

2020/2021 - 2024/2025

STRATEGIC PLAN

FOOD & BEVERAGE MANUFACTURING

November 2020



FoodBev SETA

Food and Beverages Manufacturing
Sector Education and Training Authority

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Accounting Authority Statement

The workforce of the food and beverages sector has been continually evolving over three decades during the implementation of the National Skills Development Strategy (i.e. Version One; Two and Three). This is evident through the skills needs that have emerged in the previous Sector Skills Plans (SSP) which informs the development and implementation of the Five-Year Strategic Plan. As we witness the replacement of the National Skills Development Strategy III by the National Skills Development Plan (NSDP) as from the 1st of April 2020, the Accounting authority of the FoodBev SETA is pleased to present its 2020/21-2024/25 Strategic Plan aligned to the annual update of the SSP, as well as with government priorities emanating from various government plans and strategies.

This document provides guidance for the SETA over the next five years as we implement programmes and projects that respond to our mandate. The SETA has considered relevant legislation and regulatory frameworks when developing this strategic planning document. The SETA's plan was guided by the different inputs received from the internal and external FoodBev stakeholders during the annual update of the SSP, as well as research reports conducted by the SETA to improve decision-making. The Accounting Authority will continue to provide direction on the implementation of the strategic priority actions as reported in the SSP. Furthermore, the Accounting Authority endorses the 2020/21-2024/25 Strategic Plan and commits to its successful implementation.



30 November 2020

Mr. Alan Campbell

Food and Beverages Sector Education and Training Authority

Chief Executive Officer Statement

The SETA acknowledges the policy shift from the National Skills Development Strategy (NSDS) III to the National Skills Development Plan (NSDP) which is in its first year of implementation since the 01 April of 2020. The NSDP seeks to ensure that South Africa has adequate, appropriate, and high-quality skills that contribute towards economic growth, employment creation and social development. The goals of NSDP are reinforced by the milestones of the National Development Plan amongst other government plans.

The Five -Year Strategic Plan also find its roots from the priority actions as reported in the SSP. These priority actions involve addressing issues of transformation, artisan development, skills gap in the sector, and assisting the sector to boost innovation through research. These priority actions are still relevant for the next five years with an increase of the scope covered under each. In addition, the SETA has planned and embarked on a partnership with one of the universities focused on the Fourth Industrial Revolution(4IR). Such partnerships will assist the FoodBev SETA to implement the relevant skills interventions needed by the employers. Some of the partnerships planned by the FoodBev SETA include business process integration and efficiency, partnership with entities to support people with disabilities, Department of Women, etc.

As the Chief Executive Officer, I am confident that the institution is committed to the implementation of the Strategic Plan.



Ms. Nokuthula Selamolela

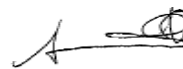
30 November 2020

Food and Beverages Sector Education and Training Authority

Official Sign-Off

It is hereby certified that this Strategic Plan:

- Was developed by the management of the FoodBev SETA under the guidance of FoodBev SETA Accounting Authority
- Considers all the relevant policies, legislation and other mandates for which the FoodBev SETA is responsible.
- Accurately reflects the Impact, Outcomes and Outputs which the FoodBev SETA will endeavor to achieve over the period 2020/21 to 2024/25.



Mr. Hector Makhubele
Senior Manager: Chambers

Signature: _____



Mr. Mogopodi Pule
Senior Manager: Finance

Signature: _____



Ms. Pretty Ngwasheng
Senior Manager: Human Resources/Stakeholder Relations

Signature: _____



Ms. Marlie Spencer
Senior Manager: Education
and Training Quality Assurance

Signature: _____



Mr. Magugu Maphiwa
Chief Financial Officer

Signature: _____



Mr. Sibusiso Miya
Senior Manager: Skills Planning
and Learning Programmes

Signature: _____



Ms. Nokuthula Selamolela
Chief Executive Officer

Signature: _____



Approved by:
Mr. Alan Campbell
Chairperson of the Accounting Authority

Signature: _____

Signed on 30 November 2020

PART A: OUR MANDATE

1. Constitutional mandate

FoodBev SETA's mandate is derived from the Constitution of the Republic of South Africa, which gives everyone the right to education. Section 29 (b) states that everyone has the right to further education, which the state, through reasonable measures, must make progressively available and accessible. This constitutional mandate is strengthened by Schedule 3A of the PFMA (as amended) and the following key pieces of legislation which are directly applicable to the FoodBev SETA:

- 1.1 National Skills Development Plan (NSDP)
- 1.2 The Skills Development Act of 1998 (Act No. 97 of 1998) (SDA) (as amended in 2008)
- 1.3 The Skills Development Levies Act of 1999 (Act No.9 of 1999)
- 1.4 The National Qualifications Framework Amendment Act of 2019
- 1.5 The Sector Education and Training Authorities SETAs Grant Regulations regarding monies received by a SETA and related matters;
- 1.6 The Public Finance Management Act (as amended); and
- 1.7 The National Treasury Regulations governing public entities

2. Legislative and Policy Mandates

Legislative mandate

Skills Development Act 97 of 1998

The FoodBev SETA derives its mandate from the Skills Development Act (SDA) No. 97 of 1998 which was enacted for, amongst others, the purpose of:

- 2.1 Developing the skills of the South African workforce through-
 - a. Improving the quality of life for workers, their prospects of work and labour mobility,
 - b. Improving productivity in the workplace and competitiveness of employers,
 - c. Promoting self-employment,
 - d. Improving the delivery of social services.
- 2.2 Further, the SDA No. 97 of 1998 gives the following functions to the SETA-
 - a. Develop an SSP within the framework of the NSDP;
 - b. Establish and promote learnerships through:
 - i. identifying the need for a learnerships;
 - ii. developing and registering learnerships and facilitating in the conclusion of learnership agreements;
 - iii. identifying workplaces for practical work experience;
 - iv. supporting the development of learning materials; and
 - v. improving the facilitation of learning.
 - c. Collect and disburse the skills development levies in the sector, approving of workplace skills plans, pivotal plans and allocating grants in the prescribed manner to employers and learners;
 - d. Fulfil the functions of an ETQA as delegated by the QCTO; and
 - e. Monitoring education and training in the Sector

The National Development Plan (NDP)

The National Development Plan (NDP) aims to eliminate poverty and inequality by 2030. The SETAs have an important role to play in contributing to the priorities set in the NDP. This strategic plan of the FoodBev SETA considers the need to contribute to these priorities. The core priorities of the NDP in line with this strategy include (i) raising employment through faster economic growth, (ii) improving the quality of education, skills development and innovation to radically transform the economy.

Medium Term Strategic Framework 2014-2019 (MTSF)

The aim of the MTSF is to ensure unified and consistent policies across government. This includes coherence, alignment and coordination across government plans as well as alignment with budgeting processes. The FoodBev SETA has a responsibility to respond and contribute towards Outcome 5 of the fourteen government priority outcomes. Outcome 5 refers to “A skilled and capable workforce to support an inclusive growth path” (Medium Term Strategic Framework 2014-2019). The FoodBev SETA enters into Strategic Partnerships with different stakeholders in the post-school arena to increase the uptake of learners trained to respond to the requirements of this policy directive.

National Skills Development Plan

The scope of the SETAs has been amended as per the National Skills Development Plan published in the Government Gazette No 42290 dated 7 March 2019. This was in response to the White Paper on Post School Education and Training which observed that the mandate is too wide and that a streamlined focus will strengthen the SETAs. The revised scope includes only the below four elements:

- a. Understanding demand and signalling implications for supply.
- b. Steering the system to respond to skills supply.
- c. Supporting the development of the institutional capacity of public and private education and training institutions.
- d. Performing system support functions and managing the budgets and expenditure linked to SETA mandate.

SETAs are required to engage with a variety of stakeholders in understanding demand and to direct funding towards quality qualifications and workplace experience directed at the employed, pre-employed and unemployed. The qualifications and workplace experience funded programmes should support economic growth, encourage employment creation, and enable social development. It is expected that the SETAs should support the development of its service providers’ institutional capacity to increase access to the identified programmes, particularly amongst public providers. The revised scope of the SETAs is clear from the eight specified outcomes in the NSDP and is thus the basis for this strategic plan.

The NSDP also expressly states that “quality assurance functions carried out by the SETAs including the workplace will be effectively integrated into the Quality Council for Trades and Occupations (QCTO)” (National Skills Development Plan, 2019:38). It is however understood that the quality assurance functions delegated by the QCTO under the Skills Development Act will be progressively revoked, but that an alternative delegation will be implemented for new occupational qualifications under the Assessment Quality Partner (AQP) model. The exact nature, scope and requirements associated with such a revised delegation are not yet clear and may impact on strategic planning and performance. Where possible, this has been taken into consideration to pre-empt changes.

SETA Grant Regulations

The regulations dictate the percentages, allocation and use of skills levy resources for payment of mandatory and discretionary grants. Strategic plans and Annual Performance Plans are required to incorporate the prescriptions of the regulations in planning, budgeting and setting of outcome and output indicators.

Workplace Based Learning Programme Agreement Regulations, 2018

The regulations replaced the Learnership Regulations of 2007 which stipulated a template and procedures for registration of learnerships and learnership agreements with SETAs. Under this new regulation, the scope of applicability has been expanded to include other workplace-based programmes such as internships and candidacy. Employers are legally obligated to submit agreements according to a specified timeframe and format, and SETAs are legally mandated to process the registration of such agreements within specified timeframes.

Government-wide Framework for Monitoring and Evaluation

The Policy Framework for Government-wide Monitoring and Evaluation states that it is a statutory requirement that the chief executive officer of a public entity, such as FoodBev SETA, is required to establish a monitoring and evaluation system for the institution. Results from the FBS M&E system are reported to the Department of Higher Education and Training as the Executive Authority. The results are therefore used within monitoring and evaluation of the broader Post-School Education and Training (PSET) sector. Skills and skills development are however also key factors in many other government initiatives such as infrastructure development, addressing unemployment and economic development. FBS M&E objectives and results are therefore relevant and of importance to numerous government departments at all three spheres.

Other policy mandates

- NDP Five Year implementation plan
- Medium Term Expenditure Framework (MTEF)
- New Growth Path (NGP)
- Industrial Policy Action Plan (IPAP)
- National Skills Accord
- Integrated Growth and Development Plan
- Employment Equity Act, Labour Relations Act, Basic Conditions of Employment Act and Occupational Health and Safety Act
- Framework for Managing Programme Performance Information under National Treasury
- White Paper on Post School Education and Training (WP- PSET)

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

The Strategy of FoodBev SETA is aligned to the Outcome 5 of the MTSP, mentioned above, and the National Skills Development Plan (NSDP) outcomes. The following NSDP outcomes were taken into consideration when developing the strategic goals of the SETA:

- 3.1 Identify and increase production of occupations in high demand
- 3.2 Linking education and the workplace
- 3.3 Improving the level of skills in the South African workforce
- 3.4 Increase access to occupationally directed programmes
- 3.5 Support the growth of the public college system
- 3.6 Skills development support for entrepreneurship and cooperative development

3.7 Encourage and support worker-initiated training

3.8 Support career development services

In addition to using the NSDP outcomes as the basis of the strategy, specific strategic priorities relevant to the sector were identified through the SSP process. These strategic priorities affect the allocation of funding to specific areas at a high level, and the criteria set for discretionary grants at a micro level. The SSP strategic priorities are linked to the NSDP outcome in table 4 of this document. The strategic priorities include:

- a. Address the Skills Gap in the sector
- b. Assist the sector to boost innovation through research
- c. Improving quality of provision of matriculants and graduates into the FBS
- d. Transformation
- e. Addressing artisan shortage

The outcome indicators and targets presented in Part C of the Strategic Plan which have been compiled taking both the NSDP outcomes and the FoodBev SETA strategic priorities into account.

The implementation of plans will be monitored to measure progress towards the achievement of planned targets, and to use monitoring findings to improve performance, and future planning and budgeting. The Strategic Plan will be supported by an associated Monitoring and Evaluation Plan to track and verify performance over the five-year period and will culminate in Mid-term and End-term review reports as required by the Draft Framework on Strategic and Annual Performance Plans.

4. Relevant Court Ruling¹

The recent Labour Court Judgement on Regulation 4 (4) related to the reduction of the Mandatory Grant from 50% to 20% of levy contributions poses a risk to FoodBev SETA's discretionary budget and ability to implement its strategy.

PART B: OUR STRATEGIC FOCUS

FoodBev SETA's strategic intent is to:

- provide skills development in the sector,
- provide good governance through the Board and its committees,
- possess the ability to plan and achieve targets as outlined in the Service Level Agreement with the DHET, and
- provide quality assurance that ensures the credibility of learner results.

FoodBev SETA's strategic profile is based on the following principles:

- Understanding the performance environment of the sector by analysing the demand and supply issues;
- Provide funding that is fit for purpose;
- Develop appropriate and effective communication including marketing strategies;
- Good leadership and governance for business continuity and compliance;

¹ Please note that the court ruling has not been officially communicated by the Department of Higher Education and Training.

- Attract, retain, develop and appropriately reward people with the right skills, experience, commitment and energy who will proactively implement this strategy and continuously manage performance through the organisations defined performance management system.

The NSDP outcomes and sub-outcomes, delivery targets of government outcome 5, Department of Higher Education and Training programme 5 and the Sector Skills Plan informed the compilation of this Strategic plan. The strategic focus is on the creation of a “skilled and capable workforce to support an inclusive growth path” and the “building of relationships with workplaces and education and training institutions” which form the basis for the delivery focus of the next five years.

5. Vision

“To be the Driver and Innovator of developing Quality Skills through Partnerships in the pursuance of a Transformed and Competitive Food and Beverage manufacturing sector”

6. Mission

Supporting the drive to:

- Increase Employability of Workforce Entrants;
- Enhance Greater Entrepreneurship; and
- Improve the competitiveness of the Industry.
- Maintain relevance of the SETA skills interventions to the sector.

By

- Facilitating Skills training; and
- Driving Investment in Human Capital Development

Through:

- Innovation and being the best at managing SETA Funds;
- Collaborating with Learning and Industry Partners; and
- Increasing visibility of what we do and what we can offer.

7. Values

As FoodBev SETA we believe in:

- Service Excellence (Delivery)
- Integrity
- Commitment
- Transparency
- Accountability

8. Situational Analysis

The Strategic Plan is the vehicle to address skills development interventions as outlined in the Food and Beverages Manufacturing Sector Skills Plan and the Annual Performance Plan (APP). In this regard, it is important to highlight the environment in which the FoodBev SETA operates. This entails providing a situational analysis of trends in both the external and internal environment of the SETA. Further, the internal environment, specific to the dynamics of the FoodBev SETA as an organisation is discussed, including a SWOT analysis of the SETA.

8.1 External Environment Analysis

Despite the unforeseen nature of COVID-19 pandemic, the FoodBev SETA acknowledges and plans to deliver on the commitments made at the Job Summit Agreement of 2018. Five commitments to increase employment in the country were highlighted together with the necessary interventions that are needed. As a SETA, the FoodBev commits to assist with the delivery of the commitments through funding and supporting more SMMEs over the five-year period; offer the youth more options that include both formal and informal education and skills training. As mentioned in the SSP, the future of entrepreneurial skills in the sector will need a rapid increase of hubs to support small businesses. Further, the SETA supports the Temporary Employer/Employee Relief Scheme through its Learnership programmes for elementary skills which are open to everyone including those who have not passed matric.

PESTEL Analysis of South Africa

This PESTEL analysis aims to address the political, economic, social, technological, environmental, and legal factors that currently affect the country. Below is a PESTEL analysis that was developed based on the South African Food and Beverages manufacturing sector trends.

Political

Since the sixth administration which saw the election of the new president who brought hope to the South African citizens and business confidence, the President has embarked on a journey to uproot fraud and corruption in government and in the implementation of consequence management. This has been done through the State Capture Commission which seeks to identify those who are implicated in corrupt and fraudulent activities with the aim of getting the relevant bodies to prosecute them. This will result in South Africa attracting more foreign investments as well as an increase in the exports and investments in the sector (SONA, 2019). Dealing with corruption which steals from the poor as it deprives them of the basic services they should get as citizens, will help with the delivery of the National Development Plan (NDP) priorities relating to eliminating poverty and reducing inequalities by 2030. As well as the development of 30 000 Artisans by 2030.

Like other countries across the world, South Africa finds itself at war as it grapples with the COVID-19 pandemic. In March 2020, the national government declared a state of national disaster and put in place a national lockdown in response to the Coronavirus (COVID-19) pandemic. The declaration made by the government brought about the implementation of the Disaster Management Act, 57 of 2002. In terms of Regulation no. 398 of the Disaster Management Act, agriculture and food supply are declared as essential services during the pandemic (South African Government, 2020). This means that the entire food value chain, from farm-related operations, agro-processing and food manufacturing, logistics and related services, wholesale and retail services, and all support functions that ensure efficient delivery of the agro-food system had to be functional to ensure that there is access to sufficient, safe and nutritious food (South African Government, 2020). The South African COVID-19 Risk Adjusted Strategy further indicates that as the production, processing, packaging and distribution of food continues, all COVID-19 health and safety protocols are followed. Most of the safety protocols exist in the sector as it handles food, and these were improved during the Listeriosis outbreak. The pandemic has negatively affected the delivery of skills development training across the country. That said, the SETA needs to adapt to the situation by coming up with interventions that will continue to enable the implementation of education and training in the sector, as well as meeting the SETA mandate.

Economic

South Africa's GDP growth has weakened to an average of 1.1% over the last five years, under variable structural reforms and labor market rigidities (African Development Bank, 2020). Subsequently, to unemployment rate of 30% and an economic contraction of 1.4% in the fourth quarter of 2019, the outlook for growth remains unstable and highly vulnerable to a combination of the COVID-19 pandemic. According African Development Bank (2020) the country's GDP is projected to contract by 6.3% to 7.5% in 2020. On 5 May, the South African Revenue Service (SARS) estimated a revenue loss of R285 billion in 2020 because of slow economic activity, amplified by the lockdown to curb further infections.

The South African economy has suffered a significant contraction during April, May, and June, resulting gross domestic product (GDP) falling by 16% (Stats SA, 2020). The fall was exacerbated by the country's lockdown restrictions in response to COVID-19. The mining and manufacturing sectors were the most affected sectors during the lockdown and became significant contributors to the economy's poor performance in the first quarter. According to Stats SA (2020) manufacturing activity decreased by 8,5%, its third uninterrupted quarter of negative growth. The contraction was mainly due to decreases in the production of metals and machinery, transport equipment and petroleum products.

The Food and Beverages Manufacturing Sector is one of the largest sectors in the manufacturing industry, contributing 26.6% of manufacturing production volumes (Statistics SA, 2020). The sector plays a key role in meeting society's vital needs. Measured in real terms (constant 2015 prices), total income generated by the food and beverages industry decreased by 29,4% in March 2020 compared with March 2019 (Stats SA, 2020). Much of this collapse stemmed from the complete prohibition of alcohol sales and the domestic and global disruption in food supply chain. Reports show that an estimated 117,600 jobs have been lost throughout the alcohol industry, 13% of the craft beer sector is in the process of shutting up shop, and the wine industry is in severe distress. The worldwide supply chain includes distribution, packaging, as well as sourcing of raw materials (Choudhury, 2020). Disruptions in these lead to delayed stock and lower supplies, access, and consumption of these food (America et al, 2020). Many people employed in these supply chains such as fish vendors, processors and suppliers will lose their jobs.

From both the exports and imports perspective, South Africa's largest imports in the food, beverages category are cereals, edible oils and meat and edible meat (Benade, 2020). Moreover, South Africa continues to be large exporter of fruit and processed fruit products with Europe, China, the United Arab Emirates and Russia being the top export destinations (Benade, 2020). However, the country's 2020 exports and imports were significantly affected by the COVID-19 pandemic. Throughout the world, lockdowns have disrupted the transportation of packaged foods, prepared foods, non-alcoholic and alcoholic beverages (Choudhury, 2020). According to Choudhury (2020) prior to the outbreak, factors such as lifestyle patterns, rising per capita income, and a growing population have been the prominent growth-enhancing factors associated with the food sector. However, measures adopted by countries across the world including South Africa in the form of shutdowns have hindered the growth of the food and beverages industry to a large extent. While the immediate impacts of the global pandemic are already evident, the long-term impacts are harder to predict as we cannot with any accuracy predict how long the pandemic will last.

Social

Unemployment has reached its highest levels since 2003 in South Africa as it is currently standing at 29% (Statistics SA 2019). Amidst its huge battle with Covid-19 and its attempt to contain the virus outspread, South Africa is suffering from the increasing rates of unemployment that has reached 30% (Statistics SA 2020), as many people have lost their jobs as a result of the current pandemic and the subsequent lockdown. Youth unemployment remains high as well, the lack of skills among the youth in

SA plays a part in the escalating unemployment rate as we continue to move to an increase in automation of production as part of the move into the 4IR. In the manufacturing sector, this has been worsened by advances in manufacturing technology that are increasingly demanding high-level skills. The FoodBev SETA has to offer skills interventions to address the challenges that come with 4IR. The SETA needs to offer skills interventions that respond to the challenges of unemployment as well as the skills gap that come with 4IR.

Technological

The changes in technology are mostly driven by 4IR. Technology is changing how food and beverages are produced, manufactured, and distributed. According to Askew (2019) within the sector, technology is enabling the creation of new products that meet the health and nutritional needs of consumers and improve food safety. New technologies are knowledge and skill intensive and there is a need to train people to work with these technologies. COVID-19 has accelerated technological growth and innovation. As effects of COVID-19 are felt across the world, consumers, employees, and citizens across the world are embracing an array of digital activities and technologies throughout their personal and professional lives.

Environmental

Environmental factors such as climate change and water shortages impact on the food and beverages manufacturing value chain. Climate change, particularly global warming, affects food security through food availability, accessibility, utilisation and affordability. Recent drought patterns have resulted in decreased agricultural output which directly affects manufacturing. It is expected that droughts will continue to reduce the percentage of arable land in South Africa and the rest of the continent (FAO, 2020). The pollution caused by non-biodegradable packaging such as plastic and polystyrene has a direct impact on the environment. The global increase in consumption of ready-made meals and fast-food results in increased packaging waste generated. There are opportunities to reduce food losses, boost the green economy and minimise the impact of waste on the planet using sustainable packaging solutions.

Legal

Other than the business laws in South Africa, businesses in the country adhere to certain legislation and regulations including the South African COVID-19 Risk Adjusted Strategy in line of the Disaster Management Act, 57 of 2002, Value Added Tax (VAT) and Sugar Tax. Other taxes to consider in South Africa: Stamp duty, Customs and excise duties, Transfer duty, Capital gains tax, Skills development levy and fuel levy tax.

Demographic and Sub Sector Trends

There are 13 987 companies who are registered with SARS and classified under food and beverages manufacturing sector (SARS Levy Database, 2020). The Food Preparation Products Chamber has the largest share of companies in the sector followed by the Production, Processing and Preservation of Meat, Fish, Fruit, Vegetables, Oil and Fats Chamber. According to the SARS Levy Database (2019), there are 256 344 employees in the sector.

According to the Department of Labour's Commission for Employment Equity (2020) South Africa's manufacturing industry is male dominated. Males make up 59% of the total workforce while females are at 41%. Meanwhile, the analysis of the 2020 submissions of Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) indicate that the sector remains male dominated at 60%. Males dominate seven of the eight occupational categories with the exception of clerical support workers. The breakdown of employees by age illustrates that most employees in the sector 89 579 (49%) fall within the 35-55 age category, while there were 83 188(44%) employees that were younger than 35 years old. In addition,

employees older than 55 years old comprised of only 127 27 (7%) of employees in the sector. Consequently, there is enough pipeline within the 35-age category in the sector to replace those approaching retirement.

In terms of race, the largest racial group employed in the Food and Beverages Manufacturing sector in 2020 were the Africans, making up 69%, followed by Coloured at 18%, Whites at 10% and Indian/Asian 3%. According to the SSP findings. Africans are predominant in all occupational categories except managerial, where Whites are more prevalent at 43%. An analysis of females only demonstrate that African females are predominant in all occupational categories except managerial. African females represent 35%, whilst White females represent 38% at managerial level.

Employees with disabilities only comprise of 0.6% out of the total employment in the sector. This represents an increase in the employment of people with disabilities by 0.3% compared to the previous year. These figures should be treated with a degree of circumspection because some employees do not disclose their disability status as mentioned by the stakeholders during the interviews conducted with them. Notwithstanding this, the percentage mentioned above is used for reporting purposes and falls short of the 4% target that government has set for achievement. Consistent with this, the FoodBev SETA must continue to target and fund projects that are aimed at increasing the number of people with disabilities in the sector

Factors Affecting Skills Demand and Supply in the Food and Beverages Manufacturing Sector

The SSP as a foundation of the FoodBev SETA Strategic Plan and Annual Performance Plan has identified change drivers in the sector that influences the type of skills required.

Change Drivers in the Sector

The novel COVID-19 pandemic has impacted the Food and Beverages Manufacturing sector across the world. According to UNSCN (2020) food environments around the world are changing to a point that it is influencing the consumers' dietary practices. The outbreak of this virus has resulted in wide-ranging socio-economic consequences including the loss of lives, shrinking government revenues, rapid increase in joblessness and disruption of food and beverages supply chains (United Nations Systems Standing Committee on Nutrition, 2020 & Trade and Industry Policy Strategies, 2020). The landscape of the supply and demand of skills in the Food and Beverages Manufacturing Sector is influenced by various long-term drivers which directly impact skills planning initiatives. Five change drivers are identified namely:

- Technological Advancements** (World Economic Forum, 2018): Technology is radically transforming industries as its potential benefit is being rapidly realised, with the food and beverages industry being no exception. With COVID-19 requiring social distancing, technological interventions are expected to increase.

- Climate Change** (Salmon, 2017): Climate change is a global concern, with the food and beverages industry being responsible for a considerable proportion of greenhouse gas emissions. Consumers are becoming environmentally conscious; seeking products manufactured in environmentally responsible manner.

- Food Safety** (World Health Organization, 2015; Hoffmann et al, 2019; Boatema et al, 2019): Food safety is a global concern, but more prominent in developing countries. The current pandemic has prioritised food safety, with relevant skills a priority. The cost of food safety is significant.

- Health and Nutrition** (World Economic Forum, 2018): Consumers are becoming more conscious of the nutritious content of the food they consume. As a result, dietary requirements are moving towards healthier options, thus requiring producers to accordingly cater for these

changing demands. COVID-19 would also influence food choices both from a health perspective and price sensitivity.

•**Globalisation** (Competitiveness and Urbanisation) (World Economic Forum, 2018; Salmon, 2017): As the urban population grows, food consumption and dietary preferences change, which the sector needs to cater for. Shift in competitive landscape due to changing consumer desires. The impact of COVID-19 on global supply chains is to be determined.

Summative Analysis: Change drivers and impact on skills planning

The food and beverages industry in South Africa contributes immensely to economic growth (Boatemaa et al, 2019). The change drivers identified together with the coronavirus (COVID-19) outbreak give rise to a variety of factors that impact the supply and demand of skills in the sector for the foreseeable future. The COVID-19 impact on manufacturing and distribution costs is also expected to be significant and the impact on distribution and global supply chains must be considered.

There are generic occupations that are expected to increase in demand in the food and beverages industry and these are: Data Analysts and Scientists, Sales and Marketing Professionals, Artificial Intelligence and Machine Learning Specialists, Training and Development Specialists, General and Operations Management Specialists, E-commerce and Social Media Specialists, Organisational Development Specialists, New Technology Specialists, Information Technology Services, User Experience and Human-Machine Interface Designers (World Economic Forum, 2018). As COVID-19 continues to affect the future of food, the industry is expected to experience an increased demand for skills such as Food Technologists and Food Safety and Hygiene Specialists to ensure improved food safety operations and processes. These occupations as well as the current roles, will require the workforce to have the following associated generic skills: analytical thinking and innovation, creativity, originality and initiative, active learning and learning strategies, technology design and programming, complex problem-solving, critical thinking and analysis, leadership and social influence, emotional intelligence, resilience, flexibility (World Economic Forum, 2018). However, based on the context of South Africa the issues pertaining to food safety, food hygiene, quality control, monitoring and reporting are critical. Specific technical skills and skills related to the new technological developments, along with advanced marketing and sales as well as skills in packaging and marketing become important. Expertise are required in fields of Research and Development, Material Science Engineering and Packaging Technology.

8.2 Internal Environment Analysis

It is important to identify the strengths of the organisation and to reflect on the areas of weaknesses that need to be improved on to effectively and efficiently deliver the FoodBev SETA mandate. Below is a table that reflects the organization's strengths, weaknesses, opportunities and threats.

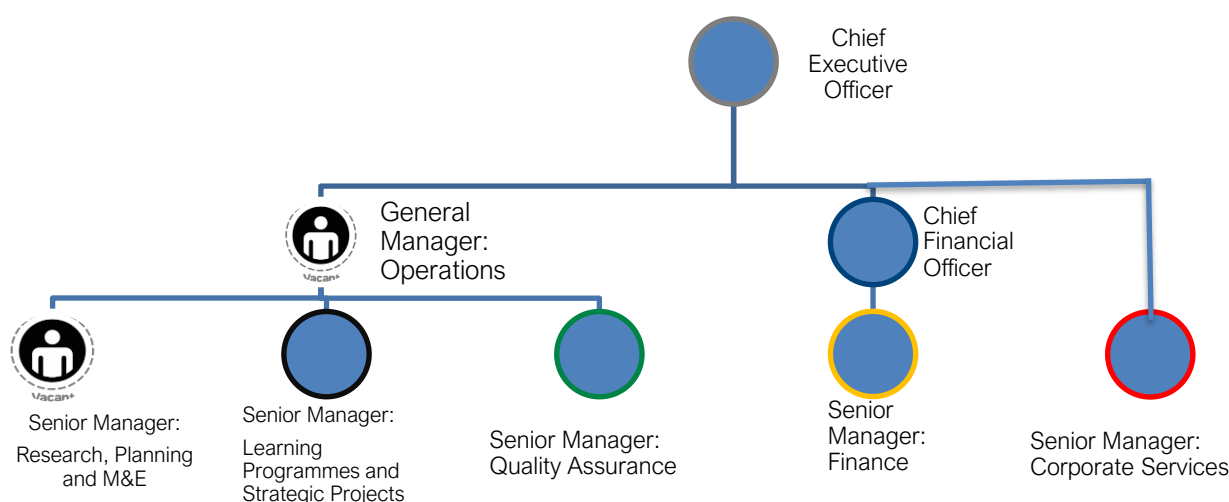
Table 1: SWOT Analysis of the FoodBev SETA

Strengths	Weaknesses
<ul style="list-style-type: none"> Financial stability Institutional knowledge Financial and audit compliance Stable, coherent and strategic focused Accounting Authority Ability to conduct day to day business remotely as a result of COVID-19 pandemic 	<ul style="list-style-type: none"> Insufficient SMME support and participation Inadequate stakeholder management Allocation of funds not focused on skills gap within the sector Insufficient and inadequate automated systems and processes Inadequate business integration model

Strengths	Weaknesses
	<ul style="list-style-type: none"> ▪ Poor or untimely submission of registration and completion documents for programmes leading to programme completion delays. ▪ Lack of uptake of SETA programmes such as Centres of Specialization ▪ Large cancellation of approved grants by employers and training providers ▪ Large termination of registered programmes due to high learner migration
Opportunities	Threats
<ul style="list-style-type: none"> ▪ SARS and DHET broad database ▪ The evolution of the 4th Industrial Revolution ▪ Government-Wide Monitoring and evaluation capability ▪ Evolution of Operators and Artisans ▪ Support TVET colleges with accreditation of FoodBev SETA programmes ▪ Availability of SMME in need for skills development support ▪ The evolution of social media, such as Facebook and tweeter etc. ▪ 10-year SETA license ▪ Internet of things (IoT) (e-learning) ▪ Increasing visibility of the organisation and opening of offices within the TVET office space in other regions. 	<ul style="list-style-type: none"> ▪ Keeping up with technology and 4IR impact on people and skills ▪ Non-alignment of TVET college curriculum to industry needs ▪ Additional global skills alignment (should we design differently) ▪ Non-compliance to laws and regulations ▪ Cyber security threat ▪ World economic downturn/ depression ▪ Inadequate uptake and completion of training due to the impact of the COVID-19 pandemic

The FoodBev SETA's Board is responsible for governance and providing strategic direction and leadership to the organisation. Executive Committee, Finance and Remuneration Committee, Governance and Strategy Committee, and Audit and Risk Committee oversees the management of the SETA, monitors and reinforces the effectiveness of both the internal control systems and functions and performs all functions delegated by the Board to ensure that the organisation meets the requirements of the PFMA and SDLA Acts as well as Treasury regulations.

The Board is responsible for ensuring that FoodBev SETA achieves its mandate by reviewing organisational performance, corporate strategy and monitoring compliance. The Chief Executive Officer is responsible for the strategic leadership of the organisation assisted by Executives and Senior Managers. The Board approved a revised organogram in order to ensure adequate capacitation of the organisation. The objective of the organisational review was to ensure proper execution of the mandate of FoodBev SETA and optimising of its functions and resources. The high-level organogram set out below illustrates the management structure of FoodBev SETA.



The CEO Office directs the development of short and long-range objectives, policies, budgets and operating plans for the organisation. Establishes an organisational hierarchy and delegates limits of authority to subordinate executives in relation to legal, people, financial and operational matters.

The Operations Office is responsible for directing and coordinating core operational activities, functions, and service delivery areas. These functions will include Research, Planning, Monitoring and Evaluation, Learning Programme and Strategic Projects and Quality Assurance. The core function of this Department will be to facilitate and conduct research, planning and skills development within the sector, direct and coordinate all research initiatives, knowledge management, policy dialogue and collaboration in relation to funding, impact assessment and project evaluations. In addition, the department will be responsible for Monitoring and Evaluation function to monitor and evaluate all SETA Programme performance and implementation of M&E strategies, systems and tools that will ensure accurate and timely availability of performance information. The Quality Assurance department will be responsible for providing quality assurance as delegated by the Quality Council for Trades and Occupations (QCTO) for specific qualifications (learnerships) and skills programmes registered on the National Qualifications Framework (NQF). The department is also responsible for the monitoring of programmes, including processing of completions for programmes other than FoodBev SETA programmes, extensions, terminations and associated grant recovery.

The Corporate Services Department is responsible for the provision of Integrated Human Resource Management, Legal Risk and Compliance and Marketing, Communications, Branding, and career events. In addition, the department is also responsible for Office maintenance, security, and cleaning services.

The Finance Department's main responsibility is the SETAs overall financial plans, policies, accounting practices and managing relationships with financial institutions. In addition, the department is accountable for the overall management of supply chain, procurement, and Information Communication Technology. The SETA has a fully capacitated IT infrastructure to support the business strategy with most of the front and back-end processes automated. The IT general controls and application controls are strong and at acceptable level for the entity size. However, FoodBev will seek to improve the IT environment with regards to the updating of policies to align to latest regulatory changes and technological advancement, streamlining and optimisation of business processes, and automation of the areas that are still manual. The SETA strives to comply with the Broad-Based Black Economic

Empowerment Act 53 of 2003 as amended by Act 46 of 2013 (“the BBBEE Act”) with respect to the following elements:

- Management control - the overall black African representation stands at 90%, which is significantly above the Gauteng EAP target of 78%, of which 62% of these are female and 4% are people with disability.
- Skills development – FoodBev SETA grant programmes place much emphasis towards women, youth and learners with disabilities in the sector in order to promote inclusivity. Employers are also encouraged to consider training and development of more black people, particularly females and those with disability to enable them to have access to occupations at all levels of organisations.
- Enterprise and supplier development – FoodBev aim to be a key contributor to socio-economic change in the country, and therefore prioritizes procurement from businesses certified at B-BBEE levels 1 and 2. In addition, preference is given to companies that are at least 51% black-owned and at least 30% black women owned.

Lastly, because the FoodBev SETA uses the Conservative Budgeting approach when preparing the budget, it is always able to fund and execute its mandate as required. Revenue is projected using historical information coupled with known sector changes and then apply an expected increase in sector salaries.

Expenditure is based on the projected levy revenue which is apportioned in accordance with SETA grant regulations into mandatory grant, discretionary grants and administration (including QCTO allocation) expenditure. Discretionary grant expenditure is further broken in terms of the APP performance indicators, while administrative budgets is allocated in terms of historical data and known changes. It should be noted that the SETA does not budget for surplus or deficit.

PART C: MEASURING OUR PERFORMANCE

9. Institutional Performance Information

It is mandatory for SETAs to produce a five-year Strategic Plan that illustrates the plans, goals and objectives they have in place to help them deliver on their mandate. For this reason, a strategic planning session was arranged with the Board, Executives and Management of FoodBev SETA. The session included a review of the previous strategy plan, a discussion of findings raised around the 2018/19 Annual Performance targets. The work outlined in this Strategic Plan forms part of a long-term objective of an inclusive education system and relevant skills which must continue to shape the vision of the future. The method followed in developing this plan included a SWOT analysis exercise as well as the analysis of the SWOT of the organisation. The methodology pursued Pains-Enablers process to compile a priority list which lead to the identified outcomes.

9.1 Measuring the Impact

Impact statement	A capable workforce that contributes to self-employment, economic growth and quality of life.
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9.2 Measuring Outcomes

Table 2: Outcomes and Strategic Priorities

Outcome	SSP Priority Action	Outcome indicator	Outcome indicator Baseline ²	5-year target
NSDP Outcome 1: Identified and increased production of occupations in high demand				
FoodBev SETA Outcome 1: Identified occupations in high demand are addressed through relevant and accessible programmes. FoodBev SETA Outcome 2: Relevant Programmes Facilitated to respond to the PSET education, skills development and training in public institutions.	Address the Skills Gap in the sector Assist the sector to boost innovation through research	1. Percentage of the Discretionary Grant budget allocated to developing high level skills including managers, professionals and associate professionals	35,86%	32-36%
		2. Percentage of the Discretionary Grant budget allocated to developing intermediate level of skills.	63,71%	64-68%
		3. Percentage of the discretionary grant budget allocated to developing elementary level skills	0,43%	0,5-1,5%
		4. Number of research outputs/papers produced by FBS	6	6-10
		5. Percentage of discretionary funding allocated to priority qualifications in response to priority occupations	86%	86-90%
FoodBev SETA Outcome 6: Improved skills planning through research				
FoodBev SETA Outcome 1: Identified occupations in high demand are addressed through relevant and accessible programmes.				
NSDP Outcome 2: Linked education and the workplace				
FoodBev SETA Outcome 1: Identified occupations in high demand are addressed through relevant and accessible programmes. FoodBev SETA Outcome 7: Established Partnerships with Stakeholders (e.g. learning institutions, foundations, NGO's, Public Sector Institutions) to make the industry more competitive.	Improving quality of provision of matriculants and graduates into the FBS	6. Percentage of total discretionary funding directed towards programmes for the unemployed which include a work experience component (TVET, UoT, learnerships, graduate placement, apprenticeships)	77%	77% - 80%
NSDP Outcome 3: Improved skills level in the South African workforce				

² Some Outcome Indicator Baselines are based on one-year information due to the limited availability of the required relevant data.

Outcome	SSP Priority Action	Outcome indicator	Outcome indicator Baseline ²	5-year target
FoodBev SETA Outcome 8: Supported and transformed sector with a focus on: <i>Youth/Women/People with Disability /TVET and Community Colleges/Rural / Townships</i> FoodBev SETA Outcome 7: Established Partnerships with Stakeholders (e.g. learning institutions, foundations, NGO's, Public Sector Institutions) to make the industry more competitive.	Transformation	7. Percentage of discretionary grant funding for management development programmes allocated to designated groups (women, youth and People with disabilities) in support of sector transformation	69%	80% - 90%
		8. Percentage of learners with disabilities on funded skills development programmes	4.26%	4.5%-6%
		9. Percentage of female learners on funded skills development programmes	46.16%	46-55%
		10. Percentage of youth learners funded on skills development programmes	76.74%	80%
NSDP Outcome 4: Increased access to occupationally directed programmes.				
FoodBev SETA Outcome 2: Relevant programmes facilitated to respond to the PSET education, skills development and training in public institutions. FoodBev SETA Outcome 1: Identified occupations in high demand are addressed through relevant and accessible programmes.	Address skills gap in the sector	11. Percentage of priority occupations where occupational teams and/or industry role-players (community of expert practitioners) have recommended interventions.	New indicator	100%
FoodBev SETA Outcome 2: Relevant programmes facilitated to respond to the PSET education, skills development and training in public institutions.		12. Number of artisans produced towards meeting the target of the NDP.	753	800 – 1 100
NSDP Outcome 5. The growth of the public college system supported				
FoodBev SETA Outcome 2: Relevant Programmes Facilitated to respond to the PSET education, skills development and training in public institutions.	Addressing artisan shortage	13. Number of public TVET Colleges supported to offer food and beverages manufacturing occupational programmes	3	7

Outcome	SSP Priority Action	Outcome indicator	Outcome indicator Baseline ²	5-year target
		14. Number of public CET Colleges supported to deliver programmes relevant to the sector	0	3
NSDP Outcome 6: Entrepreneurs and cooperatives supported with skills development needed for their growth				
FoodBev SETA Outcome 3: Increased offering designed to address national imperatives. FoodBev SETA Outcome 9: Relevant and focused interventions that respond to the challenges of unemployment which include: entrepreneurship skills, learnerships, skills programmes, training on localisation and optimisation etc. FoodBev SETA Outcome 10: Established and improved Customer Services which include a Client Relations Management (CRM) system and a Communication Strategy.	Address skills gap in sector	15. Percentage of discretionary grant funding directed towards training interventions that support the development of entrepreneurs and training interventions that support skills development of entrepreneurs, small businesses and cooperatives.	0,4%	1.5%-5%
		16. Percentage of stakeholder satisfaction rating /level	78%	88%-90%
NSDP Outcome 7: Encouraged and supported worker-initiated training				
FoodBev SETA Outcome 7: Established Partnerships with Stakeholders (e.g. learning institutions, foundations, NGO's, Public Sector Institutions) to make the industry more competitive. FoodBev SETA Outcome 10: Established and improved Customer Services which include a Client Relations Management (CRM) system and a Communication Strategy.	Address skills gap in sector	17. Percentage of discretionary funding directed towards the support of trade unions through relevant training interventions.	0%	2%
NSDP Outcome 8: Supported career development services				
FoodBev SETA Outcome 5: Increased awareness of FoodBev SETA offerings. FoodBev SETA Outcome 8: Supporting the transformation of the Industry with a focus on: Youth/Women/People with Disability /TVET and Community Colleges/Rural / Townships	Address skills gap in the sector	18. Percentage of career events supported in rural and township areas on occupations in high demand.	12%	30%

Outcome	SSP Priority Action	Outcome indicator	Outcome indicator Baseline ²	5-year target
NSDP Outcome 9: Performing system support functions and managed budgets and expenditure that are linked to the SETA mandate				
FoodBev SETA Outcome 4: Efficient & Effective Disbursement of Funds.	N/A	19. Number of clean audit outcomes achieved.	2	5
		20. Percentage of Mandatory Grants payout ratio	83%	85% -90%

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

The FoodBev SETA has identified strategic Priorities that it plans to implement as the focus performance areas over the next five years. These priorities are also identified in the Sector Skills Plan for the period of 2020-2025. The identified performance areas are:

a. Addressing Artisan Shortages and Development

The SETA continues to support the training of artisans, more specifically Millwrights as they remain an important need as one of the hard to fill vacancies in the sector. The overall number of the artisans remains high each financial year as the demand cuts across all sectors. A multi-prolonged strategy to alleviate the scarcity of artisans in the Food and Beverage Sector continues to be implemented.

b. Improving Quality of Provision of Matriculants and Graduates into the Food and Beverages Manufacturing Sector

The FoodBev SETA will promote and fund significantly more bursaries for the sector. The SETA will target varsity students who have performed remarkably well as matriculants, particularly in Maths and Science, to enter the Food Science and Technology learning programmes. Currently, there is very little emphasis placed on bursaries for matriculants to get into tertiary education. Placing more emphasis on bursaries into Food Science and Technology could potentially produce more industry specific priority occupations in the long run. Further, there are plans to engage relevant stakeholders regarding programmes that will try curb the high matric drop-out rate and those who want to improve their results.

c. Transformation

Transformation is a strategic focus area for the FoodBev SETA. The FoodBev SETA will consider increasing the allocation of bursaries for relevant post-graduate studies targeted at African females. An increase in bursary allocations for post-graduate studies will ensure a pipeline of highly skilled females who have the necessary skills to occupy higher positions.

In addition, the FoodBev SETA will focus on equipping middle and senior management in food and beverage companies with the requisite managerial skills through other forms of training interventions. In relation to disability, the FoodBev SETA will continue to set aside a special grant ring fenced for the training needs of people with disabilities to augment their presence in the Food and Beverage Manufacturing Sector. Small Businesses will also be a key priority area under the transformation target as the SETA has realised that it has neglected medium-to-small entities in the sector although they are the main stakeholders for the FoodBev SETA.

d. Assist the Sector to Boost Innovation through Research

The FoodBev SETA plans to continue awarding bursaries towards Masters and PhD studies in research and innovation to encourage innovation in the sector. International and National Conferences/Seminars as well as Webinars which the SETA strives to boost innovation in the sector. Participation in the latter helps FBS keep abreast of any new developments in the sector. Further, the need for innovation in sector is reinforced by the current impact of the COVID-19 pandemic. More partnerships local and international will be identified to help boost innovation in the sector. In addition, the Research Agenda over the reporting period will also focus on SMMEs development, RPL programmes to align with global practices.

e. Skills Gaps in the Sector

Generic management skills, numeracy, literacy, computer Literacy, soft skills and industry specific knowledge skills will be prioritised as well due to the significant skills gaps highlighted in the sector. The SETA has various training interventions that will be implemented to address management skills, industry specific knowledge and some soft skills. The SETA plans to create an awareness of the available programmes it offers and will therefore ensure that employers are knowledgeable about the programmes the SETA funds. Further, it will form partnerships that are linked to the skills that emerge from the change drivers highlighted by the sector. The SETA will keep the sector abreast of the learning programmes it funds.

f. Emerging Strategic Priorities

The FoodBev SETA Accounting Authority has identified emerging priorities that need to be considered in the five-year period. These priorities are supported by national policies and findings of research that was conducted by the SETA. Below are the two emerging priorities:

i. Unemployment

In addition to the partnership the SETA has with the Unemployment Insurance Fund(UIF), it plans to help address the challenges of unemployment, especially for the youth, through relevant and focused interventions that respond to the challenges of unemployment which include but are not limited to: entrepreneurship skills, learnerships, skills programs, training on localisation and optimisation.

ii. Customer Services

The SETA continues to seek opportunities to improve on the service it provides to its stakeholders and partners. Thus, its it has embarked on an BPM project with the aim to reduce manual intervention that results in reoccurring human error. Additionally, it will establish and improve customer services through the development of a Client Relations Management (CRM) system and a Communication Strategy.

9.4 Key Risks

Table 3: FoodBev SETA Risks

Outcome	Key Risk	Risk Mitigation
1. Performing system support functions and managing the budgets and expenditure linked to the SETA mandate.	1. Inadequate staffing capacity and recruitment practices. 2. Inadequate staff training and low staff morale. 3. Non-compliance with applicable laws and regulations. 4. Inadequate supply chain management procedures resulting	1.1 Develop talent management strategy. 1.2 On-going review, development and implementation of HR policies and procedures. 1.3 Enhance and modify job profiles and re-grading of jobs to attract scarce skills. 1.4 Review and update Reward and recognition policy.

Outcome	Key Risk	Risk Mitigation
	<p>in irregular and wasteful expenditure.</p> <p>5. Delays in procurement processes impacting negatively on SETA performance.</p> <p>6. Inadequate information and communications technology ("ICT") systems and Cyber security threat.</p> <p>Inadequate implementation and achievements of APP targets as result of COVID-19 pandemic</p>	<p>1.5 Revised SETA budget and programme deliverables (i.e. indicators and targets) in response to COVID-19 pandemic.</p> <p>2.1. Development and implement individual development plans and allocation of adequate staff development budget.</p> <p>3.1. Develop risk and compliance framework and report quarterly to audit and risk committee.</p> <p>3.2. Compliance monitoring by risk management committee.</p> <p>4.1. On-going training in supply chain management as well as relevant legislative instruments.</p> <p>5.1. Strict adherence to supply chain policies and procedures.</p> <p>5.2. Quick turnaround times with regards to Evaluation and Adjudication of bids and receipt of quotations.</p> <p>5.3. Implement processes that will ensure payments are made within the required 30 days.</p> <p>6.1. Information security review and enhancements.</p> <p>6.2. Implementation of Patch Management System.</p> <p>6.3 Review and update of ICT policies.</p> <p>6.4 Develop a business continuity plan.</p> <p>6.5 Implementation of IT Strategy and Plan which includes prevention, detection and resolution of cyber security threats</p> <p>6.6 Consider innovative means of supporting distance learning (e.g. e-learning) to enable continuity of education and training in the sector, as means of ensuring that the SETA implements its mandate and delivers against its performance targets during the COVID-19 outbreak..</p>
2. Identify and increase production of occupations in high demand	<p>7. Ineffective sector skills plan.</p> <p>8. Inaccurate data received from the submitted Annexure WSP/ATRs.</p> <p>9. Non-submission of WSP /ATRs from companies.</p>	<p>7.1 Conduct sector skills research.</p> <p>7.2 Training stakeholders on the requirements of the WSP/ATR and how to populate it.</p> <p>8.1 Training stakeholders on the requirements of the WSP/ATR and how to populate it.</p> <p>9.1 Conduct workshops targeting small businesses with regards to the importance of participating in skills development initiatives.</p>
3. Increase access to occupationally directed programmes	<p>1. Lack of companies' resources to train according to their needs (especially small levy paying companies).</p> <p>2. Part qualification registration policy and procedures from the QCTO not finalised in time.</p> <p>3. Inadequate and ineffective project management reporting.</p>	<p>1.1 Continuous research and implementation of responsive occupational programmes.</p> <p>2.1 Continued engagement with the QCTO.</p> <p>2.2 FoodBev SETA to implement own requirements for quality assurance where this is necessary for funding of occupational programmes.</p> <p>3.1 Quarterly monitoring of project implementation.</p> <p>4.1 Implementation of the project Monitoring and Evaluation processes to enable a timely</p>

Outcome	Key Risk	Risk Mitigation
	<ul style="list-style-type: none"> 4. Lack of supporting documentation for registration and completion of programmes. 5. Insufficient capacity to implement M&E Annual Plan 6. M&E tools insufficient or ineffective to provide information required for planning and decision-making 7. Inaccurate reporting of performance information via SETMIS. Inconsistencies between FBS quarterly performance reports and SETMIS quarterly comprehensive reports 8. Poor attendance and mismatched chambers representation during Chamber meetings 9. Lack of capacity in public TVET Colleges to deliver occupational programmes 	<p>identification of project delays and budget overruns, and to resolve any project delivery backlog to minimise negative impact on SETA service delivery.</p> <ul style="list-style-type: none"> 5.1 Sufficient resources recruited that will implement M&E plan 6.1 Research and M&E units to collaborate on activities and outputs. 7.1 Establishment of internal controls and standard operating procedures to verify data prior to submissions. 7.2 Continued engagement with the Department of Higher Education and Training to ensure compliance with and alignment to comprehensive report rules 8.1 Mobilise and garner support from all sub sectors 8.2 Develop a schedule of Chamber meetings and communicate in advance 9.1 Evaluate public TVET College capacity prior to initiating assistance for accreditation
4. Skills development support for entrepreneurship and cooperative development.	1. No response to the FoodBev SETA training interventions by SMMEs and cooperatives.	<ul style="list-style-type: none"> 1.1 Conduct workshops to assist companies with workplace skills planning and Budget to support this. 1.2 Identify companies that will be assisted by FoodBev SETA to complete the WSP forms.
5. Encourage and support worker-initiated training	1. No response to the FoodBev SETA training interventions by Trade unions.	1.1 Conduct workshops to assist Trade Unions with skills planning.
6. Support the growth of the public college system	1. Lack of capacity in public TVET Colleges to deliver responsive occupational programmes.	<ul style="list-style-type: none"> 1.1 Evaluate public TVET College capacity prior to initiating assistance for accreditation. 1.2 Continued engagement with the QCTO regarding development of TVET qualifications.
7. Linking education and the workplace	1. Workplace approval not delegated to the SETAs by QCTO	1.1 FoodBev SETA to implement own requirements for workplace approval where this is necessary for funding of occupational programmes.
8. Improving the level of skills in the South African workforce	1. QCTO processes and requirements for historically registered qualifications amended	<ul style="list-style-type: none"> 1.1 Continued engagement with the QCTO. 1.2 FoodBev SETA to implement own requirements for quality assurance where this is necessary for funding of occupational programmes.

Outcome	Key Risk	Risk Mitigation
9. Support Career development services	1. Lack of reach within the target market.	1.1 Encourage stakeholders to host open plant tours. 1.2 Sufficient budgetary allocation for outreach activities. Host own career expos and career guidance initiatives.

PART D: Technical Indicator Description (TID)

1. Indicator Title	Percentage of the Discretionary Grant budget allocated to developing high level skills including managers, professionals and associate professionals
Definition	Discretionary funding refers to levy resources available for skills development initiatives. High level skills refer to programmes at NQF level 6 to 10, or to skills development of managers, professionals and associated professionals employed in the sector.
Source of data	FoodBev SETA database
Method of calculation / Assessment	Total amount committed towards high level skills / Total discretionary funding amount. The final figure is presented as a percentage
Assumptions	SETA Grant regulations will not be updated in the period, or if amended will not affect the SETAs discretion in budget allocation
Disaggregation of Beneficiaries	Women: 55-80% of 5-year target Youth: 80-100% of 5-year target People with disabilities: 1-2% of 5-year target
Spatial Transformation	Nationally
Reporting cycle	Annually
Desired Performance	Exceed the planned five-year target (32%-36%)
Indicator responsibility	Senior Manager: Learning Programmes & Strategic Projects

2. Indicator Title	Percentage of the Discretionary Grant budget allocated to developing intermediate level of skills.
Definition	Discretionary funding refers to levy resources available for skills development initiatives. Intermediate level skills refer to programmes at NQF level 2 to 5, or to skills development of technicians and administrators employed in the sector.
Source of data	FoodBev SETA database
Method of calculation / Assessment	Total amount committed towards intermediate level skills / Total discretionary funding amount the final figure is presented as a percentage
Assumptions	SETA Grant regulations will not be updated in the period, or if amended will not affect the SETAs discretion in budget allocation
Disaggregation of Beneficiaries	Women: 55-65% of 5-year target Youth: 80-100% of 5-year target People with disabilities: 1-2% of 5-year target Unemployed and employed Learner target
Spatial performance	Nationally
Reporting cycle	Annually
Desired performance	Exceed the planned five-year target (64%-68%)
Indicator responsibility	Senior Manager: Learning Programmes & Strategic Projects

3. Indicator Title	Percentage of the discretionary grant budget allocated to developing elementary level skills
Definition	Discretionary funding refers to levy resources available for skills development initiatives. Elementary level skills refer to programmes at NQF level 1 or lower, or to skills development of elementary workers employed in the sector.

3. Indicator Title	Percentage of the discretionary grant budget allocated to developing elementary level skills
Source of data	FoodBev SETA database
Method of calculation / Assessment	Total amount committed towards elementary level skills / Total discretionary funding amount the final figure is presented as a percentage
Assumptions	SETA Grant regulations will not be updated in the period, or if amended will not affect the SETAs discretion in budget allocation
Disaggregation of Beneficiaries	Women: 60-80% of 5-year target Youth: N/A People with disabilities: N/A
Spatial Transformation	Nationally
Reporting cycle	Annually
Desired performance	Exceed the planned five-year target (0,5%-1,5%)
Indicator responsibility	Senior Manager: Learning Programmes & Strategic Projects

4. Indicator Title	Number of research outputs/papers produced to inform Sector Skills Planning
Definition	Research is a form of systematic inquiry defined as any perusal of materials, engagements with stakeholders through various platforms to gather information related to skills development. This indicator measures the research output of the FoodBev SETA.
Source of data	Resolution as per Board minutes indicating approval of the Research Agenda for the year
Method of calculation / Assessment	A simple count of approved Research Reports
Assumptions	Board approved research reports
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Reporting cycle	The data collected through research is reliable, valid and timely
Desired performance	Exceed the planned five-year target (6-20)
Indicator responsibility	Senior Manager: Research, Planning and M & E

5. Indicator Title	Percentage of discretionary funding allocated to priority qualifications in response to priority occupations
Definition	Discretionary funding refers to levy resources available for skills development initiatives. Priority occupations are identified in the SETA SSP. Priority qualifications are programmes intended to address priority occupations.
Source of data	FoodBev SETA database
Method of calculation / Assessment	Total amount committed towards priority qualifications / Total discretionary funding amount the final figure is presented as a percentage
Assumptions	SETA Grant regulations will not be updated in the period, or if amended will not affect the SETAs discretion in budget allocation
Disaggregation of Beneficiaries	Women: 55-65% of 5-year target Youth: 80-100% of 5-year target People with disabilities: 1-2% of 5-year target

5. Indicator Title	Percentage of discretionary funding allocated to priority qualifications in response to priority occupations
Spatial Transformation	Nationally
Reporting cycle	Annually
Desired performance	Exceed the planned five-year target (86%-90%)
Indicator responsibility	Senior Manager: Learning Programmes & Strategic Projects

6. Indicator Title	Percentage of total discretionary funding directed towards programmes for the unemployed which include a work experience component (TVET, UoT, learnerships, graduate placement, apprenticeships)
Definition	Discretionary funding refers to levy resources available for skills development initiatives. Work experience refer to programmes for unemployed learners including TVET work integrated learning (WIL), learners from Universities of Technology or Comprehensive Universities who require WIL, unemployed learners on learnerships, internships, candidacy and graduate work placement programmes.
Source of data	FoodBev SETA database
Method of calculation / Assessment	Total amount committed towards programmes as defined / Total discretionary funding amount the final figure is presented as a percentage
Assumptions	SETA Grant regulations will not be updated in the period, or if amended will not affect the SETAs discretion in budget allocation
Disaggregation of Beneficiaries	Women: 55-80% of 5-year target Youth: 80-100% of 5-year target People with disabilities: 1-2% of 5-year target
Spatial Transformation	Nationally
Reporting cycle	Annually
Desired performance	Exceed the planned five-year target (77%-80%)
Indicator responsibility	Senior Manager: Learning Programmes & Strategic Projects

7. Indicator Title	Percentage of discretionary grant funding for management development programmes allocated to specified designated groups in support of sector transformation
Definition	Management development programmes refer to bursaries awarded for persons employed in the sector. Designated groups refer to employees of all races excluding Whites.
Source of data	FoodBev SETA database
Method of calculation / Assessment	Total amount committed towards management development programmes for designation groups / Total discretionary funding amount for management development programmes The final figure is presented as a percentage
Assumptions	Achievement of a management development programme will result in promotion or career advancement.
Disaggregation of Beneficiaries	Non-whites 80%
Spatial Transformation	Nationally
Reporting cycle	Annually
Desired performance	Exceed the planned five-year target (80%-90%)

7. Indicator Title	Percentage of discretionary grant funding for management development programmes allocated to specified designated groups in support of sector transformation
Indicator responsibility	Senior Manager: Learning Programmes & Strategic Projects

8. Indicator Title	Percentage of learners with disabilities funded on skills development programmes
Definition	A minimum percentage of all learners on funded programmes will be directed towards people with disability. Disability refers to learners with a disability as per the classification and process by the South African Revenue Service.
Source of data	FoodBev SETA database
Method of calculation / Assessment	Total number of learners funded with a disability / Total number of all learners on funded skills development programmes The final figure is presented as a percentage
Assumptions	Skills development increases the employability of people with disability.
Disaggregation of Beneficiaries	People with disabilities: 100% of 5-year target
Spatial Transformation	Nationally
Reporting cycle	Annually
Desired performance	Exceed the planned five-year target (4.5%-6%)
Indicator responsibility	Senior Manager: Learning Programmes & Strategic Projects

9. Indicator Title	Percentage of female learners funded on skills development programmes
Definition	A minimum percentage of all learners on funded programmes will constitute female learners.
Source of data	FoodBev SETA database
Method of calculation / Assessment	Total number of female learners / Total number of all learners on funded skills development programmes
Assumptions	The final figure is presented as a percentage
Disaggregation of Beneficiaries	Women: 100% of 5-year target
Spatial Transformation	Nationally
Reporting cycle	Annually
Desired performance	Exceed the planned five-year target (55%)
Indicator responsibility	Senior Manager: Learning Programmes & Strategic Projects

10. Indicator Title	Percentage of youth learners funded on skills development programmes
Definition	A minimum percentage of all learners on funded programmes will constitute youth learners.
Source of data	FoodBev SETA database
Method of calculation / Assessment	Total number of youth learners / Total number of all learners on funded skills development programmes
Assumptions	The final figure is presented as a percentage
Disaggregation of Beneficiaries	Youth: 100% of 5-year target
Spatial Transformation	Nationally

Reporting cycle	Skills development increases the employability of the youth in SA.
Desired performance	Exceed the planned five-year target (80%)
Indicator responsibility	Senior Manager: Learning Programmes & Strategic Projects

10. Indicator Title	Percentage of youth learners funded on skills development programmes
Definition	A minimum percentage of all learners on funded programmes will constitute youth learners.
Source of data	FoodBev SETA database
Method of calculation / Assessment	Total number of youth learners / Total number of all learners on funded skills development programmes
Assumptions	The final figure is presented as a percentage
Disaggregation of Beneficiaries	Youth: 100% of 5-year target
Spatial Transformation	Nationally
Reporting cycle	Skills development increases the employability of the youth in SA.
Desired performance	Exceed the planned five-year target (80%)
Indicator responsibility	Senior Manager: Learning Programmes & Strategic Projects

11. Indicator Title	Percentage of priority occupations where occupational teams and/or industry role-players have recommended interventions
Definition	Occupational teams and/or professional bodies refer to forums with representation from, but not limited to, industry associations, chamber representatives, and food and beverage manufacturing subject matter experts. It is expected that interventions will be identified for all priority occupations, either for use or for development.
Source of data	Report produced following engagement
Method of calculation / Assessment	Number of priority occupations where interventions were identified / Total number of priority occupations Final figure presented as a percentage
Assumptions	Representatives are willing to participate.
Disaggregation of Beneficiaries	N/A
Spatial Transformation	Nationally
Reporting cycle	Annually
Desired performance	Exceed the planned five-year target (100%)
Indicator responsibility	Senior Manager: Skills Planning and Learning Programmes

12. Indicator Title	Number of artisans produced towards meeting the target of the NSDP.
Definition	Artisans refers to learners who are qualified in programmes associated with the official list of trades. NSDP artisan target is as specified in the National Skills Development Plan and is stated as 30 000.
Source of data	Artisans who have successfully completed as per the FoodBev SETA database
Method of calculation / Assessment	Number of artisans completed / Artisan target in NSDP Final figure presented as a percentage

12. Indicator Title	Number of artisans produced towards meeting the target of the NSDP.
Assumptions	The target as specified in NSDP is credible and valid
Disaggregation of Beneficiaries	Youth: 70-100% of 5-year target
Spatial Transformation	Nationally
Reporting cycle	Annually
Desired performance	Exceed the planned five-year target (800-1100)
Indicator responsibility	Senior Manager: Learning Programmes & Strategic Projects

13. Indicator Title	Number of public TVET Colleges supported to offer food and beverages manufacturing occupational programmes
Definition	Public TVET Colleges refer to those classified as such by the Department of Higher Education and Training. Food and beverage manufacturing programmes include occupational qualifications and part qualifications with a direct relevance to the manufacturing of food and beverages. Support may include assistance with accreditation, funding for bursaries, lecturer development programmes, placement of students for work experience and any other relevant assistance to either enhance College capacity or increase enrolments or increase throughput rates.
Source of data	Agreements between FoodBev SETA and public TVET Colleges
Method of calculation / Assessment	Number of public TVET Colleges supported / Total number of public TVET Colleges Final figure presented as a percentage
Assumptions	There is appetite in the public TVET College space for collaboration.
Disaggregation of Beneficiaries	N/A
Spatial Transformation	Nationally
Reporting cycle	Annually
Desired performance	Exceed the planned five-year target (7)
Indicator responsibility	Senior Manager: Learning Programmes & Strategic Projects

14. Indicator Title	Number of public CET Colleges supported to deliver programmes relevant to the sector
Definition	Public CET Colleges refer to those classified as such by the Department of Higher Education and Training. Relevant programmes include those with a food and beverage manufacturing technical component, and entrepreneurship or business programmes for individuals and small businesses who wish to operate in the food and beverage manufacturing sector.
Source of data	Agreements between FoodBev SETA and public CET Colleges
Method of calculation / Assessment	Number of public CET Colleges supported / Total number of public CET Colleges Final figure presented as a percentage
Assumptions	There is appetite in the public CET College space for collaboration.
Disaggregation of Beneficiaries	N/A
Spatial Transformation	Nationally
Reporting cycle	Annually
Desired performance	Exceed the planned five-year target (3)
Indicator responsibility	Senior Manager: Learning Programmes & Strategic Projects

15. Indicator Title	Percentage of discretionary grant funding directed towards training interventions that support the development of entrepreneurs and training interventions that support skills development of small businesses and cooperatives.
Definition	Small businesses refer to sole proprietors and businesses employing fewer than 50 people who are or wish to operate in the food and beverage manufacturing sector. Cooperatives include all entities recognised as such. Relevant programmes include those with a food and beverage manufacturing technical component, and entrepreneurship or business programmes for individuals and small businesses who wish to operate in the food and beverage manufacturing sector.
Source of data	Agreements between FoodBev SETA and small businesses or cooperatives
Method of calculation / Assessment	Amount of funding awarded to small businesses in the sector and cooperatives specifically / Total amount of discretionary funding the final figure is presented as a percentage
Assumptions	SETA Grant regulations will not be updated in the period, or if amended will not affect the SETAs discretion in budget allocation
Disaggregation of Beneficiaries	N/A
Spatial Transformation	Nationally
Reporting cycle	Annually
Desired performance	Exceed the planned five-year target (1.5%-5%)
Indicator responsibility	Senior Manager: Learning Programmes & Strategic Projects

16. Indicator Title	Percentage of stakeholder satisfaction rating / level
Definition	Stakeholder satisfaction refers to the official independent survey outcome used to assess and measure stakeholder experience and perceptions of FoodBev service offerings. .
Source of data	Approved stakeholder satisfaction report by EXCO
Method of calculation / Assessment	Percentage in the overall stakeholder satisfaction
Assumptions	Improved service delivery will result in stakeholder satisfaction
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Reporting cycle	Every Second Year
Desired performance	Exceed the planned five-year target (88%-90%)
Indicator responsibility	Manager: Stakeholder Relations

17. Indicator Title	Percentage of discretionary funding directed towards the support of trade union members through relevant training interventions.
Definition	Trade unions refers to an organised association of workers in a trade, group of trades, or profession, formed to protect and further their rights and interests. The unions will be consulted through forums, meetings and other engagements to enhance understanding of skills development initiatives required in the sector. This will inform planning of interventions designed in response to needs identified in partnership with trade unions

Source of data	Agreements signed between FoodBev SETA and a trade union or an intermediary
Method of calculation / Assessment	Amount of funding awarded to trade union special projects / Total amount of discretionary funding the final figure is presented as a percentage
Assumptions	There is appetite from the trade unions to participate in skills development planning and intervention design
Disaggregation of Beneficiaries	N/A
Spatial Transformation	Nationally
Reporting cycle	Annually
Desired performance	Exceed the planned five-year target (2%)
Indicator responsibility	Senior Manager: Learning Programmes & Strategic Projects

18. Indicator Title	Percentage of career events supported in rural and township areas on occupations in high demand.
Definition	Career events refer to; Stakeholder engagements, Chamber meetings, roadshows, and career guidance events supported, and career guides distributed include those arranged by FoodBev SETA, by DHET, or any other event where the focus is career guidance. Rural areas are as per the FoodBev SETA classification in lieu of an official definition.
Source of data	Proof of meetings and career guide events attendance
Method of calculation / Assessment	Number of career guidance events supported in rural areas / Total number of career guidance events supported final figure is presented as a percentage
Assumptions	There is a greater need for career guidance in rural areas
Disaggregation of Beneficiaries	N/A
Spatial Transformation	Nationally
Reporting cycle	Annually
Desired performance	Exceed the planned five-year target (30%)
Indicator responsibility	Senior Manager: Corporate Services

19. Indicator Title	Number of clean audit outcomes achieved
Definition	A clean audit refers to financial statements that are free from material misstatements and there are no material findings on the reporting of performance objectives or non-compliance with legislation.
Source of data	Audit outcome as per AGSA
Method of calculation / Assessment	Simple count of clean audit outcome per financial year
Assumptions	FoodBev SETA will retain its audit status
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Reporting cycle	Annually
Desired performance	Exceed the planned five-year target (5)
Indicator responsibility	CEO and Management

20. Indicator Title	Percentage of Mandatory Grants payout ratio
Definition	A pay-out ratio is defined as an improved total amount of mandatory grant expenditure relative to the income received.
Source of data	Audit outcome as per AGSA
Method of calculation / Assessment	Total grant expenditure/total grant income
Assumptions	The numbers reported are accurate and free from material errors.
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Reporting cycle	Annually
Desired performance	Exceed the planned five-year target (85% -90%)
Indicator responsibility	CFO and Management



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