merSETA
MANUFACTURING, ENGINEERING AND RELATED SERVICES SETA

Manufacturing Engineering and Related Services Sector Education and Training Authority

Final

Annual Performance Plan for

2025/2026

31 January 2025

FOREWORD BY THE MINISTER

Dr NP Nkabane, MP
Executive Authority of Higher Education

South Africa ascended to the G20 Presidency from 01 December 2024 under the theme: "Solidarity, Equality and Sustainability". The admission of the African Union in 2023 as a full member of the G20 presented South Africa with a new opportunity to reposition Africa's role in the global affairs in pursuit of the African Union Agenda 2063. Together with the Ministry of Basic Education, the Ministry of Higher Education and Training will be leading the G20 Education Working Group in 2025. For this reason, 2025 will be a historic year in the history of the continent, the country and education and training sector.

It is my pleasure to present the Department of Higher Education and Training's Strategic Plan for the 2025-2030 period. South Africa's government continues to focus its strategies towards addressing the triple challenges facing the country, namely poverty, unemployment and inequality. In this regard, the 7th Administration has agreed on the priority actions required to address these, and the programme that will foreground the work of government for the 2025 - 2030 planning period. Three strategic priorities have been identified, namely, (i) driving inclusive growth and job creation; (iii) reducing poverty and tackling the high cost of living; (iii) building a capable, ethical and developmental state.

Consistent with these priorities, the Department will continue to support an inclusive growth path by developing a skilled and capable workforce whilst broadening the skills base of the country. The 7th Administration provides an opportunity for the department to position the Post- School Education and Training (PSET) sector to provide a myriad of opportunities for our youth and adults. Our resolve is to achieve far-reaching outcomes, bringing about changes to improve the provision of post-school opportunities whilst exerting meaningful impact on the lives of individuals, the economy and society as a whole.

I am glad that as a sector we have a clear vision that is espoused by the White Paper for Post-School Education and Training. We will continue to aspire for:

- a post-school system that can assist in building a fair, equitable, non-racial, non-sexist and democratic South Africa;
- a single, coordinated post-school education and training system;
- an expanded access, improved quality and increased diversity of provision;
- a stronger and more cooperative relationship between education and training institutions and the workplace; and
- a post-school education and training system that is responsive to the needs of individual citizens and employers in both public and private sectors.

This means that our sustained agenda is to continue to invest in skills that will drive inclusive growth and job creation. As we make post- school education and training opportunities accessible, we should enable reciprocal success of our students in the system. In an era of fast-changing skills demand, driven by the further development of the South African economy and by global trends such as technological progress and globalisation, it is important to

understand the skills needs of the country. The quality of teaching and learning, and the responsiveness of education and training system will be more and more important.

Through this Strategic Plan, we also commit to working with the Human Resource Development Council (HRDC), chaired by the Deputy President of the Republic of South Africa, to ensure effective coordination across government and all sectors in respect to the implementation of the Human Resource Development Strategy for the country.

Working with our stakeholders, we are changing the size and shape of the PSET system, particularly to reposition the college sector. The National Development Plan, (NDP) 2030 and our own National Plan for PSET (NP-PSET) directs that we should drastically increase intake in Technical and Vocational Education and Training (TVET) and Community Education and Training (CET) colleges. The college sector has the potential to transition individuals to the labour market, perform critical jobs with higher productivity and support the change to sustainable and resilient societies.

In November 2023, Cabinet endorsed the **Just Energy Transition (JET) Implementation Plan,** a transformative blueprint for South Africa's sustainable future. This plan will guide the country towards a greener economy while ensuring that the transition is just, inclusive, and focused on growth. At the heart of this transition lies the **skills portfolio,** which aims to align skills development with the long-term needs of the energy sector, ensuring that no one is left behind. In this regard, we aim to implement appropriate interventions to support this initiative. Accordingly, the Department will during the 2025/26 establish a JET Skills Desk within the Department which will serve as the national coordinating hub for skills development efforts, ensuring a unified approach to this critical task.

Another critical challenge that we seek to address is the category of the society that is Not in Employment, Education or Training, commonly known as the NEET. Addressing the crisis around NEET is essential for South Africa's long-term economic growth and social stability. High NEET rates reflect a profound gap in education and employment opportunities for many young people, and this must change. Our government, along with civil society and the private sector, is working to create pathways for education, training, and employment for those who are NEET. We are focused on investments in education, job creation, and skills development to ensure that our youth have the tools they need to succeed.

In this regard, the Department of Higher Education and Training is leading a project to identify NEET individuals across the country. The aim is to establish a database that will assist the Department in devising appropriate and targeted interventions aimed at improving their circumstances. The interventions will support NEETs in gaining skills, securing employment, starting businesses, or enrolling in education and training programmes. This must be viewed as complementary to the President's Youth Employment Initiative (PYEI), which drives structural reforms and job creation, and the Presidential Employment Stimulus (PES), which focuses on creating meaningful employment and strengthening livelihoods. Through partnerships with both public and private sector agencies, we aim to connect work seekers with employers, foster entrepreneurship, and provide tailored support to those who need it most.

We are continuing to intensify efforts to address the challenge of skills mismatch with discrepancy between the skills sought by employers and the skills possessed by the youth and adults. The Department is playing a significant role in a number of initiatives like industry-led

training programmes, mentorship and internship opportunities, partnerships with education institutions relevant and enhancing work experience and practical skills.

It is encouraging that baseline information shows that the annual production of qualified artisans has been on an increasing trajectory since the demise of COVID-19, with 20,062 completing their trade test in 2023/24. The top ten artisans produced include Electricians, Diesel Mechanics, Mechanical Fitters, Plumbers, Boilermakers, Welders, Millwrights, Automotive Motor Mechanics, Fitters and Turners, and Riggers.

A comprehensive student funding model for higher education, specifically designed for students who fall outside the current NSFAS criteria and address the needs of the "missing middle," has been finalized. This will be implemented in phases over the next five years. Phase 1 of the model is now being implemented, with the government committing an initial capitalization fund of R3.8 billion for the 2025 academic year to support approximately 10,000 students. Further discussions with the National Treasury are ongoing to develop a sustainable funding model, which is expected to be submitted to the Cabinet in July 2025.

I am confident that the implementation of the Strategic Plan 2025-2030, will ensure that the commitments we have towards transforming the PSET Sector are accomplished. I am certain that, under the guidance and support of the Deputy Ministers, Dr Mimmy Gondwe, MP and Mr Buti Manamela, MP, including the Director-General, Dr Nkosinathi Sishi, its implementation will steer the Department in the right direction as we address the socio-economic challenges facing our country.

Dr NP Nkabane, MP
Executive Authority of Higher Education

ACCOUNTING AUTHORITY STATEMENT

The merSETA is committed to positioning skills development as a key support to South Africa's national development which promotes economic growth and prosperity for all. Relevant, accessible, and contemporary post-school education and training are more critical than ever, as we rebuild and embark on new areas of growth and social investment under the leadership of this seventh (7th) administration.

This strategic plan for the 2025 – 2030 period, is aimed at outcomes that will see an increased participation in skills development among women, entrepreneurs, learners with disabilities, unemployed students, and economically active workers. These outcomes are derived from key skills development policies, including the National Skills Development Plan and the National Plan on Post School Education and Training as well as research and insights from the mer sectors.

The merSETA works in collaboration with the Post School Education and Training (PSET), including TVET colleges, Higher Education Institutions and skills development providers to create a connected system, aligning with the Department of Higher Education's objectives on education and training. This approach aims to ensure that education and training pathways are coherent and aligned with industry needs, thereby preparing South Africans for future success.

This implementation of the strategic plan is guided by the Accounting Authority, which seeks to harness collective knowledge and efforts from all PSET and industry stakeholders, including employers, providers, students, and communities, to improve skilling, up-skilling and re-skilling for improved and sustainable employment outcomes. To this end the merSETA is committed to assist in ensuring that together with all the SETA's, the targets as set by the Minister of Higher Education and Training will be met. Overall, merSETA will contribute 30% to the set targets with 20% going to producing artisans (completed and entered), and 10% spread over learners completing learnerships, learners registered for skills programmes, learners completing internships and learners completing skills programmes. Together these targets will assist 16 247 learners in 2025/26.

By setting revitalised and clear directions for the merSETA mandate in post-school education and training, the merSETA Accounting Authority, management and staff are dedicated to supporting, enabling and co-creating skills pathways that are accessible, high-quality, and aligned with both industry demands and community development. This Strategic Plan is aligned to the proposed outcomes of the Medium-Term Development Plan (2024-2029) as set by the Government of National Unity to promote inclusive growth and job creation, reduce poverty and tackle the high costs of living, and develop a capable, ethical and developmental state. In abiding by these principles, the merSETA's' strategic approach ensures that South Africans are equipped with the skills needed for success in work and life, driving economic growth and social prosperity across the nation.

Kate Moloto (Ms)

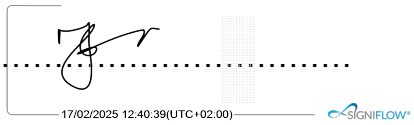
Accounting Authority Chairperson (merSETA

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan (APP) 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 merSETA will endeavour to achieve over the period 2025/26. 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.

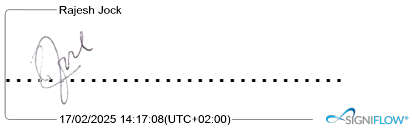
Mr. Tebogo Moepi
Acting Executive Manager: Strategy, Research & Reporting

Signature……



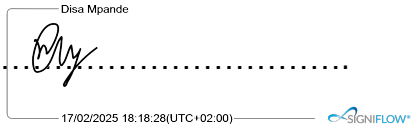
Mr Rajesh Jock
Executive Manager: Corporate Services

Signature……



Ms. Ncedisa Mpande
Chief Financial Officer

Signature……



Mr. Mthunzi Lubando
Acting Chief Operations Officer

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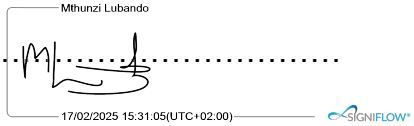

Naphtaly Mokgotsane (Mr)
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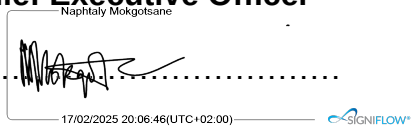

Kate Moloto (Ms)

Chairperson of the Accounting Authority

Signature……

Approved by

DR. NP NKABANE, MP

Signature……

Executive Authority (Minister)

ACRONYMS

AA	Accounting Authority
AGSA	Auditor General of South Africa
AET	Adult Education and Training
AO	Accounting Officer
AI	Artificial Intelligence
APP	Annual Performance Plan
ARPL	Artisan Recognition of Prior Learning
ATR	Average True Range
B-BBEE	Broad-Based Black Economic Empowerment
BUSA	Business Unity South Africa
CBO	Community Based Organisation
CEO	Chief Executive Officer
CET	Community Education Training
CFO	Chief Financial Officer
COO	Chief Operations Officer
CoS	Centres of Specialisation
CSIR	Council for Scientific and Industrial Research
COVID-19	Coronavirus Disease 2019
DG	Discretionary Grants
DHET	Department of Higher Education and Training
DPME	Department of Performance Monitoring and Evaluation
EA	Executive Authority
EE	Employment Equity
ER	Extended Reality
ERRP	Economic Reconstruction and Recovery Plan
ETQA	Education and Training Quality Assurance
EV	Electric Vehicle
FET	Further Education and Training
FLC	Foundation Learning Certificate
FMCG	Fast Moving Consumer Goods
FTF	Financial Action Task Force

GBV	Gender Based Violence
GBVF	Gender Based Violence and Femicide
GDP	Gross Domestic Product
GNU	Government of National Unity
HEI(s)	Higher Education Institutions
HRDC	Human Resources Development Council of South Africa
HRM	Human Resource Management
ICT	Information and Communication Technology
IPAA	Intellectual Property Amendment Act
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
MR	Mixed Reality
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic 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
NEVs	New Energy Vehicles
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
NPPSET	National Plan for Post-School Education & Training
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	Persons 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
SHEQ	Safety, Health, Environment and Quality
SME	Small and Medium Enterprises
SMME	Small Medium and Micro- Enterprises
SLA	Service Level Agreement
SP	Strategic Plan
SRD	Social Relief of Distress
SSP	Sector Skills Plan
SWOT	Strengths, Weaknesses, Opportunities and Threats
TID	Technical Indicator Descriptor
TVET	Technical and Vocational Education and Training
USD	United States Dollar
VR	Virtual Reality
WBL	Workplace Based Learning

WIL	Work Integrated Learning
WP-PSET	White Paper for Post-School Education and Training
WSP	Workplace Skills Plan
XR	Extended Reality
4IR	Fourth Industrial Revolution
5IR	Fifth Industrial Revolution
7S	Strategy, Structure, Systems, Skills, Staff and Shared Values

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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 Act No. 108 of 1996, 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(1)(b) also states that everyone has the right to further education, which the state, through reasonable measures, must make progressively available and accessible.

1.2Legislative 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 Plan (NSDP).*
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 Education Training and Quality Assurance (ETQA), as delegated by the Quality Council for Trades and Occupations (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*
- *Skills Development Act No. 97 of 1998*
- *Skills Development Levies Act No. 9 of 1999*
- *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 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*
- *Broad-Based Black Economic Empowerment Act, No.53 of 2003*
- *Broad-Based Black Economic Empowerment Amendment Act, No.46 of 2013*
- *Employment Equity Amendment Act, No. 4 of 2022, assented to on 06 April 2023, awaiting Minister's proclamation start date.*

1.2.2 Policy environment

The key policy priorities for the 2025 – 2030 period emanate from among others, the following:

- *2024 Opening of Parliament Address*

- *National Development Plan (NDP 2030)*
- *National Skills Development Plan (NSDP)*
- *National Plan on Post School Education and Training (NPPSET)*
- *Industrial Strategy*
- *Reconceptualised Human Resource Development Strategy for South Africa (2024 - 2033)*
- *District Development Model (DDM)*
- *Economic Reconstruction and Recovery Plan (ERRP) Skills Interventions*
- *Draft Medium-Term Development Plan (2024-2029)*
- *White Paper on Post School Education and Training (WP-PSET)*
- *SETA Skills Summit Report - SETA Integrated High Impact Programmes (SIHIP)*

2. 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, localisation and transformation; community, and youth development, supporting women, sustainability, and digital transformation.

2.1 Opening of Parliament Address by President Ramaphosa

Fifty days after the South African National Elections (2024), President Ramaphosa opened Parliament and highlighted the Medium-Term Development Plan (MTDP 2024-2029), which will serve as the 5-year development plan for the 7th Administration of Government. This plan will convert the National Development Plan Vision 2030 into specific actions, incorporating the UN Sustainable Development Goals (SDGs) and the African Union's (AU) Agenda 2063. It will focus on inclusive growth, poverty reduction, and strengthening state capabilities.

In terms of key priorities that the government will focus on in the next 5 years, the President highlighted the aims of the Government of National Unity's (GNU)

commitment to promote inclusive economic growth; address poverty and high living costs and build a capable, ethical state.

Key actions will include investing in infrastructure, improving municipal governance, supporting renewable energy initiatives, and assisting small businesses.

In addition, there are plans to institute economic and social reforms to create jobs, particularly for youth and women; support rural enterprises; expand public employment programs; enhance education and implement the National Health Insurance (NHI).

These key priorities, overall align with the fabric of the national policies and plans primarily driven through the NDP and the Industrial Strategy. For the merSETA this means that there should be a continued focus in directing skills development initiatives to support the transformation agenda, support women, the youth, people with disabilities and marginalised communities. In terms of renewable energies, the merSETA should ensure support of skills and special projects in line with demands, particularly within the green energy value chain as well as new energy vehicles (and supporting infrastructure) and the circular economy. Skills initiatives and support for skills in small businesses, rural and township economies are key to support reducing unemployment, poverty, and inequality, partnering with local government as well as NGOs and CBOs could assist.

2.2 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.

2.3 National Skills Development Plan (NSDP) and National Plan on Post School Education & Training (NPPSET)

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 NDP, the White Paper on Post School Education and Training (WP-PSET) and NPPSET.

The NPPSET, which derives its mandate from the WP-PSET is a roadmap for the development and strengthening of post-education and training from 2019-2030.

The plan acknowledges that we do not have adequate and diverse education opportunities for all those who leave school (on completion of grade 12 or earlier). Therefore, the central importance of the plan is the recognition that more post school opportunities are needed outside the higher education sub-system. The NPPSET focuses on education and skills that are in high demand and are needed for economic growth, will provide opportunities for employment of large numbers of people and support social development priorities. Therefore, PSET system must work collaboratively across all platforms to ensure that the labour market and the economic trajectory of the country is monitored such that relevant education and training interventions can be implemented.

Taking this into account, the NSDP tasks SETAs with:

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

The eight NSDP outcomes highlighted in Table 1 below.

Table 1: NSDP Outcomes

Number	Outcome
Outcome 1	Identify and increase production of occupations in high demand.
Outcome 2	Linking education and the workplace.
Outcome 3	Improving the level of skills in the South African workforce.
Outcome 4	Increase access to occupationally directed programmes.
Outcome 5	Support the growth of the public college system

Outcome 6	Skills development support for entrepreneurship and cooperative development.
Outcome 7	Encourage and support worker-initiated training - driven by critical networks of employee representatives and unions officials.
Outcome 8	Support career development services.

2.4 Draft Medium-Term Development Plan (MTDP) (2024-2029)

The MTDP, which is still in draft form, will serve as a government-wide plan for the 7th Administration. It is a 5-yearly implementation framework for the NDP, which is the existing long-term plan for South Africa towards Vision 2030. The MTDP will however place greater emphasis on development outcomes and will be framed as an economic plan to address existing socio-economic challenges. The plan will also have a greater focus, through reducing the number of interventions and will outlining a results framework for the 7th Administration Government.

The MTDP sets out scenarios based on key driving forces (KDFs) which have been termed, "*Idlulamithi Scenarios 2035*", which take in the global drivers of climate change, food security, pandemics, technological advances, and geopolitical shifts into account. These have been called the *Hadeda Home*, *Vulture Culture and Weaver Work* scenarios:

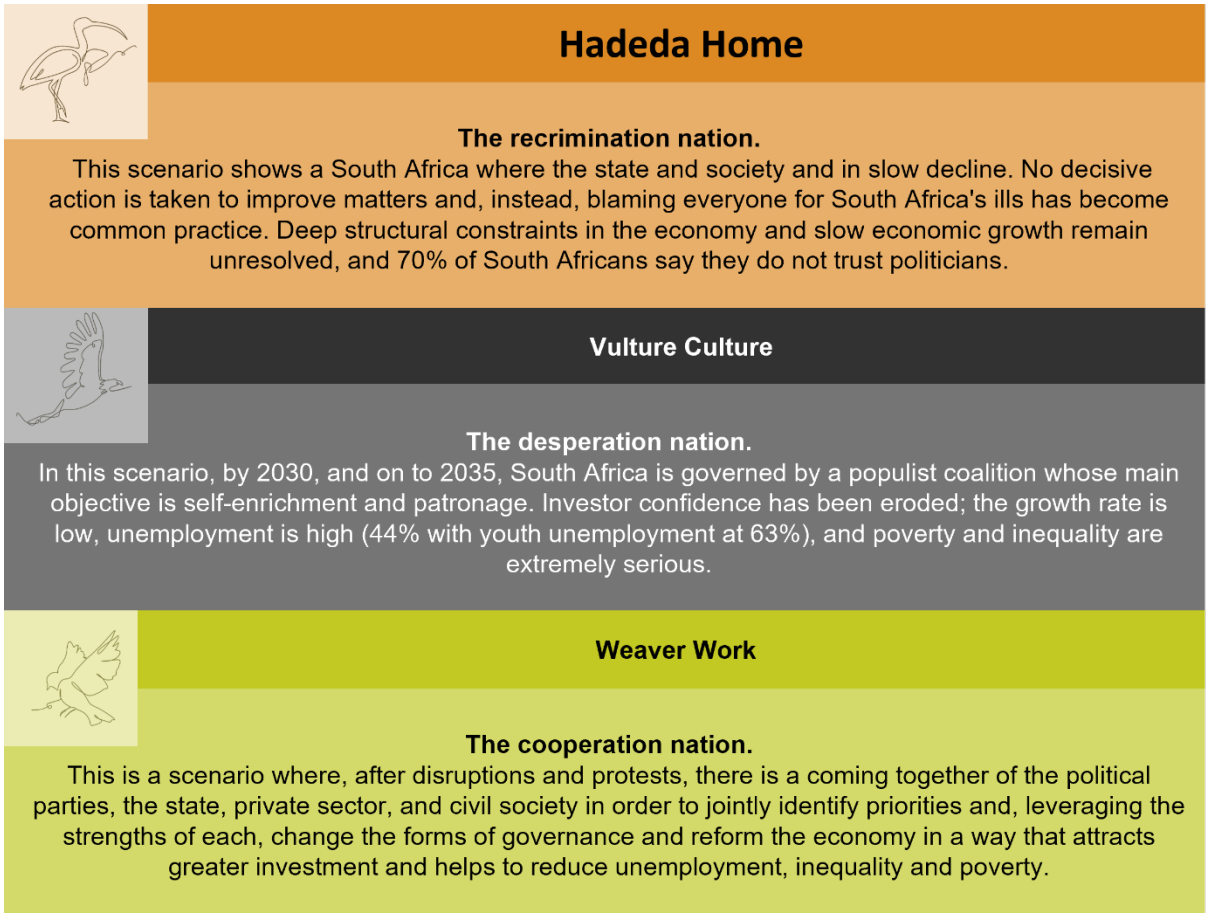

Figure 1: MTDP Scenarios (adapted from MTDP discussion document)

Indlulamithi's scenarios serve as planning tools that remind South Africans that the future is shaped by choice, not by fate. By uncovering and examining the underlying trends and driving forces that influence its path, these scenarios encourage proactivity in considering the actions required to navigate challenges and collaboratively work toward a desired future.

The MTDP lifts key statements of intent emanating from the NDP and consolidates them into three (3) strategic priorities:

i. Inclusive growth and job creation.
ii. Reduce poverty and tackle the high cost of living.
iii. A capable, ethical and developmental state.

The plan affirms that rapid, inclusive and sustainable economic growth to create jobs will be viewed as an apex priority. All spheres of government, clusters and sectors will prioritise relevant economic interventions. The three strategic priorities are interrelated and interlinked. The notion of a capable state will play a key role in the economy through regulation, network industries and by creating an enabling environment, it also

promotes the institutionalisation of the social wage which provides a safety net for the vulnerable, and ensures a skilled and healthy workforce, enabling infrastructure and basic services.

The MTDP has the following structure in terms of outcomes and focus areas:

Table 2 MTDP Outcomes

Strategic Priority 1: Inclusive growth and job creation	
Outcomes	**Focus Areas**
A Just Energy Transition (JET)	Skills for the JET Investment Plan (hydrogen economy, NEVs, electricity sectors)
	Skills Training and assessment for Occupations in High Demand (OIHD) and Critical Skills
	Lecturer training to support 4IR programmes in TVET Colleges
Increased Employment Opportunities	Ensure stronger, more cooperative relationship between education and training institutions and the workplace
Reindustrialisation, localisation & beneficiation	Preferential Procurement: Procuring from qualifying businesses owned by person that are women, black, youth, SMMEs and disabled selected through SCM Requests for Quotations and Tender processes
STRATEGIC PRIORITY 2: Reduce poverty and tackle the high cost of living	
Outcomes	**Focus Areas**
Skills for the economy	Increase access, improve the quality and efficiency of the PSET system
Improved education outcomes and skills	Improve the responsiveness of the PSET System and produce graduates in scarce skills areas
Social cohesion and nation-building	Oversight of PSET Policy Framework on Gender Based Violence
STRATEGIC PRIORITY 3: Build a capable, ethical and developmental state	
Outcomes	**Focus Areas**
Improved governance and performance of public entities	Review of legislations to address national policy imperatives including rectifying ambiguities, inconsistencies, changing circumstances as well legal complexities to enhance the effectiveness of the legislative framework of the PSET sector.
A capable and professional public service	Increase the percentage of PhD qualified staff in the higher education sector and increasing the number of lecturers appointed in universities
	Increase the pipeline of available scholars qualified (at least with a master's degree) to apply for available vacant posts and assume roles of academics in higher education system
	Improve the qualifications of TVET lecturer qualifications.
	Improve the qualifications of CET lecturer qualifications.

SETAs must unpack the MTDP to assist the government to adequately respond to the targets by aligning their programmes to the focus areas and programmes as outlined in the MTDP.

2.5 Industrial Policy

The Department of Trade and Industry's (DTI) current industrial policy centres on key components such as investment facilitation, trade, technology, small business promotion, strategic and informational leadership, competition, and labour market policy. During the Sixth Administration, industrial policy focused on innovation amid global instability and economic shocks. Key developments included changes in sector planning, new approaches to investment and export promotion, in particular; the African Continental Free Trade Agreement (AfCFTA), and evolutions in competition and tariff policy. Despite challenges like the COVID-19 downturn, these efforts laid the groundwork for more effective future industrial policies, with a strategic focus on aligning with global green and technology revolutions, strengthening partnerships with the private sector, and supporting Africa's economic growth.

In June 2019, the 6th Administration launched the Reimagined Industrial Strategy which laid the foundation for policies on localisation, trade, and competition. The strategy adapted to the COVID-19 downturn, lead to the 2020 Economic Reconstruction and Recovery Plan (ERRP) and its Skills Plan. The strategy introduced industry-level Masterplans, promoting a multi-stakeholder approach where government, the private sector, and labour collaborated to address industry-specific challenges and develop joint action plans. This marked a shift from state-led measures to a more collaborative and pragmatic approach to industrial policy. In the merSETA operational context, these Masterplans comprise:

2.5.1 Automotive Master Plan

The vision of the Automotive Master Plan is to develop a globally competitive and transformed industry that significantly contributes to the sustainable development of South Africa’s economy, benefiting both industry stakeholders and broader society. Key objectives include increasing South African vehicle production to 1% of global output, raising local content in locally assembled vehicles to 60%, doubling employment in the automotive value chain, enhancing competitiveness, and transforming the industry by promoting the employment, upskilling, and empowerment of black South Africans. Additionally, the plan aims to deepen value addition within the automotive sector.

2.5.2 Steel and Metal Fabrication Master Plan

The Steel and Metal Fabrication Master Plan seeks to create a "competitive, dynamic, and inclusive industry" that serves as a stable foundation for investment, job creation, and long-term growth. Currently, the industry faces challenges such as underutilisation and a lack of locally sourced metals required for key sectors like automotive and mining. The plan outlines several growth measures, including infrastructure investments, localisation of large projects, promoting exports, and developing local industry value chains, particularly linking the metal and automotive sectors. It also emphasises securing government funding, establishing a Steel Industry Development Fund, ensuring designation under the Competition Act, imposing an export tax on scrap metal, and improving data for better resource allocation. The plan focuses on both upstream primary products and downstream value-added products, with a long-term emphasis on green production and industry transformation.

2.5.3 Plastics Sector Master Plan

The vision for the plastics industry, as outlined in the master plan, is to be a proactively adaptive industry capable of meeting the evolving needs of local and export markets while creating jobs, advancing transformation, and supporting environmentally responsible industrialisation. Key objectives include reducing the trade deficit to less than 10% of the industry’s total value by 2035, maintaining or improving productivity levels (measured as tons per employee), reducing visible plastic litter, and increasing recycling rates to 60%. The plan also prioritises job creation through SMME skills development programmes.

2.6 Skills Strategy 2022: Support for the ERRP

The skills strategy is designed to support the Economic Reconstruction and Recovery Plan (ERRP) by tackling skills shortages and occupational gaps. Its main objectives are to:

- **Boost Economic Growth and Job Creation**: Align skills development with ERRP goals to create and sustain jobs.
- **Encourage Public-Private Collaboration**: Involve both public and private sectors, including education providers, SETAs, businesses, and government bodies, in advancing skills development.

- **Adapt Skills for ERRP Implementation**: Ensure that the Post-School Education and Training (PSET) system meets the evolving needs of the ERRP.
- **Focus on Youth Employment and Entrepreneurship**: Increase access to work-based learning (WBL) programs and internships, and support entrepreneurship training to improve job prospects and encourage self-employment.
- **Support Reskilling and Upskilling**: Provide retraining opportunities for workers affected by job losses and expand access to upskilling programs.

2.6.1 The strategy is organised into two main areas:

i. **Targeted Education and Training Programmes**:
   - Increase the availability of short skills programmes and WBL opportunities.
   - Boost enrolment in qualification-based programmes.
   - Update and revise qualifications and curricula to address occupational gaps.
   - Refresh the Critical Skills List.

ii. **Education-to-Work Transitions**:
   - Strengthen entrepreneurship development programmes.
   - Integrate skills planning with economic planning.
   - Use the National Pathway Management Network.
   - Improve the PSET system.

2.7 Reconceptualised Human Resource Development Strategy of South Africa (2024-2033)

The Reconceptualised Human Resource Development Strategy of South Africa (2024-2033) focuses on several key tenets to address the country's education, training, and skills development needs. This strategy aims to create a more competitive and productive workforce, contributing to the broader goals of social and economic development set out in South Africa's National Development Plan (NDP) and the Medium-Term Development Plan (MTDP). The strategy will require merSETA to align its programmes with industry needs, focusing on green and digital skills; expand work-based learning opportunities like internships and apprenticeships to

enhance youth employability; provide quality training and education, particularly in mathematics, and science. The merSETA will also need to address skills mismatches by preparing the workforce for the Fourth Industrial Revolution and supporting the transition to sustainable energy.

2.8 District Development Model

The District Development Model (DDM) is a government led initiative to assist with service delivery across municipalities, it frames these challenges as opportunities to for growth and development at a local level. Ideally, the DDM should be implemented in collaboration with government entities, communities, and the private sector.

The DDM provides government entities such as SETAs the ability to assist community development and service delivery. From a merSETA perspective, the DDM aligns to both ERRP and socio-economic development.

In the past, merSETA has partnered with Offices of the Premier to empower local government to assist skills development and economic development through the provision of skills for solar installations and supporting candidate engineers in the areas of water and sanitation. Premier's offices are a key partner to the SETA in implementing the DDM. The merSETA will review requirements for skills in DDM projects as well as liaise with provinces in supporting their provincial skills development plans.

2.9 SETA Skills Summit Report - SETA Integrated High Impact Programmes (SIHIP)

The SETA Skills Summit Report highlights key discussions and outcomes from the SETA Skills Summit held on April 23-24, 2024. The summit focused on enhancing skills development and launching the SETA Integrated High Impact Programmes (SIHIP). The Minister introduced the following six High Impact Programmes which will be implemented from 2025/26 to 2029/30:

- Infrastructure Development and Public Sector Institutional Delivery Capacitation
- Significant Reduction of unemployment people including graduates
- Sustainable Entrepreneurial, SMME, and Cooperatives development

- Holistic digitisation and advancement of technological infrastructure, research and development
- Effective and efficient Shared services on Information and Communication Technology (ICT) for SETA- wide Learner Information Management System
- Rural Development for Community Impact

Overall, these programs will require merSETA to adopt a more integrated and collaborative approach, leveraging partnerships with various stakeholders to achieve the desired outcomes. The focus on digitization, entrepreneurship, and rural development will be particularly crucial in ensuring that the workforce is future-ready, and that economic growth is inclusive and sustainable.

2.10 Other key Policies

Table 3: Other Key Policies

Policy	Objective	Focus Areas
Green Paper on the Social Economy (2019)	Harness the social economy to boost economic activity, social cohesion, and inclusion.	• **Legal and Regulatory Environment:** Reduce barriers for social economy entities. • **Financial Inclusion:** Improve access to finance. • **Access to Markets:** Enable participation in the broader economy. • **New Economies:** Adapt to technological advances and job creation in the context of automation.
National Strategic Plan (NSP) on Gender-Based Violence and Femicide (GBVF) (2020)	Provide a cohesive framework to address the crisis of GBVF in South Africa.	• **Policy Framework**: Develop and monitor policies to combat GBVF in educational and workplace settings. • **Partnerships:** Collaborate with employers, unions, and civil society to support GBVF initiatives.
National Youth Policy (NYP) 2020-2030	Build on past policies to address inequality and foster holistic youth development.	• **Quality Education and Skills:** Enhance education and skills development. • **Economic Transformation:** Promote entrepreneurship and job creation. • **Health Promotion:** Address physical and mental health, including COVID-19. • **Social Cohesion:** Strengthen nation-building efforts.

Policy	Objective	Focus Areas
		• **Youth Development Machinery**: Improve the effectiveness of youth development structures. • **Technological Advancements:** Integrate Fourth Industrial Revolution (4IR) themes across policy pillars.
National Digital and Future Skills Strategy (2020)	Prepare South Africans for the digital economy.	• **Digital Skills Planning:** Incorporate digital skills into SETAs' plans. • **Comprehensive Approach**: Balance current and future skills needs.
Presidential Commission on the Fourth Industrial Revolution (4IR) Report (2020)	Address the skills needs for a digitally advanced economy.	• **Skills Development:** Embed 4IR in SETAs' activities and budget allocations. • **Partnerships:** Leverage partnerships to drive 4IR initiatives in the sector.
Green Paper on Electromobility (2021)	Develop a framework for New Energy Vehicles (NEVs) and battery electric vehicles.	• **Business Environment:** Create a competitive environment for NEVs. • **Battery Manufacturing**: Explore opportunities for battery production. • **Just Energy Transition:** Focus on shifting from internal combustion engines to NEVs and renewable energy sources, ensuring a skilled workforce for future needs.

2.11 Supporting Sectoral and National Priorities

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 aligned to the key themes and focus areas emanating from national priorities. These include:

2.11.1 Skills for the Just Energy Transition (JET)

The shift to renewable energy requires understanding and developing skills for zero carbon emissions. This transition necessitates upskilling and reskilling both employed and unemployed individuals to access employment and self-employment opportunities. The merSETA SSP highlights the importance of the green and circular economies as well as the transition to carbon neutral processes and products. These

transitions will require the reskilling and upskilling of the labour force. The merSETAwould need to support adult workers to ensure that they are better equipped to navigate the transition, the SETA would need to assess demand for skills in this respect to put in place substantive short and long-term training programmes.

2.11.2 Skills for Reindustrialization, Localisation and Economic Development

The SSP prioritizes skills development for economic growth, recognizing that skills enable growth at individual, organizational, local, and global levels. MerSETA will focus on industrialization, localization, SMME growth, digital economy, social economy, and transformation.

2.11.3 Skills for the future world of work (advanced manufacturing, digitalization, and AI)

South Africa must re-evaluate jobs and occupations due to labour market disruptions and gig economy growth. Priorities include entrepreneurship skills, immersive learning technologies, simulated learning, and micro-credentialing for skill development.

3. Relevant court rulings

The Minister of Higher Education and Training and Another v Business Unit South Africa (JA70/16) [2017] ZALAC 69;(2018) 39 ILJ 160 (LAC).

This case surrounded the Minister's publication of Regulation 4(4) of the 2012 SETA Grant Regulations Regarding Monies Received by a SETA and Related Matters which reduced Mandatory grants from 50% to 20%. Business Unity South Africa (BUSA) took this to the Labour Court to adjudicate on the reduction.

Litigation commenced in 2015 and subsequently concluded in 2020 with the Labour Appeals Court ruling that the reduction is unlawful. This ruling prompted the Minister to review the SETA Grant Regulations Regarding monies Received by a SETA and Related Matters. The reviewed regulations were published in 2023 for public comment, and we await the gazetting of the new regulations. In the interim, the merSETA continues to allocate 20% towards mandatory grants.

PART B: OUR STRATEGIC FOCUS

4. Situational Analysis

The merSETA was established in 2000 in terms of the Skills Development Act No. 97 of 1998. The merSETA scope of coverage for skills development comprises the automotive sector, pertaining to vehicle assembly, manufacture of automotive components including new tyres, motor retail and after sales service, metal manufacturing and plastics manufacturing. These are key sectors that have been identified by government to stimulate economic growth through its reimagined industrial strategy, and they contribute to the re-industrialisation and localisation agenda. The merSETA therefore has a crucial role to play through skills development to support these sectors and ensure a skilled labour supply for current and future demands. The situational analysis will outline the current climate in which the sectors under the merSETA scope of coverage operate and the impact of these on skills development. Information for the situational analysis is drawn from the merSETA SSP and other credible sources including primary and secondary research, national statistics from Statistics South Africa (Stats SA) and insights from the merSETA Accounting Authority Annual Mid-Term Review.

4.1 External environment analysis

Using the Political, Economic, Social, Technological, Environment and Legal (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.

4.1.1 POLITICAL:

Political conditions play a significant role in the growth of the manufacturing sector, and the economy. As such a clear assessment of the political factors that will affect the planning cycle is important. MerSETA operates under several government directives, including the National Skills Development Plan (NSDP) and policies like the Economic Reconstruction Recovery Plan (ERRP), significantly influencing the strategic focus on skills development, economic reform, and job creation.

The recent 2024 general elections for the 7th administration saw an unprecedented outcome. This came with some uncertainty and instability that was settled with the formation of the Government of National Unity (GNU). To facilitate this transition, it

will be important for SETAs to continue working on the mandate towards the NSDP 2030. This momentous development in the political environment is aimed at creating unity and placing the interests of South Africans first by tackling the challenges of unemployment, poverty and inequality.

This makes the SETA mandate increasingly important in demonstrating an impact on addressing these challenges through skills development. A stable policy environment is crucial to ensure the continued focus on the achievement of the NSDP 2030 outcomes and supporting SMMEs to stimulate the economy and help create jobs.

MerSETA will adapt to the changing political landscape to continue its mission effectively by adopting key strategies that include engaging with new leadership, staying informed about new policies from the GNU, strengthening governance and transparency, prioritising programs addressing unemployment, poverty, and inequality, supporting SMMEs, fostering partnerships with industry and community, monitoring and evaluating programs, and embracing digital transformation can enhance the effectiveness of skills development programs.

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 supportive role in economic transformation, growth, and development by providing access to relevant education and training opportunities to the labour market providing employers with skilled workers and labour market participants will have access to meaningful and sustainable employment opportunities. SETAs should, therefore, leverage their role as intermediary bodies to partner with industry, the PSET sector, government, international agencies, and other social partners to meaningfully contribute to national development.

4.1.2 ECONOMIC:

Economic conditions significantly impact skilled labour demand and training. Growth spurs investment, while downturns reduce investment. Understanding these dynamics helps MerSETA to tailor training programs for future growth opportunities. Economic factors play a crucial role in the PESTEL analysis framework, which examines the macro-environmental elements impacting the mer-sector.

One of the primary indicators of economic health is GDP growth, which reflects the overall economic performance of a country. For instance, South Africa's GDP growth is forecasted at 1.3% for 2024, considerably below the global average of 3.2%. This sluggish growth can be attributed to ongoing challenges such as high unemployment, infrastructure deficiencies, and political uncertainty. The contribution of various sectors to GDP further highlights the complexities of economic growth. While the manufacturing sector, once a significant contributor, has faced contraction—with a 1.4% decline in production during Q1 2024 leading to a 0.1% drop in GDP—the automotive industry remains a critical player, contributing 6.4% to GDP and serving as a key source of employment.

Inflation also significantly impacts the economic environment, particularly in how it influences purchasing power and cost structures. South Africa's inflation is expected to moderate to 4.8% in 2024, a crucial factor for businesses in determining their pricing strategies. However, challenges persist as producer price inflation has surged to 15%, driven by high input costs, which in turn affect manufacturing output and overall economic performance.

Investment levels present another critical economic factor, with private fixed investment currently low at around 13-14% of GDP. This situation raises concerns about future economic growth, as low investment is often linked to weak demand and diminished business confidence, particularly in sectors like manufacturing. However, there is some optimism regarding new infrastructure projects, which are anticipated to stimulate growth, especially in the construction sector, potentially benefiting related industries.

The employment and labour market further illustrate the economic challenges facing South Africa. High unemployment rates, especially among youth (45.5% for those aged 15-34), underscore the pressing need for targeted job creation strategies. The national unemployment rate stands at 32.9%, highlighting the severe employment crisis. In response, there is a growing emphasis on skills development to meet the demands of evolving industries, particularly in sectors like manufacturing and engineering that are undergoing significant modernisation.

Sector-specific trends reveal additional layers of complexity within the economic landscape. The manufacturing sector, for example, is grappling with high input costs and low business confidence, leading to a downturn that has broader implications for the economy, given its historical role as a major growth driver. Conversely, the automotive industry, despite facing its own set of challenges, shows growth potential. A recovery in domestic sales and exports suggests a positive outlook, emphasising the need for continued innovation and investment in skills within this sector.

More specifically, the mer sector demonstrates the following economic trends:

Automotive sector: The industry accounts for 21.7% of value addition in domestic manufacturing output and 12.4% of total exports in 2022. With over 110,000 employees and a support system for over a million jobs in the formal sector, it plays a significant role in employment generation. The industry is celebrating one hundred years of excellence, with dealer sales accounting for 89.9% of total sales. Domestic new vehicle sales increased by 2.2% in April 2024, while export sales declined by 23.9% (NAAMSA, 2024).

Plastics Manufacturing: The South African plastics industry faces challenges such as stagnation in growth and exports since 2010, a trade deficit, and limited polymerisation capacity. However, it has made progress, contributing R68 billion to the country's economy in 2020, representing 20% of the manufacturing GDP. The informal sector contributed R2 billion to the industry's GDP. An increase in GDP within the plastics supply chain could increase the national economy by R2.5 million to R3.5 million.

Metal and Engineering: The metals and engineering sector in South Africa has been impacted by global supply chain disruptions and rising input costs. However, there is a push towards modernisation and industry 4.0 technologies, such as increased automation, high-quality production, and energy efficiency. In 2023, aggregate production increased by 1.7%, but the index of production is currently 4.2% below its long-run average. The South African steel industry faces structural problems and a gradual degradation of the country's economic environment (SEIFSA, 2024).

The metals and engineering sector in South Africa has experienced both growth and contraction in recent years, with a steady increase in nominal GDP from ZAR 160.3

billion in 2020 to ZAR 218.4 billion in 2023. However, the sector's GDP growth experienced fluctuations, contracting by 11.1% in 2020 but growing by 5.1% in 2021. Despite these fluctuations, the sector's share of manufacturing and direct contribution to national GDP remained stable (SEIFSA, 2024). Employment in the sector declined over the same period, highlighting a disconnect between production and job creation. Despite these challenges, the sector has shown signs of recovery, but sustained efforts in innovation, efficiency, and sustainability are essential for its long-term success. The sector's economic performance directly influences skills needs, with demand fluctuating for skilled workers like artisans, engineers, and technicians. Modernisation, including Industry 4.0 adoption, requires training in automation and data analytics, while quality production standards demand skilled workers in quality control (SAISI, 2022).

4.1.3 SOCIAL:

In addition to unemployment, key social factors for the mer-sector include youth unemployment, equity considerations as part of economic redress based on South African history and an aging workforce. As mentioned, high youth unemployment, which stands at 45.5% for individuals aged 15 to 34, compared to the national average of 32.9%. highlights the importance of merSETA in promoting youth employment through targeted skills training and workforce development programs. Emphasising inclusivity, merSETA focuses on marginalised groups like Black Africans, women, and people with disabilities. The aging workforce presents challenges, as employers favour experienced workers due to lower training costs, necessitating knowledge transfer and upskilling younger workers to maintain a skilled workforce.

South Africa faces significant triple challenge of *poverty, unemployment, and inequality*. With a Gini coefficient of 0.67, it is the most income unequal country globally, according to the World Bank. Income inequality is expected to worsen, partly due to the widening gap between those with and without jobs. Historically, inequality is closely linked to race, and it is crucial to examine how this has evolved. Major cities have stronger economies than towns and rural areas, yet poverty remains high. High and structural unemployment means the labour market is less effective in reducing poverty. Given South Africa’s significant challenges with poverty, unemployment, and inequality, merSETA should focus on developing high-demand skills, ensuring inclusive training programs, and addressing the specific needs of rural areas. By

targeting structural unemployment and enhancing employability, merSETA can help reduce poverty and promote balanced economic growth. Continuous monitoring and evaluation of training programs are essential to improve outcomes and address the historical correlation between inequality and race.

Demographic trends reveal significant challenges, particularly unemployment among youth, underscores the need for targeted training programs to integrate young people into the workforce, especially in growing sectors. Employment patterns in the mer-sector indicate that while employment has returned to pre-COVID levels, growth remains stagnant, particularly in manufacturing. Subsector analysis shows that the metal and auto components sectors have the highest levels of employment, suggesting that skills planning should prioritise these areas to align training with industry needs.

This has attributed to the higher demand in skills programmes to address skills gaps and emerging skills requirements brought on by the requirements of new technologies, the just energy transition and new production processes, particularly among artisans, technicians, professional and mangers. Gender representation analysis reveals stability in managerial roles for both genders but indicates potential disparities in technical and clerical positions. Therefore, skills planning should incorporate gender-sensitive approaches to ensure equal training and employment opportunities.

The age distribution within the sector shows that older workers predominantly occupy managerial and professional roles, while younger employees are more concentrated in clerical and service positions. This demographic trend necessitates skills development initiatives aimed at facilitating the transition of younger workers into more skilled roles. Disability employment within the mer-sector is low, with individuals with disabilities comprising only 2% of the workforce. To foster an inclusive workforce, skills planning should include strategies that enhance accessibility and training opportunities for disabled individuals. Lastly, geographic distribution reveals that employment in the sector is concentrated in provinces such as Gauteng, Western Cape, and KwaZulu-Natal, pointing to regional disparities in employment opportunities.

To address these disparities, skills planning should consider geographic factors to ensure that training programs are accessible to individuals in less populated or

economically disadvantaged areas. In conclusion, the social factors identified highlight the need for targeted skills planning that addresses demographic trends, employment patterns, gender representation, age distribution, disability inclusion, and geographic disparities. By aligning skills development with these social factors, merSETA can better prepare the workforce for future challenges and opportunities in the manufacturing and engineering sectors.

4.1.4 TECHNOLOGICAL:

The mer-sector has undergone automation and digitalisation which has altered the types of products being produced, the processes being implemented in manufacturing as well as the tools required to remain relevant in a fast changing technologically driven world.

Research conducted by the merSETA highlighted that most multinational companies can easily adapt their processes and skills requirements to meet the demands of technological advances. Smaller companies however do not fare well in terms of implementing new technologies beyond reactions to changing conditions such as remote work brought on by the COVID-19 pandemic. Smaller companies listed rudimentary changes such as moving from paper-based operations to digital solutions, implementing tools to enable remote work and digital connectivity as technological disruptors, however global trends in terms of new production methods, improved robotics, artificial intelligence, and other disruptors were not indicated as a key concern for future business development.

As digital technologies become increasingly integral to manufacturing processes, there is a growing demand for digital literacy within the workforce. Skills planning should therefore emphasise the development of competencies in areas like data analysis, software programming, and cybersecurity, preparing employees for roles that necessitate these skills. The COVID-19 pandemic has further accelerated the adoption of e-learning platforms and remote training solutions, providing an opportunity for merSETA to leverage these technologies in delivering flexible and accessible training programs that enable workers to upskill or reskill without the constraints of traditional classroom settings. Over the last five years, employment in the mer-sector has not grown significantly, employers in the sector have tended to

maintain the size of the workforce slowly recovering to pre-COVID levels, however these new additions tend to be in elementary and operator roles rather than artisans, professionals and managers.

Moreover, emerging technologies such as 3D printing, additive manufacturing, and advanced materials are reshaping production methods. To ensure the workforce is well-prepared to utilise these innovations effectively, skills planning must include specialised training in these areas. Collaboration with technology providers and educational institutions can further enhance skills planning efforts, fostering the development of tailored training programs that address specific technological needs within the mer sector.

The rapid pace of technological change also underscores the necessity for a culture of continuous learning within the workforce. Skills planning should promote lifelong learning and adaptability, encouraging employees to engage in ongoing professional development to stay abreast of technological advancements. Additionally, as technological progress is increasingly influenced by globalisation, skills planning must consider global trends and innovations to ensure the local workforce remains competitive in a connected market.

In conclusion, technological factors play a pivotal role in shaping skills planning within the mer-sector under merSETA. By focusing on automation, digital skills, e-learning, emerging technologies, collaborative partnerships, continuous learning, and globalisation, skills planning can effectively prepare the workforce for the challenges and opportunities presented by technological advancements. This proactive approach will bolster the sector's competitiveness and sustainability in an ever-evolving landscape.

4.1.5 ENVIRONMENTAL:

The growing emphasis on sustainability in manufacturing processes demands that skills training include environmentally friendly practices such as sustainable manufacturing techniques, waste reduction, and resource management, aligning with global sustainability goals. As environmental regulations become increasingly stringent, employees must be up-skilled on compliance with laws related to emissions, waste management, and environmental impact assessments. Additionally, these

regulations have an adverse impact on the Plastics sector. This knowledge ensures adherence to regulatory standards and best practices.

The challenges posed by climate change, including supply chain disruptions and resource scarcity, require a workforce adept in adaptation strategies. Skills planning must therefore focus on equipping employees with the expertise needed to implement climate-resilient practices within their operations. Additionally, technological innovations such as clean energy solutions, energy-efficient machinery, and pollution control technologies are vital for reducing the environmental footprint of the mer-sector. Training programs should prioritise these technologies to ensure that the workforce can effectively utilise and maintain them.

Corporate social responsibility (CSR) is increasingly important, with companies expected to engage in initiatives that positively impact both the environment and communities. Skills planning should therefore incorporate training on CSR practices, enabling employees to contribute meaningfully to their organisations' sustainability and community engagement efforts. Public awareness of environmental issues is also on the rise, leading to increased consumer demand for sustainable products and practices. To meet these market trends, employees must be trained to understand sustainability-related market demands and to develop products and services that align with consumer expectations.

4.1.6 LEGAL:

The Skills Development Act (SDA) and Skills Development Levies Act (SDLA) provide the legal foundation for skills development in South Africa, requiring that skills planning aligns with these frameworks to ensure training programs are eligible for funding and contribute to national goals. The establishment of Sector Education and Training Authorities (SETAs), including merSETA, is mandated by the SDA, which necessitates that skills planning considers the specific roles of merSETA, such as developing Sector Skills Plans, allocating training funds, and accrediting training providers.

Additionally, the Employment Equity Act mandates equal opportunities and fair treatment in employment, which means skills planning must ensure training programs are accessible to individuals from diverse backgrounds and that employment decisions

are merit-based. Compliance with the Occupational Health and Safety Act is also essential, as it requires employers to provide a safe working environment. Consequently, skills planning should include training on health and safety regulations to equip workers with the ability to identify and mitigate workplace risks.

Environmental regulations, like the National Environmental Management Act, impose legal obligations on companies to minimize their environmental impact. Therefore, skills planning must incorporate training on environmental compliance and sustainable manufacturing practices. Moreover, as South Africa is a signatory to international trade agreements such as the African Continental Free Trade Area (AfCFTA) and the Southern African Development Community (SADC) Protocol on Trade, skills planning must account for these agreements to ensure the workforce can compete globally and adhere to international standards. Finally, the Broad-Based Black Economic Empowerment (B-BBEE) Act aims to promote economic transformation and increase the participation of black people in the economy. Skills planning should support B-BBEE initiatives by prioritizing training for designated groups, ensuring that the workforce reflects the country's demographics.

In conclusion, legal factors profoundly influence skills planning within the mer-sector under merSETA. By aligning with skills development legislation, acknowledging the roles of SETAs, promoting employment equity, ensuring workplace safety, complying with environmental regulations, adapting to international trade agreements, and supporting B-BBEE initiatives, skills planning can effectively navigate the legal landscape and foster a skilled, compliant workforce.

4.2 Internal organisational environment

4.2.1 (7S) Framework Model

The merSETA organisational environment is analysed in terms of the Strategy, Structure, Systems, Skills, Staff, Style and Shared Values (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 has also undergone an organisational transformation process in response to its strategy. This process was set to inform the structure, systems, skills, staffing and style.

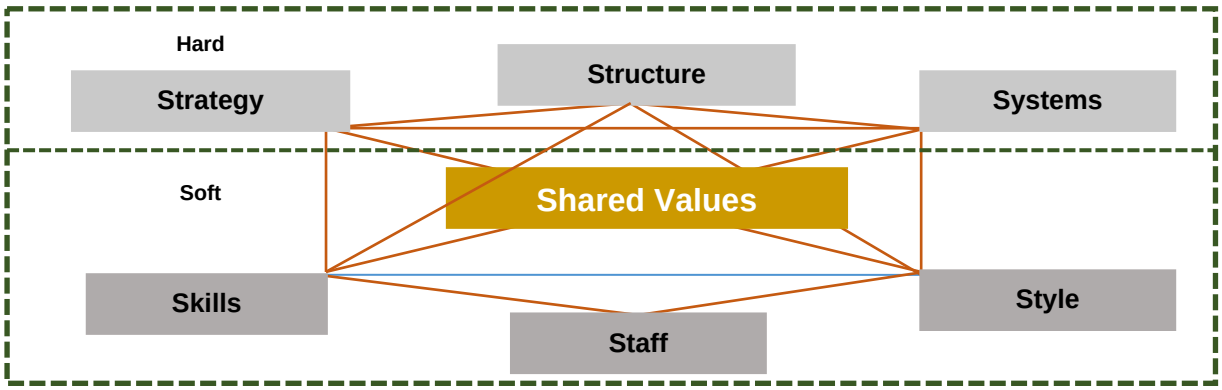

Figure 2: The merSETA Organisational Environment

STRATEGY: The merSETA strategy comprises of four linked components – the Sector Skills Plan (SSP), the five-year Strategic Plan (SP), the 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 Medium-Term Development Plan (MTDP) 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 and Training. The SLA, based on the approved Strategic Plan and APP, is the signed agreement (contract) between the Minister and the merSETA AA, setting out the SETA's specific annual obligations and responsibilities. It is the assessment framework which the Minister and the DHET utilise to monitor the activities of the merSETA.

To drive impactful change and foster robust industry collaborations, the following strategic priorities have been identified:

1. **Deep Structural Transformation**: Focus on establishing equitable participation in the mer-sector, ensuring inclusive growth and representation.
2. **Black Female Management Development**: Continue and enhance projects aimed at developing black female management, incorporating career pathing to support their professional growth.
3. **Strengthen Industry Partnerships**: Enhance the strategic approach to partnerships within industry sectors, aligning with the broader goal of establishing purpose-driven collaborations as highlighted in the SSP (Sector Skills Plan).
4. **Adopt Alternative Business Models**: Explore and implement innovative business models to strengthen sectoral partnerships with diverse stakeholders, adapting to changing industry dynamics.
5. **Focus on Measurable Impact**: Prioritise initiatives that deliver measurable outcomes, ensuring efforts create tangible benefits for stakeholders.
6. **Enhance Strategic Approaches**: Refine management's strategic approach to achieve key output indicators, particularly those at risk of not being met, through proactive planning and continuous monitoring.

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, is defined as the Executive Authority (EA), and reports to Parliament. In this regard, the merSETA Accounting Authority of 15 members inclusive of a chairperson is accountable to the Minister. The AA 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 (CEO) is the Accounting Officer (AO) as delegated by the AA. The diagram below (Figure 3), depicts the governance and operational structure of the merSETA.

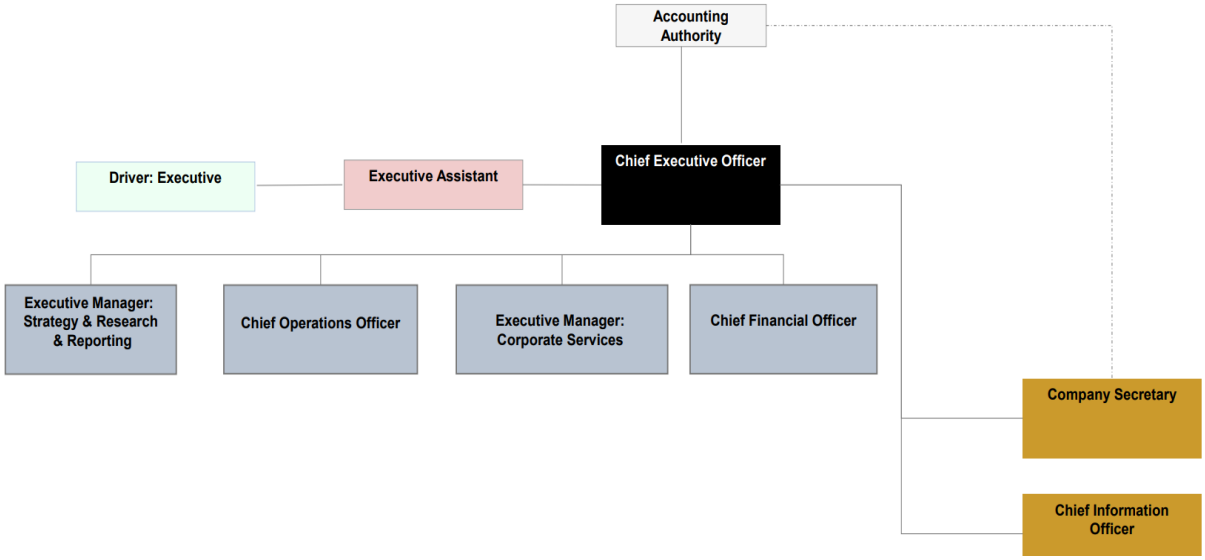

Figure 3: Governance and Operational Structure

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. The Chambers are composed primarily of employer bodies and trade unions.

The merSETA must explore the prospect of leveraging constituencies to assist the merSETA in resolving its business challenges and expediting stakeholder focused business processes.

Other strategic advisory committees are the ETQA Committee and Regional Committees. The governance and organisational structure have 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.

The merSETA may need to further review the organisational structure to ensure its enhancement to be fit for purpose.

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 is currently implementing a digital transformation roadmap 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.

To further enhance its ICT capabilities and drive strategic value, merSETA should focus on the following:

1. **Elevate ICT Maturity**: Building on the significant strides made in ICT, the strategic focus should now be on improving the overall ICT maturity level. This involves integrating ICT into all aspects of merSETA's operations, transforming it from a support function to a strategic value creator.

2. **Enhance Collaboration**: Strengthen collaboration and alignment with the MICT SETA and other SETAs. This will foster synergies and drive collective growth within the PSET ecosystem.
3. **Improve Service Provider Management**: Leverage ICT to enhance the management of merSETA's service providers, ensuring efficient and effective service delivery.

This strategic direction aims to position ICT as a cornerstone of merSETA's business, driving innovation and value creation.

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, considering changes in key legislation such as the Public Audit Act (PAA) Amendment Act 5 of 2018, strengthening governance and compliance is key.

The merSETA has taken strides in the improvement of governance processes. As part of capacity building, members of the AA and its sub-committees were trained on corporate governance through partnerships with the Wits School of Governance and the IoDSA.

The AA aims to enhance the governance system improve consideration of, support for, and prompt approval of new policies and strategies proposed by management.

Grants Management - The purpose of Grants Management is to support the management of Mandatory Grants (MG) and Discretionary Grants (DG), from application, to awarding of funding, to implementation of funding agreements to ensure that the merSETA achieves strategic outcomes set out in the merSETA Strategic Plan 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. Programme Implementation is currently working on enhancing processes linked to awarding of DGs. These processes are aimed at ensuring that DG funding is allocated in a manner that is consistent, fair, and transparent to

qualifying organisations. Through successful implementation of these processes, merSETA envisages that there will be an improvement in the achievement of APP targets.

Education and Training 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.

Transition from pre-2009 qualifications into new Occupation Qualifications registered on the OQSF has been a challenged due to inadequate capacity to deliver on new programmes. The merSETA has initiated support more TVETs to gain accreditation on Occupational Qualifications.

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 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 division responsible for media profiling at merSETA, namely the Marketing and Communications division, has demonstrated a commendable commitment to enhancing its capacity and promoting career development in the mer-sector. The merSETA Management Committee duly recognises the crucial role of effective marketing and communication as a strategic function in highlighting the

exceptional work of the SETA. Amongst future considerations is ensuring that all intellectual capital shows a consistent corporate identity.

Planning, monitoring, reporting and evaluation - The merSETA planning, monitoring, reporting 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 mer- sector.

Research and Innovation

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 Public Finance Management Act No 1 of 1999, PAA 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 in the past, however the

recent opinion has been qualified. The merSETA will also tighten internal controls to reduce audit findings and improve future audit outcomes.

A review of the financial processes highlighted the need for improvements in the strategic planning of operations. This must ensure that activities align with budgets and expenditure limits. It is noted that management has already commenced with financial planning to address areas requiring performance improvements for the future.

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, information, and records throughout the organisation. The knowledge management framework focuses on issues of access, sharing, integration and preservation of the merSETA knowledge assets, to turn the merSETA into an innovative, learning and knowledge-based organisation. Furthermore, the merSETA has incorporate the Information and Records into the Knowledge Management to ensure the organisation is transforming digitally.

Quality Management - The merSETA has been certified to ISO 9001:2015 and maintained the standard in line with the international requirements. 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.

Enterprise risk management - To ensure that the merSETA fully implement the enterprise risk management policy, the organisation is working towards integrating the ISO 31000 with the ISO 9001: 2015 standard to provide strategy on risk-based decision making into the governance, strategic planning, reporting, policies, values, and culture. The integrated system is a principles-based system, meaning it enables organisations to apply the principles in the standard to the organisational context.

STAFF: The merSETA staff establishment component totals 208. The organisational transformation project has been 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.

The merSETA staff

Table 4: The merSETA staff complement

	Male				Female				Foreign Nationals		
OCCUPATIONAL LEVEL	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	Total
Top Management	0	1	0	0	0	0	0	0	0	0	1
Senior Management	0	0	1	0	2	0	0	0	0	0	3
Professionally Qualified	13	1	0	2	7	4	1		0	0	28
Skilled Technical	32	7	4	4	29	7	1	2	0	0	86
Semi-Skilled	28	1	0	0	44	2	0	3	0	0	78
Unskilled	1	0	0	0	9	2	0	0	0	0	12
Grand Total	**74**	**10**	**5**	**6**	**91**	**15**	**2**	**5**	**0**	**0**	**208**

The merSETA has a successful track record in implementing its Strategic Human Resources Plan, which is evident through various indicators such as the normal vacancy rate, staff turnover rate below 5%, and an average staff tenure of over three years.

The Organisational Re-Design (Transformation) intervention underwent a consultation process with staff, which resulted in the project being named Project TransforMER. The primary objective of the project was to realign the merSETA organisational structure, mandate, strategy, and organisational processes to establish a professional and capable organisation based on ethical leadership, best practices, governance, and management. This was to be achieved through appropriate competencies in staff, governance, structures, implementing partners, and stakeholders, while ensuring a good employee experience.

To facilitate a smooth implementation and transition to a new operating model and structure, the project was divided into a series of phases. The organisation has

entrenched the outcome of its organisational transformation through various operational activities, including a consultative process that led to an approved strategic human resource capacity plan aligned with the strategic context. Furthermore, human resource planning and other relevant Human Resources Management (HRM) interventions are integrated into the organisation's strategic planning and budgeting cycle, and appropriate budgeting or cost modelling is developed for the human resource plan. The merSETA also ensures an adequate supply of skilled and competent staff through a well-established skills pipeline.

Occupational Health and Safety merSETA, is committed to providing a safe and healthy work environment. The merSETA, ensures implementation and increasing levels of participation in health and safety training, sharing educational material, evaluating, and updating safety procedures and managing safety risks.

Using the learning from the COVID-19 pandemic, merSETA recognises the potential impact of infectious diseases on the workplace and therefore have put measures in place to prevent and manage the spread of infectious diseases. This includes monitoring and adapting the prevention response protocols to ensure staff health.

To strategically advance merSETA's strategic outcomes, the following forward-looking initiatives have been considered:

1. **Revamp Performance Management System**: Enhance the system to better address recruitment, retention, and incentivisation. This will help attract and retain top talent while motivating employees to achieve high performance.
2. **Leverage Digital Tools for Recruitment**: Utilise advanced digital tools and technology to streamline the recruitment process, making it more efficient and effective.
3. **Reduce Vacancies in Key Positions**: Focus on filling vacant posts, especially those critical to the organization. Prioritise the recruitment of legal and compliance functions to strengthen organisational integrity.
4. **Minimize Reliance on Contract Positions**: Reduce the dependency on contract employees by filling permanent positions, ensuring stability and continuity within the workforce.

5. **Implement Pre-emptive and Mitigating Controls**: Address potential resignations from senior employees facing disciplinary action by establishing proactive measures and controls.

These strategic initiatives aim to build a high performing, stable, and motivated workforce, positioning merSETA for the future.

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

SKILLS: In executing its responsibilities, the merSETA relies on its proficient team in strategizing and executing competency development programs that cater to the demands of the sector and national priorities. The acquisition and retention of talented personnel lie at the heart of merSETA operations. Ongoing competency assessments are equally crucial in establishing the present level of knowledge and capabilities within the organisation, compared to the required competency level aspired by the organisation. This will empower merSETA to implement pertinent initiatives to bridge the gaps and optimally utilise its competency pool.

To strategically advance merSETA's strategic outcomes, the merSETA must develop a comprehensive **Workplace Skills Plan** that aligns staff competencies, including knowledge, skills, experience, and expertise, with merSETA's higher purpose and strategic outcomes. This ensures that the workforce is well-equipped to meet organisational outcomes. This will build a skilled workforce that will position the merSETA for sustained success and effective service delivery.

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.

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

The AA Strategic Review workshops 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 5 summarises the SWOT analysis.

Table 5: SWOT Analysis

Strengths	**Weaknesses**
• Grant Financial Resources • Strategic location in the economy • Strategic leadership and good governance • Captive market • Leading SETAs in training artisans • Resilience of learnerships • Research capability • Deep subject matter technical expertise • Strong ETQA capability • Stakeholder engagement, including Chambers •	• Internal controls • Low business process maturity • Service delivery • Transition to occupational qualification • Slow response to changes • Data management • Decision making • Brand awareness and reputation • Stakeholder relationships and management • Implementation planning • Liquidity surplus • Excessive Administration expenditure
Opportunities	**Threats**
• Subsector understanding • Community partnerships • Technology (4IR, automation, AI) • Proximity to key stakeholders • National provider of learning capacity building • Wide manufacturing landscape • Infrastructure development • Special Economic Zones	• Political uncertainty (GNU) • Outdated learning material/syllabus • Climate change and green skills • Cyber threats • Corruption and fraud / Unethical conduct • Declining workplaces/ Declining manufacturing • Insufficient localisation • Insufficiency in networking structure • Basic education • Misalignment of employment equity (BB-BEE) Multiple stakeholder planning cycles

Table 6: Actions for improved SETA Performance and Reporting

1. ACTIONS FOR IMPROVED SETA PERFORMANCE AND REPORTING	
Discretionary Grant Implementation	• **Reflection:** Importance of streamlined DG processes and implications of the academic year and the financial year on planning and finances. • **Action:** Plan DG funding windows aligned with merSETA strategic objectives. Ensure measures are put in place to ensure correctness in reporting and finances, accounting for the differences in the academic and financial year. • **Goal:** Achieve indicator targets and provide needed skills to support sector growth.
Supportive and Enabling Systems for Reporting	• **Reflection:** Importance of MoA management and reliable data from past performance. • **Action:** Implement robust internal controls and quality management systems. • **Goal:** Foster excellence in business processes and enhance monitoring/reporting functions.
Building Efficiencies in the merSETA Business Model	• **Reflection:** The processes are cumbersome due to strict regulations and required internal controls • **Action:** Adapt to technological advancements and new efficiencies in delivering the skills development mandate. • **Goal:** Enhance efficiencies through adoption of new technologies in the SETA and skills development ecosystem.
A well-rounded research agenda	• **Reflection:** Critically review, plan and reflect on research findings and recommendations. • **Action:** Incorporate research recommendations proactively to support the implementation of the merSETA strategy.

	• **Goal:** Share, publicise and promote research projects and findings to impact policy formulation and review.
Focus on Strategic Partnerships	• **Reflection:** Partnering more strategically to make a strategic impact in supporting the mer sectors through skills as well as contribute to reduction of poverty, unemployment and inequality. • **Action:** Proactive planning and aligning to industrial and sectoral projects in the public and private sectors and conceptualising partnerships for national and local impact. • **Goal:** Strategic partnerships contribute to empowering youth, women and people with disabilities as well as the mer sectors to support economic growth through skills and innovation.

PART C: MEASURING OUR PERFORMANCE

5. Institutional Programme Performance Information

5.1 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 7 below, highlights performance indicators and targets for programme 1 over the medium-term expenditure framework.

Table 7: Programme 1 Outcomes, Outputs, Output Indicators and Targets for 2025/26

Outcomes	Outputs	Output Indicators	ANNUAL TARGETS						
			Audited/Actual performance			Estimated performance (current year)	MTEF Period		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Outcome 5: Ethical governance and a resourced fit-for-purpose merSETA	**Strategic Output 5:** Governance and leadership practices are effectively and efficiently implemented	1.1 Percentage of compliance with Corporate Governance Compliance report	100%	100%	100%	100%	100%	100%	100%
		1.2 The status of Auditor General South Africa audit outcomes.	New indicator	New Indicator	New Indicator	Unqualified audit outcome for 2023/24	Unqualified audit outcome for 2024/25	Unqualified audit outcome for 2025/26	Unqualified audit outcome for 2026/27
		1.3 Number of critical business processes digitally enhanced	New indicator	New indicator	New indicator	6	7	7	8
		1.4 Organisational Culture Strength Score (CSS)	New indicator	New indicator	New indicator	New indicator	70%	75%	80%
		1.5 Net Promoter Score (NPS) for Stakeholder Satisfaction	New indicator	New indicator	New indicator	New indicator	0.6	0.65	0.7

Table 8: Programme 1 Indicators, Annual and Quarterly Targets for 2025/26

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
1.1 Percentage of compliance with Corporate Governance Compliance report	100%	25%	25%	25%	25%
1.2 The status of Auditor General South Africa audit outcomes.	Unqualified audit outcome for 2024/25	-	Unqualified audit outcome for 2024/25	-	-
1.3 Number of critical business processes digitally enhanced (digitalised)	7	1	2	2	2
1.4 Organisational Culture Strength Score (CSS)	70%	-	-	-	70%
1.5 Net Promoter Score (NPS) for Stakeholder Satisfaction	0.6	-	-	-	0.6

5.2 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 based on 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 9 below highlight the performance indicators and targets over the MTEF.

Table 9: Programme 2 Outcomes, Outputs, Output Indicators and Targets for 2025/26

Outcome	Outputs	Output Indicators	ANNUAL TARGETS								
			Audited/Actual Performance			Estimated performance (current year)	MTEF Period				
			2021/22	2022/23	2023/24	2024/25	2025/26			2026/27	2027/28
Outcome 2: Expansion of core stakeholder coverage and partnerships in support of a transformed sector under the merSETA scope of coverage. **Outcome 3:** Prioritise future skills and industrial revolution. **Outcome 4:** Skills for productive enterprises within the social economy and driving township and rural economic development.	**Strategic Output 2:** The core stakeholder group has been expanded and includes a greater representation of marginalised groups who have received training to effectively participate in the sector.	2.1 Number of Workplace skills Plan (WSPs) and Annual Training Reports (ATRs) approved for small firms: (49 or less employees)	2271	2311	2443	2428	2471	SETA	2471	2471	2471
								SECTOR	0		
		2.2 Number of WSPs and ATRs approved for medium firms: (50-149 employees)	878	919	921	918	964	SETA	964	964	964
								SECTOR	0		
		2.3 Number of WSPs and ATRs approved for large firms: (150 + employees)	523	551	562	551	551	SETA	551	579	579
								SECTOR	0		
		2.4 Number of sector research agreements signed for TVET	1	0	5	3	4	SETA	4	4	5

	Strategic Output 3: New technologies in the mer-sector, are driving growth and efficiency within the sector. **Strategic Output 4:** social enterprises within township and rural economies. contribute to a more vibrant and inclusive local economy.".	growth occupationally directed programme						SECTOR	0		
		2.5 Number of tracer studies or surveys to be conducted to establish absorption rates of learners who completed merSETA workplace-based learning programmes.	0	2452	1	1	1	SETA	1	1	1
								SECTOR	0		
		2.6 Number of established and emergent cooperatives trained on sector and national identified priority occupations or skills.	0	0	2	4	5	SETA	5	6	6
								SECTOR	0		
		2.7 Number of small and emerging enterprises trained on sector and national identified priority occupations or skills.	736	614	442	584	630	SETA	630	681	681
								SECTOR	0		
		2.8 Number of evaluation studies implemented	New indicator	New indicator	New indicator	New indicator	1	SETA	1	2	3

		as per the merSETA evaluation plan						SECTOR	0		

Table 10: Programme 2 Indicators, Annual and Quarterly Targets for 2025/26

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
2.1 Number of WSPs and ATRs approved for small firms: (49 or less employees)	2471	400	1071	500	500
2.2 Number of WSPs and ATRs approved for medium firms: (50-149 employees)	964	100	564	200	100
2.3 Number of WSPs and ATRs approved for large firms: (150 + employees)	551	51	250	150	100
2.4 Number of sector research agreements signed for TVET growth. occupationally directed programmes.	4	-	-	-	4
2.5 Number of tracer studies or surveys to be conducted to establish absorption rates of learners who completed merSETA workplace-based learning programmes.	1	-	-	-	1
2.6 Number of established and emergent cooperatives trained on sector and national identified priority occupations or skills	5	-	-	-	5
2.7 Number of small and emerging enterprises trained on sector and national identified priority occupations or skills	630	50	130	250	200
2.8 Number of evaluation studies implemented as per the merSETA evaluation plan	1	-	-	-	1

5.3 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, Non-Profit 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 Programme 3. Priority skills needs that are specific to individual industries, firms, regions, provinces, and other skills will emerge over time. Given the impact of continuous innovations and disruptions within the manufacturing context, there may be a requirement for 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 11: The merSETA Sectoral Priority Occupations List (ranked)

Rank	OFO Code	Occupation
1	2021-122102	Sales Manager
2	2021-652301	Metal Machinist
3	2021-651202	Welder
4	2021-653101	Automotive Motor Mechanic
5	2021-653306	Diesel Mechanic
6	2021-671101	Electrician
7	2021-652302	Fitter and Turner
8	2021-122101	Sales and Marketing Manager
9	2021-653303	Mechanical Fitter
10	2021-311904	Manufacturing Technician
11	2021-312201	Production / Operations Supervisor (Manufacturing)
12	2021-522303	Automotive Parts Salesperson
13	2021-331201	Credit or Loans Officer
14	2021-734402	Forklift Driver
15	2021-332302	Purchasing Officer

Rank	OFO Code	Occupation
16	2021-684904	Panelbeater
17	2021-431102	Cost Clerk
18	2021-642702	Refrigeration Mechanic
19	2021-643201	Industrial Spraypainter
20	2021-214101	Industrial Engineer
21	2021-671202	Millwright
22	2021-214401	Mechanical Engineer
23	2021-121101	Finance Manager
24	2021-121901	Corporate General Manager
25	2021-718905	Engineering Production Systems Worker
26	2021-651302	Boiler Maker
27	2021-311501	Mechanical Engineering Technician
28	2021-671208	Transportation Electrician
29	2021-132104	Engineering Manager
30	2021-226302	Safety, Health, Environment and Quality (SHE&Q) Practitioner
31	2021-432101	Stock Clerk / Officer
32	2021-411101	General Clerk
33	2021-132401	Supply and Distribution Manager
34	2021-243301	Industrial Products Sales Representative
35	2021-652201	Toolmaker
36	2021-311301	Electrical Engineering Technician
37	2021-311801	Draughtsperson
38	2021-431101	Accounts Clerk
39	2021-643202	Vehicle Painter
40	2021-121905	Programme or Project Manager
41	2021-215101	Electrical Engineer
42	2021-522302	Motorised Vehicle or Caravan Salesperson
43	2021-214104	Production Engineering Technologist
44	2021-432201	Production Coordinator
45	2021-714101	Rubber Production Machine Operator
46	2021-242303	Human Resource Advisor
47	2021-311401	Electronic Engineering Technician
48	2021-671204	Lift Mechanic
49	2021-132107	Quality Manager
50	2021-714204	Plastics Production Machine Operator (General)
51	2021-524903	Salesclerk / Officer
52	2021-684305	Quality Controller (Manufacturing)
53	2021-714208	Plastics Manufacturing Machine Minder
54	2021-653307	Heavy Equipment Mechanic
55	2021-132402	Logistics Manager
56	2021-251201	Software Developer
57	2021-712101	Metal Processing Plant Operator
58	2021-311201	Civil Engineering Technician

Rank	OFO Code	Occupation
59	2021-325705	Safety Inspector
60	2021-642701	Air-conditioning and Refrigeration Mechanic
61	2021-313916	Manufacturing Production Technicians
62	2021-242101	Management Consultant
63	2021-714202	Plastic Compounding and Reclamation Machine Operator
64	2021-351201	ICT Communications Assistant
65	2021-712201	Electroplater
66	2021-241102	Management Accountant
67	2021-313501	Metal Manufacturing Process Control Technician
68	2021-214605	Metallurgist
69	2021-652205	Master Toolmaker
70	2021-132102	Manufacturing Operations Manager
71	2021-121908	Quality Systems Manager
72	2021-214103	Production Engineer
73	2021-721901	Product Assembler
74	2021-311905	Industrial Engineering Technician
75	2021-122103	Director of Marketing
76	2021-862919	Mechanic Trade Assistant
77	2021-641502	Carpenter
78	2021-332301	Retail Buyer
79	2021-671203	Mechatronics Technician
80	2021-333903	Sales Representative (Business Services)
81	2021-351302	Geographic Information Systems Technicians
82	2021-651401	Metal Fabricator
83	2021-651403	Steel Fixer
84	2021-522301	Sales Assistant (General)
85	2021-653301	Industrial Machinery Mechanic
86	2021-214102	Industrial Engineering Technologist
87	2021-332201	Commercial Sales Representative
88	2021-243103	Marketing Practitioner
89	2021-333905	Supply Chain Practitioner
90	2021-524901	Materials Recycler
91	2021-672105	Instrument Mechanician
92	2021-214501	Chemical Engineer
93	2021-652204	Patternmaker
94	2021-215102	Electrical Engineering Technologist
95	2021-122105	Customer Service Manager
96	2021-541401	Security Officer
97	2021-432102	Dispatching and Receiving Clerk / Officer
98	2021-441903	Program or Project Administrators
99	2021-132301	Construction Project Manager
100	2021-712102	Metal Manufacturing Machine Setter and Minder

Source (MerSETA SSP)

Programme 3: Programmes and projects indicators and targets

Table 12 below, 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 12: Programme 3 Outcomes, Outputs, Output Indicators and Targets for 2025/26

Outcome	Outputs	Output Indicators	ANNUAL TARGETS								
			Audited/Actual Performance			Estimated performance (current year)	MTEF Period				
			2021/22	2022/23	2023/24	2024/25	2025/26			2026/27	2027/28
Outcome 2: Expansion of core stakeholder coverage and partnerships in support of a transformed sector under the merSETA scope of coverage. **Outcome 3:** Prioritise future skills and industrial revolution. **Outcome 4:** Skills for productive enterprises within the social economy and driving township and rural economic development.	**Strategic Output 2:** The core stakeholder group has been expanded and includes a greater representation of marginalised groups who have received training to effectively participate in the sector	3.1 Percentage of total approved discretionary grant (DG) allocations to merSETA stakeholder, allocated to programmes or projects aimed at developing high level skills e.g., managers, professionals and technicians & associate professionals	17%	17%	24%	10%	10%	SETA	10%	10%	10%
								SECTOR	0		
		3.2 Percentage of total approved discretionary grant (DG) allocations to merSETA stakeholder, allocated to programmes or projects aimed at developing mid-level skills e.g., clerical, sales and service, skilled craft and trade workers	59%	60%	62%	50%	50%	SETA	50%	50%	50%
								SECTOR	0		
		3.3 Percentage of total approved discretionary grant (DG) allocations to merSETA stakeholder, allocated to programmes or projects aimed at developing elementary skills e.g., machine operators & elementary workers	24%	24%	15%	15%	15%	SETA	15%	15%	15%
								SECTOR	0		
		3.4 Number of unemployed TVET learners registered for WIL programmes	10	114	385	500	300	SETA	250	180	180

	Strategic Output 3: New technologies in the mer-sector, are driving growth *and* efficiency within the sector. **Strategic Output 4:** social enterprises within township and rural economies. contribute to a more vibrant and inclusive local economy.							SECTOR	50		
		3.5 Number of unemployed learners completing WIL programmes from TVET	74	47	29	300	150	SETA	125	70	80
								SECTOR	25		
		3.6 Number of unemployed learners registered for WIL programmes from HEIs	176	220	315	750	425	SETA	175	100	60
								SECTOR	250		
		3.7 Number of unemployed learners completing WIL programmes from HEIs	18	262	146	180	100	SETA	85	60	30
								SECTOR	15		
		3.8 Number of unemployed learners registered for workplace experience/internships	40	139	109	563	400	SETA	350	400	400
								SECTOR	50		
		3.9 Number of unemployed learners completing workplace experience/internships	166	50	82	273	240	SETA	220	240	240
								SECTOR	20		
		3.10 Number of unemployed learners registered for skills programmes	3687	5146	5409	4000	1000	SETA	800	2900	3200
								SECTOR	200		

		3.11 Number of unemployed learners completing skills programmes	2380	5257	1753	4000	1000	SETA	800	2500	2700
								SECTOR	200		
		3.12 Number of unemployed learners registered for learnership programmes	1407	3520	4815	4815	1100	SETA	925	1800	1800
								SECTOR	175		
		3.13 Number of unemployed learners completing learnership programmes	2018	2624	2344	2500	1200	SETA	925	1200	1200
								SECTOR	275		
		3.14 Number of unemployed engineering graduates registered for candidacy programmes	0	27	37	32	25	SETA	19	25	25
								SECTOR	6		
		3.15 Number of unemployed engineering graduates completing candidacy programmes	0	0	33	4	5	SETA	3	6	6
								SECTOR	2		
		3.16 Number of unemployed learners registered for bursary programmes (new entries)	115	63	163	88	90	SETA	90	96	96
								SECTOR	0		

		3.17 Number of unemployed learners registered for bursary programmes (continuing)	246	55	239	200	250	SETA	250	350	350
								SECTOR	0		
		3.18 Number of unemployed learners completing bursary programmes	20	99	324	60	60	SETA	60	60	60
								SECTOR	0		
		3.19 Number of employed learners registered for learnership programmes	443	904	1187	2325	1000	SETA	726	1000	1000
								SECTOR	274		
		3.20 Number of employed learners completing learnership programmes	606	854	1227	860	800	SETA	616	800	800
								SECTOR	184		
		3.21 Number of employed learners registered for bursary programmes (new entries)	27	34	43	104	40	SETA	40	104	104
								SECTOR	0		
		3.22 Number of employed learners registered for bursary programmes (continuing)	0	0	1	50	10	SETA	6	50	50
								SECTOR	4		

		3.23 Number of employed learners completing bursary programmes	9	4	5	20	10	SETA	8	25	20
								SECTOR	2		
		3.24 Number of employed learners registered for skills programmes	495	1172	902	1000	800	SETA	553	800	800
								SECTOR	247		
		3.25 Number of employed learners completing skills programmes	544	674	650	1000	800	SETA	519	800	800
								SECTOR	281		
		3.26 Number of employed or unemployed learners registered for Adult Education & Training (AET) programmes	227	438	746	50	200	SETA	200	60	60
								SECTOR	0		
		3.27 Number of employed or unemployed learners completing AET programmes	0	191	513	150	30	SETA	30	30	30
								SECTOR	0		
		3.28 Number of learners registered for trade / artisan qualifications (new registration)	881	2138	2480	3000	5000	SETA	4000	2500	2500
								SECTOR	1000		

		3.29 Number of learners completing trade / artisan qualification	2077	1709	1218	2500	3500	SETA	3000	2000	2000
								SECTOR	500		
		3.30 Number of learners entering Artisan Recognition of Prior Learning (ARPL) programme	345	860	1069	1500	1500	SETA	1100	1000	1000
								SECTOR	400		
		3.31 Number of learners completing Artisan Recognition of Prior Learning (ARPL) programme	516	742	1069	1500	892	SETA	524	900	900
								SECTOR	368		
		3.32 Number of active TVET college partnerships established	30	29	39	25	25	SETA	25	25	25
								SECTOR	0		
		3.33 Number of active SETA-HEI partnerships established	16	12	12	12	12	SETA	12	12	12
								SECTOR	0		
		3.34 Number of active CET partnerships established	3	3	4	4	4	SETA	4	4	4
								SECTOR	0		
		3.35 Number of new SETA-Employer partnerships established.	1347	1023	730	1000	1300	SETA	1300	1300	1300
								SECTOR	0		

		3.36 Number of CBOs/NGOs/NPOs) funded for skills to grow/develop and sustain their activities or organisations.	20	25	26	22	25	SETA	25	26	26
								SECTOR	0		
		3.37 Number of trade unions supported through skills development.	1	0	3	2	2	SETA	2	2	2
								SECTOR	0		
		3.38 Number of rural development projects supported through skills development	4	4	6	4	4	SETA	4	4	4
								SECTOR	0		
		3.39 Number of people trained on entrepreneurship supported to start their business (Number of people funded for enterprise growth/enterprise development skills)	0	393	516	120	150	SETA	150	200	200
								SECTOR	0		

Table 13: Programme 3 Indicators, Annual and Quarterly Targets for 2025/26

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
3.1 Percentage of total approved discretionary grant (DG) allocations to merSETA stakeholder, allocated to programmes or projects aimed at developing high level skills e.g., managers, professionals and technicians and associate professionals	10%	-	-	-	10%
3.2 Percentage of total approved discretionary grant (DG) allocations to merSETA stakeholders, allocated to programmes or projects aimed at developing mid-level skills e.g., clerical, sales and service, skilled craft, and trade workers	50%	-	-	-	50%
3.3 Percentage of total approved discretionary grant (DG) allocations to merSETA stakeholders, allocated to programmes or projects aimed at developing elementary skills e.g., machine operators and elementary workers.	15%	-	-	-	15%
3.4 Number of unemployed learners registered for WIL programmes from TVET	300	50	50	100	100
3.5 Number of unemployed learners completing WIL programmes from TVET	150	20	30	50	50
3.6 Number of unemployed learners registered for WIL programmes from HEIs	425	50	128	128	119
3.7 Number of unemployed learners completing WIL programmes from HEIs	100	20	30	30	20
3.8 Number of unemployed learners registered for workplace experience/internships	400	40	120	150	90
3.9 Number of unemployed learners completing workplace experience/internships	240	28	94	56	62
3.10 Number of unemployed learners registered for skills programmes	1000	200	300	300	200
3.11 Number of unemployed learners completing skills programmes	1000	100	300	350	250
3.12 Number of unemployed learners registered for learnership programmes	1100	150	250	300	300
3.13 Number of unemployed learners completing learnership programmes	1200	266	528	200	206
3.14 Number of unemployed engineering graduates registered for candidacy programmes	25	4	10	8	3
3.15 Number of unemployed engineering graduates completing candidacy programmes	5	-	1	2	2
3.16 Number of unemployed learners registered for bursary programmes (new entries)	90	-	25	41	24
3.17 Number of unemployed learners registered for bursary programmes (continuing)	250	25	15	130	80
3.18 Number of unemployed learners completing bursary programmes	60	6	18	24	12
3.19 Number of employed learners registered for learnership programmes	1000	152	583	125	140
3.20 Number of employed learners completing learnership Programmes	800	94	264	229	213
3.21 Number of employed learners registered for bursary programmes (new entries)	40	4	9	11	16
3.22 Number of employed learners registered for bursary programmes (continuing)	10	2	3	3	2
3.23 Number of employed learners completing bursary programmes	10	2	3	3	2
3.24 Number of employed learners registered for skills programmes	800	92	266	225	217
3.25 Number of employed learners completing skills programmes	800	84	154	280	282
3.26 Number of employed or unemployed learners registered for AET programmes	200	50	50	50	50
3.27 Number of employed or unemployed learners completing AET programmes	30	3	9	12	6
3.28 Number of learners registered for trade / artisan qualifications (new registrations)	5000	500	2000	1000	1500
3.29 Number of learners completing trade / artisan qualifications	3500	500	1500	500	1000
3.30 Number of learners entering Artisan Recognition of Prior Learning (ARPL) programme	1500	200	1000	150	150
3.31 Number of learners completing Artisan Recognition of Prior Learning (ARPL) programme	892	80	112	310	390

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
3.32 Number of active TVET college partnerships established	25	2	8	10	5
3.33 Number of active SETA-HEI partnerships established	12	1	4	5	2
3.34 Number of active CET partnerships established	4	-	1	2	1
3.35 Number of new SETA-Employer partnerships established	1300	130	360	450	360
3.36 Number of CBOs/NGOs/NPOs funded for skills to grow/develop and sustain their activities or organisations	25	-	7	8	10
3.37 Number of trade unions supported through skills development	2	-	-	1	1
3.38 Number of rural development projects supported through skills development	4	-	1	2	1
3.39 Number of people trained on entrepreneurship supported to start their business (Number of people funded for enterprise growth/enterprise development)	150	10	46	46	48

5.4 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 14 below highlights performance indicators and targets for programme 4 over the medium-term expenditure framework.

As the quality partner appointed by the QCTO for new occupational qualifications, the merSETA is focusing on alignment of its quality development to the QCTO policy on development and review of occupational qualifications, part qualifications and skills programmes of 09 September 2021.

Table 14: Programme 4 Outcomes, Outputs, Output Indicators and Targets for 2025/26

Outcome	Outputs	Output Indicators	ANNUAL TARGETS								
			Audited/Actual performance			Estimated performance (current year)	MTEF Period				
			2021/22	2022/23	2023/24	2024/25	2025/26			2026/27	2027/28
Outcome 2: Expansion of core stakeholder coverage and partnerships in support of a transformed sector under the merSETA scope of coverage. **Outcome 3:** Prioritise future skills and industrial revolution. **Outcome 4:** Skills for productive enterprises within the social economy and driving township and rural economic development.	**Strategic Output 2:** The core stakeholder group has been expanded and includes a greater representation of marginalised groups who have received training to effectively participate in the sector.. **Strategic Output 3:** New technologies in the mer-sector, are driving growth and efficiency within the sector.	4.1 Number of active TVET Centres of Specialisation (CoS) supported	5	3	10	4	4	SETA	4	6	6
								SECTOR	0		
		4.2 Number of TVET colleges funded for merSETA occupational programmes, equipment and workshop infrastructure	5	3	4	4	5	SETA	5	5	5
								SECTOR	0		
		4.3 Number of TVET college lecturers exposed to the industry	13	0	6	70	70	SETA	70	70	70
								SECTOR	0		
		4.4 Number of SETA offices maintained in TVET colleges	4	3	3	3	3	SETA	3	3	3
								SECTOR	0		
		4.5 Number of CET colleges funded for merSETA occupational programmes, equipment and workshop	2	2	0	4	5	SETA	5	5	5

Outcome	Outputs	Output Indicators	ANNUAL TARGETS								
			Audited/Actual performance			Estimated performance (current year)	MTEF Period				
			2021/22	2022/23	2023/24	2024/25	2025/26			2026/27	2027/28
	Strategic Output 4: social enterprises within township and rural economies. contribute to a more vibrant and inclusive local economy.".	infrastructure						SECTOR	0		
		4.6 Number of CET learners accessing AET programmes	0	31	22	20	30	SETA	30	40	40
								SECTOR	0		
		4.7 Number of career development events in urban areas on occupations in high demand	15	15	27	21	24	SETA	24	27	30
								SECTOR	0		
		4.8 Number of career development events in rural areas on occupations in high demand	15	19	24	21	24	SETA	24	27	30
								SECTOR	0		
		4.9 Number of career development practitioners trained	24	38	55	30	30	SETA	30	30	30
								SECTOR	0		
		4.10 Number of capacity building workshops on career development services	6	7	8	9	10	SETA	10	11	12

Outcome	Outputs	Output Indicators	ANNUAL TARGETS								
			Audited/Actual performance			Estimated performance (current year)	MTEF Period				
			2021/22	2022/23	2023/24	2024/25	2025/26			2026/27	2027/28
		initiated						SECTOR	0		
		4.11 Number of Occupational Qualifications/ Part-Qualifications and/or skills programmes submitted to the QCTO.	N/A	N/A	N/A	27	27	SETA	27	27	25
								SECTOR	0		

Table 15: Programme 4 Indicators, Annual and Quarterly Targets for 2025/26

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
4.1 Number of active TVET Centres of Specialisation (CoS) Supported.	4	-	1	1	2
4.2 Number of TVET colleges funded for merSETA occupational programmes, equipment, and workshop infrastructure.	5	-	1	2	2
4.3 Number of TVET colleges lecturers exposed to the industry.	70	10	20	20	20
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.	5	-	1	2	2
4.6 Number of CET learners accessing AET programmes	30	8	9	8	5
4.7 Number of career development events in urban areas on occupations in high demand.	24	7	6	5	6
4.8 Number of career development events in rural areas on occupations in high demand.	24	7	6	5	6
4.9 Number of career development practitioners trained.	30	-	-	-	30
4.10 Number of capacity building workshops on career development services initiated.	10	2	3	3	2
4.11 Number of Occupational Qualifications/ Part- Qualifications and/or skills programmes submitted to the QCTO.	27	3	8	11	5

6. Explanation of planned performance over the medium term

6.1 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), Auditor-General South Africa (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 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 no. 5 **"Ethical governance and a resourced fit-for-purpose merSETA".** This outcome is aligned to the *A capable, ethical and developmental state MTDP* outcome. The outcome focuses on improving the financial, HR, ICT capabilities in order to deliver services effectively and satisfies stakeholder needs.

The evidence of achievements for this programme will 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 Officer, Chief Operations Office, Corporate Service and Strategy and Research complementing the functioning of governance structure, by ensuring best practice management for the execution and operationalisation of the AA strategy.

6.2 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 will support 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) **Localisation, re-industrialisation, and growth in the merSETA scope of coverage**: The outcome will contribute to the *Inclusive growth and job creation* MTDP outcome. The outcome is intended to see increased localisation or manufacturing by growing employers participating in skills development and thus meeting the demand for skills to expand manufacturing. The development of skills will make people more employable and suitable to take advantage of job opportunities. There will be a focus on identification of and funding of high-demand skills, ensuring that training is demand aligned, resulting in better prospects for employment. Lastly and most importantly, this outcome is aligned to NSDP Outcome 1: *Identify and increase production of occupations in high demand*.

(ii) **Expansion of core stakeholder coverage and partnerships in support of a transformed sector under the merSETA scope of coverage**: This outcome focuses on prioritising women, youth and people with disabilities by providing needed skills in the sector and beyond. Attaining the outcome will also result in increasing the proportion of skills labour in partnerships with Trade Unions. This outcome aligns to outcomes 2, 3 and 4 of the NSDP, *linking education, the workplace and improving the skills of the South African workforce*, and increased access to occupationally directed programmes through bursaries and artisan production.

(iii) **Prioritise future skills and industrial revolution:** This outcome is focused of future skills and Fourth Industrial Revolution (4IR) technologies, lead to increased adoption of advanced technologies in industry. This include partnering with PSET institutions to improve 4IR and emerging technology training capabilities. This outcome also supports outcome 5 Support the growth of the public college institutional type as a key provider of skills required for socio-economic development of the NSDP by establishing partnerships with public colleges.

(iv) **Skills for productive enterprises within the social economy and driving township and rural economic development:** This outcome focuses on reducing poverty and tackling the high cost of living through skills development

of the unemployed with the intention of moving youth from NEET, and absorption into the workplaces, self-employment of entrepreneurship. The outcome indicators measure youth skills development through rural, township and social enterprises. Additionally, skilling of youth through TVETs and CET college projects. The outcome also focuses on Rural development and district development. This outcome also aligns to outcomes 6 and 8 of the NSDP by supporting SMMEs and cooperatives as well as career development services.

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), to assess processes, systems and impact of merSETA skills development programmes and projects, 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.

6.3 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.

6.4 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 development 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 mer-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.

7. Programme Resource Considerations

Table 16 below summarises the income and expenditure over the medium term. Historically, there has been a consistent increase in levies above inflation. The 2024/25 year is showing a 6% increase, and this has been used for budgeting the levy income for the ensuing years. On the expenditure side, merSETA has shown surpluses in the past, but is working towards increasing expenditure and reflects a balanced budget for the 2024/25 and 2025/26 financial year and has submitted such to DHET in line with Sec 53(3) of the PFMA.

Table 16: Income and Expenditure Forecast

BUDGET SUBMISSION 2026							
STATEMENT OF FINANCIAL PERFORMANCE FOR APP							
	2022 HISTORICAL R000's	2023 HISTORICAL R000's	2024 HISTORICAL R000's	2025 BUDGET R000's	2026 BUDGET R000's	2027 FORECAST R000's	2028 FORECAST R000's
INCOME							
Levies	1 418 576	1 589 546	1 722 789	1 826 156	1 935 726	2 051 869	2 174 981
Mandatory	354 420	397 197	430 715	456 557	483 931	512 967	543 745
Discretionary	877 966	983 714	1 065 962	1 129 920	1 197 731	1 269 594	1 345 770
Administration	186 190	208 635	226 112	239 679	254 064	269 308	285 466
Penalties and Interest	20 217	15 098	21 418	22 335	23 675	25 096	26 602
Investment Income	207 001	287 538	444 405	497 734	547 507	602 258	662 484
Other Income	3	-	-	-	-	-	-
TOTAL INCOME	**1 645 797**	**1 892 182**	**2 188 612**	**2 346 225**	**2 506 908**	**2 679 223**	**2 864 067**
EXPENDITURE							
Mandatory grant expenditure	246 490	269 500	309 524	336 122	356 105	377 472	400 120
Discretionary expenditure by programme	**883 277**	**1 148 977**	**1 183 326**	**1 732 703**	**1 851 609**	**2 035 327**	**2 181 553**
Skills Planning	49 006	32 569	24 255	83 021	67 734	74 508	78 895
Learning Programmes & Projects	834 107	1 115 538	1 157 978	1 633 694	1 778 216	1 954 594	2 096 071
Quality Assurance	164	870	1 093	15 988	5 659	6 225	6 587
Administration	182 007	189 634	224 839	277 400	299 194	266 424	282 394
TOTAL EXPENDITURE	**1 311 774**	**1 608 111**	**1 717 689**	**2 346 225**	**2 506 908**	**2 679 223**	**2 864 067**
Net surplus	**334 023**	**284 071**	**470 923**	**-**	**-**	**-**	**-**
Financial ratios							
Mandatory grant claims ratio	70%	68%	72%	74%	74%	74%	74%
Admin expenditure ratio	10,3%	9,5%	10,4%	12,2%	12,4%	10,4%	10,4%

Table 17: Budget and Forecast Summarises

MERSETA							
PROGRAMME BUDGETS							
APP 2026							
	2022	2023	2024	2025	2026	2027	2028
	Historical	Historical	Historical	Revised Budget	Budget	Forecast	Forecast
	R000's	R000's	R000's	R000's	R000's	R000's	R000's
ADMINISTRATION							
Compensation	111 907	109 614	122 943	141 903	154 653	136 095	144 261
Depreciation	3 933	3 786	4 099	6 748	7 288	6 413	6 798
Goods and services	66 167	76 234	97 797	128 749	137 253	123 916	131 335
	182 007	**189 634**	**224 839**	**277 400**	**299 194**	**266 424**	**282 394**
% Project admin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
PROGRAMME 2							
Compensation	6 377	-	-	4 262	4 089	4 498	4 813
Goods and services	40 862	30 922	23 124	75 586	60 909	67 000	71 020
Indirect project admin expenditure allocated	1 767	1 647	1 131	3 173	2 736	3 010	3 062
	49 006	**32 569**	**24 255**	**83 021**	**67 734**	**74 508**	**78 895**
% Project admin	3.7%	5.3%	4.9%	4.0%	4.2%	4.2%	4.0%
PROGRAMME 3							
Compensation	2 515	-	-	4 158	12 346	13 581	14 532
Depreciation	364	364	364	179	-	-	-
Goods and services	1 038 757	1 314 644	1 398 719	1 890 201	2 035 776	2 223 666	2 384 793
Indirect project admin expenditure allocated	38 961	70 030	68 419	75 278	86 199	94 819	96 866
	1 080 597	**1 385 038**	**1 467 502**	**1 969 816**	**2 134 321**	**2 332 066**	**2 496 191**
% Project admin	3.7%	5.3%	4.9%	4.0%	4.2%	4.2%	4.0%
PROGRAMME 4							
Goods and services	158	826	1 042	15 377	5 430	5 973	6 331
Indirect project admin expenditure allocated	6	44	51	611	229	252	256
	164	**870**	**1 093**	**15 988**	**5 659**	**6 225**	**6 587**
% Project admin	3.8%	5.3%	4.9%	4.0%	4.2%	4.2%	4.0%
TOTAL EXPENDITURE	**1 311 774**	**1 608 111**	**1 717 689**	**2 346 225**	**2 506 908**	**2 679 223**	**2 864 067**

The above table 17 summarises the budget and forecast for the four programmes over the respective years. The administration costs for the 2024/25 and 2025/26 financial year are expected to exceed the 10.5% administration limit. The administration costs for these years are unusually high due to several factors such as legal litigations, that are in process that are quite costly. Application has been made to DHET for the 2024/25 year to exceed the administration limit by R44M.

7.1 Human and Infrastructure Resources

The merSETA has a national footprint and operates 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 underwent an organisational transformation process aimed at determining the adequacy of its existing organisational functions, structure, systems, and staff establishment for the effective implementation of its strategy. As part of this transformation, the merSETA decided to make further investments in its ICT infrastructure. This decision was taken to ensure that the organisation adopted the latest and most relevant technology to support its operations, while also improving the governance and management of its data, records, and knowledge assets. These efforts were deemed critical in positioning the merSETA to thrive in the digitally driven Fourth Industrial Revolution (4IR) era.

8. Updated Key Risks

8.1 Strategic Risks

The merSETA AA derived the following list of 10 strategic risks, detailed in table 18, which could threaten the organisations' ability to achieve its strategic goals.

Table 18: The merSETA's Strategic Risks

No.	Strategic Risk	Risk Explanation	Potential Impact	Risk Mitigations
1	International Relations, Political Environment, Domestic Policy and Regulatory Changes	Shifts in international relations or political stability, as well as changes in domestic policies and regulations, could impact merSETA's ability to operate effectively or align with national strategies.	Disruptions in funding, changes in compliance requirements, or shifts in strategic priorities.	Engage in regular dialogue with policymakers to stay informed about potential changes. Develop adaptable strategies that can quickly align with new regulations. Build a network of stakeholders to advocate for merSETA's interests.
2	International and Local Economic Decline, Retrenchments, Shrinking Tax Base, and Rising Cost of Living	Economic downturns, retrenchments, a declining tax base, and increased living costs can reduce financial resources available for skills development and affect industry participation.	Decreased funding for merSETA initiatives, reduced industry contributions, and diminished support for skills development programmes.	Diversify funding to social and economic development interventions. Implement cost-saving measures and efficient resource management. Strengthen partnerships with private sector and industry to ensure continued support.

No.	Strategic Risk	Risk Explanation	Potential Impact	Risk Mitigations
3	Circular Economy (Sustainability, Climate and Environmental Change, Carbon Neutrality)	Failure to adapt to sustainability practices, climate change regulations, or carbon neutrality goals could affect merSETA's relevance and effectiveness.	Inability to support industry transitions to sustainable practices, loss of industry confidence, and missed opportunities in green sectors.	Integrate sustainability and climate considerations into all programmes and strategies. Partner with environmental experts to stay ahead of industrial and regulatory changes. Promote green skills and practices within training programmes.
4	Strategic Value Proposition, Irrelevance to Industry, Skills Shortages	If merSETA's strategic value proposition becomes misaligned with industry needs or fails to address skills shortages effectively, it could undermine its role and impact.	Reduced industry engagement, ineffective skills development programmes, and diminished relevance to stakeholders.	Conduct regular industry needs assessments to ensure alignment. Develop flexible and responsive training programmes. Engage with industry stakeholders to ensure programmes meet current and future needs.
5	Advances in Technologies Including AI	Rapid advancements in technologies, such as artificial intelligence, may outpace merSETA's ability to incorporate these changes into its skills development strategies.	Skills development programmes may become outdated, and industry needs may not be met, leading to a skills mismatch.	Establish a technology advisory committee to guide updates in training programmes. Invest in continuous research and development to stay current with technological trends. Partner with technology providers to integrate advanced skills into training.

No.	Strategic Risk	Risk Explanation	Potential Impact	Risk Mitigations
6	Cybercrime, Cyber-attacks, and Systems Failure	Increased cyber threats and potential systems failures could compromise merSETA's data security, operational integrity, and continuity.	Data breaches, operational disruptions, and loss of trust among stakeholders.	Implement robust cybersecurity measures and regular system audits. Develop and test an incident response plan for cyber threats. Provide staff training on cybersecurity best practices.
7	Infrastructure, Logistics, and Disrupted Supply Chains	Issues with infrastructure, logistics, and supply chains could hinder the sector's ability to do business which in turn hinders delivery of training programmes and support services.	Precarious business environment translates to a precarious skills development implementation mandate - could result in inadequate workshops and infrastructure for training, reduced workplaces for WIL and lost ability of the sector to absorb trained labour	Monitor industry trends and developments. Support skills provider infrastructure needs as prescribed by the mandate. Explore alternatives to WIL util workplaces become available (rotation).
8	Loss of Industrial Capacity, Industrialists, and Skills	The loss of industrial capacity, key industrialists, and skilled professionals could reduce the return on training investment for the mer sector which will further have a knock-on effect on industry growth and competitiveness.	Reduced industry collaboration, gaps in skills development, and diminished capacity to drive industrial growth.	Partners with government and private sector to develop retention strategies/incentive for industrialists and skilled professionals. Develop programmes to upskill and reskill existing workforce. Promote industry collaboration to address capacity and skills gaps.

No.	Strategic Risk	Risk Explanation	Potential Impact	Risk Mitigations
9	Illicit Economic Activity, Criminality, and Corruption	Illicit economic activities, criminality, and corruption could undermine the integrity of the sector as a good business investment and hampers sectoral sustainability amid an already precarious geopolitical climate.	Compromised programme outcomes, reputational damage, and reduced stakeholder confidence.	Strengthen internal controls and conduct regular audits. Promote transparency and ethical practices in all operations. Implement agile strategic responses to stakeholder requests for learner or training support in times of crisis.
10	National Security Including Porous Borders and Migration	National security issues, such as porous borders and uncontrolled migration, could impact the stability of the operating environment and affect merSETA's strategic objectives.	Increased security risks, disruptions in programme delivery, and challenges in managing skills requirements for the South African workforce.	Monitor key stakeholder trends to identify potential disruptions. Implement agile strategic responses to stakeholder requests for learner or training support in times of crisis.

8.2 Outcome Risks

Table 19: The merSETA's Outcomes Risks

Outcome		Key risk	Risk mitigation
1.	Localisation, re-industrialisation, and growth in the merSETA scope of coverage.	Insufficient support for re-industrialisation and localisation efforts contributing to steadily declining mer-sector.	Implementation of organisational strategies to advocate for policy change and participation in policy development in line with the MTDP
2.	Expansion of core stakeholder coverage and partnerships in support of a transformed sector under the merSETA scope of coverage.	Lack of reach in terms of attracting high levels of participation from industry partners in support of the transformation agenda	Develop and implement a strategy to recruit and increase participation through operational efficiencies, effective communications, and marketing.
3.	Prioritise future skills and industrial revolution	Skills development interventions that lag behind industry requirements for growth and competitiveness	Collaboration with the QCTO to fast-track occupational qualifications for emerging/transforming/new occupations. Support and incentivise formal and informal skills development initiatives and emerging/transforming/new skills
4.	Skills for productive enterprises within the social economy and driving township and rural economic development	Lack of traction and reach on a programmatic approach to support skills for social development in rural and township economies	Carefully conceptualised programmes to effect implementation of projects inclusive of end-to-end MoA management, monitoring, and reporting.
5.	Ethical governance and a resourced fit-for-purpose merSETA	Non- compliance to legislative and regulatory environment, and inability to deliver on the mandate	Implementation, communication, and monitoring of relevant government frameworks. Implementation of HR strategy and ICT strategy

9. Public Entities

N/A

10. Infrastructure Projects

N/A

11. Public Private Partnership

PPP Name	Purpose	Outputs	Current Value of Agreement	End Date of Agreement
MerSETA-FESTO-TVET	Establishment of 4th Industrial Revolution (4IR) Skills Centre at TVET Colleges in partnerships with FESTO PTY LTD	Skills Centre equipped with equipment	R22,641,655	30 June 2025

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TIDs)

12. 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 managements 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 the DHET per quarter (maximum of 1 report per quarter), 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 2025/2026 APP achieved
Indicator responsibility	Company Secretary and Compliance Officer

1.2 The status of Auditor General South Africa audit outcomes

Indicator title	The status of Auditor General South Africa audit outcome.
Definition	The indicator refers to audit outcomes from the Auditor General South Africa audit of financial statements, performance information and compliance with legislation.
Source of data	Auditor General South Africa audit outcome and detailed findings report.
Method of calculation / Assessment	Audit opinion given to the merSETA at the end of the previous financial year.
Means of verification	AGSA audit outcome and management report for the 2024/25 financial year.
Assumptions	The merSETA has all the necessary systems and controls for improving compliance, governance, planning, performance monitoring, reporting, evaluation and financial management.
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

Indicator title	The status of Auditor General South Africa audit outcome.
Calculation type	Non-Cumulative
Reporting cycle	Annual
Desired performance	Target stated in 2024/2025 APP achieved or exceeded.
Indicator responsibility	Chief Financial Officer (CFO)

1.3 Number of critical business processes digitally enhanced.

Indicator title	Number of critical business processes digitally enhanced
Definition	This indicator measurers core business process that produces strategic outputs that is automated, enhanced or newly enabled using digital technology resulting in efficient and effective service delivery in the period under review.
Source of data	ICT Quarterly Report
Method of calculation / Assessment	A count of the number of process(es) that have been reported as digitally enhanced
Means of verification	Signed-off User Acceptance Tests (UAT) for automated, enhanced or newly enabled core business process(es)
Assumptions	Senior Management shall be keen on process enhancement and process identified in advance
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 2025/2026 APP achieved or exceeded.
Indicator responsibility	Chief Information Officer

1.4 Organisational Culture Strength Score (CSS).

Indicator title	Organisational Culture Strength Score (CSS)
Definition	The Culture Strength Score is an assessment measure to evaluate key metrics and dimensions that contribute to a healthy, engaged, and productive workplace and workforce. The score provides insights into the overall strength of the organisational culture based on employee feedback.
Source of data	Organisational Culture Survey Feedback Results
Method of calculation / Assessment	The score is calculated by an external provider based on components of the survey which yields an overall score.
Means of verification	Approved Organisational Culture Survey Feedback Results report and scores
Assumptions	The survey will be conducted as planned with sufficient participation to ensure reliable results.
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)	Not Applicable

Indicator title	Organisational Culture Strength Score (CSS)
Calculation type	Non-Cumulative
Reporting cycle	Annual
Desired performance	Achieve a Culture Strength Score of 70%.
Indicator responsibility	Executive Manager: Corporate Services

1.5 Net Promoter Score (NPS) for Stakeholder Satisfaction.

Indicator title	Net Promoter Score (NPS) for stakeholder satisfaction
Definition	This indicator measures stakeholder satisfaction with the quality of merSETA's services. The satisfaction level is assessed through the ServQual Survey, which evaluates stakeholder perceptions and experiences with merSETA's service delivery.
Source of data	Bi-Annual ServQual survey results.
Method of calculation / Assessment	Net Promoter Score (NPS) will be calculated by an external service provider based on survey results which is measured on a scale of -100 to +100 and converted to a scale (between -1 and 1) to ensure alignment with the organisations outcomes. The Net Promoter Score (NPS) is calculated as NPS = (% of Promoters) - (% of Detractors), where Promoters score 9–10, Detractors score 0–6, and Passives (7–8) are excluded; the result ranges from -100 (all Detractors) to +100 (all Promoters), with scores above 0 considered positive.
Means of verification	Approved ServQual Survey results and analysis report.
Assumptions	Stakeholders will be willing to participate in the ServQual Survey, and the survey will yield sufficient responses to produce reliable results.
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 (Year-end)
Reporting cycle	Bi-Annually
Desired performance	Conduct bi-annual ServQual Surveys in the 2025/26 financial year, achieving a stakeholder satisfaction score of 0.6 or higher.
Indicator responsibility	Senior Manager: Communications, Marketing & Sponsorships

13. 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

Indicator title	Number of WSPs and ATRs approved for small firms: (49 or less employees)
Means of verification	Remittance advice or proof of payment, or record of approval of grant application (WSP/ATR)
Assumptions	merSETA companies will participate in the WSP/ATR (mandatory grant application process)
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2025/2026 APP achieved
Indicator responsibility	Chief Operations Officer

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

Indicator title	Number of WSPs and ATRs approved for medium firms: (50-149 employees)
Definition	Number of WSPs and ATRs that have been approved for medium levy paying firms (organisations employing between 50-149 employees). Approval of a WSP/ATR doesn't necessarily mean that the firm was paid a mandatory grant, but that the WSP/ATR submission was accepted and deemed as appropriate by the merSETA
Source of data	NSDMS records or MG schedules
Method of calculation / Assessment	Each medium levy paying firm is counted once for each successful approval of WSP/ATR (mandatory grant)
Means of verification	Remittance advice or proof of payment; or record of approval of grant application (WSP/ATR)
Assumptions	merSETA companies will participate in the WSP/ATR (mandatory grant application process)
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2025/2026 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/ATR doesn't necessarily mean that the firm was paid a mandatory grant, but that the WSP/ATR submission was accepted and deemed as appropriate by the merSETA
Source of data	NSDMS records or mandatory grant schedules

Indicator title	Number of WSPs and ATRs approved for large firms: (150 + employees)
Method of calculation / Assessment	Each large levy paying firm is counted once for each successful approval of WSP/ATR
Means of verification	Remittance advice or proof of payment; or record of approval of grant application (WSP/ATR)
Assumptions	merSETA companies will participate in the WSP/ATR (mandatory grant application process)
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2025/2026 APP achieved
Indicator responsibility	Chief Operations Officer

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

Indicator title	Number of sector research agreements signed for TVET growth in occupationally directed programmes
Definition	Number of active research agreements signed to implement research studies or applied research to enable TVET colleges to provide occupationally directed programmes for the merSETA
Source of data	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	Target stated in 2025/2026 APP achieved
Indicator Responsibility	Chief Operations Officer

2.5 Number of tracer studies or surveys to be conducted to establish absorption rates of learners who completed merSETA learning programmes.

Indicator title	Number of tracer studies or surveys to be conducted to establish absorption rates of learners who completed merSETA learning programmes.
Definition	This indicator refers to the number of tracer studies or surveys conducted to determine employment (including self-employment), absorption rates of unemployed learners after completing merSETA skills development interventions, including but not limited to

Indicator title	Number of tracer studies or surveys to be conducted to establish absorption rates of learners who completed merSETA learning programmes.
	internships, apprenticeship, skills programme/sets, learnerships, training on entrepreneurship skills,or on completion of studies where a bursary was offered. Absorption rates will be determined through either annual absorption rate survey or tracer study. Tracer study can only be conducted every two financial years.
Source of data	Tracer study terms of reference
Method of calculation / Assessment	Count the number of tracer studies/absorption surveys conducted
Means of verification	The approved tracer study scope, terms of reference, progress reports and tracer study reports or absorption rate report.
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	Non-Cumulative
Reporting cycle	Annually (absorption survey) or Biannually (Tracer Study)
Desired performance	Target stated in 2025/2026 APP achieved
Indicator responsibility	Strategy & Research Executive

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

Indicator title	Number of established or emergent cooperatives trained on sector and national identified priority occupations or skills
Definition	Number of established or emergent cooperatives that have been trained on sector and national identified priority occupations or skills, utilising merSETA discretionary grant funding.
Source of data	MoA records or register of partnership agreements citing training of established or emergent cooperative
Method of calculation / Assessment	Count the number of established or emergent cooperatives trained on sector and national identified occupations or skills, utilising merSETA discretionary grant funding. Each supported cooperative is counted once in the financial year., irrespective of the number of agreements entered with the cooperative
Means of verification	Copy of an agreement citing training of established or emergent cooperative and CIPC registration documents for the cooperative.
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	Non-Cumulative
Reporting cycle	Annually

Indicator title	Number of established or emergent cooperatives trained on sector and national identified priority occupations or skills
Desired performance	Target stated in 2025/2026 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	MoA 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; or 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	Quarterly
Desired performance	Target stated in 2025/2026 APP achieved
Indicator Responsibility	Chief Operations Officer

2.8 Number of evaluation studies implemented as per the merSETA evaluation plan

Indicator title	Number of evaluation studies implemented as per the merSETA evaluation plan
Definition	This indicator refers to the number of evaluation studies contained in the approved evaluation plan, that are implemented. The merSETA definition of evaluation covers the evaluation of systems and processes, as well as the evaluation of impact. The evaluation of systems and processes talks to whether the organisation is doing the right things the right way. Impact evaluation talks to measuring whether beneficiaries are changing and improving their skills for employment opportunities, and whether companies and industries are reaping the benefits of skilled people about growth and improved productivity. Research and evaluation are important for supporting decision making and planning for the successful execution of the SETA's mandate.
Source of data	Research and/or evaluation plan records
Method of calculation / Assessment	Count the number of evaluation studies that are implemented.
Means of verification	The merSETA evaluation plan, scoping documents, terms of reference, progress reports and evaluation study reports.
Assumptions	Evaluation studies may be delayed due to unsuitable submissions or a lack of submissions from research service providers when procuring, low participation by the required respondents, no

Indicator title	Number of evaluation studies implemented as per the merSETA evaluation plan
	access to stakeholders and partners that participated in the implementation of the merSETA interventions/initiatives.
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 2025/2026 APP achieved
Indicator Responsibility	Strategy and Research Executive

14. Programme 3: Learning Programmes and Projects Technical Indicator Descriptors

3.1 Percentage of total approved Discretionary Grants (DG) allocations to merSETA stakeholders 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 merSETA stakeholders, 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 stakeholders, allocated to PIVOTAL programmes 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 stakeholders to implement PIVOTAL programmes aimed at developing high level skills divided by the total MANCO approved allocations to merSETA stakeholders multiplied by 100 Numerator: MANCO DG approved amount for high-level skills Denominator: Total MANCO approved allocation to merSETA stakeholder
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

Indicator title	Percentage of total approved Discretionary Grant (DG) allocations to merSETA stakeholders, allocated to programmes or projects aimed at developing high level skills e.g., managers, professionals and technicians, and associate professionals
Desired performance	Between 15% - 25% of DG Allocations
Indicator responsibility	Chief Operations Officer

3.2 Percentage of total approved Discretionary Grants (DG) allocations to merSETA stakeholders, 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 merSETA stakeholders, 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 stakeholders, allocated to PIVOTAL programmes 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 stakeholder to implement PIVOTAL programmes aimed at developing mid-level skills divided by the total MANCO approved allocations to merSETA stakeholders multiplied by 100 Numerator: MANCO DG approved amount for mid-level skills Denominator: Total MANCO approved allocation to merSETA stakeholders
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	Between 55% - 65% of DG Allocations
Indicator responsibility	Chief Operations Officer

3.3 Percentage of total approved Discretionary Grants (DG) allocations to merSETA stakeholders, 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 merSETA stakeholders, 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 stakeholders, allocated to PIVOTAL programmes 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 stakeholders to implement PIVOTAL programmes aimed at developing elementary skills divided by the total MANCO approved allocations to merSETA stakeholders multiplied by 100 Numerator: MANCO DG approved amount for elementary skills Denominator: Total MANCO approved allocation to merSETA stakeholders
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	Between 20% - 30% of DG Allocations
Indicator responsibility	Chief Operations Officer

3.4 Number of unemployed TVET learners registered for WIL programmes

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

Indicator title	Number of unemployed learners registered for WIL programmes from TVET
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 2025/2026 APP achieved
Indicator responsibility	Chief Operations Officer

3.5 Number of unemployed learners completing WIL programmes from TVET

Indicator title	Number of unemployed learners completing WIL programmes from TVET
Definition	Number of 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 2025/2026 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

Indicator title	Number of unemployed learners registered for WIL programmes from HEIs
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%
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 2025/2026 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 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 2025/2026 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
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 2025/2026 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 2025/2026 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/part qualification, or on individual unit standard linked to an occupation
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every skills programmes/ sets/ part qualification 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 2025/2026 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/part qualification, 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 2025/2026 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 2025/2026 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

Indicator title	Number of unemployed learners completing learnership programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 20% Target for Youth: 50% Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	20% unemployed learners completing learnerships programme will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2025/2026 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 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 2025/2026 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 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 2025/2026 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	Education institution proof/confirmation of registration for the academic year of which the academic term/year may overlap between prior and current financial year of reporting; 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	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	Quarterly
Desired performance	Target stated in 2025/2026 APP achieved

Indicator title	Number of unemployed learners registered for bursary programmes (new entries)
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. Most recent registration date will be used to count performance achievements.
Means of verification	Education institution continuation letter or proof/confirmation of registration for the academic year of which the academic term/year may overlap between prior and current financial year of reporting; 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	Quarterly
Desired performance	Target stated in 2025/2026 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%

Indicator title	Number of unemployed learners completing bursary programmes
	Target for People with Disability (PwD): 3%
Spatial transformation (where applicable)	20% of unemployed learners completing bursary programmes will be from rural areas
Reporting cycle	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2025/2026 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 2025/2026 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

Indicator title	Number of employed learners completing learnership programmes
Disaggregation of Beneficiaries (where applicable)	Target for Women: 25% Target for Youth: 30% Target for People with Disability (PwD): 2%
Spatial transformation (where applicable)	10% of employed learners completing learnership programmes will be from rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2025/2026 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	Education institution proof/confirmation of registration for the academic year of which the academic term/year may overlap between prior and current financial year of reporting; 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 2025/2026 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 received. Most recent registration date will be used to count performance achievements.
Means of verification	Education institution continuation letter or proof/confirmation of registration for the academic year of which the academic term/year may overlap between prior and current financial year of reporting; 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
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 2025/2026 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 2025/2026 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 2025/2026 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
Reporting cycle	Quarterly
Desired performance	Target stated in 2025/2026 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 2025/2026 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
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

Indicator title	Number of employed or unemployed learners completing AET programmes
Reporting cycle	Quarterly
Desired performance	Target stated in 2025/2026 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; -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 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 2025/2026 APP achieved
Indicator responsibility	Chief Operations Officer

3.29 Number of learners completing trade / artisan qualifications

Indicator title	Number of learners completing trade / artisan qualifications
Definition	Number of learners who have successfully attained an artisan trade qualification
Source of data	Learner Management System
Method of calculation / Assessment	Each learner is counted once for every successful completion of an apprenticeship or artisan trade qualification programme
Means of verification	Learner statement of results or proof of receipt of evidence by NAMB or a copy of the certificate; and 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

Indicator title	Number of learners completing trade / artisan qualifications
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 2025/2026 APP achieved
Indicator responsibility	Chief Operations Officer

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

Indicator title	Number of learners entering Recognition of Prior Learning (RPL)/Artisan RPL (ARPL) programme
Definition	Number of learners who are registered to undergo Recognition of Prior learning (RPL) process as prescribed by Quality Partner or Artisan Recognition of Prior Learning 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 application registered
Means of verification	Recognition of Prior Learning (RPL) or Artisan RPL (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 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 2025/2026 APP achieved
Indicator responsibility	Chief Operations Officer

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

Indicator title	Number of learners completing Recognition of Prior Learning (RPL)/Artisan RPL (ARPL) programme
Definition	Number of learners completing Recognition of Prior learning (RPL) process as prescribed by Quality Partner or Artisan Recognition of Prior Learning 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 2025/2026 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 and/or supported in the current year.
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 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 or a copy of a detailed site visit report or progress report
Assumptions	TVET colleges have the capability (resources, infrastructure and project management) to implement agreements
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	20% of TVET College partnerships will be those in rural areas
Calculation type	Cumulative
Reporting cycle	Quarterly

Indicator title	Number of active TVET college partnerships established
Desired performance	Target stated in 2025/2026 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 and/or supported in the current year.
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 or a copy of a detailed site visit report or progress report.
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 2025/2026 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 and/or supported in the current year.
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 or a copy of a detailed site visit report or progress report
Assumptions	CET does not have similar support from another SETA; partnership can be expediently conceptualised, and agreements concluded in the year
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	50% of CET colleges will be from rural areas or townships
Calculation type	Cumulative

Indicator title	Number of active CET partnerships established
Reporting cycle	Quarterly
Desired performance	Target stated in 2025/2026 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 2025/2026 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 supported for skills, to grow, or develop and sustain their activities or organisations utilising merSETA discretionary grant funding. The support may either be directly with NGOs/CBOs/NPOs indirectly with the project partners.
Source of data	SETA records or NPOs contract schedules, or partnership agreements
Method of calculation/Assessment	Count the number of CBOs, NPOs and NGOs that have been supported for skills, to grow, develop and sustain their activities or organisations utilising merSETA discretionary grant funding. Each signed agreement is counted once in the financial year, irrespective of the number of agreements entered with the NPO, CBO, NGO, or acknowledgement of support signed by the NPO/CBO/NGO.
Means of verification	Copy of a signed 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

Indicator title	Number of CBOs/NGOs/NPOs funded for skills to grow/develop and sustain their activities or organisations
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	Quarterly
Desired performance	Target stated in 2025/2026 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 federations &/or trade unions that have been supported by the merSETA through skills development funding for training
Source of data	SETA 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 2025/2026 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	SETA 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

Indicator title	Number of rural development projects supported through skills development
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 2025/2026 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
Desired performance	Target stated in 2025/2026 APP achieved
Indicator responsibility	Chief Operations Officer

15. Programme 4: Quality Assurance Indicators Descriptors

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 agreement 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 agreement 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	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2025/2026 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	SETA agreement records or schedule of merSETA MoAs
Method of calculation / Assessment	Each signed agreement 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 agreement 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

Indicator title	Number of TVET colleges funded for merSETA occupational programmes, equipment, and workshop infrastructure
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Target stated in 2025/2026 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, to contribute to their development
Source of data	SETA 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	Confirmation letter of employment 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	Quarterly
Desired performance	Target stated in 2025/2026 APP achieved
Indicator responsibility	Chief Operations Officer

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 2025/2026 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	SETA agreement records or schedule of merSETA agreements
Method of calculation / Assessment	Each signed agreement 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 agreement 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
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 2025/2026 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

Indicator title	Number of CET learners accessing AET programmes
Means of verification	Learner agreement or learner registration form; confirmation of employment status confirming either employed on 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 2025/2026 APP achieved
Indicator Responsibility	Chief Operations Officer

4.7 Number of career development events in urban areas on occupations in high demand

Indicator Title	Number of career development 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 mer-sector, with an emphasis on occupations in high demand in the mer-sector
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 2025/2026 APP achieved
Indicator Responsibility	Corporate Services Executive

4.8 Number of career development events in rural areas on occupations in high demand

Indicator Title	Number of career development 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
Desired performance	Target stated in 2025/2026 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%

Indicator Title	Number of career development and advice practitioners trained
Spatial transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Target stated in 2025/2026 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
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting Cycle	Quarterly
Desired performance	Target stated in 2025/2026 APP achieved
Indicator Responsibility	Corporate Services Executive

4.11 Number of Occupational Qualifications / Part-Qualifications or skills programmes submitted to the QCTO

Indicator Title	Number of Occupational Qualifications/ Part-Qualifications or skills programmes submitted to the QCTO
Definition	Number of full occupational qualifications /or part-qualifications or occupational skills programmes developed and submitted as learning programmes to the QCTO.
Source of data	Curriculum and qualification documents for Occupational qualifications/part qualifications, or skills programmes.
Method of calculation / Assessment	A simple count of occupational qualification(s) &/or part qualification(s) &/or occupational skills programme(s) developed and submitted to QCTO.

Indicator Title	Number of Occupational Qualifications/ Part-Qualifications or skills programmes submitted to the QCTO
Means of verification	Proof of submission to QCTO by either email or similar method or confirmation of receipt of submission by QCTO.
Assumptions	Sector needs from the sector for the development of Occupational Qualification/Part-qualifications/ Skills programme
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative
Reporting Cycle	Quarterly
Desired performance	Target stated in 2025/2026 APP achieved
Indicator Responsibility	Chief Operations Officer

ANNEXURES

ANNEXURE A: Amendments to the Strategic Plan

N/A

ANNEXURE B: Conditional Grants

N/A

ANNEXURE C: Consolidated Indicators

N/A

ANNEXURE D: NSDF and District Development Model

Area of Intervention in the NSDF and DDM (Below examples)	Annual Commitment								
	Project Name	Project Description	Budget Allocation	District Municipality	Specific Location	Project Leader	Social Partners	Longitude (East/West/+ X)	Latitude (North/South/Y)
Technical	Provincial Skills Development Eastern Cape	Graduate training, Apprenticeship, completion bursaries (student debt) Learnerships and ARPL	R53,5Million			ACOO			
Technical	Provincial Skills Development KwaZulu Natal/ Moses Kotane Institute	Partnerships with multiple agencies in the province on Apprenticeships, learnerships, completion bursaries (student debt) and SMART Labs	R68Million			ACOO			

Area of Intervention in the NSDF and DDM (Below examples)	Annual Commitment								
	Project Name	Project Description	Budget Allocation	District Municipality	Specific Location	Project Leader	Social Partners	Longitude (East/West/+X)	Latitude (North/South/Y)
		and Robotics infrastructure							
Technical	Provincial Skills Development Free State	Apprenticeships, Skills Programmes, completion bursaries (student debt), TVET WIL and infrastructure of Computer Labs	R42Million						
Technical	Provincial Skills Development Northern Cape	Partnerships with Government agencies in the Province on Apprenticeships	R37Million						

Area of Intervention in the NSDF and DDM (Below examples)	Annual Commitment								
	Project Name	**Project Description**	**Budget Allocation**	**District Municipality**	**Specific Location**	**Project Leader**	**Social Partners**	**Longitude (East/West/+ X)**	**Latitude (North/South/Y)**
Technical	Provincial Skills Development Limpopo	New Venture creation, Skills Programme and Apprenticeships	R25Million			ACOO			
Technical	Provincial Solar PV Microgrid training Skills Development Gauteng Department of Education / GCRA	Training 5000 learners on Solar PV Microgrid credit bearing skills programme	R43Million			ACOO			

ANNEXURE E: Service Level Agreement

ANNEXURE F: Materiality Framework

ANNEXURE G: Grants Policy