

THE CONSTRUCTION EDUCATION AND TRAINING AUTHORITY

STRATEGIC PLAN

for the
fiscal years

2021/22 to 2025/26

(5 years beginning with 2021/22)

30 November 2020



Administrator's Statement

It is our honour to present the Strategic Plan for the Construction Education and Training Authority (CETA) for 2021/22. The document is presented in terms of the Skills Development Act and the Public Finance Management Act (Act 1 of 1999, as amended) and is submitted as per the Department of Higher Education and Training's (DHET) Compliance Calendar for the applicable financial year.

The framework guiding the development of this Strategic Plan is set out in the National Treasury's Framework for Strategic Plans and Annual Performance Plans and as informed by the Department of Planning, Monitoring and Evaluation.

The CETA's objectives of contributing to government's strategic growth plans require a thorough understanding of the sector in order to inform how the CETA targets its support for training initiatives, to meet the current and foresee the future demands of the labour market. The construction sector is one of the largest employers in the Republic. The sector is diverse with four broad categories or subsectors namely; Materials Manufacturing, Construction, Building, Built Environment Professions. The need for skilled employees is driven by spending in these subsectors by both public and private investors.

Key priority actions and change drivers in the construction sector as identified in the Sector Skills Plan encompasses the five construction subsectors, which enables the CETA to strengthen its skills planning.

The National Development Plan (NDP) is a detailed blueprint of how the country can inter alia, address the issue of poverty and reduce inequality by the year 2030. The most important aspect of the plan from the point of view of the construction industry is the massive infrastructure investment by Government as well as the post establishment operation and maintenance which cuts across all infrastructural projects and initiatives.

In order to address the priorities identified in the NDP and to ensure a worthwhile and meaningful contribution, it is important for the CETA to play a significant role alongside captains of industry and other committed stakeholders.

The construction sector is an important contributor to the South African economy. In 2018, its real Gross Value Added was 3,9% and its output nearly 14% of the country's GDP. Total average employment in the sector was 1 473 000, 9% of total employment in the economy. A sector of the economy this big cannot but have an impact on economic growth and job creation. The construction sector has been the sector most affected by the deterioration in the performance of the economy in recent years and the sector's Gross Value Added fell by 0,6% in 2017 and 1,2% in 2018. Overall, the COVID-19 has not necessarily triggered the negative outlook and poor performance of the construction sector, there has been a steady decline at least since around 2015. However, what the pandemic has done, is to deepen the crisis in a sector already on a downward spiral. This context matters for how the CETA navigates its mandate of skills development in the construction space.

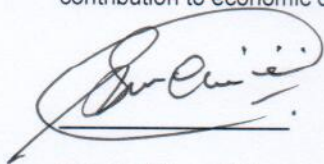
The onset of the pandemic has exploded much of our recent economic models and forecasts for the sector and introduced a variable that makes economic planning extremely difficult – uncertainty. Like the rest of the world, South Africa's economy (not excluding the construction sector) was plunged into unprecedented chaos and uncertainty when government declared a National State of Disaster in March 2020. This effectively meant

a halt in all economic activity, with devastating consequences for jobs, growth and global trade. Although the lock-down rules have been somewhat relaxed, large swathes of the economy (including important value chains of the construction sector) remain shut or severely limited. Scores of construction firms have folded, are under business rescue and holding on precariously. For survival this has implications for the CETA's revenue, as levies will be lost. Training programmes and activities have all but come to a complete stand still, accreditation and monitoring has been affected, with major implications for much of the CETA's performance for the current financial year.

In February 2020, the Minister of Higher Education and Training put the CETA under Administration, following allegations of serious governance breaches and impropriety at the entity. Accordingly, an Administrator was appointed to among other things, attend to the alleged transgression while, at the same time, overhauling and reforming the CETA so it pursues its principal mandate more effectively. In essence, this means that over and above its normal business, the CETA will simultaneously be undertaking major organisational change processes, which will impact its functioning, governance, processes and procedures. Together with the COVID-19, this will constitute a major shock to the system for the CETA and its stakeholders. Concerted efforts will be made to minimise negative impact.

The analysis of social inclusion, equity and the extent of absorption of designated groups, suggest that progress has been sluggish. The profile of the sector still reflects that, in large measure, the cleavages of the past (race, gender, disability, geography), remain largely intact. There has, over the years, been insufficient penetration of designated groups in higher skills and professional occupations, with the vast majority located at entry level, unskilled and informal employment. This representation is also poor in large construction firms (despite a phenomenal uptake of black people and women of courses and subjects in the sector), as various reports of the Department of Labour's Employment Equity Survey on equity in the South African workplace demonstrates (Department of Labour). The CETA is paying attention to this aspect of its work, as it is integral to its mandate and the country's socio-economic mission.

The CETA's strategic direction over the period of this Strategic Plan and Annual Performance Plan is aimed at sustainably supporting skills development within the Construction sector and making a significant contribution to economic development in the country.



Sabelo Wasa (Mr)

Administrator, Construction Education and Training Authority

Official Sign-Off

It is hereby confirmed that this Strategic Plan for the Construction Education and Training Authority was developed by the management team of the CETA under the guidance of the Accounting Authority;

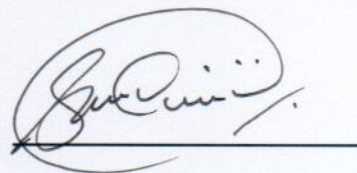
Takes into account all the relevant legislation, policies and other mandates for which the CETA is responsible; and accurately reflects the strategic goals and objectives which the CETA will endeavour to achieve over the period 2021/22 to 2025/26;

This Strategy Framework is hereby presented as the guiding document for the CETA for the period in compliance with the National Treasury Guidelines.

Mr Sabelo Wasa

CETA Administrator

Signature: _____



Approved by:

Dr Bonginkosi Emmanuel Nzimande

Signature: _____

Minister of Higher Education, Science and Technology

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Glossary of terms

Accounting Authority	The governing body of the CETA
Apprenticeship	A trade qualification registered with Quality Council for Trades and Occupations in terms of the Skills Development Act No 97 of 1998 as amended
AQP	Assessment Quality Partner
Assessment	A structured process for gathering evidence and making judgments about an individual's performance in relation to registered, national standards
DHET	Department of Higher Education, Science and Technology
Discretionary Grant	Grants paid out in terms of Regulation 6(3) (a) and (b) of the Skills Development Levies Act No 9 of 1999
DQP	Development Quality Partner
Funding Priorities	Skills Development priorities approved by the Accounting Authority
Learnership	A vocational based learning qualification that includes a practical work-based component. A learnership has to be aligned with a registered NQF qualification
MTSF	Medium-Term Strategic Planning Framework
NQF	National Qualifications Framework
NSDS	National Skills Development Strategy
NSDP	National Skills Development Plan
OFO	Organising Framework of Occupations codes
PFMA	Public Finance Management Act No 1 of 1999
PIVOTAL	Professional, Vocational, Technical and Academic Learning programmes that result in occupational qualifications and may include a knowledge component that is normally delivered at a further education and training college or a university as well as structured learning in an accredited training centre or an approved workplace
QCTO	Quality Council for Trades and Occupations
QMS	Quality Management System as defined by the CETA
RPL	Recognition of Prior Learning by assessing competence against the outcomes of a set of unit standards
SAQA	South African Qualifications Authority established in terms of the South African Qualifications Authority Act No 58 of 1995
SDL	Skills Development Levy
Skills Programmes	Occupationally based unit standard training programme, delivered by accredited education and training providers
SLA	Service Level Agreement
SSP	Sector Skills Plan
TVET	Technical Vocational Education and Training at Levels 2 to 4 of the National Qualifications Framework (NQF)
WSP	Workplace Skills Plan

PART A Our Mandate

The development of the strategic plan was underpinned by specific constitutional, legislative, functional and policy mandates of the CETA. The legislative and other mandates listed under this section are those that the CETA is directly responsible for implementing, managing or overseeing.

1 Constitutional Mandates

The Constitution of the Republic of South Africa is the supreme law governing South Africa. It provides the legal foundation for the existence of the republic and sets out the rights and duties of its citizens, and defines the structure of the Government. The relevant sections of the Constitution that have a direct bearing on the governance of CETA are the following:

Section 29 of the Constitution provides for all South Africans the basic right to education. It states that everyone has the right to a basic education, including adult basic education; and to further education, which the state, through reasonable measures, must make progressively available and accessible.

The CETA is directly responsible for ensuring compliance with Section 29 by ensuring that there is credible mechanisms for skills planning through conducting research and using labour market information intelligence tools, to develop a Sector Skills Plan for the Construction Sector to guide skills planning. These processes also assist in enhancing and supporting training for new entrants and the workforce in the construction sector. The SSP forms the basis of skills planning, as well as sets skills priorities to be pursued by the CETA through this Strategic Plan.

The CETA updated Strategic Plan has four programmes as per the Uniform SETAs Budget Programme Structure prescribed by DHET to guide SETAs in developing planning and reporting documents. This programme structure is aimed at streamlining and standardising planning, budgeting, implementation, monitoring, evaluation and reporting processes by the CETA. The programmes also address the subsectors within the construction sector. These four programmes are as follows:

- Programme 1: Administration;
- Programme 2: Skills Planning and Reporting;
- Programme 3: Learning Programmes and Projects; and
- Programme 4: Quality Assurance.

As a public entity, CETA reports to the Minister of Higher Education, Science and Technology. We are accountable to Parliament (Portfolio Committee on Higher Education and Training) and are also under the oversight of National Treasury in terms of performance management and financial administration. We engage with a broad range of stakeholders in the public domain in fulfilment of our CETA mandate, which requires us to uphold principles of good governance in the interest of making a meaningful contribution in skills development for the benefit of the construction sector and the country.

In response to this, the CETA is obliged to submit its approved Strategic Plan, Annual Performance Plan and its audited Annual Report to Parliament as per the Compliance Calendar prescribed by DHET.4.2 Legislative Mandates.

2 Legislative and policy mandates

The CETA was established in April 2000 and is responsible for skills development activities within the construction sector. The following mandates represent the legislative environment in which the CETA operates.

2.1 Legislative Mandates

2.1.1 Income Tax Act 1962 –Tax Allowance, (Act 58 of 1962) (As amended)

Section 12H of the Income Tax allows for tax breaks for entities participating in learnerships and apprenticeships programmes and other relevant approved SETA programmes. The CETA is involved in the process of learnership tax claims by entities in the sector registering learnerships or apprenticeships agreements with the CETA as well as for completion of such learning programmes included in the tax breaks by the South African Revenue Services (SARS).

2.1.2 Basic Conditions of Employment Act (BCEA) 1997, (Act No 75 of 1997): Sectoral Determination No 5: Learnerships

The Act makes the sectoral determination establishing binding conditions of employment and rates of allowances for learners in all sectors where SETAs operate. It therefore enjoins the CETA to observe compliance with such conditions in all the agreements entered into for the relevant funded learning pathways.

2.1.3 Employment Equity 1998, (Act 55 of 1998)

This Act aims to facilitate workplace transformation through the elimination of unfair discrimination and implementation of affirmative action and measures to enable equitable representation of employees from different race and gender groups in the workplace.

The Commission for Employment Equity's (CEE) annual report for the 2016-2017 financial year as released by the Department of Labour, highlights the under-representation of targeted groups at the senior and Top Management levels of the workforce; despite them possessing skills to operate in the industry evidenced by the concentration at the skilled technical and professionally qualified occupational levels of the workplace.

In the report, workforce movement and skills development at top management level by race and gender was also presented. It showed that white counterparts and predominantly white males are afforded higher levels of recruitment and promotion opportunities as compared to the designated groups. The preference for the white group over the targeted groups in promotions and skills development continues

to undermine transformation progress, as both are also key to changing the demographic representation at this level.¹

The report for the 2017/18² financial year had cited that skills development as reported by designated employers should reflect skills development designed to promote transformation. Similarly to the 2016/17 report, the designated employers reported that preferential treatment is given to the white group at the expense of the targeted groups in terms of skills development. Also disconcerting in the report is that very little progress has been made in the representation of persons with disabilities. Progress in this group has been insignificant at all occupational levels.

In response, the CETA has targeted groups as a strategic priority to address imbalances in the sector and those include women (a minimum of 40% of learners on projects to be women) and people with disabilities (a minimum of 2% of learners on projects must be people with disabilities). Through implementation of projects, these are to be prioritised at all times to ensure recruitment is in line with the set targets.

2.1.4 Skills Development Act 1998 (Act 97 of 1998) (As amended)

The Skills Development Act requires the CETA to develop a Sector Skills Plan (SSP) within the framework of the National Skills Development Strategy (NSDS) III. The CETA SSP is aligned with the Labour Market Information Intelligence framework and guidelines issued by DHET.

In fulfilment of this Act, the CETA is focused on delivering on general objectives within the construction sector to –

- a. facilitate, coordinate and monitor the implementation of the NSDS III;
- b. identify skills shortages within the construction sector;
- c. support the development of the skills of employees in the construction sector;
- d. support the improvement of the quality of life and labour market prospects of employees in the sector;
- e. strengthen the institutional capacity of the CETA, in order to improve productivity and the quality of the services it provides to its stakeholders;
- f. through the skills development levy, increase the levels of investment in skills development and improve returns on such investment and conduct learner tracer studies or impact assessment;
- g. support improved performance and productivity in the work-places in the sector, as well as the competitiveness of employers;
- h. support the improvement of the employment prospects of persons previously disadvantaged by unfair discrimination;
- i. liaise with employment services to assist retrenched workers to re-enter the labour market;
- j. liaise with employers in respect of skills development programmes;
- k. promote the development of skills aimed at self-employment;
- l. support skills development in the informal sector, cooperatives and other income-generating initiatives for the unemployed;
- m. support and promote the development of artisans, technicians, professionals and persons in other categories within the construction sector;

¹ Department of Labour, 17th Commission for Employment Equity Report 2016 - 2017

² Department of Labour, 18th Commission for Employment Equity Report 2017 - 2018

- n. support, facilitate and promote the quality of occupation-based learning at elementary, intermediate and high- end skills in the construction sector;
- o. promote effective communication between, and participation by bodies involved in skills development – both inside and outside the construction sector;
- p. promote the provisioning of accredited training in the construction sector and certification of learners by the CETA and for recommendation of trades application to Quality Council for Trades and Occupations;
- q. promote the recognition of prior learning in the construction sector;
- r. support and promote transformation within the built environment sector;
- s. promote construction programmes to the CETA targeted groups which are women, people with disabilities, military veterans, youth, rural development and trade unions in the construction sector;
- t. Facilitate and support the establishment of Skills Development Centres linked to Public TVET Colleges or Institutions in support of an inclusive White Paper on Post School Education and Training System and to strengthen the infrastructural and resource capacity of the Public TVET Colleges for construction sector programmes as well as support academic development programmes at Public Higher Education Institutions within the built environment disciplines;
- u. co-operate with, and support the QCTO in such matters relating to QCTO development quality partner and assessment partner functions and operations referred to in section 10 of the Act; and
- v. Co-operate with, and support the functions of other relevant agencies in matters related to skills development in the construction sector.

2.1.5 Public Finance Management 1999, (Act 1 of 1999)

The Public Finance Management (PFMA) is aimed at promoting good financial management in order to maximise delivery through the efficient and effective use of financial resources within the CETA. The PFMA is an act to regulate financial management in the national Government and provincial Governments; to ensure that all revenue, expenditure, assets and liabilities of those Governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those Governments; and to provide for matters connected therewith.

The CETA is obliged to comply with National Treasury Practice Notes aligned with the PFMA. This is achieved through the active involvement of an AA to provide an oversight role of all functions, decisions and promoting accountability. The CETA ensures compliance of all financial and related activities in line with the PFMA whilst curbing the challenges of fruitless and wasteful as well as irregular expenditure that plague public service entities.

2.1.6 Skills Development Levies Act, 1999 (Act 9 of 1999) (As amended)

The Act makes provision for the South African Revenue Service (SARS) to collect skills levies and distribute them by paying a portion thereof into the account of the National Skills Funds (NSF) and use the remainder in terms of its provision and those of the Skills Development Act and SETA Grant Regulations.

2.1.7 The National Qualifications Framework (NQF) Act (Act 67 of 2008)

The National Qualifications Framework (NQF) Act allows for the CETA to develop qualifications within the occupational and higher education sub frameworks. This Act also provides for the regulation of qualifications and professional bodies, and establishes the quality councils that the CETA interacts with

including the QCTO. The CETA is a quality assurance body for construction qualifications through the delegation of authority from the QCTO. The NQF Act 2008 provides for a National Qualifications Framework with three sub-frameworks and each is underpinned by its relevant legislation: the General and Further Education and Training Qualifications Framework (GENFETQF) Act, the Occupational Qualifications Framework (OQF), and the Higher Education and Training Qualifications Framework (HEQF).

2.1.8 Broad-Based Black Economic Empowerment Amendment Act 2013, (Act 46 of 2013) (As amended)

The amended Code Series 300, Statement 300: The General Principles for Measuring Skills Development prescribes compliance targets and weighting points to be claimed by Measured Entities, subject to verifiable expenditure incurred for training black people on various listed learning interventions. The Code determines that “Workplace Skills Plan, an Annual Training Report and Pivotal Report which are SETA approved” will constitute criteria for Measured Entities to receive points towards their BBBEE scorecards. The CETA evaluates the submitted WSPs for approval. Upon approval of the WSP, the CETA issues an approved entity with a compliance certificate that the entities may use for BBBEE purposes.

The implications for skills planning for the CETA is as follows:

- Prioritise skills development in qualifying small companies;
- Assist large and medium enterprises in developing skills which will assist with their BBBEE efforts;
- WSP-ATR submissions approved by the CETA;
- Learning Programme Matrix under the BBBEE Code places an emphasis on PIVOTAL training and provision for accredited training.

2.1.9 The Construction Regulations Act, 2014: The Registration of Construction Health and Safety (CHS) Professionals

The following categories of Construction Health and Safety have been approved for registration: Registration Rules for Construction Health and Safety Agent (PrCHSA) in Terms of Section 18 (1) (c) of the Act, (Act No. 48 of 2000), as published on 31 May 2013 in the Government Gazette, Gazette No. 36525, Board Notice 115 of 2013 for commencement 1 June 2013.

- Construction Health and Safety Agent (PrCHSA)
- Construction Health and Safety Manager (CHSM)
- Construction Health and Safety Officer (CHSO)

The CETA’s mandate is to ensure that relevant health and safety programmes are developed or curriculum is reviewed and that skills development providers are accredited for such programmes. Construction Health and Safety assessors and moderators are registered against recognised standards with the CETA. The CETA provides access to its Management Information System (MIS) to accredited skills development providers in construction health and safety to ensure that learners’ assessments are uploaded on the CETA MIS, NRLD and qualifying learners are certificated. The CETA conducts quality

assurance of the training, monitoring and evaluation of accredited training providers in the construction sector.

2.1.10 SETA Grants Regulations (2012)

The SETA's Grant Regulations Regarding Monies Received by a SETA and Related Matters, which was gazetted on 3 December 2012 and came into effect on 1 April 2013, has also been taken into account in our budgeting and identification of PIVOTAL and Non PIVOTAL interventions.

The Grants Regulations require the CETA to allocate mandatory grants at a percentage prescribed by the Minister of Higher Education and Training to levy paying entities in the construction sector who meets the criteria prescribed by the CETA. Entities in the construction sector are required to submit their Workplace Skills Plan and Annual Training Reports to the CETA by the prescribed legislated date.

The Grants Regulations also requires the CETA to allocate discretionary grants to qualifying or eligible enterprises or entities as per processes prescribed in the grants regulations. The Grants Regulations further requires the CETA to provide funding to the QCTO for up to 0.5% as determined by the Minister of Higher Education and Training. The CETA complies with this requirement through invitations to all stakeholders interested in implementing CETA priority qualifications to submit proposals annually. This is to address skills shortages within the construction industry.

2.2 Policy mandates

CETA's strategic planning process has taken into consideration the aims and objectives of the Human Resources Development Strategy for South Africa (HRDS-SA), which outlines the human resources development strategy for the country; the Medium Term Strategic Framework (MTSF), which is a broad Government framework that indicates economic growth drivers and the National Skills Development Plan 2030 (NSDP). These mandates serve as the roadmap for CETA within which to deliver our skills development interventions.

2.2.1 The National Development Plan (NDP) (2013)

The National Development Plan (NDP) was introduced at the end of 2011 by the National Planning Commission. It focuses on the reduction of poverty and inequality and reiterates the objectives of the New Growth Path. It lays out the vision to be achieved by 2030. The NDP is a detailed blueprint for how the country can eliminate poverty and reduce inequality by the year 2030.

The most important aspect of the plan from the point of view of the construction industry is the massive infrastructure investment. Cutting across all infrastructural projects and initiatives is the operation and maintenance of such infrastructure post establishment.

At the implementation phase, the Government is planning to roll out high impact priority projects including infrastructure, to achieve high scale economic impact to be implemented in the next five years. The National Treasury budget priorities includes infrastructure maintenance spend on skills development. The goal is to achieve sustainable social development and economic growth; to

strengthen public sector capacity to deliver on infrastructure. These sectors or groups are also priority in the NDP: SMME sector; townships, rural and labour intensive entities support.

The National Development Plan accepts that education, training and innovation are not a solution to our common national problems but they are rather critical in building our national capacity to solve problems. So addressing our national training and education requires harnessing the capacity of different provider institutions to be effective in delivering to their respective mandates.

The plan proposes actions based on five cross-cutting, interdependent and implementable themes:

- Lay a solid foundation for a long and healthy life and higher educational and scientific achievement;
- Build a properly qualified, professional, competent and committed teaching, academic, research and public service core;
- Build a strong and coherent set of institutions for delivery of quality education, science and technology, training and skills development;
- Expand the production of highly skilled professionals and enhance the innovative capacity of the nation; and
- Create an education and national science system that serves the needs of the society.

The plan identifies the task of improving the quality of public services as critical to achieving transformation. This will require provinces to focus on identifying and overcoming the obstacles to achieving improved outcomes, including the need to strengthen the ability of local Government to fulfil its developmental role.

2.2.2 National Human Resource Development (HRD) Strategy of South Africa

The National HRD Strategy of South Africa (2010 to 2030) is a social compact distilling the critical skill challenges for the socio-economic growth and development of the country. The document also sets out collective commitments for all sectors of the society. The CETA addresses the HRD Strategy commitments as follows:

Table 1: CETA's alignment to the National HRD Strategy

HRDSA Commitment	CETA alignment
Address shortages of supply of people with priority skills	Programme 3: Learning Programmes and Projects Implementation of learning programmes
Increase the number of appropriately skilled people	Programme 3: Learning Programmes and Projects Increase access to occupationally directed programmes in the construction sector
Access to education and training	Programme 3: Learning Programmes and Projects Increase access to occupationally directed programmes in the construction sector

HRDSA Commitment	CETA alignment
Improve technological and innovation capability	Programme 3: Learning Programmes and Projects Contribute to the improvement of the technological and innovation capability and outcomes within the public and private sectors by funding post graduate studies and research studies within the built environment disciplines;
	Innovative Programmes: <ul style="list-style-type: none"> • Development of SMME Programmes • Increased focus on research and innovation • Development of Quality Partnerships for construction programmes • Development and Support of Academic Programmes • Inter-SETA Collaboration • Establishment of Skills Development Centres

2.2.3 White Paper on Post-School Education and Training (PSET)

The White Paper was established amongst others to ensure a coordinated, and inclusive post school education and training system, expand access, improve quality of provision and ensure education and training system that is responsive to citizens, employers as well as the broader societal developmental objectives. It seeks to expand the scope of education and training to include even people who could not attend formal education.

The White Paper aims to simplify the role of SETAs and build their capacity in line with their redefined roles. In terms of the White Paper, SETAs will continue facilitating development of skills for those in existing enterprises and skills pipeline in workplaces. This means that SETAs will ensure that the skills requirements of their respective industries are understood and catered for by different providers as contemplated within the policy document. This also means that SETAs will continue collection and supply of credible data from and for employers. The mandatory grants will continue being used for data gathering whilst sector training and provider capacity will be catered for through the discretionary grant system. The CETA supports the policy objectives of the White Paper on Post School Education and Training.

2.2.4 National Skills Development Plan 2030

The NSDP 2030 seeks to improve the economic growth of the country through the provision of adequate, appropriate and high quality skills. It focuses on the improvement of the education system, including universities, TVET's and Community Education and Training. It emphasises the need for basic and technical skills and that both unemployed and employed beneficiaries need to be targeted. In this way the plan seeks to assist job-seekers to attain the skills needed for the workforce and simultaneously create career growth opportunities.

In line with the eight outcomes stipulated in the NSDP 2030 the CETA Strategic Priorities are as follows as identified in the SSP:

- Support skills development of new entrants or unemployed to the Construction Sector;
- Enhance the skills of the existing workforce of the Construction Sector;
- Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector;
- Strengthen and expand strategic partnerships to maximize sustainability and impact of skills development interventions; and
- Support national imperatives in relation to skills development, with emphasis on the Construction Sector.

Further, to illustrate the alignment between the CETA's updated strategic plan and the outcomes of the NSDP 2030, the Table below outlines the link between these outcomes and the CETA programmes and strategic goals:

Table 2: CETA's alignment to the NSDP Outcomes

NSDP Outcomes	CETA Linked Outcomes	CETA Linked Programmes	Linked Sub Programmes
4.1 Identify and increase production of occupations in high demand	To ensure a credible mechanism for skills planning and reporting in the construction sector - Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	Programme 2: Skills Planning and Reporting	2.1 Skills Planning 2.2 Reporting
4.2 Linking education and the workplace	To address skills priorities within the construction sector – Support skills development of new entrants or unemployed to the Construction Sector Enhance the skills of the existing workforce of the Construction Sector	Programme 3: Learning Programmes and Projects Programme 4: Quality Assurance	Learnerships, Short Skills Programmes, Apprenticeships, Graduate Placements, Work Integrated Learning, Candidacy, Recognition of Prior Learning and Bursaries Qualifications Development NQF Provider Accreditations Monitoring Evaluation and Reporting
4.3 Improving the level of skills in the South African workforce	Strengthen and expand strategic partnerships to maximise sustainability and impact of skills development interventions	Programme 3: Learning Programmes and Projects Programme 4: Quality Assurance	Partnerships Development of Skills Centres NQF Provider Accreditations

NSDP Outcomes	CETA Linked Outcomes	CETA Linked Programmes	Linked Sub Programmes
4.4 Increase access to occupationally directed programmes	Support skills development of new entrants or unemployed to the Construction Sector Enhance the skills of the existing workforce of the Construction Sector	This goal is addressed as part of Programme 2 under Sub Programme: Short Skills Programme Programme 4: Quality Assurance`	Qualifications Development NQF Provider Accreditations
4.5 Support the growth of the public college institutional type as a key provider of skills required for socio-economic development <ul style="list-style-type: none"> 4.5.1 Technical and Vocational Education and Training Colleges 4.5.2 Community Education and Training Colleges 	Support skills development of new entrants or unemployed to the Construction Sector	Programme 3: Learning Programmes and Projects	Partnerships Graduate Placements, Work Integrated Learning
4.6 Skills development support for entrepreneurship and cooperative development	Support national imperatives in relation to skills development, with emphasis on the Construction Sector.	Programme 3: Learning Programmes and Projects	Development and Support of SMME's, coops, NGOs, CBOs
4.7 Encourage and support worker initiated training	Support national imperatives in relation to skills development, with emphasis on the Construction Sector.	Programme 3: Learning Programmes and Projects	Partnerships Inter SETA Collaboration
4.8 Support Career Development Services	Support skills development of new entrants or unemployed to the Construction Sector	Programme 3: Learning Programmes and Projects	Career and vocational guidance

2.2.5 The Expanded Public Works Programme (2004)

In 2004, the Expanded Public Works Programme (EPWP) was launched and is currently still being implemented. The EPWP is a nationwide programme covering all spheres of Government and state-owned enterprises. The programme provides an important avenue for labour absorption and income transfers to poor households in the short to medium-term. It is also a deliberate attempt by the public

sector bodies to use expenditure on goods and services to create work opportunities for the unemployed. EPWP projects employ workers on a temporary or on-going basis either by Government, by contractors, or by other non-Governmental organisations under the Ministerial Conditions of Employment for the EPWP or learnership employment conditions.³ The first phase was reviewed in 2008 as presented to Cabinet and the subsequent extension of the programme to EPWP Phase 2.

The third phase of EPWP Phase 3 was launched by the President of South Africa in 2014 to kick start the creation of six million work opportunities. Since 2004, the EPWP has provided work opportunities and training for the unemployed. The new phase aims to provide six million work opportunities by 2019. EPWP Projects employ workers on a temporary or ongoing basis either by Government, contractors or other non-Governmental organisations under the Ministerial Conditions of Employment for the EPWP or learnership employment conditions.

The CETA's contribution is to conduct external moderation for the training in the construction sector and to certify the learners. The CETA considers the National Department of Public Works as a major public sector partner in the delivery of skills development activities and on an annual basis provides financial support in the implementation of bursaries, internships, candidacy and learnership programmes.

2.2.6 National Infrastructure Maintenance Strategy (2007)

Cutting across all infrastructural projects and initiatives is the operation and maintenance of such infrastructure post establishment. This strategy also focuses on Municipal Infrastructure Maintenance. Municipal service activities to ensure infrastructure is delivered effectively require all Government spheres to work together in planning and coordination. The CETA supports the strategy through the provisioning of discretionary funding to municipalities based on their economic activity aligned to construction sector. There is a national drive by the state towards the professionalization of allied built environment disciplines such as the planned regulation and professionalization of the public sector building inspectors, construction procurement specialist as well as the implementation of the infrastructure delivery management system in local Government, national and provincial Government sectors to enhance service delivery.

2.2.7 Comprehensive Rural Development Programme (2009)

The aim of the Comprehensive Rural Development Programme (CRDP) is to empower and mobilise rural communities, and with the assistance of Government, to assist these regions to develop. CETA has a role to play in supporting the rural and township contractors and to support the rural economy or localisation. To facilitate training in contractor development particularly in the area of supply chain management to assist these emerging entities in tendering processes. This support includes both technical construction skills support and venture creation and management skills. The CETA Skills Development Centres are located in rural and township areas, and are therefore relevant to the CRDP.

³ <http://www.epwp.gov.za/>

2.2.8 Strategic Infrastructure Projects (2012)

CETA provides skills development support to the construction related programmes within the 18 SIPS as each has relevance to construction industry. Through the Sector Skills Plan, the CETA identifies and implements SIPS Priority Occupations e.g. massive rail road infrastructure and water in Limpopo will requisite specialised technical built environment skills.

2.2.9 The National Infrastructure Plan (NIP) (2012)

The NIP was adopted by the South African Government in 2012 to transform the economic landscape of the country simultaneously creating jobs and improving basic service delivery. The plan maps the spatial infrastructural gaps taking into consideration future population growth, economic growth and underserved areas in South Africa.

The National Infrastructure Plan as well as the 9 Point Plan campaigns, presented by Government at the 2015 State of the Nation address, focuses on economic growth and social development.

2.2.10 Transformation in the Construction Sector: Construction Charter Codes (2017)

Transformation charters such as the Construction Charter (revised), which seek to increase the participation of Black people and people with disabilities in general and focuses on the broad based-black economic empowerment in the sector, continue to guide CETA's strategic planning process.

The challenge facing the construction sector is that the private sector has inadequately addressed BBBEE and thereby implementing limited aspects of the Act, in response to Government tender requirements. The sector continues to reflect vast inequalities in ownership patterns, black participation is principally through micro and small businesses where sustainability levels are generally low. There are limited number of black people, especially black women, in controlling positions, managerial positions and in specialised professions in the larger enterprises in the sector.

There is a depleted skills base due to disconnection between academia from the needs of the sector, the sector's low appeal as a career choice, the low numbers of school leavers with adequate grades in Mathematics and Science, low salaries and poor prospects for career development. Inadequate investment in skills development exacerbates this problem despite sufficient funding allocated by the CETA to the sector. Challenges include inadequate recognition of prior learning and low levels of workplace training. The sector has a dire need for recognition of prior learning amongst other areas in the scaffolding, formwork or working at heights industry, plant operations industry and within the construction health and safety industry.

Transformation within the built environment sector remains a challenge and not all the set sector targets are met or achieved. The CETA has funded and implemented Candidacy Programmes; through partnering with the relevant statutory councils and voluntary associations within the built environment industry, the CETA hopes to contribute towards the transformation of the sector.

2.2.11 Economic Reconstruction and Recovery Plan (2020)

In response to the devastation wrought by the COVID-19 pandemic to the economy and the country's growth prospects, the South African government unveiled an Economic Reconstruction and Recovery Plan. For the construction sector, the pandemic led to low levels of capacity utilisation for a prolonged period thereby negatively impacting gross fixed capital formation for the entire economy. The Economic Reconstruction and Recovery Plan is built on the following key strategic planks:

- **Engage and Preserve:** This phase of the plan is focused on the health response, saving lives and controlling the spread of the pandemic. The hard lock-down and related measures designed to control movement were devoted to giving effect to this strategic plank.
- **Recovery and Reform:** The focus here is to roll back the negative impact of the first phase on the economy (especially on livelihoods and liquidity). It consists of comprehensive economic interventions in propping up the viability of the country's key economic sectors (construction, tourism, services etc.).
- **Reconstruct and Transform:** This plank seeks to ensure that interventions do more than just return the country to pre-COVID-19 levels. Instead, the focus is in "building up better". This means making use of the crisis to aggressively target the structural weaknesses in the country's socio-economic framework that reproduce racially defined poverty and inequality. The plan endeavors to build a sustainable, resilient and inclusive economy, on the other side of the pandemic.

The key areas of the Economic Reconstruction and Recovery Plan relevant to the construction sector and CETA, include the following:

Focus area	Relevance for the CETA/sector
Resource mobilisation	The sector/CETA should be fully plugged into government infrastructure-built programmes and other investment efforts for the benefit of sector growth and jobs
Building a capable state	Like all state entities, the CETA will be paying attention to improving its governance systems, financial management, competence and skills of its employees and crucially, instilling a zero-tolerance culture against corruption and malfeasance.
Social Compacting	To build a coalition for growth and job-creation, the CETA will strengthen its efforts at creating partnerships with all relevant stakeholders.
Skills Development	Although this is an enabler for the entire South African economy, it takes on added significance for the CETA. It calls attention for the CETA to

	revert back to its core business of building skills for current and future requirements in the sector. Thereby ensuring the CETA and sector are ready to effectively function in a post-COVID-19 environment (in terms of skills planning). Also, focused attention to be paid to historically excluded demographics (blacks, women, disabled and rural folks) to ensure economic inclusion.
Employment oriented localisation and re-industrialisation	The construction sector is well positioned to drive comprehensive localisation efforts, by ensuring that more of the sector's inputs are locally manufactured.
Green Economy interventions, technology and innovation	Being at the heart of skills development in the construction sector, the CETA is well placed to catalyse the introduction of new and innovative green construction methods and technological knowhow. There are also real opportunities for new research and global skills transfer (as other countries have covered some ground in green technology and innovation)

The CETA fully embraces the government's Economic Reconstruction and Recovery Plan and is putting plans in place to ensure that the key elements find expression in its strategies and programmes, moving forward.

3 Institutional Policies and Strategies over the five-year planning period

3.1 The CETA'S Strategic Priorities

The CETA's Strategic Priorities, as set out in its Sector Skills Plan are the following:

- Women;
- People with disabilities;
- Youth and workers;
- Military veterans; and
- Rural and township communities.

3.2 Ministerial Imperatives

In addition to legislative and policy mandates, CETA is focused on addressing ministerial imperatives as identified by the Minister of Higher Education, Science and Technology and the Portfolio Committee on Higher Education, Science and Technology. Broadly the Ministerial imperatives focuses on the

improvement of education levels in the sector, partnerships with all relevant stakeholders from TVET, Colleges, HETs to Setas, and the implementation of an inclusive Post School Education and Training System (PSET), amongst many others.

These imperatives have been incorporated into the programmes and interventions that CETA implemented to achieve the goals and objectives of the NSDS III, and will form the foundation for achieving the outcomes as stated the National Skills Development Plan (NSDP) 2030. Target and budget information related to these imperatives is included in the Annual Performance Plan (APP).

4 Relevant Court Rulings

BUSA instituted review proceedings on two occasions in the Labour Court to set aside the regulations but the most recent application pertaining to the re-promulgation of the Regulation 4(4) was dismissed last year. BUSA subsequently launched an appeal against the judgment of the Labour Court.

The appeal was heard in the Johannesburg Labour Appeal Court on 20 August 2019. Judgment has been handed down and the appeal was successful. The Labour Appeal Court held that there was no clear explanation from the Minister as to what he, as the decision-maker who promulgated Regulation 4(4) considered had changed in the context of giving rise to the decision to promulgate the same regulation. The Labour Court's judgment has been set aside and is replaced with the following:

- a. Regulation 4(4) as promulgated in Government Notice 23 of 2016, published in Government Gazette 39592 in terms of the Skills Development Act 97 of 1998 is set aside.
- b. The first respondent (Minister of Higher Education and Training) is ordered to pay the costs of this application.

PART B Our Strategic Focus

5 Vision

To be a firm pillar of skills for all in construction and nation-building.

6 Mission

To create a solid skills base as a foundation for infrastructural development and economic empowerment.

7 Values

Accessibility and responsiveness Easy availability of relevant personnel and decision-makers to all stakeholders and prompt response to their issues.

Integrity	Consistency, reliability, honesty, care, accountability and ethical conduct in the execution of the legal mandate and related services.
Respect and dignity	Advocating mutual respect and upholding the human dignity of each person within and outside the organisation
Professionalism	Executing each responsibility and task with the requisite skill, competency and attitude; and the ability to give and/or receive constructive criticism or advice without any prejudice or repercussions
Collaborations	Focusing on partnership-driven solutions in mandate and service delivery.
Results-oriented	Always striving towards attaining the highest performance targets and greatest impact.

8 Situational Analysis

This section sets out the external environment of the CETA. In the first instance, the focus is on an overview of the construction sector (including all its sub-sectors), then a discussion of skills supply and demand dynamics in the construction sector, the economic contribution of the sector the overall South African economy and lastly, the priority action points adopted by the CETA in order to meet the skills shortages in the labour market.

8.1 External Environmental analysis

The construction sector plays a significant role in terms of its contribution to South Africa's fixed gross capital formation. The sub-sectors that make up the CETA's areas of focus in the sector are the following:

- Building Construction
- Built Environment Professionals
- Materials Manufacturing

- Roads and Civil Construction
- Electrical Construction

From 2005 to 2019, the construction sector's average contribution to gross fixed capital formation was around 43%, this is in line with a number of studies which have confirmed that approximately half of the investment in gross fixed capital formation in developing countries is done by the construction sector (CIDB, 2019). The global construction market is driven by the growing population, increasing urbanisation, and the rise in domestic manufacturing. The residential segment is exhibiting a strong growth, primarily in the single-family construction segment. The non-residential buildings sector has also shown a growth in the historical period, thus further enhancing the growth of the global construction market. The increasing modernisation of transportation infrastructure (roads, bridges, rail) is also aiding market growth. Infrastructure related to sporting (the construction of stadia and other sporting facilities) events is propelling the market forward.

An increase in the infrastructure and housing spending by governments across the globe is invigorating the market growth for construction. Increasing private sector investments in construction is further aiding the growth of the sector. Expanding manufacturing footprint and rising foreign investments are also enhancing the construction market growth. This global construction market attained a value of nearly USD 11.7 trillion in 2019 and was expected to witness a further growth in the forecast period of 2020-2025, growing at an AGR of 3.5%. Initial projections estimated that the sector could reach a value of almost USD 14.4 trillion by 2025.

While this optimism once held true for South Africa, with average contribution to gross fixed capital formation around 43%, current realities point to a different trajectory. The global economy has suffered a significant slowdown amid prolonged trade disputes and wide-ranging policy uncertainties. While a slight uptick in economic activity is forecast for 2020, the World Economic Situation and Prospects 2020 warns that economic risks remain strongly tilted to the downside in the near future (UN, 2020).

Statistics South Africa, National Treasury and the International Monetary Fund (IMF) paint a bleak picture of South Africa's economic outlook. The downward trajectory pre-dates the onset of the COVID-19, what the pandemic has done is to deepen the crisis and render the prospects of a quick recovery evermore difficult as the starting base is so pathetically low. The South African Reserve Bank forecasts a sharp decline of -6.1% for 2020, with a modest rebound of 2.2 in 2021. The IMF forecast is ever so slightly optimistic, setting the rebound in 2021 at 4% GDP growth, the table below succinctly sets out South Africa's growth prospects:

Table 3: South Africa's growth prospects

Region	Actual 2010-2018	2019	Forecast 2020 (3rdQ)	2021 (1stQ)
Global	3.8	2.9	-3.0	5.8

Region	Actual 2010-2018	2019	Forecast 2020 (3rdQ)	2021 (1stQ)
Developing Countries	5.2	3.7	-1.0	6.6
Sub-Saharan Africa	4.2	3.1	-1.6	4.1
South Africa (SARB)	1.8	0.2	-6.1	2.2
South Africa (IMF)	1.8	0.2	-5.8	4.0

Source: IMF World Economic Outlook, April 2020/SARB

The debt-to-GDP ratio has been rising steadily over the past several quarters, with the debt service burden hovering around 15% of public revenue. At the same time, given the financial exigencies imposed by the COVID-19 pandemic on households and businesses, it is expected that the South African Revenue Services (SARS) will lose up to R285 billion in tax revenue this year. This is the equivalent of between 15% and 20% lower than projected.

Ratings agencies Fitch and Standard and Poor downgraded South Africa to junk status in 2017, thereby severely impacting the country's standing in the World Government Bond Index. However, a complete exit was prevented by rival agency Moody's maintenance of South Africa at sub-investment grade, until March 2020. The downgrade by Moody's marked the end of South Africa's precarious standing above junk status. Given the performance of the economy in the past several years, this was inevitable. Nevertheless, junk status by all major ratings agencies will make borrowing extremely costly for South Africa, going forward.

Unemployment has been South Africa's Achilles-heel for decades, this is in part a function of an economy that has yet to graduate from its narrow and racially defined focus, to one that actively includes all socio-economic and racial groups in South Africa. It is important to underline that unemployment and access to economic opportunities is largely racially defined and has gender and geographic dimensions. Blacks, women, the disabled, rural dwellers and those located in South Africa's townships continue to suffer the brunt of economic and social exclusion. Current unemployment rates are at 29.1 % and the expanded definition places it at 38.7%, with young people between the ages of 15 – 34 representing 40.1% of the unemployed. The impact and aftermath of the COVID-19 pandemic is expected to worsen these numbers significantly. The economic outlook is therefore dire.

COVID-19 Impact

South Africa's gross domestic product (GDP) dropped by a massive 51% in the second quarter of 2020, reflecting the immense damage done to the economy by the Covid-19 lockdown. The Construction sector was the biggest loser during this period. Already in bad shape before the pandemic, the sector experienced its eighth consecutive quarter of economic decline, slumping further by 76,6%. The impact of the pandemic on the construction sector has largely unfolded through the following channels:

- **Direct impact on production:** slow growth in the first half of 2020 due to national lockdown
- **Supply chain and market disruption:** small and medium-sized firms facing greater difficulty in surviving the disruption.
- **Financial impact on firms and financial markets:** temporary disruptions of inputs and/or production might stress some firms, particularly those with inadequate liquidity.
- **Impact on household demand for goods and services:** a precarious financial position will mean constrained demand for domestic housing construction projects, alterations and other domestic services.

In the longer-term, the sector will have to contend with decreased demand as governments face rising deficits and residential and commercial projects are dampened by unemployment and low GDP growth. Although some companies may be able to execute on the backlog of projects, the pipeline is expected to be weak for the foreseeable future. This suggests that:

- Construction companies with high levels of debt and low cash reserves may face a liquidity crisis.
- As smaller businesses, sub-contractors may fail rapidly.
- Contract management will come into sharp focus, as customers seek to terminate or renegotiate contracts.
- Internationalization will become less viable as companies reconsider the regions in which they want to operate, and countries put more restrictions on foreign companies.

The protracted economic downturn and reduced levels of public infrastructure investment have exacted a heavy toll on contractors, including most of the sector's major players, compelling some to file for business rescue.

Reliance on “business as usual” skills planning instruments (WSPs, ATRs etc) is going to be extremely difficult given the immense disruption to normal economic activity, production, jobs and firms. Any information received from those firms that have survived the devastating impact of the pandemic is likely to be sketchy and inadequate and is not likely to fully capture the full impact of the current moment. As much as this is an important limitation, like all crises it also presents opportunities to do skills planning in new and, hopefully, more effective ways. Planners are compelled to make far more effective use of economic data, economic trends and comparative analysis (how is the construction sector elsewhere in the world managing the crisis and how are other sectors of our economy negotiating the current disruption and uncertainty). Has our preoccupation with WSPs and ATRs forced us to be overly in-ward looking when we should have (like the rest of the world) been exploring innovative ways of growing our sector? Have we paid sufficient attention to the potential role of technology in our sector (3 D technology and the 4th Industrial Revolution)? Have we invested enough in exploring the great potential benefits of the “green economy” as far as the construction sector is concerned? The first three months of the lockdown have exposed South Africa's over reliance on exports, in much of the construction value chain. There should be no contradiction between support for global free trade and a strong opposition to autarchy on the one hand, and a determined commitment to strengthen local capacity to produce goods

and services (local manufacturing). These are all critical questions that are emerging as we go beyond the 'normal' and as we seek ways to re-imagine the construction sector in a post- COVID-19 environment.

8.1.1 Employer Profile

Firms in the construction sector vary widely in size and ownership, from sole proprietors to large multinational construction services groups. In 2018 there were over 59 000 firms (including building materials firms) registered with CETA and over 51 513 firms registered with the CIDB. There is clearly a significant rise in the number of entrants into the construction sector; the CETA experienced a 47% annual increase from 2019 to 2020, while similarly the CIDB saw a 28% incline. Of the 51 513 contractors listed on the Register of Contractors, 3 013 were processed for upgrades. About 85% of these registrations are at Grade 1, indicating the attractiveness of the industry to potential entrepreneurs, many of whom do not have the required skills or experience. This perhaps explains the significant jump in small companies represented in the CETA; from 14 648 to 23 367 – nearly a 60% hike. This rise no doubt runs contrary to the downward trajectory of the overall sector. However, the chronic scarcity of formal employment coupled with governments recent anti-cyclical measures – increased tender advertisement – could perhaps be linked to an upsurge in business registrations. The CIDB's vision for the construction sector is that 90% or more of the capacity of the construction sector is 90% or more black-owned and delivers 90% or more of construction contracts by value. In this regard, the Construction Monitor on Transformation (CIDB, 2020) notes that “the state of transformation decreases with increasing CIDB Grade (size of company). Specifically, for ownership of 51% and above, less than 40% of CIDB registered enterprises in Grade 9 are black owned.” Although about 48% of companies registered at CIDB are women owned, 95% of these are at grades 1-6 with only 8 at grade 8

Most of the firms employ fewer than 100 people and over one-third employ fewer than 50. Most employees are in the roads and civil construction sub-sector. One major trend in recent years has been the deteriorating financial performance of large public companies and their exit or reduction in their activities in the domestic construction sector. For companies registered with the CIDB, Black-owned companies represent 80% of all companies for Grades 2 to 6 compared to 35% of companies at the highest grade of 9 (a grade at which there is no maximum value a contractor may bid for in a contract with the public sector).

Construction services activities reflect the general geographic location of economic activity in the country. The graphic below shows the sector's number of employers by province in 2018 registered with CETA. Gauteng is by far the largest area of firms' activities and concentration, representing 35% of the industry's GVA, followed by Kwazulu-Natal (19%) and the Western Cape (17%). As would be expected, the geographic location of firms' activities closely matches the structure of employment in the industry by province.

Table 4: Geographic Location of Construction Activities 2020

	Large over 150	Medium 50 - 149	Small 1 - 49	Total
Western Cape	29,03%	33,87%	37,10%	17,17%
Eastern Cape	32,17%	29,69%	38,14%	9,74%
Northern Cape	39,17%	18,21%	42,62%	2,05%
Free State	36,65%	25,48%	37,87%	3,80%
KwaZulu-Natal	38,72%	26,44%	34,84%	18,15%
North West	42,48%	25,47%	32,04%	3,09%
Gauteng	38,17%	25,75%	36,08%	38,07%
Mpumalanga	40,86%	31,79%	27,35%	5,01%
Limpopo	43,47%	24,20%	32,33%	2,92%

Source: CETA database, 2020

In more recent financial years, there has been a worrying trend with respect to the relationship between the CETA's spending patterns and where the bulk of the economic activity and concentration of much of the construction sector was located.

8.1.2 Analysis of employment in the sector

Employment in the construction sector in 2019 averaged 1 350 000 and is estimated at 1 343 000 for Q2 2020; accounting for about 6% of total employment in South Africa. There is little doubt that the COVID-19 pandemic has had a devastating impact on the construction sector and the South African labour market more broadly. Early indications are that the sector lost around 7000 jobs in Quarter 1 of 2020 (StatSA, 2020). Although the sector started the last decade robustly across the board, largely driven by massive state and private sector led infrastructure investments (stadia, dams and water, roads malls etc). From around 2015, things have been trending downwards, as evidenced by the liquidation of several 'big players' in the sector (with the associated losses in jobs). In the meantime, the sector has been experiencing a mushrooming of informal construction activity. The level of informal employment in the sector is higher than in other sectors of the economy, an average of 35% of total employment compared to 21% for total employment excluding the agricultural sector.

The construction sector employs far more men than women with almost 9 out of 10 employees in the sector being male. The proportion of women employed in the industry has remained relatively stable over the total period from 2011 to 2019. In this period, the proportion of women showed a varying trend, although the highest percentage (12,5%) was reached in 2017. This was followed by a sharp decline to 10,7% of total employment in 2019. The ratio is considerably below the average for total female employment in the economy during the period, i.e. 11% female employment in the construction sector compared to 44% overall female employment. While the net employment effect is a decline for both genders during the pandemic period, there has been a disproportionate impact on females relative to their male counterparts. The sector employs a wide range of occupations, many that are specialist to

the sector, such as civil engineers, architects and similar professionals, but also others of a more general nature, such as clerical support, and service and sales employees.

Most employees work in the roads and civil sub-sector, nearly 70% of the total employed in the whole sector. There has been little growth in employees in any of the broad sub-sectors since 2015.

8.2 Skills demand analysis

8.2.1 Change drivers for skills demand

The 2020/21 Sector Skills Plan identifies several key variables in the quest to accelerate skills development in the construction sector. There are change drivers that are external (exogenous) to the CETA and those that are internal (endogenous), meaning the CETA has direct control over the variables at play.

Key Change Drivers for the Construction Sector (Exogenous)

Change driver	Description	Implications for skills demand
Technology and innovation	Even before the onset of the pandemic, the sector had been experiencing important changes, with technology and other innovative building methods playing an ever more prominent role. COVID-19 has only served to bring the critical role of technology and innovation in construction into sharper focus.	CETA/construction sector need to urgently catch-up with new technology driven construction methods. Investment in research and development can no longer be seen as luxury. Partnerships with countries that are ahead of South Africa, in terms of their deployment and use of new technology and innovation methods are now urgent, and so too, technology and skills transfer from these countries.
COVID-19	The COVID-19 pandemic has profoundly disrupted the construction sector, in many fundamental ways. These include: A disruption of the CETA's training programmes for the better part of six months in 2020. The liquidation of	The budget had to be re-prioritised and re-focused to factor in the squeeze on the CETA finances. Stricter financial management systems had to be implemented to ensure optimal

	several levy-paying firms with implications for the CETA's budget. The CETA did not stop paying for training programmes that were underway.	accountability, without compromising service delivery. Overhaul the CETA and ready it for a "new normal" in terms of its strategic focus and functioning.
Emigration of skills workers	Scarcity of work and better salaries have seen several South Africa's skilled workforce moving to other countries, notably, The United Arab Emirates (UAE) and Qatar.	It is unlikely that South Africa will be able to compete with these "pull factors" (higher salaries and other inducements provided by these countries. What South Africa can endeavour to work on are the "push factors" (creating and attractive and fulfilling career paths throughout the sector. Bringing in younger and more diverse people into the sector and continued investment into the sector by state and business.
Green Agenda	Although the pressure for sustainability and the green agenda is not yet felt in the sector, it is only a matter of time before global changes start impacting South Africa's labour market, skills and materials	The Sector Skills Plan (SSP) commits the CETA to collaborating with stakeholders in collating research to establish what innovations are available in the local and global market and to devise a plan to get the construction sector firmly rooted on the path to sustainability and pivoting towards a greener agenda in South Africa.

Key Change Drivers for the Construction Sector (Endogenous)

Change driver	Description	Implications for skills demand
Skills Shortages and quality of training	Despite ongoing investment in skills development in the sector, critical shortages remain. The	While research, modelling, trend analysis and comparative analysis has drastically

	<p>gap between the skills production process and the urgent and pressing skills needs in the labour market and the economy has yet to be addressed</p>	<p>improved over the years, there is much work to be done in terms of strengthening the relationship between SETAs and employers (employer organisations). CETA performance, planning and impact in the sector would significantly improve if efforts at social compacting and partnership building were to succeed. Social compacting and stakeholder engagement is a critical theme in all current and future CETA work.</p>
Transformation	<p>Lack of transformation in the construction sector is a recurring theme. Unemployment and informality are largely racially defined in line with South Africa's past. Representation in critical and scarce skills sub-sectors and occupations follow the same trend.</p>	<p>Determined efforts need to be taken to break the back of racial and gender exclusion in the sector. The current plans to support women, youth, black and rural folks will succeed if done in partnership with the private sector and other employing agencies.</p>
Contract management and quality of training providers	<p>Training providers are not always committed to government's transformation imperatives, they see only a financial transaction. The CETA has not always managed its contracts with service providers in ways that ensure accountability and value for money.</p>	<p>There is a skills audit underway, which include plans to provide comprehensive contract management skills and capacity for those tasked with this responsibility. This will include stricter verification of those with the responsibility of training and skilling the nation.</p>

8.2.2 Skills demands for the construction sector

The table below depicts hard to fill vacancies in the Construction in 2020.

Major Group	OFO Code	OFO Occupation	Hard to Fill Vacancy Reason	Frequency
Managers	2019-121904	Contract Manager	Lack of relevant qualifications, Lack of relevant experience, Equity considerations	14
	2019-132104	Engineering Manager	Lack of relevant qualifications, Lack of relevant experience, Equity considerations	17
	2019-132301	Construction Project Manager	Lack of relevant qualifications, Lack of relevant experience, Poor remuneration	117
Professionals	2019-214201	Civil Engineer	Unsuitable job location, Lack of relevant qualifications, Lack of relevant experience,	120
	2019-214202	Civil Engineering Technologist	Lack of relevant qualifications, Lack of relevant experience, Equity	14
	2019-214401	Mechanical Engineer	Lack of relevant qualifications, Lack of relevant experience	15
	2019-214904	Quantity Surveyor	Unsuitable job location, Unsuitable working hours, Equity considerations	39
	2019-215101	Electrical Engineer	Equity considerations, Lack of relevant qualifications, Lack of relevant experience	25
	2019-216101	Architect	Equity considerations, Lack of relevant qualifications, Lack of relevant experience	38

Major Group	OFO Code	OFO Occupation	Hard to Fill Vacancy Reason	Frequency
	2019-226302	Safety, Health, Environment and Quality (SHE&Q) Practitioner	Lack of relevant experience, Equity considerations, Other	14
	2019-242101	Management Consultant	Lack of relevant experience, Poor remuneration, Equity considerations	16
Technicians and Associate Professionals	2019-311201	Civil Engineering Technician	Lack of relevant experience, Equity, Lack of relevant qualifications	89
	2019-312201	Production / Operations Supervisor (Manufacturing)	Lack of relevant experience, Unsuitable working hours, Equity considerations	17
	2019-312301	Building Associate	Unsuitable job location, Unsuitable working hours, Equity considerations	72
Trades Workers	2019-641502	Carpenter	Equity considerations, Lack of relevant qualifications, Lack of relevant experience	22

Source: CETA WSP Database, 2020

The table below depicts the skills gap for workers in the Construction sector.

Major Group	Occupations	Skills Gap
Managers	2019-121904 Contract Manager	Complex Problem Solving
	2019-132104 Engineering Manager	Systems Skills
	2019-132301 Construction Project Manager	Resource Management Skills
	2019-132302 Project Builder	Technical Skills
Professionals	2019-214201 Civil Engineer	System Skills
	2019-214202 Civil Engineering Technologist	Technical Skills
	2019-214904 Quantity Surveyor	Complex problem-solving skills
	2019-216101 Architect	

Major Group	Occupations	Skills Gap
		Resource management skills
Technicians and Associate Professionals	2019-311201 Civil Engineering Technician 2019-312201 Production / Operations Supervisor (Manufacturing) 2019-312301 Building Associate	Resource management skills System Skills Technical Skills Complex problem-solving skills
Clerical Support Workers	2019-441903 - Program or Project Administrators 2019-441902 - Contract Administrator 2019-441501 - Filing or Registry Clerk 2019-432201 - Production Coordinator 2019-432101 - Stock Clerk / Officer	Complex Problem Solving Systems Skills Resource Management Skills Technical Skills
Service and Sales Workers	2019-524401 Call Centre Salesperson 2019-524903 Salesclerk / Officer 2019-522301 Sales Assistant (General)	Complex Problem Solving Systems Skills Resource Management Skills Technical Skills
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	2019-641502 – Carpenter 2019-641101 - House Builder 2019-641403 - Civil Engineering Constructor 2019-641401 – Concreter	System Skills Technical Skills Complex problem-solving skills Resource management skills

8.3 PESTLE

Political	Stability of the Government leads to greater investment in the country, including infrastructure
Economic	Government investment in infrastructure will support the growth of the sector e.g. Infrastructure fund proposed by Government
Social	High unemployment rate in South Africa, compounded by the COVID-19 pandemic
Technology	The 4IR will radically alter curriculum, job types and disrupt current approaches. Important to get ahead of the curve to minimise the worst effects of the looming disruption.

Legal	Stable and relatively certain regulatory regime (Legislation and Regulations) enables long term planning
Environmental	Sustainability of buildings and building for a greener economy will become essential to the sector. Important to get ahead of the curve to minimise the negative impact of disruption.

8.3.1 Performance environment

The CETA delivers its services to a diverse economic sector comprising of five subsectors. The table below is an illustration of the environment in which the CETA operates. The following are the five subsectors, their related Standard Industry Classification (SIC) codes and the number of CETA registered employers. Table below shows a breakdown of the number of businesses by level of employment and broad activity in the sector. Roads and civil construction is clearly the largest sub-sector accounting for two-thirds of the employers in the sector.

Table 5: Employers by Subsector in 2020

	Large (>149)	Medium (50-149)	Small (< 49)	Total
Building construction	1 506	1 604	3 503	6 613
Built Environment professional	2 496	1 833	4 503	8 832
Materials manufacturing	2 779	1 938	2 676	7 393
Roads and civil construction	13 879	9 637	10 646	34 162
Uncategorised SIC code	1	568	2039	2608
Total	20 661	15 580	23 367	59 608

Source: CETA data, 2020

Approximately 59 608 employers are registered on the CETA database. In 2019 the CETA received 2721 WSP submissions for the 2019/20 financial year which represents only 4.41%. This represents an increase from the previous financial year wherein 2616 submissions were received. Important to note is that although submissions have increased, the number of larger entities submitted have decreased. This is indicative of a decline in the construction sector.

8.4 PIVOTAL LIST

The compilation The PIVOTAL list is based on the scarce skills within the sector. The occupational groups identified as being in short supply form the basis of the list. The training interventions that are best suited to provide the skills required in those occupations are added to the list. The training interventions consist of the educational qualifications that are generally required in the sector and for the specific occupations as well as the learnerships used in the sector. Information from the projects for which educational institutions and professional bodies apply for funding is also considered in the development of the PIVOTAL list.

Occupation Code	Occupation Description	Intervention Planned by CETA	NQF Level	Quantity Needed
2019-121904	Contract Manager	HET Placement	NQF 7	110
		Bursary	NQF 6, NQF 7	110
2019-121905	Programme or Project Manager	Bursary;	NQF 4, NQF 5, NQF 6	110
2019-132301	Construction Project Manager	Bursary; Candidacy	NQF 6, NQF 7, NQF 8	100
2019-214201	Civil Engineer	Bursary; Candidacy	NQF 6, NQF 7, NQF 8	80
2019-214202	Civil Engineering Technologist	Bursary; Candidacy	NQF 5, NQF 6, NQF 7 NQF 5, NQF 6, NQF 7	300
2019-214301	Environmental Engineer	Bursary; Internship; HET Student Placement; Candidacy	NQF 6, NQF 7, NQF 8 NQF 6, NQF 7, NQF 8 NQF 6, NQF 7, NQF 8	70
2019-214904	Quantity Surveyor	Bursary; Candidacy	NQF 6, NQF 7, NQF 8 NQF 6, NQF 7, NQF 8	60
2019-216101	Architect	Bursary; Candidacy	NQF 6, NQF 7, NQF 8 NQF 6, NQF 7, NQF 8	60
2019-311201	Civil Engineering Technician	Bursary; Candidacy	NQF 4, NQF 5, NQF 6 NQF 4, NQF 5, NQF 6	550
2019-311301	Electrical Engineering Technician	Learnership; Apprenticeship	NQF 4, NQF 5, NQF 6 NQF 4, NQF 5, NQF 6	200

8.5 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> Government stimulus package, especially the focus on an infrastructure drive Business rescue interventions have gone some way in saving some firms from collapse. Strong research culture among industry bodies Inter-dependencies between small and large companies means they can sustain each other – large companies tender for multi-million rand projects and sub-contract projects to medium and small entities Availability of experienced human resources in the sector. Strong state/business cooperation at a macro level 	<ul style="list-style-type: none"> Weak state capacity and poor financial management and governance could undermine the impact. State intervention is limited in scope and durability. Large informal sector leading to lack of suitably qualified but skilled labour force Transformation and inclusion of designated groups is not always strictly enforced. The research is not always cutting edge and forward looking (Green Economy and 4IR still lag behind). Mentorship programmes remain tame and ineffectual, especially for blacks and women. Absence of technical studies in schooling system Mismatch between training and labour market requirements remain largely in place.
Opportunities	Threats
<ul style="list-style-type: none"> Social compacting at macro level needs to be 	<ul style="list-style-type: none"> Economic and financial uncertainty in the medium

Strengths	Weaknesses
<ul style="list-style-type: none"> devolved to sector and sub-sector levels. SIPs spending pegged at R4 trillion over the next 15 years Focused and effective implementation of the NDP (vision 2030) Focused and effective implementation of the NSDP 2030 Huge opportunities for the construction sector at Local Government level. Strengthened partnerships with the industry bodies Strengthen research Alignment with 4IR Pivoting to green economy holds unparalleled opportunities for the sector 	<ul style="list-style-type: none"> term. Covid-19. Ever-changing skills needs and the “new normal” A negative global investment climate in the immediate and medium term. Private sector confidence impact on the investment environment “Junk” status threatening investor confidence Reduction of public sector spending – so far reduction of up to 30% since 2008 Unfair tender practices Small companies rely on local government and this is where most poor spending is The effect of the Preferential Procurement Policy Framework through project fragmentation on medium and large entities

8.6 Internal Environment Analysis

8.6.1 The CETA Skills Value Chain

The CETA Critical Success Factors are described as the key processes that deliver services to its stakeholders. The CETA Skills Value Chain starts with Research, Planning and Reporting, it is implemented through Learning Pathway and Development, Learning Programmes and Projects. The value chain is then supported throughout by Monitoring (contract/project management) and Evaluation (impact analysis).

The CETA as part of its mandate performs the following core functions:

- Research, Planning and Reporting
- Learning Pathways and Quality Assurance
- Project Management (there are five distinct sub business units)
- Monitoring and Evaluation

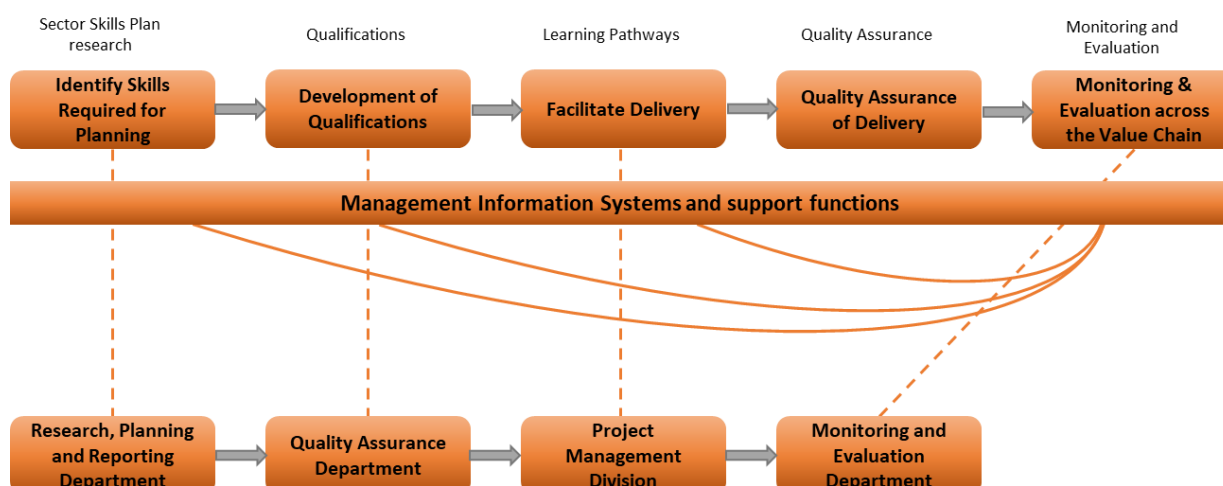
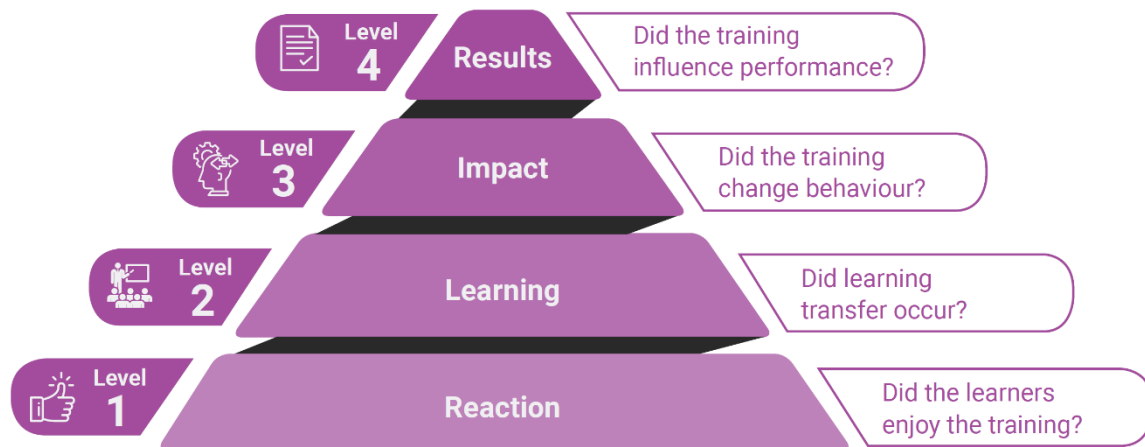


Figure 1: CETA Skills Value Chain

8.6.2 Delivery Model

The CETA has adopted the Kirk Patrick Model in order to deliver on its mandate in an efficient manner. The introduction of the model is in response to several weaknesses in the performance of the CETA over the past few years. The utility of the Kirk Patrick model resides in its ability to correct chronic service delivery failures in the CETA's performance notably, impact measurement, accountability and value for money (return on investment). The graphic below succinctly illustrates the rationale behind the model.



Level 1 Reaction measures how participants react to the training (e.g., satisfaction?). **Level 2 Learning** analyses if they truly understood the training (e.g., increase in knowledge, skills, or experience?). **Level 3 Behaviour** looks at whether they are utilising what they learned at work (e.g., change in behaviours?), and **Level 4 Results** determines if the material had a positive impact on the business / organization. This, in turn, leads to analysis of weaknesses, shortcomings and the deployment of corrective/support measures.

Level	Description	
1	Reaction	Sometimes referred to as happy or smile sheets, this level of evaluation considers whether the participants reacted favourably to the training or intervention.
2	Learning	Related to learning outcomes of the training or intervention, this level considers whether the participants acquired the intended knowledge, skills or attitudes based on their participation in the training or intervention.
3	Behaviour	Sometimes referred to as 'transfer', this level considers the degree to which the participants altered their subsequent behaviour in other contexts (e.g. in the workplace) after participating in the training or intervention.
4	Results	Sometimes referred to as organisational level evaluation, and related to the longer term outcomes anticipated, this level considers whether the overall aims have been achieved as a result of the interventions, and of subsequent reinforcement. Rather than return on investment (ROI), the fourth level refers to Return on Expectations (ROE).

The model aims to sharpen the CETA's approach to training and funding allocation in the following ways:

- CETA must first assess learners to ensure that the organization is funding learners whose throughput would be higher.
- Ensure that we provide the necessary support to the learners from the start of the their programme / studies till the end.
- Where there's poor performance and failure, the model will shine the spotlight on these and the CETA will put in place the necessary support mechanisms.

8.6.3 The CETA Audit Opinion from the Auditor General

The Auditor General has furnished the entity with the audit report that contains a qualified audit opinion with findings on performance information. An Audit Action Plan has also been prepared to address the Auditor-General's concerns and non-compliance gaps and control deficiencies that have been identified as a major risk to the organisation.

8.6.4 Governance

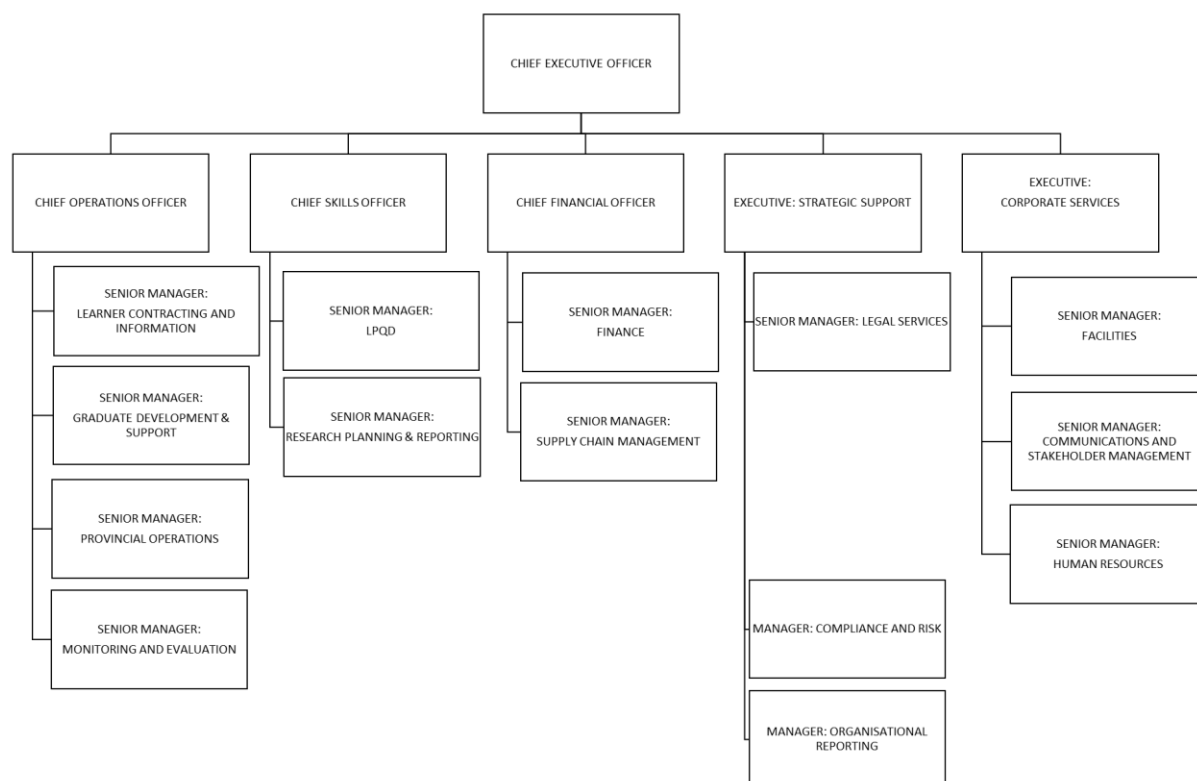
The Accounting Authority of the CETA is constituted in line with the prescripts of its Constitution. The following are its Committees:

- Executive Committee
- Audit and Risk Committee
- Finance Committee
- Core Business Committee
- Governance and Strategy Committee
- Remuneration Committee

All the Committees of the Accounting Authority meet as per the requirements of the Constitution and delivered on their respective mandates. The organisation is currently under review and as a result the governance structures as well as the constitution are under review.

8.6.5 CETA Staff

Depicted below is the CETA organogram as it currently stands. In the meantime, the Account Authority has taken a firm decision of conducting a comprehensive Organisational Development (OD) exercise, to overhaul the workings and operations of the CETA. The objective is to ensure that the organisation is fit for purpose, its employees appropriately skilled and qualified to perform their duties and above all, accountable, effective and efficient.



Furthermore, the COVID-19 global pandemic has impacted the way the CETA operates. To enable the CETA to function under the 'new normal', the CETA has had to procure PPE for all staff members. In addition, to practice effective social distancing throughout the South African COVID-19 lockdown period, while still ensuring business continuity, staff were appropriately capacitated to function away from the office. The offices were regularly sanitised and screening processes were implemented at the office for staff and visitors.

The CETA is also aligned to the national government regulations on COVID-19 practices, aimed at combatting the global pandemic such as social distancing.

8.7 Programme 1: Administration

8.7.1 Resource consideration: Administration

The next section briefly depicts staff trends and expenditure or resource allocations to the various programmes.

8.7.2 Trends in the numbers of staff

Programme skills delivery		Actual (total number of employees)			Projected (projected number of employees)		
No	Description	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
1.	Administration	42	46	45	85	85	85

8.7.3 Expenditure Trends

Programme skills delivery		Actual Rand amount			Estimated budget		
No	Description	2017/18	2018/19	2019/20	2020/2021	2021/22	2022/23
1.	Administration	R37,613,688	R46,286,250	R47,728,223	R71 114 780	R60 270 897	R63 585 796

8.8 Programme 2: Research, Planning and Reporting

8.8.1 Resource consideration: Research, planning and reporting

8.8.2 Trends in the numbers of staff

Programme skills delivery		Actual (total number of employees)			Projected (projected number of employees)		
No	Description	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
2.	Research, Planning and Reporting	2	3	8	12	12	12

8.8.3 Expenditure Trends

Programme skills delivery		Actual Rand amount			Estimated budget		
No	Description	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
1.	Research, planning and reporting	R 1,099,916.25	R 1,2541,642.76	R5 783 098	R9 000 000	R9 495 000	R10 017 225

8.9 Programme 3: Learning programmes

8.9.1 Resource considerations: Learning programmes and projects

8.9.2 Trends in number of staff

Programme skills delivery		Actual (total number of employees)			Projected (projected number of employees)		
No	Description	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
3.	Learning programmes and projects	52	49	50	67	67	67

8.9.3 Expenditure Trends

Programme skills delivery		Actual Rand amount			Estimated budget		
No	Description	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
3.	Learning programmes and projects	R 24,191,836.72	R 56,157,183.96	R76 758 731	R82 980 461	R85 434 387	R90 133 278

8.10 Programme 4: Quality Assurance

8.10.1 Resource consideration: Quality Assurance

8.10.2 Trends in the numbers of staff

Programme skills delivery		Actual (total number of employees)			Projected (projected number of employees)		
No	Description	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
4.	Quality assurance	6	12	6	19	19	19

8.10.3 Expenditure Trends

Programme skills delivery		Actual Rand amount			Estimated budget		
No	Description	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23

4.	Quality assurance	R 6,493,671.64	R 11,081,837.81	R9 452 130	R9 124 102	R9 625 927	R10 107 224
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8.11 Overall summary per programme

8.11.1 Trends in the numbers of staff

Programme skills delivery		Actual (total number of employees)			Projected (projected number of employees)		
No	Description	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
1.	Administration	42	46	45	85	85	85
2.	Skills planning and reporting	2	3	8	12	12	12
3.	Learning programmes and projects	52	49	50	67	67	67
4.	Quality assurance	6	12	6	19	19	19

As noted, the organogram and staff allocation are the subject of a comprehensive Organisational Development exercise, the outcomes of which will determine the future shape and size of the organisation. Furthermore, the new service delivery model and monitoring and evaluation framework will likely impact the CETA's human capital requirements and deployment.

8.11.2 Trends in the supply of input:

The total revenue for the 2019/20 financial year amounted to R803.9 million which is 1.01% higher than R799.8 million of the 2018/19 financial year. Interest received on investments decreased by 1.14 % from R150.4 million to R133.4 million as a result of a decrease in the cash and cash equivalents from R2.249 billion in the previous financial year to R1.688 billion in the current financial year. All funds are currently invested with CPD and the average interest rates are quoted at 6.75%.

Total expenditure for the year ended 2019/20 amounted to R1.350 billion (R867 million in 2018/19). Total expenditure is made up of Mandatory grants expenditure, Discretionary grants expenditure and Administrative expenditure. Mandatory grant expenditure decreased from R89 million to R85 million representing a 1% decrease. This is attributable to a decrease in submissions by the companies. Discretionary grants expenditure increased by 14% from R696 million in 2018/19 to R1.168 billion for the 2019/20. The increase is attributed to payments made to projects implemented in the current year.

Administration expenditure increased from R82 million in 2018/19 to R96 million in 2019/20 due to number of vacancies that were filled in the current year. CETA exceeded the 10.5% administrative expenditure regulated threshold.

8.11.3 Expenditure Trends

Programme skills delivery		Actual Rand amount			Estimated budget		
No	Description	2017/18	2018/19	2019/20	2020/21	2021/22	2022/2023
1.	Administration	R73 615 913	R81 860 132	R96 048 000	R146 688 000	R89 213 000	R91 890 000
2.	Skills planning and reporting	R92 899 329	R108 250 720	R97 918 000	R76 452 000	R150 067 000	R159 498 000
3.	Learning programmes and projects	R326 071 539	R670 384 477	R1 165 701 156	R614 921 901	R524 853 790	R558 178 180
4.	Quality assurance	R11 671 219	R6 668 672	R12 026 844	R17 111 099	R18 052 210	R18 954 820

8.12 Resource Consideration

The CETA receives levies from its constituent employers within the construction sector via SARS in compliance with Skills Development Levies Act at 80% of total levies contributed. The levy income remains the primary source of revenue for the CETA. In terms of Skills Development Act, the income levy shall be utilised as follows: 10.5% - Administration; 49.5% - Discretionary grants; 20% - Mandatory grants. The COVID-19 pandemic and the hard lock-down have severely affected the CETA's financial position. The payment of levies was suspended for several months, a number of companies went under and in the meantime, the CETA had commitments to pay for training interventions, once training commenced, make funding available for the purchase of personal protective equipment (PPE), in compliance with COVID-19 health protocols. All these commitments disrupted any budgetary plans for the current financial year.

8.13 Financial Overview

The total revenue for the year ended 31 March 2020 amounted to R808 million. Included in total revenue is Investment Income which decreased by 1.14% from R150 million received in 2018/19 to R132 million received in 2019/20 as a result of a decrease in cash and cash equivalents. The latter decreased from R2.249 billion in 2018/19 to R1.687 billion in 2019/20 mainly as a result of higher disbursements in grants. Cash and cash equivalents are currently invested with CPD and the average interest rates are quoted at 6.75%.

8.14 Materiality and Significance Framework

Based on the materiality and significance framework, CETA has set its materiality and significance amount to R4 019 613, which is 0,5% of the total revenue for the 2019/20 financial year based on audited results for the respective year.

PART C Measuring Our Performance

9 Institutional Performance Information

The CETA Strategic Plan represents its programme of action in line with its vision to ensure quality education and training to enhance the construction sector's contribution to national economic growth and development. It is compiled in line with National Treasury Regulations. This plan takes into account the Medium-Term Strategic Framework (MTSF) and it reflects the outcomes of Government.

In terms of strategic goals, it responds specifically to the outcomes of NSDP 2030 which is informed by MTSF 2014-19, articulates a strong focus on quality education, and sets high goals to address skills needs for targeted groups and the provinces that are economically challenged.

The CETA follows National Treasury's planning and budgeting guidelines. In addition, the Government-wide planning and the MTSF inform and align the CETA's plans as follows:

- Sector Skills Plan;
- Five-year Strategic Plan;
- Annual Performance Plans (APPs) and MTEF targets;
- Operational Plans of CETA Departments;
- Review or development of Standard Operating Procedures; and
- Individual Staff Performance Agreements.

Current policy mandates and emerging industry developments and needs guided the development of the CETA Strategic Plan. For the planning period 2020/2021, as expected by statutory requirement for the MTEF, the CETA has reviewed and amended its objectives in line with the SSP to ensure that the CETA remains relevant and the interventions are appropriate. In this Strategic Plan, the CETA has adopted the DHET Programme Structure of Four Programmes.

The Accounting Authority is ultimately responsible for determining the strategic priorities for the sector to be implemented by the CETA. A two-day strategic planning session was held by the Accounting Authority to review the five-year rolling strategy and annual performance plan with input from management and stakeholders.

9.1 Measuring the Impact

Impact statement	To support and facilitate quality skills development training into the Construction Sector
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9.2 Measuring Outcomes

Outcome	Outcome indicator	Baseline	Five-year target
Support skills development of new entrants or unemployed people into the Construction Sector	Number of new entrants and unemployed people entering the Construction Sector	6666	22 303
Enhance the skills of the existing workforce of the Construction Sector	Number of employed people receiving skills training	205	817
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	Contribution to the improvement of the technological and innovation capability and outcomes within the public and private sectors through small business development	21	54
Strengthen and expand strategic partnerships to maximise sustainability and impact of skills development interventions	Number of partnerships Agreements signed	45	62
Support national imperatives in relation to skills development, with emphasis on the Construction Sector	Compliance with transformation imperatives of Government	Compliance with national imperatives have been achieved	Compliance is continuously achieved and improved on where possible on an annual basis

In achieving the above outcomes, the CETA has also identified six priority areas as follows:

- Support skills development of the youth and workers;
- Creation and promotion of greater opportunities for women;
- Creation and promotion of participation of people with disabilities;

- Creation and promotion of greater participation of rural and township communities;
- Support improved apprenticeship programmes aimed at sustainably supplying artisans into the economy; and
- Creation and promotion of greater participation of military veterans.

The CETA is supported by the goals set out below per broad programme:

Programme 1	To provide ethical and strategic leadership and management in line with the CETA's licensing period
Programme 2	To ensure a Credible Mechanism for Skills Planning and Reporting in the Construction Sector
Programme 3	To address skills priorities within the construction sector
Programme 4	Implementation of quality assurance processes that will enhance and ensure the provision of quality training

9.3 Explanation of Planned Performance over the Five-Year Planning Period

Through the research presented in the SSP, the CETA has identified its priority areas on which to focus over the next five-year period. The Table below sets out the priority areas and the action plans to achieving them:

Strategic outcomes	Priority areas as per SSP	Action plans
Support skills development of new entrants or unemployed people into the Construction Sector	Covid-19	A detailed plan is set out to counter the worst effects of the pandemic on the CETA and the sector. This include the immediate conversion of much of our operations and interactions into virtual platforms (where permissible), supporting training providers and employers to adapt to training in COVID-19 and post-COVID-19 realities.
Enhance the skills of the existing workforce of the Construction Sector	Local manufacturing	A research project is in place to understand new technology available in the sector and to what extent components and

		innovative methods can be used to strengthen local manufacturing in the sector. The results will be used to recalibrate curricula and training tools, so that they are constantly up to date, innovative and future focused.
Strengthen and expand strategic partnerships to maximise sustainability and impact of skills development interventions	Green Construction Agenda	A comprehensive research project is in motion, to better understand green construction methods, and to integrate these techniques into skills training and the labour market. In the immediate term, skills transfer and integration into local curricula and eventually, the local manufacturing pipe-lines.
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	SMMEs and Entrepreneurship	Several projects are in place to actively support small players in the sector, including creating a data base of all small entrepreneurs and sharing this with big players for regular contractor opportunities. Research results focusing on the 'informal sector' will be used to formalise training and skills (certification) through an RPL process. Once certificated, the plan is get them into cooperative and to put them on the CETA national data base so they can be considered for future opportunities.
Support national imperatives in relation to skills development, with emphasis on the Construction Sector	Technology and Innovation	The pandemic is imposing a "new normal", the CETA is embracing the challenge for innovation and technological changes – internally and

		externally. Internally, the systems are being adapted in accordance with the demands of the new normal. Externally, A project has been adopted to distil all new and emerging construction methods and components. The results will be shared with employers, training providers and learning institutions, so that these are factored into the training, further explored for improvements, indigenisation and possible local manufacturing.
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	Transformation	Plans are afoot to address the ongoing exclusion of blacks, women and rural folks from the mainstream construction economy. Concrete measures include a project to re-author the role and place of women in the sector, with concrete measures in respect of recruitment, support, retention and placement. In addition, a Transformation Colloquium is planned in order to take stock and to devise new and creative ways of advancing transformation in the sector.
Support national imperatives in relation to skills development, with emphasis on the Construction Sector	TA (internal organisational capacity)	For all the plans set out above to materialise, the CETA must have adequate internal capacity to drive these complex undertakings. Accordingly, a comprehensive Organisational Development and M&E exercise will be implemented to improve performance, quality and

		impact. The end goal is to institutionalise M&E across the working and operations of the entire CETA, so there is more accountability, improved efficiencies and impact management. The OD process will commence shortly.
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10 Key Risks

Outcome	Key Risk	Risk Mitigation
Support skills development of new entrants or unemployed people into the Construction Sector	<p>Mis-match between training provided and training required by employers and the labour market. Insufficient support for learners, leading to:</p> <ol style="list-style-type: none"> 1.Low quality of training and/or quality training providers 2. Lack of training provider industry experience 3.Lack of professional affiliation for facilitators/training providers with a professional body 4.Outdated and misaligned qualifications and/or learning materials 5.Low quality of school leavers entering the system 6.Lack of adequate gap analyses (Research) 7.Non-availability of work 	<ol style="list-style-type: none"> 1. The CETA is improving its communication with employer bodies, for better quality feedback on skills needs in the sector. 2. Development of a workplace strategy, Specialised focus on strengthening relations with Industry to ensure their support for skills development in the form of partnering with the CETA by availing their workplaces for skills development interventions, introduction of employer incentives through mandatory grants 3. The CETA will be engaging with the QCTO and SAQA, to explore quicker turn-around times curriculum changes and qualification development. 4. The CETA is designing a

Outcome	Key Risk	Risk Mitigation
	<p>places (engagements with employers for placement of learners)</p> <p>8.Lack of an effective monitoring and evaluation tool</p> <p>9. Lack of interest by TVET colleges in CETA programmes</p>	<p>comprehensive M&E framework, which will allow for tracking and tracing of all beneficiaries of CETA training programmes.</p> <p>5. The CETA is reviewing the terms of engagement with all its partners and stakeholder, with value for money, quality and accountability in mind.</p>
Enhance the skills of the existing workforce of the Construction Sector	<p>Skills are not continuously renewed and upgraded in line with ever-changing needs in the sector, and this often leads to:</p> <p>1.Loss of skilled professionals (emigration and ageing)</p> <p>2. Lack of mentorship</p> <p>3.Shortage of soft skills (Management, financial, problem solving, etc.)</p> <p>4. Incapability to respond to technological changes</p> <p>5. Low quality ATR submissions</p> <p>6. Decreasing levy income</p>	<p>1. The CETA is Increasing access to occupationally directed programmes in the sector.</p> <p>2. Encouraging and supporting worker initiated training interventions.</p> <p>4. CETA is engaging its levy payers to address issues that they raise and put action plans in place to address the issues.</p>
Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector	<p>1.Misaligned training programmes to sector demand</p> <p>2.Lack of job creation interventions</p> <p>3.Lack of industry and inter-Seta collaboration</p>	<p>1. Contribute to the improvement of the technological and innovation capability and outcomes within the public and private sectors by funding post graduate studies and research studies.</p>

Outcome	Key Risk	Risk Mitigation
	4.Lack of capacity to respond to technological changes	<p>2.CETA to take the lead in digitisation of its own operations.</p> <p>3.Through inter-SETA collaboration, explore mainstreaming of the digital economy in the sector, through training and skills development e.g. (MICTSETA and Services SETA)</p> <p>5.Training interventions aligned with international curriculum change in the dawn of the Fourth Industrial and green Revolutions.</p> <p>6.Increased career and vocational guidance</p>
Strengthen and expand strategic partnerships to maximise sustainability and impact of skills development interventions	<p>There is a risk of duplication of government interventions and non-achievement of NSDP and SDA requirement due to a failure to identify partnerships to maximise proposed interventions that may result from:</p> <p>2.Inadequate industry collaboration, in defining training programmes</p> <p>3.Poor management of existing partnerships</p> <p>4.The quality of TVET colleges and negative attitudes associated with their perceived poor quality.</p>	<p>1. The CETA is reviewing all its partnership so they reflect its mandate and the requirements of the sector.</p> <p>2. The new “Chamber” system will allow for focused attention to the needs of each of our sub-sectors and improve the quality of our partnerships.</p> <p>3. Development of Sub-sector skills plan with aim to prioritise programmes linked to the needs and strengthen partnership priorities</p> <p>4. Strengthen relations with targeted TVETs and invest in building their capacity and standing.</p>

Outcome	Key Risk	Risk Mitigation
	<p>5. Bureaucracy involved in accessing funding</p> <p>6. Non-availability of workplace training opportunities</p>	
Support national imperatives in relation to skills development, with emphasis on the Construction Sector	<p>There is a risk of organisational non-compliance with transformation imperatives that may be as a result of:</p> <p>1.Non alignment of operations with transformational imperatives</p> <p>2.Non-compliance with the BBBEE reporting requirements</p> <p>3.Lack of an organisational business and procurement transformational scorecard</p> <p>4. Covid-19 will impact both the CETA workplace and training facilities of training providers.</p>	<p>1. Appointment of an accredited BBBEE verification agency for the verification of CETAs BBBEE status</p> <p>2. Development of and organisational score card</p> <p>3. The CETA is reviewing its procurement and supply chain policies and procedures both for efficiency and accountability but also to better reflect transformational imperatives.</p> <p>4. The CETA is updating its business processes to include transformational requirements</p> <p>5. CETA to provide PPE for its offices and conduct regular sanitising of its offices.</p>

11 Technical Indicator Description (TID)

Indicator Title	Number of new entrants and unemployed people entering the Construction Sector
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Definition	People who are entering the Construction Industry for the first time and/or are currently without employment
Source of data	Learnerships – Registered Learnership Agreement and Certificate for completion; Skills Programmes – Registration and/or Confirmation of registration form and Statement of Results for completions; Artisan – Registered Agreement and certificate for completion; Internship/University Student Placement/TVET Student placement – Contract of employment and Close-out Report for completions; RPL – Letter from employer/training provider and Certificate for completion. Graduate Placement HET refers to both TVETs and HET learners. HET Partnerships refers to both Public TVET and Public HEI partnerships entered into.
Method of calculation/Assessment	Count of learners
Assumptions	Participants are interested in taking up skills programmes within the Construction sector.
Disaggregation of beneficiaries (where applicable)	Target for Women: 60% Target for Youth: 60% Target for People with Disabilities: 2%
Spatial transformation (where applicable)	CETA operates nationally in both urban and rural areas
Reporting cycle	Quarterly
Desired performance	Increase in the number of beneficiaries entering the construction sector
Indicator responsibility	Senior Manager Projects

Indicator Title	Number of employed people receiving skills training
Definition	People who are already employed within the Construction sector and require upskilling or additional skills to improve their abilities and contribution to the workplace
Source of data	Learnerships – Registered Learnership Agreement and Certificate for completion; Skills Programmes – Registration and/or Confirmation

	of registration form and Statement of Results for completions; Artisan – Registered Agreement and certificate for completion; Internship/University Student Placement/TVET Student placement – Contract of employment and Close-out Report for completions; RPL – Letter from employer/training provider and Certificate for completion. Graduate Placement HET refers to both TVETs and HET learners. HET Partnerships refers to both Public TVET and Public HEI partnerships entered into; Workplace Skills Plans
Method of calculation/Assessment	Simple count
Assumptions	Workers are willing to take up skills programmes
Disaggregation of beneficiaries (where applicable)	Target for Women: 60% Target for Youth: 60% Target for People with Disabilities: 2%
Spatial transformation (where applicable)	CETA operates nationally in both urban and rural areas
Reporting cycle	Quarterly
Desired performance	More employed people receiving skills
Indicator responsibility	Senior Manager Projects

Indicator Title	Contribution to the improvement of the technological and innovation capability and outcomes within the public and private sectors
Definition	The CETA needs to assist the construction sector in their ability to respond to changing technologies, the onset of the fourth industrial revolution and support the growth of SMMEs with the aim to support increased economic participation.
Source of data	Number of SMMEs established supported; number of new SMME's entering the market; number of research reports produced on issues of 4IR and new technology

Method of calculation/Assessment	Research reports; Entrepreneurial support; Seminars and Roundtable discussions with stakeholders.
Assumptions	The Construction sector improves economically in order to support new technologies and innovations
Disaggregation of beneficiaries (where applicable)	Target for Women: 60% Target for Youth: 60% Target for People with Disabilities: 2%
Spatial transformation (where applicable)	CETA operates nationally in both urban and rural areas
Reporting cycle	Quarterly; Annually
Desired performance	Proactive response to changing technologies and innovation
Indicator responsibility	Core Business Executive with support of other senior managers

Indicator Title	Number of partnerships agreements signed
Definition	Strategic partnerships are referred to those in both public and private sector that assist the CETA in achieving its mandate and responding to the construction environment
Source of data	MOUs; Offer letters or Discretionary Grant agreements signed with Government departments and Agencies
Method of calculation/Assessment	<ul style="list-style-type: none"> • Simple count • Analysis of the outcomes of the partnerships
Assumptions	Willingness of stakeholders to partner
Disaggregation of beneficiaries (where applicable)	Target for Women: 60% Target for Youth: 60% Target for People with Disabilities: 2%
Spatial transformation (where applicable)	CETA operates nationally in both urban and rural areas
Reporting cycle	Quarterly; Annually
Desired performance	Increased partnerships with stakeholder
Indicator responsibility	Senior Manager Projects

Indicator Title	Compliance with transformation imperatives of Government
Definition	Compliance is referred to in the context of transformational imperatives of Government including BBBEE, and other scorecards
Source of data	BBBEE certificate; organisational scorecard
Method of calculation/Assessment	<ul style="list-style-type: none"> • BBBEE certificate updated per year • Organizational scorecard updated per year
Assumptions	Procurement of verification agency
Disaggregation of beneficiaries (where applicable)	Target for Women: 60% Target for Youth: 60% Target for People with Disabilities: 2%
Spatial transformation (where applicable)	N/A
Reporting cycle	Annually
Desired performance	Submission and review of documentation annually
Indicator responsibility	Human Resource Department and SCM