Annual Performance Plan

2021/22

National Skills Fund

higher education & training

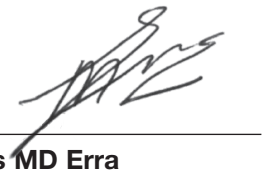
Department:
Education
REPUBLIC OF SOUTH AFRICA

NSF
National Skills Fund
FUNDING TO SKILL OUR NATION

OFFICIAL SIGN-OFF

It is hereby certified that this annual performance plan -

1. was developed by the management of the National Skills Fund under the guidance of the Minister of Higher Education, Science and Innovation, Dr BE Nzimande, MP;
2. takes into account all the relevant policies, legislation and other mandates for which the National Skills Fund is responsible; and
3. accurately reflects the impact, outcomes and outputs which the National Skills Fund will endeavour to achieve over the period 1 April 2021 to 31 March 2022 given the resources budgeted during the period.



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EXECUTIVE AUTHORITY'S STATEMENT

The 2021/22 financial year is a period where all institutions of government must demonstrate their agility and responsiveness to tackle the triple structural challenges of poverty, inequality and unemployment, and the two-pronged challenge of the coronavirus (Covid-19) and post-lockdown economic recovery.

Notably, the 2020/21 financial year was characterised by the scourge of the Covid-19 pandemic and its unprecedented changes to the way the government and society would operate, including the post-school education and training (PSET) and innovation systems. We had to think about new ways of providing teaching and learning through blended education platforms, including integrating technological learning and physical delivery of education and teaching programmes.

The Economic Reconstruction and Recovery Skills Strategy (ERRSS) is an urgent response for skills development to support both the management of Covid-19 and the economic and social recovery. It is designed to create a balance between the short- and long-term skills needs of the country and ensure that the skills system is strengthened with its implementation. It also aims to enable the immediate roll-out of skills development interventions to make sure that the Economic Reconstruction and Recovery Plan (ERRP) is supported, and that no aspect of it is compromised by skills shortages.

In the 2021/22 financial year, the National Skills Fund (NSF) will continue to be a key role player in realising the government's national skills priorities as envisaged by the National Skills Development Plan 2030 (NSDP), and more recently demanded by the ERRSS.

As expressed in the NSDP, there is great expectation that the NSF will continue to train an increased number of unemployed people for the labour market or self-employment while addressing the needs of the poor, prioritising the cohort not in employment, education nor training (NEET), and supporting wider government strategies such as youth programmes, building small businesses and cooperatives, as well as rural development.

DR BE NZIMANDE, MP
Minister of Higher Education, Science and Innovation

Further, consistent with the previous financial year, as informed by the White Paper for Post-school Education and Training (WP-PSET), the NSF will prioritise the funding of education and training initiatives by awarding bursaries and scholarships. The NSF will also provide funding for occupational programmes within the public technical vocational education and training (TVET) colleges and skills development interventions, which are focused on the youth, small businesses and cooperatives. Additionally, NSF-funded programmes, which are designed to bring the realm of education closer to the world of work through learnerships, internships and apprenticeship programmes and funding support towards worker education initiatives, will continue being a focus of the NSF in the 2021/22 financial year.

With the view to expand and integrate the PSET system, in 2021/22 and in the medium- term, the NSF will remain an important source of funding to enable linkages between the skills system and other post-schooling subsystems. As such, the NSF will continue to be responsible for building linkages within the skills system and funding skills development capacity in public education and training institutions.

Consequently, the Medium Term Strategic Framework (MTSF) has specific targets for creating and increasing access to PSET opportunities and ensuring quality skills development. Essentially, the PSET and innovation systems should produce adequate skills and knowledge to meet the current and future needs of the economy and society including training in digital skills. Research and development must also be expanded to ensure that it contributes towards building an inclusive society and supports economic growth.

The current economic climate requires the NSF to carefully consider its funding approach in order to ensure maximum effectiveness in addressing the government's priorities. Considering the decline in the NSF's revenue due to the impact of the four-month skills development levy (SDL) tax holiday, the NSF has conservatively reduced its SDL revenue projections and scope of planned outputs over the MTSF. Prudent fiscal discipline is required while we work collectively to fulfill the aspiration of our society for a fully accessible PSET system that is the catalyst for an inclusive society and economy.

With the aim of addressing the issues that continue to constrain the NSF, I have appointed a Ministerial task team to conduct a review of the general operations of the NSF, including, but not limited to its efficiency and effectiveness and relevance in terms of its national priorities.

With the support of my office and the accounting authority, the Director-General of Higher Education and Training, the NSF is poised to fully-implementing this annual performance plan, while maintaining a considered funding approach to ensure maximum impact in contributing to the triple challenge of poverty, inequality and unemployment and post-lockdown economic recovery.

Dr BE Nzimande, MP
Minister of Higher Education, Science and Innovation
Executive Authority of the National Skills Fund

DEPUTY MINISTER'S STATEMENT

In the 2021/22 financial year, the National Skills Fund (NSF) will continue to play its critical role as we navigate the country out of the Covid-19 pandemic. The pandemic has had a negative and cumulative effect on the world of work and has made the need to develop skills and training that is innovation-led, entrepreneurial-focused and technologically advanced more urgent.

The NSF, thus, has a mammoth task to recalibrate and build on the government's priorities articulated in the National Development Plan (NDP) 2030 and the Economic Reconstruction and Recovery Plan.

As stated in the Economic Reconstruction and Recovery Plan, South Africa is now on the threshold of an important opportunity to imaginatively, and with a unity of purpose, reshape its economic landscape. Skills development is one of the enablers to ensure the successful implementation of the plan. The focus on skills is wide-ranging and entails optimising the regulatory environment and facilitating the ease and cost of doing business to structural reforms in order to boost education and skills development and in a concerted effort to build the skills base required by our changing economy, young people, women and persons with disabilities.

The lists of critical skills, occupations in high demand and priority occupations to fast-track recruitment from South Africa and abroad were approved by the Minister of Higher Education, Science and Innovation, Dr Blade Nzimande, in the 2020/21 financial year. The lists form part of significant research in the Labour Market Intelligence (LMI) research programme that has been funded by the NSF since 2012. The LMI research programme is a flagship intervention of the Department of Higher Education and Training (DHET) and is managed in collaboration with the University of Cape Town (UCT).

The lists are some of the critical enablers of the economic recovery and reconstruction effort as they identify skills needs across the economy and assist to align skills planning with economic planning, ensure that skills are not a constraint on economic growth

MR BK MANAMELA, MP
Deputy Minister of Higher Education, Science and Innovation

and promote the use of labour market intelligence for skills provisioning. The lists will also continue to guide the NSF in prioritising funding for education and training in the 2021/22 financial year.

As part of building the skills base required by our changing economy, the economic recovery plan also calls for young people, women and persons with disabilities to be provided with tools and training to enable them to access online learning and economic opportunities.

As in previous years, a significant portion of NSF beneficiaries of its funded education and training programmes will be geared towards the youth and ensuring that an increasing number of females enrol and complete training programmes. Through a dedicated funding window to solicit skills development

proposals for programmes for people with disabilities, the NSF plans to respond to the skills training needs for learners with mild to moderate intellectual disabilities who exit special schools. The disability funding window, launched in the last quarter of the 2020/21 financial year, will benefit people with disabilities who are not in employment, education or training (NEET), preferably women and out-of-school youth, including graduates from special schools.

Considering the alarming national unemployment rates, especially amongst young people and young women, addressing youth unemployment is in the best interest of our nation.

The current state of persistent insecurity concerning employment and income puts the responsibility on the Human Resource Development Council (HRDC) to look in depth at the challenges identified by the Human Resources Development (HRD) Strategy, namely: the challenges of poverty and inequality, the quality of education, the absorptive capacity of the economy, and social cohesion. Funded by the NSF since 2013, the key role of the HRDC is to build the HRD base required to ensure a prosperous and inclusive South African society and economy.

To save the 2020 academic year, students received remote support during the lockdown period using mixes of teaching and learning strategies through various modalities and using different technologies. For the 2021 academic year and beyond, the multi-modal approach that accommodates all students, with and without access to devices, data and connectivity, will continue to be the new normal in the delivery of education and training.

Though the NSF 2021/22 Annual Performance Plan (APP) is modest in its projections owing to the four-month skills development levy (SDL) tax holiday, it is a firm commitment to contribute in building a capable state, an inclusive economy and fighting poverty and inequality.

Mr B Manamela, MP

Deputy Minister of Higher Education, Science and Innovation

ACCOUNTING AUTHORITY'S STATEMENT

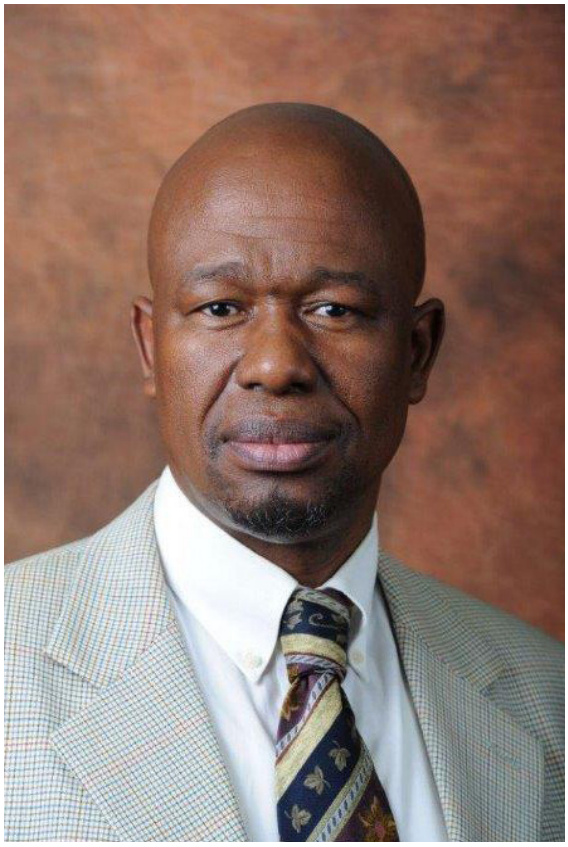
The National Skills Fund (NSF) plays an important role in our ongoing efforts to reach the goals of the post-school education and training (PSET) system with regard to providing access to PSET opportunities and improving the success and efficiency of the PSET system.

In fulfilling its vision of providing funding to skill our nation, the NSF funds education and training initiatives such as bursaries and scholarships, learnership and skills programmes, and workplace-based learning, as well as interventions aimed at improving the PSET system, with a focus on capacity building, skills infrastructure, research and innovation.

The advent of Covid-19 in March 2020 brought about disruptions in the academic calendar and implementation timelines of education and training projects. However, as of 1 August 2020, all NSF-funded education and training projects with active learners had resumed training. At Covid-19 Alert Level 1, the full implementation of both education and training, as well as PSET capacity-building projects funded by the NSF, had resumed activity.

Further, Covid-19 has had an impact on the NSF budget, which necessitated the revision of the Medium Term Expenditure Framework (MTEF) budget during the 2020/21 financial year. The revised budget takes into account a decrease in the skills development levy (SDL) revenue as a result of the four-month levy relief. In the 2020/21 financial year, SDL revenue decreased by 25% as a result of higher unemployment and wage bill reductions due to Covid-19. The decrease in revenue has also been projected in the medium term. In the 2020/21 financial year, approximately R1 billion was allocated to bail out four sector education and training authorities that may experience problems as a result of the four-month levy relief, and a further R500 million was committed to assist the PSET system to combat Covid-19. From 2021/22 to 2024/25, a substantial decrease in skills development funding has been projected as a result of the anticipated decrease in revenue over the five-year strategic period due to Covid-19.

While a considerable focus in the first two quarters of 2020/21 was on the resumption of funded activities following the lockdown, so was the health and wellness of the PSET system communities. The Department of Higher Education and Training (DHET) has a long-standing partnership with Higher Health focused on skills support programmes and strengthening core systems of PSET institutions in managing and mitigating the causes, challenges and consequences of HIV/STI/TB, sexual productive health, gender-based violence and other health and wellness factors affecting the student community. The partnership, funded through the NSF, was extended in 2020/21 to deal with Covid-19 matters among the PSET community of more than 2,5 million beneficiaries.



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Accounting Authority of the National Skills Fund

The extension is designed to ensure the reach of Higher Health's Covid-19 support programmes and interventions throughout the PSET system, including NSF-funded skills development providers (SDPs), community education and training (CET) colleges as well as workplace-based learning programmes.

In developing a projects pipeline to ensure that the NSF achieves the targets it has set for the strategic period ending in 2025, several funding initiatives were launched during 2020/21. In May 2020, the NSF launched the request for proposals (RFP), targeting the 50 public technical vocational education and training (TVET) colleges to roll out occupational programmes as of 2021 over a three-year period. In August 2020, the NSF launched the RFP aimed at private skills development providers to roll out artisan development projects targeting 5 000 new artisan enrolments over three years from 2021.

Further, in September 2020, the NSF launched the RFP for an evaluation of the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments (INDLELA) or National Artisan Development (NAD). Funded by the NSF, INDLELA is spearheading several artisan development initiatives to contribute towards the National Development Plan (NDP) goal of 30 000 artisans produced by the country annually by 2030. The other RFP issued by the NSF in September 2020 is for a study aimed at investigating the socio-economic effect of PSET on individuals, society and the economy in the period 1 April 2010 to 31 March 2019. Other RFPs at advanced planning stages in 2020/21 include the RFP for artisan development targeting state-owned companies, the RFP targeting projects for worker education, the RFP targeting CET colleges and community-based skills development, and the RFP targeting the disability sector.

This annual performance plan (APP) is consistent with the NSF 2020–2025 Strategic Plan and has aligned its outcomes to key government policy instruments, while addressing the most salient post-school priorities. This APP will, therefore, guide the NSF management, staff, implementing partners and PSET stakeholders as they navigate the task of allocating resources to meet the priority skills needs of the country and assist in building the capacity of the post-school system.

Mr GF Qonde
Director-General of Higher Education and Training
Accounting Authority of the National Skills Fund

OVERVIEW BY THE EXECUTIVE OFFICER

Much focus of the entity in the 2021/22 financial year will be on improving operational efficiencies and internal controls. While we have a responsibility to ensure continued support towards skills development and post-school education and training (PSET) system improvement priorities of the government, so is ensuring that the NSF has a sound service delivery environment and effective resource management.

Resourcing the National Skills Fund (NSF) organisational structure, realigning business processes and implementing the integrated enterprise resource planning (ERP) and reporting system are all central to improving the efficiency and effectiveness of the NSF. Though the NSF has realised some progress in this regard in the previous years, it has not been at an accelerated pace towards the changes we want to see in the organisation.

As identified by the Auditor-General of South Africa (AGSA) during the audit of the 2020/21 financial year, immediate intervention is required in order to address the high vacancy rate in finance, strategy, information and communication technology (ICT), skills development implementation and legal, governance, risk and compliance. These vacancies significantly contribute to the absence of critical layers of internal control to support the operations of the entity.

The NSF is dependent on the Department of Higher Education and Training (DHET) to perform its human resource management (HRM) including the recruitment functions. The appointment of six employees in the 2020/21 financial year translated to the NSF being unable to reach its planned target of 90% of vacancies filled in this period. In this regard, the NSF is consulting with the DHET HRM to develop mechanisms to prioritise the recruitment for vacant positions, particularly the Chief Financial Officer (CFO) and Director: ICT and Analytics positions following the resignation of the incumbents in 2020/21, and the Director: Financial Management and Administration post that has been vacant since 2019/20.

Towards improved business processes, the NSF will focus on developing and communicating policies and procedures to enable improved understanding and

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Executive Officer of the National Skills Fund

support in the execution of internal control objectives, processes, and responsibilities. We believe that the implementation of policies and standard operating procedures (SOPs) in areas such as skills development funding, finance and ICT will ultimately contribute to improving future audit outcomes of the NSF. Through clear policies and SOPs, we will redefine what is acceptable, and reinforce and clarify the standards expected of employees at all levels.

In 2020/21, the NSF made headway in improving internal controls to address the lack of reports by some funded projects that adversely affect the audit on performance information. The NSF rolled out a compliance policy, restriction of defaulting providers policy and SOPs relating to non-compliance with the provisions of the memorandum of agreements guiding funded skills initiatives. These tools were widely consulted with staff to ensure effective institutionalisation and support during implementation.

An enabling ICT system is also envisaged to assist with realising improvements in efficiencies and effectiveness. The piloting of the Microsoft Dynamic Skills Development Provider Application (MS Dynamics app) commenced in the 2020/21 financial year. The system, once fully operational, will integrate all NSF functions from initiation to the funding of skills development programmes and projects into the financial and performance reporting functions to enable improvement in effective and efficient monitoring and reporting on funded skills initiatives.

On the research front, the NSF evaluation study commenced on 1 April 2020 and will provide insights in terms of the impact realised due to the funding allocated by the NSF over the five-year strategic period, from 2015 to 2020. The strategic planning of the NSF will be reviewed to consider the findings of the evaluation as well as ongoing research funded by the NSF through the National Skills Authority (NSA) and Human Science Research Council (HSRC). This research is critical, considering the need for a comprehensive skills response to the country's post-Covid-19 economic and social recovery plan.

Adequate human capacity, the full implementation of the ERP system and development and roll-out of SOPs for our business processes remain critical tools towards a more agile and responsive NSF that supports innovative and creative responses to skills development, including skills initiatives to tackle the impact of Covid-19.

Mr MV Macikama

Executive Officer of the National Skills Fund

PURPOSE OF THIS DOCUMENT

The NSF Annual Performance Plan (APP) highlights the NSF's strategic foundation as well as the performance and financial plan for the 2021/22 financial year. It is the outcome of an annual planning process that sets targets for the second year as well as projections for the rest of the five-year period. The strategic elements, namely the NSF's vision, mission and values, represent the long-term direction that guides the annual planning process. These strategic elements are normally reviewed over five-year periods.

The APP has been compiled based on the requirements of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) and the following prescripts and guidelines:

- National Treasury Instruction Note 5 of 2019/20, issued on 14 January 2020
- The Department of Planning, Monitoring and Evaluation (DPME) Revised Framework for Strategic Plans and Annual Performance Plans, issued on 14 January 2020
- The DPME Guidelines for the Implementation of the Revised Framework for Strategic and Annual Performance Plans, issued on 14 January 2020

The APP will guide the work of the NSF and serves as a basis for an assessment of the NSF's performance by stakeholders for the 2021/22 financial year (1 April 2021 to 31 March 2022).

DESCRIPTION OF THE STRATEGIC PLANNING PROCESS

In the sixth administration of government, the Department of Planning, Monitoring and Evaluation (DPME) issued a revised strategic planning framework and guideline in January 2020. In addition, the DPME issued the five-year implementation plan of the National Development Plan (NDP) for the period 2020 to 2025 in order for departments and entities to align their plans with the objectives of the NDP. The revised framework and guidelines seek to improve planning and effectively implement government programmes.

In addition, the NSF management engaged with and discussed the policies, plans and strategic documents that inform the development of its final strategic planning framework. The NSF also engaged with and discussed the outcome of the audit of the entity for the period 2019/20 as well as the assessment of the organisational performance as per the performance information.

Further, the NSF assessed the draft Medium Term Strategic Framework (MTSF) of the Department of Higher Education and Training (DHET). The NSF management identified outcomes to which the NSF will contribute and are in line with its mandate and objectives. These draft inputs were presented to the Minister of Higher of Education, Science and Innovation on 16 November 2020. Further, the NSF invited the DHET to attend and participate in its strategic planning session, which took place on 2 and 3 November 2020. These processes and engagements provided the basis for the NSF to draft its APP for the financial year commencing on 1 April 2021 to 31 March 2022 and to revise the 2020/21 to 2024/25 Strategic Plan.

Lastly, in terms of Section 5 of the Skills Development Act, 1998 (Act 97 of 1998) (SDA), one of the functions of the National Skills Authority (NSA) is to advise the Minister of Higher Education, Science and Innovation on the strategic framework and criteria for the allocation of funds from the NSF. The NSF will therefore, as in the past, table this strategic plan to the NSA for consideration in the presentation thereof to the Minister of Higher Education, Science and Innovation and the Director-General of Higher Education and Training, as the executive and accounting authorities of the NSF, respectively.

PART A:
OUR MANDATE

PART A: OUR MANDATE

1. CONSTITUTIONAL MANDATE

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) (the Constitution) is the supreme law of the country; thus, all laws of the country must be consistent with the Constitution. All government institutions and entities derive their mandate from the Constitution. The Constitution makes provision for other legislations regarding planning and performance monitoring across the three spheres of government.

"The National Skills Fund derives its mandate from Section 28(1) and Section 30B of the Skills Development Act, 1998 (Act 97 of 1998) (SDA). The SDA is in support of Section 29(1) of the Bill of Rights, as enshrined in the Constitution, which outlines that everyone has the right to further education, which the state, through reasonable measures, must make progressively available and accessible."

2. RELEVANT LEGISLATIVE AND POLICY MANDATES

SKILLS DEVELOPMENT ACT

The NSF was established in 1999 in terms of Section 27(1) of the SDA, stating the following: "The National Skills Fund is hereby established". The NSF is, thereby, not established with legal persona.

In terms of Section 29(1) of the SDA, the Director-General of Higher Education and Training (Director-General) is the accounting authority of the NSF as contemplated by Section 49(2)(b) of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA).

In terms of Section 29(1)(d) of the SDA, the Director-General must, subject to the laws governing the public service, appoint the executive officer of the NSF who will, upon such appointment, be in the employ of the public service.

PURPOSE OF THE SDA:

- To ensure credible labour market analysis to provide a supply and demand analysis of national skills priorities
- To require alignment with policies of the state and the Department of Higher Education and Training (DHET)
- To develop the skills of the South African workforce
- To increase the levels of investment in education and training in the labour market
- To encourage employers to use the workplace as an active learning environment
- To encourage workers to participate in learning programmes
- To improve the employment prospects of South African citizens, specifically those who have been previously disadvantaged
- To ensure the quality of learning in and for the workplace and ensure quality of provision delivery in line with the establishment of Quality Council for Trades and Occupations (QCTO)
- To establish the NSF as well as other skills levy institutions that must collaborate in order to achieve the objectives of the SDA
- To make provision for financing through the skills levy

PUBLIC FINANCE MANAGEMENT ACT

On 12 October 2012, the Minister of Finance listed the NSF as a Schedule 3A public entity in terms of the PFMA, retrospectively effective from 1 April 2012 (Notice 821 of Government Gazette 35759).

The listing of the NSF as a public entity does not determine the legal persona status of the NSF, but prescribes the compliance framework that the NSF must adhere to in terms of the PFMA. The legal persona status is determined by the NSF's founding legislation, namely the SDA.

3. MANDATE OF THE NATIONAL SKILLS FUND

The money of the NSF may be used for the primary objectives as defined by the prescripts of the SDA, namely to –

- fund projects identified in the national skills development strategy as national priorities (Section 28(1) of the SDA);
- fund projects related to the achievement of the purposes of the SDA as the Director-General determines (Section 28(1) of the SDA);
- fund any activity undertaken by the Minister of Higher Education, Science and Innovation to achieve a national standard of good practice in skills development (Section 30B of the SDA); and
- administer the NSF within the prescribed limit (Section 28(3) of the SDA). Regulations to prescribe the limit for the administration of the NSF at 10% of revenue have been approved and published in Notice R.1030 of Government Gazette 33740, dated November 2010.

REVENUE SOURCES OF THE NSF

The current main revenue sources for the NSF are –

- 20% of the skills development levies as contemplated in the Skills Development Levies Act, 1999 (Act 9 of 1999) (SDL Act); and
- Interest earned on investments held at the Public Investment Corporation (PIC).

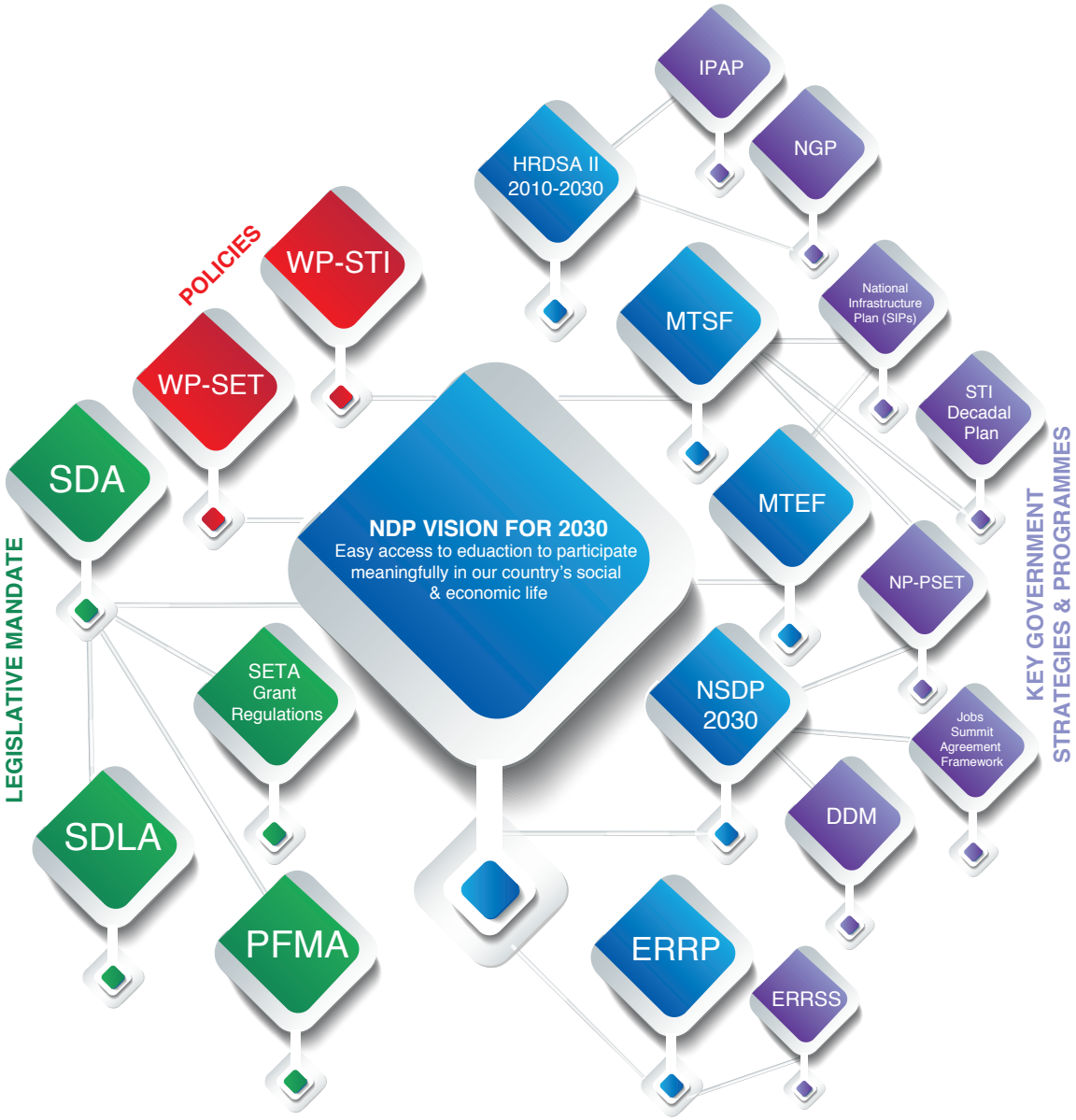
The NSF may also receive revenue from the following sources:

- The skills development levies collected and transferred to the NSF, in terms of the SDL Act in respect of those employers or sectors for which there is no sector education and training authority (SETA)
- Money appropriated by Parliament for the NSF
- Donations to the NSF
- Money received from any other source

RETENTION OF ACCUMULATED SURPLUS

In terms of Section 29(3) of the SDA, the unexpended balance in the NSF at the end of the financial year must be carried forward to the next financial year as a credit to the NSF.

NSF LEGISLATIVE / POLICY FRAMEWORK AND KEY GOVERNMENT STRATEGIES / PROGRAMMES



4. OTHER KEY LEGISLATION APPLICABLE TO THE NATIONAL SKILLS FUND

Legislation or regulation	Summary of its purpose
National Qualifications Framework Amendment Act, 2019 (Act 12 of 2019)	• Creates a single integrated national framework for learning. • Facilitates access to education, training and career paths. • Enhances the quality of education and training. • Creates a single integrated national framework for learning. • Accelerates the redress of past unfair discrimination. • Allows for the South African Qualifications Authority (SAQA) and the quality councils to oversee the National Qualifications Framework (NQF). • Recent amendments make provision for skills development providers to be registered, processes for verification, and offences and penalties that have a bearing on fraudulent qualifications.
Workplace-based Learning Programme Regulations of 2018	The NQF: • Provides a framework for the types of workplace-based learning provision through post-school education and training (PSET), including funding steered through the NSF and SETAs. • Provides for administration and role of parties in workplace-based learning, including employers, learners, education and training providers, quality councils and the DHET.
SETA Grant Regulations, 3 December 2012, Vol. 570, 35940	While developed for SETAs, the SETA grant regulations provides a benchmark for the management of the skills levy including the thresholds for administration costs and the governance and operational considerations for managing skills levies.
Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA)	The Spatial Planning and Land Use Management Act, 2013 was adopted shortly after the introduction of the NDP. SPLUMA is an important component of the drive to set the broad spatial agenda of the country, promoting the development principles of spatial justice, spatial sustainability, efficiency, spatial resilience and good administration.
South African Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)	Emphasises that the three spheres of government are distinctive, interdependent and interrelated. All three spheres of government (local, provincial and national) are autonomous. Notwithstanding their autonomy, the three spheres of government must plan together for the use of scarce resources and ensure the achievement of the government's priorities.

5. INSTITUTIONAL POLICIES AND GOVERNMENT STRATEGIES

5.1 NATIONAL DEVELOPMENT PLAN 2030

The National Development Plan (NDP) 2030 is the overarching long-term strategy of government aiming to eliminate poverty and reduce inequality by 2030, among other policy imperatives. It serves as the single most important longer-term strategy to which all strategies of government must be aligned.

This strategic plan of the NSF is comprehensively aligned to the objectives of the NDP. The NDP places the following specific funding responsibility on the NSF: "Training for start-ups and emerging businesses, rural development, adult basic education and training, and community development should be supported by money from the National Skills Fund and managed by relevant departments or agencies, such as Small Enterprise Development Agency and the National Youth Development Agency. This would enable the National Skills Fund to focus on large skills development programmes that form part of a broader programme. This would simplify the grant funding mechanism by supporting fewer, but larger programmes," (NDP, p. 286).

The NDP further outlines specific objectives and actions aimed at improving the education, training and innovation system. The following objectives, as outlined in the NDP towards improving the education, training and innovation system, may entail additional funding responsibilities being placed on the NSF in contributing towards achieving these objectives and implementing the relevant actions:

- Expand the college system with a focus on improving quality. Better quality will build confidence in the college sector and attract more learners.
- The recommended participation rate of 25% would accommodate about 1,25 million enrolments.
- Provide 1 million learning opportunities through community education and training (CET) centres.
- Produce 30 000 artisans per year.
- Increase enrolment at universities by at least 70% by 2030 so that enrolments increase to about 1,62 million from 950 000 in 2010.
- Increase the number of students eligible to study towards mathematics and science degrees to 450 000 by 2030.
- Increase the percentage of PhD qualified staff in the higher education sector from the current 34% to over 75% by 2030.
- Produce more than 100 doctoral graduates per million per year by 2030. That implies an increase from 1 420 in 2010 to well over 5 000 a year.
- Expand science, technology and innovation outputs by increasing research and development spending by the government and by encouraging industry to do so.

The following actions are outlined in the NDP for technical vocational education and training (TVET):

- Support the development of specialised programmes in universities, focusing on training college lecturers, and provide funding for universities to conduct research on the vocational education sector.
- Build the capacity of TVET institutions to become the preferred institutions for vocational education and training. Learners should be able to choose their vocational pathways before completing Grade 12. Expand the geographical spread of TVET institutions.
- Build a stronger relationship between the college sector and industry. SETAs play a crucial role in building relationships between education institutions and employers.

The following actions are outlined in the NDP for higher education:

- Implement a national programme to develop the next generation of academics for South African higher education.
- Complete the construction of two new universities in Mpumalanga and the Northern Cape, new medical schools in Limpopo and several academic hospitals; expand the infrastructure of existing institutions and allow all universities to use distance education to reach more learners.
- Provide an option of a four-year university degree, combined with bridging courses and more support for universities to help students from disadvantaged backgrounds.
- Provide all students who qualify for the National Student Financial Aid Scheme (NSFAS) with access to full funding through loans and bursaries to cover the costs of tuition, books, accommodation and other living expenses. Students who do not qualify should have access to bank loans, backed by state securities. Both the NSFAS and bank loans should be recovered through arrangements with the South African Revenue Service (SARS). Service-linked scholarships should be available in areas such as nursing, teaching and social work.

5.2 WHITE PAPER FOR POST-SCHOOL EDUCATION AND TRAINING

The White Paper for Post-school Education and Training (WP-PSET) sets out the government's vision for an integrated system of PSET that is able to respond to the needs of the South African society and economy. It outlines policy directions to guide the DHET and the institutions for which it is responsible in order to contribute to building a developmental state with a vibrant democracy and a flourishing economy. Its main policy objectives are the following:

- A post-school system that can assist in building a fair, equitable, non-racial, non-sexist and democratic South Africa
- A single, coordinated PSET system
- Expanded access, improved quality and increased diversity of provision
- A stronger and more cooperative relationship between education and training institutions and the workplace
- A PSET system that is responsive to the needs of individual citizens, employers in public and private sectors, as well as broader societal and developmental objectives

Among others, the WP-PSET directs attention to critical improvement and capacitation areas within the PSET system integration, which include the following:

- TVET college capacitation and infrastructure
- Educational institution and employer partnerships and work integrated learning
- Artisan development strategy operationalisation
- Recognition of prior learning
- Community colleges and public adult learning centre development
- Development of scarce and critical skills (occupations in high demand)
- Education and training improvement
- Skills system and landscape review as part of the broader PSET system

5.3 NATIONAL SKILLS DEVELOPMENT PLAN 2030

The National Skills Development Plan (NSDP) 2030 was approved by the Minister of Higher Education and Training on 7 March 2019 for implementation with effect from 1 April 2020. The vision of the NSDP is "an educated, skilled and capable workforce for South Africa".

The NSDP builds on the implementation of the National Skills Development Strategy (NSDS) III and intends to address systemic considerations to improve the effectiveness and efficiency of the skills development system and institutions. Mainly, the NSDP seeks to further integrate skills development interventions with the PSET system in order to address the triple challenge of high levels of unemployment, poverty and inequality through skills development interventions such as learnerships, apprenticeships and other forms of workplace-based learning. It is envisaged that improving and increasing access to occupations in high demand and priority skills will contribute to supporting economic growth, employment creation and social development. The NSDP will contribute to strategies and priorities of various sectors of the economy, with an emphasis on inclusive growth and employment generation, as set out in the NDP, Industrial Policy Action Plan (IPAP) and other key policy documents of government.

The NSDP further outlines the following national priority outcomes that will take precedence in the NSF:

- Outcome 1: Identify and increase production of occupations in high demand
- Outcome 2: Link education and the workplace
- Outcome 3: Improve the level of skills in the South African workforce
- Outcome 4: Increase access to occupationally directed programmes
- Outcome 5: Support the growth of the public college system
- Outcome 6: Provide skills development support for entrepreneurship and cooperative development
- Outcome 7: Encourage and support worker-initiated training
- Outcome 8: Support career development services

In addition, the NSDP continues to focus on the societal transformational imperatives and parameters enunciated in the NSDS III and which remain relevant in the South African socio-economic climate. These are the following:

- Gender: provide more access opportunities for women
- Youth: increase access opportunities for the youth
- Geography: shift the focus to previously neglected rural areas
- Race: provide programmes to address racial skill disparities
- Class: redress imbalances brought about by class
- People with disabilities: avail more training and workplace opportunities for people with disabilities
- HIV/AIDS: provide programmes that embrace awareness and education advocacy on the subject of HIV/AIDS
- Equity and access: provide access and reduce inequality through increased access to those who have been previously disadvantaged

The NSF, as guided by the NSDP (which builds on the work undertaken under the NSDS III), will measure each education and training project funded against the developmental and transformation imperatives mentioned above.

5.4 HUMAN RESOURCE DEVELOPMENT STRATEGY OF SOUTH AFRICA 2010–2030

The Human Resource Development Strategy of South Africa (HRDSSA) is the long-term overarching strategy to drive human development in the country. The funding strategy of the NSF responds to and supports priorities that emanate from the following two commitments of the HRDSSA:

- Commitment 1: We will urgently overcome the shortages in the supply of people with the priority skills needed for the successful implementation of current strategies to achieve accelerated economic growth.
- Commitment 2: We will increase the number of appropriately skilled people to meet the demands of our current and emerging economic and social development priorities.

5.5 MEDIUM TERM STRATEGIC FRAMEWORK 2019-2024

The Medium Term Strategic Framework (MTSF) is the government's strategic planning framework for the 2019-2024 in line with the NDP. This is the government's monitoring framework for the NDP five-year implementation plan during the electoral cycle. It reflects how the government will measure its progress against the commitments made in the election manifesto of the governing party and the NDP five-year implementation plan. It is a basis for measuring government performance and must be aligned with the measurement of performance in the local, provincial and national government spheres. The MTSF sets out the actions which the government will take and targets to be achieved.

By 2030, South Africa should have access to education and training of the highest quality, leading to significantly improved learning outcomes. The education, training and innovation system should cater for different needs and produce highly skilled individuals. The graduates of South Africa's universities and TVET colleges should have the skills and knowledge to meet the present and future needs of the economy and society.

The government has identified the following seven priorities derived from the electoral mandate and the State of the Nation Address:

- Priority 1: Economic transformation and job creation
- Priority 2: Education, skills and health
- Priority 3: Consolidating the social wage through reliable and quality basic services
- Priority 4: Spatial integration, human settlements and local government
- Priority 5: Social cohesion and safe communities
- Priority 6: A capable, ethical and developmental state
- Priority 7: A better Africa and world

Priority 2, namely education, skills and health, is relevant to the NSF as part of the DHET. This priority contributes to Pillar 2 of the three NDP pillars, which is "Capabilities of South Africans".

Further, emanating from the MTSF and State of the Nation Address, of February and June 2019, respectively, are the 14 priority economic sectors to strengthen coordination of interventions of the state over the next five years. In addition, a more targeted and consolidated approach has been conceptualised for spatial integration. As a national entity, the NSF will be required to prioritise these interventions. The NSF will also be required to undertake more

detailed research and planning into order to collaborate and support the attainment of the priorities of the MTSF in so far as it relates to the mandate of the NSF.

5.6 DEPARTMENT OF HIGHER EDUCATION AND TRAINING STRATEGIC PLAN 2020–2025

The DHET has set the following four outcomes in line with the MTSF and these priority outcomes will steer the NSF to contribute to the achievement of the MTSF outcomes:

- Outcome 1: Expand access to PSET opportunities
- Outcome 2: Improve success and efficiency of the PSET system
- Outcome 3: Improve the quality of PSET provisioning
- Outcome 4: Create a responsive PSET system

1) EXPANDED ACCESS TO PSET OPPORTUNITIES

The WP-PSET targets the enrolment of 1 million students in CET colleges, 2,5 million in TVET colleges and 1,6 million in higher education institutions by 2030. Given the 2017 enrolments of 258 199 CET students, 688 028 TVET students and 1,2 million higher education students, the size and shape of the PSET system will change markedly over the next 10 years. It is envisaged that the TVET sector will become the biggest sector, with the CET sector approaching the enrolment size of the public higher education sector. Enrolments in technical and vocational programmes are expected to increase considerably compared to current enrolments, in order to expand entry-level access to the world of work in various trades and occupations and to prepare students for entrepreneurship or self-employment.

The expansion of the PSET system requires a careful, judicious and systematic enrolment planning process that is in line with available resources, capacity and funding. Targeted interventions will, therefore, be developed to ensure equitable participation that is supported by increased numbers of quality staff, affordable fees and inclusive and sustainable financial aid. In addition, institutional differentiation is necessary to foster a wider variety of modalities of provision, learning programmes and pedagogy to cater for diverse student and employer needs and to permit all PSET institutions (public and private) to develop niche areas that respond to national development imperatives.

2) A RESPONSIVE PSET SYSTEM

As the WP-PSET points out, the PSET system is an important institutional mechanism that must be responsive to the needs of society. Improved responsiveness entails developing a better understanding of demand and supply, which, in turn, requires enhanced liaison and engagement with communities at local, regional and international levels, as well as socially responsive research, collaboration, partnerships and capacity building. The objective is to provide qualification programmes and curricula that are responsive to the needs of the world of work, society and students. Greater is envisaged cooperation between PSET institutions and the world of work, with a specific focus on the connections and interactions between provider institutions and skills levy institutions, and between provider institutions and employers, particularly but not only for workplace-based learning (WPBL) purposes and for strengthening research and innovation. Strengthening WPBL at system and institutional levels as well as encouraging employers to participate therein will help to improve education and employment outcomes, as will

greater industry involvement in financing research and development and in developing partnerships and promoting synergies with higher education institutions and research councils.

3) IMPROVED QUALITY OF PSET PROVISIONING

If the 2030 targets are to be met, every institution across the entire PSET system will need to improve the quality of its provision. It will be wasteful and negligent to permit quality to lag while access expands. The quality of teaching and learning, research, management and governance, staff, quality assurance and infrastructure need to be improved in order to improve the quality of PSET provision. Most importantly, the quality of PSET teaching and learning must be prioritised. Better learning will be supported by improving and diversifying student services, housing, foundational programmes and modes and models of programme delivery. Better teaching will be supported by increasing the numbers, quality and qualifications of lecturers (especially, but not only) black academics at senior levels. At the same time, lecturers' pedagogical, curriculum development and research capacities will be improved, together with their abilities to harness digital technologies to support teaching and learning in innovative ways. The development of digital pedagogies will be supported. Institutional governance, leadership and management, including student leadership, will be strengthened, so that together they can realise their own quality institutional goals while driving their sector forward in pursuit of national objectives.

4) IMPROVED SUCCESS AND EFFICIENCY OF THE PSET SYSTEM

The quality of provision as indicated above is premised on qualified, experienced and committed staff, informed, caring, focused and reliable student support services, and adequate and available infrastructure. Increased efficiency and success across all PSET sectors will promote a culture of completion, which, in turn, will improve cost-effectiveness, build work-readiness and facilitate employment and help to embed lifelong learning capabilities among citizens.

5.7 WHITE PAPER FOR SCIENCE, TECHNOLOGY AND INNOVATION

In May 2019, the President of South Africa, in the sixth administration of government, reconfigured a number of ministries and departments. A new Ministry of Higher, Education Science and Innovation was pronounced, with Dr BE Nzimande appointed as the first minister in the portfolio. Consequently, the Minister of Higher Education, Science and Innovation is the Executive Authority of the Department of Higher Education and Training and the Department of Science and Innovation. The new configuration has a number of policy and system opportunities for South African citizens and the state. Both departments have approved white papers namely the White Paper for Post-school Education and Training (WP-PSET), issued in 2017, and the White Paper for Science, Technology and Innovation (WP-STI), issued in March 2019.

In successful and leading skills development systems globally, some of the success has been attributed to the alignment to industrial policies, fiscal-wide policies and incentives as well as close relations with systems of innovations and patent developments. While the departments had not been merged at the time of preparing this plan, the processes of collaboration and alignment between the two departments informed by the white papers were underway. The WP-STI sets the long-term policy direction for the South African government to ensure a growing role for science, technology and innovation (STI) in a more prosperous and inclusive society. It focuses on using STI to accelerate inclusive economic growth, make the economy more competitive and improve people's daily lives.

It aims to help South Africa benefit from global developments such as rapid technological advancement and geopolitical and demographic shifts, as well as respond to the threats associated with some of these global trends. The vision set out is "Science, technology and innovation enabling inclusive and sustainable South African development in a changing world," (WP-STI, Pg. 11), with the following objectives:

- Improved coherence and coordination
- Increased National System of Innovation (NSI) partnering between business, academia, government and civil society
- Strengthened and transformed NSI institutions
- Increased human capabilities
- Expanded research enterprise
- Enhanced enabling environment for innovation
- Improved funding across the NSI

These WP-STI objectives coupled with the scope of emerging trends, technology and innovation, that is inclusive of the green economy, circular economy and Fourth Industrial Revolution, will provide key insights for the emerging fields of knowledge and material that will shape the future. These shifts will have an impact on the type of education, training and skills development required to develop capable South African citizens and to ensure a supply of capable and skilled workforce for the labour market of the future.

5.8. ECONOMIC RECONSTRUCTION AND RECOVERY PLAN/SKILLS STRATEGY

The Economic Reconstruction and Recovery Plan focuses on specific interventions to restore South Africa's economy following the devastation caused by Covid-19. The objectives of the plan, linked to the vision of the country as set out in the National Development Plan, are as follows:

- To create jobs, primarily through aggressive infrastructure investment and mass employment programmes
- To reindustrialise our economy, focusing on growing small businesses
- To accelerate economic reforms to unlock investment and growth
- To fight crime and corruption
- To improve the capability of the state

In response, the Economic Reconstruction and Recovery Skills Strategy addresses the interventions that are required to ensure the successful implementation of the Economic Reconstruction and Recovery Plan for large numbers of young people to access opportunities in the short-term. The ERRP skills strategy lays out 10 interventions to introduce specific changes or enabling mechanisms to ensure that skills required are produced:

- Six interventions are focused on delivery (specific skills to be produced immediately linked to sectoral strategies are listed).
- Four interventions are systemic, including mechanisms for refining and adding to skills and qualifications needed for fast responsiveness as the economy changes with the ERRP interventions.

The strategy assigns specific roles to key institutions within the skills sub-system including sector education and training authorities (SETAs) to concentrate on supporting skills planning, industry engagement, funding and workplace-based learning, the National Skills Fund (NSF) to identify critical areas for funding support, targeting unemployed youth and vulnerable groups, particularly in rural parts of the country, and Quality Council for Trades and Occupations (QCTO) tasked with ensuring that qualifications respond to demand.

5.9 DISTRICT DEVELOPMENT MODEL

President Cyril Ramaphosa, in the State of the Nation Address, indicated that it is time for the government to break away from the silo mentality of working by introducing a new approach called the District Development Model (DDM). The model was subsequently adopted by cabinet on 21 August 2019. The DDM is an operational model for improving cooperative governance and aims to build a capable and an ethical developmental state. It embodies an approach by which the three spheres of government and state entities work in unison in an impact-oriented way, and where there is higher performance and accountability, there should be a coherent service delivery coupled with the development outcomes. It is a method of government operating in unison, focusing on the municipal district and metropolitan spaces as the impact areas of joint planning, budgeting and implementation.

In response to the DDM principles, the NSF embarked on the mission to analyse its district data per province to ascertain which districts currently have NSF-funded projects for informed decision-making. In line with the vision of ensuring that funding is allocated to skill the nation, its mission is to provide funding for national skills development towards a capable South Africa citizenry that contributes to improving economic participation and social development. The current socio-economic environment, therefore, requires skills institutions to become agile and cushion young people and vulnerable communities from the effects of poverty, inequality and unemployment. The NSF will continue to fund projects which are aligned to the new district coordination model in order to improve coherence and the impact of government service delivery and development.

6. RELEVANT COURT RULINGS

The SDLA established a compulsory levy scheme to which employers are required to contribute for the purpose of funding education and training as envisaged in the SDA. The amount payable is calculated as 1% of the total amount of remuneration paid to employees.

In terms of the Sector Education and Training Authorities (SETAs) Grant Regulations regarding monies received by a SETA and related matters as published in Government Notice R713 of 18 July 2005 and as amended by Government Notice R.88 of 2 February 2007 ("the 2005 Grant Regulations"), an employer who pays skills development levies could claim 50% of those levies back in the form of a mandatory grant if it complied with the eligibility criteria.

The Minister for the DHET repealed the 2005 Grant Regulations with Regulation 10 of the 2012 Grant Regulations and introduced the following regulations:

(i) Regulation 4(4) of the 2012 Grant Regulations reduced the mandatory grant that an employer could claim back from 50% to 20% of the total levies by the employer. The new regulations provided that 20% of the total levies paid by the employer in terms of section 3(1) as read with section 6 of the SDA during each financial year will be paid to the employer.

(ii) Regulation 3(12) that proved that at the end of the financial year, it is expected that a SETA must have spent or committed (through actual contractual obligations) at least 95% of discretionary funds available to it by 31 March of each year and a maximum of 5% of uncommitted funds may be carried over to the next financial year. Any remaining surplus of discretionary funds must be paid by the SETA by 1 October of each year into the National Skills Fund.

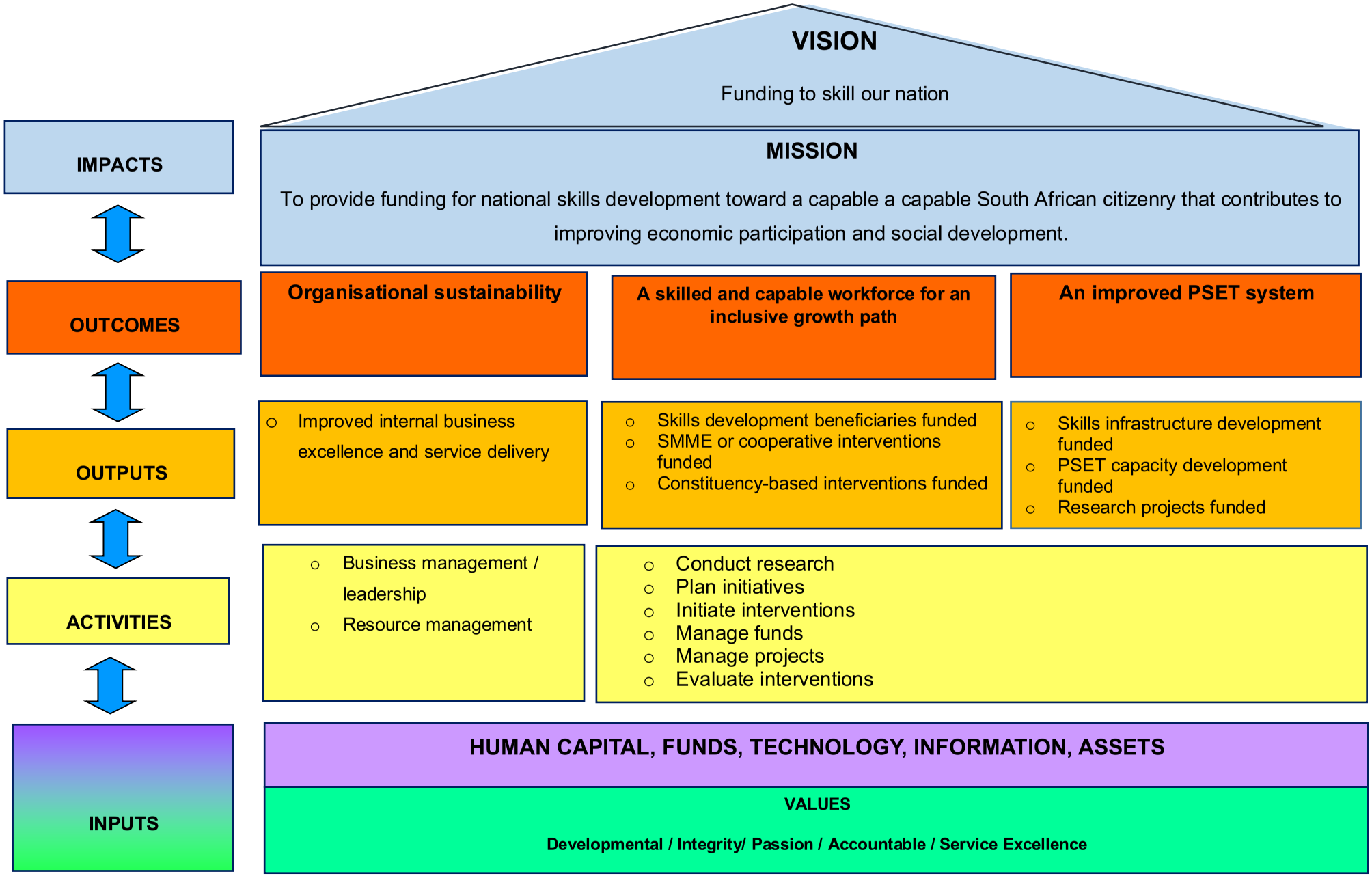
Business Unity South Africa (BUSA) approached the Labour Court to have the regulations reviewed and set aside on the basis that the Minister failed to consult with the National Skills Authority as required in terms of section 36 of the SDA before he made the 2012 Grant Regulations and that the introduction of the sweeping mechanisms are irrational unreasonable and ultra vires the SDA.

The Labour Court ruled that regulations 3(12) and 4(4) of the SETAs Grant Regulations regarding monies received by a SETA and related matters promulgated in terms of section 36 of the SDA in Government Notice R.990 of 3 December 2012 are declared invalid and set aside. In effect this meant that the intended regulations could not be implemented and the NSF would therefore not get the remaining surplus as envisaged.

PART B:

OUR STRATEGIC FOCUS

1. STRATEGIC FRAMEWORK



PART B: OUR STRATEGIC FOCUS

VISION

Funding to skill our nation

MISSION

To provide funding for national skills development towards a capable South African citizenry that contributes to improving economic participation and social development.

VALUES

- Integrity
- Passion
- Accountability
- Service excellence

2. UPDATED SITUATIONAL ANALYSIS

This section discusses the NSF's organisational environment, capacity issues and key determinants of performance. It also provides an analysis of the NSF as an entity and how it is impacted by its environment. The strengths, weaknesses, opportunities and threats (SWOT) analysis technique was used to identify various factors that may impact the NSF. These were then considered during the compilation of the NSF's outcome setting. The analysis provided an important guideline in the crafting of the NSF strategic priority areas, critical success factors and enablers that would strengthen organisational capacity and coherent delivery, but would also enhance the way in which the organisation views and understands its mandate.

2.1 EXTERNAL ENVIRONMENT ANALYSIS

Towards the achievement of South Africa's developmental aspirations by 2030, the NDP positions education and training through skills development as a key lever to transform society, eradicate poverty and grow a sustainable, inclusive economy. Additionally, the NDP places specific funding responsibilities on the NSF in areas such as the training for start-ups and emerging businesses, rural development, adult basic education and training, and large-scale skills-based community development programmes in partnership with government departments or agencies.

Essentially, the NSF is a critical national skills development resource funded through the skills development levy and is strategically positioned as an entity within the ambit of the DHET. As the principal custodian of the PSET system, the DHET is mandated to implement policies and priorities that build a skilled and capable workforce as the basis of an inclusive growth path.

Consequently, in the 2020–2025 strategic period, the DHET has intensified its focus toward expanding access to post-school opportunities, not only focusing on universities enrolments, but also increasing enrolment at TVET and CET colleges, as well as boosting artisans and work-based learning. In the medium term, the DHET also plans to further improve on the success and efficiency of the PSET system, while maintaining commitment to improve the quality of PSET provisioning through industry or exchange programmes, the promotion of entrepreneurship hubs and the rollout of centres of specialisation for artisanal trades. The mandate of the department, thus, provides a key basis for the NSF to strategically contribute to national skills development priorities.

Further, the NSDP 2030 affirms the NSF's scope in the 2020–2025 strategic period to direct its funding towards improving the effectiveness and efficiency of the skills system, while building on the NSDS III achievements. Significant strides have been realised by the skills system in recent years, as demonstrated in the NSA evaluation study on the NSDS III during the 2011–2016 period.

While the NSDS III was relevant in terms of the challenges it sought to address and effective in achieving a strategic shift in the way the skills system functions, the evaluation of the NSDS III during the period 2011–2016 further points to the need to build a demand-led skills development system. Ensuring the adequate supply of appropriate skills is dependent on knowing what skills are needed to support economic growth and social development. Strengthening research capabilities and gaining a deeper understanding of the labour market dynamics remains a critical focus for the NSF in the medium term towards improving its skills planning.

Improving skills planning is critical, considering the lack of availability of appropriate skills is often said to be a constraint on economic growth and social development. This includes the National Treasury Economic Policy, which states that South Africa's current economic trajectory is unsustainable: economic growth has stagnated, unemployment is rising, and inequality remains high. Therefore, it is imperative for the government to ensure that skills supply responds to skills demand.

Attempts to raise the country's potential growth rate must, therefore, include progress on the fundamental building blocks of long-run sustainable growth. In the PSET environment, this includes enhancing the relevance of the education systems by improving the alignment of the learning outcomes to labour market needs. It includes youth employment interventions such as government programmes that incentivise job creation such as learnerships and internships, as well as apprenticeships that facilitate school-to-work transition based on close cooperation between institutions of learning and the private sector.

According to the Statistics South Africa (Stats SA) Quarterly Labour Force Survey (QLFS) Q3 2020, the unemployment rate in South Africa increased by 7,5 percentage points to 30,8% in Q3: 2020 compared to Q2: 2020. QLFS results also show that of the 6, (five) 5 million unemployed persons in the third quarter of 2020, 53, (2)% had education levels below matric, followed by those with matric at 36, (4)%. Only 2, (1)% of unemployed persons were graduates, while 7, (9)% had other tertiary qualifications as their highest level of education.

The QLFS further revealed that there were about 10,3 million young people aged 15 to 24 years in Q3: 2020, of which 31,9% were not in employment, education or training (NEET) – 0,4 of a percentage point lower than in Q3: 2019. In this age group, the NEET rate for males increased by 0, (5) of a percentage point, while that for females decreased by 1, (4) percentage points.

The NEET rate for females was higher than that of their male counterparts in both years. Compared to Q3: 2019, the percentage of young persons aged 15 to 34 years who were not in employment, education or training (NEET) increased by 2,6 percentage points from 40,4% to 43,0% (out of 20,5 million) in Q3: 2020. The NEET rate for males increased by 3, (1) percentage points, while for females the rate increased by 20 percentage points in Q3: 2020. In both Q3: 2019 and Q3: 2020, more than four in every ten young females were not in employment, education or training.

Additionally, the advent of the Fourth Industrial Revolution (4IR) demands that young people be equipped with the necessary skills to cope with a changing world of work and opportunities. It is foreseen that the 4IR will result in a further shift from labour-intensive production to knowledge and skills-intensive production. South Africa will need an adequate pool of expertise to propel the adoption and use of emerging technologies. Even though South Africa has a strong innovation culture and entrepreneurial activity that is supported by a well-established financial sector, human capital remains the most pressing challenge in preparing for the future of production.

Therefore, while emerging technologies may have stimulating implications from a productivity, efficiency and creativity perspective, the real impact is already felt at a human development level by those who are not skilled for the 21st century technologies. Hence, in the five-year strategic period, the NSF should consider playing a continuous active role in funding the programmes and/or interventions that will develop skills needed for the 4IR.

Furthermore, it is acknowledged that opportunities in rural areas are far more limited than those in urban areas and informal settlements are also victims of under-provision. People born and living in poor rural areas have fewer opportunities than urban residents, and those in townships and informal settlements do not fare as well as their suburban counterparts.

Significantly, the National Plan for Post-school Education and Training (NP-PSET) requires the NSF to regain its focus over the medium term in supporting these marginalised groups, including the unemployed, and primarily in the CET college system.

Therefore, in the 2020–2025 strategic period, the NSF will place significant focus on the education and training of people from vulnerable population groups, including women, the youth and people with disabilities. As informed by the evaluation of the NSDS III 2011–2016, the NSF will review the priority programmes it commits to funding, towards a primary focus on occupational qualifications and programmes in the later years of the five-year strategic period. Additionally, training programmes geared towards small and micro entrepreneurs in the informal sector will also be prioritised with the view of reviving the skills base of peri-urban areas largely comprising townships and informal settlements. Focus will also be maintained towards worker education initiatives that contribute towards improving the quality of industrial relations in workplaces, and for a healthier and productive economy.

THE ECONOMIC IMPACT OF COVID-19

The Covid-19 global pandemic represents a severe and unexpected exogenous shock to the South African economy in a context of existing weaknesses in economic performance. Prior to the onset of the pandemic, the economy was in recession, the rate of unemployment was at its highest level in over a decade, poverty and inequality remained deeply entrenched, and the fiscal situation was deteriorating due to lower-than-expected revenue earnings and growing sovereign debt.

However, with adversity comes opportunity to address long-term structural deficiencies in the South African economy and place the economy on a new path towards growth and job creation. In this regard, reconstruction from Covid-19 should be seen not in terms of recovery to what was, but in terms of transformation to what is next.

President Cyril Ramaphosa captured the determination to reset the economy when he said: “We are determined not merely to return our economy to where it was before the coronavirus, but to forge a new economy in a new global reality.”

As outlined in the social compact on economic recovery, South Africa is now on the threshold of an important opportunity to imaginatively, and with unity of purpose, reshape its economic landscape as it confronts the devastating effects of Covid-19. Hence, the NSF’s response is expected to match the proportions of this crisis, by focussing on prioritisation and implementation to achieve results. It is against this background that the reconstruction and recovery plan seeks to engineer a decisive shift in trajectory that enables the country to emerge from the grip of a severe middle income trap characterised by deindustrialisation, falling per capita incomes, entrenched inequality, deepening poverty and historic levels of unemployment, all exacerbated by the effects of the pandemic.

THE NATIONAL SKILLS FUND'S RESPONSE TO THE COVID-19 PANDEMIC

To respond to Covid-19, the NSF reprioritised its targets and budget to strategic priorities and interventions for the short term and medium term. This has led to the NSF identifying areas for reprioritised learning or economic sector interventions; for example, training in digital skills. Furthermore, the NSF assessed its strategic plan and identified selected economic sectors to support the state's response to Covid-19. To this effect, the NSF developed the Covid-19 action plan and economic portfolio plan underpinning the 2020–2025 strategic period.

On 21 April 2020, President Cyril Ramaphosa announced the government's economic and social relief response to curb the impact of the restriction on the economy and on the lives of South Africans. A number of social grants and tax relief measures were announced, including a four-month holiday for companies' skills development levy contributions. The NSF has anticipated a further decline in the national wage bill as a result of Covid-19. By the end of the second quarter of 2020/21 it was uncertain by when the wage bill would recover.

2.2 INTERNAL ENVIRONMENT ANALYSIS

The implementation of the previous annual performance plan (APP) for the 2020/21 financial year was severely affected by several factors, including the Covid-19 pandemic. The NSF like other entities has implemented cost saving measures during 2020/21. In addition, the NSF experienced a reduced skills levy funding transfer during 2020/21 due to the four-months skills levy holiday as part of the economic relief measures of the state. The impact of Covid-19 led to the NSF reviewing both its strategic plan for 2020–2025 and its annual performance plan for the 2021/22 financial year, which were prepared in line with zero-based budgeting.

The NSF evaluation study was commissioned by the DHET, NSA and NSF during the 2020/21 financial year. The study commenced in April 2020 with the aim of establishing whether the NSF had achieved its outcomes and impact in the previous five-year strategic period (2014–2019) and informing the planning of the NSF.

The disclaimer opinion by the Auditor-General of South Africa (AGSA) on the NSF audit for the 2019/20 financial year reveals that the organisation must improve on both financial and performance management and reporting. The project management portfolio remains a significant challenge since some skills development providers do not fully comply with the reporting requirements of the NSF.

The high vacancy rate affects the performance of the NSF. For instance, the capacity to perform project verification in various regions is limited due to staff shortages, which poses a high risk of inaccuracy and delays in the submission of performance information. The MS Dynamics system, which is being piloted, is perceived to be the solution to accurate reporting.

To this end, a series of events during the previous MTSF have led to the NSF implementing an integrated project aimed at transforming the organisation to become more effective and efficient through the development of a new operating model. The project, subsequently named Project Siyaphambili, entailed the development of a new NSF operating model and consisted of developing and implementing new business processes, a new organisational structure, and defining the NSF's ICT model.

Adequate human capacity remains a challenge at the NSF, with the recruitment process still managed by the DHET. The biggest challenge experienced in previous years, which may overlap to the 2021/22 financial year, is the delay in the finalisation of the recruitment processes for vacant funded positions. However, the NSF has committed to fill 90% of the vacant funded positions by the end of the strategic term.

The NSF continued to gain strength and remain on course to implement the approved ICT strategies. The ICT unit has committed to support NSF staff and will fully use the services of the current and future interns.

The Covid-19 pandemic has created profound disruptions to the South African economy and the society at large. Many South African industries are experiencing an adverse impact from the pandemic, which is consistent with other countries that are fighting the virus. In its response to the crisis, the South African government has (from 27 March 2020) placed the country under a national lockdown in order to reduce the spread of the virus, which has resulted in government departments and respective entities within their portfolios being severely impacted. In light of this, NSF operations, similarly to other organisations, experienced interruptions towards the end of the 2019/20 financial year. The lockdown restrictions, in terms of the movement of people to their workplaces, necessitated the NSF management to devise a strategy for the NSF workforce to work from a remote location other than their places of work to avoid compromising service delivery.

Different modes of service delivery were adopted by the NSF that proved to support business continuity; however, the effectiveness will need to be assessed as well as the ability to institutionalise these. This was enabled by the ICT capability of the NSF, which was mobilised swiftly, enabling the NSF to continue with key functions and stakeholder engagements and reporting. The security and capacity of sustaining the ICT interventions need to be sustained and institutionalised as part of NSF's business operations and requires financial resources to ensue.

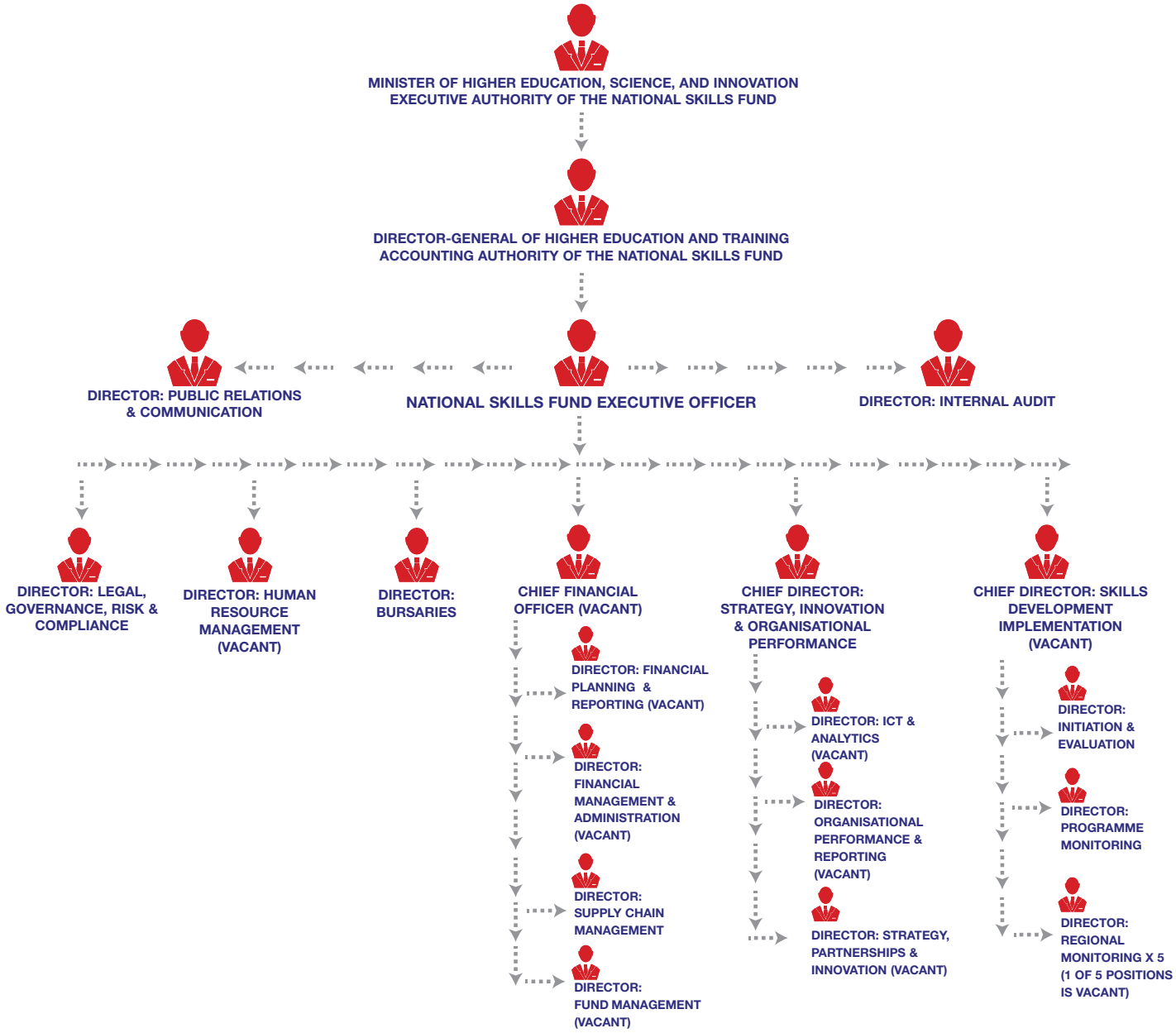
The NSF's communication to its stakeholders has been prioritised and is ongoing: It remains a key focus that must continue for the foreseeable future as updates on the status of the pandemic and its impact on NSF delivery unfold. The scope and reach of communication interventions must be assessed for relevance and effectiveness. This includes the lack of an active website that affects the image of the organisation since stakeholders and clients of the NSF are unable to access the NSF and get any updates through the website. However, the commitment to resolve this challenge is expected to yield positive results in the 2021/22 financial year.

2.3 SWOT ANALYSIS

Strengths	Weaknesses
Core business • Initiate interventions • Project management • Ability to secure income **Non-core (Business management or leadership)** • Stakeholder relations management or corporate communication • Corporate governance • Corporate image • Organisational culture development • NSF brand • Living organisational values **Non-core (Resource management)** • Capable staff	**Core business** • Dependency on external service providers to conduct research • Dependency on external service Evaluate interventions • Turnaround time of initiation intervention • Integrated planning • Public-private partnerships • Cross-functional collaboration • Cost modelling • Funding reprioritisation practices **Non-core (Business management or leadership)** • Strategic positioning • Business performance management • Standard operating procedures (SOPs) not full effective • Consequence management for non-performance not yet effective • NSF still lacks from an effective target setting method **Non-core (Resource management)** • Human resource management fully dependent on the DHET • Incapacitated ICT management • Lack of information or knowledge management • Optimal infrastructure or facilities management • NSF depends on the DHET for some logistical services • NSF website not fully functional • Lack of control over resource support functions • Shortage of staff in financial management • Central registry not fully capacitated

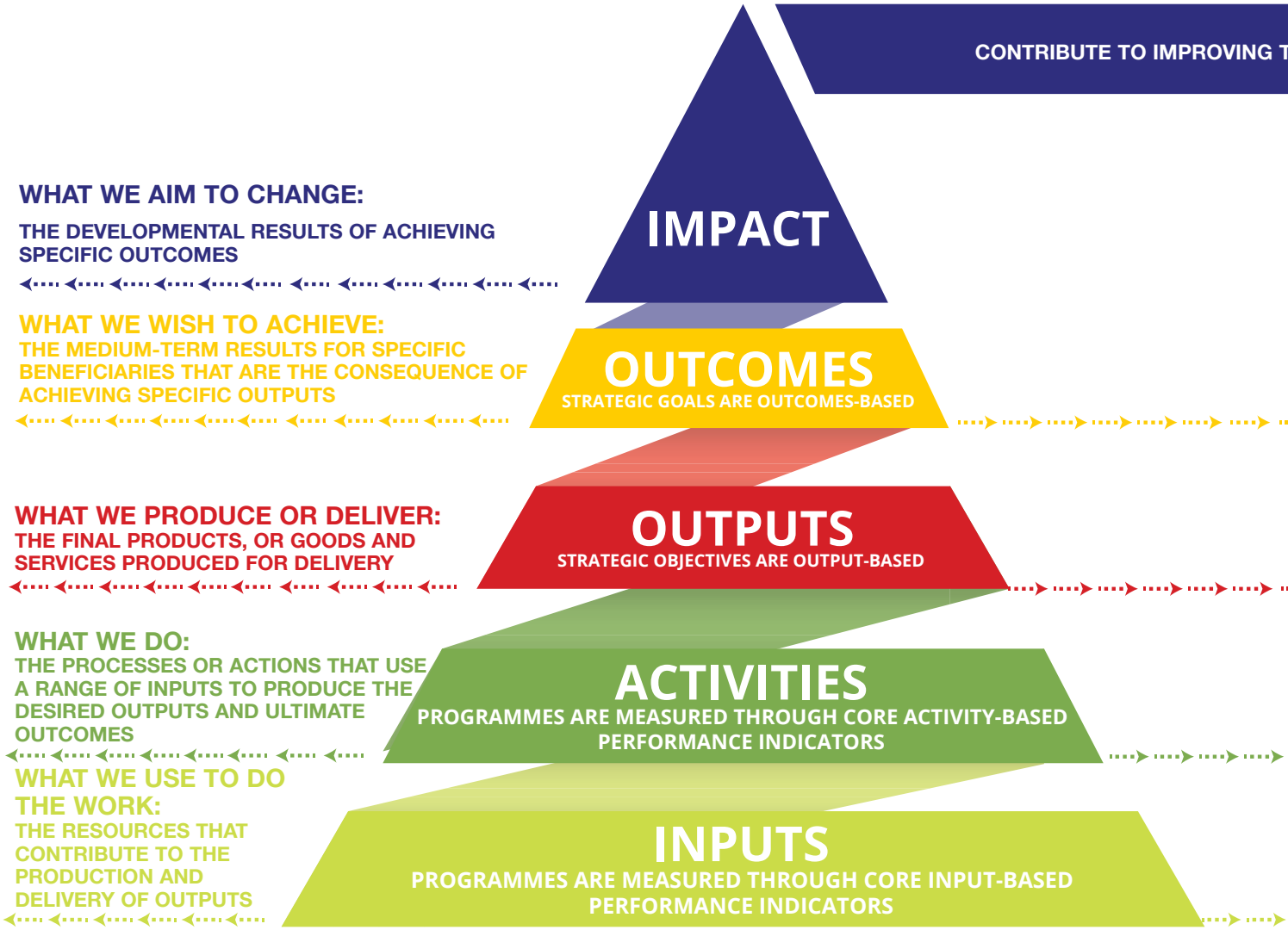
Opportunities	Threats
• Manage skills development funds • Plan initiatives • Future technologies (i.e. 4IR, 5IR, universal broadband, AI, robotics) • Need for a sound, evidence-based skills planning system to deal with imbalances • Role of skills and education in raising income levels and reducing inequality • Priority of skills for target sectors in the South African recovery plan • Recovery plan focuses on labour intensive and small business and cooperatives sectors • Unemployed youth • District development model • Need for funding reprioritisation • Targeting beneficiaries who are classified as not in education, employment or training (NEET) • Priority of skills development nationally • Focus on vulnerable groups (e.g. women, youth, people with disabilities) • Excellence in private-public partnerships • Possible alternative sources of funds	• Lack of job opportunities • Increase in cost of training • Insufficient quality of the South African education system (private and public) • Fraud or corruption • Changing economic and social policy priorities • Unrealistic demands for funding • Inadequate performance of some skills development partners • Lack of workplace-based training opportunities

3. MACRO ORGANISATIONAL STRUCTURE



4. THEORY OF CHANGE

THE NSF STRATEGIC AND ANNUAL PERFORMANCE PLANS ARE BASED ON THE NSF'S THEORY OF CHANGE, WHICH HAS BEEN PREMISED ON THE FRAMEWORK FOR STRATEGIC PLANS AND ANNUAL PERFORMANCE PLANS PUBLISHED BY THE NATIONAL TREASURY. THE AIM OF THE THEORY OF CHANGE IS TOWARDS MEASURING THE OUTPUTS, OUTCOMES, AND ULTIMATE IMPACT OF SKILLS DEVELOPMENT PROJECTS FUNDED BY THE NSF. THE THEORY OF CHANGE AS CONTAINED IN THE NSF 2019/20 ANNUAL PERFORMANCE PLAN IS AS FOLLOWS:



THE EMPLOYABILITY OF CITIZENS AND REDUCING INEQUALITY AND POVERTY AMONG NSF BENEFICIARIES

THE NSF HAS THE FOLLOWING OUTCOMES:
1. ORGANISATIONAL SUSTAINABILITY
2. A SKILLED AND CAPABLE WORKFORCE FOR AN INCLUSIVE GROWTH PATH
3. AN IMPROVED PSET SYSTEM

Performance measured mainly through the strategic plan on a medium to longer term basis.

THE FINAL PRODUCTS OF THE NSF ARE SUMMARISED AS FOLLOWS:
1. IMPROVED INTERNAL BUSINESS EXCELLENCE AND SERVICE DELIVERY
2. SKILLS DEVELOPMENT BENEFICIARIES FUNDED
3. CONSTITUENCY-BASED INTERVENTIONS FUNDED
4. SMMES OR COOPERATIVES INTERVENTIONS FUNDED
5. SKILLS INFRASTRUCTURE DEVELOPMENT FUNDED
6. PSET CAPACITY DEVELOPMENT FUNDED
7. RESEARCH PROJECTS FUNDED

Performance measured mainly through the strategic plan and APP on a medium term and / or annual basis.

THE NSF PERFORMS THE FOLLOWING ACTIVITIES TO ACHIEVE THE DESIRED OUTPUTS:

THE NSF PLANS SKILLS DEVELOPMENT INITIATIVES TO BE FUNDED, INITIATES SUCH SKILLS DEVELOPMENT INITIATIVES, MONITORS THE EXECUTION THEREOF TO ACHIEVE THE OUTPUTS AND EVALUATES THE FINAL OUTPUT AND OUTCOME THEREOF.

Performance measured mainly through the APP and operational plan on an annual basis.

THE NSF USES THE FOLLOWING RESOURCES TO PRODUCE THE DESIRED OUTPUTS:

1. FUNDING (MAINLY THE SKILLS DEVELOPMENT LEVY) TO DELIVER SKILLS DEVELOPMENT INITIATIVES;
2. HUMAN CAPACITY (EMPLOYEES) TO MANAGE AND SUPPORT THE DELIVERY OF THE DESIRED OUTPUTS THROUGH FUNDED SKILLS DEVELOPMENT INITIATIVES; AND
3. TECHNOLOGY (ICT SYSTEMS) TO IMPROVE EFFICIENCY IN THE DELIVERY OF SKILLS DEVELOPMENT INITIATIVES.

Performance measured mainly through the APP, operational plan and budget on a medium term and annual basis.

PART C:

MEASURING OUR PERFORMANCE

PART C: MEASURING OUR PERFORMANCE

1. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

MEASURING THE IMPACT

Impact statement	Reduced inequality and poverty among National Skills Fund (NSF) beneficiaries

PROGRAMME 1: ADMINISTRATION

The ultimate objective is to ensure a sound service delivery environment and effective resource management within the NSF. Focus will be on ensuring effective business operations in relation to strategic planning, financial and project monitoring and evaluation, organisational positioning, organisational performance management, organisational culture development, corporate image, stakeholder relations management as well as corporate governance, including a clean audit outcome.

PROGRAMME 2: SKILLS DEVELOPMENT FUNDING

Measuring the extent to which the NSF has funded learners who may be employed or self-employed within a reasonable period after successfully completing their education and training will provide a reliable measure of success of the skills development initiatives funded against strategic priority interventions in creating a capable South African citizenry that contributes towards improving economic participation and social development.

The NSF's key beneficiaries can be categorised as follows:

- Learners funded by the NSF for skills development
- The post-school education and training (PSET) system through which the skills of learners are developed

The expected consequence of achieving specific outputs due to providing funding for skills development initiatives to benefit these key beneficiaries are the following:

- For the learners funded by NSF – The attainment of employment or self-employment as a result of successfully acquiring the relevant skills
- For the PSET system – An expanded, more effective and integrated PSET system

The PSET system produces a skilled and capable workforce for the labour market (including self-employment). Therefore, expanding and making the PSET system more effective and integrated directly contributes to the NSF's envisaged mission: Contributing towards improving economic participation and social development by funding the development of capable South African citizenry with focused impact on reducing poverty and inequality amongst the NSF beneficiaries..

The attainment of this envisaged impact aims to address South Africa's triple challenge of poverty, inequality and unemployment by providing for those who are from disadvantaged backgrounds and vulnerable groups with education and training opportunities that will contribute towards their employment or self-employment prospects and wealth generation capabilities.

PROGRAMME 3: POST-SCHOOL EDUCATION AND TRAINING SYSTEM IMPROVEMENT FUNDING

The purpose of this outcome target and performance indicator is to measure the outcome of the NSF's investment in expanding, improving effectiveness and integrating the PSET system. The outcome of the NSF's investment in expanding, integrating and improving effectiveness of the PSET system will be impacted by the success of the NSF's portfolio of projects.

Each project's achievements of specific envisaged outcomes will be evaluated in order to determine the overall achievement of the projects collectively as a portfolio of projects aimed at expanding, improving effectiveness of and integrating the PSET system. This includes infrastructure development to support expanding access, research and innovation to steer the NSF's priority interventions for PSET, as well as PSET capacity-building to ensure effective and quality provision through PSET educational institutions.

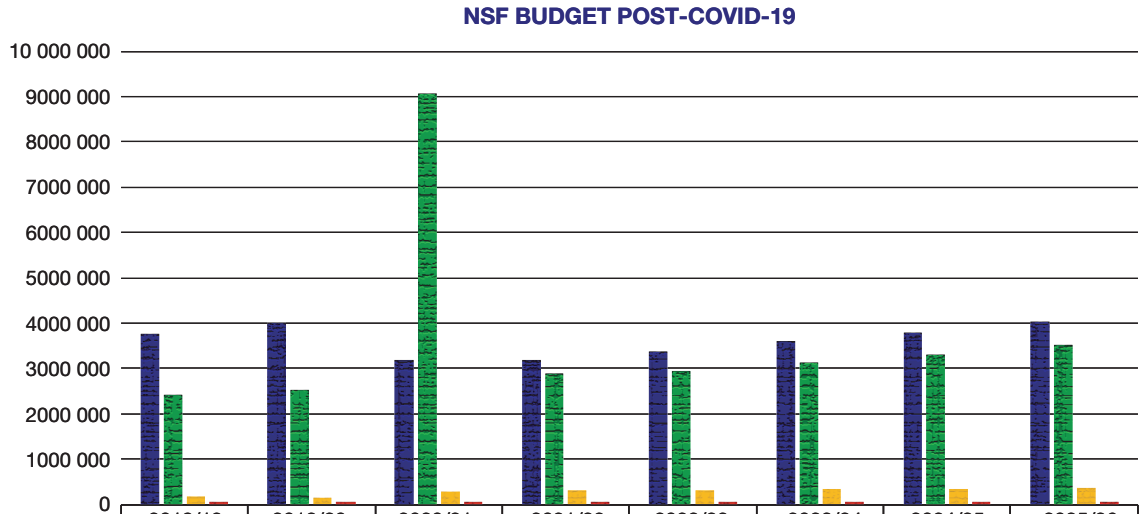
2. OVERVIEW OF THE NATIONAL SKILLS FUND RESOURCE CONSIDERATIONS

Revenue and expenditure trends

The NSF had budgeted skills development funding at R27,9 billion over the five-year strategic period post-Covid-19. However, the budget for skills development funding is expected to decline by R12 billion to R15,9 billion over the five-year strategic period due to the impact of Covid-19 and the anticipated decrease in revenue streams from the skills development levy (SDL) and investment income.

SDL projections have been revised down due to an anticipated decline in the national wage bill as a result of Covid-19, resulting in an estimated revenue loss of R5,6 million over the MTEF period. By the end of the second quarter of the 2020/21 financial year, it was uncertain by when the wage bill would recover. The SDL revenue projections were, thus, conservatively reduced over the MTEF.

Figure 1: NSF budget post-Covid-19



	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Revenue	3 755 753	4 009 554	3 201 820	3 201 820	3 391 643	3591 709	3 803 806	4 028 686
Skills Development funding	2 410 267	2 530 232	9 056 996	2 899 423	2 945 711	3122 453	3 309 800	3 508 389
Administrative expenses	156 671	144 563	267 157	295 951	310 815	326 423	342 806	360 196
SARS collection costs	48 578	48 386	56 754	59 592	62 452	65 450	68 591	71 335

3. OVERVIEW OF THE 2021/22 BUDGET AND MTEF ESTIMATES

Table 1: NSF revenue

NSF REVENUE (R'000)									
R'000	**Audited**			**Revised estimate**	**Medium-term estimate**			**Additional two years**	
	2017/18	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
Revenue from non-exchange transactions post-Covid-19	3 199 737	3 504 195	3 660 340	1 941 289	3 086 650	3 273 012	3 469 393	3 677 556	3 898 209
Skills development levy pre-Covid-19	3 199 737	3 496 140	3 656 840	3 882 578	4 116 996	4 393 964	4 613 662	4 844 345	5 098 112
Income from SETAs pre-Covid-19	5 000	8 055	3 500	-	-	-	-	-	-
Covid-19 impact: 4-month SDL holiday resulting in decline in SDL	-	-	-	(1 294 193)	-	-	-	-	-
Covid-19 impact: 25% reduction in SDL due to reduced wage bill as a result of job losses	-	-	-	(647 096)	(1 030 346)	(1 120 952)	(1 144 269)	(1 166 789)	(1 225 128)
Revenue from exchange transactions post-Covid-19	551 016	505 359	600 420	29 402	20 495	19 221	17 935	16 650	15 397
Finance income from investments at PIC and cash at bank pre-Covid-19	490 298	445 263	551 744	560 724	591 487	623 942	658 183	694 307	729 022
Finance income from advance payments to skills development programmes and projects pre-Covid-19	60 718	60 096	48 676	58 195	58 195	58 195	58 195	58 195	58 195
Covid-19 impact: sharp decline in NSF reserves resulting in sharp decline in investment income	-	-	-	(501217)	(534 511)	(563 506)	(594 062)	(626 252)	(656 741)
Total revenue post-Covid-19	**3 755 753**	**4 009 554**	**4 260 760**	**2,058,991**	**3 201 820**	**3 391 643**	**3 591 709**	**3 803 806**	**4 028 686**

NSF REVENUE (R'000)									
R'000	Audited			Revised estimate	Medium-term estimate			Additional two years	
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Total revenue pre-Covid-19	3 755 753	4 009 554	4 260 760	4 501 497	4 766 678	5 076 101	5 330 040	5 596 847	5 873 780
Revenue reduction due to Covid-19 impact		-	-	(2 442 506)	(1 564 858)	(1 684 458)	(1 738 331)	(1 793 041)	(1 845 093)
R increase or (decrease) post-Covid-19	(118 081)	253 801	251 206	(2 201 769)	1 142 830	189 823	200 066	212 097	224 880
% increase or (decrease) post-Covid-19	(3,00%)	6,76%	6,27%	(51.68%)	55,50%	5,93%	5,90%	5,91%	5,91%

Table 2: NSF expenditure

NSF EXPENDITURE (R'000)									
R'000	Audited			Revised estimate	Medium-term estimate			Additional two years	
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Programme 1: Administration	**120 979**	**156 671**	**144 563**	**267 157**	**295 951**	**310 815**	**326 423**	**342 806**	**365 196**
Employee costs	59 688	70 474	81 825	132 147	161 097	169 244	177 813	186 818	196 159
Operating expenses	54 392	80 596	57 071	129 432	128 746	134 930	141 411	148 203	155 613
Management fees and bank charges	1 915	1 813	2 266	2 017	2 118	2 220	2 326	2 438	2 560
Depreciation and amortisation	4 965	3 753	3 408	8 561	8 990	9 421	9 873	10 347	10 864
Loss on disposal of assets	19	35	3	-	-	-	-	-	-
Fair value adjustment on financial instruments at fair value	-	-	(10)						

NSF EXPENDITURE (R'000)									
R'000	Audited			Revised estimate	Medium-term estimate			Additional two years	
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Programme 2: Skills development funding post-Covid-19	**7 026 411**	**2 410 267**	**2 530 232**	**9 056 996**	**2 899 423**	**2 945 711**	**3 122 453**	**3 309 800**	**3 475 290**
Subpro-gramme 2.1: Education and training pre-Covid-19	2 884 176	2 352 239	1 923 186	3 822 623	3 693 635	4 281 452	4 651 255	5 042 618	5 294 749
Subpro-gramme 2.2: Improved PSET system post-Covid-19	4 142 235	58 028	594 127	2 207 169	1 205 788	869 729	926 953	986 456	1 035 779
Provision for impairment	-	-	12 919	-	-	-	-	-	-
Covid-19 impact: additional relief to support learners, SMMEs and PSET system	-	-	-	3 027 204	-	-	-	-	-
Covid-19 impact: decrease in skills development funding due to decrease in revenue streams, namely: SDL and investment income	-	-	-	-	(2 000 000)	(2 205 470)	(2 455 755)	(2 719 274)	(2 822 139)
Covid19 impact: Reduction on travel and subsistence	-	-	-	(5 000)	(5 000)	(5 000)	(5 000)	(5 000)	(5 000)
Levy collection costs to SARS	48 353	48 578	48 386	56 754	59 592	62 452	65 450	68 591	71 335

NSF EXPENDITURE (R'000)									
R'000	Audited			Revised estimate	Medium-term estimate			Additional two years	
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Total expenses post-Covid-19	7 195 743	2 615 516	2 724 081	9 380 907	3 254 966	3 318 978	3 514 326	3 721 197	3 939 919
Total expenses pre-Covid-19	7 195 743	2 615 516	2 724 081	6 358 703	5 259 966	5 529 448	5 975 081	6 445 471	6 767 059
Total expense increase or (decrease) due to Covid-19 impact	-	-	-	3 022 204	(2 005 000)	(2 210 470)	(2 460 755)	(2 724 274)	(2 827 139)
R increase or (decrease)	4 598 576	(4 791 477)	107 665	6 657 726	(6 125 941)	64 012	195 349	206 871	191 310
% increase or (decrease)	177%	-65%	4%	224%	-65%	2%	6%	6%	5%

Table 3: Accumulated surplus post-Covid-19

ACCUMULATED SURPLUS POST-COVID-19 (R'000)									
R'000	Audited			Revised estimate	Medium-term estimate			Additional two years	
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Opening balance	10 258 604	6 818 614	8 256 071	9 793 650	2 471 734	2 418 588	2 491 253	2 568 635	2 651 244
Prior period errors		43 419							
Surplus or (deficit)	(3 439 990)	1 394 038	1 537 579	(7 321 916)	(53 146)	72 665	77 382	82 608	88 767
Accumulated surplus and reserves	6 818 614	8 256 071	9 793 650	2 383 685	2 418 588	2 491 253	2 568 635	2 651 244	2 740 010

4. PROGRAMME 1: ADMINISTRATION

4.1 PURPOSE

The ultimate objective is to ensure a sound service delivery environment and effective resource management within the NSF. The focus will be on ensuring effective business operations in relation to strategic planning, financial and project monitoring and evaluation, organisational positioning, organisational performance management, organisational culture development, corporate image, stakeholder relations management as well as corporate governance, including a clean audit outcome.

4.2 OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

Outcome	Output	Output indicators	Audited or actual performance			Estimated perform-ance	Medium-term targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
1. Organisational sustainability	1.1 Improved internal business excellence and service delivery	**Subprogramme 1.1: Chief Financial Officer**							
		1.1.1 Percentage of audit findings addressed	New indicator	New indicator	New indicator	New indicator	100%	100%	100%
		Measurable outputs: Address 100% of the audit findings annually							
		Subprogramme 1.2: Legal, Governance, Risk and Compliance							
		1.1.2 Percentage of compliance to the PFMA and applicable regulations	New indicator	New indicator	New indicator	100%	100%	100%	100%
		Measurable outputs: 100% compliance to the PFMA and applicable regulations annually							
		1.1.3 Percentage of approved standard operating policies and procedures implemented	New indicator	New indicator	New indicator	New indicator	100%	100%	100%
		Measurable outputs: Implement 100% of the approved standard operating policies and procedures annually							
		1.1.4 Percentage of planned policies and procedures developed or revised	New indicator	New indicator	New indicator	New indicator	100%	100%	100%
		Measurable outputs: Develop or revise 100% of the planned policies and procedures annually							
		Subprogramme 1.3: Human Resource Management							
		1.1.5 Percentage of funded positions filled	New indicator	New indicator	New indicator	60%	90%	90%	90%
		Measurable outputs: 90% of funded positions filled							
		Subprogramme 1.4: Public Relations and Communication							
		1.1.6 Percentage of client satisfaction rating	New indicator	New indicator	New indicator	50%	n/a	55%	n/a
		Measurable outputs: Achieve a client satisfaction rating of 55% by 2022/23							
		Subprogramme 1.5: Information and Communication Technology							
		1.1.7 Percentage of key ICT priorities implemented	67%	67%	71%	70%	80%	85%	90%
		Measurable outcome: 80% of key ICT priorities implemented							

4.3 INDICATORS, ANNUAL AND QUARTERLY TARGETS

PROGRAMME 1: ADMINISTRATION					
Output indicators	**Annual target 2021/22**	**Quarterly targets**			
		Quarter 1 target	**Quarter 2 target**	**Quarter 3 target**	**Quarter 4 target**
Percentage of audit findings addressed	100%	30%	60%	90%	100%
Percentage of compliance to the PFMA and applicable regulations	100%	100%	100%	100%	100%
Percentage of approved standard operating policies and procedures implemented	100%	100%	100%	100%	100%
Percentage of new planned policies and procedures developed or revised	100%	100%	100%	100%	100%
Percentage of funded positions filled	90%	20%	20%	20%	30%
Percentage of client satisfaction rating	Not applicable (n/a)	n/a	n/a	n/a	n/a
Percentage of key ICT priorities implemented	80%	20%	40%	60%	80%

4.4 RESOURCE CONSIDERATION

The administration expenses amount to R296 million for 2021/22: Employee costs have been budgeted at R166 million and other operating expenses budgeted at R140 million. There is an estimated reduction on travel and subsistance expenditure over the five-year strategic period of R25 million as result of the Covid-19 travel restrictions. This estimate will be reviewed annually according to the adjusted lockdown levels.

According to Section 28(2) of the SDA, the accounting authority approved the utilisation of 10% of the money allocated to the fund in terms of Section 8(3)(a) of the SDL Act to administer the fund. The utilisation of the 10% allocation may be applied for short-term employee benefits as well as other operating expenses.

R'000	**Audited**			**Revised estimate**	**Medium-term estimate**			**Additional two years**	
	2017/18 R'000	**2018/19 R'000**	**2019/20 R'000**	**2020/21 R'000**	**2021/22 R'000**	**2022/23 R'000**	**2023/24 R'000**	**2024/25 R'000**	**2025/26 R'000**
Programme 1: Administration	**120 979**	**156 671**	**144 563**	**267 157**	**295 951**	**310 815**	**326 423**	**342 806**	**365 196**
Employee costs	59 688	70 474	81 825	132 147	161 097	169 244	177 813	186 818	196 159
Operating expenses	54 392	80 596	57 071	129 432	128 746	134 930	141 411	148 203	155 613
Management fees and bank charges	1 915	1 813	2 266	2 017	2 118	2 220	2 326	2 438	2 560
Depreciation and amortisation	4 965	3 753	3 408	8 561	8 990	9 421	9 873	10 347	10 864
Loss on disposal of assets	19	35	3	-	-	-	-	-	-
Fair value adjustment on financial instruments at fair value	-	-	(10)	-	-	-	-	-	-
Covid-19 impact: savings in operating expenses mainly as a result of savings in travel and subsistence	-	-	-	(5 000)	(5 000)	(5 000)	(5 000)	(5 000)	(5 000)

5. PROGRAMME 2: SKILLS DEVELOPMENT FUNDING

5.1. PURPOSE

Measuring the extent to which the NSF has funded learners who may be employed or self-employed within a reasonable period after successfully completing their education and training will provide a reliable measure of success of the skills development initiatives funded against strategic priority interventions in creating a capable South African citizenry that contributes towards improving economic participation and social development.

The NSF's key beneficiaries can be categorised as follows:

- Learners funded by the NSF for skills development
- The post-school education and training (PSET) system through which the skills of learners are developed

The expected consequence of achieving specific outputs due to providing funding for skills development initiatives to benefit these key beneficiaries are the following:

- For the learners funded by NSF – The attainment of employment or self-employment as a result of successfully acquiring the relevant skills
- For the PSET system – An expanded, more effective and integrated PSET system

5.2 OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

Outcome	Output	Output indicators	Audited or actual performance			Estimated perform-ance	Medium-term targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
2. A skilled and capable workforce for an inclusive growth path	2.1: Skills development beneficiaries funded	**Subprogramme 2.1: Skills development**							
		2.1.1 Number of learners funded by the NSF for education and training	57 238	59 051	49 627	60 000	60 500	61 000	61 500
		Measurable outputs: The NSF should fund 60 500 of learners for education and training by 2021/22							
		2.1.2 Number of NSF-funded beneficiaries who completed their education and training	n/a	n/a	19 364	30 000	35 000	40 000	45 000
		35 000 NSF-funded beneficiaries completed their education and training (exclude SMME / cooperatives) by 2021/22							
		2.1.3 Number of learners funded by the NSF for education and training towards occupations in high demand (OIHD)	38 365	33 905	27 603	36 000	37 000	38 000	39 000
		Measurable outputs: The NSF should fund 37 000 learners for education and training towards OIHD by 2021/22							
		2.1.4 Number of NSF-funded learners who completed their education and training towards occupations in high demand (OIHD)	8 521	5 908	8 679	10 000	10 500	11 000	13 000
		10 500 NSF-funded learners who completed their education and training towards occupations in high demand (OIHD) by 2021/22							
		2.1.5 Number of learners from rural areas funded by the NSF for education and training	32 888	34 925	28 023	35 200	35 400	35 600	35 800
		Measurable outputs: The NSF should fund 35 400 learners from rural areas for education and training by 2021/22							
		2.1.6 Number of NSF-funded beneficiaries from rural areas who completed training	6 856	6 658	11 647	12 000	12 500	13 000	13 500
		12 500 NSF-funded beneficiaries from rural areas who completed training by 2021/22							

Outcome	Output	Output indicators	Audited or actual performance			Estimated perform-ance	Medium-term targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
		2.1.7 Number of bursaries funded	n/a	n/a	10 223	10 500	10 500	10 500	10 500
		Measurable outputs: 10 500 bursaries to be funded by 2021/22							
		2.1.8 Number of learners funded by the NSF for skills development through community-based skills development initiatives	8 675	8 959	10 044	10 000	10 500	11 000	11 500
		Measurable outputs: The NSF should fund 10 500 learners for skills development through community-based skills development initiatives by 2021/22							
		2.1.9 Number of learners from rural areas funded by the NSF for skills development in response to innovation and digital technology	-	-	-	1 000 (new target)	1 000	1 000	1 000
		Measurable outputs: The NSF has set a new target considering the impact of Covid-19 and increasing demand for digital skills in 2021/22 to fund 1 000 new beneficiaries from rural areas in skills development interventions in education and training focused innovation and digital technologies.							
	Subprogramme 2.2: SMME or cooperative interventions								
	2.2 SMME or cooperative	**2.2.1 Number of SMMEs and cooperatives funded by the NSF for skills development**	2 222	786	610	800	1 000	1 500	1 600
		Measurable outputs: The NSF should fund 1 000 SMMEs and cooperatives for skills development by 2021/22							
		2.2.2 Number of learners funded by the NSF through SMME and cooperative skills development initiatives	n/a	4 480	3 247	4 750	5 000	5 250	5 500
		Measurable outputs: The NSF should fund 5 000 learners through SMME and cooperative skills development initiatives by 2021/22							
		2.2.3 Number of NSF-funded learners who completed their education and training through SMME and cooperative skills development initiatives	n/a	475	1 356	1 400	1 450	1 500	1 700
		2 000 NSF-funded learners who completed their education and training through SMME and cooperative skills development initiatives by 2025							

Outcome	Output	Output indicators	Audited or actual performance			Estimated perform-ance	Medium-term targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Subprogramme 2.3: Constituency-based interventions								
	2.3 Constituency-based interventions funded	**2.3.1 Number of learners funded by the NSF for worker education**	823	618	725	700	730	750	750
		Measurable outputs: The NSF should fund 730 learners for worker education by 2021/22							
		600 beneficiaries acquiring workplace experience by 2025							
		2.3.2 Number of individuals participating in constituency-based interventions funded	n/a	n/a	n/a	New indicator	1 000	1 050	1 100
		Measurable outputs: The NSF should fund 40 individuals participating in constituency-based interventions by 2021/22							
		2.3.3 Number of constituency-based interventions funded	n/a	n/a	n/a	New indicator	20	25	30
		Measurable outputs: The NSF should fund 20 constituency-based interventions by 2021/22							

5.3 OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

PROGRAMME 2: SKILLS DEVELOPMENT FUNDING					
Output indicators	**Annual target 2021/22**	**Quarterly targets**			
		Quarter 1 target	**Quarter 2 target**	**Quarter 3 target**	**Quarter 4 target**
Number of learners funded by the NSF for education and training	60 500	15 125	30 250	45 375	60 500
Number of NSF-funded beneficiaries who completed their education and training (exclude SMME / cooperatives)	35 000	22 023 (2 659)	24 682 (5 318)	27 341 (7 977)	35 000 (15 636)
Number of learners funded by the NSF for education and training towards OIHD	37 000	9 250	18 500	27 750	37 000
Number of NSF-funded learners who completed their education and training towards occupations in high demand (OIHD)	10 500	9 134 (455)	9 589 (455)	10 044 (455)	10 500 (456)
Number of learners from rural areas funded by the NSF for education and training	35 400	8 850	17 700	26 550	35 400
Number of NSF-funded beneficiaries from rural areas who completed training	12 500	11 861 (214)	12 074 (213)	12 287 (213)	12 500 (213)
Number of bursaries funded	10 500	2 375	4 750	7 125	10 500
Number of learners funded by the NSF for skills development through community-based skills development initiatives	10 500	2 625	5 250	7 875	10 500
Number of learners from rural areas funded by the NSF for skills development in response to innovation and digital technology	1 000	0	0	500	1 000
Number of SMMEs and cooperatives funded by the NSF for skills development	1 000	250	500	750	1 000
The number of learners funded by the NSF through SMME and cooperative skills development initiatives	5 000	1 250	2 500	3 750	5 000
Number of NSF-funded learners who completed their education and training through SMME and cooperative skills development initiatives	1 450	1 381 (24)	1 404 (23)	1 427 (23)	1 450 (23)
Number of learners funded by the NSF for worker education	730	183	366	549	730
Number of individuals participating in constituency-based interventions funded	1 000	250	500	750	1 000
Number of constituency-based interventions funded	20	5	10	15	20

5.4 RESOURCE CONSIDERATION

The NSF will fund the education and training of learners to contribute towards other key government priorities and initiatives, which include, among others, supporting national programmes such as providing skills development through the Expanded Public Works Programme (EPWP) and the National Rural Youth Service Corps (NARYSEC) programme, skills development aimed specifically at growing SMMEs and cooperatives, and community-based skills development initiatives.

The budget towards skills development funding for 2020/21 and 2021/22 is as follows:

- R9,056 billion in 2020/21: R6,029 billion budgeted, with an additional R3,027 billion made available towards Covid-19 relief
- R2,899 billion in 2021/22
- R2,946 billion in 2022/23 (revision required due to impact of Covid-19)

R'000	Audited			Revised estimate	Medium-term estimate			Additional two years	
	2017/18 R'000	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000
Programme 2: Skills development funding post-Covid-19	**7 026 411**	**2 410 267**	**2 530 232**	**9 056 996**	**2 899 423**	**2 945 711**	**3 122 453**	**3 309 800**	**3 475 290**
Subprogramme 2.1: Education and training post-Covid-19	2 884 176	2 352 239	1 923 186	3 822 623	3 693 635	4 281 452	4 651 255	5 042 618	5 294 749
Subprogramme 2.2: Improved PSET system post-Covid-19	4 142 235	58 028	594 127	2 207 169	1 205 788	869 729	926 953	986 456	1 035 779
Provision for impairment	-	-	12 919	-	-	-	-	-	-
Covid-19 impact: additional relief to support learners, SMMEs and PSET system	-	-	-	3 027 204	-	-	-	-	-
Covid-19 impact: decrease in skills development funding due to decrease in revenue streams, namely: SDL and investment income	-	-	-	-	(2 000 000)	(2 205 470)	(2 455 755)	(2 719 274)	(2 822 139)

R'000	Audited			Revised estimate	Medium-term estimate			Additional two years	
	2017/18 R'000	2018/19 R'000	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000
Covid-19 impact: savings in operating expenses mainly as a result of savings in travel and subsistence	-	-	-	(5 000)	(5 000)	(5 000)	(5 000)	(5 000)	(5 000)

6. PROGRAMME 3: POST-SCHOOL EDUCATION AND TRAINING SYSTEM IMPROVEMENT FUNDING

6.1 PURPOSE

The purpose of this outcome target and performance indicator is to measure the outcome of the NSF's investment in expanding, improving effectiveness and integrating the PSET system. The outcome of the NSF's investment in expanding, integrating and improving effectiveness of the PSET system will be impacted by the success of the NSF's portfolio of projects.

Each project's achievements of specific envisaged outcomes will be evaluated in order to determine the overall achievement of the projects collectively as a portfolio of projects aimed at expanding, improving effectiveness of and integrating the PSET system. This includes infrastructure development to support expanding access, research and innovation to steer the NSF's priority interventions for PSET, as well as PSET capacity-building to ensure effective and quality provision through PSET educational institutions.

6.2. OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

Outcome	Output	Output indicators	Audited or actual performance			Estimated perform-ance	Medium-term targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
3. An improved PSET system	3.1 Skills infrastructure development funded	**Subprogramme 2.1: Skills development**							
		3.1.1 Number of skills infrastructure development projects funded	n/a	n/a	n/a	9	9	9	9
		Measurable outputs: Nine skills infrastructure development projects to be funded by 2021/22							
		3.1.2 Percentage of NSF-funded projects that are aimed at skills infrastructure development which achieved more than 60% of the envisaged outputs	n/a	n/a	n/a	New indicator	85%	90%	90%
		Measurable outputs: 85% of the projects funded by the NSF that are aimed at skills infrastructure development which achieved more than 60% of the envisaged outputs for the financial year.							

Outcome	Output	Output indicators	Audited or actual performance			Estimated perform-ance	Medium-term targets		
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Subprogramme 3.2: PSET capacity development								
	3.2 PSET capacity development funded	**3.2.1 Number of capacity development projects funded as per the approved implementation plan**	n/a	n/a	n/a	49	49	49	49
		Measurable outputs: 49 capacity development projects to be funded as per the approved implementation plan by 2021/22							
		3.2.2 Percentage of NSF-funded projects that are aimed at PSET capacity development which achieved more than 60% of the envisaged outputs	n/a	n/a	n/a	New indicator	85%	90%	90%
		Measurable outputs: 85% of projects funded by the NSF that are aimed at PSET capacity development which achieved more than 60% of the envisaged outputs							
	Subprogramme 3.3 Research and Constituency Development								
	3.3 Research projects funded	**3.3.1 Number of interventions funded to inform HRDSSA and NSA**	n/a	n/a	n/a	New indicator	8	8	8
		Measurable outputs: Eight research interventions to be conducted to inform the HRDSSA and NSA by 2021/22							
		3.3.2 Number of research interventions funded	n/a	n/a	n/a	New indicator	8	8	8
		Measurable outputs: Eight research interventions to be funded by 2021/22							
		3.3.3 Percentage of NSF-funded projects that are aimed at research projects which achieved more than 60% of the envisaged outputs	n/a	n/a	n/a	New indicator	85%	90%	90%
		Measurable outputs: 85% of projects funded by the NSF that are aimed at research projects which achieved more than 60% of the envisaged outputs							
		3.3.4 Number of innovation interventions funded	New indicator	New indicator	New indicator	New indicator	1	1	1
		Measurable outputs: One innovation intervention to be funded by 2021/22							

6.3 INDICATORS, ANNUAL AND QUARTERLY TARGETS

PROGRAMME 3: PSET SYSTEM IMPROVEMENT FUNDING					
Output indicators	**Annual target 2021/22**	**Quarterly targets**			
		Quarter 1 target	**Quarter 2 target**	**Quarter 3 target**	**Quarter 4 target**
Number of skills infrastructure development projects funded	9	9	9	9	9
Percentage of NSF-funded projects that are aimed at skills infrastructure development which achieved more than 60% of the envisaged outputs	85%	85%	85%	85%	85%
Number of capacity development projects funded as per the approved implementation plan	49	49	49	49	49
Percentage of NSF-funded projects that are aimed at PSET capacity development which achieved more than 60% of the envisaged outputs	85%	85%	85%	85%	85%
Number of interventions funded to inform the HRDSSA and NSA	8	8	8	8	8
Number of research interventions funded	8	8	8	8	8
Percentage of NSF-funded projects that are aimed at research projects which achieved more than 60% of the envisaged outputs	85%	85%	85%	85%	85%

7. UPDATED KEY RISKS

Outcome	Key risk	Risk mitigation
Organisational sustainability	Lack of an integrated NSF ICT system	• Procurement includes maintenance and support for three to five years • NSF develops ICT capacity • Approved ICT strategy and implementation plan • Further enhancements to address business needs • Adherence to procurement and contract management processes
	Lack of required capacity after the integrated NSF ICT system goes live	• Provision of support and maintenance after implementation by ICT service providers as required • Effective management and oversight of implementation of support and maintenance
	Insufficient skills transfer from ICT service providers to NSF staff	• Second line support and maintenance provided from ICT service providers • First line support to be provided by NSF ICT • Ensure sufficient capacity development for ICT system administrators
	Information and data not migrated accurately, completely and timely in the correct format	• A disaster recovery plan and data migration plan are in place • Plan to go live agreed to by the NSF and ICT service providers • Ensure NSF data integrity
	Environmental issues and connectivity	• Service or operational level agreements between the DHET and NSF for all related IT services • Ensure internet connectivity as required
	Audit disclaimer opinion	• Implementation of the audit action plan
	Personal information breaches	• Compliance to Protection of Personal Information Act, 2003 (Act 4 of 2003) (POPIA)
	Business continuity risks	• Advocacy, marketing, branding and performance excellence

Outcome	Key risk	Risk mitigation
A skilled and capable workforce for an inclusive growth path **An improved PSET system**	Funding fiscus shortfalls or grants allocated to the DHET (e.g. fee-free education)	• Reprioritise • Full commitment of funds • Proper communication of the full commitment • Limit reserves that are not committed to the minimum • Start spending reserves • Student leadership development
	Misuse of funds by service providers	• Improved monitoring • Standardised effective consequence management (e.g. enforcement of memoranda of agreement, penalties etc.) • Improved due diligence processes
	Reduction in skills development levy (SDL)	• Reprioritise • Public-private partnerships • Start spending reserves • Alternative sources of funds • Continuous “going concern” assessment
	Political pressure to fund ad-hoc projects or programmes not in line with mandate	• Develop a funding framework aligned to the mandate • Obtain concurrence from accounting authority
	Lack of delivery capacity within PSET	• Integrate programmatic planning • Use public-private partnerships

8. PUBLIC-PRIVATE PARTNERSHIPS

The National Skills Development Plan 2030 (NSDP) emphasises that the skills levy institutions will play an intermediation role in order to encourage partnerships between institutions and workplaces and, where relevant, between public and private providers. This, in turn, will support the planning processes undertaken by the skills levy institutions with workplaces linked to occupational learning programmes and workplace-based learning opportunities. The implementation of the NSF strategic objectives cannot be achieved without cooperation and participation of social partners. Social partners remain at the heart of the NSDP as agreed under, amongst others, the National Skills Accord in 2011. In the accord, parties agreed that:

"Action and implementation should be a hallmark of the partnership, with constituencies identifying areas where they can make firm commitments as well as identifying actions that other constituencies would need to undertake."

In line with the outcomes of the NSDP of linking education and workplaces, the NSF will continue to collaborate with social partners and other stakeholders involved in this process of determining required skills and occupations. Partnerships and collaboration with the higher education and research institutions, amongst others, will be central for an evidence-based understanding of skills demand and supply.

9. DISTRICT DEVELOPMENT MODEL

President Cyril Ramaphosa, in the State of the Nation Address, indicated that it is time for the government to break away from the silo mentality of working by introducing a new approach called the District Development Model (DDM). The model was subsequently adopted by cabinet on 21 August 2019. The DDM is an operational model for improving cooperative governance and aims to build a capable and an ethical developmental state. It embodies an approach by which the three spheres of government and state entities work in unison in an impact-oriented way, and where there is higher performance and accountability, there should be a coherent service delivery coupled with the development outcomes. It is a method of government operating in unison, focusing on the municipal district and metropolitan spaces as the impact areas of joint planning, budgeting and implementation.

In response to the DDM principles, the NSF embarked on the mission to analyse its district data per province to ascertain which districts currently have NSF-funded projects for informed decision-making. In line with the vision of ensuring that funding is allocated to skill the nation, its mission is to provide funding for national skills development towards a capable South Africa citizenry that contributes to improving economic participation and social development. The current socio-economic environment, therefore, requires skills institutions to become agile and cushion young people and vulnerable communities from the effects of poverty, inequality and unemployment. The NSF will continue to fund projects which are aligned to the new district coordination model in order to improve coherence and the impact of government service delivery and development.

PART D:

TECHNICAL INDICATOR DESCRIPTIONS

PART D: TECHNICAL INDICATOR DESCRIPTIONS

INDICATOR 1.1.1

Indicator title	Percentage of audit findings addressed
Definition	Percentage of audit findings addressed within the financial year. Audit findings are the result of an audit to communicate what has been reported and the recommendations for improvement. Audit findings addressed refers to the implementation of identified activities defined in the audit action plan and is reported to the Audit Committee.
Source of data	• External audit action plan • Audit Committee minutes • Management report (external audit) • Audit report
Method of calculation or assessment	**(A) Number of audit findings addressed, divided by (/) (B) all audit findings raised during the period under review, multiplied by (*) 100 = (Z) percentage of audit findings addressed** **A / B * 100 = Z**
Assumptions	All the audit findings raised by the Auditor-General will be addressed through the audit action plan developed by the NSF. The Audit Committee will sit on a quarterly basis to review the external audit action plan.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation type	Cumulative quarterly and year-to-date
Desired performance	By implementing the audit action plan, the NSF will obtain and improve its audit outcome, organisational effectiveness, efficiency and performance.
Indicator responsibility	Coordinator: CFO Responsibility: All NSF officials

INDICATOR 1.1.2

Indicator title	Percentage of compliance to the PFMA and applicable regulations
Definition	Percentage of compliance to the PFMA and applicable regulations within the financial year. Applicable regulations refer to any regulation applicable to the NSF approved by the NSF and National Treasury. Compliance means adherence to internal policies and procedures, applicable laws, regulations, rules and ethical standards by employees and independent contractors.
Purpose	To measure efficiency in the management, transparency, accountability, stewardship and good governance in the NSF.
Source of data	Combined assurance report
Method of calculation or assessment	All identified legal parameters implemented and assured as per combined assurance report
Assumptions	Changes to the legislative environment are taken into account. Legislative changes are communicated timeously to NSF.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation type	Cumulative quarterly and year-to-date
Desired performance	100% compliance to the PFMA and applicable regulations and improved compliance and governance
Indicator responsibility	Coordinator: Legal, Governance, Risk and Compliance Responsibility: All NSF officials

INDICATOR 1.1.3

Indicator title	Percentage of approved standard operating policies and procedures implemented
Definition	Percentage of approved standard operating policies and procedures implemented during the financial year. Standard operating procedures refer to the set of established and approved processes of operations within the NSF. Policy refers to an approved and adopted system of principles to guide decisions and outcomes.
Purpose	To measure the efficiency of the NSF in performing consistently to maintain quality control of processes.
Contribute to outcome indicator	Audit opinion obtained, improved organisational governance.
Source of data	Approved standard operating procedure, approved policies and implementation plan
Method of calculation or assessment	**(A) approved standard operating policies and procedures implemented, divided by (/) (B) approved standard operating policies and procedures implementation plan, multiplied by (*) 100 = (Z) percentage** **A / B * 100 = Z**
Assumptions	The implementation plan for the standard operating policies and procedure will be in place and will be implemented and monitored accordingly.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly and annually
Calculation type	Cumulative quarterly and year-to-date
Desired performance	Ensure standardisation that will improve the NSF's efficiency and effectiveness.
Indicator responsibility	Coordinator: Legal, Governance, Risk and Compliance Responsibility: All NSF officials

INDICATOR 1.1.4

Indicator title	Percentage of new planned policies and procedures developed or revised
Definition	Percentage of new planned policies and procedures developed or revised during the period under review. Standard operating procedures refer to the set of established and approved process of operations within the NSF. Policy refers to an approved and adopted system of principles to guide decisions and outcomes. Planned policies and procedures refer to new policies and procedures which are not yet in existence to guide the implementation of a specific mandate. Revised policies and procedures refer to approved policies and procedures to align to the latest trends and new developments.
Purpose	To measure the efficiency of the NSF in performing consistently to maintain quality control of processes.
Contribute to outcome indicator	Audit opinion obtained and organisational performance and sound governance.
Source of data	• List of NSF-approved policies and procedures • List of identified policies and procedures to be developed or revised
Method of calculation or assessment	**(A) New planned policies and procedures developed or revised, divided by (/) (B) new or revised planned policies and procedures, multiplied by (*) 100 = (Z) percentage** **A / B * 100 = Z**
Assumptions	There will be a need for new polices to be developed and existing ones to be revised.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation type	Cumulative quarterly and year-to-date
Desired performance	Approval of policies and frameworks to ensure standardisation that will improve the NSF's efficiency and effectiveness.
Indicator responsibility	Coordinator: Legal, Governance, Risk and Compliance Responsibility: All NSF officials

INDICATOR 1.1.5

Indicator title	Percentage of funded positions filled by the end of the year
Definition	The percentage of funded positions filled by year-end. Positions relate to funded positions and not to unfunded positions. Funded positions mean those positions that have been approved by the Director-General and/or Minister of Higher Education, Science and Innovation, (whichever is applicable) and there is sufficient funding available to fund the positions as at year-end. Filled refers to approved, funded and advertised positions which are occupied.
Purpose	To measure the performance of the NSF in terms of filling vacant funded posts.
Source of data	Source documents: • A staff establishment register (quarterly performance information sheet) needs to be kept of all the posts approved and funded, with the relevant level of each post. • Approved organogram • PERSAL system (Personal and Salary System) • The staff establishment register should also indicate the person appointed against each approved and funded post, supported by the employment contract (an employee file). Collection of data: The staff establishment register will be collated from the posts approved by the Director-General and/or Minister of Higher Education, Science and Innovation, (whichever is applicable) for which there is sufficient funding. The establishment register will also be updated with signed employment contracts.
Method of calculation or assessment	**(A) Number of funded positions filled, divided by (/) (B) number of all advertised positions, both filled and not filled funded positions, multiplied by (*) 100 = (Z) percentage of positions filled** **A / B * 100 = Z**
Assumptions	The HRM to be capacitated in order to fill the vacancies to the expectations. Establishement / dependency of HR functions
Disaggregation of beneficiaries	The positions to be filled in accordance with the NSF employment equity requirements.
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation type	Cumulative quarterly and year-to-date
Desired performance	The intention of filling the posts is to have requisite capacity to implement the strategic plan and annual performance plan.
Indicator responsibility	Human Resource Management

INDICATOR 1.1.6

Indicator title	Percentage of client satisfaction rating
Definition	Percentage of client satisfaction rating within a financial year. Client refers to the broad range of SDPs and strategic partners that are implementing skills development interventions with funding from the NSF. Client satisfaction is regarded as the measure of how the needs of clients (SDPs and strategic partners) and responses from the NSF are collaborated and delivered to excel client expectation. Client satisfaction is a part of clients' experiences that will expose the NSF's behaviour on clients' expectations.
Purpose	To measure the efficiency of the NSF in responding to client expectation.
Source of data	Source documents: Final customer satisfaction report produced in the reporting period. **Collection of data:** • Survey administered to clients face-to-face, telephonically or via e-mail • In-depth focus groups or interviews with key decision makers (SDPs and strategic partners)
Method of calculation or assessment	A total of satisfied clients (satisfied and very satisfied), divided by the total number of clients participating in the survey multiplied by 100. Quantitative: A descriptive scale that measures the clients' responses from "very dissatisfied" to "very satisfied". The client will be given a list of questions to choose from that range from very dissatisfied to very satisfied. • Very dissatisfied • Dissatisfied • Neither satisfied nor dissatisfied • Satisfied • Very satisfied The percentage of "very satisfied" or "very satisfied" responses will be regarded as overall client satisfaction. **Qualitative:** • In-depth interviews with the decision makers (SDPs and strategic partners) will assist to review NSF systems, disciplines and procedures from the client's point of view and should also identify any "people" issues that the NSF may have. • Raw survey data and a computation of the survey findings, as well as focus group and interview recordings will be key reporting requirements.

INDICATOR 2.1.1

Indicator title	Number of learners funded by the NSF for education and training
Definition	The total number of learners who are funded by the NSF for education and training over the financial year. Learners who are funded by the NSF for education and training within a year in response to strategic priority areas such as occupations in high demand (OIHD), rural development, learners from SMMEs and cooperatives, community-based skills development and/or worker education interventions. NSF-funded learners refers to all learners who are funded with available contracts as reported and monitored by the NSF, whether through skills development levy (SDL) funding, investment income or other sources of funding.
Purpose	To report the number of learners who are funded by the NSF for education and training.
Source of data	Collection of data: The information will be collated from SDPs and/or project reports. The data will include the identity document copies of learners and contracts between the learner and the SDP. Performance information schedule, learner ID and learner contract of enrollment The data on learners who are funded by the NSF for education and training will be collated from project reports for the relevant period under review.
Method of calculation or assessment	A simple count of all learners funded by the NSF for education and training for the period under review
Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation type	Cumulative quarterly and year-to-date
Desired performance	60 500 learners to be funded by the NSF in strategic priority areas by the NSF.
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance Directorate: Bursaries

INDICATOR 2.1.2

Indicator title	Number of NSF-funded beneficiaries who completed their education and training
Definition	The total number of NSF-funded beneficiaries who completed their education and training. Beneficiaries are the learners who completed their education and training within a year in response to strategic priority areas such as occupations in high demand (OIHD), rural development, learners from SMMEs and cooperatives, community-based skills development and/or worker education interventions. NSF-funded beneficiaries refers to all learners who are funded with available contracts as reported and monitored by the NSF, whether through SDL funding, investment income or other sources of funding.
Purpose	To report the number NSF-funded beneficiaries who competed their education and training.
Source of data	Collection of data: The information will be collated from SDPs and/or project reports. The data will include the identity document (ID) copies of learners and contracts between the learner and the SDP. Performance information schedule, learner ID, learner contract of enrollment and learner certificate or proof of completion. The data on learners who are funded by the NSF for education and training will be collated from project reports for the relevant period under review.
Method of calculation or assessment	A simple count of all NSF-funded beneficiaries who completed their education and training for the period under review.
Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation type	Cumulative quarterly and year-to-date
Desired performance	35 000 learners who were funded by the NSF to complete their education and training.
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance Directorate: Bursaries

INDICATOR 2.1.3

Indicator title	Number of learners funded by the NSF for education and training towards OIHD
Definition	The total number of learners who are funded by the NSF for education and training towards OIHD within the financial year. Occupations in high demand refer to those occupations that have shown relatively strong employment growth, and/or are experiencing shortages in the labour market, or which are expected to be in demand in the future as per the national list of occupations in high demand (OIHD).
Purpose	To report the number of learners who are funded by the NSF for education and training towards OIHD.
Source of data	Collection of data: The information will be collated from skills development providers (SDPs) and/or project reports. The data will include identity document copies of learners and contracts between learners and the SDPs. The data on the learners who are funded by the NSF for education and training will be collated from project reports for the relevant period under review. Performance information schedule.
Method of calculation or assessment	A simple count of all learners who are funded by the NSF for education and training towards OIHD for the period under review
Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation type	Cumulative quarterly and year-to-date
Desired performance	37 000 learners to be enrolled in programmes to support/ address occupations required by the Labour Market.
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance Directorate: Bursaries

INDICATOR 2.1.4

Indicator title	**Number of NSF-funded learners who completed their education and training towards occupations in high demand**
Definition	The total number of learners who are completed their education and training towards occupations in high demand. Occupations in high demand refer to those occupations that have shown relatively strong employment growth, and/or are experiencing shortages in the labour market, or which are expected to be in demand in the future as per the national list of occupations in high demand (OIHD).
Purpose	To show the number of learners who are funded by the NSF for education and training towards OIHD.
Source of data	Collection of data: The information will be collated from SDPs and/or project reports. The data will include identity document copies of learners and contracts between learners and the SDPs, performance information schedule and certificate of completion. The data on the learners who are funded by the NSF for education and training will be collated from project reports for the relevant period under review.
Method of calculation or assessment	A simple count of all learners who completed their education and training towards OIHD for the period under review based on learner status
Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation type	Cumulative quarterly and year-to-date
Desired performance	10 500 learner complete programmes funded to address occupations in higher demand by the Labour Market.
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance Directorate: Bursaries

INDICATOR 2.1.5

Indicator title	Number of learners from rural areas funded by the NSF for education and training
Definition	The total number of learners from rural areas who are funded by the NSF for education and training for the period under review. Rural areas refer to areas located outside towns and cities. This excludes international learning projects and the eight metropolitan municipalities.
Purpose	To report the number of learners from rural areas who are funded by the NSF for education and training.
Source of data	Collection of data: The information will be collated from SDPs and/or project reports. The data will include identity document copies of learners and contracts between learners and SDPs and performance information schedule.. The data on the learners who are funded by the NSF for education and training will be collated from project reports for the relevant period under review.
Method of calculation or assessment	A simple count of all learners from rural areas who are funded by the NSF for education and training for the period under review as classified on the performance information using learning site and learner status.
Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification.
Disaggregation of beneficiaries	n/a
Spatial transformation	Contribution to spatial transformation priorities: The calculation will only be based on NSF-funded learners from rural areas. Rural areas are regarded as all the district municipalities in South Africa, excluding international learning projects and the eight metropolitan municipalities, namely: Buffalo City (East London area), the City of Cape Town, the City of Johannesburg, the City of Tshwane, Ekurhuleni (East Rand area), eThekwini (Durban area), Mangaung (Bloemfontein area), and Nelson Mandela Bay (Port Elizabeth and Uitenhage area). This definition is in accordance with the definition from the Department of Rural Development and Land Reform. The measurement will also be informed by the location of learning sites. To align to the New District Coordination Model to improve coherence and impact of government service delivery and development (August 2019). Spatial impact area: n/a
Reporting cycle	Quarterly
Calculation type	Cumulative quarterly and year-to-date
Desired performance	To increase the number of the learners from rural areas who are funded by the NSF for education and training to support rural development..
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance Directorate: Bursaries

INDICATOR 2.1.6

Indicator title	Number of NSF-funded beneficiaries from rural areas who completed training
Definition	The total number of beneficiaries from rural areas who completed training for the period under review. Rural areas refer to areas located outside towns and cities. This excludes international learning projects and the eight metropolitan municipalities.
Purpose	To show the number of beneficiaries from rural areas who completed training
Source of data	Collection of data: The information will be collated from SDPs and/or project reports. The data will include identity document copies of learners and contracts between learners and SDPs, and certificate and proof of completion. The data on the learners who are funded by the NSF for education and training will be collated from project reports for the relevant period under review. Performance information schedule.
Method of calculation or assessment	A simple count of all beneficiaries from rural areas who completed training for the period under review based on learning site and learners status
Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification.
Disaggregation of beneficiaries	n/a
Spatial transformation	Contribution to spatial transformation priorities: The calculation will only be based on NSF-funded learners from rural areas. Rural areas are regarded as all the district municipalities in South Africa, excluding international learning projects and the eight metropolitan municipalities, namely: Buffalo City (East London area), the City of Cape Town, the City of Johannesburg, the City of Tshwane, Ekurhuleni (East Rand area), eThekwini (Durban area), Mangaung (Bloemfontein area), and Nelson Mandela Bay (Port Elizabeth and Uitenhage area). This definition is in accordance with the definition from the Department of Rural Development and Land Reform. The measurement will also be informed by the location of learning sites. To align to the New District Coordination Model to improve coherence and impact of government service delivery and development (August 2019). Spatial impact area: n/a
Reporting cycle	Quarterly
Calculation type	Cumulative quarterly and year-to-date
Desired performance	To increase the number of the beneficiaries from rural areas who complete the training.
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance Directorate: Bursaries

INDICATOR 2.1.7

Indicator title	Number of bursaries funded
Definition	The total number of learners who are funded for bursaries by the NSF for a year. Bursary refers to a fund awarded by the NSF to learners to enable them to study at a university, TVET college or any other institution that receives funds for bursaries including agricultural colleges.
Purpose	To report the number of bursaries that are funded.
Contribute to outcome indicator	Number of NSF-funded beneficiaries who completed their education and training.
Source of data	The signed contract between the learner and the bursary provider/ NSF, ID copies of the learners and proof of registration with tertiary institutions. Bursary database / performance information.
Method of calculation or assessment	A simple count of all learners who are funded for bursaries by the NSF for the period under review based on learing type and status.
Assumptions	The data will be readily available for reporting every quarter and the number of bursary holders will increase annually.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation method	Cumulative quarterly and year-to-date
Desired performance	10 500 learners funded through bursaries
Indicator responsibility	**Joint responsibility:** Directorate: Bursaries **Key support responsibility:** Key Support: Chief Directorate: Strategy, Innovation and Organisational Performance

INDICATOR 2.1.8

Indicator title	Number of learners funded by the NSF for skills development through community-based skills development initiatives
Definition	The total number of learners who are funded by the NSF for skills development through community-based skills development initiatives for the year under review. Community-based skills development refers to learning programmes that have been categorised as "workplace-based skills programmes - other" and, thus, will be limited to learning programmes categorised as such. Workplace-based skills learning relates to normative skills programmes where students are exposed to normative skills workshops and modules that can be put in practice and developed in the workplace.
Purpose	To show the number of learners who are funded by the NSF for skills development through community-based skills development initiatives.
Contribute to outcome indicator	Number of NSF-funded beneficiaries who completed their education and training funds for bursaries including agricultural colleges.
Source of data	Collection of data: The information will be collated from SDPs and/or project reports. The data will include the identity document copies of learners and contracts between learners and SDPs. The data on the learners who are funded by the NSF for education and training will be collated from project reports for the relevant period under review.
Method of calculation or assessment	It is assumed that the source documents will be timeously issued by the relevant body as means of verification. Functional MS Dynamics and performance information reported and verified. Sufficient funding.
Assumptions	The data will be readily available for reporting every quarter and the number of bursary holders will increase annually.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly and annually
Calculation method	Cumulative quarterly and year-to-date
Desired performance	10 500 learners
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance

INDICATOR 2.1.9

Indicator title	Number of learners from who are youth and who are from rural areas funded by the NSF for skills development in response to innovation and digital technology
Definition	An innovation is an idea that has been transformed into practical reality. Digital technologies are electronic tools, systems, devices and resources that generate, store or process data. Well known examples include social media, online games, multimedia and mobile phone. Youth are persons classified as under the age of 35. Rural areas are regarded as all the district municipalities in South Africa, excluding the eight metropolitan municipalities.
Purpose	To ensure that the learners who are youth and who are from rural areas are funded to be able to respond to innovation and digital technology developments.
Source of data	Collection of data: The information will be collated from SDPs and/or project reports. The data will include the identity document copies of learners and contracts between learners and SDPs, and performance information schedule. The data on the learners who are funded by the NSF for education and training will be collated from project reports for the relevant period under review.
Method of calculation or assessment	A simple count of all learners who are funded by the NSF for skills development in response to innovation and digital technology, that are classified as youth, learning site address.
Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification.
Disaggregation of beneficiaries	n/a
Spatial transformation	Rural areas are regarded as all the district municipalities in South Africa, excluding international learning projects and the eight metropolitan municipalities, namely: Buffalo City (East London area), the City of Cape Town, the City of Johannesburg, the City of Tshwane, Ekurhuleni (East Rand area), eThekwini (Durban area), Mangaung (Bloemfontein area), and Nelson Mandela Bay (Port Elizabeth and Uitenhage area). This definition is in accordance with the definition from the Department of Rural Development and Land Reform. The measurement will also be informed by the location of learning sites. To align to the New District Coordination Model to improve coherence and impact of government service delivery and development. Spatial impact area: n/a
Reporting cycle	Quarterly
Calculation method	Cumulative quarterly and year-to-date

Indicator title	Number of learners from rural areas funded by the NSF for skills development in response to innovation and digital technology
Desired performance	To get learners ready and capable to respond and make use of digital technology, including to respond to the 4th Industrial Revolution.
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance

INDICATOR 2.2.1

Indicator title	Number of SMMEs and cooperatives funded by the NSF for skills development
Definition	The total number of SMMEs and cooperatives that are funded by the NSF for skills development for a year. SMMEs refer to small, medium and micro-sized enterprises as defined by the Department of Small Business Development. A cooperative refers to a business where a group of people get together voluntary to address their common needs.
Purpose	To report the number of SMMEs and cooperatives that are funded by the NSF for skills development.
Source of data	Collection of data: The information will be collated from SDPs. The data on SMMEs and cooperatives which the NSF has funded will be collated from project reports for the relevant period under review, performance information schedule and registration status of the SMMEs and Cooperatives.
Method of calculation or assessment	A simple count of SMMEs and cooperatives that are funded by the NSF for skills development for the period under review, the performance information schedule and registration status of the enterprise.
Assumptions	To support the growth and development of SMMEs and cooperatives by providing access to PSET opportunities and creating access to education and training that supports the growth and development of the SMME and cooperative sector.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation method	Cumulative quarterly and year-to-date
Desired performance	To support the growth and development of SMMEs and cooperatives by providing access to PSET opportunities and creating access to education and training that supports the growth and development of the SMME and cooperative sector.
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance Directorate: Bursaries

INDICATOR 2.2.2

Indicator title	The number of learners funded by the NSF through SMME and cooperative skills development initiatives
Definition	The total number of learners who are funded by the NSF through SMME and cooperative skills development initiatives for the year under review. Number refers to the number of learners who were funded for their education and training through SMMEs and cooperatives. NSF-funded learners refer to all learners who are funded, reported and monitored by the NSF, whether through SDL funding, investment income or other sources of funding (e.g. funding received from the Unemployment Insurance Fund (UIF). The NSF is responsible for sourcing additional funding over and above its traditional revenue sources, initiating these skills development initiatives, monitoring the progress on all funded learners, as well as evaluating the outcome of funded learners. Thus, irrespective of where the funding for these learners stems from, the NSF invests time and administrative expenses into funded learners and, therefore, reports on these learners. The NSF will, however, distinguish between learners who are funded from traditional NSF sources (e.g. the SDL and NSF investment income) and other additional revenue sources (e.g. UIF contributions) in the notes or as addenda to the annual performance report. SMMEs refer to small, medium and micro-sized enterprises as defined by the Department of Small Business Development. A cooperative refers to a business where a group of people get together voluntary to address their common needs.
Purpose	To report the number of learners who are funded by the NSF through SMME and cooperative skills development initiatives.
Source of data	Collection of data: The information will be collated from SDPs, the contract between the SDPs and learners, as well as identity document copies of learners and the SMME or cooperative that the learner is linked to.
Method of calculation or assessment	A simple count of learners who are funded by the NSF through SMME and cooperative skills development initiatives
Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation type	Cumulative quarterly and year-to-date
Desired performance	To support the growth and development of the SMMEs and cooperatives by providing access to PSET opportunities and creating access to education and training that supports the growth and development of the SMME and cooperative sector.
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance

INDICATOR 2.2.3

Indicator title	**Number of NSF-funded learners who completed their education and training through SMME and cooperative skills development initiatives**
Definition	The total number of learners funded by the NSF through SMME and cooperative skills development initiatives for the year under review who completed their education and training. Number refers to the number of learners who were funded for their education and training through SMMEs and cooperatives. Learners who completed refers to all learners who fulfilled all the requirements for their education and training, and reached the last stage NSF-funded learners refer to all learners who are funded, reported and monitored by the NSF, whether through SDL funding, investment income or other sources of funding (e.g. funding received from the Unemployment Insurance Fund (UIF). The NSF is responsible for sourcing additional funding over and above its traditional revenue sources, initiating these skills development initiatives, monitoring the progress on all funded learners, as well as evaluating the outcome of funded learners. Thus, irrespective of where the funding for these learners stems from, the NSF invests time and administrative expenses into funded learners and, therefore, reports on these learners. The NSF will, however, distinguish between learners who are funded from traditional NSF sources (e.g. the SDL and NSF investment income) and other additional revenue sources (e.g. UIF contributions) in the notes or as addenda to the annual performance report. SMMEs refer to small, medium and micro-sized enterprises. A cooperative refers to a business where a group of people get together voluntary to address their common needs.
Purpose	To report the number of SMMEs and cooperatives that are funded by the NSF for skills development.
Source of data	Collection of data: The information will be collated from SDPs. The data on learners which the NSF has funded for education and training will be collated from project reports for the relevant period under review, certificate / completion statement.
Method of calculation or assessment	A simple count of learners who were funded through SMMEs and cooperatives that completed their education and training.
Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly

INDICATOR 2.3.1

Indicator title	Number of learners funded by the NSF for worker education
Definition	The total number of learners who are funded by the NSF for worker education for the financial year. Worker education refers to learning programmes which are funded by the NSF that relate to trade unions, worker federations or similar organisations and their education programmes. It includes other worker-initiated training programmes related to the further education and training of workers in broader sectoral policy and capacity to effectively engage in the workplace and broader economy.
Purpose	To report the number of worker education interventions that are funded.
Source of data	Source documents: Project reports, indicating the number of workers who benefitted from NSF-funded worker education initiatives and the performance information schedule. Collection of data: The number of workers who benefitted from NSF-funded worker education initiatives will be collated from the project reports.
Method of calculation or assessment	A simple count of all learners who are funded by the NSF for worker education for the period under review
Assumptions	The identification of education and training plans and interventions are in place or that require development. The accuracy, completeness and validity of the indicator depend on the accuracy, completeness and validity of the data related to workers reported in project reports.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation method	Cumulative quarterly and year-to-date
Desired performance	To support the growth and development of the trade unions to engage and negotiate on labour matters across structures in relation to economic and social development policy priorities aligned to skills and human resource development in the country.
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance

INDICATOR 2.3.2

Indicator title	Number of individuals participating in constituency-based interventions funded
Definition	A total number of individuals who are funded by the NSF participating in constituency-based interventions for the period under review. Constituency-based refers to skills development constituencies that participate, steer and govern the HRDSA, NSA and related structures in pursuit to steering and determining national skills development strategies as part of the broader PSET system.
Purpose	To report the number of individuals who are participating in constituency-based interventions that are funded.
Contribute to outcome indicator	Number of constituency-based interventions funded
Source of data	Signed attendance registers, project reports and performance informaton schedule.
Method of calculation or assessment	A simple count of all individuals who are funded by the NSF participating in constituency-based interventions
Assumptions	The programmes and interventions identified by constituencies align to skills development strategies and iniatives.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation method	Cumulative quarterly and year-to-date
Desired performance	1 000 learners to participate in constituency-based interventions.
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance Directorate: Legal, Governance, Risk and Compliance

INDICATOR 2.3.3

Indicator title	Number of constituency-based interventions funded
Definition	The total number of constituency-based interventions that are funded by the NSF for a year. Constituency-based refers to skills development constituencies that participate, steer and govern the HRDSA, NSA and related structures in pursuit to steering and determining national skills development strategies as part of the broader PSET system.
Purpose	To report the number of constituency-based constituencies that are funded.
Source of data	A signed MOA between the NSF and projects related constituency coordinator eg. NSA and HRDCSA.
Method of calculation or assessment	A simple count of all constituency-based interventions that are funded by the NSF
Assumptions	The programmes and interventions by constituency align to skills development strategies and iniatives.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation method	Cumulative quarterly and year-to- date
Desired performance	To fund 20 constituency-based interventions over a year in line with NSA and HRDCSA plans.
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance Directorate: Legal, Governance, Risk and Compliance

INDICATOR 3.1.1

Indicator title	Number of skills infrastructure development projects funded
Definition	The total number of skills infrastructure development projects that are funded by the NSF during the year. Infrastructure development refers to the construction and/or equipment to create additional education sites for the public provision and improve the relevance and throughput of qualification programme offering in line with the type of skills and experience required in the labour market and workplaces.
Purpose	To report the number of skills infrastructure development projects that are funded.
Contribute to outcome indicator	Percentage of completed infrastructure projects which allow expanded access to PSET opportunities and, quality and relevance of programme delivery.
Source of data	Source documents: Reports outlining the output results of each project completed. Business plans approved for infrastructure and equipment. Collection of data: • Information will be collated from MOA and buiness plans outlining the final outcome envisaged for the project.
Method of calculation or assessment	A simple count of skills infrastructure development projects that are funded by the NSF for the period under review
Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation method	Cumulative quarterly and year-to-date
Desired performance	To fund nine skills infrastructure development projects over a year.
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance

INDICATOR 3.1.2

Indicator title	**Percentage of funded NSF-funded projects aimed at skills infrastructure development achieved more than 60% of the envisaged outputs**
Definition	Percentage of funded NSF-funded projects that are aimed at skills infrastructure development which achieved more than 60% of the envisaged outputs during the financial year. Infrastructure development refers to the construction and/or equipment to create additional education sites for the public provision and improve the relevance and throughput of qualification programme offering in line with the type of skills and experience required in the labour market and workplaces.
Purpose	To report the number of NSF-funded projects that are aimed at skills infrastructure development which achieved more than 60% of the envisaged outputs.
Source of data	Source documents: Project reports outlining the output results of each project completed. MOA's and approved business plans which outline activities to be achieved. Collection of data: ● Information will be collated from reports outlining the final output results of each project on a quarterly basis. ● Last quarterly report verified outlining expenditure to-date against the performance output to-date. ● Performance information schedule
Method of calculation or assessment	**(A) Number of NSF-funded projects that are aimed at skills infrastructure development which achieved more than 60% of the envisaged outputs, divided by (/) (B) NSF-funded projects that are aimed at skills infrastructure development multiplied by (*) 100 = (Z) percentage** **A / B * 100 = Z**
Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification. That construction can proceed as planned supported by required bulk service to avoid delays. That a detail assessment of construction equipment was undertaken to informal construction equipment deployments.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation type	Cumulative quarterly and year-to-date

Indicator title	**Percentage of funded NSF-funded projects aimed at skills infrastructure development achieved more than 60% of the envisaged outputs**
Desired performance	To improve and integrate the PSET system towards increasing access to quality education and training in response to strategic priority interventions that seek to support the realisation of socio-economic development in South Africa. To improve project management and close-out of projects in support of strengthening the PSET system in order to increase access to quality and relevant education and training. This includes infrastructure, equipment and innovation.
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance

INDICATOR 3.2.1

Indicator title	Number of capacity development projects funded as per the approved implementation plan
Definition	Capacity development refers to interventions required to improve the quality, relevance and systematic capacity in the PSET system (public) to improve the programme/ qualification provision to improve planning, training delivery, etc The total number of capacity development projects that are funded by the NSF as per the approved implementation plan during the year.
Purpose	To report the number of capacity development projects that are funded as per the approved implementation plan.
Contribute to outcome indicator	Percentage of completed NSF-funded projects that are aimed at PSET system improvement which have achieved more than 60% of the envisaged outcomes
Source of data	Source documents: MOA's and approved business plans outlining the outputs and activities of each project. Collection of data: • Information will be collated from projects outlining the final output results of each project. • Last quarterly report verified outlining expenditure to-date against the performance output to-date. • Performance information schedule
Method of calculation or assessment	A simple count of capacity development projects that are funded by the NSF as per the approved Business plan and MOA.
Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification. That the needs assessment of the capacity building intervention aligns with busines plan approach to build capacity in the PSET system.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation method	Cumulative quarterly and year-to-date

Indicator title	Number of capacity development projects funded as per the approved implementation plan
Desired performance	To improve and integrate the PSET system towards increasing access to quality education and training in response to strategic priority interventions that seek to support the realisation of socio-economic development in South Africa. To improve project management and close-out of projects in support of strengthening the PSET system in order to increase access to quality and relevant education and training. This includes infrastructure and innovation.
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance

INDICATOR 3.2.2

Indicator title	**Percentage of NSF-funded projects aimed at PSET capacity development which achieved more than 60% of the envisaged outputs**
Definition	Percentage of funded NSF-funded projects that are aimed at skills infrastructure development which achieved more than 60% of the envisaged outputs during the financial year. Infrastructure development refers to the construction and/or equipment to create additional education sites for the public provision and improve the relevance and throughput of qualification programme offering in line with the type of skills and experience required in the labour market and workplaces.
Purpose	To report the number of NSF-funded projects that are aimed at PSET capacity development which achieved more than 60% of the envisaged outputs.
Contribute to outcome indicator	Percentage of completed NSF-funded projects that are aimed at PSET system improvement which have achieved more than 60% of the envisaged outcomes
Source of data	Source documents: MOA's and approved business plans with outputs and activities. Collection of data: ● Information will be collated from reports outlining the final output results of each project on a quarterly basis. ● Last quarterly report verified outlining expenditure to-date against the performance output to-date. ● Performance information schedule
Method of calculation or assessment	**(A) Number of completed NSF-funded projects that are aimed at PSET capacity development which achieved more than 60% of the envisaged outputs, divided by (/) (B) NSF-funded projects that are aimed at PSET capacity development multiplied by (*) 100 = (Z) percentageA / B * 100 = Z**
Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification. That the capacity building intervention align to the needs of the intervention for building capacity.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation method	Cumulative quarterly and year-to-date

Indicator title	Percentage of NSF-funded projects aimed at PSET capacity development which achieved more than 60% of the envisaged outputs
Desired performance	To improve and integrate the PSET system towards increasing access to quality education and training in response to strategic priority interventions that seek to support the realisation of socio-economic development in South Africa. To improve project management and close-out of projects in support of strengthening the PSET system in order to increase access to quality and relevant education and training. This includes infrastructure and innovation.
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance

INDICATOR 3.3.1

Indicator title	Number of interventions funded to inform the PSET and Innovation system
Definition	The total number of interventions funded to inform the HRDSSA and NSA during the year. Research refers to various modes of establishing an empirical basis of informing skills development and PSET interventions. These include internal and external research through research institutions such as universities, NSF and NSA.
Contribute to outcome	Percentage of completed NSF-funded projects that are aimed at PSET system improvement which have achieved more than 60% of the envisaged outcomes
Purpose	To report the number of interventions that were conducted to inform the HRDSSA and NSA including NSF and DHET.
Source of data	Source documents: MOA and approved business plans with clearly defined outputs and activities. Collection of data: • Information will be collated from reports outlining the final output results of each project quarterly. • Last quarterly report verified outlining expenditure to-date against the performance output to-date. • Performance information schedule
Method of calculation or assessment	A simple count of interventions that were funded to inform the NSA, DHET and NSF, and PSET and innovation system.
Assumptions	The identification of research through an approved Research Agenda and Framework. Research undertaken in terms of research protocols and standardised.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation method	Cumulative quarterly and year-to-date

Indicator title	Number of interventions funded to inform the PSET and Innovation system
Desired performance	To improve and integrate the PSET system towards increasing access to quality education and training in response to strategic priority interventions that seek to support the realisation of socio-economic development in South Africa. To improve project management and close-out of projects in support of strengthening the PSET system in order to increase access to quality and relevant education and training. This includes infrastructure and innovation.
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance

INDICATOR 3.3.2

Indicator title	Number of research interventions funded
Definition	The total number of research interventions that are funded by the NSF during the year. Research refers to the number of strategies and processes that are designed to measure the change in a situation. Intervention refers to an action taken to improve findings or situation. Research refers to the various models/approaches to gather data and information, that was analysed to establish the status of a targetted matter. These include internal and external research to inform the NSF and PSET and Innovation system planning based on research.
Purpose	To report the number of research interventions that were conducted to inform the HRDSSA and NSA.
Contribute to outcome indicator	Percentage of completed NSF-funded projects that are aimed at PSET system improvement which have achieved more than 60% of the envisaged outcomes
Source of data	Source documents: MOA and approved business plans with clearly defined outputs and activities. Collection of data: • Information will be collated from reports outlining the final output results of each project on a quarterly basis • Last quarterly report verified outlining expenditure to-date against the performance output to-date. • Performance information schedule
Method of calculation or assessment	A simple count of research interventions that are funded by the NSF.
Assumptions	The identification of research areas are included in the approved Research Agenda and Framework. That research protocols and standards are applied
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation method	Cumulative quarterly and year-to-date

Indicator title	Number of research interventions funded
Desired performance	To improve and integrate the PSET system towards increasing access to quality education and training in response to strategic priority interventions that seek to support the realisation of socio-economic development in South Africa. To improve project management and close out of projects in support of strengthening the PSET system in order to increase access to quality and relevant education and training. This includes infrastructure and innovation based on empirical research reports, insights and recommendation.
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance

INDICATOR 3.3.3

Indicator title	**Percentage of NSF-funded projects aimed at research projects which achieved more than 60% of the envisaged outputs**
Definition	Percentage of NSF-funded projects that are aimed at research projects which achieved more than 60% of the envisaged outputs during the year.
Purpose	To report the number of completed NSF-funded projects that are aimed at research projects which achieved more than 60% of the envisaged outputs.
Contribute to outcome indicator	Percentage of completed NSF-funded projects that are aimed at PSET system improvement which have achieved more than 60% of the envisaged outcomes
Source of data	Source documents: MOA and approved business plans with clearly defined outputs and activities. Collection of data: • Information will be collated from reports outlining the final output results of each project quarterly. • Last quarterly report verified outlining expenditure to-date against the performance output to-date. • Performance information schedule
Method of calculation or assessment	**(A) Number of NSF-funded projects that are aimed at research projects which achieved more than 60% of the envisaged outputs, divided by (/) (B) NSF-funded projects that are aimed at research projects multiplied by (*)100 = (Z) percentage A / B * 100 = Z**
Assumptions	That research identified is aligned to the approved Research Agenda and Framework. That research protocols and standards are applied.
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly
Calculation Method	Cumulative quarterly and year-to-date
Desired performance	To improve and integrate the PSET system towards increasing access to quality education and training in response to strategic priority interventions that seek to support the realisation of socio-economic development in South Africa. To improve project management and close out of projects in support of strengthening the PSET system in order to increase access to quality and relevant education and training. This includes infrastructure and innovation, informed by empirically based research.
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance

INDICATOR 3.3.4

Indicator title	Number of innovation interventions funded
Definition	The total number of innovation interventions funded by the NSF during the year. An innovation is an idea that has been transformed into practical reality funded by the NSF. Intervention refers to an action taken to improve findings or situation.
Purpose	To show the number of innovations interventions that were funded to inform the HRDSSA and NSA.
Contribute to outcome indicator	Percentage of completed NSF-funded projects that are aimed at PSET system improvement which have achieved more than 60% of the envisaged outcomes
Source of data	Source documents: Final close-out reports outlining the output results of each project completed. Collection of data: • Information will be collated from close-out reports outlining the final output results of each project. • Last quarterly report verified outlining expenditure to-date against the performance output to-date.
Method of calculation or assessment	A simple count of research interventions that are funded by the NSF.
Assumptions	It is assumed that the source documents will be timeously issued by the relevant body as means of verification. Functional MS Dynamics and performance information reported and verified. Sufficient funding
Disaggregation of beneficiaries	n/a
Spatial transformation	n/a
Reporting cycle	Quarterly and annually
Calculation Method	Cumulative quarterly and year-to-date
Desired performance	To improve and integrate the PSET system towards increasing access to quality education and training in response to strategic priority interventions that seek to support the realisation of socio-economic development in South Africa. To improve project management and close out of projects in support of strengthening the PSET system in order to increase access to quality and relevant education and training. This includes infrastructure and innovation.
Indicator responsibility	**Joint responsibility:** Chief Directorate: Skills Development Implementation **Key support responsibility:** Chief Directorate: Strategy, Innovation and Organisational Performance

ANNEXURES

ANNEXURE A: MATERIALITY AND SIGNIFICANCE FRAMEWORK

In terms of Treasury Regulation 28.3, read with Section 55(2), which is related to materiality, and Section 54(2), which is related to significance of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA), the accounting authority of the National Skills Fund (NSF) must develop and agree on a framework of acceptable levels of materiality and significance with the relevant executive authority.

The Standards of Generally Recognised Accounting Practice (GRAP) on Presentation of Financial Statements (GRAP 1) defines materiality as: Information is material when it could individually or collectively influence the decisions or assessments of the users made on the basis of financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

The ethical conduct of the NSF and staff is built on moral values such as trust, integrity, confidentiality and discretion, and underpins our commitment to adhere to the highest possible acceptable norms and standards of society in all our dealings with our clients and stakeholders as well as the relationships with the organisation.

Our staff members will refrain from any conduct which may be prejudicial to the image, name and good standing of the NSF and will ensure that all activities will be done according to the legal framework of South Africa.

TREASURY REGULATION 28.3.1 **"For purposes of material (Section 55(2) of the PFMA) and significant (Section 54(2) of the PFMA), the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority."**		
Legislative requirements		**Materiality and disclosure**
Section 55(2)	The annual report and financial statements referred to by the PFMA Subsection 55(1)(d) must – (a) fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned.	Quantitative materiality figure **ensures fair presentation of the financial statements,** taking into account GRAP 1. **Materiality range derived:** • Between 0,25% and 0,75% of the total budgeted expenditure The entity is expenditure-driven as it is focused on service delivery through expenditure. Thus, it is appropriate to use total budgeted expenditure alone as the base amount. **Figures relevant:** Total budgeted expenditure based on the fund's budget for the financial year ending on 31 March 2022 and projected budget ending on 31 March 2023. Year ending on 31 March 2022: R3 254 966 000 Year ending on 31 March 2023: R3 318 978 000 2**021/22 financial year:** Lowest range: Calculated as R8 137 415 Highest range: Calculated as R24 412 245 **2022/23 financial year:** Lowest range: Calculated as R8 297 445 Highest range: Calculated as R24 892 335 **NSF materiality framework conclusion:** Based on the judgement of the NSF management, the risks identified and the knowledge of the business, the proposed materiality figure is set as follows: **2021/22: R8 137 415** **2022/23: R8 297 445**
Section 55(2)	The annual report and financial statements referred to by the PFMA Subsections 55(1)(d) must – (b) include particulars of –	

TREASURY REGULATION 28.3.1 **"For purposes of material (Section 55(2) of the PFMA) and significant (Section 54(2) of the PFMA), the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority."**		
Legislative requirements		**Materiality and disclosure**
	(i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;	• All losses through criminal conduct are included in the financial statements. • Treasury Regulations 9.1.5 and 28.2.1 require the accounting authority to disclose all irregular expenditure incurred as a note to the annual financial statements.
	(ii) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;	• All criminal or disciplinary steps taken.
	(iii) any losses recovered or written off;	• All losses recovered or written off.
	(iv) any financial assistance received from the state and commitments made by the state on its behalf;	• All financial assistance received from the state (zero budget for 2021/22).
	(v) any other matters that may be prescribed; and	• Will disclose as prescribed when applicable.
	(c) include the financial statements of any subsidiaries.	• Not applicable.

TREASURY REGULATION 28.3.1 **"For purposes of material (Section 55(2) of the PFMA) and significant (Section 54(2) of the PFMA), the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority."**		
Legislative requirements		**Materiality and disclosure**
Section 54(2)	Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction –	
	(a) establishment or participation in the establishment of a company;	• All transactions regarding establishment or participation in the establishment of a company.
	(b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;	• All participation transactions in a significant partnership, trust, unincorporated joint venture or similar arrangement.
	(c) acquisition or disposal of a significant shareholding in a company;	• All transactions in any acquisition or disposal of a significant shareholding in a company.
	(d) acquisition or disposal of a significant asset;	• All transactions regarding acquisition or disposal of immovable assets.
	(e) commencement or cessation of a significant business activity; and	• All business activity that is outside of the approved strategic plan and budget and would impact on the NSF's ability to fulfil its mandate.
	(f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated point venture or similar arrangement.	• All participation transactions in a significant partnership, trust, unincorporated joint venture or similar arrangement.

ANNEXURE B: LIST OF ABBREVIATIONS AND ACRONYMS

4IR	Fourth Industrial Revolution
5IR	Fifth Industrial Revolution
AGSA	Auditor-General of South Africa
AIDS	Acquired immunodeficiency syndrome
APP	Annual performance plan
CET	Community education and training
CFO	Chief Financial Officer
Covid-19	Coronavirus
DDM	District Development Model
DHET	Department of Higher Education and Training
Director-General	Director-General of Higher Education and Training
DPME	Department of Planning, Monitoring and Evaluation
DSI	Department of Science and Innovation
EPWP	Expanded Public Works Programme
ERP	Enterprise resource planning
HESI	Higher Education, Science and Innovation
HIV	Human immunodeficiency virus
HRD	Human resources development
HRDC	Human Resource Development Council
HRDCSA	Human Resource Development Council of South Africa
HRM	Human resource management
HSRC	Human Science Research Council
ICT	Information and communication technology
INDLELA	Institute for the National Development of Learnerships, Employment Skills and Labour Assessments
IPAP	Industrial Policy Action Plan
LMI	Labour Market Intelligence
MS Dynamics app	Microsoft Dynamic Skills Development Provider application
MTEF	Medium term expenditure framework
MTSF	Medium term strategic framework
NAD	National Artisan Development
NARYSEC	National Rural Youth Service Corps
NDP	National Development Plan 2030
NEET	Not in employment, education nor training
NP-PSET	National Plan for Post-school Education and Training

NSA	National Skills Authority
NSDP	National Skill Development Plan 2030
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
NSI	National system of innovation
OIHD	Occupations in high demand
PFMA	Public Finance Management Act, 1999 (Act 1 of 1999) as amended, including related regulations and practice notes
PIC	Public Investment Corporation
PSET	Post-school education and training
QCTO	Quality Council for Trades and Occupations
QLFS	Quarterly Labour Force Survey
RFP(s)	Request for proposal(s)
SA	South Africa / South African
SAQA	South African Qualifications Authority
SARS	South African Revenue Service
SDA	Skills Development Act, 1998 (Act 97 of 1998) as amended, including related regulations and practice notes
SDL	Skills development levy
SDL Act	Skills Development Levies Act, 1999 (Act 9 of 1999) as amended, including related regulations and practice notes
SDP(s)	Skills development provider(s)
SETA(s)	Sector education and training authority / authorities
SMMEs	Small, micro and medium-sized enterprises
SOP(s)	Standard operating procedure(s)
SPLUMA	Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013)
Stats SA	Statistics South Africa
STD	Sexually transmitted diseases
STEEPLED	Social, technological, economic, environmental, political, legal, ethical and developmental
STI	Science, technology and innovation
SWOT	Strengths, weaknesses, opportunities and threats
TB	Tuberculosis
TVET	Technical vocational education and training
UCT	University of Cape Town
UIF	Unemployment Insurance Fund
WPBL	Workplace-based learning
WP-PSET	White Paper for Post-school Education and Training

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