes
Definition	Number of learners who were unemployed prior to registering for skills programmes/sets, or on individual unit standard linked to an occupation
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every skills programmes/sets or individual unit standard registered
Means of verification	Learner registration form and proof of employment where the skills programme is work-based or proof of registration with the training provider; an ID or passport copy, or confirmation of application of an ID or foreign identification document, and a copy of highest qualification
Assumptions	The merSETA (through career awareness and other means will attract the relevant learners to its skills programmes)
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50% Target for People with Disability (PwD): 2%
Spatial transformation (where applicable)	20% of unemployed learners registered for skills programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly

Indicator title	Number of unemployed learners registered for skills programmes
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.11 Number of unemployed learners completing skills programmes

Indicator title	Number of unemployed learners completing skills programmes
Definition	Number of unemployed learners completing skills programme/sets, or individual unit standards linked to an occupation
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for completing the skills programme/sets or individual unit standard
Means of verification	Confirmation of completion (either moderation of report or statement of results or letter of confirmation of completion); an ID or passport copy, or confirmation of application of an ID or foreign identification document
Assumptions	Interventions implemented by the merSETA to support learners will be effective in reducing dropouts and other challenges in completion of skills programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50% Target for People with Disability (PWD): 2%
Spatial transformation (where applicable)	20% of unemployed learners completing skills programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.12 Number of unemployed learners registered for learnership programmes

Indicator title	Number of unemployed learners registered for learnership programmes
Definition	This indicator refers to the number of learners who were unemployed prior to registering on learnership programmes linked to merSETA qualifications or part qualifications
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every learnership programme registered
Means of verification	Learnership agreement and contract of employment or letter confirming employment status for the duration of the learning programme; an ID or passport copy, or confirmation of application of an ID or foreign identification document; a copy of highest qualification, and confirmation of the training provider's accreditation for the specific learnership programme recorded on the merSETA MIS system
Assumptions	Adequate interest in merSETA careers/occupations

Indicator title	Number of unemployed learners registered for learnership programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 30% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	20% of unemployed learners registered for learnership programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.13 Number of unemployed learners completing learnership programmes

Indicator title	Number of unemployed learners completing learnership programmes
Definition	Number of unemployed learners successfully completing a registered learnership programme
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every learnership programme completed
Means of verification	Confirmation of completion (either moderation report or statement of results or certificate or letter of confirmation of completion) and ID or passport copy, or confirmation of application of an ID or foreign identification document
Assumptions	Interventions implemented by the merSETA to support learners will be effective in reducing dropouts and other challenges in completion of learnership programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 50% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	20% unemployed learners completing learnerships programme will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.14 Number of unemployed engineering graduates registered for candidacy programmes

Indicator title	Number of unemployed engineering graduates registered for candidacy programmes
Definition	Number of engineering graduates who were unemployed, placed in a workplace-based programme in order to acquire a professional designation
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every candidacy programme registered
Means of verification	Candidacy registration form or candidacy agreement; employment contract or letter of confirmation of employment status for the duration of the candidacy programme; an ID or passport copy, or confirmation of application of an ID or foreign identification document, and a copy of highest qualification, or statement of results or certificate
Assumptions	There will be an uptake of the candidacy programme; employers' commitment to take on graduates for candidacy
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 50% Target for People with Disability (PwD): 2%
Spatial transformation (where applicable)	20% of unemployed engineering graduates registered for candidacy programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.15 Number of unemployed engineering graduates completing candidacy programmes

Indicator title	Number of unemployed engineering graduates completing candidacy programmes
Definition	Number of engineering graduates acquiring a professional body designation
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every candidacy programme completed
Means of verification	Candidacy completion letter or professional body registration certificate; an ID or passport copy, or confirmation of application of ID or foreign identification document
Assumptions	The merSETA and its partners will work together in implementing measures to support learners to reduce dropouts and other challenges that impact on completion of the candidacy programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 50% Target for People with Disability (PwD): 2%
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative

Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.16 Number of unemployed learners registered for bursary programmes (new entries)

Indicator title	Number of unemployed learners registered for bursary programmes (new entries)
Definition	Number of unemployed learners who have received a bursary for commencement of the qualification
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every new entry bursary received
Means of verification	Learner agreement or form and proof of registration from education institution; an ID or passport copy, or confirmation of application of an ID or foreign identification document, and a copy of highest qualification or statement of results or certificate
Assumptions	Other role players such as HEIs and NSFAs (working together with the merSETA) will put in place effective mechanisms to identify, attract and award bursaries for relevant merSETA qualifications
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 90% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	20% of unemployed learners granted bursaries (new entries) will be from rural areas
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.17 Number of unemployed learners registered for bursary programmes (continuing)

Indicator title	Number of unemployed learners registered for bursary programmes (continuing)
Definition	Number of unemployed learners who have received a bursary to continue with the qualification
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every continuing bursary received
Means of verification	Education institution continuation letter or proof of registration from the education institution; an ID or passport copy, or confirmation of application of an ID or foreign identification document; copy of statement of results
Assumptions	Dropout rates will be reduced due to measures implemented by the merSETA in partnership with other role players such as NSFAs and HEIs
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50%

Indicator title	Number of unemployed learners registered for bursary programmes (continuing)
	Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	20% unemployed learners granted bursaries (continuing) will be from rural areas
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.18 Number of unemployed learners completing bursary programmes

Indicator title	Number of unemployed learners completing bursary programmes
Definition	Number of unemployed learners who have received bursary and completed their qualification
Source of data	Learner Management System
Method of calculation/ Assessment	Each learner is counted once for every bursary programme completed
Means of verification	Confirmation of completion issued by the education institution, or certificate or statement of results and an ID or passport copy or confirmation of application of an ID or foreign identification document
Assumptions	There will be reduced dropout rates due to measures implemented by the merSETA and other role players that play a critical role in learner success e.g. HEIs and NSFAS
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 80% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	20% of unemployed learners completing bursary programmes will be from rural areas
Reporting cycle	Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.19 Number of employed learners registered for learnership programmes

Indicator title	Number of employed learners registered for learnership programmes.
Definition	This indicator refers to the number of learners who, prior to registering on a learnership programme are already employed
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every learnership programme registered
Means of verification	Learnership agreement and contract of employment, or letter of confirmation of employment status; an ID or passport copy, or confirmation of application of an ID or foreign identification document, and a copy of highest qualification

Indicator title	Number of employed learners registered for learnership programmes.
Assumptions	Employers and unions will provide the necessary support to encourage employees to enrol for merSETA learnership programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 25% Target for Youth: 30% Target for People with Disability (PwD): 2%
Spatial transformation (where applicable)	10% of the employed learners registered for learnership programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.20 Number of employed learners completing learnership programmes

Indicator title	Number of employed learners completing learnership programmes
Definition	Number of employed learners who successfully completed a registered learnership programme
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every learnership programme completed
Means of verification	Confirmation of learnership completion or moderation report or statement of results or a letter of confirmation of completion; an ID or passport copy, or confirmation of application of an ID or foreign identification document
Assumptions	Employers and unions will provide the necessary support for employed learners to successfully complete learnership programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 25% Target for Youth: 30% Target for People with Disability (PwD): 2%
Spatial transformation (where applicable)	10% of employed learners completing learnership programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.21 Number of employed learners registered for bursary programmes (new entries)

Indicator title	Number of employed learners registered for bursary programmes (new entries)
Definition	Number of employed learners who have received a bursary for commencement of a qualification or part qualification
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every new entry bursary programme registered

Indicator title	Number of employed learners registered for bursary programmes (new entries)
Means of verification	Proof of registration from education institution; letter confirming employment; learner registration form; copy of an ID or passport, or confirmation of application of an ID or foreign identification document, and a copy of highest qualification or statement of results or certificate
Assumptions	Employers providing opportunities for worker to enrol for academic studies.
Disaggregation of Beneficiaries (where applicable)	Target for Women: 25% Target for Youth: 90% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	20% of employed learners registered for bursary programmes (new entries) will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.22 Number of employed learners registered for bursary programmes (continuing)

Indicator title	Number of employed learners registered for bursary programmes (continuing)
Definition	Number of employed learners who have received a bursary to continue a qualification or part qualification
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every continuing bursary programme registered
Means of verification	Continuation letter or proof of registration from education institution; learner registration form; an ID or passport copy, or confirmation of application of an ID or foreign identification document; a copy of statement of results
Assumptions	Employers supporting workers to pursue studies towards successful completion; HEI support measures for employed students
Disaggregation of Beneficiaries (where applicable)	Target for Women: 25% Target for Youth: 90% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	20% employed learners registered for bursary programmes (continuing) will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.23 Number of employed learners completing bursary programmes

Indicator title	Number of employed learners completing bursary programmes
Definition	Number of employed learners who have received bursary and completed their qualification or part qualification

Indicator title	Number of employed learners completing bursary programmes
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every bursary programme completed
Means of verification	Confirmation of completion issued by the education institution, or copy of statement of results, or copy of certificate or letter confirming completion and copy of ID or passport or confirmation of application of ID or foreign identification document
Assumptions	Time given by employers for workers to study and successfully complete: education institution support measures for employed students
Disaggregation of Beneficiaries (where applicable)	Target for Women: 25% Target for Youth: 50% Target for People with Disability (PWD): 3%
Spatial transformation (where applicable)	20% of employed learners completing bursary programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.24 Number of employed learners registering for skills programmes

Indicator title	Number of employed learners registering for skills programmes
Definition	Number of learners who prior to registering for skills programmes/sets or an individual unit standard linked to an occupation, are already employed.
Source of data	Learner Management System.
Method of calculation / Assessment	Each learner is counted once for every skills programmes/sets or individual unit standard registered
Means of verification	Learner registration form and employment letter or employment contract; copy of an ID or passport, or confirmation of application of an ID or foreign identification document, and a copy of highest qualification
Assumptions	Employers and unions will provide the necessary support to encourage uptake of merSETA skills programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 25% Target for Youth: 30% Target for People with Disability (PWD): 3%
Spatial transformation (where applicable)	10% of employed learners registering for skills programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.25 Number of employed learners completing skills programme

Indicator title	Number of employed learners completing skills programme
Definition	Number of employed learners completing skills programme/sets or individual unit standards linked to an occupation
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for completing the skills programme/sets or individual unit standard
Means of verification	Learner completion letter or moderation of assessment report or statement of results and copy of an ID or passport, or confirmation of application of an ID or foreign identification document
Assumptions	Employers will provide the necessary support for their workers to complete skills programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 25% Target for Youth: 30% Target for People with Disability (PWD): 3%
Spatial transformation (where applicable)	10 % employed learners completing a skills programme will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.26 Number of employed or unemployed learners registered for AET programmes

Indicator title	Number of employed or unemployed learners registered for AET programmes
Definition	Number of employed or unemployed adults (18 years and above) who have registered for adult learning programmes, which may include an ABET or AET or Foundational Learning Certificate (FLC) or non-credit bearing short courses
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every adult learning programme registered
Means of verification	Learner registration form; contract of employment or letter of confirmation of employment (in the case of employed learner), or proof of retrenchment; and copy of an ID or passport, or confirmation of application of ID or foreign identification document
Assumptions	There will be an uptake of AET programmes by employed and unemployed learners
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50% Target for People with Disability (PWD): 3%
Spatial transformation (where applicable)	10% of employed or unemployed learners registered for AET programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved

Indicator title	Number of employed or unemployed learners registered for AET programmes
Indicator responsibility	Chief Operations Officer

3.27 Number of employed or unemployed learners completing AET programmes

Indicator title	Number of employed or unemployed learners completing AET programmes
Definition	Number of employed or unemployed adults (18 years and above) who have completed adult learning programmes designed. Adult learning programmes may include an ABET or AET or Foundational Learning Certificate (FLC) or non-credit bearing short courses
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every adult learning programme completed
Means of verification	Confirmation of completion or statement of results, or copy of certificate, and copy of an ID or passport or confirmation of application of an ID or foreign identification document
Assumptions	There will be reduced dropouts due to interventions implemented by the merSETA
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	10% employed or unemployed learners completing AET programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.28 Number of learners registered for trade / artisan qualifications (new registrations)

Indicator title	Number of learners registered for trade / artisan qualifications (new registrations)
Definition	Number of learners registered for apprenticeships or artisan trade qualification programme. These exclude learners on TVET WIL /placement
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every registration on an apprenticeship
Means of verification	Learner agreement and contract of employment, or letter of confirmation of employment status for the duration of the learning programme or merSETA site visit report; copy of an ID or passport, or confirmation of application of an ID or foreign identification document, and a copy of highest educational qualification or statement of results
Assumptions	There will be a continued uptake of learners registering for artisan qualifications due to merSETA initiatives such as career awareness
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 50% Target for People with Disability (PwD): 2%
Spatial transformation (where applicable)	20% of learners registered for trade / artisan qualifications (new registrations) will be from rural areas
Calculation type	Cumulative

Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.29 Number of learners completing trade / artisan qualifications

Indicator title	Number of learners completing trade / artisan qualifications
Definition	Number of learners who have successfully attained an artisan trade qualification
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every successful completion of an apprenticeship or artisan trade qualification programme
Means of verification	Learner statement of results or proof of receipt of evidence by NAMB, or a copy of the certificate, and copy of an ID or passport, or confirmation of application of ID or foreign identification document
Assumptions	There will be a reduced dropout rate due to the implementation of mechanisms aimed at increasing throughput
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 50% Target for People with Disability (PwD): 2%
Spatial transformation (where applicable)	20% of learners completing trade / artisan qualifications will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.30 Number of learners entering Artisan Recognition of Prior Learning (ARPL) programme

Indicator title	Number of learners entering Artisan Recognition of Prior Learning (ARPL) programme
Definition	Number of learners who are registered to undergo Artisan Recognition of Prior Learning (ARPL) process as prescribed by the Department of Higher Education and Training (DHET)
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every ARPL application registered
Means of verification	Artisan Recognition of Prior Learning (ARPL) trade test application form; copy of an ID or passport, or confirmation of application of an ID or foreign identification document; copy of highest educational qualification
Assumptions	Delays in candidates being put through assessments for ARPL will be minimised through effective collaboration among key role players responsible for providing such assessments; adequate interest for people to take up the ARPL route towards certification
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 30% Target for People with Disability (PwD): 2%

Indicator title	Number of learners entering Artisan Recognition of Prior Learning (ARPL) programme
Spatial transformation (where applicable)	20% of candidates undergoing Recognition of Prior Learning (RPL), or Artisan Recognition of Prior Learning (ARPL) will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.31 Number of learners completing Artisan Recognition of Prior Learning (ARPL) programme

Indicator title	Number of learners completing Artisan Recognition of Prior Learning (ARPL) programme
Definition	Number of learners completing Artisan Recognition of Prior Learning (ARPL) process as prescribed by the Department of Higher Education and Training (DHET)
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every RPL or ARPL competency certificates obtained
Means of verification	Copy of an ID or passport, or confirmation of application of an ID or foreign identification document; trade test results, copy of certificate, or confirmation of NAMB evidence packs submitted
Assumptions	Delays in candidates being put through assessments for RPL/ARPL will be minimised through effective collaboration among key role players responsible for providing such assessments; adequate interest for people to take up the RPL/ARPL route towards certification
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 30% Target for People with Disability (PwD): 2%
Spatial transformation (where applicable)	20% of candidates undergoing Recognition of Prior Learning (RPL), or Artisan Recognition of Prior Learning (ARPL) will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.32 Number of active TVET college partnerships established

Indicator title	Number of active TVET college partnerships established
Definition	Number of TVET colleges that have a newly signed or continuing agreement with merSETA
Source of data	Register of partnership contracts
Method of calculation / Assessment	Each signed agreement between the merSETA and a TVET college is counted once in the financial year irrespective of the number of agreements entered into with the TVET college
Means of verification	A copy of a signed agreement between the merSETA and a TVET college, which are active during the period under review

Indicator title	Number of active TVET college partnerships established
Assumptions	TVET colleges have the capability (resources, infrastructure and project management) to implement agreements
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	20% of TVET College partnerships will be those in rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.33 Number of active SETA-HEI partnerships established

Indicator title	Number of active SETA-HEI partnerships established
Definition	Number of HEIs that have entered into a newly signed or continuing agreements with merSETA
Source of data	Register of partnership contracts
Method of calculation / Assessment	Each signed agreement between merSETA and a HEI is counted once in the financial year, irrespective of the number of agreements entered into with the HEI
Means of verification	A copy of the signed agreement/s between merSETA and HEI, which is/are active during the period under review
Assumptions	HEIs have the capability (resources, infrastructure and project management) to implement agreements
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	20% of the partnerships will be targeted at HEIs that are considered "historically disadvantaged"
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.34 Number of active CET partnerships established

Indicator title	Number of active CET partnerships established
Definition	Number of new and continuing CET college partnerships established
Source of data	Register of partnership contracts
Method of calculation / Assessment	Each signed agreement is counted once in the financial year, irrespective of the number of agreements entered into with the CET college

Means of verification	Copy of signed agreement with the CET college
Assumptions	CET does not have similar support from another SETA; partnership can be expediently conceptualised, and agreements concluded in the year
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	50% of CET colleges will be from rural areas or townships
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.35 Number of new SETA-Employer partnerships established

Indicator title	Number of new SETA-Employer partnerships established
Definition	Number of employers that have entered into a newly signed agreement with the merSETA
Source of data	Register of partnership contracts
Method of calculation / Assessment	Each signed agreement with merSETA employer is counted once in the financial year, irrespective of the number of agreements entered into with the employer
Means of verification	A copy of the signed agreement/s between merSETA and the employer, which is/are active during period under review
Assumptions	Partners have capacity and capability (infrastructure, resources and project management to implement the agreement. Partnership contractual arrangements finalised within the year
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.36 Number of cooperatives funded for skills that enhance enterprise growth and development

Indicator title	Number of cooperatives that have been funded for skills that enhance enterprise growth and development
Definition	Number of co-operatives that have been funded by the merSETA for enterprise growth or enterprise development skills such as finance, management, ICT and project management etc.
Source of data	NSDMS records or Register of partnership agreements

Indicator title	Number of cooperatives that have been funded for skills that enhance enterprise growth and development
Method of calculation / Assessment	Count the number of co-operatives funded for skills that enhance enterprise growth and development. Each signed agreement is counted once in the financial year, irrespective of the number of agreements entered with the co-operative
Means of verification	Copy of an agreement; a copy of a detailed site visit report or progress report
Assumptions	Cooperatives have the capability (resources, project management and relevant infrastructure) to implement agreements
Disaggregation of Beneficiaries (where applicable)	30% of co-operatives supported should be run by women or have women as the primary beneficiaries
Spatial Transformation (where applicable)	90% of co-operatives supported will be from rural areas and townships
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.37 Number of small businesses funded for skills that enhance enterprise growth and development

Indicator title	Number of small businesses funded for skills that enhance enterprise growth and development
Definition	Number of small business (organisations with 1-49 employees) that have been funded by the merSETA for enterprise growth or enterprise development skills such as finance, management, ICT and project management etc.
Source of data	NSDMS records or Register of partnership agreements
Method of calculation / Assessment	Count the number of small businesses that have been funded for skills that enhance enterprise growth and development. Each signed agreement is counted once in the financial year, irrespective of the number of agreements entered with the small business
Means of verification	Copy of an agreement; a copy of a detailed site visit report or progress report.
Assumptions	merSETA has a strategy and supporting measures in place to encourage participation of SMEs in its activities and interventions
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	10% of small businesses supported through skills development will be from rural areas and townships
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.38 Number of CBOs/NGOs/NPOs funded for skills to grow/develop and sustain their activities or organisations

Indicator title	Number of CBOs/NGOs/NPOs funded for skills to grow/develop and sustain their activities or organisations
Definition	Number of Community Based Organisations (CBOs), Non-Governmental Organisations (NGOs) and Non-Profit Organisations (NPOs) that have been funded by the merSETA for skills to grow or develop and sustain their activities or organisations.
Source of data	NSDMS records or NPOs contract schedules
Method of calculation / Assessment	Count the number of Community Based Organisations (CBOs), Non-Governmental Organisations (NGOs) and Non-Profit Organisations (NPOs) that have been funded by the merSETA for skills to grow, develop and sustain their activities or organisations. Each signed agreement is counted once in the financial year, irrespective of the number of agreements entered with the NPO
Means of verification	Copy of an agreement: a copy of a detailed site visit report or progress report; minutes of meetings, an attendance register or workshop presentation, or an agenda that includes a clear purpose of the meeting or workshop
Assumptions	NPOs have the capability and capacity (resources, infrastructure and project management) to implement agreements
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	60% of Non-Profit Organisations supported through skills development will be from rural areas
Calculation type	Cumulative
Reporting cycle	Bi-Annually
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.39 Number of trade unions supported through skills development

Indicator title	Number of trade unions supported through skills development
Definition	Number of trade unions that have been supported by the merSETA through skills development funding for training
Source of data	NSDMS records or trade unions schedules
Method of calculation / Assessment	Count the number of trade unions supported
Means of verification	Copy of signed agreement with a trade union
Assumptions	Trade unions have the capability and capacity (infrastructure, resources and project management) to implement agreements
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved

Indicator title	Number of trade unions supported through skills development
Indicator responsibility	Chief Operations Officer

3.40 Number of rural development projects supported through skills development

Indicator title	Number of rural development projects supported through skills development
Definition	Number of rural based skills development projects supported through skills development funding
Source of data	NSDMS records or rural development projects schedules
Method of calculation / Assessment	Each signed rural project agreement is counted once in the financial year, irrespective of the number of agreements entered into with providers
Means of verification	A copy of signed agreements
Assumptions	Partners have the capability and capacity (infrastructure, resources and project management) to implement agreements
Disaggregation of Beneficiaries (where applicable)	50% of the rural development projects implemented will target women in rural areas
Spatial Transformation (where applicable)	100% of the projects will be based in rural areas.
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

3.41 Number of people trained on entrepreneurship supported to start their business (Number of people funded for enterprise growth/enterprise development skills).

Indicator title	Number of people trained on entrepreneurship supported to start their business (Number of people funded for enterprise growth/enterprise development skills).
Definition	Number of people funded for training on enterprise growth or enterprise development skills through either learnerships, skills programmes or non-credit bearing programmes.
Source of data	Learner management system
Method of calculation / Assessment	Each learner is counted once for every enterprise growth or enterprise development related learnership, skills programme or non-credit bearing programme registered
Means of verification	Learnership agreement or learner registration form; merSETA site visit report; a copy of an ID or passport, or confirmation of application of ID or foreign identification document, and copy of highest educational qualification
Assumptions	Partners have the capability and capacity (resources and infrastructure) to implement the training programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 50% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	10% of people registered for entrepreneurial skills will be from rural areas and townships

Indicator title	Number of people trained on entrepreneurship supported to start their business (Number of people funded for enterprise growth/enterprise development skills).
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

Programme 4: Quality Assurance Indicators

4.1 Number of active TVET Centres of Specialisation (CoS) supported

Indicator title	Number of active TVET Centres of Specialisation (CoS) supported
Definition	This indicator refers to the number of TVET Colleges recognised as Centres of Specialisation (CoS), that are supported in the delivery of occupational qualifications for the merSETA
Source of data	Register of CoS contracts
Method of calculation / Assessment	Each signed MoA between merSETA and a TVET CoS is counted once in the financial year, irrespective of the number of agreements entered into with TVET college CoS
Means of verification	A copy of a signed MoA between the merSETA and TVET college recognised as a CoS, progress report or site visit report against set deliverables
Assumptions	The TVET colleges identified have the capability and capacity (resources and infrastructure) to implement agreements
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

4.2 Number of TVET colleges funded for merSETA occupational programmes, equipment and workshop infrastructure

Indicator title	Number of TVET colleges funded for merSETA occupational programmes, equipment and workshop infrastructure
Definition	This indicator refers to the number of TVET colleges funded for merSETA occupational programmes, equipment and workshop infrastructure

Indicator title	Number of TVET colleges funded for merSETA occupational programmes, equipment and workshop infrastructure
Source of data	NSDMS MoA records or schedule of merSETA MoAs
Method of calculation/ Assessment	Each signed MoA with the TVET college funded for merSETA occupational programmes, equipment and workshop infrastructure is counted once in the financial year, irrespective of the number of agreements entered into with the TVET college
Means of verification	Copy of a signed MoA with the TVET college funded for merSETA occupational programmes, equipment and workshop infrastructure
Assumptions	The TVET colleges have the capability and capacity (resources, infrastructure and project management) to implement the agreements
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	25 % of the funded TVET colleges will be from rural areas or townships
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

4.3 Number of TVET college lecturers awarded bursaries

Indicator title	Number of TVET college lecturers awarded bursaries
Definition	This indicator refers to the total number of TVET college lecturers awarded bursaries to improve their technical or pedagogy skills
Source of data	NSDMS MoA records or schedule of merSETA MoAs
Method of calculation/ Assessment	Count of number of TVET college lecturers funded through a bursary for a qualification, or part qualification
Means of verification	Employment contract with TVET college; TVET college employee ID copy; learner registration form or attendance register, proof of registration for HEI qualification, or confirmation of registration with an HEI
Assumptions	TVET Colleges will support their employees to participate in merSETA programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 20% Target for People with Disability (PWD): 3%
Spatial transformation (where applicable)	20% of the supported TVET college employees participating will be from TVET colleges in rural areas or townships
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

4.4 Number of TVET college managers receiving training on curriculum related studies

Indicator title	Number of TVET college managers receiving training on curriculum related studies
Definition	This indicator refers to the total number of TVET college managers trained on either credit bearing or non-credit bearing skills development programmes related to curriculum studies
Source of data	NSDMS records or schedule of merSETA MoAs
Method of calculation/ Assessment	Count of number of TVET college manager funded for credit or non-credit bearing training programmes registered on the merSETA system
Means of verification	Employment contract with college; TVET college employee ID copy; learner registration form or attendance register, or proof of registration for a credit bearing or non-credit bearing skills development programme
Assumptions	TVET Colleges will encourage and support their employees to participate in merSETA programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 20% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	20% of the supported TVET college employees participating will be from TVET colleges in rural areas or townships
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

4.5 Number of TVET college lecturers exposed to the industry through skills programmes

Indicator title	Number of TVET college lecturers exposed to the industry through skills programmes
Definition	This indicator refers to the total number of TVET college lecturers on industry exposure skills development programme or project or activity, so as to contribute to their development
Source of data	NSDMS records or schedule of merSETA MoAs
Method of calculation/ Assessment	Count of number of TVET college lecturers attending programme or participating in a project or activity designed for industry exposure
Means of verification	Employment contract with college; TVET college employee ID copy; learner registration form or attendance register, or proof of registration a credit or non-credit bearing programme
Assumptions	TVET colleges will encourage and support their staff to participate in merSETA programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 20% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	20% of the supported TVET college employees participating will be from TVET colleges in rural areas or townships
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2021/22 APP achieved

Indicator responsibility	Chief Operations Officer
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4.6 Number of SETA offices maintained in TVET colleges

Indicator title	Number of SETA offices maintained in TVET colleges
Definition	This target refers to the maintenance of merSETA offices which were previously opened at TVET colleges
Source of data	Copy of agreement or letter of confirmation from the TVET College
Method of calculation/Assessment	Each office will only be counted once
Means of verification	Copy of agreement or letter of confirmation from the TVET College
Assumptions	The supported TVET colleges will continue to avail the offices and other resources for the merSETA to maintain its offices
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

4.7 Number of CET college lecturers awarded skills development programmes

Indicator title	Number of CET college lecturers awarded skills development programmes
Definition	This indicator refers to the total number of CET college lecturers who have been supported through skills programmes to contribute to their development as lecturers – either those related to technical or discipline related to merSETA qualifications, or those related to improving their pedagogy skills
Source of data	NSDMS records or schedule of merSETA MoAs
Method of calculation/Assessment	Count of number of CET college funded for skills programmes
Means of verification	Employment contract with college; CET college employee ID copy; learner registration form or attendance register, or proof of registration a credit or non-credit bearing programme
Assumptions	CET colleges will encourage and support their employees to participate in merSETA skills development programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 20% Target for People with Disability (PwD): 2% across all the different learning interventions
Spatial transformation (where applicable)	30% of CET college employees participating will be based in CET colleges in rural areas or townships
Calculation type	Cumulative

Reporting cycle	Annually
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

4.8 Number of CET college managers receiving training on curriculum related studies

Indicator title	Number of CET college managers receiving training on curriculum related studies
Definition	This indicator refers to the total number of CET college managers receiving training related to curriculum, lecturers, credit bearing, or non-credit bearing skills development programmes registered on the merSETA system. The training offered is to contribute to the development of the CET college employees
Source of data	NSDMS records or schedule of merSETA MoAs
Method of calculation/ Assessment	Count of number of CET college managers funded for credit or non-credit bearing training programmes registered on the merSETA system
Means of verification	Employment contract with college; CET college employee ID copy; learner registration form, attendance register or proof of registration for a credit bearing, or non-credit bearing skills development programme
Assumptions	CET colleges will encourage their employees to participate in merSETA skills development programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 20% Target for People with Disability (PwD): 2% across all the different learning interventions
Spatial transformation (where applicable)	30% of CET college employees participating will be based in CET colleges in rural areas or townships.
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2021/22 APP achieved
Indicator responsibility	Chief Operations Officer

4.9 Number of CET colleges funded for merSETA occupational programmes, equipment and workshop infrastructure.

Indicator title	Number of CET colleges funded for merSETA occupational programmes, equipment and workshop infrastructure
Definition	Number of new partnerships with CET colleges funded for merSETA occupational programmes, equipment and workshop infrastructure
Source of data	NSDMS MoA records or schedule of merSETA MoAs
Method of calculation/ Assessment	Each signed MoA with the CET college funded for merSETA occupational programmes, equipment and workshop infrastructure is counted once in the financial year, irrespective of the number of agreements entered into with the CET college
Means of verification	Copy of a signed MoA with the CET college funded for merSETA occupational programmes, equipment and workshop infrastructure

Indicator title	Number of CET colleges funded for merSETA occupational programmes, equipment and workshop infrastructure
Assumptions	CET colleges have the capability and capacity (resources, infrastructure and project management) to implement the agreements
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	50% of CET colleges supported will be from rural areas or townships
Calculation type	Cumulative
Reporting Cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator Responsibility	Chief Operations Officer

4.10 Number of CET learners accessing AET programmes

Indicator title	Number of CET learners accessing AET programmes
Definition	Number of adults (18 years and above) who were unemployed before registering for adult learning programmes, which may include ABET or AET or Foundational Learning Certificate (FLC) or short courses at the CET college
Source of data	Learner Management System
Method of calculation/ Assessment	Each learner is counted once for every adult learning programme registered
Means of verification	Learner agreement or learner registration form; contract of employment or letter of confirmation of employment status for the duration of the learning programme, or proof of retrenchment from the employer, and copy of an ID or passport or confirmation of application of an ID or foreign identification document
Assumptions	CET colleges have the capability and capacity (resources and infrastructure) to enrol learners
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 50% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	30% of CET learners accessing AET programmes will be from rural areas or townships
Calculation type	Cumulative
Reporting Cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator Responsibility	Chief Operations Officer

4.11 Number of career awareness and information events in urban areas on occupations in high demand

Indicator Title	Number of career awareness and information events in urban areas on occupations in high demand
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Definition	This is the number of urban career awareness events/exhibitions either initiated/planned by the merSETA or to which merSETA was invited to participate to provide learners with occupational and career information pertaining to careers in the mersector, with an emphasis on occupations in high demand in the mersector
Source of data	Learner Management System or merSETA career awareness planning schedules
Method of calculation/ Assessment	Count the number of urban areas where career awareness and information events the merSETA initiated or those in which merSETA participated
Means of verification	A letter on the merSETA letterhead signed by the invited school/organisation as confirmation that the merSETA initiated the career awareness and information event, and proof of request from merSETA or letter of invitation to participate
Assumptions	The willingness to accept and participate in the merSETA initiated/planned career awareness and information events; career exhibitions/events being conducted by other organisations
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% of attendees Target for Youth: 100% of attendees Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	50% of career awareness and information events in which the merSETA participates will be in urban areas
Calculation type	Cumulative
Reporting Cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator Responsibility	Corporate Services Executive

4.12 Number of career awareness and information events in rural areas on occupations in high demand

Indicator Title	Number of career awareness and information events in rural areas on occupations in high demand
Definition	This is the number rural career awareness events/exhibitions either initiated by merSETA or to which merSETA was invited to participate to provide learners with occupational and career information pertaining to careers in the mersector, with an emphasis on occupations in high demand in the mersector.
Source of data	Invitations for participation
Method of calculation/ Assessment	Count the number of rural areas where career awareness and information events merSETA initiated or those in which merSETA participated
Means of verification	A letter on the merSETA letterhead signed by the invited school/organisation as confirmation that merSETA initiated the career awareness and information event, and proof of request from merSETA; or letter of invitation to participate
Assumptions	That the merSETA receives sufficient invites to participate in the career awareness events. Organisers do not cancel planned career awareness events
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% of attendees Target for Youth: 100% of attendees Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	50% of career awareness and information events in which the merSETA participates will be in rural areas

Indicator Title	Number of career awareness and information events in rural areas on occupations in high demand
Calculation type	Cumulative
Reporting Cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator Responsibility	Corporate Services Executive

4.13 Number of career development and advice practitioners trained

Indicator Title	Number of career development and advice practitioners trained
Definition	This is the number of career development and advice practitioners trained to provide services that help learners, or adults, or workers to manage their careers and make occupational and study decisions. Practitioners include, but are not limited to life orientation teachers and HR practitioners
Source of data	Learner Management System, register of SLA with the service provider to deliver training
Method of calculation/ Assessment	Each practitioner is counted once for career development and/or advice training attended
Means of verification	A copy of a signed SLA with the service provider appointed to deliver training, practitioner's training attendance register, letter/certificate of attendance or certificate of completion of training
Assumptions	There is adequate capacity to train career development and advice practitioners
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 20% Target for People with Disability (PwD): 2%
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting Cycle	Annually
Desired performance	Target stated in 2021/22 APP achieved
Indicator Responsibility	Corporate Services Executive

4.14 Number of capacity building workshops on career development services initiated

Indicator Title	Number of capacity building workshops on career development services initiated
Definition	This is the number of merSETA capacity building workshops on career development services conducted by merSETA
Source of data	Attendance registers
Method of calculation/ Assessment	Count the number of workshops held
Means of verification	Attendance registers
Assumptions	Interest or willingness of stakeholders to attend the workshops

Indicator Title	Number of capacity building workshops on career development services initiated
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting Cycle	Quarterly
Desired performance	Target stated in 2021/22 APP achieved
Indicator Responsibility	Corporate Services Executive

ANNEXURES

ANNEXURE A: Service Level Agreement

ANNEXURE B: Materiality Framework

ANNEXURE C: Grants Policy



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

SERVICE LEVEL AGREEMENT

entered into by and between

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

(hereinafter referred to as the "DHET" represented by GF Qonde, duly authorised thereto by virtue of his capacity as the Director-General),

and

SETA NAME:

MANUFACTURING, ENGINEERING AND RELATED SERVICES SECTOR EDUCATION AND TRAINING AUTHORITY (merSETA)

(hereinafter referred to as "SETA" represented by Ms Kate Moloto duly authorised thereto in his/her capacity as Accounting Authority (Chairperson))

Chairperson Initials

DG Initials _____

1. PURPOSE OF THE SERVICE LEVEL AGREEMENT

This Service Level Agreement (SLA) is entered into between the above mentioned parties to agree on the targets required by the SETA in performing its statutory functions, meeting the National Skills Development Plan (NSDP) principles, outcomes and indicators in implementing its Strategic Plan (SP) and Annual Performance Plan (APP).

2. DURATION OF THE SERVICE LEVEL AGREEMENT

The SLA is entered into for the period of **01 April 2021 to 31 March 2022**.

3. OBLIGATIONS OF THE SETA

3.1 The SETA undertakes to:

- 3.1.1 perform its functions as required by the Skills Development Act No. 97 of 1998 as amended (SDA), Skills Development Levy Act No.9 of 1999 (SDL), Public Finance Management Act No. 1 of 1999 (PFMA), and all Related Regulations (RR), notices and guidelines promulgated currently and in the future and other related legislation;
- 3.1.2 implement the approved SP, APP, and budget;
- 3.1.3 provide adhoc reports that may from time to time be required by the Minister, Cabinet and Parliament within specified timelines;
- 3.1.4 address all findings raised by the Auditor-General South Africa (AGSA) in the previous financial year;
- 3.1.5 achieve all NSDP SLA targets, as failure to do so may result in the Department of Higher Education and Training (DHET) recommending to the Minister, implementation section 14 of the SDA, subsequently section 15;
- 3.1.6 advance economic growth, job creation and labour market development drivers through skills in current and future skills needed for development in technological advancement and digitalisation (4th Industrial Revolution);
- 3.1.7 submit Quarterly Skills Education and Training Management Information System (SETMIS) Reports and Annual Reports (AR) in accordance with National Treasury (NT), Department of Planning, Monitoring and Evaluation (DPME) and DHET requirements, including reporting on Sector funded interventions;
- 3.1.8 establish policies, processes and systems for credible research, monitoring, reporting and evaluation to support evidence based planning decisions (including the development of Sector Skills Plan (SSP), SP, APP) and operational decisions;
- 3.1.9 conduct tracer and impact evaluation studies inclusive of but not limited to determining employment (including self-employment) absorption rates of unemployed learners completing the SETA's priority occupations;
- 3.1.10 integrate in its interventions targets for women, differently-abled persons, youth, rural and other economically excluded beneficiaries;

Chairperson Initials _____



DG Initials _____

- 3.1.11 establish a functional operational structure and staff establishment appropriate to the size of the sector, levy income and the administration budget limit thereof;
- 3.1.12 establish collaborations to implement the approved SP and APP including but not limited to partnerships with departments and public entities at all three spheres of government, inter SETA partnerships, public – private partnerships, and other organisations as permitted by the SDL Acts, RRs and the SETA Grants Policy;
- 3.1.13 support the imperatives contained within Job Summit Agreements and the temporary employee and employer relief scheme through delivery of flexible programmes that ensure that young people are suitably prepared and skilled to fill every entry level roles, particularly where companies need to scale their operations, these may include inter alia work readiness programme, short courses (accredited or no-accredited) that allow candidates to respond to changing economy ;
- 3.1.14 support the collaboration in the establishment of public college Centres of Specialisation in partnership with employers and labour organisation.
 - 3.1.14.1 ring-fence grants annually and allocate as employers become available to take apprentices for Centres of Specialisation (CoS);
 - 3.1.14.2 prioritise the allocation of grants and report to DHET on the results annually;
- 3.1.15 support the implementation of rural development programmes for women, youth and people with disability;
- 3.1.16 support the revitalisation of rural and townships to uplift local economy through skills development;
- 3.1.17 provide financial support to World Skills South Africa;
- 3.2 achieve all targets for the planning period as reflected in the table below:

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
1. Identify and increase production of occupations in high demand	1.1 National enrolment and resource ratios for the high, intermediate, and elementary skills level.	• Percentage of discretionary grant budget allocated at developing high level skills	17%	17%	n/a
		• Percentage of discretionary grant budget allocated at developing intermediate skills	59%	59%	n/a
		• Percentage of discretionary grant budget allocated at developing elementary skills	24%	24%	n/a
	1.4 Identification of interventions required to improve enrolment and completion of priority occupations:	• Number of WSPs and ATRs approved for Small firms	2242	2118	n/a
		• Number of WSPs and ATRs approved for Medium firms	875	918	n/a
		• Number of WSPs and ATRs approved for Large firms	525	551	n/a
		• Number of sector research agreements signed for TVET growth occupationally directed programmes	2	2	0
		• Number of learners who completed workplace based learning programmes absorbed into employment or self-employment (<i>tracer studies conducted every two years</i>)	1	0	0
		• Number of established and emergent cooperatives trained on sector and national identified occupations or skills	10	30	n/a
		• Number of small and emerging enterprises trained on sector and national identified occupations or skills	2060	700	n/a
		• Number of people trained on entrepreneurship supported to start their business (Number of people funded for enterprise growth/enterprise development skills).	480	400	80
2. Linking education and the workplace	2.1: Opening of workplace-based learning opportunities increased	• Number of TVET students requiring Work Integrated Learning to complete their qualifications placed in workplaces	2440	300	0
		• Number of TVET students completed their work integrated learning placements.	600	30	70
		• Number of universities students requiring work integrated learning to complete their qualifications placed in workplaces	300	270	0
		• Number of university students completed their Work Integrated Learning placements	280	260	100
		• Number of unemployed learners enrolled Internships	300	400	0
		• Number of unemployed learners completed Internship	184	330	0
		• Number of unemployed learners enrolled Skills programmes	3200	3000	1100
		• Number of unemployed learners completed Skills programmes	2560	2056	800
		• Number of unemployed learners enrolled Learnerships programmes	2400	1460	700
		• Number of unemployed learners completed Learnerships programmes	2571	2070	800
		• Number of unemployed learners enrolled for Candidacy programmes	16	15	5
		• Number of unemployed learners completed Candidacy programmes	2	3	0

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
3. Improving the level of skills in the South African workforce	3.1: To increase workers participating in various learning programmes to a minimum of 80% by 2030, to address, critical skills required by various sectors of the economy, to transform workplaces, to improve productivity and to improve economic growth prospects in various sectors of the economy.	• Number of workers enrolled in Learnerships programmes	1600	1020	420
		• Number of workers completed Learnerships programmes	1314	800	383
		• Number of workers granted Bursaries (new entries)	115	74	30
		• Number of workers granted Bursaries (continuing)	80	62	40
		• Number of workers granted Bursaries completed their studies	40	18	18
		• Number of workers enrolled Skills programmes	3350	2000	2084
		• Number of workers completed Skills programmes	2094	1200	894
		• Number of workers enrolled AET programmes	380	510	0
4. Increase access to occupationally directed programmes	4.2: Increase access for Intermediate and high level skills	• Number of workers completed AET programmes	1600	1020	480
		• Number of artisan learners enrolled	3290	2000	960
		• Number of artisan learners completed	3356	2000	800
		• Number of unemployed learners granted Bursaries (new enrollments)	100	110	0
		• Number of unemployed learners granted Bursaries (continuing)	309	309	0
		• Number of unemployed learners granted Bursaries completed their studies	193	100	0
		• Number of learners entering RPL/ARPL programme	1257	200	800
		• Number of learners completing RPL/ARPL programme	1257	400	400
5. Support the growth of the public college system	5.1: Support the TVET Colleges	• Number of TVET partnerships established	9	30	0
		• Number of HEI partnerships established	7	12	0
		• Number of CET partnerships established	2	3	0
		• Number of SETA-Employer partnerships established	1680	1512	0
		• Number of SETA offices established and maintained in TVET colleges	3	3	0
		• Number of Centres of Specialisation supported	2	3	0
		• Number of TVET Lecturers exposed to the industry through Skills Programmes	10	60	0
		• Number of TVET college Managers receiving training on curriculum related studies	40	70	0
5.2 Support the CET Colleges	5.2 Support the CET Colleges	• Number of TVET colleges Lecturers awarded Bursaries	20	54	0
		• TVET colleges infrastructure development (equipment/workshops)	4	6	n/a
		• Number of CET colleges lecturers awarded skills development programmes	20	15	0

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
		<ul style="list-style-type: none"> • CET colleges infrastructure development support (equipment/ workshops/ Connectivity/ ICT) • Number of CET College Managers receiving training on curriculum related studies • Number of CET learners accessing AET programmes 	2 5 70	3 15 15	n/a 0 0
6. Skills development support for entrepreneurship and cooperative development	6.1: To increase skills development support for entrepreneurial activities and the establishment of new enterprises and cooperatives	<ul style="list-style-type: none"> • Number of cooperatives funded for skills that enhance enterprise growth and development • Number of small businesses funded for skills that enhance enterprise growth and development • Number of CBOs/NGOs/NPOs funded for skills to grow/develop and sustain their activities or organisations 	10 2060 13	20 50 14	0 0 0
7. Encourage and support worker initiated training		<ul style="list-style-type: none"> • Number of Federations /Trade Unions supported through the relevant skills training interventions 	4	4	0
8. Support career development services		<ul style="list-style-type: none"> • Number of Career Development Events in urban areas on occupations in high demand • Number of Career Development Events in rural areas on occupations in high demand • Number of Career Development Practitioners trained • Number of capacity building workshops on Career Development Services initiated 	10 10 30 5	12 12 30 6	0 0 0 0
9. Governance		<ul style="list-style-type: none"> • Quarterly SETA Good Governance report 	4	4	n/a
10. Rural Development		<ul style="list-style-type: none"> • Number of Rural Development Projects initiated 	4	4	n/a

4. OBLIGATIONS OF DEPARTMENT OF HIGHER EDUCATION AND TRAINING

4.1 The Department undertakes to:

- 4.1.1 consult the SETA on policy and strategic matters that may affect the functioning of the SETA;
- 4.1.2 specify timelines for the submission of adhoc reports;
- 4.1.3 continuously and timeously inform the SETA of any changes to legislation, regulations, policies and strategies that impact on the strategy and functions of the SETA and provide guidance for implementation;
- 4.1.4 provide the SETA with guidance on strategic planning documents and any matter that may be requested by the SETA in relation to its functions;
- 4.1.5 provide support to SETA where applicable in performing its functions and responsibilities;
- 4.1.6 validate and verify the accuracy of reports submitted by SETA and provide feedback quarterly.

5. GENERAL

In-year amendments to the approved Service Level Agreement are not encouraged.

SIGNED AT Centurion ON THIS 27 DAY OF November 2020



CHAIRPERSON (Represented by _____ who warrants that he/she is duly authorised to this agreement)

SIGNED AT _____ ON THIS ____ DAY OF _____ 20

DIRECTOR-GENERAL (Represented by GF Qonde, duly authorised thereto)

Chairperson Initials



DG Initials _____

Acronyms and Abbreviations

AET- Adult Education Training
AGSA- Auditor-General South Africa
APP - Annual Performance Plans
ARPL - Artisan Recognition of Prior Learning
ATRs- Annual Training Reports
CBO – Community Based Organisations
CET- Community Education and Training Colleges
CoS- Centres of Specialisation
DG - Director General of Higher Education and Training
DHET - Department of Higher Education and Training
DPME- Department of Planning, Monitoring and Evaluation
ICT- Information Communication Technology
INDLELA- National Development of Learnerships, Employment Skills and Labour Assessment
IR- 4th Industrial Revolution
M & R - Sub-directorate: Monitoring and Reporting of the (SETA Performance Management)
Minister - Minister of the Department of Higher Education and Training
NC (V) - National Certificate (Vocational)
NGO – Non-Government Organisation
NPO – Non-Profit Organisation
NSDP- National Skills Development Plan
NT- National Treasury
PFMA- Public Finance Management Act No. 1 of 1999
RPL - Recognition of Prior Learning
RR- Related Regulations
SDA- Skills Development Act No, 97 of 1998 and Skills Development Levy Act No.9 of 1999
SDLA- Skills Development Levy Act No.9 of 1999
SETA - Sector Education and Training Authority
SLA - Service Level Agreement
SP - Strategic Plans
SPM - SETA Performance Management of the DHET
SSP - Sector Skills Plans
TR- Treasury Regulations
TVET - Technical and Vocational Education and Training (formerly FET)
WBLPAR- Workplace Based Learning Programme Agreement Regulation
WIL - Work Integrated Learning
WSPs- Workplace Skills Plans



30 November 2020

Mr G. Qonde
The Director General
Department of Higher Education & Training
123 Francis Baard Street
Pretoria
0001
Dear Mr Qonde

MERSETA MATERIALITY FRAMEWORK

In terms of the Regulation 28.3.1 of the Treasury Regulations issued in terms of the Public Management Finance Act (PFMA), Act no.1 of 1999, for the purposes of materiality [Section 55(2) of the PFMA] and significance [Section 54(2) of the PFMA], the Accounting Authority must develop and agree on a framework of acceptance levels of materiality and significance with the relevant Executive Authority in consultation with the External Auditors.

Herewith please find the merSETA Materiality Framework in compliance with the above-mentioned Treasury Regulations, for agreement and endorsement by the DHET.

Kindly advise should you require any further information regarding this submission.

Yours sincerely

Mr. Wayne Adams
CHIEF EXECUTIVE OFFICER

TREASURY REGULATION 28.1.5

“For purposes of “material” [sections 50(1) and 55(2) the PFMA] and “significant” [section 54(2) of the PFMA], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors.”

		Material
Section 50 (1)	<p>(1) The accounting authority for a public entity must –</p> <p>(a) exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity;</p> <p>(b) act with fidelity, honesty, integrity and in the best interest of the public entity in managing the financial affairs of the public entity;</p> <p>(c) on request, disclose to the Executive Authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in any way influence the decision or action of the Executive Authority or that legislature; and</p>	<p>Appropriate systems of control and risk management are maintained as well as a risk management plan which is reviewed quarterly by management. Internal auditors conduct regular reviews according to an approved audit plan to ensure that the internal controls are effective and efficient.</p> <p>merSETA sets high standards for good governance and ethical behaviour. The entity has adopted the Batho Pele values as its core values (We Care, We Serve, We Belong). The best interest of the public entity is always relevant and reflected in the strategic plan as approved by the Accounting Authority and the implementation of the strategic plan is of the utmost importance.</p> <p>merSETA is committed to have an open and transparent culture and to disclose any quantitative and qualitative facts:</p> <ul style="list-style-type: none">• Any fact discovered of which the amount exceeds the materiality figure;• Any unplanned events that affect the fulfilment of the entity's mandate;• Any activity that is outside the parameters of the provisions of the Skills Development Act, No 97 of 1998 (as amended); and• Any fact discovered of which its omission or misstatement will affect the functioning of the entity.



	<p>(d) Seek, within the sphere of influence of that Accounting Authority, to prevent any prejudice to the financial interests of the state.</p>	<p>The merSETA employs risk management plans and reviews and identifies processes aimed at preventing any prejudice to the financial interest of the state.</p>
<p>Section 55 (2)</p>	<p>(2) The annual report and financial statement referred to by PFMA Subsection 55 (1)(d) must –</p> <p>(a) fairly present the state of affairs of the public entity, its business, its financial results, its performance against pre-determined objectives and its financial position as at the end of the financial year concerned;</p>	<p>Materiality is R5 931 720 – 0.5% of total expenses (R1 186 344 000) as per 2019/20 unaudited financial statements.</p> <p>The merSETA is a public entity which is service driven (non-profit) therefore total expenditure will be used to set the materiality perimeter.</p> <p>The annual report is prepared in accordance with Treasury guidelines and financial results as per the GRAP statements. The financial results and pre-determined objectives are audited and the full annual report is reviewed by the external auditors to ensure that they fairly present the state of affairs of the public entity.</p> <p>Information shall be provided with respect to:</p> <ul style="list-style-type: none"> • Losses through criminal conduct, irrespective of value; and • Losses through irregular, fruitless and wasteful expenditure provided that the combined total exceeds the materiality figure or are material by virtue of their nature. <p>Losses through criminal conduct, irregular, fruitless and wasteful expenditure that have occurred during the year shall be disclosed in the Annual Report.</p>

	<p>(b) Include particulars of –</p> <p>(i) Any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;</p> <p>(ii) Any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;</p> <p>(iii) Any losses recovered or written off;</p> <p>(iv) Any financial assistance received from the state and commitment made by the state on its behalf; and</p> <p>(v) Any other matters that may be prescribed; and</p> <p>(c) Include the financial statements of any subsidiaries.</p>	<p>All criminal or disciplinary actions taken shall be disclosed.</p> <p>All losses recovered and written off shall be disclosed.</p> <p>All financial assistance received from state and commitments made by the state on merSETA's behalf shall be disclosed in full.</p> <p>Shall disclose all other matters as prescribed.</p> <p>Not applicable.</p>
Section 54 (2)	<p>(2) Before a public entity concludes any of the transactions, the Accounting Authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its Executive</p>	<p>Information shall be provided for approval for the following transactions:</p>

	<p>Authority for approval of the transaction:</p> <p>(a) Establishment or participation in the establishment of a company;</p> <p>(b) Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement</p> <p>(c) Acquisition or disposal of a significant shareholding in a company</p> <p>(d) Acquisition or disposal of a significant asset</p> <p>(e) Commencement or cessation of a significant business activity; and</p> <p>(f) A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.</p>	<p>(a) Any transaction to establish a company;</p> <p>(b) Any participation in a significant partnership, trust unincorporated joint venture or similar agreement;</p> <p>(c) Any transaction to acquire or dispose of significant shareholding in a company;</p> <p>(d) Acquisition or disposal of a significant asset;</p> <p>(e) Commencement or cessation of a significant business activity; and</p> <p>(f) Where there is significant change in nature and extent of interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.</p>
Proposed Framework	Quantitative	
	Guidelines on setting the parameters for materiality are obtained from section 3.7.1 of the National Treasury Practice Note on applications under section 54 of the PFMA, Act No 1 of 1999 by public entities.	

	<p>Operational Expenditure</p> <p>0.5% of total expenditure (2019/20 Annual Financial Statements). Although the National Treasury Practice Note recommends the use of total revenue, we had elected to use total expenditure as the entity is service driven in nature.</p>	<p>R5 931 720</p>
	<p>Capital Expenditure</p>	
	<p>1% of total assets (R4 380 687 000) as per 2019/20 unaudited financial statements</p> <p>Each loss due to criminal conduct, irregular expenditure or fruitless and wasteful expenditure, as identified, will be evaluated in the context of the expense category to which it relates to determine whether it qualifies for disclosure in the Annual Report as required by Section 54.</p> <p>Qualitative</p> <p>Over and above the financial considerations of materiality, any losses due to criminal conduct are considered to be material by nature, irrespective of the quantum thereof.</p>	
		<p>R43 806 870</p> <p>The guiding principles of “material” facts are anything that can affect or influence the users of the Annual Report.</p>





merSETA
MANUFACTURING, ENGINEERING
AND RELATED SERVICES SETA

GRANTS POLICY 2021/22

Document Title	Grants Policy		
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1. Acronyms

AA	Accounting Authority
BBBEE	Broad-Based Black Economic Empowerment
APP	Annual Performance Plan
ARPL	Artisan Recognition of Prior Learning
ATR	Annual Training Report
CBO	Community-based Organisation
CEO	Chief Executive Officer
CETC	Community Education and Training Colleges
COO	Chief Operations Officer
DHESI	Department of Higher Education, Science and Innovation
HEI	Higher Education Institution
ISO	International Organisation for Standardisation
MANCO	Management Committee
MER	Manufacturing Engineering and Related Services
merSETA	Manufacturing Engineering and Related Services Sector Education and Training Authority
MoA	Memorandum of Agreement
NGO	Non-Governmental Organisation
NPO	Non-Profit Organisation
NQF	National Qualifications Framework
NSDP	National Skills Development Plan 2030
PFMA	Public Finance Management Act No. 1 of 1999, as amended
PIVOTAL	Professional, Vocational, Technical and Academic Learning
QCTO	Quality Council for Trades and Occupations
RPL	Recognition of Prior Learning

SAQA	South African Qualifications Authority
SARS	South African Revenue Service
SDA	Skills Development Act No. 97 of 1998, as amended
SDF	Skills Development Facilitator
SDLA	Skills Development Levies Act No. 9 of 1999, as amended)
SETA	Sector Education and Training Authority
SME	Small and Micro Enterprise
SP	Strategic Plan
SSP	Sector Skills Plan
TVET	Technical and Vocational Education and Training
WIL	Work Integrated Learning
WSP	Workplace Skills Plan



2. Definitions

The definitions below are not exhaustive and may from time to time be reviewed.

- 2.1. **Apprenticeship** means a workplace-based learning programme culminating in an occupational qualification for a listed trade.
- 2.2. **Artisan** means a person certified as competent in a listed trade in accordance with the relevant legislation, informed by the SDA.
- 2.3. **Artisan Recognition of Prior Learning** means the principles and processes through which prior knowledge and skills of a person are made visible, mediated and assessed for the purpose of alternative access and, or admission for trade test certification.
- 2.4. **Annual Training Report** means a report on the implementation of an organisation's WSP.
- 2.5. **Broad-Based Black Economic Empowerment** means an economic system structured and transformed to enable the meaningful participation of the majority of its citizens and to further create capacity within the broader economic landscape at all levels through skills development, employment equity, socio economic development, preferential procurement, enterprise development, especially small and medium enterprises, promoting the entry of black entrepreneurs into the mainstream of economic activity, and the advancement of co-operatives.
- 2.6. **Blue Economy in respect of the mer-industry** means manufacturing of tools and process that will contribute to sustainable use of ocean resources for economic growth.
- 2.7. **Bursaries** means study grants for students to enrol at continuing education and training colleges or higher education and training institutions on programmes relevant to the priority skills required in the manufacturing and engineering sector.
- 2.8. **Circular economy** means an economic model that minimises resource inputs

and waste generation in merSETA industries.

- 2.9. **Community Education and Training College** means a college established under the Continuing Education and Training Act No 16 of 2006, previously titled “Further Education and Training Act”, providing education and training programmes on a full, part time or distance learning basis that are aligned or lead to qualifications or part qualifications registered on level 1 to 4 of the NQF, which qualifications are quality managed by Umalusi.
- 2.10. **Continuing Education and Training College** means a public or private college established under the Continuing Education and Training Act No. 16 of 2006 as amended. Public colleges are established as technical and vocational education and training colleges or community education and training college by the Minister of Higher Education and Training. Private colleges are declared and registered (or provisionally registered) as colleges having first been incorporated or recognised as a company in terms of the Companies Act No. 71 of 2008 (“Companies Act”). Public and private colleges offer on a full or part time or distance learning basis continuing education and training programmes.
- 2.11. **Continuing Education and Training** means all learning and training programmes aligned to or leading to qualifications or part qualifications registered on level 1 to 4 of the NQF, provided at public or private continuing education and training colleges.
- 2.12. **Critical skills** mean skills and knowledge within an occupation that are required for the work/job tasks and activities of an occupation.
- 2.13. **Co-operatives** means forms of ownership registered in terms of the Co-operatives Act No. 14 of 2005, as amended.
- 2.14. **Discretionary Grants** means funding allocated to incentivise or support education, training and skills development and related activities that will address skills development needs of the merSETA sector.
- 2.15. **Employers** means companies that are registered in terms of Companies Act.

Employers include levy paying and non-levy paying companies as defined and described in the Grant Regulations of 3 December 2012.

- 2.16. **Employer associations** means a body of employers, usually from the same sector of the economy, associated to further the interests of member companies such as conducting negotiations with trade unions, providing advice, making representations to other bodies.
- 2.17. **Employee Skills Development Facilitator** means a representative from a company where there is no recognition agreement, representing the workplace and appointed by the employees to serve on the training committee and signs off on the mandatory and discretionary grant submissions.
- 2.18. **Entity** means an organisation legally established in terms of relevant establishment laws such as the Companies Act, various education legislation, NPO Act No. 71 of 1997, Public Service Act No. 103 of 1994 ("Public Service Act") and the Constitution of the Republic ("Constitution") of South Africa 1996.
- 2.19. **Funding window** means a public call made through open media platforms and publications for applications for mandatory and discretionary grants in accordance with the merSETA Grants Policy, related Grants Criteria and Guidelines and Grant Award Procedure.
- 2.20. **Intervention** means an activity or combination of activities implemented to address the mandate and strategy of the merSETA. Interventions include but not limited to research, planning, evaluation, innovation, learning programmes, quality assurance of learning, strategic programmes projects and partnerships.
- 2.21. **Gold category** means the merSETA levy-paying entity categories for companies that are up-to-date with levies, having received mandatory grants payments and have an average pass rate of **60%** (sixty per cent) in the implementation of learning interventions.
- 2.22. **Silver category** means the merSETA levy-paying entity categories for companies that have limited participation in the skills development

interventions of merSETA or never before worked with the merSETA.

- 2.23. **Platinum category** means the merSETA levy-paying entity categories for companies, up-to-date with levies, having received mandatory grants payments for at least three years, and have an average pass rate of **80%** (eighty percent) and placement rate of **70%** (seventy percent) in implementation of learning interventions, including apprenticeships.
- 2.24. **Government departments and public entities** means national, provincial and local government departments and public entities established in terms of the Public Service Act, Municipal Acts, the Constitution, governed by the Public Finance Management Act No. 1 of 1999 and Municipal Finance Management Act No. 56 of 2003 and participate in skills development related interventions within or for the merSETA sector.
- 2.25. **Green economy** means manufacturing in a manner that reduces the amount of natural resources needed to produce finished goods through more energy- and materials-efficient manufacturing processes.
- 2.26. **Higher Education Institution** means a public or private institution established in terms of the Higher Education Amendment Act No. 9 of 2016 that provides higher education on a full-time, part-time or distance basis and may be a university, university college or higher education college as defined by the Act. Private higher education institutions must be first incorporated or recognised in terms of the Companies Act in order to be established and registered.
- 2.27. **Industry 4.0** means the digitising of mer industries which involves the use of digital tools and user impact on business processes, the organisation of work and the occupational profile of the mer-sector labour market.
- 2.28. **International partners** mean entities, which include, but are not limited to international development agencies, international learning and research institutions, legally constituted in their country of origin.
- 2.29. **Labour Skills Development Facilitator** means a representative from organised labour, where a recognition agreement has been signed between

employer and labour, representing the workplace and appointed by a recognised trade union, to serve on the training committee and signs off on mandatory and discretionary grant submissions. This is applicable to companies where recognition agreements exist, regardless of the number of employees.

- 2.30. **Labour organisation** means an organisation, agency, committee or group that represents the interests of employees by participating in activities such as conducting negotiations with employers, providing advice, making representations to other bodies.
- 2.31. **Learnership** means a workplace-based learning programme culminating in an occupational qualification.
- 2.32. **Learning programme** means a structured and purposeful set of learning experiences that lead to a qualification or part-qualification, or a set of knowledge, skills and competencies. This may include learnerships, apprenticeships, skills programmes and any other set of learning which may or may not include a structured work experience component.
- 2.33. **Legislation for the purpose of the Policy** means the SDA, SDLA, PFMA and related Acts and Regulations.
- 2.34. **MANCO** means the merSETA committee chaired by the CEO, comprising of senior members appointed in terms of Treasury Regulation 24.1 and responsible for decisions-making in relation to the approved Delegation of Authority Framework of the merSETA.
- 2.35. **MoA** means a legal agreement concluded between two or more parties for the execution of agreed skills development interventions, setting out the terms and conditions of the agreement. Counterparties in this type of agreement may be those contemplated in Sections 6(7) and (10)(a) to (d) of the Grants Regulations and entities listed in this Policy.
- 2.36. **Mandatory grants** means funds designated as mandatory grants as contemplated in Regulation 4 of the Grant Regulations, to fund the education

and training programmes as contained in the WSP and Annual Training Reports of levy paying companies.

- 2.37. **NGOs, CBOs, NPOs and NPCs** means civil society organisations focused on public benefit and community development, registered with the Department of Social Development and involved in interventions that are within or for the merSETA sectors.
- 2.38. **Non-credit bearing short course** means a short learning programme where credits are not awarded. Non-credit bearing short courses could be funded through mandatory grants and discretionary grants for non-PIVOTAL programmes.
- 2.39. **Non-PIVOTAL programmes** means credit and non-credit bearing learning interventions. Non-credit bearing learning interventions, not leading to qualifications or part qualifications, must still address the key objectives and priorities of merSETA. Non-PIVOTAL programmes also include but are not limited to research, evaluation, innovation, innovation projects and other non-learning delivery interventions core to the achievement of the merSETA mandate and strategy.
- 2.40. **Other legal entities** means legal persons or organisations, duly registered, inclusive of co-operatives, civil society organisations, non-profit organisations, international organisations, as well as public entities, public education and training institutions and recognised trade unions, eligible to receive discretionary grant funding in terms of Section 6(7) and Section 6(10) of the Grant Regulations (Government Gazette No. 35940) as well as entities listed in this Policy.
- 2.41. **Partnerships** means contractual arrangements between one or more parties where the parties agree to a common education, training and/or skills development purpose, aligned to national and sector specific strategic imperatives.
- 2.42. **Part qualification** means an assessed unit of learning that is registered on the NQF as a part qualification.

- 2.43. **PIVOTAL programmes** mean professional, internship, vocational, technical and academic learning programmes that result in qualifications or part qualifications registered on the NQF. PIVOTAL programmes may include internships or professional programmes that culminate in SAQA recognised designations.
- 2.44. **Private Education and Training Providers** means non-public providers or private education and training institutions registered as private higher education institutions or continuing education and training colleges or training centres established by private sector companies or employer associations. Private education and training providers must be compliant in terms of legislative requirements and registration for the purpose of participation in learning and skills development interventions pertaining to relevant policies of the DHET, CHE, Umalusi, QCTO and the merSETA.
- 2.45. **Public Education and Training Institutions** means Public Higher Education Institutions; Technical High Schools; Public TVET Colleges; and Public Community Education and Training Colleges.
- 2.46. **Programmes** means strategic imperatives consisting of one or more projects or partnerships related to strategic imperatives in the merSETA SP and APP.
- 2.47. **Projects** means non-routine, temporary undertakings with defined strategically aligned scope of work, a clear start and end point and time-bound deliverables to achieve a unique goal within a defined deliverable schedule, inclusive of activities and reporting, and monitoring and evaluation requirements.
- 2.48. **Recognition of Prior Learning** means the principles and processes through which the prior knowledge and skills of a person are made visible, mediated and assessed for the purposes of alternative access and admission, recognition and certification, or further learning and development (SAQA 2013: National Policy for the Implementation of RPL and Government Gazette 42319 of 19 March 2019).
- 2.49. **Research institutes** means, for the purpose of the Policy, institutes involved

in research initiatives related to the merSETA sector.

- 2.50. **Scarce skills** mean occupations identified through sector-related research and labour market analysis, as in demand, but for which there is inadequate supply of appropriately qualified people.
- 2.51. **Sign-off** means a signed agreement between an employer and a recognised trade union(s) about the identified skills development interventions referred to in the grant applications. A sign-off could be an electronic sign-off. This applies to enterprises or companies where a recognition agreement exists with trade unions or alternatively, employee representatives in companies who employ 50 (fifty) or more people and do not have a recognition agreement with trade unions.
- 2.52. **Skills Development Providers** means providers of occupationally directed learning programmes. CETC and HEI may be accredited as skills development providers by the QCTO to deliver occupationally directed programmes aligned to or leading to part qualifications or qualifications registered on the Trade and Occupations Sub-Framework of the NQF.
- 2.53. **Skills Programme** means an accredited learning programme that is occupationally based and which, when completed, may constitute credits towards a qualification registered on the NQF, as informed by the SDA.
- 2.54. **Skill sets** means a clustered range of skills required by a qualified person or a person already doing a task or job for the purpose of trans-skilling, re-skilling or up-skilling in relation to industry needs and is linked to more than one NQF qualification according to the National Qualification Framework Act No. 67 of 2008.
- 2.55. **Social partners** mean, in terms skills development legislation, organised employers, organised labour, government, community and professionals brought together to cooperate in working relationships to achieve a mutually agreed upon goals to the equitable benefit of all social partners.
- 2.56. **Strategic Programme** means a strategic imperative consisting of one or more

projects/partnerships as detailed of the merSETA SP and APP. Programmes are ongoing activities to implement innovative skills development solutions through projects and through various partnerships to address emerging new complex skills challenges.

- 2.57. **Strategic projects** means interventions that are intended to address strategic priorities of the merSETA, which include national or industry imperatives, as encapsulated in the merSETA SP and APP.
- 2.58. **Strategy** means the integrated planned presentation of merSETA strategic imperatives and obligations encapsulated in the sector skills plan, 5 (five) year strategic plan, annual performance plan and the DHET service level agreement. The AA is the custodian of the merSETA strategy, providing oversight and monitoring its implementation.
- 2.59. **Student internship - Category A (Formerly Experiential Learning, P1 and P2)** means a period of workplace based learning undertaken as part of the requirement for the Diploma, National Diploma, Higher Certificate or Advanced Certificate, as stipulated in the Higher Education Qualifications sub-framework of the NQF managed by the Council on Higher Education and SAQA.
- 2.60. **Student internship - Category B** means a period of workplace-based learning undertaken as part of the requirement for a professional designation, and candidacy in the merSETA means the same.
- 2.61. **Student internship - Category C** means a period of workplace based learning undertaken as part of the requirement for the Occupational Qualifications of the Trade and Occupations Sub-framework of the NQF managed by QCTO and the SAQA.
- 2.62. **Training Committee** means an established committee for the purpose of active participation in skills development learning interventions in companies for both those companies who have a recognition agreement with trade unions or those who employ **50** (fifty) or more employees and do not have a recognition agreement with trade unions.

- 2.63. **Technical and Vocational Education and Training College** means a college established under the Continuing Education and Training Act No 16 of 2006, providing education and training programmes that lead to qualifications or part qualifications registered on level **2** (two) to **4** (four) of the National Qualifications Framework, which are quality managed by Umalusi. TVET colleges may accredited by the QCTO as skills development providers to provide programmes leading to occupational qualifications of the Trades and Occupations Sub-framework of the NQF as well as programmes at level **5** (five) of the Higher Education Sub-Framework of the NQF under a certification agreement with a higher education and training institution.
- 2.64. **Verification for the purpose of this Policy** means the process of ensuring that all eligible organisations applying for mandatory and, discretionary grants, meet the requirements for the awarding of grants.
- 2.65. **Workplace Skills Plan** means a strategic document that articulates how an employer intends to address the training and development needs in the workplace during a forthcoming year.

3. Purpose

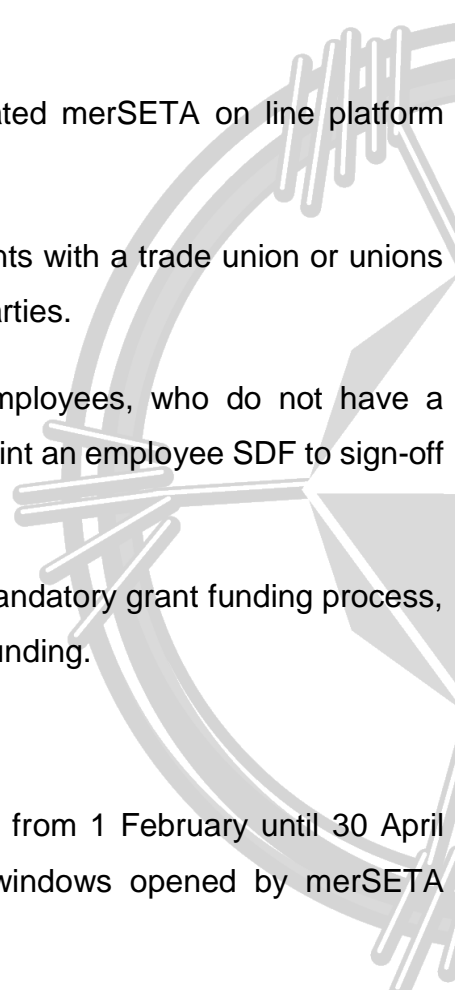
The purpose of the merSETA Grant Policy is to set out conditions, rules, and standards for:

- 3.1. The application, awarding and management of mandatory and discretionary grant funds.
- 3.2. Enabling the collection of credible workforce and skills needs data from merSETA sector companies and organisations.

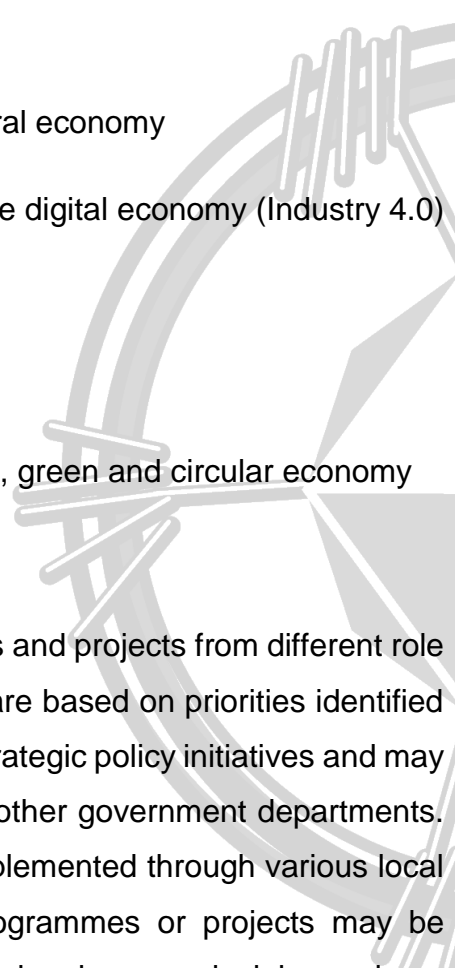
4. Policy statement

The Grants Policy supports the funding of the merSETA mandate and strategy, as informed by the skills development legislation (SDA and SDLA), Grant Regulations (Government Gazette no 35940 of 3 December 2012), strategic imperatives of the National Skills Development Plan (NSDP), and, the needs of all social partners.

- 4.1. The revenue source of the merSETA is the skills levies tax collected by SARS.
- 4.2. The merSETA opens publicly advertised funding windows for mandatory and discretionary grant funding applications to enable the implementation of the SSP, 5 Year strategic plan, APP and DHET Service Level Agreement.
- 4.3. The award for funding is at the sole discretion of the merSETA, and, is subjected to a verification, evaluation and approval system which is detailed in the Grants Criteria and Guidelines Document ((DGD-GL-001) available on the merSETA website.
- 4.4. Funding is awarded for PIVOTAL and Non-PIVOTAL interventions.
- 4.5. Mandatory Grant allocations
 - 4.5.1. Mandatory grant applications and submission of WSPs and ATRs are received from 1 February until 30 April every year. All merSETA levy-paying companies can apply for PIVOTAL, as well as non-PIVOTAL programmes during the submission period.

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- 4.5.2. Although not compulsory, it is recommended that companies, with a payroll above the regulated threshold, submit their discretionary grant applications together with their PIVOTAL application for mandatory grant.
 - 4.5.3. In the case that an application may not be concluded before the closing date, an application for an extension may be made for extension to be considered at the discretion of the CEO.
 - 4.5.4. Applications are submitted through a dedicated merSETA on line platform outlined in the call for applications notice.
 - 4.5.5. Employers, who signed recognition agreements with a trade union or unions must have the WSP and ATR signed by all parties.
 - 4.5.6. Companies employing **50** (fifty) or more employees, who do not have a recognition agreement with labour, must appoint an employee SDF to sign-off on the grant application.
 - 4.5.7. Learning interventions, funded through the mandatory grant funding process, shall not be funded from discretionary grant funding.
 - 4.6. Discretionary Grant allocations
 - 4.6.1. Discretionary grant applications are received from 1 February until 30 April every year and during any other funding windows opened by merSETA through a public notice.
 - 4.6.2. Evidence of compliance with B-BBEE codes enhances the potential approval of an entity's application.
 - 4.6.3. The grant award for merSETA sector levy paying entities for PIVOTAL programmes is benchmarked but not limited to the value of entities' **49.5%** (forty-nine-point five percent) levy contribution.
 - 4.6.4. The merSETA awards discretionary grants according to the levy paying entity categories below, in line with the **49.5%** (forty-nine-point five percent) value of the levies received.

- 4.6.5. Platinum category levy paying entities are awarded grants up to **2** (two) multiplied by **49.5%** (forty-nine-point five percent) of the levy contributed and an additional award may be considered, on condition of an agreed 50/50 co-funding.
- 4.6.6. Gold category levy paying entities are awarded grants up to **1.5** (one point five) multiplied by **49.5%** (forty-nine-point five percent) of the levy contributed and an additional award may be considered, on condition of an agreed **50/50** (fifty/fifty) co-funding.
- 4.6.7. Silver category levy paying entities are awarded grants up to **1** (one) multiplied by **49.5%** (forty-nine-point five percent) of the levy contributed and an additional award may be considered, on condition of an agreed **50/50** (fifty/fifty) co-funding.
- 4.6.8. Where an entity's **49.5%** (forty-nine-point five percent) levy contribution is below **R206 290** (Two Hundred and Six Thousand Rand Two Hundred and Ninety Rands), the merSETA may award a grant equivalent to **R206 290** (Two Hundred and Six Thousand Rand Two Hundred and Ninety Rands). An additional award may be considered, on condition of an agreed **50/50** (fifty/fifty) co-funding.
- 4.6.9. Additional funding may be considered, over and above the stipulated amounts here-in, provided the application is deemed to be contributing to merSETA strategic priorities.
- 4.6.10. Non levy paying entities are eligible for discretionary grant funding on condition the applications are aligned to the merSETA. Clauses 4.6.3, 4.6.4, 4.6.5, 4.6.6, and 4.6.8 above are not applicable to discretionary grant awards of non-levy paying entities. . Non- levy entities include but are not are limited to:
- 4.6.10.1. Small, Medium and Micro enterprises
 - 4.6.10.2. Black Industrialists
 - 4.6.10.3. Public and Private Higher Education Institutions

- 
- 4.6.10.4. Public and Private TVET and Community Education and Training Colleges
 - 4.6.10.5. Cooperatives
 - 4.6.10.6. Government departments and other public entities
 - 4.6.10.7. Not for Profit Organisations
 - 4.6.10.8. Organisations active in township and rural economy
 - 4.6.10.9. Organisations focused on activities of the digital economy (Industry 4.0)
 - 4.6.10.10. Employer associations
 - 4.6.10.11. Trade Unions
 - 4.6.10.12. Entities focusing on activities of the blue, green and circular economy
 - 4.7. Strategic Programmes and Partnerships
 - 4.7.1. The merSETA supports strategic programmes and projects from different role players. Strategic programmes and projects are based on priorities identified in the SSP, SP, APP and other government strategic policy initiatives and may be initiated by the DHESI, AA, MANCO and other government departments. Strategic programmes or projects may be implemented through various local and international partnerships. Strategic programmes or projects may be national, industry or sub-sector specific, regional or provincial, employer association-driven, labour organisation-driven and, or inter-SETA collaboration-focused.
 - 4.7.2. Proposals for partnership programmes or projects that address merSETA strategic priorities may be received from eligible legal entities as stipulated in the Grant Regulations and this policy and include international organisations as defined in this policy. Such proposals are received through open funding window period(s) and subjected to the verification, evaluation and approval system detailed in the Grant Criteria and Guideline documents (DGD-GL-001) available on the merSETA website.

- 4.7.3. Unsolicited proposals that address merSETA strategic priorities may be considered and adopted as management-initiated projects. Once adopted by management such projects are subjected to the Finance and Grants Committee approval.

5. Scope of the policy

This policy applies to:

- 5.1. All governance structures and divisions of the merSETA, making provision for the funding of the mandate and core functions of the merSETA which include but are not limited to research, planning, monitoring, evaluation, innovation, learning programme and project implementation, quality assurance for learning, and, career guidance.
- 5.2. Entities and organisations (as stipulated in the Grants Regulations and this policy) that are active or have the potential to be active in the merSETA skills development ecosystem by implementing interventions that address merSETA strategic priorities.
- 5.3. Beneficiaries of the skills development policy and legislation including but not limited to employers, currently employed workers, retrenched workers, unemployed youth, professionals, historically economically and socially disadvantaged people such as designated Black people, women, differently abled people, and, township and rural communities.

6. Authority and governance

- 6.1. The AA has accountability for setting policy and strategy, budgeting, and monitoring implementation of aforesaid; and is thus accountable for approving this policy.
- 6.2. The FGC has delegated authority from the AA to approve management-initiated projects referred to in this Policy.
- 6.3. The merSETA CEO is responsible for the implementation and operationalisation of policy and strategy, and may delegate certain

responsibilities to management to implement set policy and strategy including this Policy

- 6.4. The staff of the merSETA are responsible for complying to this policy in executing their duties and tasks.

7. Legislative and regulatory requirements

The list is not exhaustive and may from time to time be reviewed.

- 7.1. Legislation regulation and government policy

- 7.1.1. The PFMA and applicable regulations

- 7.1.2. The B-BBEE Act and Codes of Good Practice

- 7.1.3. The SDLA

- 7.1.4. The SETA Grant Regulations of 3 December 2012

- 7.1.5. The National Skills Development Plan 2030

- 7.2. This policy must be read in conjunction with the following related merSETA policies:

- 7.2.1 The Delegations of Authority Framework (Ref: CGD-GL-003)

- 7.2.2 The Projects Management Policy (Ref: PMO-PL-002)

- 7.2.3 The Monitoring and Evaluation Policy (Ref: MAE-PL-001)

- 7.2.4 The merSETA Disciplinary Code

- 7.2.5 The merSETA Code of Conduct

- 7.2.6 The merSETA Code of Ethics

8. Principles of the policy

- 8.1. **Transparency:** The merSETA conducts grant funding processes in a manner that is honest, open, ensuring access to information whilst guided by the laws

of the Republic of South Africa.

- 8.2. **Accountability:** The merSETA conducts grant funding processes in a manner that demonstrates its obligation to responding to the needs of its stakeholders and beneficiaries.
- 8.3. **Inclusivity:** The merSETA supports structural economic transformation that promotes an inclusive growth agenda; transformation in terms of control and ownership; and, demographic transformation of the labour market with respect to issues such as race, gender, differently abled people, youth, and, township and rural communities.
- 8.4. **Ethics:** The merSETA conducts grant funding processes in manner that is professional, unbiased, fair, equitable and recognises the diversity and dignity of its stakeholders and beneficiaries.
- 8.5. **Conflict of interest:** The merSETA conducts grant funding processes in a manner that promotes the interests and needs of its stakeholders and beneficiaries through best practice governance oversight and monitoring.

9. Disbursement of grants

- 9.1. Mandatory grant disbursements are initiated on the approval of mandatory grant applications and related levies received, in line with the mandatory grant criteria stipulated in the Grants Criteria and Guidelines document (DGD-GL-001) and the requirements set out in the Grant Regulations (Government Gazette no 35940 of 3 December 2012).
- 9.2. Discretionary grant disbursements are performance-based and aligned to the delivery of set milestones, stipulated in the agreement between merSETA and the entity.
- 9.3. The merSETA allows for multiyear agreements where such agreements comply with this policy as well as demonstrate the need for such agreement in order to achieve merSETA strategic priority.
- 9.4. The merSETA reserves the right to withhold payments for either mandatory or

discretionary grant disbursements, should all the relevant supporting documents not be provided by an entity.

- 9.5. In the case whereby an entity has an active agreement with the merSETA and wishes to apply for funding through an additional agreement, consideration may be given to such an application on demonstration of good performance on its active agreement. The additional application remains subject to the verification, evaluation and approval system detailed in the Grants Criteria and Guideline (DGD-GL-001).

10. Grants appeal process

- 10.1. Should an appeal be lodged in respect of a mandatory grant application, the appeal must be submitted through the merSETA on line management information system, detailing the reasons for the appeal. The appeal must be submitted within **14** (fourteen) business days of receipt of the outcome notification.
- 10.2. Should an appeal be lodged in respect of a discretionary grant outcome, the appeal is done through the merSETA on line management information system for processing and decision. Appeals with respect to verification of capacity of an entity to implement on its application are managed by merSETA Regional Offices. The merSETA investigates appeals and provides feedback to the relevant parties within **30** (thirty) business days of receipt.
- 10.3. In all cases, the decision of the CEO is final.

11. Policy Review

The Policy will be reviewed annually, or as per operational and strategic changes and requirements, and monitored in line with merSETA Quality Management System, based on ISO 9001:2015 for effective implementation.

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[illegible]

[illegible]

[illegible]



merSETA

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