



merSETA

MANUFACTURING, ENGINEERING
AND RELATED SERVICES SETA

Manufacturing, Engineering and Related Services Sector Education and Training Authority

**Final Draft Annual Performance Plan for
2023/2024**

30 November 2022

ACCOUNTING AUTHORITY STATEMENT

The 2023/24 APP was developed at a time when South Africa is facing significant challenges due to disruptive local and global events which have shaped the political and economic trajectory. These events range from volatility of the global economy, political and civil unrest and war in the Ukraine causing disruption to global value chains, increased fuel prices and rising inflation. Locally, the energy crisis, civil unrest, rising crime and political instability has impacted the development agenda. The South African economy has thus suffered due to a complexity of social, economic, and political factors. The skills development ecosystem has not been spared as the prevailing social, economic and political conditions have impacted the delivery of key projects.

The development of the 2023/24 APP was preceded by the merSETA Accounting Authority midterm review whose aim was to assess performance on the strategic outcomes of the 2020/21 – 2024/ 25 strategic plan so as to identify strengths, gaps and areas for improvement. Key to that was identifying new value-creating opportunities within the merSETA. The 2023/24 APP will therefore play a critical role in closing the gaps as well as identifying new opportunities for advancing the strategic outcomes of the merSETA as articulated in the 2020/21 – 2024/25 strategic plan.

Moreover, the development of the APP 2023/24 comes at a time when South Africa is recovering from the devastating effects of the COVID-19 pandemic. The merSETA will continue working with various stakeholders to implement programmes, projects and interventions aimed at supporting economic recovery and growth. The implementation of the Economic Reconstruction and Recovery plan remains key in getting the economy back on track.

To support key national strategies, the merSETA has identified priorities that would require its contribution through its skills development mandate. Some of the key priorities include accelerating economic transformation, supporting the digital economy in the 4th and 5th industrial revolution, skills for a sustainable manufacturing sector and skills for the changing world of work. In responding to these priorities, the merSETA will continue to strengthen its role as an intermediary body in the skills development ecosystem. The merSETA is also looking at gearing up its partnerships to focus on supporting growth and recovery in the sector, technology, and innovation

in the 4IR/5IR, strengthening the PSET ecosystem and responding to national priorities.

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OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan was developed by the management of the Manufacturing and Engineering Related Services Sector Education and Training Authority (merSETA) under the guidance of the Accounting Authority, and takes into account all the relevant policies, legislation and other mandates that govern the merSETA responsibilities, and accurately reflects the Impact, Outcomes and Outputs which the Manufacturing, Engineering and Related Services Sector Education and Training Authority will endeavour to achieve over the period 2023/24. The APP here-in has been compiled in alignment to the Department of Planning Monitoring and Evaluation (DPME) and National Treasury (NT) Planning Framework and Guidelines for planning documents.

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ACRONYMS

AA	Accounting Authority
AGSA	Auditor General of South Africa
AET	Adult Education and Training
AI	Artificial Intelligence
APP	Annual Performance Plan
AQP	Assessment Quality Partner
ARPL	Artisan Recognition of Prior Learning
ATR	Average True Range
B-BBEE	Broad-Based Black Economic Empowerment
BER	Bureau of Economic Research
BRICS	Brazil, Russia, India, China, South Africa
CBO	Community Based Organisation
CBQ	Cost Benefit Quality
CEO	Chief Executive Officer
CET	Community Education Training
CFO	Chief Financial Officer
COO	Chief Operations Officer
CoS	Centres of Specialisation
CETEMF	Capital Equipment, Transport Equipment, Metal Fabrication
CHE	Council for Higher Education
COMET	Competence Measurement in Education and Training
CSIR	Council for Scientific and Industrial Research
DG	Discretionary Grants
DBE	Department of Basic Education
DHET	Department of Higher Education and Training
DPME	Department of Performance Monitoring and Evaluation
DQP	Development Quality Partner
DSAP	Dual System Apprenticeship Programme
DTIC	Department of Trade and Industry and Competition
ECM	Enterprise Content Management
EEA	Employment Equity Act
EE	Employment Equity
ERRP	Economic Reconstruction and Recovery Plan
ETQA	Education and Training Quality Assurance
EV	Electronic Vehicle
FET	Further Education and Training
FLC	Foundation Learning Certificate
FMCG	Fast Moving Consumer Goods
GBV	Gender Based Violence
GBVF	Gender Based Violence and Femicide
GDP	Gross Domestic Product
HEI(s)	Higher Education Institutions
HRM	Human Resource Management
ICT	Information and Communication Technology
IPAA	Intellectual Property Amendment Act
IRD	Innovation Research and Development
ISO	International Organisation for Standardisation
KM	Knowledge Management

M&E	Monitoring and Evaluation
MANCO	Management Committee
mer-sector	Manufacturing, Engineering and Related sector
merSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MoA	Memorandum of Agreement
MTEF	Medium Term Expenditure Framework
NAMB	National Artisan Moderation Body
MTSF	Medium Term Strategic Framework
N/A	Not applicable
NAACAM	National Association of Automotive Component and Allied Manufacturers
NEMA	National Environmental Management Act
NDP	National Development Plan
NGOs	Non-Government Organisations
NPO	Non-Profit Organisation
NQF	National Qualifications Framework
NSDMS	National Skills Development Management System
NSP	National Strategic Plan
NSDP	National Skills Development Plan
NYP	National Youth Policy
NSFAS	National Student Financial Aid Scheme
NT	National Treasury
PESTEL	Political, Economic, Social, Technological, Environmental and Legal
PFMA	Public Finance Management Act
PIVOTAL	Professional, Vocational, Technical and Academic Learning
POPIA	Protection of Personal Information Act
PSET	Post-School Education and Training
PWD	People with Disabilities
QCTO	Quality Council for Trades and Occupations
QMS	Quality Management Systems
QS	Quality Systems
RAP	Retrenchment Assistance Programme
SA	South Africa
SETA	Sector Education and Training Authority
SME	Small and Medium Enterprises
SMME	Small Medium and Micro- Enterprises
SLA	Service Level Agreement
SHE&Q	Safety, Health, Environment and Quality
SSP	Sector Skills Plan
SWOT	Strengths, Weaknesses, Opportunities and Threats
TID	Technical Indicator Descriptor
TVET	Technical and Vocational Education and Training
VR	Virtual Reality
WBL	Workplace Based Learning
WBL	Work- based learning
WIL	Workplace Integrated Learning
WP-PSET	White Paper for Post-School Education and Training
WSP	Workplace Skills Plan
XR	Extended Reality
4IR	Fourth Industrial Revolution

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PART A: OUR MANDATE

1 Updates to the relevant legislative and policy mandates

1.1 Constitutional mandate

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

1.2 Legislative and policy mandates

1.2.1 Legislative frameworks

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

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

Some of the legislation that informs the merSETA mandate include but not limited to the following:

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

1.2.2 Policy environment

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

- *National Development Plan (NDP)*
- *White Paper for Post-School Education and Training (WP-PSET)(2014)*
- *Human Resource Development Strategy for South Africa (2015)*
- *National Skills Development Plan*
- *New Growth Path*
- *Medium-Term Strategic Framework (2019 -2024)*

2 Updates to institutional policies and strategies

The merSETA annual performance plan takes into consideration sectoral priorities, national priorities, strategies, and policies. The following are some of the key national policies and strategies central to the providing signals to the skills development work of the merSETA and its stakeholders. Key themes emerging include supporting economic growth through reindustrialisation efforts, localisation, transformation, community and youth development, supporting women, sustainability and digital transformation.

2.1 National Development Plan (NDP)

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

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

2.2 National Skills Development Plan (NSDP)

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

PSET). The merSETA will focus on addressing the eight NSDP outcomes highlighted in Table 1. The eight outcomes are mapped to the merSETA strategic outcomes for the period 2020/21 – 2024/25.

Table 1: Mapping the NSDP Outcomes to merSETA outcomes

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

Outcome 8: Support career development services.

Outcome 5: A skilled, agile and flexible current and future workforce for emerging and future occupations and employment opportunities, within the merSETA sector engineering and manufacturing industries, and related labour market.

2.3 Sectoral Masterplans

The South African government has identified master plans for the priority sectors as pivotal in stimulating growth in those sectors. According to the Department of Trade, Industry and Competition (2020), a vital part of growing our industrialisation effort are the sectoral masterplans, which bring all partners together to agree on specific measures to improve productivity, investment and competitiveness. A central pillar of this work is the transformation of our economy, creating space for new black and women entrants, and, taking deliberate steps to change ownership and production patterns. Some of the priority sectors identified are within the merSETA scope of coverage. The sector master plans relevant to the merSETA are briefly discussed below:

2.3.1 Automotive master plan

The vision of the automotive master plan is to support the development of “a globally competitive and transformed industry that actively contributes to the sustainable development of South Africa’s productive economy, creating prosperity for industry stakeholders and broader society”¹. The key development objectives stated to achieve this vision include:

- (i) Growing South African vehicle production to 1% of global output.
- (ii) Increasing local content in South African assembled vehicles to up to 60%.
- (iii) Doubling total employment in the automotive value chain.
- (iv) Improving the automotive industry competitiveness levels to that of leading international competitors.
- (v) Transformation of the South African automotive industry through the employment of black South Africans, up skilling of black employees, empowerment of dealerships and authorised repair facilities, and substantially

¹ The Department of Trade, Industry and Competition. (2019). The automotive Masterplan. Available from www.dtic.gov.za

increasing the contribution of black-owned automotive component manufacturers within the automotive supply chain.

(vi) Deepening value addition within South African automotive value chains.

2.3.2 Steel and metal fabrication master plan

The Master plan is in the process of being developed and is expected to play a key role in unlocking the growth opportunities for the metal and engineering sector which is facing challenges due to rising input costs, lack of demand and stiff competition. The metals and engineering industry is expected to benefit from the automotive master plan objective to increase local content to 60%.

2.3.3 Plastics sector master plan

The vision for the plastics industry adopted in the draft master plan is to be “a proactively adapted industry that is able to fully supply the growing, and forever changing needs of the local and export markets; an industry that is able to create jobs, advance transformation and economic inclusion; and sustainably industrialises in an environmentally responsible manner”². To support this vision three objectives have been identified in the draft master plan, namely:

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

2.4 Economic transformation, inclusive growth, and competitiveness:

Towards an Economic Strategy for South Africa (2019)

The combination of low growth and rising unemployment means that South Africa’s economic trajectory is unsustainable. This has been worsened by the COVID-19 pandemic which has put into jeopardy government’s economic transformation and

² The Department of Trade, Industry and Competition. (2020). The plastics industry masterplan. Available from <https://www.plasticsinfo.co.za>

inclusive growth agenda. Government urgently needs to implement a series of growth strategies that promote economic transformation, support labour-intensive growth, and create a globally competitive economy (National Treasury, 2019). At the centre of this strategy is 'economic transformation' defined as the rapid and fundamental change in the systems and patterns of ownership and control that govern the economy.

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

2.5 Economic Reconstruction and Recovery Plan (ERRP) (2020)

The plan sets out a bold vision and immediate actions to enable an economic rebound and to build the economy of the future with the aim of stimulating equitable and inclusive growth. This is following the stagnation of the economy for a long period coupled with the Covid-19 crisis has also led to low levels of capacity utilization in the various sectors of the South African economy³. The plan sets out eight priority interventions that will stimulate South Africa's recovery and reconstruction effort. Five

³ The Presidency. (2020). Economic Reconstruction and Recovery Plan. Available from www.gov.za

of the priority interventions are relevant to the merSETA (see figure 1). Skills development has also been identified as a key enabler of growth.

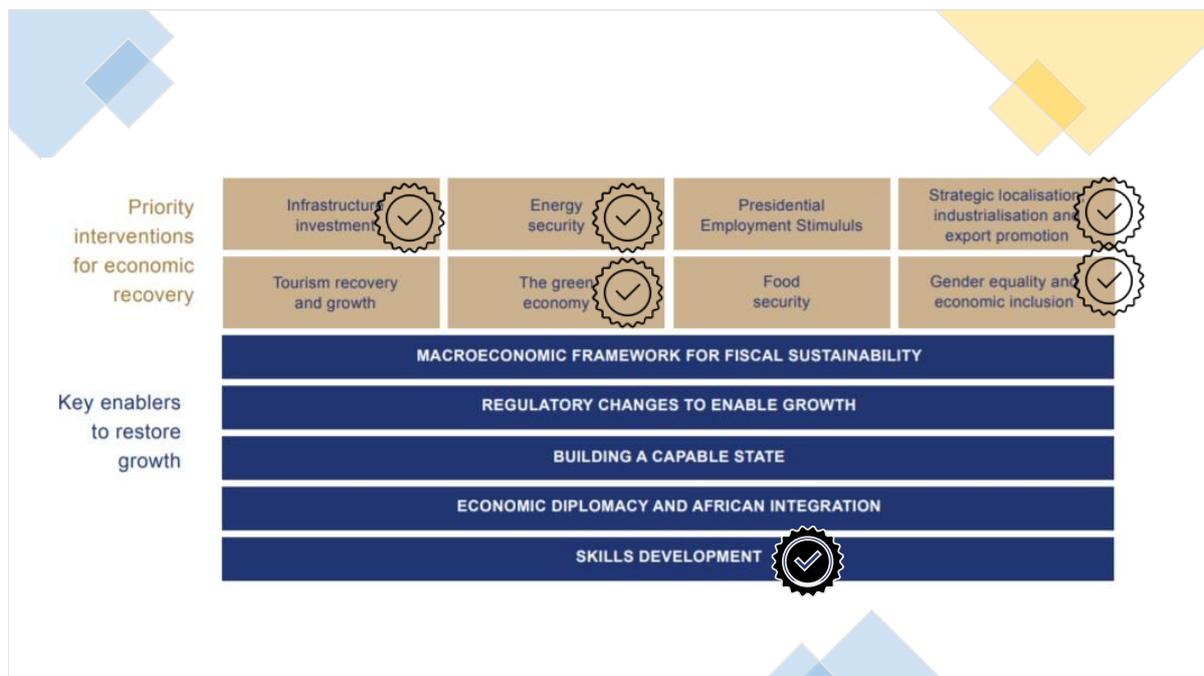


Figure 1: ERRP Priorities

2.6 Green paper on the social economy (2019)

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

- **Legal and regulatory environment** that will stimulate activities in the social economy and reduce barriers to start up and grow social economic entities
- **Financial Inclusion** by promoting access to finance for the social economy
- **Access to markets** to enable the social economy to participate in the broader economy

- **New Economies** – putting in place measures and policies to enable the Social Economy to benefit from the 4IR and at the same time promoting employment creation as a response to potential job losses because of the introduction of 4IR technologies.

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

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

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

2.8 National Youth Policy (NYP) 2020- 2030

The National Youth policy for 2020-2030 builds on South Africa's first and second NYPs, which covered the period 2009–2014 and 2015-2020, respectively. In addition, the policy will respond to inequality and will be premised on programmes being inclusive, geared towards rectifying imbalances of the past, and closing gaps in representation and participation. Young people reaffirmed the need to continue a path towards holistic and positive youth development. In this regard, it has been proposed that the youth policy should prioritise the following policy pillars:

- Quality education and skills;
- Economic transformation, Entrepreneurship and Job creation;
- Physical and Mental Health Promotion including COVID-19;
- Social Cohesion and Nation Building; and
- Effective and responsive youth development machinery.

Technological advancements are rapidly evolving. Therefore, it is worthy to note that, the Fourth Industrial Revolution (4IR) has been identified as the cross-cutting theme across the above stated 5 policy pillars. The NDP anchors for a vision of a prosperous democratic, non-sexist, non-racist equal society and the NYP builds on the NDP vision that the youth have the capacity to reduce poverty and inequality over the next decade.

2.9 The National Digital and Future Skills Strategy (2020)

The strategy envisages a society of digitally skilled South Africans. It sets out a structured series of initiatives intended to contribute to the capacities of South Africans to meet the challenges arising from the increasing deployment and adoption of digital technologies in economy and society, understanding that the digital revolution⁴. According to the strategy, all the Sector Education and Training Authorities (SETAs) must incorporate digital skills planning in their sector skills plans, taking note of the specific applications of digital technologies and digital process innovation in their respective sectors. Digital and future skills will be a key focus area for the merSETA in order to respond to the skills development needs of the digital economy.

⁴ Department of Communications and Digital Technologies. (2020). National digital and future skills strategy. Available from www.gov.za

2.10 Report on the Presidential commission on the 4th industrial revolution (4IR)

The Presidential commission on the 4th industrial revolution appointed by the President of the republic of South Africa, released its recommendations report in October 2020. The report identified skills as one of the five pillars of the 4th industrial revolution. The 4IR requires a skilled, capable, and technologically savvy workforce which is continuously learning and keeping pace with the changes. To build a digital economy and society, skills are expected to play a key role. The commission report recommends that 4IR should be embedded in SETAs and that going forward, 4IR should be a major focus of SETAs with proposals to amend the Skills Development Act to mandate SETAs in the coming 5 years to spend between 20% and 50% of their budgets on 4IR related initiatives.

The merSETA has identified the need to respond to the needs of the digital economy, particularly the skills development needs of the mer-sector in the digital driven 4IR. 4IR has therefore been embedded in various programmes and initiatives. To respond appropriately, the merSETA has identified its partnership as a key vehicle to drive the 4IR agenda in the sector.

2.11 The Green Paper on Electromobility (2021)

The Department of Trade, Industry and Competition (DTIC) released a green paper on the advancement of New Energy Vehicles (NEVs) and battery electric vehicles in South Africa in May 2021. This paper outlines a framework on which the long-term outlook of electric vehicles can be developed.

The automotive sector has time and again highlighted that there will be a shift to energy vehicles in the near future. This will be preceded by a phasing out period of internal combustion engines, switching to hybrid vehicles and eventually completely electric vehicles. The framework will focus on the creation of the high value business environment, including an appropriate fiscal and regulatory framework that makes SA

a leading and highly competitive location, not only on the African continent but globally, for EV production. In tandem with these plans merSETA stakeholders have also highlighted the need to investigate the opportunities to establish battery manufacturing plants to further facilitate the growth of the economy and create jobs. The merSETA Governance and Strategy Committee has also recognised the need to strengthen the participation of the AA and governance structures in influencing policy direction to ensure that national and sectoral priorities find expression in new policies such as the green paper on electromobility. This is to ensure that priorities such as localisation, transformation and job creation and the role of skills development are filtered through.

2.12 Implications for merSETA support through its skills development mandate

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

The merSETA needs to respond through a range of programme and project initiatives to the array of policies indicated.

2.12.1 Supporting economic reconstruction, recovery, and growth

The merSETA strategy plan (2020/21 -2024/25) has documented key national and sectoral priorities to support economic growth. It is recognised that skills cannot spur economic growth but that they are a critical enabler of growth from the level of the individual to the level of the organization, the local and global economies. As an intermediary for skills the following are prioritized:

- Skills for localisation – local manufacturing in the mer-sectors for internal consumption and export
- Skills for a digital economy – skills for the adoption of new technologies and new products (diversity)

- Skills for supporting the growth of township and rural economies as well as community development.
- Skills for transformation, economic empowerment and equitable wealth generation.

Skills for professionalisation of the sector.

The following projects and Partnerships have been implemented in response of the ERRP

- **Green skills analysis and roadmap to a green economy**

This project was aimed at understanding how the green economy is perceived by the mer sector and highlight key opportunities for training and development by highlighting gaps and recommendations regarding the development of new programmes and continuous monitoring of the green requirements within the manufacturing sector.

- **Retrenchment – feasibility and continued DG support**

In line with the need to stem further job losses, the call from government is to also ensure reabsorption of worked into meaningful employment, the merSETA has competed a feasibility study into the possibilities of training retrenched workers, persons with disabilities and other vulnerable groups to form small businesses and cooperatives. In addition, merSETA continues to support the sector through the Retrenchment Assistance Programme (RAP).

- **Re-industrialisation and Localisation**

The merSETA has continuously highlighted the need to support local production and reindustrialization efforts – to this end the merSETA have been monitoring the skills required for sectoral master plans, most prominently the auto sector has received massive investments and will require skills development support in line with the Auto master plan which will endeavour to have 60% locally manufactured components in new motor vehicles by 2030.

Additionally, the merSETA has established the Automotive Components Manufacturing Chamber to increase skills development efforts within the sector. NAACAM has implemented a high gear project to better understand the requirements to ramp up efforts to localize manufacturing and ensure TVET curricula are aligned to industry needs. The merSETA has also funded NAACAM

to support skills development in line with the required skills identified in the master plan.

To further support reindustrialization, the merSETA is conducting research on Special Economic Zones to better understand their work and their skills development needs that are aligned to the mer-sectors.

- **Simulated Training Interventions Research**

The merSETA concluded research into alternative training methods including simulations and virtual factories to assist with skills development requiring workplace experience in a time of constrained numbers of workplaces open for training purposes.

- **Skills for 4IR in the Manufacturing Sector**

New technologies are rapidly being implemented in manufacturing and to better understand skills, the merSETA has completed a report with the Development Policy Research Unit (DPRU) on the jobs that are at risk of redundancy due to technological advancements. In addition, the merSETA is also conducting research with a focus on the 4IR skills required in the mining equipment manufacturing sector due to rapid development of new technologies and advancements in mining.

- **Youth Entrepreneurship Research** - This project was recently completed, and it unveiled the challenges faced by youth who operate informally in the manufacturing sector in townships, it also unveiled the youth outlook in terms of the COVID-19 pandemic and how they perceive their livelihoods within this challenging period.

- **Economic Complexity and SMME development** - To further strengthen an understanding of the sectors as well as the capabilities of the sector to venture into frontier product manufacturing (thereby making the economy more complex and supporting increased exports of locally manufactured goods), the merSETA with the DPRU are embarking on this research project to assess the skills needed.

2.12.2 Skills for the changing world of work and emerging employment/career opportunities

Disruptions in the labour market as a result of changes brought by advances in manufacturing in the 4IR, the COVID-19 pandemic and the growth of the gig economy require that South Africa re-evaluates the notion of jobs and occupations. To this end the merSETA should be putting in place initiatives to support the attainment of emerging, transitioning and future occupations and skills including but not limited to the following:

- Introducing micro-credentials, expanding on the limited conception of credentials as currently defined by the National Qualifications Framework (i.e. qualifications and part qualifications)
- Skills for entrepreneurship in formal manufacturing and social entrepreneurship within township and rural economies.
- Researching working in a sharing economy and types of learner support needed to transition to new methods of teaching and learning
- Simulated and virtual factories for learning to be researched and recommendations taken on board to assist transition to work in the absence of a workplace.
- Upskilling to take up new opportunities at higher skills level.
- Reskilling to take up opportunities in lateral and changing careers.
- Multi-skilling to aid the diverse skills requirements of small companies and the gig economy.

2.12.3 Skills for the growth and sustainability of the green and circular economies

The 4IR and the green economy are recognised as the key drivers for all businesses both locally and globally. The mer-sector has, however lagged in the green economy with respect to keeping pace with its development beyond only compliance related to reduced carbon emissions, reduced waste and water consumption. As such the following has been prioritised:

- Support the development of TVET curriculum and learning interventions to grow skills for career opportunities within the green economy.

- Explore the potential of the green and circular economy employment growth opportunities within the mer-sectors, rural and township economies.
- Support skills development for youth and women in the green economy as part of addressing economic transformation and inclusivity, so that said beneficiaries are enabled to take up new and emerging opportunities.
- Support skills for environmental sustainability in manufacturing – clean and green processes.
- Support skills for green mobility – hybrid and electric vehicles
- Support skills in renewable energy – mer-sector manufacturing, repair and service of equipment.

2.12.4 Exploring and supporting the role of the mer-sector in the digital economy

The merSETA has for a long time been perceived as a sector that is not part of the digital economy, however this is no longer true as the sector transitions to the 4IR and 5IR and embraces the green economy. Stakeholders have begun to highlight the need for digital skills across most occupational categories in almost all the sectors. Further work is required to explore the role of the digital economy in the sector. Business processes are changing in line with new technologies and online transactions. Customers are ever more discerning and demanding quick, tech enabled interfaces with respect to manufactured goods that they consume. The merSETA should thus support the transition to the digital economy.

2.13 Continuing to strengthen the role of the SETA as an intermediary body

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

- Track and influence policy – governance structures, particularly AA leverage its position as being directly accountable to the Minister
- merSETA facilitate and support just transition from education to work and work to education.
- Facilitate collaboration across the PSET sector - interoperable data and technology systems to facilitate the sharing of data, information and knowledge among all role-players for improved planning and decision making.
- Institute a partnership model that proactively seeks out appropriate partners to innovate, expand and strengthen our delivery system so as to improve outcomes and impact.
- Strengthen partnerships through support services to relieve administrative burden.

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

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

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

2.14 Relevant court rulings

None

PART B: OUR STRATEGIC FOCUS

3 Situational analysis

The Manufacturing, Engineering and Related Services Sector Education and Training Authority (merSETA) was established in 2000 in terms of the Skills Development Act No 97 of 1998. The merSETA scope of industrial coverage for skills development broadly includes auto manufacturing, including automotive components manufacturing; vehicle sales and after service; the production and fabrication of metals, plastics and new tyres. These are among some of the key sectors that have been identified by government as key in stimulating economic growth, economic and reindustrialisation. The merSETA therefore has a role to play in supporting the development and growth of these merSETA sub-sectors through relevant skills development initiatives. The situational analysis is drawn from a variety of sources including the sector skills plan report and insights from the AA Annual Mid-term review session which insights are summarised at the end of the section.

3.1 External environment analysis

Using the PESTEL framework, an analysis of how the global and local political, economic, social, technological, environmental, and legal conditions shape the manufacturing, engineering and related services sector in South Africa is undertaken.

POLITICAL: Political conditions play a significant role in the growth of the manufacturing sector, and of the economy in general. Political stability is key in creating a conducive environment for developing and implementing development-oriented policy that can stimulate the growth of the economy and addressing socio-economic challenges such as poverty, unemployment, and inequality. South Africa finds itself in a volatile position due to political instability as a result of the leadership challenges within the governing party, the African National Congress (ANC). This is likely to worsen as the party gears up for its elective conference in December 2022 where the party is expected to elect its leaders, including the President as the governing party prepares to context the 2024 national elections.

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

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

ECONOMIC: Government efforts have been focused on economic recovery following the devastating economic effects of the of the COVID-19 pandemic. The economy overall has not demonstrated strong indications of growth. The majority of businesses have struggled to achieve pre-COVID-19 profitability levels. Companies continue to close as they struggle to remain viable in the prevailing economic conditions. This has been worsened by the energy crisis in South Africa that has seen record high increases of fuel and rolling blackouts.

The unemployment rate has soared to close to 35% and could even be higher given the sluggish economic growth. This has triggered a socio-economic crisis and is likely to increase poverty, unemployment and inequality. In response, government has put in place measures through its social grant system to assist unemployed people. These measures are however temporary and consented effort is required in finding a

sustainable solution to the growing unemployment rate. SETAs also have a role to play in supporting government's efforts through skills development to support employment (including self-employment), entrepreneurship, cooperatives, the informal sector and small business as key to supporting sustainable livelihoods in communities and the broader social economy.

The COVID-19 crisis highlighted the importance of a sound local manufacturing base for sustaining the domestic market while creating opportunities for the export of essential products. New jobs and occupations are also expected to emerge in the new economy driven by localisation, economic patriotism, a strengthened informal sector and infrastructure development and maintenance. To leverage these opportunities will however require collaboration between government and industry. SETAs as facilitators of skills development need to be at the forefront of identifying these opportunities to prepare the labour market and the sector.

SOCIAL: South Africa has been thrown into a deep social crisis with increasing unemployment, inequality, and poverty. Unemployment in SA has reached alarming levels, as the South African economy continues to shed jobs in critical sectors such as mining and manufacturing. According to Statistics SA (2022), the unemployment rate reached 34,9% in the 1st quarter of 2022. Increasing unemployment has resulted in a shrinking tax revenue base, which has constrained the national fiscal, resulting in an increasing number of people relying on social grants. Government extended the special COVID-19 relief and distress grant of R350 COVID grant for those that have been affected economically by COVID-19. Long term solutions such as job creation and stimulating the social economy are key in alleviating the social crisis as the distress grant is only a temporal measure that is not sustainable in the long term.

The merSETA has a critical role to play in developing and implementing initiatives aimed at addressing challenges such as unemployment through skills development initiatives aimed at increasing the employability (including self-employment) of youth. Interventions should also cater for workers in the sector who might lack the relevant skills as a result of the digitalisation of the mer industries.

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

TECHNOLOGICAL: The manufacturing, engineering and related services sector is experiencing disruptions as a result of the rapid technological advances and the digitalisation of the mer-sector. With the intensification of the technological revolution in the 4IR and 5IR, a competitive manufacturing and engineering sector depends on the capacity of firms to master advanced technology domains, to innovate, and to meet the precise needs of customers. Whilst advanced manufacturing systems offer the greatest advantage for economic growth, this requires firms and PSET system to keep abreast of advanced manufacturing technologies, data analytics, robotics, digital platforms and high-level skills development, on a continuous basis.

The COVID-19 pandemic accelerated the need for adoption of advanced technologies and business models that will allow the sector to thrive in the new digital driven economy. To remain competitive in the digital driven economy, South Africa needs to build its innovation, research and development (IRD) and skills capability around new and emerging technologies such as Artificial Intelligence (AI), robotics, data science and machine learning. This also calls for the need for industry and the PSET sector to work together in strengthening South Africa's IRD and skills capability. South Africa's universities are highly recognised for their IRD capability and the quality of training, but challenges remain in the TVET college sector as these have often been criticised for their poor capability. TVET colleges have a significant role to play in delivering skills for the digital driven economy. SETAs as intermediary bodies have a critical role to play in working with other role players such as industry, civil society and government in strengthening the capability of TVET colleges.

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

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

The COVID-19 pandemic has once again highlighted the urgent need for the adoption of digital technologies. With the imposition of the lockdown, the majority of education and training institutions adopted blended learning through the use of technology. There are however concerns over the risk of the exclusion of learners from disadvantaged backgrounds who lack access to reliable internet, data and equipment such as laptops. These concerns call for the need for government, civil society and

industry to work together in ensuring that no learners are left behind as the country settles into the new normal.

ENVIRONMENTAL:

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

President Cyril Ramaphosa has established the Presidential Climate Commission an independent, statutory, multistakeholder body whose purpose is to oversee and facilitate a just and equitable transition towards a low-emissions and climate-resilient economy. Skills will play a key role in the successful transition to a just and equitable low-emissions and climate-resilient economy. SETAs as intermediary bodies will arguably play a pivotal role in ensuring a just and equitable transition.

LEGAL: The legal framework in SA plays a pivotal role in achieving government's priorities, such as ending poverty and unemployment, and promoting equity. Moreover, in SA's maturing democracy, the notions of social cohesion, social justice and active citizenry underpin the transformation agenda as a whole and have become deeply infused in skills development. Transformative intent and participation in various fora remain essential in ensuring fair and equitable implementation processes. Participation of all role players in legislative processes of this nature remains critical.

Technological developments have also cast a spotlight on issues of privacy and security in the digital environment. The sector also operates within a social and economic legislative framework that significantly impacts on the sector. Significant pieces of legislation worth mentioning include:

- The B-BBEE Act, which is aimed at advancing economic transformation and enhancing the economic participation of black people in the SA economy. Programmes such as the Black Industrialist programme are a support mechanism for the implementation of the B-BBEE Act, which promotes structural transformation of the economy through increasing the number of black manufacturers.
- The Employment Equity Act No. 55 of 1998 (EEA) is aimed at transforming the race and gender make-up of the labour market, particularly in the technical, professional and managerial occupations. It also addresses the inclusion of people with disabilities (PwD) in the mainstream economy. Skills development is a main contributor to such transformation.
- The National Environmental Management Act No. 55 of 1998 (NEMA) is another piece of legislation aimed at establishing a framework for integrating good environmental management into all development activities, including manufacturing. Companies in the sector have also been investing in training and awareness for their employees in issues related to health, safety and environmental awareness.
- The Protection of Personal Information Act No. 4 of 2013 (POPIA) is aimed at the protection of personal privacy and the security of personal information held by both private and public bodies. It is set to impact on information and data governance. This calls for investment in mechanisms aimed at promoting good data management, and governance practices.
- The Intellectual Property Amendment Act No. 28 of 2013 (IPAA) promotes the protection of intellectual property rights, including the recognition and protection of certain manifestations of indigenous knowledge as a species of intellectual property. This is critical especially as South Africa's works on strengthening its IRD capability.

The merSETA Governance and Strategy Committee has also recognised the need to strengthen the participation of the AA and governance structures in influencing policy direction to ensure that national and sectoral priorities find expression in new policies.

3.2 Internal organisational Environment

The merSETA organisational environment is analysed in terms of the 7S Framework Model. The 7S Framework divides the seven organisational elements of successful organisations into two categories: “hard” (easy to identify) and “soft” (intangible) elements. These are illustrated below (see Figure 2). The merSETA is also undergoing an organisational transformation process in response to its strategy. This process is set to inform the structure, systems, skills, staffing and style.

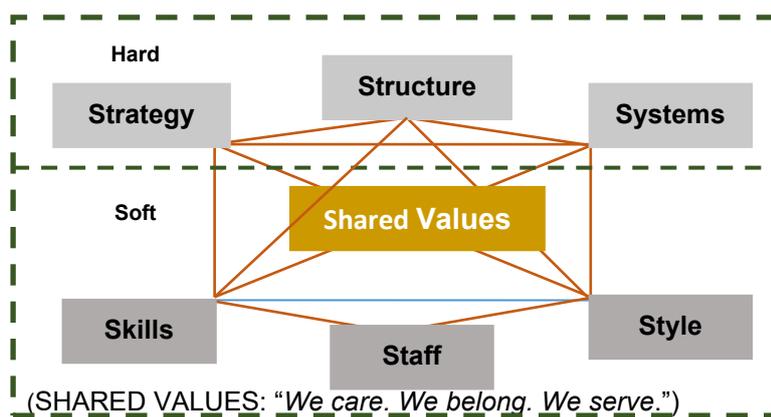


Figure 2: The merSETA organisational environment

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

The SSP is research based and provides an overview of critical economic, labour market and social drivers, signals and indicators within the merSETA manufacturing, economic, and government policy environment that impact on skills demand and supply, particularly pertaining to skills gaps and skills shortages.

The five- year Strategic Plan is the instrument that the merSETA uses to identify five- year achievable, and realistic targets aligned to its legislated mandate, the MTSF and SSP.

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

STRUCTURE: The merSETA is a Schedule 3a public entity that reports to the Minister of Higher Education, Science and Technology. In terms of the PFMA, the Minister of Higher Education, Science and Innovation is defined as the Executive Authority, and reports to Parliament. In this regard, the merSETA Accounting Authority of 15 members inclusive of a Chairperson is accountable to the Minister. The Accounting Authority is generally responsible for governance and ensuring that the merSETA achieves its mandate, by reviewing its strategy, and monitoring performance and compliance. The Chief Executive Officer is the Accounting Officer as delegated by the Accounting Authority. The diagram below (Figure 3), depicts the governance and operational structure of the merSETA.

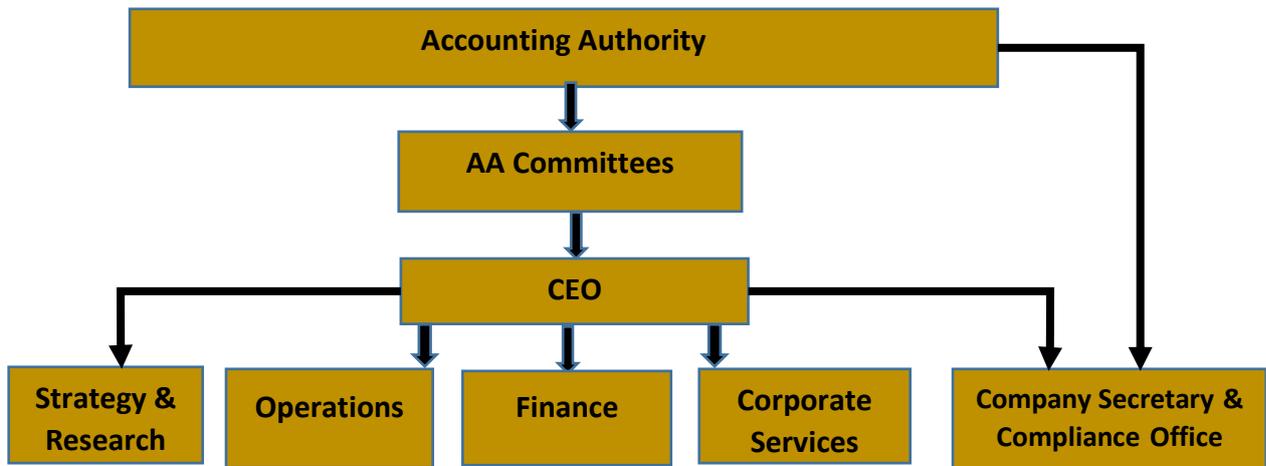


Figure 3: Governance and operational structure

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

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

The merSETA six Chamber Committees, i.e., Automobile Manufacturing, Metal and Engineering, Motor Retail, Components Manufacturing, New Tyre Manufacturing, and Plastics Manufacturing are sub-committees of the Accounting Authority.

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

The merSETA is currently undergoing an organisational transformation review of its operations. In part this is to address the growing coverage of the responsibility of the

merSETA as depicted in the NSDP, which call for greater collaboration, integration, a strong emphasis on governance and a changed capacity and capability to deliver on the NSDP.

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

- **Information Technology** - Information and Communication Technology (ICT) is a critical pillar of the merSETA. It is a key enabler of organisational processes supporting the strategy and organisational performance. The merSETA is in the process of reviewing its ICT infrastructure, policies, procedures, business processes, systems and structures in line with the new strategy. ICT is set to play an important role in enhancing business efficiency and effectiveness, through driving digital transformation. Currently a project is underway to enhance the merSETA information and data ecosystem to address the above mentioned. The merSETA digital ecosystem project is a direct response to the enterprise content management and digital transformation roadmap that was developed to guide the merSETA in its digital transformation journey, to address challenges and opportunities in data, information and knowledge management practices, processes and technologies. The COVID-19 pandemic highlighted the critical role of ICT in supporting merSETA operations and strategic process. ICT should thus be central in the SETA's strategy going forward as part of the digital transformation agenda.

- **Governance** - The Accounting Authority is the oversight body within the merSETA that ensures good corporate governance. It works within the governance framework of the Public Finance Management Act and ensuing regulations. Responsibilities and tasks are delegated to various structures, committees, management and staff members, but the Accounting Authority is ultimately accountable for all SETA affairs, in line with the Skills Development Act. Going forward, in light of changes in key legislation such as the Public Audit Act Amendment Act 5 of 2018, strengthening governance and compliance is key.

- **Programme Implementation** - The purpose of Programme Implementation is to support the management of Discretionary Grants (DG), from application, to

awarding of funding, to implementation of funding agreements. This is done through signing of agreements, processing claims, managing commitment schedules, as well as monitoring of DG contracts. Priorities identified in the merSETA strategy guide the conceptualisation and implementation of programmes.

- **Quality Assurance** - The quality assurance system is a critical component of programmes and projects implementation. Going forward, a strong focus will be to ensure the quality assurance of merSETA funded interventions, to ensure alignment to industry expectations. The quality assurance system is also critical in ensuring that learners receive quality training. This is consistent with the NDP and NSDP vision of ensuring that South African citizens have access to quality education and training, to enhance their capability to be active participants in developing the potential of the country. One of the key roles of the Quality Management is the implementation of the process-based approach and evidence-based approach in the alignment of the Quality Management System with the merSETA own strategic direction, understanding and maintaining this relationship to maximize merSETA efficiency and potential in meeting and exceeding its strategic goals and objectives.

- **Communication** - The merSETA is responsible for effective and regular communication to all stakeholders within and outside the designated sector. Communication takes place through multiple channels, including the print media, social media, and face-to-face engagement such as regular workshops, colloquia, seminars and conferences. Stakeholder representatives meet regularly in the various committees mentioned. The merSETA has enhanced communication to stakeholders through the establishment of regional offices in Mpumalanga/Limpopo, Eastern Cape, Free State/Northern Cape, Gauteng North/North-West, Gauteng South, KwaZulu-Natal, Western Cape, as well as the Head Office in Johannesburg. The regional offices service member companies and other stakeholders at the coalface of implementation. The merSETA will also focus on increasing its reach to its stakeholders, showcasing its successes and brand communication. The merSETA AA has identified the need to strengthen marketing and communication as a strategic function for promoting the good work of the SETA.

- **Research, planning, monitoring, reporting and evaluation** - The merSETA research, planning, monitoring and evaluation is guided by the Department of

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

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

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

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

STAFF: The merSETA staff establishment component totals 228. Currently, 94% of the merSETA positions are filled. The organisational transformation project is in the process of being implemented and included a review of jobs and required competencies. To effectively implement its strategy, continuous skilling and development of the merSETA staff is key, to ensure that they have the competencies to implement projects, programmes and systems supporting the organisation's strategy. The strategy also places merSETA staff at its core, as staff, with the guidance from leadership drive the implementation of the strategy. Creating an environment that promotes growth, innovation and employee wellness is important to the success of the merSETA.

Table 2: The merSETA staff component

OCCUPATIONAL LEVEL	Male				Female				Foreign Nationals		Totals
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top Management	0	1	1	0	2	0	0	0	0	0	4
Professionally Qualified	13	2	0	3	9	4	2	4	1	0	38
Skilled and Qualified	35	1 0	4	5	31	6	1	2	0	0	94
Semi-skilled	25	1	0	0	45	5	0	4	0	0	80
Unskilled	1	0	0	0	9	2	0	0	0	0	12
Total staff	74	1 4	5	8	96	17	3	10	1	0	228

The merSETA vacancy rate falls within the normal range. The staff turnover rate fluctuates below 5%. An average staff tenure of >3 years and a staff satisfaction rate of >72% is indicative of employee stability and good practice in human resource management (HRM).

The outcome of the organisational transformation is entrenched through the following (and other) operational activities:

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

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

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

STYLE (Governance and Leadership): The leadership style of the Accounting Authority is highly consultative, providing opportunities for stakeholder inputs and

endorsement through a range of committees and stakeholder fora. The Management Committee (MANCO) serves as a link between internal operational management and governance structures. Leadership is guided by the value system with an emphasis on self-leadership, collaboration and self-reflection.

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

As stated, the AA Annual Review included a SWOT analysis to determine and define the strengths, weaknesses, opportunities and threats in both the internal and external environment within which the merSETA operates. Table 3 summarises the SWOT analysis.

Table 3: Swot analysis

Strength	Weakness
<ul style="list-style-type: none"> • The organisation has presence across the country to support rapid response to needs • Stable staff complement • Strong brand • Strong governance controls – policies, strategies, etc • Expertise and knowledge with regard qualifications and curricula for technical/engineering/artisan occupations • Strong Quality Assurance of learning processes • Well established relationships with HEI – positioned to influence curricula • Fully functioning governance structures – AA and Committees 	<ul style="list-style-type: none"> • Failure to adequately respond to reputational risks posed by the current social, economic and political environment • IT and data management systems that are not responsive to operational and strategic objectives of the SETA • Stakeholder engagement • Poor management of performance information that exposes the SETA to compliance and other regulatory risks • Poor innovation capability within the SETA that has resulted in the failure of the SETA to respond to the opportunities and challenges in the PSET ecosystem
Opportunities	Threats
<ul style="list-style-type: none"> • Leverage partnership platform to extend to address opportunities for employment • M&E mainstreamed across all governance structures – data integrity, agility of decision making • Introduce 4 & 5IR-related skills development for the future. • Leverage on technology evolution and advancements. • Strengthening financial monitoring & reporting to enhance strategic decision making • Creating outreach satellite sites to be more inclusive, use of CET 	<ul style="list-style-type: none"> • Reduction of levy income due to economic challenges with the mer-sector due to de-industrialization and global economic downturn • The current education system is not geared to produce technical skills • Unavailability of workplaces due to the prevailing economic challenges that have resulted in company closures • High oil prices, high poverty rates, electricity outages and crime are negatively affecting the economy and lack of a clear economic recovery plan. • South Africa's training-transition-dispensation to Occupational qualifications

<ul style="list-style-type: none"> • Create practical simulated exercises in the satellite offices – career guidance support as well practice of theory learnt • Dual apprenticeship system – take CoS to scale • Influence TVET college curricula to align to I4.0 demand • Support/kick start re-starting of businesses affected by unrest and violence • Identify practical opportunities within the circular economy • Leverage well established stakeholder ecosystem 	<ul style="list-style-type: none"> • Expanding legislative mandate to respond to new challenges and opportunities in the skills development ecosystem • Public unrest and the impact on investors' confidence • Poor infrastructure to assist in delivering the mandate of the SETA • High unemployment (national challenge) which unfortunately can't be addressed using skills development initiatives in isolation from other factors • Political instability which has disrupted social and economic activities including industry and learning • Capacity of the state to respond to the changing social, economic, political and technological developments impacting the sector and the PSET ecosystem
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To build a stronger SETA that is responsive to the changing skills development ecosystem, the merSETA needs to strengthen its systems to support the development and implementation of a responsive strategy. These include:

A refined research and implementation plan

Research informs interventions, innovations and further research requirements, to this the merSETA should:

- Documents, plan, incorporate and reflect on research findings.
- Review recommendations and develop implementation strategy.
- Share and publicize research for wider consumption and feedback.
- Develop organizational research agenda.

Digital ecosystem implementation

The recognition of data as a strategic asset for strengthening strategic planning, strategic decision- making, performance reporting, governance and operational efficiency calls for the following:

- Data-centricity enabled and monitored.
- Data protected under robust governance framework.
- KM, M&E and QMS systems aligned for streamlined data storage, sharing and reporting.

- Organisational buy-in and implantation of data hygiene

M&E practice aligned to the digital ecosystem.

To affect change in the organization and empower the organization in effective monitoring and reporting, the following are required:

- M&E aligned to data-centric approach.
- Internal partnerships honoured and supported.
- Quality assurance, records management, quality management and management information systems streamlined.

Partnerships prioritised and the preferred model of sectoral engagement.

- Partnerships in the development and implementation of skills development programmes and initiatives will remain pivotal. Partnerships are recognised as the vehicle through which the merSETA is able to fulfil its skills development mandate. A more proactive partnership model has been agreed needs to be developed. The key elements, amongst others, of partnerships remain: Partnerships are informed by strategic priorities Partnerships are aligned to national priorities of development and transformation to address social and economic demands. Partnerships should include global and cross sectoral synergies.

A strengthened governance, administrative and resourcing system

The development and implementation of systems, processes and mechanisms for enabling the merSETA to fulfil its mandate in these unprecedented times need to be supported by a strong governance, administrative and resourcing system. To this end the following should be implemented:

- A strengthened merSETA governance to facilitate skills development.
- Influencing policy and affect policy to be responsive to change and innovation in education, training and skills development (especially the AA leveraging its direct accountability to the Minister).
- The funding mechanisms of the SETA should be reviewed such that focus is on quality and impact.

- An operating model and structure that is responsive to the changed mandate and functions of the SETA including the imperative to move towards a digital first world business operation.

PART C: MEASURING OUR PERFORMANCE

4 Institutional Programme Performance Information

4.1 Programme 1: Administration

Programme purpose

The purpose of this programme is to:

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

Programme 1: Administration indicators and targets

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

Table 4: Programme 1: MTEF Performance Indicators, Annual and Quarterly Targets for 2023/24

Outcomes	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual performance			Estimated performance (current year)	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Outcome 1: Ethical governance and resourced capable merSETA operations established and maintained, to equitably provide skills development related services, goods and products responsive to occupations and skills growth demand of the merSETA sector industries, and labour market	Strategic Output 1: Effective and efficient governance and leadership practice implemented.	1.1 Percentage of compliance with Corporate Governance Compliance report	100%	100%	100%	100%	100%	100%	100%

Table 5: Programme 1 Quarterly Targets 2023/24

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
1.1 Percentage of compliance with Corporate Governance Compliance report	100%	100%	100%	100%	100%

4.2 Programme 2: Skills Planning

Programme purpose

This programme aligns to the first core mandate and function of the SETA, that of research, planning, monitoring and evaluation for the expressed purpose of establishing an effective mechanism of systems, processes and policies for decision making. The initiatives of this programme are intended to allow for the research of

economic, labour market and social drivers, signals and indicators that impact on skills development for the merSETA sector, particularly pertaining to shortages and gaps related to occupations and skills in demand. Furthermore, with respect to applied research and innovation, initiatives that would be implemented under this programme would be those that are conceptualised on the basis of research outcomes to pilot and test concepts and solutions prior to full scale implementation. The discretionary grants that are availed to support this programme enable partnerships with a broad range of partners, including merSETA employer and labour stakeholders.

Programme 2: Skills planning indicators and targets

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

Table 6: Programme 2 MTEF Performance Indicators, Annual and Quarterly Targets for 2023/24

Outcome	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual Performance			Estimated performance (current year)	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Outcome 2: Skills for productive enterprises within the social economy, to support the integration into the merSETA sector engineering and industry value chains Outcome 3: PSET education, training and skills development public institutions responsive to the changing occupations, and skills demand required for the merSETA sector engineering and manufacturing industries and related labour market	Strategic Output 2: Establishment of credible and effective systems and strategies for research, planning, monitoring and evaluation	2.1 Number of WSPs and ATRs approved for small firms: (49 or less employees)	2148	2338	2271	1800	1800	2 353	2471
		2.2 Number of WSPs and ATRs approved for medium firms: (50-149 employees)	919	883	878	918	918	964	964
		2.3 Number of WSPs and ATRs approved for large firms: (150 + employees)	545	536	523	551	551	579	579
		2.4 Number of sector research agreements signed for TVET	N/A	0	1	2	2	3	4

Outcome	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual Performance			Estimated performance (current year)	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<p>Outcome 4: Skills for transformed SA merSETA sector engineering and manufacturing industries, to support EE demographics transformation, changing business models of production and technology, and the transformation for the diversification of ownership, control and management</p> <p>Outcome 5: A skilled, agile and flexible current and future workforce for emerging and future occupations and employment opportunities, within the merSETA sector engineering and manufacturing industries, and related labour market</p>		growth occupationally directed programme							
		2.5 Number of learners who completed workplace-based learning programmes absorbed into employment or self-employment s (Number of tracer studies to be conducted to establish employability)	N/A	2369	0	636	1	1	1
		2.6 Number of established and emergent cooperatives trained on sector and national identified priority occupations or skills	N/A	N/A	0	30	10	35	40
		2.7 Number of small and emerging enterprises trained on sector and national identified priority occupations or skills	N/A	N/A	736	730	730	750	800

Table 7: Programme 2 Quarterly targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
2.1 Number of WSPs and ATRs approved for small firms: (49 or less employees)	1800	800	500	500	-

2.2 Number of WSPs and ATRs approved for medium firms: (50-149 employees)	918	400	300	218	-
2.3 Number of WSPs and ATRs approved for large firms: (150 + employees)	551	200	150	201	-
2.4 Number of sector research agreements signed for TVET growth occupationally directed programmes	2	-	-	-	2
2.5 Number of learners who completed workplace-based learning programmes absorbed into employment or self-employment (Number of the tracer studies to be conducted to establish employability)	1	-	-	-	1
2.6 Number of established and emergent cooperatives trained on sector and national identified priority occupations or skills	10	-	-	-	10
2.7 Number of small and emerging enterprises trained on sector and national identified priority occupations or skills	730	-	-	-	730

4.3 Programme 3: Learning Programmes and Projects

Programme Purpose

The initiatives of this programme comprise the substantive core mandate of the SETA, skills development delivery to the range of learner beneficiaries of the SDA (employed and unemployed learners) as well as the organisational beneficiaries whose role in the main is to partner with the SETA as delivery agents towards ensuring a skilled and capable workforce for the mer sector. The programme focuses on the management of grants allocation and implementation thereof as well as the management of learners covered by grant allocated funding agreements undergoing a variety of learning interventions that result in skilled people. The services of this programme include merSETA non-financial services that will facilitate merSETA to achieve its targets for a skilled workforce, in response to local, regional, national and sectoral priorities. Partnerships and strategic alliances with employers, PSET institutions, non-levy paying entities, SMEs, cooperatives, labour organisations, NPOs, public entities, other SETAs, informal sector, and international partners is critical in delivering programmes and projects. Thus, the three strategic outputs and related indicators and targets of this programme that are to be measured focus on grant supported partnerships, and, learner outputs, that is people entering and exiting learning to determine the potential (entering) and actual (completions) flow of skills and skilled people into the mer-sector.

The situational analysis indicates that due to technological advancements and other changes, the manufacturing sector is undergoing rapid changes both globally and locally. This means that the merSETA must be flexible in its responses to facilitate, support and incentivise skills development initiatives for its sector. The merSETA

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

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

OFOCODE	OCCUPATION	SPECIALISATION	INTERVENTION	NQF
2021-653101	Automotive Motor Mechanic	Motor Mechanic	Apprenticeship	4
2021-214101	Industrial Engineer	Industrial Engineer	Bursary - Bachelor of Industrial Engineering	6
2021-652301	Metal Machinist	Metal Machinist	National Certificate: Fitting (including machining)	3
		Metal Machinist	Further Education and Training Certificate: Mechanical Engineering: Machining and Tooling	4
2021-653306	Diesel Mechanic	Diesel Mechanic	Apprenticeship	4
2021-671202	Millwright	Millwright	Apprenticeship	4
2021-132107	Quality Manager	Quality Manager	Skills programmes	6
		Manufacturing Quality Manager	Bursaries	6
	Toolmaker	Toolmaker	Apprenticeship	4

2021-652201		Master Toolmaker	Skills programmes	4
2021-653303	Mechanical Fitter	Mechanical Fitter	Further Education and Training Certificate: Mechanical Engineering: Fitting	4
2021-243301	Industrial Products Sales Representative	Industrial Products Sales Representative	Skills programmes	6
2021-718905	Engineering Production Systems Worker	Engineering Production Systems Worker	Skills programmes	6

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

Rank	2021 OFO	Occupations
1	2021-653101	Automotive Motor Mechanic
2	2021-214101	Industrial Engineer
3	2021-652301	Metal Machinist
4	2021-653306	Diesel Mechanic
5	2021-671202	Millwright
6	2021-132107	Quality Manager
7	2021-652201	Toolmaker
8	2021-653303	Mechanical Fitter
9	2021-243301	Industrial Products Sales Representative
10	2021-718905	Engineering Production Systems Worker
11	2021-214401	Mechanical Engineer
12	2021-671208	Transportation Electrician
13	2021-714101	Rubber Production Machine Operator
14	2021-652302	Fitter and Turner
15	2021-643202	Vehicle Painter
16	2021-226302	Safety, Health, Environment and Quality (SHE&Q) Practitioner
17	2021-651202	Welder
18	2021-121901	Corporate General Manager
19	2021-651302	Boiler Maker
20	2021-122101	Sales and Marketing Manager
21	2021-671101	Electrician
22	2021-312201	Production / Operations Supervisor (Manufacturing)
23	2021-431101	Accounts Clerk
24	2021-122102	Sales Manager
25	2021-121101	Finance Manager
26	2021-132104	Engineering Manager
27	2021-242303	Human Resource Advisor
28	2021-311904	Manufacturing Technician

Rank	2021 OFO	Occupations
29	2021-684904	Panelbeater
30	2021-215101	Electrical Engineer
31	2021-714208	Plastics Manufacturing Machine Minder
32	2021-522303	Automotive Parts Salesperson
33	2021-431102	Cost Clerk
34	2021-242101	Management Consultant
35	2021-311301	Electrical Engineering Technician
36	2021-311501	Mechanical Engineering Technician
37	2021-642701	Air-conditioning and Refrigeration Mechanic
38	2021-432101	Stock Clerk / Officer
39	2021-251201	Software Developer
40	2021-642702	Refrigeration Mechanic
41	2021-714202	Plastic Compounding and Reclamation Machine Operator
42	2021-651403	Steel Fixer
43	2021-411101	General Clerk
44	2021-311401	Electronic Engineering Technician
45	2021-432201	Production Coordinator
46	2021-524903	Sales Clerk / Officer
47	2021-331201	Credit or Loans Officer
48	2021-132401	Supply and Distribution Manager
49	2021-214104	Production Engineering Technologist
50	2021-643201	Industrial Spraypainter
51	2021-214103	Production Engineer
52	2021-241102	Management Accountant
53	2021-311801	Draughtsperson
54	2021-122103	Director of Marketing
55	2021-313916	Manufacturing Production Technicians
56	2021-734402	Forklift Driver
57	2021-121908	Quality Systems Manager
58	2021-351302	Geographic Information Systems Technicians
59	2021-121905	Programme or Project Manager
60	2021-332302	Purchasing Officer
61	2021-132102	Manufacturing Operations Manager
62	2021-671204	Lift Mechanic
63	2021-325705	Safety Inspector
64	2021-653301	Industrial Machinery Mechanic
65	2021-522302	Motorised Vehicle or Caravan Salesperson
66	2021-671203	Mechatronics Technician
67	2021-652205	Master Toolmaker
68	2021-862919	Mechanic Trade Assistant
69	2021-522301	Sales Assistant (General)
70	2021-333903	Sales Representative (Business Services)
71	2021-652204	Patternmaker

Rank	2021 OFO	Occupations
72	2021-683401	Upholsterer
73	2021-332201	Commercial Sales Representative
74	2021-651401	Metal Fabricator
75	2021-332301	Retail Buyer
76	2021-313501	Metal Manufacturing Process Control Technician
77	2021-243103	Marketing Practitioner
78	2021-684305	Quality Controller (Manufacturing)
79	2021-214605	Metallurgist
80	2021-132402	Logistics Manager
81	2021-714204	Plastics Production Machine Operator (General)
82	2021-311201	Civil Engineering Technician
83	2021-351201	ICT Communications Assistant
84	2021-524901	Materials Recycler
85	2021-712101	Metal Processing Plant Operator
86	2021-721901	Product Assembler
87	2021-653307	Heavy Equipment Mechanic
88	2021-311905	Industrial Engineering Technician
89	2021-672105	Instrument Mechanician
90	2021-214501	Chemical Engineer
91	2021-333905	Supply Chain Practitioner
92	2021-211403	Materials Scientist
93	2021-212101	Actuary
94	2021-214102	Industrial Engineering Technologist
95	2021-215102	Electrical Engineering Technologist
96	2021-251102	Data Scientist
97	2021-313109	Solar Photovoltaic Service Technician
98	2021-313110	Wind Turbine Service Technician
99	2021-331502	Insurance Investigator
100	2021-712201	Electroplater

Source (MerSETA SSP)

The merSETA reviewed all the occupations highlighted in **the ERRP skills strategy** and found that many, if not most of the skills required are supported by the merSETA for either business continuity or highlighted as priority skills, the table below outlines the skills highlighted and those identified as priorities.

Name of Occupation	merSETA list	Name of Occupation	merSETA list	Name of Occupation	merSETA list
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Agricultural Farm Manager		Electrical Engineer	priority skill	Manufacturing Technician	priority skill
Agricultural Technician		Electrical Engineering Technician	priority skill	Mechanical Engineer	supported
Apparel and related pattern maker		Electrical Equipment Mechanic		Metal Machinist	priority skill
Architect		Electronic Engineering Technician/Medical Equipment Maintainer	priority skill	Metal Processing Plant Operator	priority skill
Cabinet Maker		Fitter and Turner	priority skill	Outbound Contact Centre Consultant	
Call or Contact Centre Agent		Food and Beverage Manufacturing Process Controller		Product Assembler	supported
Call or Contact Centre Manager		Footwear Cutting Production Machine Operator		Production / Operations Supervisor (Manufacturing)	priority skill
Carpenter		Furniture Finisher		Production Engineering Technologist	priority skill
Civil Engineer	supported	ICT Communications Assistant	priority skill	Programmer Analyst	
Civil Engineering Technologist	priority skill	ICT Project Manager		Purchasing Officer	priority skill
Computer Network and Systems Engineer		ICT Security Specialist		Quality Controller (Manufacturing)	priority skill
Computer Network Technician		ICT Systems Analyst		Quantity Surveyor	
Construction Project Manager		Inbound Contact Centre Consultant		Research and Development Manager	
Contact Centre Forecast Analyst		Industrial Machinery Mechanic		Safety Inspector/Medical Equipment Inspector	priority skill

Programme 3: Programmes and projects indicators and targets

Table 10 highlights performance indicators and targets for programme 3 over the medium-term expenditure framework. There are strategic outputs in programme 3 that are further broken down in the Service Level Agreement according to the merSETA

grant incentive model, as well financed administrative and support services for the delivery of merSETA learning programmes.

Table 10: Programme 3 MTEF Performance Indicators, Annual and Quarterly Targets for 2023/24

Outcomes	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual Performance			Estimated performance (current year)	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<p>Outcome 2: Skills for productive enterprises within the social economy, to support the integration into the merSETA sector engineering and industry value chains</p> <p>Outcome 3: PSET education, training and skills development public institutions responsive to the changing occupations and skills demand required for the merSETA sector engineering and manufacturing industries, and related labour market</p> <p>Outcome 4: Skills for transformed SA merSETA sector engineering and manufacturing industries, to support EE demographics transformation, changing business models of production and technology, and the transformation for the diversification of ownership, control and management</p> <p>Outcome 5: A skilled, agile and</p>	<p>Strategic output 3: Facilitation of skills development interventions to enable increased access to employment opportunities, and support to economic growth opportunities</p>	3.1 Percentage of total approved discretionary grant (DG) allocations to employers, allocated to programmes or projects aimed at developing high level skills e.g. managers, professionals and technicians & associate professionals	N/A	21%	17%	22%	17%	17%	17%
		3.2 Percentage of total approved discretionary grant (DG) allocations to employers, allocated to programmes or projects aimed at developing mid-level skills e.g. clerical, sales and service, skilled craft and trade workers	N/A	57%	59%	55%	59%	59%	59%
		3.3 Percentage of total approved discretionary grant (DG) allocations to employers, allocated to programmes or projects aimed at developing	N/A	22%	24%	23%	24%	24%	24%

Outcomes	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual Performance			Estimated performance (current year)	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
flexible current and future workforce for emerging and future occupations and employment opportunities, within the merSETA sector engineering and manufacturing industries, and related labour market		elementary skills e.g. machine operators & elementary workers							
		3.4 Number of unemployed learners registered for WIL programmes from TVET	291	724	10	300	475	400	500
		3.5 Number of unemployed learners completing WIL programmes from TVET	428	9	74	100	225	300	400
		3.6 Number of unemployed learners registered for WIL programmes from HEIs	659	78	176	270	280	300	400
		3.7 Number of unemployed learners completing WIL programmes from HEIs	4	147	18	360	200	380	390
		3.8 Number of unemployed learners registered for workplace experience/internships	1770	191	40	400	350	400	400
		3.9 Number of unemployed learners completing workplace experience/internships	251	93	166	330	170	340	350
		3.10 Number of unemployed learners registered for skills programmes	277	2608	3687	4100	3000	3150	3300
		3.11 Number of unemployed learners completing	915	1130	2380	2856	2570	2913	2913

Outcomes	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual Performance			Estimated performance (current year)	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
		skills programmes							
		3.12 Number of unemployed learners registered for learnership programmes	2363	2300	1407	2160	3000	1920	2160
		3.13 Number of unemployed learners completing learnership programmes	1821	1137	2018	2870	2583	2927	2927
		3.14 Number of unemployed engineering graduates registered for candidacy programmes	20	70	0	20	25	25	30
		3.15 Number of unemployed engineering graduates completing candidacy programmes	29	0	0	3	3	4	5
		3.16 Number of unemployed learners registered for bursary programmes (new entries)	279	31	115	110	110	120	120
		3.17 Number of unemployed learners registered for bursary programmes (continuing)	N/A	277	246	309	309	394	402
		3.18 Number of unemployed learners completing bursary programmes	53	9	20	100	50	60	60
		3.19 Number of employed learners registered for learnership programmes	1550	678	443	1440	1440	1280	1600
		3.20 Number of employed learners completing	894	381	606	1183	1183	1052	1314

Outcomes	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual Performance			Estimated performance (current year)	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
		learnership programmes							
		3.21 Number of employed learners registered for bursary programmes (new entries)	323	19	27	104	104	93	82
		3.22 Number of employed learners registered for bursary programmes (continuing)	N/A	5	0	102	50	104	104
		3.23 Number of employed learners completing bursary programmes	13	30	9	36	36	32	28
		3.24 Number of employed learners registered for skills programmes	2287	1096	495	4084	2000	2100	2200
		3.25 Number of employed learners completing skills programmes	412	417	544	2094	1200	1250	1300
		3.26 Number of employed or unemployed learners registered for AET programmes	485	485	227	510	510	520	520
		3.27 Number of employed or unemployed learners completing AET programmes	446	7	0	1500	500	600	700
		3.28 Number of learners registered for trade / artisan qualifications (new registration)	644	1665	881	2960	3000	2632	2303
		3.29 Number of learners	2763	1828	2077	2800	2300	3000	3000

Outcomes	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual Performance			Estimated performance (current year)	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
		completing trade / artisan qualification							
		3.30 Number of learners entering Artisan Recognition of Prior Learning (ARPL) programme	1387	374	345	1000	1000	1040	1092
		3.31 Number of learners completing Artisan Recognition of Prior Learning (ARPL) programme	N/A	N/A	516	800	1040	850	892
<p>Outcome 3: PSET education, training and skills development public institutions responsive to the changing occupations and skills demand required for the merSETA sector engineering and manufacturing industries, and related labour market</p> <p>Outcome 4: Skills for transformed SA merSETA sector engineering and manufacturing industries, to support EE demographics transformation, changing business models of production and technology, and the transformation for the diversification of ownership, control and management.</p> <p>Outcome 5: A skilled, agile and flexible current and future workforce for</p>	<p>Strategic Output 4: Strategic skills development related collaborations and partnerships, to respond to national, provincial, local and sector strategic priorities</p>	3.32 Number of active TVET college partnerships established	16	23	30	30	25	25	25
		3.33 Number of active SETA-HEI partnerships established	5	14	16	12	12	15	18
		3.34 Number of active CET partnerships established	N/A	2	3	3	3	4	4
		3.35 Number of new SETA-Employer partnerships established.	1413	1570	1347	1512	1400	1344	1344

Outcomes	Outputs	Output Indicators	ANNUAL TARGETS							
			Audited/Actual Performance			Estimated performance (current year)	MTEF Period			
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	
emerging and future occupations and employment opportunities, within the merSETA sector engineering and manufacturing industries, and related labour market										
Outcome 2: Skills for productive enterprises within the social economy, to support the integration into the merSETA sector engineering and industry value chains	Strategic Output 5: Facilitation of skills development interventions, to support the development and establishment of sustainable SMEs, cooperatives, and local or community-based employment and income generation activities, aligned to merSETA engineering and manufacturing value chain	3.36 Number of CBOs/NGOs/NPOs) funded for skills to grow/develop and sustain their activities or organisations	20	42	20	14	25	15	15	
		3.37 Number of trade unions supported through skills development	6	4	1	4	4	4	4	
		3.38 Number of rural development projects supported through skills development	6	4	4	4	4	4	4	
		3.39 Number of people trained on entrepreneurship supported to start their business (Number of people funded for enterprise growth/enterprise development skills)	N/A	0	0	480	300	350	400	

Table 11: Programme 3 Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
3.1 Percentage of total approved discretionary grant (DG) allocations to employers, allocated to programmes or projects aimed at developing high level skills e.g., managers, professionals and technicians and associate professionals	17%	-	-	-	17%

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
3.2 Percentage of total approved discretionary grant (DG) allocations to employers, allocated to programmes or projects aimed at developing mid-level skills e.g., clerical, sales and service, skilled craft and trade workers	59%	-	-	-	59%
3.3 Percentage of total approved discretionary grant (DG) allocations to employers, allocated to programmes or projects aimed at developing elementary skills e.g., machine operators and elementary workers.	24%	-	-	-	24%
3.4 Number of unemployed learners registered for WIL programmes from TVET	475	100	100	100	175
3.5 Number of unemployed learners completing WIL programmes from TVET	225	15	40	60	110
3.6 Number of unemployed learners registered for WIL programmes from HEIs	280	60	60	70	90
3.7 Number of unemployed learners completing WIL programmes from HEIs	200	-	-	40	160
3.8 Number of unemployed learners registered for workplace experience/internships	350	-	75	75	200
3.9 Number of unemployed learners completing workplace experience/internships	170	-	25	25	120
3.10 Number of unemployed learners registered for skills programmes	3000	400	400	1000	1200
3.11 Number of unemployed learners completing skills programmes	2570	450	700	800	620
3.12 Number of unemployed learners registered for learnership programmes	3000	400	600	1000	1000
3.13 Number of unemployed learners completing learnership programmes	2583	330	550	850	853
3.14 Number of unemployed engineering graduates registered for candidacy programmes	25	4	4	4	13
3.15 Number of unemployed engineering graduates completing candidacy programmes	3	-	-	1	2
3.16 Number of unemployed learners registered for bursary programmes (new entries)	110	-	-	-	110
3.17 Number of unemployed learners registered for bursary programmes (continuing)	309	309	-	-	-
3.18 Number of unemployed learners completing bursary programmes	50	-	-	-	50
3.19 Number of employed learners registered for learnership programmes	1440	200	200	300	740
3.20 Number of employed learners completing learnership programmes	1183	210	210	270	493
3.21 Number of employed learners registered for bursary programmes (new entries)	104	40	10	20	34
3.22 Number of employed learners registered for bursary programmes (continuing)	50	10	10	10	20
3.23 Number of employed learners completing bursary programmes	36	-	-	-	36
3.24 Number of employed learners registered for skills programmes	2000	500	500	500	500
3.25 Number of employed learners completing skills programmes	1200	100	300	300	500
3.26 Number of employed or unemployed learners registered for AET programmes	510	75	75	100	260
3.27 Number of employed or unemployed learners completing AET programmes	500	-	-	150	350
3.28 Number of learners registered for trade / artisan qualifications (new registrations)	3000	300	650	950	1100
3.29 Number of learners completing trade / artisan qualifications	2300	300	500	700	800
3.30 Number of learner entering Artisan Recognition of Prior Learning (ARPL) programme	1000	100	200	270	430
3.31 Number of learner completing Artisan Recognition of Prior Learning (ARPL) programme	1040	100	200	270	470
3.32 Number of active TVET college partnerships established	25	-	5	5	15
3.33 Number of active SETA-HEI partnerships established	12	-	3	3	6
3.34 Number of active CET partnerships established	3	-	1	-	2

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
3.35 Number of new SETA-Employer partnerships established	1400	-	-	500	900
3.36 Number of CBOs/NGOs/NPOs funded for skills to grow/develop and sustain their activities or organisations	25	-	10	-	15
3.37 Number of trade unions supported through skills development	4	-	2	1	1
3.38 Number of rural development projects supported through skills development	4	-	2	1	1
3.39 Number of people trained on entrepreneurship supported to start their business (Number of people funded for enterprise growth/enterprise development)	300	-	50	100	150

4.4 Programme 4: Quality Assurance

Programme Purpose

Programme 4: Quality Assurance indicators and targets

The purpose of this budget programme is to catalyse quality improvement for the learning, assessment and certification of training delivery partners of the merSETA inclusive of modernised learning modalities and associated assessment and credentialing systems. In the main, for the coming MTEF, focus is on supporting the quality of learning delivery of the vocational and technical public sector education and training institutions, TVET and CET colleges as required by the NSDP. The function of quality learning, assessment and certification includes, but not limited to, the development of curriculum required for occupations and skills appropriate to the sector, raising quality of learning, assessment and certification through the development of learning infrastructure and materials, and, staffing (human resources). Table 12 below highlights performance indicators and targets for programme 4 over the medium-term expenditure framework.

Table 12: Programme 4 MTEF Performance Indicators and Annual and Quarterly targets 2023/24

Outcome	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual performance			Estimated performance (current year)	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Outcome 3: PSET education, training and skills development public institutions responsive to the	Strategic Output 6: Support to the growth and quality improvement	4.1 Number of active TVET Centres of Specialisation (CoS) supported	N/A	2	5	3	4	5	5

Outcome	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual performance			Estimated performance (current year)	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
changing occupations and skills demand required for the merSETA sector engineering and manufacturing industries, and related labour market	t of technical and vocational education and training (TVET) colleges	4.2 Number of TVET colleges funded for merSETA occupational programmes, equipment and workshop infrastructure	N/A	3	5	3	4	4	5
		4.3 Number of TVET college lecturers exposed to the industry	N/A	0	13	60	60	70	70
		4.4 Number of SETA offices maintained in TVET colleges	N/A	3	4	3	3	3	3
	Strategic Output 7: Support to the growth and quality improvement of technical and vocational education and training (TVET) colleges	4.5 Number of CET colleges funded for merSETA occupational programmes, equipment and workshop infrastructure	N/A	0	2	3	4	4	5
		4.6 Number of CET learners accessing AET programmes	N/A	0	0	15	15	20	30
Outcome 5: A skilled, agile and flexible current and future workforce for emerging and future occupations and employment opportunities, within the merSETA sector engineering and manufacturing industries, and related labour market	Strategic Output 8: Support career development services	4.7 Number of career development events in urban areas on occupations in high demand	50	12	15	15	18	21	25
		4.8 Number of career development events in rural areas on occupations in high demand	N/A	22	15	15	18	21	25
		4.9 Number of career development practitioners trained	N/A	31	24	30	30	30	30
		4.10 Number of capacity building workshops on career development services initiated	N/A	5	6	7	8	9	10

Table 13: Programme 4 Quarterly Targets 2023/24

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
4.1 Number of active TVET Centres of Specialisation (CoS) supported	3	-	-	-	3
4.2 Number of TVET colleges funded for merSETA occupational programmes, equipment, and workshop infrastructure	3	-	-	-	3
4.3 Number of TVET colleges lecturers exposed to the industry	60	-	-	-	60
4.4 Number of SETA offices maintained in TVET colleges	3	-	-	-	3
4.5 Number of CET colleges funded for merSETA occupational programmes, equipment, and workshop infrastructure	3	-	-	-	3
4.6 Number of CET learners accessing AET programmes	15	-	5	5	5
4.7 Number of career development events in urban areas on occupations in high demand	18	5	5	3	5
4.8 Number of career development events in rural areas on occupations in high demand	18	5	5	3	5
4.9 Number of career development practitioners trained	30	-	-	-	30
4.10 Number of capacity building workshops on career development services initiated	8	2	2	2	2

5 Explanation of planned performance over the medium term

5.1 Programme 1: Administration

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

- (i) Best practice management for planning, budgeting, and performance in accordance with the Department of Planning, Monitoring and Evaluation (DPME), AGSA and National Treasury Framework of legislation, regulations and guidelines.
- (ii) Efficient management of financial controls and grants disbursements in accordance with the PFMA, National Treasury Regulations, AGSA and Grant Regulations.
- (iii) Best practice operational management systems for implementing incentives, programmes and projects in accordance with internal and external audit requirements and standard operating procedures.

- (iv) Best practice management systems for human, ICT and facilities infrastructure resources.
- (v) Best practice management systems for governance and management of data, records and knowledge assets of the SETA.
- (vi) Best practice management systems for communication, marketing and information dissemination in accordance with relevant legislation.

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

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

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

5.2 Programme 2: Skills Planning

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

of the social economy. This programme is therefore key in supporting the following merSETA outcomes:

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

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

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

conducted, the SSP, established research partnerships to increase the research capability of merSETA, research papers and publications.

5.3 Programme 3: Learning Programmes and Projects

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

Various programmes and projects are implemented with an aim of re-skilling and up-skilling the currently employed people, skilling the unemployed to facilitate their entry into the merSETA sector labour market and increasing participation of large, medium and small sized levy paying employers. It is also intended for initiatives aimed at ensuring that PSET education, training and skills development public and private institutions are continuously responsive to the changing occupations and skills demand required for the merSETA sector engineering and manufacturing industries, and related labour market. This programme also focuses on increasing workplace experiential learning opportunities including support for employers to take on more learners in the workplace, introducing training within the SME sector and for informal entrepreneurs, and addressing the low level of youth and adult skills. The programme also focuses on the implementation of innovative skills development solutions to address emerging new complex skills challenges. Increasing the capacity for entrepreneurs, to enable new ventures into new areas of production activities, and growth of existing businesses is also a key focus area. Transformational goals aimed

at increasing the participation of youths, women, PwD, Black Industrialists and blacks in the labour market are also supported through this programme.

5.4 Programme 4: Quality Assurance

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

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

6 Programme resource considerations

Table 14 below summarises the income and expenditure over the medium term. The economic challenges impacting the performance of the manufacturing sector (highlighted in the situational analysis) have impacted the growth of the levy income. The effects of the economic recession and the COVID-19 economic lockdown are likely to be felt in the coming few years. The merSETA financial incentives and non-financial services framework (business funding model) is part of the merSETA response to supplementing its stagnating levy income. Table 15 also summarises the budget for the four programmes over the period 2023/24 to 2024/25

Table 14: INCOME AND EXPENDITURE FORECAST

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26						
	HISTORICAL	HISTORICAL	HISTORICAL	REVISED BUDGET	BUDGET	FORECAST	FORECAST	21 Vs 20	22 vs 21	23 vs 22	24 vs 23	25 vs 24	26 vs 25
	R000's	R000's	R000's	R000's	R000's	R000's	R000's						
INCOME													
Levies	1 466 870	920 792	1 418 577	1 560 434	1 654 060	1 736 763	1 823 601	- 37%	54%	10%	6%	5%	5%
Mandatory	365 711	230 352	354 420	389 862	413 515	434 191	455 900						
Discretionary	908 729	569 590	877 967	965 763	1 023 450	1 074 622	1 128 353						
Administration	192 430	120 850	186 190	204 809	217 095	227 950	239 348						
Penalties and Interest	19 621	25 191	20 218	15 888	16 842	17 684	18 567	28%	20%	-21%	6%	5%	5%
Investment Income	311 867	265 924	207 001	263 290	289 620	318 582	350 440	- 15%	- 22%	27%	10%	10%	10%
Other Income	66	12	2	6	8	8	9						

TOTAL INCOME	1 798 424	1 211 919	1 645 798	1 839 618	1 960 530	2 073 037	2 192 617	-	33%	36%	12%	7%	6%	6%	
EXPENDITURE BY PROGRAMME															
Administration	175 866	177 651	187 109	189 197	215 047	227 951	241 628	1%	5%	1%	14%	6%	6%		
Skills Planning	53 342	45 468	49 007	94 919	120 835	128 097	136 532	-	15%	8%	94%	27%	6%	7%	
Learning Programmes & Projects	955 517	935 918	1 075 494	1 306 487	1 419 841	1 502 339	1 588 575	-2%	15%	21%	9%	6%	6%		
Quality Assurance	1 618	302	164	9 704	12 031	12 754	13 521	-	81%	-	46%	5817%	24%	6%	6%
TOTAL EXPENDITURE	1 186 343	1 159 339	1 311 774	1 600 307	1 767 754	1 871 141	1 980 256	-2%	13%	22%	10%	6%	6%		
	-	-	-	-	-	-	-								
Net surplus	612 081	52 580	334 024	239 311	192 776	201 896	212 361								
Accumulated surplus BOY	3 544 471	4 156 552	4 209 132	4 543 156	4 782 467	4 975 243	5 177 139								
Accumulated surplus EOY	4 156 552	4 209 132	4 543 156	4 782 467	4 975 243	5 177 139	5 389 500								

Table 15: Programme budgets

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Historical	Historical	Historical	Revised Budget	Budget	Forecast	Forecast
	R000's	R000's	R000's	R000's	R000's	R000's	R000's
PROGRAMME 1							
Compensation	104 081	108 955	111 907	105 657	120 709	127 952	135 629
Depreciation	3 002	2 675	3 933	4 872	4 198	4 450	4 717
Goods and services	68 621	65 908	71 103	78 437	89 911	95 306	101 024
Allocated project admin expenditure	162	113	166	231	229	243	258
	175 866	177 651	187 109	189 197	215 047	227 951	241 628
% Project admin	0,092%	0,064%	0,089%	0,122%	0,107%	0,107%	0,107%
PROGRAMME 2							
Compensation	6 311	6 627	6 377	7 165	8 365	8 867	7 899
Depreciation	-	-	-	-	-	-	-
Goods and services	45 029	36 969	40 862	82 724	106 210	112 583	121 535
Allocated project admin expenditure	2 002	1 872	1 768	5 030	6 260	6 647	7 098
	53 342	45 468	49 007	94 919	120 835	128 097	136 532
% Project admin	3,9%	4,3%	3,7%	5,6%	5,5%	5,5%	5,5%
PROGRAMME 3							
Compensation	2 285	2 609	2 515	5 320	2 874	3 046	3 229
Depreciation	365	364	364	366	366	388	411
Goods and services	917 001	894 403	1 033 820	1 231 565	1 343 042	1 420 945	1 502 352
Allocated project admin expenditure	35 866	38 542	38 795	69 236	73 559	77 960	82 583
	955 517	935 918	1 075 494	1 306 487	1 419 841	1 502 339	1 588 575
% Project admin	3,9%	4,3%	3,7%	5,6%	5,5%	5,5%	5,5%

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Historical	Historical	Historical	Revised Budget	Budget	Forecast	Forecast
	R000's						
PROGRAMME 4							
Compensation	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Goods and services	1 557	290	158	9 190	11 408	12 092	12 818
Allocated project admin expenditure	61	12	6	514	623	662	703
	1 618	302	164	9 704	12 031	12 754	13 521
% Project admin	3,9%	4,1%	3,8%	5,6%	5,5%	5,5%	5,5%
TOTAL EXPENDITURE	1 186 343	1 159 339	1 311 774	1 600 307	1 767 754	1 871 141	1 980 256
PER AFS/ BUDGET	1 186 343	1 159 339	1 311 774	1 600 307	1 767 754	1 871 141	1 980 256
	-	-	-	-	-	-	-
Total project admin	38 091	40 539	40 735	75 011	80 671	85 512	90 642
% Project admin	3%	4%	3%	5%	5%	5%	5%
From programme report (management a	2,4%	0,8%	0,8%	0,8%	0,8%	0,8%	0,8%
	11,1%	8,3%	8,3%	8,3%	8,3%	8,3%	8,3%
	85,9%	90,4%	90,4%	90,4%	90,4%	90,4%	90,4%
	0,6%	0,5%	0,5%	0,5%	0,5%	0,5%	0,5%
	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Project admin expenditure	38 091	40 539	40 734	75 011	80 671	85 512	90 642
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

TOTAL							
PROGRAMME 1	175 866	177 651	187 109	189 197	215 047	227 951	241 628
PROGRAMME 2	53 342	45 468	49 007	94 919	120 835	128 097	136 532
PROGRAMME 3	955 517	935 918	1 075 494	1 306 487	1 419 841	1 502 339	1 588 575
PROGRAMME 4	1 618	302	164	9 704	12 031	12 754	13 521
	1 186 343	1 159 339	1 311 774	1 600 307	1 767 754	1 871 141	1 980 256
Pure projects							
PROGRAMME 1	4 142	2 624	4 428	4 122	4 188	4 439	4 705
PROGRAMME 2	51 340	43 596	47 239	89 889	114 575	121 450	129 434
PROGRAMME 3	919 651	897 376	1 036 699	1 237 251	1 346 282	1 424 379	1 505 992
PROGRAMME 4	1 557	290	158	9 190	11 408	12 092	12 818
	976 690	943 886	1 088 524	1 340 452	1 476 453	1 562 360	1 652 949
Admin split %							
PROGRAMME 1	0,42%	0,28%	0,41%	0,31%	0,28%	0,28%	0,28%
PROGRAMME 2	5,26%	4,62%	4,34%	6,71%	7,76%	7,77%	7,83%
PROGRAMME 3	94,16%	95,07%	95,24%	92,30%	91,18%	91,17%	91,11%
PROGRAMME 4	0,16%	0,03%	0,01%	0,69%	0,77%	0,77%	0,78%
	100,00%						
Project Admin	38 091	40 539	40 734	75 011	80 671	85 512	90 642
Project admin allocated							
PROGRAMME 1	162	113	166	231	229	243	258
PROGRAMME 2	2 002	1 872	1 768	5 030	6 260	6 647	7 098
PROGRAMME 3	35 866	38 542	38 795	69 236	73 559	77 960	82 583
PROGRAMME 4	61	12	6	514	623	662	703
	38 091	40 539	40 735	75 011	80 671	85 512	90 642

6.1 Human and Infrastructure resources

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

The merSETA will is currently undergoing an organisational transformation process to determine the adequacy of the current organisational functions, structure, systems, and staff establishment for implementation of its strategy. The merSETA has made the decision to make further investment in the ICT infrastructure, to ensure that the relevant, latest technology is in place to support the merSETA enterprise content management system, as well as to govern and manage its data, records, and knowledge assets. This is critical in positioning the merSETA for the digital driven 4IR era. Programme Phetogo, the merSETA digital transformation programme is expected to strengthen technology and enterprise architecture, data and information management, knowledge management, records management, and business process management.

7 Key Risks

The prevailing social, political and economic conditions have exposed the merSETA to significant outcome and output risks. The merSETA, however, has responded by developing solutions to mitigate some of the risks as unpacked in Table 16 and Table 17.

Table 16: Outcome risks

Outcome	Key risk	Risk mitigation
<p>Ethical governance and resourced capable merSETA operations established and maintained, to equitably provide skills development related services, goods and products responsive to occupations and skills growth demand of the merSETA sector industries, and labour market</p>	<p>Non-compliance to legislative and regulatory environment, and inability to deliver on the mandate.</p>	<ul style="list-style-type: none"> • Implementation, communication and monitoring of relevant government frameworks. • Development and implementation of functional strategies (ICT, HR, Marketing and Communications etc.) aligned to the merSETA strategic Plan
	<p>Reputational risks caused by poor public perception of SETAs</p>	<ul style="list-style-type: none"> • Increase communication and marketing to create a positive perception of the SETA • Foster relations with key stakeholders and strengthen stakeholder management and advocacy • Be proactive in influencing public opinion • Regular media campaigns (targeting key stakeholder groups) e.g., community radio stations, media inserts
<p>Skills for productive enterprises within the social economy, to support the integration into the merSETA sector engineering and industry value chains.</p>	<p>Low level of skills to enable meaningful participation in the recovery and reconstruction of the manufacturing economy.</p> <p>Unavailability of adequate workplaces for training.</p>	<ul style="list-style-type: none"> • Development and implementation of a strategy to recruit and increase participation in merSETA skills development initiatives. • Strategies to support SMEs in building their capability to be used as workplaces for training in a sustainable manner.
	<p>Political instability perpetuated by the prevailing social and economic conditions</p>	<ul style="list-style-type: none"> • Engaging with social partners (particularly those in the skills development ecosystems) to find lasting solutions to some of the prevailing social and economic conditions
	<p>Poor infrastructure to respond to production needs (including disruptions brought by 4IR)</p>	<ul style="list-style-type: none"> • Support innovations addressing infrastructure and related challenges
<p>PSET education, training and skills development public institutions responsive to the changing occupations and</p>	<p>Non-responsive PSET institutions for the merSETA labour market and economy.</p>	<ul style="list-style-type: none"> • Provision of the necessary support for teaching, learning, and innovation

skills demand required for the merSETA sector engineering and manufacturing industries, and related labour market.		appropriate for merSETA skills demand.
Skills for transformed SA merSETA sector engineering and manufacturing industries to support EE demographics transformation, changing business models of production and technology, and the transformation for the diversification of ownership, control and management.	No skills for the transformation goals.	Creative incentive measures for diversified innovative skills development initiatives and continuous monitoring and feedback for continuous improvement.
	Reduction of skills levels	Fostering partnerships with other role players in the skills development system
A skilled, agile and flexible current and future workforce for emerging and future occupations and employment opportunities, within the merSETA sector engineering and manufacturing industries, and related labour market.	Inadequate agile and flexible skills to support the recovery and reconstruction of the economy post COVID-19.	<ul style="list-style-type: none"> • Collaboration with the QCTO to put in place occupational qualifications for emerging/transforming/new occupations and skills. • Diversified innovative support and incentives for formal and informal skills development initiatives for emerging/transforming/new skills.

Table 17: Output risks

Output	Key Risk	Risk Mitigation
Effective and efficient governance and leadership practice implemented.	<p>Inefficient governance and non-compliance to legislation.</p> <p>Poor service delivery and qualified audit due to poor internal controls, poor data management and governance and poor record keeping.</p> <p>Reduction of levy income due to the impact of the economic</p>	<ul style="list-style-type: none"> • Implementation, communication and monitoring of relevant government frameworks. • Separation of duties and responsibilities between the accounting authority and management. • Training and capacity building. • Improved internal control systems, commit funding to the right programmes, strengthening data management and governance and records management. • Use partnerships (including the core funding

Output	Key Risk	Risk Mitigation
	recession and the global pandemic.	mechanism) to deliver skills to the sector •
Establishment of credible and effective systems and strategies for research, planning, monitoring and evaluation.	Poor planning and evidence-based decision-making in relation to delivery on merSETA mandate due to poor data quality.	<ul style="list-style-type: none"> • Implementation of credible systems and strategies to monitor the effective implementation of policies, processes and systems. • Implement a data management and governance framework to strengthen data management and governance
Facilitation of skills development interventions, to enable increased employment and growth opportunities.	<ul style="list-style-type: none"> • No pool of relevant skills required by the labour market. • Learner dropouts in merSETA programmes due to the social and economic impact of the COVID-19 pandemic • Lack of availability of workplaces. • SMEs not adequately equipped to participate in skills development programmes due to the economic and social effects of the COVID-19 pandemic and global recession. 	<ul style="list-style-type: none"> • Creative incentives and programmes. • Wrap-around learner support services to increase throughput of learners on merSETA-learning programmes. • Ensuring that employers commit to opening the workplace as a training space. • Explore the use of simulated training, learning factories and other technologies • merSETA strategies to support SMEs in building their capability to be used as workplaces for training in a sustainable manner, with minimal disruption to core business activities. • Provide more support to SMEs, entrepreneurship and community bases enterprises such as cooperatives
Strategic skills development related collaborations and partnerships to respond to national, provincial, local and sector priorities.		
Facilitation of skills development interventions to support the development and establishment of sustainable SMEs, cooperatives, and local or community-based employment and income generation activities aligned to merSETA engineering and manufacturing value chain.		
Support of the growth and quality improvement of Technical and Vocational Education and Training (TVET) Colleges.	Poor quality of provisioning or delivering.	<ul style="list-style-type: none"> • Enabling policy framework. • Partner with other role players to strengthen

Output	Key Risk	Risk Mitigation
		<p>support for the TVET sector.</p> <ul style="list-style-type: none"> • Qualitative monitoring of TVET colleges to identify risks and challenges as they occur.
Support of the growth and quality improvement of Community Education and Training (CET) Colleges.	Poor capacity within the CET colleges,	<ul style="list-style-type: none"> • Partner with other role players to strengthen support for CET colleges. • Qualitative monitoring of CET colleges to identify risks and challenges as they occur.
Facilitating diverse career development, advice and awareness related services.	Low reach of career development, advice and related services.	<ul style="list-style-type: none"> • Increased customised and diversified career awareness platforms e.g. social media, exhibitions, radio, etc.

8 Public Entities

N/A

9 Infrastructure Projects

N/A

10 Public Private Partnership

N/A

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TIDs)

Programme 1: Administration Technical Indicator Descriptors

1.1 Percentage of compliance with corporate governance compliance report

Indicator title	Percentage of compliance with governance compliance report
Definition	This indicator must measure in percentage, merSETA overall compliance with PFMA (including National Treasury directives), Skills Development Act (and the Regulations thereof) and Public Audit Act No 5 of 2018 (as amended), as well as management's and AA's role in monitoring such compliance
Source of data	Quarterly Governance Report
Method of calculation / Assessment	The total number of Governance Reports submitted to and accepted by DHET divided by four and multiplied by 100
Means of verification	Approved Governance Report
Assumptions	Committee meetings will take place as per schedule
Disaggregation of Beneficiaries (where applicable)	Target for Women: N/A Target for Youth: N/A Target for People with Disabilities (PWD): N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Company Secretary and Compliance Officer

Programme 2: Skills Planning Technical Indicator Descriptors

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

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

Indicator title	Number of WSPs and ATRs approved for small firms: (49 or less employees)
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

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

Indicator title	Number of WSPs and ATRs approved for medium firms: (50-149 employees)
Definition	Number of WSPs and ATRs that have been approved for medium levy paying firms (organisations employing between 50-149 employees). Approval of a WSP/TR doesn't necessarily mean that the firm was paid a mandatory grant, but that the WSP/TR submission was accepted and deemed as appropriate by the merSETA
Source of data	NSDMS records or MG schedules
Method of calculation / Assessment	Each medium levy paying firm is counted once for each successful approval of WSP/TR (mandatory grant)
Means of verification	Remittance advice or proof of payment; or record of approval of grant application (WSP/TR)
Assumptions	merSETA companies will participate in the WSP/TR (mandatory grant application process)
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

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

Indicator title	Number of WSPs and ATRs approved for large firms: (150 + employees)
Definition	Number of WSPs and ATRs that have been approved for large levy paying firms (organisations employing 150+ employees). Approval of a WSP/TR doesn't necessarily mean that the firm was paid a mandatory grant, but that the WSP/TR submission was accepted and deemed as appropriate by the merSETA
Source of data	NSDMS records or mandatory grant schedules
Method of calculation / Assessment	Each large levy paying firm is counted once for each successful approval of WSP/TR
Means of verification	Remittance advice or proof of payment; or record of approval of grant application (WSP/TR)
Assumptions	merSETA companies will participate in the WSP/TR (mandatory grant application process)

Indicator title	Number of WSPs and ATRs approved for large firms: (150 + employees)
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

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

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

2.5 Number of learners who completed workplace-based learning programmes absorbed into employment or self-employment (Number of tracer studies to be conducted to establish employability)

Indicator title	Number of learners who completed workplace-based learning programmes absorbed into employment or self-employment (Number of tracer studies to be conducted to establish employability)
Definition	This indicator refers to the number of tracer studies conducted so as to determine employment (including self-employment) absorption rates of unemployed learners after completing merSETA skills development interventions, including but not limited to internships, apprenticeship, skills programme/sets, learnerships, training on

Indicator title	Number of learners who completed workplace-based learning programmes absorbed into employment or self-employment (Number of tracer studies to be conducted to establish employability)
	entrepreneurship skills, or on completion of studies where a bursary was offered. Absorption rates will be determined through annual absorption rate surveys
Source of data	Tracer study terms of reference
Method of calculation / Assessment	Count the number of tracer studies conducted
Means of verification	The approved tracer study scope, terms of reference, progress reports and tracer study reports.
Assumptions	Unreliable data, low participation by the required respondents, no access to relevant primary data from stakeholders, Delayed procurement of service provider, service provider expertise, availability of alumni information, response rate of survey participants
Disaggregation of Beneficiaries (where applicable)	n/a
Spatial transformation (where applicable)	n/a
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Executive: Strategy & Research

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

Indicator title	Number of established and emergent cooperatives trained on sector and national identified priority occupations or skills
Definition	Number of cooperatives that have been funded by the merSETA to train on sector and national identified priority occupations or skills
Source of data	NSDMS MoA records or register of partnership agreements
Method of calculation / Assessment	Count the number of cooperatives funded by the merSETA to train on sector and national identified occupations or skills. Each signed agreement is counted once in the financial year., irrespective of the number of agreements entered with the cooperative
Means of verification	Copy of an agreement; a copy of a detailed site visit report or progress report
Assumptions	Cooperatives have the capacity (resources, project management and relevant infrastructure) to implement agreements
Disaggregation of Beneficiaries (where applicable)	30% of cooperatives supported should be run by women or have women as the primary beneficiaries
Spatial transformation (where applicable)	90% of the cooperatives supported will be from rural areas and townships
Calculation type	Cumulative

Indicator title	Number of established and emergent cooperatives trained on sector and national identified priority occupations or skills
Reporting cycle	Annually
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

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

Indicator title	Number of small and emerging enterprises trained on sector and national identified priority occupations or skills
Definition	Number of small businesses (organisations with 1-49 employees) that have been funded by the merSETA to train on sector and national identified priority occupations or skills
Source of data	NSDMS records or register of partnership agreements
Method of calculation / Assessment	Count the number of small businesses that have been funded by the merSETA to train on sector and national identified priority occupations or skills. Each signed agreement is counted once in the financial year, irrespective of the number of agreements entered with the small business
Means of verification	Copy of an agreement; a copy of a detailed site visit report or progress report
Assumptions	The merSETA has a strategy and supporting measures in place to encourage participation of SMEs in its activities and interventions
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	10% of small businesses supported through skills development will be from rural areas and townships
Calculation type	Cumulative
Reporting Cycle	Annually
Desired performance	Target stated in 2023/2024 APP achieved
Indicator Responsibility	Chief Operations Officer

Programme 3: Learning Programmes and Projects Technical Indicator Descriptors

3.1 Percentage of total approved Discretionary Grants (DG) allocations to employers, allocated to programmes or projects aimed at developing high level skills e.g., managers, professionals and technicians, and associate professionals

Indicator title	Percentage of total approved Discretionary Grant (DG) allocations to employers, allocated to programmes or projects aimed at developing high level skills e.g., managers, professionals and technicians, and associate professionals
Definition	This indicator measures the percentage of the total MANCO approved DG allocations to merSETA employers, allocated to programmes or projects aimed at developing high level skills for example managers, professionals and technicians, and associated professionals, through anyone of the following learning initiatives, but not limited to: bursaries, skills programmes/sets, learnerships, non-credit bearing courses, internships, candidacy, WIL, or Continuous Professional Development (CPD)
Source of data	MANCO approved allocation report
Method of calculation / Assessment	MANCO DG amount approved to employers to implement programmes or projects aimed at developing high level skills divided by the total MANCO approved allocations to employers multiplied by 100 Numerator: MANCO DG approved amount for high-level skills Denominator: Total MANCO approved allocation to merSETA employers
Means of verification	Consolidated approved allocation report in line with the OFO codes
Assumptions	Companies will apply for discretionary grant and accept the allocations
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% of the total budget allocated for this category Target for Youth: 25% of the total budget allocated for this category Target for People with Disabilities (PwD): 2% of the total budget allocated for this category
Spatial Transformation (where applicable)	20% will be allocated to beneficiaries from rural areas
Calculation type	Non-Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

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

Indicator title	Percentage of total approved Discretionary Grants (DG) allocations to employers, allocated to programmes or projects aimed at developing mid-level skills e.g. clerical, sales and service, skilled craft and trade workers
Definition	This indicator measures the percentage of the total MANCO approved DG allocations to merSETA employers, allocated to programmes or projects aimed at developing mid-level skills for instance clerical, sales and service, skilled craft and trade workers (referred to as intermediate skills in the NSDP), through any of the following learning initiatives, but not limited to: bursaries, skills programmes/sets, learnerships, apprenticeships, non-credit bearing courses, internships, candidacy, WIL, or Continuous Professional Development (CPD)
Source of data	MANCO approved allocation report
Method of calculation / Assessment	MANCO DG amount approved to employers to implement programmes or projects aimed at developing mid-level skills divided by the total MANCO approved allocations to employers multiplied by 100 Numerator: MANCO DG approved amount for mid-level skills Denominator: Total MANCO approved allocation to merSETA employers
Means of verification	Consolidated approved allocation report in line with the OFO codes
Assumptions	Companies will apply for discretionary grant and accept allocations
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% of the total budget allocated for this category Target for Youth: 20% of the total budget allocated for this category Target for People with Disabilities (PWD): 2% of the total budget allocated for this category.
Spatial Transformation (where applicable)	20% will be allocated to beneficiaries from rural areas
Calculation type	Non-Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.3 Percentage of total approved Discretionary Grants (DG) allocations to employers, allocated to programmes or projects aimed at developing elementary skills e.g., machine operators and elementary workers

Indicator title	Percentage of total approved Discretionary Grants (DG) allocations to employers, allocated to programmes or projects aimed at developing elementary skills e.g., machine operators and elementary workers
Definition	This indicator measures the percentage of the total MANCO approved DG allocations to merSETA employers, allocated to programmes or projects aimed at developing elementary skills for example machine operators, elementary workers but not limited to: bursaries, skills programmes/sets, learnerships, apprenticeships, non-credit bearing courses, internships, candidacy, WIL, or Continuous Professional Development (CPD)
Source of data	MANCO approved allocation report
Method of calculation / Assessment	MANCO DG amount approved to employers to implement programmes or projects aimed at developing elementary skills divided by the total MANCO approved allocations to employers multiplied by 100 Numerator: MANCO DG approved amount for elementary skills

Indicator title	Percentage of total approved Discretionary Grants (DG) allocations to employers, allocated to programmes or projects aimed at developing elementary skills e.g., machine operators and elementary workers
	Denominator: Total MANCO approved allocation to merSETA employers
Means of verification	Consolidated approved allocation report in line with the OFO codes
Assumptions	Companies will apply for discretionary grant and accept allocations
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% of the total budget allocated for this category Target for Youth: 50% of the total budget allocated for this category Target for People with Disabilities (PwD): 2% of the total budget allocated for this category
Spatial Transformation (where applicable)	20% of the total budget will be allocated to machine operators and elementary workers from rural areas.
Calculation type	Non-Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.4 Number of unemployed learners registered for WIL programmes from TVET

Indicator title	Number of unemployed learners registered for WIL programmes from TVET
Definition	Number of learners from TVET colleges who prior to registration for WIL were unemployed and are placed at workplaces or workshops or work simulated programmes to acquire the National Nated Diploma
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every registration on WIL TVET placement programme
Means of verification	Learner agreement; confirmation of employment status; copy of an ID or passport or confirmation of application of an ID or foreign identification document; and a copy of statement of results or letter for placement from the TVET college
Assumptions	Availability of workplaces, employer commitment to avail workspaces for learning
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50% Target for People with Disabilities (PwD): 2%
Spatial transformation (where applicable)	20% unemployed learners registered for WIL programmes from TVET will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved

Indicator title	Number of unemployed learners registered for WIL programmes from TVET
Indicator responsibility	Chief Operations Officer

3.5 Number of unemployed learners completing WIL programmes from TVET

Indicator title	Number of unemployed learners completing WIL programmes from TVET
Definition	Number of unemployed learners from TVET Colleges completing WIL programmes at workplaces or workshops or work simulated programmes to acquire the National Nated Diploma
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every WIL TVET programme completion
Means of verification	Letter confirming learner completion; and copy of an ID or passport or confirmation of application of an ID or foreign identification document
Assumptions	Availability of workplaces, employer commitment to avail workspaces for learning
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50% Target for People with Disabilities (PWD): 2%
Spatial transformation (where applicable)	20% unemployed learners completing WIL programmes from TVET Colleges will be from rural areas.
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.6 Number of unemployed learners registered for WIL programmes from HEIs

Indicator title	Number of unemployed learners registered for WIL programmes from HEIs
Definition	Number of learners from HEIs or University of Technologies (UoT) who prior to registering for WIL were unemployed, and are placed at a workplace or workshop or work simulated programme to acquire a National Diploma
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every HEI WIL programme registered
Means of verification	Learner agreement; confirmation of employment status; copy of an ID or passport copy or confirmation of application of an ID or foreign identification document; and a copy of statement of result from the HEI or a confirmation letter from the HEI for practical placement
Assumptions	Availability of workplaces, employer commitment to avail workspaces for learning
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50% Target for People with Disability (PWD): 3%

Indicator title	Number of unemployed learners registered for WIL programmes from HEIs
Spatial transformation (where applicable)	20 % unemployed learners registered for WIL programmes from HEIs will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.7 Number of unemployed learners completing WIL programmes from HEIs

Indicator title	Number of unemployed learners completing WIL programmes from HEIs
Definition	Number of unemployed HEI or University of Technology (UoT) learners completing WIL at a workplaces or workshops or work simulated programme in order to acquire a National Diploma
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every HEI WIL programme completed
Means of verification	Letter confirming learner completion; and copy of an ID or passport or confirmation of application of an ID or foreign identification document
Assumptions	Availability of workplaces, employer commitment to avail workspaces for learning
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	20 % unemployed learners completing WIL programmes from HEIs will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.8 Number of unemployed learners registered for workplace experience/internships

Indicator title	Number of unemployed learners registered for workplace experience/internships
Definition	The number of unemployed graduates who are placed on a work experience plan at a workplace, or workshop or a work simulated programme
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every workplace-based experience/internship programme registered
Means of verification	Learner agreement; confirmation of employment status; copy of an ID or passport or confirmation of application of an ID or foreign identification document; and a copy of highest qualification from education institution or statement of result or certificate
Assumptions	Availability of workplaces, employer commitment to avail workspaces for learning

Indicator title	Number of unemployed learners registered for workplace experience/internships
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50% Target for People with Disability (PwD): 2%
Spatial transformation (where applicable)	20% unemployed learners registered for workplace experience/internships will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.9 Number of unemployed learners completing workplace experience/internships

Indicator title	Number of unemployed learners completing workplace experience/internships
Definition	The number of unemployed graduates who have completed a work experience plan at a workplace or workshop or work simulated programme
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every workplace experience/internship programme completed
Means of verification	Letter confirming learner completion; and copy of an ID or passport or confirmation of application of an ID or foreign identification document
Assumptions	Availability of workplaces for internship/work experience
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 30% Target for People with Disability (PwD): 2%
Spatial transformation (where applicable)	20% of unemployed learners completing workplace experience/internships will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.10 Number of unemployed learners registered for skills programmes

Indicator title	Number of unemployed learners registered for skills programmes
Definition	Number of learners who were unemployed prior to registering for skills programmes/sets, or on individual unit standard linked to an occupation
Source of data	Learner Management System

Indicator title	Number of unemployed learners registered for skills programmes
Method of calculation / Assessment	Each learner is counted once for every skills programmes/sets or individual unit standard registered
Means of verification	Learner registration form; confirmation of employment status; copy of an ID or passport or confirmation of application of an ID or foreign identification document; and a copy of highest qualification or affidavit
Assumptions	The merSETA (through career awareness and other means will attract the relevant learners to its skills programmes)
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50% Target for People with Disability (PWD): 2%
Spatial transformation (where applicable)	20% of unemployed learners registered for skills programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.11 Number of unemployed learners completing skills programmes

Indicator title	Number of unemployed learners completing skills programmes
Definition	Number of unemployed learners completing skills programme/sets, or individual unit standards linked to an occupation
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for completing the skills programme/sets or individual unit standard
Means of verification	Moderation report or statement of results or letter of confirmation of completion from another SETA; copy of an ID or passport or confirmation of application of an ID or foreign identification document
Assumptions	Interventions implemented by the merSETA to support learners will be effective in reducing dropouts and other challenges in completion of skills programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50% Target for People with Disability (PWD): 2%
Spatial transformation (where applicable)	20% of unemployed learners completing skills programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.12 Number of unemployed learners registered for learnership programmes

Indicator title	Number of unemployed learners registered for learnership programmes
Definition	Number of learners who were unemployed prior to registering on learnership programmes linked to qualifications or part qualifications
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every learnership programme registered
Means of verification	Learnership agreement and confirmation of employment status; copy of an ID or passport or confirmation of application of an ID or foreign identification document; and a copy of highest qualification or an affidavit
Assumptions	Adequate interest in merSETA careers/occupations
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 30% Target for People with Disability (PWD): 3%
Spatial transformation (where applicable)	20% of unemployed learners registered for learnership programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.13 Number of unemployed learners completing learnership programmes

Indicator title	Number of unemployed learners completing learnership programmes
Definition	Number of unemployed learners successfully completing a registered learnership programme
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every learnership programme completed
Means of verification	Moderation report or statement of results or certificate or confirmation of completion from another SETA; and copy of an ID or passport or confirmation of application of an ID or foreign identification document
Assumptions	Interventions implemented by the merSETA to support learners will be effective in reducing dropouts and other challenges in completion of learnership programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 50% Target for People with Disability (PWD): 3%
Spatial transformation (where applicable)	20% unemployed learners completing learnerships programme will be from rural areas
Calculation type	Cumulative

Indicator title	Number of unemployed learners completing learnership programmes
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.14 *Number of unemployed engineering graduates registered for candidacy programmes*

Indicator title	Number of unemployed engineering graduates registered for candidacy programmes
Definition	Number of engineering graduates who were unemployed prior to being placed on a workplace experience plan at a workplace or workshop or work simulated programme in order to acquire a professional designation
Source of data	Learner Management System.
Method of calculation / Assessment	Each learner is counted once for every candidacy programme registered.
Means of verification	Learner agreement; proof of candidacy registration; confirmation of employment status; copy of an ID or passport or confirmation of application of an ID or foreign identification document; and a copy of highest qualification from HEI or statement of results or certificate
Assumptions	There will be an uptake of the candidacy programme; employers' commitment to take on graduates for candidacy.
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 20% Target for People with Disability (PWD): 2%
Spatial transformation (where applicable)	20% of unemployed engineering graduates registered for candidacy programmes will be from rural areas.
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.15 *Number of unemployed engineering graduates completing candidacy programmes*

Indicator title	Number of unemployed engineering graduates completing candidacy programmes
Definition	Number of unemployed engineering graduates completing a candidacy programme in order to acquire a professional body designation
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every candidacy programme completed

Means of verification	Candidacy completion letter or professional body registration certificate; copy of an ID or passport or confirmation of application of ID or foreign identification document
Assumptions	The merSETA and its partners will work together in implementing measures to support learners to reduce dropouts and other challenges that impact on completion of the candidacy programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 50% Target for People with Disability (PWD): 2%
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

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

Indicator title	Number of unemployed learners registered for bursary programmes (new entries)
Definition	Number of unemployed learners who have received a bursary for commencement of a qualification
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every new entry bursary received
Means of verification	Learner agreement or learner registration form; proof of registration from education institution; copy of an ID or passport or confirmation of application of an ID or foreign identification document; and a copy of highest qualification or a statement of results or certificate
Assumptions	Other role players such as HEIs and NSFAs (working together with the merSETA) will put in place effective mechanisms to identify, attract and award bursaries for relevant qualifications
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 90% Target for People with Disability (PWD): 3%
Spatial transformation (where applicable)	20% of unemployed learners granted bursaries (new entries) will be from rural areas
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

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

Indicator title	Number of unemployed learners registered for bursary programmes (continuing)
Definition	Number of unemployed learners who have received a bursary to continue with the qualification
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every continuing bursary received
Means of verification	Education institution continuation letter or proof of registration from the education institution; copy of an ID or passport or confirmation of application of an ID or foreign identification document; and a copy of statement of results
Assumptions	Dropout rates will be reduced due to measures implemented by the merSETA in partnership with other role players such as NSFAS and HEIs
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	20% unemployed learners granted bursaries (continuing) will be from rural areas
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.18 Number of unemployed learners completing bursary programmes

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

Indicator title	Number of unemployed learners completing bursary programmes
Reporting cycle	Annually
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.19 *Number of employed learners registered for learnership programmes*

Indicator title	Number of employed learners registered for learnership programmes
Definition	Number of learners who prior to registering on a learnership programme are already employed
Source of data	Learner Management System.
Method of calculation / Assessment	Each learner is counted once for every learnership programme registered.
Means of verification	Learnership agreement; confirmation of employment status; copy of an ID or passport or confirmation of application of an ID or foreign identification document; and a copy of highest qualification or an affidavit
Assumptions	Employers and unions will provide the necessary support to encourage employees to enrol for merSETA learnership programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 25% Target for Youth: 30% Target for People with Disability (PwD): 2%
Spatial transformation (where applicable)	10% of the employed learners registered for learnership programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.20 *Number of employed learners completing learnership programmes*

Indicator title	Number of employed learners completing learnership programmes
Definition	Number of employed learners who successfully completed a learnership programme
Source of data	Learner Management System.
Method of calculation / Assessment	Each learner is counted once for every learnership programme completed
Means of verification	Moderation report or statement of results or confirmation of completion from another SETA; copy of an ID or passport or confirmation of application of an ID or foreign identification document
Assumptions	Employers and unions will provide the necessary support for employed learners to successfully complete learnership programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 25% Target for Youth: 30%

Indicator title	Number of employed learners completing learnership programmes
	Target for People with Disability (PwD): 2%
Spatial transformation (where applicable)	10% of employed learners completing learnership programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

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

Indicator title	Number of employed learners registered for bursary programmes (new entries)
Definition	Number of employed learners who have received a bursary for commencement of a qualification or part qualification
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every new entry bursary programme registered
Means of verification	Proof of registration from education institution; confirmation of employment status; learner registration form; copy of an ID or passport or confirmation of application of an ID or foreign identification document; and a copy of highest qualification or statement of results or certificate
Assumptions	Employers providing opportunities for worker to enrol for academic studies.
Disaggregation of Beneficiaries (where applicable)	Target for Women: 25% Target for Youth: 90% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	20% of employed learners registered for bursary programmes (new entries) will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

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

Indicator title	Number of employed learners registered for bursary programmes (continuing)
Definition	Number of employed learners who have received a bursary to continue a qualification or part qualification
Source of data	Learner Management System

Indicator title	Number of employed learners registered for bursary programmes (continuing)
Method of calculation / Assessment	Each learner is counted once for every continuing bursary programme registered
Means of verification	Continuation letter or proof of registration from education institution; learner registration form; copy of an ID or passport or confirmation of application of an ID or foreign identification document; and a copy of statement of results
Assumptions	Employers supporting workers to pursue studies towards successful completion; HEI support measures for employed students
Disaggregation of Beneficiaries (where applicable)	Target for Women: 25% Target for Youth: 90% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	20% employed learners registered for bursary programmes (continuing) will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.23 Number of employed learners completing bursary programmes

Indicator title	Number of employed learners completing bursary programmes
Definition	Number of employed learners who have received a bursary and completed their qualification or part qualification
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every bursary programme completed
Means of verification	Confirmation of completion issued by the education institution or copy of statement of results or copy of certificate; and copy of an ID or passport or confirmation of application of ID or foreign identification document
Assumptions	Time given by employers for workers to study and successfully complete; education institution support measures for employed students
Disaggregation of Beneficiaries (where applicable)	Target for Women: 25% Target for Youth: 50% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	20% of employed learners completing bursary programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.24 Number of employed learners registering for skills programmes

Indicator title	Number of employed learners registering for skills programmes
Definition	Number of learners who prior to registering for skills programmes/sets or an individual unit standard linked to an occupation are already employed
Source of data	Learner Management System.
Method of calculation / Assessment	Each learner is counted once for every skills programmes/sets or individual unit standard registered
Means of verification	Learner registration form; confirmation of employment status; copy of an ID or passport or confirmation of application of an ID or foreign identification document; and a copy of highest qualification or an affidavit
Assumptions	Employers and unions will provide the necessary support to encourage uptake of merSETA skills programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 25% Target for Youth: 30% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	10% of employed learners registering for skills programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.25 Number of employed learners completing skills programme

Indicator title	Number of employed learners completing skills programme
Definition	Number of employed learners completing skills programme/sets or individual unit standards linked to an occupation
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for completing the skills programme/sets or individual unit standard
Means of verification	Moderation of assessment report or statement of results or confirmation of completion from another SETA; and copy of an ID or passport or confirmation of application of an ID or foreign identification document
Assumptions	Employers will provide the necessary support for their workers to complete skills programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 25% Target for Youth: 30% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	10 % employed learners completing a skills programme will be from rural areas
Calculation type	Cumulative

Indicator title	Number of employed learners completing skills programme
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.26 *Number of employed or unemployed learners registered for AET programmes*

Indicator title	Number of employed or unemployed learners registered for AET programmes
Definition	Number of employed and unemployed adults (18 years and above) who have registered for adult learning programmes, which may include an ABET or AET or Foundational Learning Certificate (FLC) or non-credit bearing short courses
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every adult learning programme registered
Means of verification	Learner registration form; confirmation of employment status confirming either employed or unemployed; and a copy of an ID or passport or confirmation of application of ID or foreign identification document
Assumptions	There will be an uptake of AET programmes by employed and unemployed learners
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	10% of employed or unemployed learners registered for AET programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.27 *Number of employed or unemployed learners completing AET programmes*

Indicator title	Number of employed or unemployed learners completing AET programmes
Definition	Number of employed or unemployed adults (18 years and above) who have completed adult learning programmes and may include an ABET or AET or Foundational Learning Certificate (FLC) or non-credit bearing short courses
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every adult learning programme completed
Means of verification	Moderation of assessment report or statement of results or copy of certificate or confirmation of completion; and a copy of an ID or passport or confirmation of application of an ID or foreign identification document
Assumptions	There will be reduced dropouts due to interventions implemented by the merSETA

Indicator title	Number of employed or unemployed learners completing AET programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 50% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	10% employed or unemployed learners completing AET programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

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

Indicator title	Number of learners registered for trade / artisan qualifications (new registrations)
Definition	Number of learners registered for apprenticeships or artisan trade qualification programme. These exclude learners on TVET WIL placement
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every registration on apprenticeship
Means of verification	Learner agreement; confirmation of employment status confirming either employed or unemployed learner; certified copy of an ID or passport or confirmation of application of an ID or foreign identification document; and a certified copy of highest qualification or statement of results or an affidavit
Assumptions	There will be a continued uptake of learners registering for artisan qualifications due to merSETA initiatives such as career awareness
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 50% Target for People with Disability (PwD): 2%
Spatial transformation (where applicable)	20% of learners registered for trade / artisan qualifications (new registrations) will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.29 Number of learners completing trade / artisan qualifications

Indicator title	Number of learners completing trade / artisan qualifications
Definition	Number of learners who have successfully attained an artisan trade qualification
Source of data	Learner Management System

Indicator title	Number of learners completing trade / artisan qualifications
Method of calculation / Assessment	Each learner is counted once for every successful completion of an apprenticeship or artisan trade qualification programme
Means of verification	Learner statement of results or proof of receipt of evidence by NAMB or a copy of the certificate; and certified copy of an ID or passport or confirmation of application of ID or foreign identification document
Assumptions	There will be a reduced dropout rate due to the implementation of mechanisms aimed at increasing throughput
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 50% Target for People with Disability (PwD): 2%
Spatial transformation (where applicable)	20% of learners completing trade / artisan qualifications will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

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

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

Indicator title	Number of learners entering Artisan Recognition of Prior Learning (ARPL) programme
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

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

Indicator title	Number of learners completing Artisan Recognition of Prior Learning (ARPL) programme
Definition	Number of learners completing Artisan Recognition of Prior learning (ARPL) process as prescribed by the Department of Higher Education and Training (DHET)
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every RPL or ARPL competency certificate obtained
Means of verification	Certified copy of an ID or passport or confirmation of application of an ID or foreign identification; and trade test results/report or copy of certificate or confirmation of NAMB evidence packs submitted
Assumptions	Delays in candidates being put through assessments for RPL/ARPL will be minimised through effective collaboration among key role players responsible for providing such assessments; adequate interest for people to take up the RPL/ARPL route towards certification
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 30% Target for People with Disability (PWD): 2%
Spatial transformation (where applicable)	20% of candidates undergoing Recognition of Prior Learning (RPL) or Artisan Recognition of Prior Learning (ARPL) will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.32 *Number of active TVET college partnerships established*

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

Indicator title	Number of active TVET college partnerships established
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	20% of TVET College partnerships will be those in rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.33 Number of active SETA-HEI partnerships established

Indicator title	Number of active SETA-HEI partnerships established
Definition	Number of HEIs that have entered into a newly signed or continuing agreements with merSETA
Source of data	Register of partnership contracts
Method of calculation / Assessment	Each signed agreement between merSETA and a HEI is counted once in the financial year, irrespective of the number of agreements entered into with the HEI
Means of verification	A copy of the signed agreement/s between merSETA and HEI, which is/are active during the period under review
Assumptions	HEIs have the capability (resources, infrastructure, and project management) to implement agreements
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	20% of the partnerships will be targeted at HEIs that are considered "historically disadvantaged"
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.34 Number of active CET partnerships established

Indicator title	Number of active CET partnerships established
Definition	Number of new and continuing CET college partnerships established
Source of data	Register of partnership contracts
Method of calculation / Assessment	Each signed agreement is counted once in the financial year, irrespective of the number of agreements entered into with the CET college
Means of verification	Copy of signed agreement with the CET college
Assumptions	CET does not have similar support from another SETA; partnership can be expediently conceptualised, and agreements concluded in the year

Indicator title	Number of active CET partnerships established
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	50% of CET colleges will be from rural areas or townships
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.35 Number of new SETA-Employer partnerships established

Indicator title	Number of new SETA-Employer partnerships established
Definition	Number of employers that have entered into a newly signed agreement with merSETA
Source of data	Register of partnership contracts
Method of calculation / Assessment	Each signed agreement with merSETA employer is counted once in the financial year, irrespective of the number of agreements entered into with the employer
Means of verification	A copy of the signed agreement/s between merSETA and the employer, which is/are active during period under review
Assumptions	Partners have capacity and capability (infrastructure, resources, and project management to implement the agreement. Partnership contractual arrangements finalised within the year
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

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

Indicator title	Number of CBOs/NGOs/NPOs funded for skills to grow/develop and sustain their activities or organisations
Definition	Number of Community Based Organisations (CBOs), Non-Governmental Organisations (NGOs) and Non-Profit Organisations (NPOs) that have been funded by the merSETA for skills to grow or develop and sustain their activities or organisations
Source of data	NSDMS records or NPOs contract schedules
Method of calculation/Assessment	Count the number of CBOs, NPOs and NGOs that have been funded by the merSETA for skills to grow, develop and sustain their activities or organisations. Each signed agreement is

Indicator title	Number of CBOs/NGOs/NPOs funded for skills to grow/develop and sustain their activities or organisations
	counted once in the financial year, irrespective of the number of agreements entered with the NPO, CBO, NGO
Means of verification	Copy of an agreement, or a copy of a detailed site visit report or progress report, or minutes of meetings, or an attendance register or workshop presentation, or an agenda that includes a clear purpose of the meeting or workshop
Assumptions	NPOs, CBOs, NGOs have the capability and capacity (resources, infrastructure, and project management) to implement agreements
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	60% of NPOs, CBOs, NGOs supported through skills development will be from rural areas
Calculation type	Cumulative
Reporting cycle	Bi-Annually
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.37 *Number of trade unions supported through skills development*

Indicator title	Number of trade unions supported through skills development
Definition	Number of trade unions that have been supported by the merSETA through skills development funding for training
Source of data	NSDMS records or trade unions schedules
Method of calculation / Assessment	Count the number of trade unions supported
Means of verification	Copy of signed agreement with a trade union
Assumptions	Trade unions have the capability and capacity (infrastructure, resources and project management) to implement agreements
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

3.38 *Number of rural development projects supported through skills development*

Indicator title	Number of rural development projects supported through skills development
Definition	Number of rural based skills development projects supported through skills development funding
Source of data	NSDMS records or rural development projects schedules
Method of calculation / Assessment	Each signed rural project agreement is counted once in the financial year, irrespective of the number of agreements entered into with providers
Means of verification	A copy of signed agreements
Assumptions	Partners have the capability and capacity (infrastructure, resources and project management) to implement agreements
Disaggregation of Beneficiaries (where applicable)	50% of the rural development projects implemented will target women in rural areas
Spatial Transformation (where applicable)	100% of the projects will be based in rural areas.
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

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

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

Indicator title	Number of people trained on entrepreneurship supported to start their business (Number of people funded for enterprise growth/enterprise development skills)
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

Programme 4: Quality Assurance Indicators

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

Indicator title	Number of active TVET Centres of Specialisation (CoS) supported
Definition	This indicator refers to the number of TVET Colleges recognised as Centres of Specialisation (CoS), that are supported in delivery of occupational qualifications for the merSETA ,
Source of data	Register of CoS contracts
Method of calculation / Assessment	Each signed MoA between merSETA and a TVET CoS is counted once in the financial year, irrespective of the number of agreements entered into with TVET college CoS
Means of verification	A copy of signed MoA between merSETA and TVET college recognised as a CoS, or progress report or site visit report against set deliverables
Assumptions	The TVET colleges identified have the capability and capacity (resources and infrastructure) to implement agreements
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

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

Indicator title	Number of TVET colleges funded for merSETA occupational programmes, equipment, and workshop infrastructure
Definition	This indicator refers to the number of TVET colleges funded for merSETA occupational programmes, tools and equipment, and workshop infrastructure upgrades (excluding bricks and mortar construction)
Source of data	NSDMS MoA records or schedule of merSETA MoAs
Method of calculation / Assessment	Each signed MoA with the TVET college funded for merSETA occupational programmes, equipment and workshop infrastructure is counted once in the financial year, irrespective of the number of agreements entered into with the TVET college
Means of verification	Copy of a signed MoA with the TVET college funded for merSETA occupational programmes, tools and equipment, and workshop infrastructure upgrades (excluding bricks and mortar construction).
Assumptions	The TVET colleges have the capability and capacity (resources, infrastructure and project management) to implement the agreements
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	25 % of the funded TVET colleges will be from rural areas or townships
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

4.3 Number of TVET colleges lecturers exposed to the industry

Indicator title	Number of TVET college lecturers exposed to the industry
Definition	This indicator refers to the total number of TVET college lecturers participating in a project or activity designed for industry exposure, so as to contribute to their development
Source of data	NSDMS records or schedule of merSETA MoAs
Method of calculation / Assessment	Count of number of TVET college lecturers participating in a project or activity designed for industry exposure
Means of verification	Employment contract with college; TVET college employee ID copy; learner registration form or attendance register, or proof of participation in a project or activity designed for industry exposure
Assumptions	TVET colleges will encourage and support their staff to participate in merSETA programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 20% Target for People with Disability (PWD): 3%
Spatial transformation (where applicable)	20% of the supported TVET college employees participating will be from TVET colleges in rural areas or townships
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2023/2024 APP achieved

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

Indicator title	Number of SETA offices maintained in TVET colleges
Definition	This target refers to the maintenance of merSETA offices which were previously opened at TVET colleges
Source of data	Copy of agreement or letter of confirmation from the TVET College
Method of calculation / Assessment	Each office will only be counted once
Means of verification	Copy of agreement or letter of confirmation from the TVET College
Assumptions	The supported TVET colleges will continue to avail the offices and other resources for the merSETA to maintain its offices
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Annually
Desired performance	Target stated in 2023/2024 APP achieved
Indicator responsibility	Chief Operations Officer

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

Indicator title	Number of CET colleges funded for merSETA occupational programmes, equipment, and workshop infrastructure
Definition	Number of new partnerships with CET colleges funded for merSETA occupational programmes, tools and equipment and workshop infrastructure upgrades (excluding bricks and mortar constructions)
Source of data	NSDMS MoA records or schedule of merSETA MoAs
Method of calculation / Assessment	Each signed MoA with the CET college funded for merSETA occupational programmes, equipment and workshop infrastructure is counted once in the financial year, irrespective of the number of agreements entered into with the CET college
Means of verification	Copy of a signed MoA with the CET college funded for merSETA occupational programmes, tools and equipment and workshop infrastructure upgrades (excluding bricks and mortar constructions).
Assumptions	CET colleges have the capability and capacity (resources, infrastructure and project management) to implement the agreements
Disaggregation of Beneficiaries (where applicable)	N/A

Indicator title	Number of CET colleges funded for merSETA occupational programmes, equipment, and workshop infrastructure
Spatial transformation (where applicable)	50% of CET colleges supported will be from rural areas or townships
Calculation type	Cumulative
Reporting Cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator Responsibility	Chief Operations Officer

4.6 Number of CET learners accessing AET programmes

Indicator title	Number of CET learners accessing AET programmes
Definition	Number of adults (18 years and above) registering for adult learning programmes at a CET college, which may include ABET or AET or Foundational Learning Certificate (FLC) or short courses
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every adult learning programme registered
Means of verification	Learner agreement or learner registration form; confirmation of employment status confirming either employed or unemployed; proof of registration with CET college; and a copy of an ID or passport or confirmation of application of an ID or foreign identification document
Assumptions	CET colleges have the capability and capacity (resources and infrastructure) to enrol learners
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 50% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	30% of CET learners accessing AET programmes will be from rural areas or townships
Calculation type	Cumulative
Reporting Cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator Responsibility	Chief Operations Officer

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

Indicator Title	Number of career awareness and information events in urban areas on occupations in high demand
Definition	This is the number of urban career awareness events/exhibitions either initiated/planned or funded by the merSETA or to which merSETA was invited to participate to provide learners with occupational and career information pertaining to careers in the mersector, with an emphasis on occupations in high demand in the mersector
Source of data	Learner Management System or merSETA career awareness planning schedules

Method of calculation / Assessment	Count the number of urban areas where career awareness and information events the merSETA initiated/planned/funded or those in which merSETA participated
Means of verification	A letter on the merSETA letterhead signed by the invited school/organisation as confirmation that merSETA initiated the career awareness and information event, and proof of request from merSETA or letter of invitation to participate
Assumptions	The willingness to accept and participate in the merSETA initiated/planned career awareness and information events; career exhibitions/events being conducted by other organisations
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% of attendees Target for Youth: 100% of attendees Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	100% of career awareness and information events in which the merSETA participates will be in urban areas
Calculation type	Cumulative
Reporting Cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator Responsibility	Corporate Services Executive

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

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

Indicator Title	Number of career awareness and information events in rural areas on occupations in high demand
Desired performance	Target stated in 2023/2024 APP achieved
Indicator Responsibility	Corporate Services Executive

4.9 Number of career development and advice practitioners trained

Indicator Title	Number of career development and advice practitioners trained
Definition	This is the number of career development and advice practitioners trained to provide services that help learners, or adults, or workers to manage their careers and make occupational and study decisions. Practitioners includes, but are not limited to life orientation teachers and HR practitioners
Source of data	Learner Management System, register of SLA with the service provider to deliver training
Method of calculation / Assessment	Each practitioner is counted once for career development and/or advice training attended
Means of verification	A copy of a signed SLA with the service provider appointed to deliver training, practitioner's training attendance register, letter/certificate of attendance or certificate of completion of training
Assumptions	There is adequate capacity to train career development and advice practitioners
Disaggregation of Beneficiaries (where applicable)	Target for Women: 30% Target for Youth: 20% Target for People with Disability (PwD): 2%
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting Cycle	Annually
Desired performance	Target stated in 2023/2024 APP achieved
Indicator Responsibility	Corporate Services Executive

4.10 Number of capacity building workshops on career development services initiated

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

Indicator Title	Number of capacity building workshops on career development services initiated
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting Cycle	Quarterly
Desired performance	Target stated in 2023/2024 APP achieved
Indicator Responsibility	Corporate Services Executive

ANNEXURES

ANNEXURE A: Service Level Agreement

ANNEXURE B: Materiality Framework

ANNEXURE C: Grants Policy



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

SETA/DHET SERVICE LEVEL AGREEMENT FRAMEWORK 2023-2024

APPROVED/ NOT APPROVED/ AMENDED	
DIRECTOR-GENERAL	HIGHER EDUCATION AND TRAINING
SIGNATURE	
DATE	

Chairpersons Initials KM

DG Initials: _____



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

SERVICE LEVEL AGREEMENT

entered into by and between

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

(Hereinafter referred to as the "DHET" represented by **Dr N Sishi**, duly authorised thereto by virtue of his capacity as the Director-General,

and

SETA NAME:

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

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

Chairpersons Initials KM

DG Initials: _____

1. PURPOSE OF THE SERVICE LEVEL AGREEMENT

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

2. DURATION OF THE SERVICE LEVEL AGREEMENT

The SLA is entered into for the period of **01 April 2023 to 31 March 2024**.

3. OBLIGATIONS OF THE SETA

3.1 The SETA undertakes to:

- 3.1.1 perform its functions as required by the Skills Development Act No, 97 of 1998 as amended (SDA), Skills Development Levy Act No.9 of 1999 (SDL), Public Finance Management Act No. 1 of 1999 (PFMA), and all Related Regulations (RR), notices and guidelines promulgated currently and in the future and other related legislation;
- 3.1.2 implement the approved SP, APP, and budget;
- 3.1.3 provide adhoc reports that may from time to time be required by the Minister, Cabinet and Parliament within specified timelines;
- 3.1.4 address all findings raised by the Auditor-General South Africa (AGSA) in the previous financial year;
- 3.1.5 achieve all NSDP SLA targets, as failure to do so may result in the Department of Higher Education and Training (DHET) recommending to the Minister, implementation section 14 of the SDA, subsequently section 15;
- 3.1.6 advance economic growth, job creation and labour market development drivers through skills in current and future skills needed for development in technological advancement and digitalisation (4th Industrial Revolution);
- 3.1.7 submit Quarterly Skills Education and Training Management Information System (SETMIS) Reports and Annual Reports (AR) in accordance with National Treasury (NT), Department of Planning, Monitoring and Evaluation (DPME) and DHET requirements, including reporting on Sector funded interventions;
- 3.1.8 establish policies, processes and systems for credible research, monitoring, reporting and evaluation to support evidence based planning decisions (including the development of Sector Skills Plan (SSP), SP, APP) and operational decisions;

- 3.1.9 conduct tracer and impact evaluation studies inclusive of but not limited to determining employment (including self-employment) absorption rates of unemployed learners completing the SETA's priority occupations;
- 3.1.10 integrate in its interventions targets for women, differently-abled persons, youth, rural and other economically excluded beneficiaries;
- 3.1.11 establish a functional operational structure and staff establishment appropriate to the size of the sector, levy income and the administration budget limit thereof;
- 3.1.12 establish collaborations to implement the approved SP and APP including but not limited to partnerships with departments and public entities at all three spheres of government, inter SETA partnerships, public – private partnerships, and other organisations as permitted by the SDL Acts, RRs and the SETA Grants Policy;
- 3.1.13 support the imperatives contained within Job Summit Agreements and the temporary employee and employer relief scheme through delivery of flexible programmes that ensure that young people are suitably prepared and skilled to fill every entry level roles, particularly where companies need to scale their operations, these may include inter alia work readiness programme, short courses (accredited or non-accredited) that allow candidates to respond to changing economy;
- 3.1.14 support the collaboration in the establishment of public college Centres of Specialisation in partnership with employers and labour organisation.
 - 3.1.14.1 ring-fence grants annually and allocate as employers become available to take apprentices for Centres of Specialisation (CoS).
 - 3.1.14.2 prioritise the allocation of grants and report to DHET on the results annually.
- 3.1.15 support the implementation of rural development programmes for women, youth and people with disability;
- 3.1.16 support the revitalisation of rural and townships to uplift local economy through skills development;
- 3.1.17 provide financial support to World Skills South Africa;
- 3.1.18 the SETA Discretionary Grant (DG) Policy to include a provision for unsolicited proposals to enable flexibility and responsiveness to emerging needs of the Economic Reconstruction and Recovery Plan (ERRP), the Presidential Youth Employment Intervention (PYEI), and other government related priority projects. These projects will be guided by any of the interventions listed in the ERRP Skills Strategy which outlines a set of core interventions that allow for responsiveness to current and emerging opportunities in ways that build the system.
- 3.1.19 the SETA will meet one hundred percent (100%) of its TVET Graduate Placement targets by 31 December 2022.

3.1.20 the SETA will endeavor to meet at least twenty-five percent (25%) of its targets in every quarter and quarterly reports will be submitted to the Department to track progress on the implementation of set targets.

3.2 achieve all targets for the planning period as reflected in the table below:

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
1. Identify and increase production of occupations in high demand	1.1 National enrolment and resource ratios for the high, intermediate and elementary skills level.	• Percentage of total approved discretionary grant allocations to employers, allocated to programmes or projects aimed at developing high level skills	22%	17%	n/a
		• Percentage of total approved discretionary grant allocations to employers, allocated to programmes or projects aimed at developing intermediate skills	55%	59%	n/a
		• Percentage of total approved discretionary grant allocations to employers, allocated to programmes or projects aimed at developing elementary skills	23%	24%	n/a
	1.4 Identification of interventions required to improve enrolment and completion of priority occupations:	• Number of WSPs and ATRs approved for Small firms	1800	1800	n/a
		• Number of WSPs and ATRs approved for Medium firms	918	918	n/a
		• Number of WSPs and ATRs approved for Large firms	551	551	n/a
		• Number of sector research agreements signed for TVET growth occupationally directed programmes	2	2	0
		• Number of learners who completed workplace-based learning programmes absorbed into employment or self-employment (Number of tracer studies to be conducted to establish employability)	636	1	0
		• Number of established or emergent cooperatives trained on sector and national priority occupations or skills.	30	10	n/a
		• Number of small and emerging enterprises trained on sector and national identified priority occupations or skills.	730	730	n/a
	• Number of people trained on entrepreneurship supported to start their business.	480	220	80	
2. Linking education and the workplace	2.1: Opening of workplace based learning opportunities increased	• Number of TVET students requiring Work Integrated Learning to complete their qualifications placed in workplaces	300	475	0
		• Number of TVET students completed their work integrated learning placements.	100	100	125
		• Number of people enrolled in CET Internships	0	0	0
		• Number of people completed CET Internships	0	0	0
		• Number of universities students requiring work integrated learning to complete their qualifications placed in workplaces	270	280	0
		• Number of university students completed their Work Integrated Learning placements	360	140	60
		• Number of unemployed learners enrolled Internships	400	350	0
		• Number of unemployed learners completed Internship	330	170	0
		• Number of unemployed learners enrolled Skills programmes	4100	2000	1000
		• Number of unemployed learners completed Skills programmes	2856	1870	700
		• Number of unemployed learners enrolled Learnerships programmes	2160	2000	1000
		• Number of unemployed learners completed Learnerships programmes	2870	2083	500
	• Number of unemployed learners enrolled for Candidacy programmes	20	20	5	

Chairpersons Initials KM

DG Initials: _____

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
		<ul style="list-style-type: none"> Number of unemployed learners completed Candidacy programmes 	3	3	0
3. Improving the level of skills in the South African workforce	3.1: To increase workers participating in various learning programmes to a minimum of 80% by 2030, to address, critical skills required by various sectors of the economy, to transform workplaces, improve productivity and to improve economic growth prospects in various sectors of the economy.	<ul style="list-style-type: none"> Number of workers enrolled in Learnerships programmes Number of workers completed Learnerships programmes Number of workers granted Bursaries (new entries) Number of workers granted Bursaries (continuing) Number of workers granted Bursaries completed their studies Number of workers enrolled Skills programmes Number of workers completed Skills programmes Number of workers enrolled AET programmes Number of workers completed AET programmes 	1440	1020	420
			1183	800	383
			104	74	30
			102	40	10
			36	18	18
			4084	1000	1000
			2094	800	400
			510	510	0
			1500	350	150
4. Increase access to occupationally directed programmes	4.2: Increase access for Intermediate and high level skills	<ul style="list-style-type: none"> Number of artisan learners enrolled Number of artisan learners completed Number of unemployed learners granted Bursaries (new enrollments) Number of unemployed learners granted Bursaries (continuing) Number of unemployed learners granted Bursaries completed their studies Number of learners enrolled RPL/ARPL Number of learners completed RPL/ARPL Number of TVET partnerships established Number of HEI partnerships established Number of CET partnerships established Number of SETA-Employer partnerships established 	2960	2000	1000
			2800	2000	300
			110	110	0
			309	309	0
			100	50	0
			1000	200	800
			800	520	520
			30	25	0
			12	12	0
			3	3	0
			1512	1400	0
5. Support the growth of the public college system	5.1: Support the TVET Colleges	<ul style="list-style-type: none"> Number of SETA offices established and maintained in TVET colleges Number of Centres of Specialisation supported Number of TVET Lecturers exposed to the industry through Skills Programmes Number of Managers receiving training on curriculum related studies Number of TVET colleges Lecturers awarded Bursaries TVET colleges infrastructure development (equipment/workshops) Number of CET colleges lecturers awarded skills development programmes 	3	3	0
			3	4	0
			60	60	0
			0	0	0
			20	0	0
			3	4	n/a
			0	0	0

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DG Initials:

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
	5.2 Support the CET Colleges	<ul style="list-style-type: none"> CET colleges infrastructure development support (equipment/ workshops/ Connectivity/ ICT) 	3	4	n/a
		<ul style="list-style-type: none"> Number of Managers receiving training on curriculum related studies 	0	0	0
		<ul style="list-style-type: none"> Number of CET learners accessing AET programmes 	15	15	0
6. Skills development support for entrepreneurship and cooperative development	6.1: To increase skills development support for entrepreneurial activities and the establishment of new enterprises and cooperatives	<ul style="list-style-type: none"> Number of cooperatives funded for skills that enhance enterprise growth and development 	20	0	0
		<ul style="list-style-type: none"> Number of small businesses funded for skills that enhance growth and development 	50	0	0
		<ul style="list-style-type: none"> Number of CBOs/ NGOs/ NPOs funded for skills that enhance the development and sustainability of their organisation activities. 	14	25	0
7. Encourage and support worker initiated training		<ul style="list-style-type: none"> Number of Federations /Trade Unions supported through the relevant skills training interventions 	4	4	0
8. Support career development services		<ul style="list-style-type: none"> Number of Career Development Events in urban areas on occupations in high demand 	15	18	0
		<ul style="list-style-type: none"> Number of Career Development Events in rural areas on occupations in high demand 	15	18	0
		<ul style="list-style-type: none"> Number of Career Development Practitioners trained 	30	30	0
		<ul style="list-style-type: none"> Number of capacity building workshops on Career Development Services initiated 	7	8	0
9. Governance		<ul style="list-style-type: none"> Quarterly SETA Good Governance report 	4	4	n/a
10. Rural Development		<ul style="list-style-type: none"> Number of Rural Development Projects initiated 	4	4	n/a

Chairpersons Initials KM

DG Initials: _____

4. OBLIGATIONS OF DEPARTMENT OF HIGHER EDUCATION AND TRAINING

4.1 The Department undertakes to:

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

5. GENERAL

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

SIGNED AT CENTURION ON THIS 30th DAY OF NOVEMBER 2022

**Moloto
Kate**

Digitally signed by
Moloto Kate
Date: 2022.11.30
09:58:44 +02'00'

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

SIGNED AT _____ ON THIS _____ DAY OF _____ 20

DIRECTOR-GENERAL (Represented by **Dr N Sishi**, duly authorised thereto)

Chairpersons Initials KM

DG Initials: _____

Acronyms and Abbreviations

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

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DG Initials: _____

MATERIALITY FRAMEWORK



merSETA

MANUFACTURING, ENGINEERING
AND RELATED SERVICES SETA

29 November 2022

Dr Phil Mjwara
Acting Director General — Department of Higher Education and Training
123 Francis Baard Street
Pretoria
0001

Dear Dr Mjwara

MERSETA MATERIALITY FRAMEWORK

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

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

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Dm'.

Digitally signed by Disa Mpande
CA(SA)
Date: 2022.11.29 14:45:36 +02'00'

Mrs. Ncedisa Mpande

ACTING CHIEF EXECUTIVE OFFICER

TREASURY REGULATION 28.1.5

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

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

	<p>(d) Seek, within the sphere of influence of that Accounting Authority, to prevent any prejudice to the financial interests of the state.</p>	<ul style="list-style-type: none"> Any fact discovered of which its omission or misstatement will affect the functioning of the entity. The merSETA employs risk management plans and reviews and identifies processes aimed at preventing any prejudice to the financial interest of the state.
<p>Section 55 (2)</p>	<p>(2) The annual report and financial statement referred to by PFMA Subsection 55 (1)(d) must –</p> <p>(a) fairly present the state of affairs of the public entity, its business, its financial results, its performance against pre-determined objectives and its financial position as at the end of the financial year concerned;</p> <p>(b) Include particulars of –</p> <p>(i) Any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure</p>	<p>Materiality is R5 796 685 – 0.5% of total expenses (R1 159 337 000) as per 2020/21 audited financial statements.</p> <p>The merSETA is a public entity which is service driven (non-profit) therefore total expenditure will be used to set the materiality perimeter.</p> <p>The annual report is prepared in accordance with Treasury guidelines and financial results as per the GRAP statements. The financial results and pre-determined objectives are audited and the full annual report is reviewed by the external auditors to ensure that they fairly present the state of affairs of the public entity.</p> <p>Information shall be provided with respect to:</p> <ul style="list-style-type: none"> Losses through criminal conduct, irrespective of value; and Losses through irregular, fruitless and wasteful expenditure provided that the combined total exceeds the materiality figure or are material by virtue of their nature. <p>Losses through criminal conduct, irregular, fruitless and wasteful expenditure that have occurred during the year shall be disclosed in the Annual Report.</p>

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

	<p>Authority for approval of the transaction:</p> <p>(a) Establishment or participation in the establishment of a company;</p> <p>(b) Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement</p> <p>(c) Acquisition or disposal of a significant shareholding in a company</p> <p>(d) Acquisition or disposal of a significant asset</p> <p>(e) Commencement or cessation of a significant business activity; and</p> <p>(f) A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.</p>	<p>(a) Any transaction to establish a company;</p> <p>(b) Any participation in a significant partnership, trust unincorporated joint venture or similar agreement;</p> <p>(c) Any transaction to acquire or dispose of significant shareholding in a company;</p> <p>(d) Acquisition or disposal of a significant asset;</p> <p>(e) Commencement or cessation of a significant business activity; and</p> <p>(f) Where there is significant change in nature and extent of interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.</p>
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Proposed Framework	Quantitative		
	<p>Guidelines on setting the parameters for materiality are obtained from section 3.7.1 of the National Treasury Practice Note on applications under section 54 of the PFMA, Act No 1 of 1999 by public entities.</p>		
	<p>Operational Expenditure</p> <p>0.5% of total expenditure (2021/22 Annual Financial Statements). Although the National Treasury Practice Note recommends the use of total revenue, we had elected to use total expenditure as the entity is service driven in nature.</p>		R6 558 890
	<p>Capital Expenditure</p> <p>1% of total assets (R4 905 839 000) as per 2021/22 audited financial statements</p> <p>Each loss due to criminal conduct, irregular expenditure or fruitless and wasteful expenditure, as identified, will be evaluated in the context of the expense category to which it relates to determine whether it qualifies for disclosure in the Annual Report as required by Section 54.</p>		R49 058 390
	<p>Qualitative</p> <p>Over and above the financial considerations of materiality, any losses due to criminal conduct are considered to be material by nature, irrespective of the quantum thereof.</p>		<p>The guiding principles of “material” facts are anything that can affect or influence the users of the Annual Report.</p>



merSETA

MANUFACTURING, ENGINEERING
AND RELATED SERVICES SETA

GRANTS POLICY 2022/23

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Reviewed: Chief Operations Officer	Sebolelo Nomvete <small>Digitally signed by Sebolelo Nomvete Date: 2021.12.06 17:37:08 +02'00'</small>	Approved: Chief Executive Officer	

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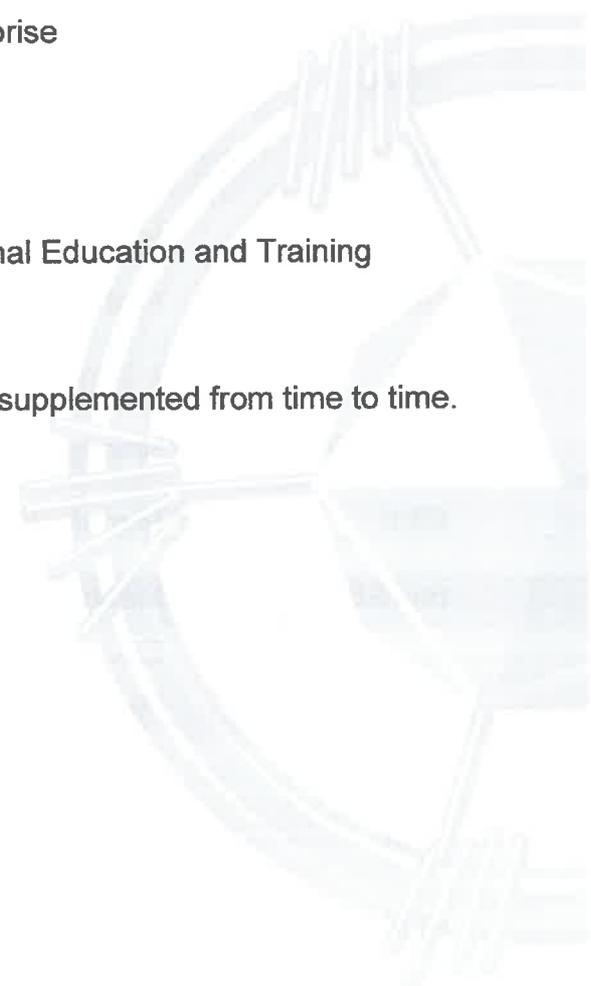
1. Acronyms

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

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

*Acronyms are non-exhaustive and will be supplemented from time to time.



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2. Definitions

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

Broad-Based Black Economic Empowerment means an economic system structured and transformed to enable the meaningful participation of the majority of its citizens and to further create capacity within the broader economic landscape at all levels through skills development, employment equity, socio economic development, preferential procurement, enterprise development, especially small and medium enterprises, promoting the entry of black entrepreneurs into the mainstream of economic activity, and the advancement of co-operatives.

Bursaries means study grants for students to enrol at continuing education and training colleges or higher education and training institutions on programmes relevant to the priority skills required in the manufacturing and engineering sector.

Community Education and Training College means a college established under the Continuing Education and Training Act No 16 of 2006, previously titled "Further Education and Training Act", providing education and training programmes on a full, part time or distance learning basis that are aligned or lead to qualifications or part qualifications registered on level 1 to 4 of the NQF, which qualifications are quality managed by Umalusi.

Co-operatives means forms of ownership registered in terms of the Co-operatives Act No. 14 of 2005, as amended.

Discretionary Grants means funding allocated to incentivise or support education, training and skills development and related activities that will address skills development needs of the merSETA sector.

Employers means companies that are registered in terms of Companies Act. Employers include levy paying and non-levy paying companies as defined and described in the Grant Regulations of 3 December 2012.

Employer Associations means a body of employers, usually from the same sector of the economy, associated to further the interests of member companies such as conducting negotiations with trade unions, providing advice, making representations to other bodies.

Employee Skills Development Facilitator means a representative from a company where there is no recognition agreement, representing the workplace and appointed

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by the employees to serve on the training committee and signs off on the mandatory and discretionary grant submissions.

Entity means an organisation legally established in terms of relevant establishment laws such as the Companies Act, various education legislation, NPO Act No. 71 of 1997, Public Service Act No. 103 of 1994 (“Public Service Act”) and the Constitution of the Republic (“Constitution”) of South Africa 1996.

Government Departments and Public Entities means national, provincial and local government departments and public entities established in terms of the Public Service Act, Municipal Acts, the Constitution, governed by the Public Finance Management Act No. 1 of 1999 and Municipal Finance Management Act No. 56 of 2003 and participate in skills development related interventions within or for the merSETA sector.

International Partners mean entities, which include, but are not limited to international development agencies, international learning and research institutions, legally constituted in their country of origin.

Learning Programme means a structured and purposeful set of learning experiences that lead to a qualification or part-qualification, or a set of knowledge, skills and competencies. This may include learnerships, apprenticeships, skills programmes and any other set of learning which may or may not include a structured work experience component.

Legislation for the purpose of the policy means the SDA, SDLA, PFMA and related Acts and Regulations.

Management Committee (MANCO) means the merSETA committee chaired by the CEO, comprising of senior members appointed in terms of Treasury Regulation 24.1 and responsible for decisions-making in relation to the approved Delegation of Authority Framework of the merSETA.

Mandatory Grants means funds designated as mandatory grants as contemplated in Regulation 4 of the Grant Regulations, to fund the education and training programmes as contained in the WSP and Annual Training Reports of levy paying companies.

Memorandum of Agreement (MoA) means a legal agreement concluded between two or more parties for the execution of agreed skills development interventions,

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setting out the terms and conditions of the agreement. Counterparties in this type of agreement may be those contemplated in Sections 6(7) and (10)(a) to (d) of the Grants Regulations and entities listed in this Policy.

NGOs, CBOs, NPOs and NPCs means civil society organisations focused on public benefit and community development, registered with the Department of Social Development and involved in interventions that are within or for the merSETA sectors.

Partnerships means contractual arrangements between one or more parties where the parties agree to a common education, training and/or skills development purpose, aligned to national and sector specific strategic imperatives.

Private Education and Training Providers means non-public providers or private education and training institutions registered as private higher education institutions or continuing education and training colleges or training centres established by private sector companies or employer associations. Private education and training providers must be compliant in terms of legislative requirements and registration for the purpose of participation in learning and skills development interventions pertaining to relevant policies of the DHET, CHE, Umalusi, QCTO and the merSETA.

Public Education and Training Institutions means Public Higher Education Institutions; Technical High Schools; Public TVET Colleges; and Public Community Education and Training Colleges.

Programmes means strategic imperatives consisting of one or more projects or partnerships related to strategic imperatives in the merSETA SP and APP.

Projects means non-routine, temporary undertakings with defined strategically aligned scope of work, a clear start and end point and time-bound deliverables to achieve a unique goal within a defined deliverable schedule, inclusive of activities and reporting, and monitoring and evaluation requirements.

Research Institutes means, for the purpose of the Policy, institutes involved in research initiatives related to the merSETA sector.

Strategy means the integrated planned presentation of merSETA strategic imperatives and obligations encapsulated in the sector skills plan, 5 (five) year strategic plan, annual performance plan and the DHET service level agreement. The

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AA is the custodian of the merSETA strategy, providing oversight and monitoring its implementation.

Strategic Programme means a strategic imperative consisting of one or more projects/partnerships as detailed of the merSETA SP and APP. Programmes are ongoing activities to implement innovative skills development solutions through projects and through various partnerships to address emerging new complex skills challenges.

Strategic Projects means interventions that are intended to address strategic priorities of the merSETA, which include national or industry imperatives, as encapsulated in the merSETA SP and APP.

Technical and Vocational Education and Training College means a college established under the Continuing Education and Training Act No 16 of 2006, providing education and training programmes that lead to qualifications or part qualifications registered on level 2 (two) to 4 (four) of the National Qualifications Framework, which are quality managed by Umalusi. TVET colleges may accredited by the QCTO as skills development providers to provide programmes leading to occupational qualifications of the Trades and Occupations Sub-framework of the NQF as well as programmes at level 5 (five) of the Higher Education Sub-Framework of the NQF under a certification agreement with a higher education and training institution.

Trade Union means an organisation of workers that promotes and protects the interests of its members on issues such as wages and working conditions, especially through negotiations with employers.

*Definitions are non-exhaustive and will be supplemented from time to time.

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3. Purpose

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

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

4. Scope of application of the policy

This policy applies to:

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

5. Policy statement

The Grants Policy supports the funding of the merSETA mandate and strategy, as informed by the skills development legislation Skills Development Act (SDA) and Skills Development Levies Act (SDLA), Grant Regulations (Government Gazette no 35940 of 3 December 2012), strategic imperatives of the National Skills Development Plan (NSDP), and, the needs of all social partners. The merSETA recognises the catalytic role of skills development in economic and employment growth and seeks to optimally impact on these objectives through its work.

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- 5.1. The revenue source of the merSETA is the skills levies tax collected by South Africa Revenue Services (SARS).
- 5.2. The merSETA opens publicly advertised funding windows for mandatory and discretionary grant funding applications to enable the implementation of the SSP, 5 Year strategic plan, Annual Performance Plan (APP) and Department of Higher Education and Training (DHET) Service Level Agreement.
- 5.3. The award for funding is at the sole discretion of the merSETA, and, is subjected to a verification, evaluation and approval system which is detailed in the Grants Criteria and Guidelines-Ref: DGD-GL-001 available on the merSETA website.
- 5.4. Funding is awarded for PIVOTAL and Non-PIVOTAL interventions.
- 5.5. Mandatory Grant allocations
 - 5.5.1. Mandatory grant applications and submission of Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) are received from 1 February until 30 April every year. All merSETA levy-paying companies can apply for PIVOTAL, as well as non-PIVOTAL programmes during the submission period.
 - 5.5.2. Although not compulsory, it is recommended that companies, with a payroll above the regulated threshold, submit their discretionary grant applications together with their PIVOTAL application for mandatory grant.
 - 5.5.3. In the case that an application may not be concluded before the closing date, an application for an extension may be made for extension to be considered at the discretion of the Chief Executive Officer (CEO).
 - 5.5.4. Applications are submitted through a dedicated merSETA online platform outlined in the call for applications notice.
 - 5.5.5. Employers, who signed recognition agreements with a trade union or unions must have the Workplace Skills Plan (WSP) and Annual Training Report (ATR) signed by all parties.
 - 5.5.6. Companies employing **50** (fifty) or more employees, who do not have a recognition agreement with labour, must facilitate a process for employees to nominate an employee SDF to be the appointed employee SDF to sign-off on the grant application.
 - 5.5.7. Learning interventions, funded through the mandatory grant funding process, shall not be funded from discretionary grant funding.

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- 5.6. Discretionary Grant allocations
- 5.6.1. Discretionary grant applications are received from 1 February until 30 April every year and during any other funding windows opened by merSETA through a public notice.
- 5.6.2. Evidence of compliance with B-BBEE codes enhances the potential approval of an entity's application.
- 5.6.3. The grant award for merSETA sector levy paying entities for PIVOTAL programmes is benchmarked but not limited to the value of entities' **49.5%** (forty-nine-point five percent) levy contribution.
- 5.6.4. The merSETA awards discretionary grants according to the levy paying entity categories below, in line with the **49.5%** (forty-nine-point five percent) value of the levies received.
- 5.6.5. Platinum category levy paying entities are awarded grants up to **2** (two) multiplied by **49.5%** (forty-nine-point five percent) of the levy contributed and an additional award may be considered, on condition of an agreed **50/50** co-funding.
- 5.6.6. Gold category levy paying entities are awarded grants up to **1.5** (one point five) multiplied by **49.5%** (forty-nine-point five percent) of the levy contributed and an additional award may be considered, on condition of an agreed **50/50** (fifty/fifty) co-funding.
- 5.6.7. Silver category levy paying entities are awarded grants up to **1** (one) multiplied by **49.5%** (forty-nine-point five percent) of the levy contributed and an additional award may be considered, on condition of an agreed **50/50** (fifty/fifty) co-funding.
- 5.6.8. Additional funding may be considered, over and above the stipulated amounts, provided the application is deemed to be contributing to merSETA strategic priorities.
- 5.6.9. Non levy paying entities are eligible for discretionary grant funding on condition the applications are aligned to the merSETA strategic priorities.
- 5.6.10. Clauses 5.6.3, 5.6.4, 5.6.5, 5.6.6, and 5.6.7 above are not applicable to discretionary grant awards of non-levy paying entities. Non-levy entities include but are not limited to:

5.6.10.1 Small, Medium and Micro enterprises

5.6.10.2 Black Industrialists

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- 5.6.10.3 Public and Private Higher Education Institutions
- 5.6.10.4 Public and Private TVET and Community Education and Training Colleges
- 5.6.10.5 Cooperatives
- 5.6.10.6 Government departments and other public entities
- 5.6.10.7 Not for Profit Organisations
- 5.6.10.8 Organisations active in township and rural economy
- 5.6.10.9 Organisations focused on activities of the digital economy (Industry 4.0)
- 5.6.10.11 Employer associations Trade Unions
- 5.6.10.12 Entities focusing on activities of the blue, green and circular economy

5.7. Strategic Programmes and Partnerships

- 5.7.1. The merSETA supports strategic programmes and projects from different role players. Strategic programmes and projects are based on priorities identified in the Sector Skills Plan (SSP), Strategic plan (SP), Annual Performance Plan (APP) and other government strategic policy initiatives and may be initiated by the department of Higher Education Science and Innovation (DHESI), Accounting Authority (AA), Management Committee (MANCO) and other government departments. Strategic programmes or projects may be implemented through various local and international partnerships. Strategic programmes or projects may include but not limited to national, industry or sub-sector specific, regional or provincial, employer association-driven, labour organisation-driven and, or inter-SETA collaboration-focused.
- 5.7.2. Proposals for partnership programmes or projects that address merSETA strategic priorities may be received from eligible legal entities as stipulated in the Grant Regulations and this policy and include international organisations as defined in this policy. Such proposals are received through open funding window period(s) and subjected to the verification, evaluation and approval system detailed in the Grant Criteria and Guideline-Ref: DGD-GL-001 available on the merSETA website.
- 5.7.3. Unsolicited proposals that address merSETA strategic priorities may be considered and adopted as management-initiated projects. Once adopted by management such projects are subjected to the Finance and Grants Committee (FCS) approval.

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6. Authority and governance

Noting that the merSETA Delegations of Authority Framework and the FGC Terms of Reference articulate the powers, duties and functions of the AA and FGC:

- 6.1. The AA has accountability for setting policy and strategy, budgeting, and monitoring implementation of aforesaid; and is thus accountable for approving this policy.
- 6.2. The FGC has delegated authority from the AA to approve management-initiated projects referred to in this policy.
- 6.3. The merSETA CEO is responsible for the implementation and operationalisation of policy and strategy, and may delegate certain responsibilities to management to implement set policy and strategy including this policy
- 6.4. The staff of the merSETA are responsible for complying to this policy in executing their duties and tasks.

7. Legislative and regulatory requirements

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

- 7.1. Legislation regulation and government policy
 - 7.1.1. The PFMA and applicable regulations.
 - 7.1.2. The B-BBEE Act and Codes of Good Practice.
 - 7.1.3. The Skills Development Ley Act.
 - 7.1.4. The SETA Grant Regulations of 3 December 2012.
 - 7.1.5. The National Skills Development Plan 2030.
- 7.2. This policy must be read in conjunction with the following related merSETA policies:
 - 7.2.1 The Delegations of Authority Framework-Ref: CGD-GL-003.
 - 7.2.2 The Discretionary Grants Programmes and Projects Policy (Incorporating Partnerships)-Ref: SPU-PL-001.
 - 7.2.3 The Monitoring and Evaluation Policy-Ref: MAE-PL-002.
 - 7.2.4 The merSETA Disciplinary Code-Ref: HRM-PL-004.
 - 7.2.5 The merSETA Organisational Code of Ethics-Ref: CGD-PL-002.

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8. Principles of the policy

- 8.1. **Transparency:** The merSETA conducts grant funding processes in a manner that is honest, open, ensuring access to information whilst guided by the laws of the Republic of South Africa.
- 8.2. **Accountability:** The merSETA conducts grant funding processes in a manner that demonstrates its obligation to responding to the needs of its stakeholders and beneficiaries.
- 8.3. **Inclusivity:** The merSETA supports structural economic transformation that promotes an inclusive growth agenda; transformation in terms of control and ownership; and, demographic transformation of the labour market with respect to issues such as race, gender, differently abled people, youth, and, township and rural communities.
- 8.4. **Ethics:** The merSETA conducts grant funding processes in manner that is professional, unbiased, fair, equitable and recognises the diversity and dignity of its stakeholders and beneficiaries. The merSETA endeavours to serve its stakeholders, beneficiaries and communities to the best of its abilities and at all times to safeguard the rights and welfare of those that may be vulnerable to its work in this regard.
- 8.5. **Conflict of interest:** The merSETA conducts grant funding processes in a manner that promotes the interests and needs of its stakeholders and beneficiaries through best practice governance oversight and monitoring. All incidences of conflict of interest will be managed through relevant governance provisions.

9. Disbursement of grants

- 9.1. Mandatory grant disbursements are initiated on the approval of mandatory grant applications and related levies received, in line with the mandatory grant criteria stipulated in the Grants Criteria and Guidelines-Ref: DGD-GL-001 and the requirements set out in the Grant Regulations (Government Gazette no 35940 of 3 December 2012).
- 9.2. Discretionary grant disbursements are performance-based and aligned to the delivery of set milestones, stipulated in the agreement between merSETA and the entity.
- 9.3. The merSETA allows for multiyear agreements where such agreements comply with

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this policy as well as demonstrate the need for such agreement in order to achieve merSETA strategic priority.

9.4. The merSETA reserves the right to withhold payments for either mandatory or discretionary grant disbursements, should all the relevant supporting documents not be provided by an entity.

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

10. Grants appeal process

10.1. Should an appeal be lodged in respect of a mandatory grant application, the appeal must be submitted through the merSETA on line management information system, detailing the reasons for the appeal. The appeal must be submitted within 14 (fourteen) business days of receipt of the outcome notification.

10.2. Should an appeal be lodged in respect of a discretionary grant outcome, the appeal is done through the merSETA on line management information system for processing and decision. The merSETA investigates appeals and provides feedback to the relevant parties within 30 (thirty) business days of receipt.

10.3 The appeals process is detailed in the Criteria and Guidelines document that supports the operationalisation of this policy.

10.4. In all cases, the decision of the CEO is final.

11. Policy Review

11.1 The Policy will be reviewed every 5 years, or as per operational and strategic changes and requirements, and monitored in line with merSETA Quality Management System, based on ISO 9001:2015 for effective implementation.

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