

Funding to Skill our Nation



STRATEGIC PLAN

FOR THE FISCAL YEARS 2015/16 TO 2019/20

(5 years beginning 1 April 2015 and ending 31 March 2020)

(Revised from 2017/18 onwards)



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

THE NATIONAL SKILLS FUND IS PROUDLY PART OF
THE DEPARTMENT OF HIGHER EDUCATION AND TRAINING

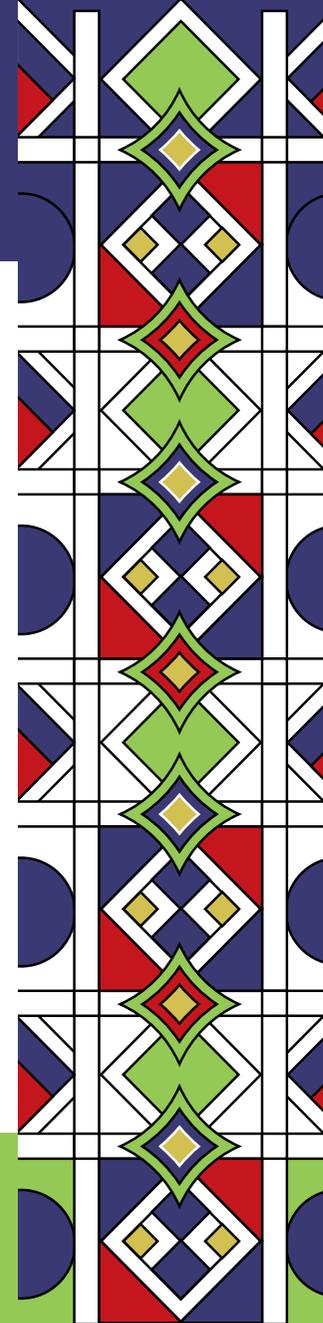
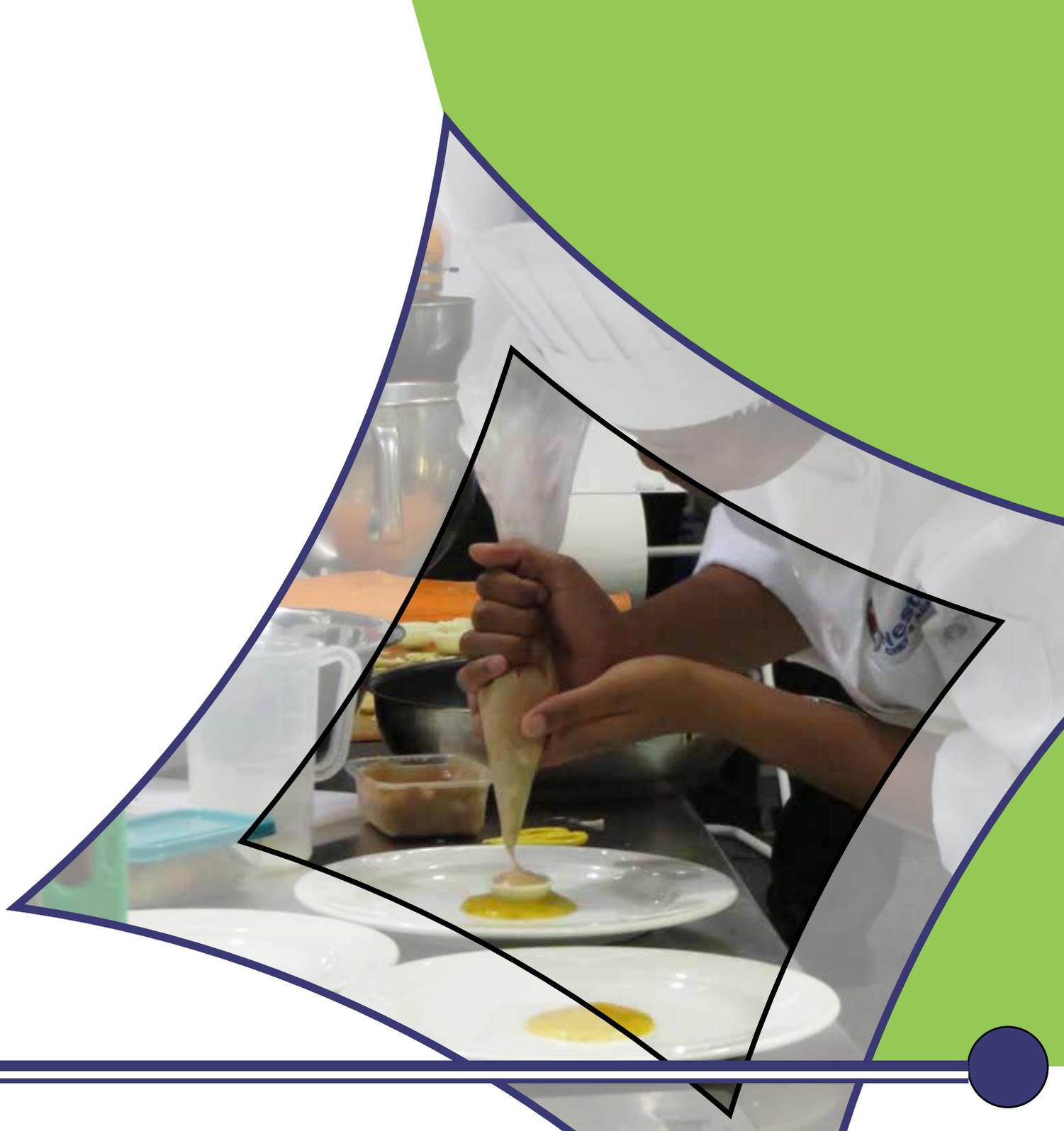


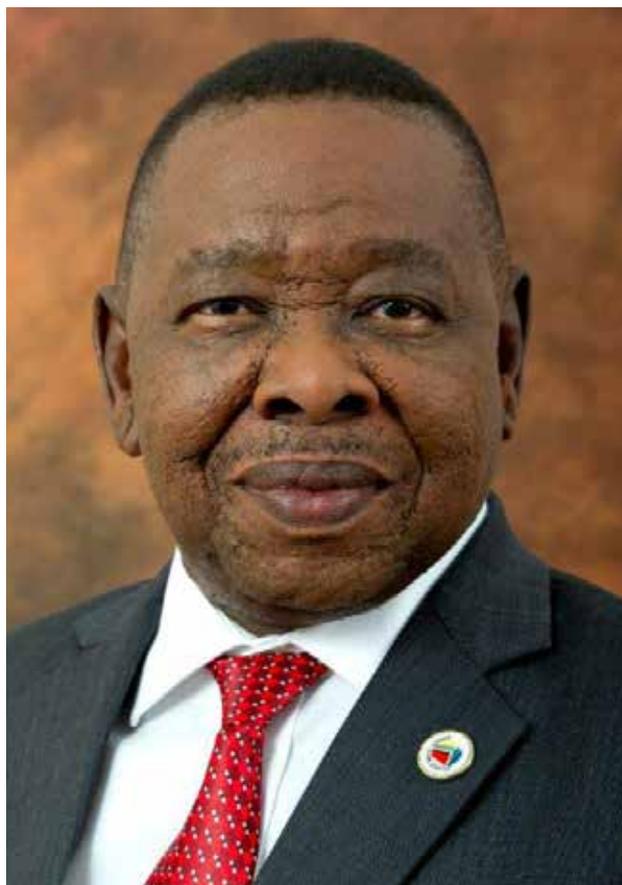


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DR BE NZIMANDE, MP
MINISTER OF HIGHER EDUCATION AND TRAINING

FOREWORD BY THE MINISTER

South Africa's Constitutional vision to create a better life for all remains hampered by the current low levels of economic growth. Our vision for growth and transformation, as expressed in the National Development Plan (NDP), requires government to invest and implement multi-pronged policy initiatives that would collectively create a virtuous cycle of growth and development. Education and training remains one of the key drivers for economic development through driving information and knowledge systems. Notwithstanding the tough economic conditions South Africa needs to increase its investments in education and training.

The Department of Higher Education and Training (DHET) remains on course to implement policies that support the vision of the NDP through building a skilled and capable workforce to support an inclusive growth path. Underpinning this imperative is the White Paper for Post-School and Training (PSET). This policy outlines the policy direction that will guide the Department and the PSET institutions in order to contribute to building a developmental state with a vibrant democracy and flourishing economy. Apart from contributing skills required by the economy, the PSET system should also aspire to build sustainable societies and protect the values enshrined in our Constitution.

The National Skills Fund (NSF) is tasked with the responsibility to initiate as well as to respond to national skills priorities. It identifies and targets resources towards national priorities. This implies the NSF cannot and should not do everything in the PSET system as this might dilute and detract it from a national priorities focus. As the recent events triggered by the #FeesMustFall movement have shown, issues of concern to citizens such as the unaffordability of Post-School education soon become national



priorities forcing government and society to rethink its spending priorities. Above all, government is asked to rethink and reaffirm its commitment to the goals and promises of our democracy. The NSF has contributed to these emerging priorities not only participating in the debates towards finding a lasting solution, but also in contributing resources to help alleviate this national crisis. We must however accept that in doing so the NSF takes away resources from other pressing societal problems such as education and training opportunities for those Not in Education, Employment or Training (NEET).

The Department has commenced with the work of developing a detailed implementation plan for the White Paper. The Implementation Plan not only aims to integrate the PSET system but also to promote efficient resource utilisation. We appreciate the continuing contributions of the NSF in stabilising the PSET system and a wide range of capacity building projects. Notable achievements include completed TVET college campuses, additional facilities in scarce professions like medical, veterinary and engineering. It is also making valuable contributions in the Operation Phakisa initiatives as well as the Strategic Integrated Projects (SIPS). In time and through the concerted efforts of all of us, these initiatives should begin to galvanise and catalyse acceptable levels of economic growth.

Closer to home, the NSF has commenced the work of re-orientating its operational model and systems to allow for improved efficiencies in the

use and coordination of resources. This initiative, named Siyaphambili, will build the necessary capacity and capability for the NSF to continue supporting the Department's strategic goals and objectives for the PSET system. The current economic climate implies that the NSF will at some point also experience declines in its revenue streams. The NSF should therefore carefully target its funding approach in order to ensure much better outcomes in addressing government priorities.

The path before us is challenging but we have the support of our robust policy environment and resources, albeit insufficient. We must collectively forge ahead to ensure that our PSET continues to fulfil the dreams of society for a fully inclusive post-school system that allows access and fulfils the economic and social goals of participating in an inclusive society and economy.



DR BE NZIMANDE, MP

MINISTER OF HIGHER EDUCATION AND TRAINING



MR MC MANANA, MP

DEPUTY MINISTER OF HIGHER EDUCATION AND TRAINING

FOREWORD BY THE DEPUTY MINISTER

The Department of Higher Education and Training continues to strive, through various policy initiatives, to ensure the country has the skills it requires to maintain current production levels but also to grow when the economy begins its upward growth cycle. This is in line with our responsibility to implement and achieve the goals of Outcome 5 of Government's Medium Term Strategic Framework for the 2014-2019 term. One of the desired outputs of Outcome 5 is the increase in access to occupationally directed programmes in needed areas and thereby expand the availability of intermediate level skills with a special focus on artisanal skills. It is for this reason that over the last three years we embarked on a campaign to bolster and popularise artisan skills among young people.

The National Development Plan (NDP) proposes that the country should be producing 30 000 qualified artisans by the year 2030. The Department has put in place various strategies and policies to progressively move towards the realisation of this target. The approach of the Department on this is three-fold. First, the institutional and policy frameworks were revised and streamlined to promote artisan training. The establishment of the National Artisan Moderating Body (NAMB) and the promulgation of Artisan Registration Regulations are some of the measures to ensure national coordination of artisan development. In the second instance the Department actively promotes artisanal skills as career choices through working with Technical and Vocational Education and Training (TVET) colleges to increase the enrolment of young people in artisan related streams. In the last instance the Department redirects and focusses the Strategic Plans and budgets of its levy institutions namely Sector Education and Training Authorities (SETAs) and the Nationals Skills Fund (NSF) towards increased investment in artisan development. The Strategic Plan



of the NSF will embody all of the elements indicated above.

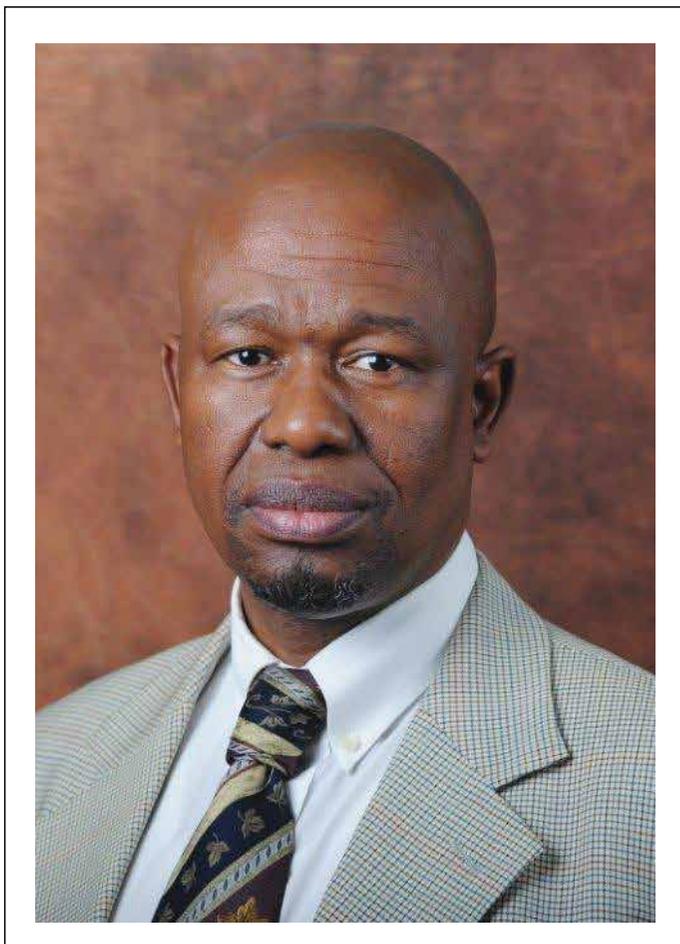
South Africa, like the rest of the world, has seen stagnant economic growth over the last eight years. Such growth has not only led to job losses, but has led to declines in some of our economic sectors. This has caused the emergence of some debate about whether it is prudent to produce skills for which an economy has no use. We are also seeing increasing frustration and dissatisfaction among youth already possessing skills, but unable to find jobs. Important as these debates and concerns might be, they should not detract the nation from achieving the growth and transformation objectives as set out in the NDP. While we cannot predict when the economy will begin its upward growth cycle, we can at least ensure that when that happens the economy will find the skills it needs readily available.

This Strategic Plan is focussed on the future vision of the country as laid out in national strategies such as the NDP, the National Skills Development

Strategy III and Mid-Term Strategic Framework (MTSF). It is modest in its projections of targets owing to a decline in its resource base and the increasing competing priorities within the Post-School Education and Training system. It will guide the NSF as it attempts to balance the demand to invest in national priorities and how it can contribute to building a vibrant, integrated and progressive Post-School and Education and Training system.

MR MC MANANA, MP

DEPUTY MINISTER OF HIGHER EDUCATION AND TRAINING



MR GF QONDE

**DIRECTOR-GENERAL OF THE DEPARTMENT OF HIGHER EDUCATION
AND TRAINING**

ACCOUNTING AUTHORITY OF THE NATIONAL SKILLS FUND

INTRODUCTION AND STRATEGIC OVERVIEW BY THE DIRECTOR- GENERAL

This Strategic Plan is the culmination of a long and reflective process within the Department on how best to use the limited resources in the National Skills Fund (NSF) to meet the goals of the Post-School Education and Training system. The Department's establishment in 2009 happened within an unfavourable economic climate, one that did not provide the required resources to meet the goals of post-school education. The country's citizens on the other hand demand increased access to quality Post-School education, because they see this as a significant factor in fighting poverty and inequality in society.

The NSF, as a catalytic fund, will continue to focus on those areas where the state needs to address key skills shortages particularly those with a bias towards improved economic development and social transformation. This Strategic Plan aligns its objectives to key policy documents of government and those of the post-school sector as the White Paper for Post-School Education and Training, the National Skills Development Strategy III and the more recent government growth plans such as Operation Phakisa initiatives and Strategic Integrated Projects. The Department concedes that the resource needs of these plans far exceed what the NSF has in its coffers now and into the future. This strategic plan will guide NSF management



and staff as they navigate the difficult task of allocating resources to meet not only the priority skills needs of the country, but also to assist in building the capacity of the post-school system. For it is in an integrated and fully capacitated post-school system that the country can generate wealth for all its citizens.

A handwritten signature in black ink, appearing to read "G. F. Qonde".

MR GF QONDE

**DIRECTOR-GENERAL OF THE DEPARTMENT OF HIGHER EDUCATION
AND TRAINING**

ACCOUNTING AUTHORITY OF THE NATIONAL SKILLS FUND



OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

1. Was developed by the management of the **National Skills Fund** under the guidance of the Minister of Higher Education and Training, Dr B.E Nzimande, MP.
2. Takes into account all the relevant policies, legislation and other mandates for which the **National Skills Fund** is responsible.
3. Accurately reflects the strategic outcome oriented goals and objectives which the **National Skills Fund** will endeavour to achieve over the period 2015/16 to 2019/20.



Mr W Minnie

Chief Financial Officer: National Skills Fund



Mr MV Macikama

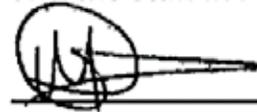
Executive Officer: National Skills Fund



Mr GF Qonde

Director General: Higher Education and Training
Accounting Authority of the National Skills Fund

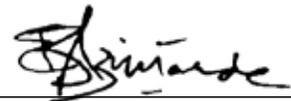
SUPPORTED BY:



Mr MC Manana, MP

Deputy Minister: Higher Education and Training

APPROVED BY:



Dr BE Nzimande, MP

Minister: Higher Education and Training



PURPOSE OF THIS DOCUMENT

The National Skills Fund's Strategic Plan highlights the National Skills Fund's (NSF) strategic foundation as well as the performance and financial plan for the period 1 April 2015 to 31 March 2020. It is the outcome of an annual planning process which sets targets for the first year as well as projections for the rest of the five-year period. The strategic elements, namely the NSF's vision, mission and values, represent the long-term direction that guides the annual planning process. These strategic elements are normally reviewed over five-year periods.

The Strategic Plan has been compiled based on the requirements of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999), the Treasury Regulations and the guidelines in the following frameworks as published by National Treasury:

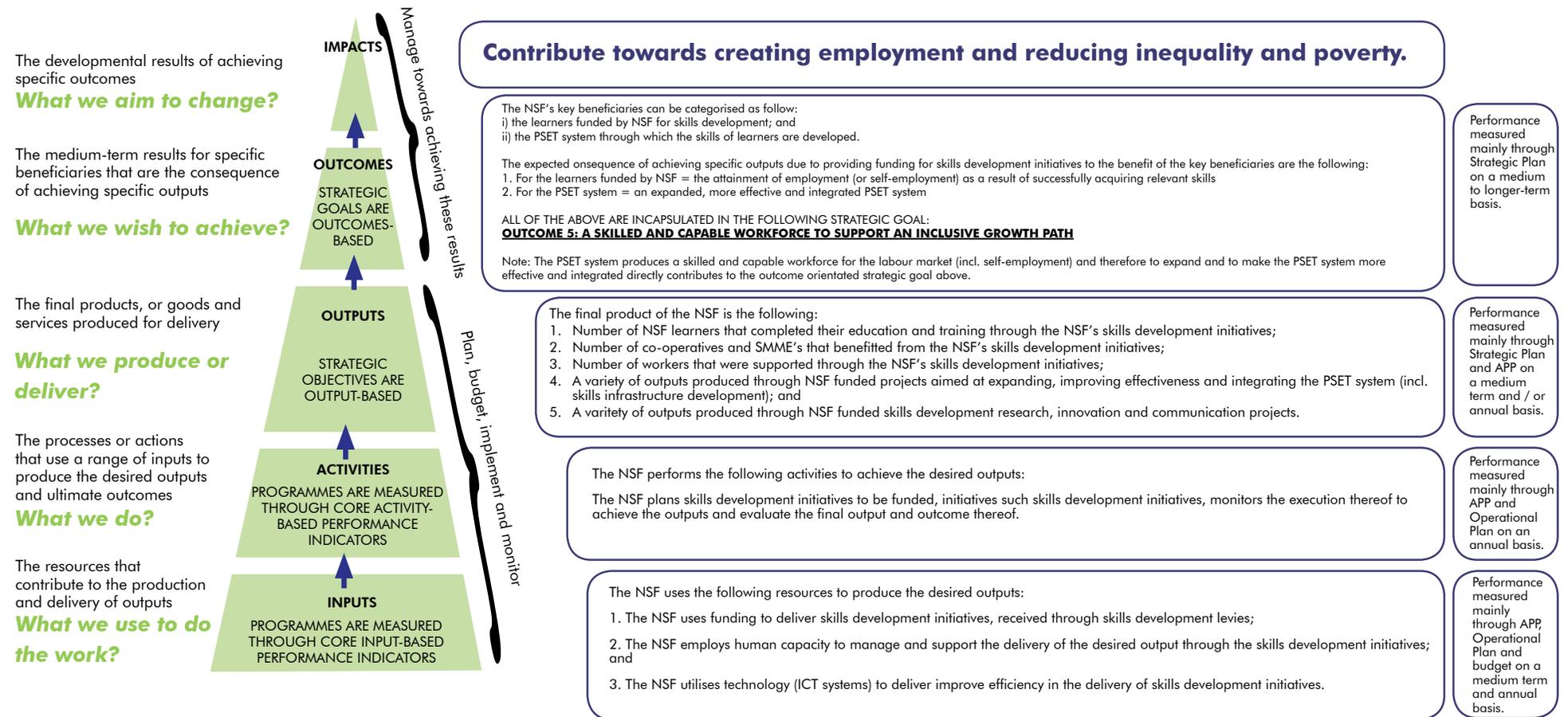
- Framework for Strategic Plans and Annual Performance Plans (dated August 2010)
- Framework for Managing Programme Performance Information (dated May 2007)

This Strategic Plan will guide the work of the National Skills Fund and serves as a basis for an assessment of the Fund's performance by stakeholders over the strategic period: 1 April 2015 to 31 March 2020 and beyond, taking into consideration the implementation of the White Paper for Post-School Education and Training.



BACKGROUND ON THE DEVELOPMENT OF THE STRATEGIC PLAN AND ANNUAL PERFORMANCE PLAN

The development of the NSF's strategic plan and annual performance plan has been premised on the *Framework for Strategic Plans and Annual Performance Plans* published by the National Treasury. The following graph has been extracted from the *Framework for Strategic Plans and Annual Performance Plans* with an indication as to how the NSF's strategic plan and annual performance plans are aligned to the *Framework*.





In order to further understand the NSF’s strategic plan and annual performance plans, it is important to distinguish between strategic goals, strategic objectives and budget programmes as contained in the Framework for Strategic Plans and Annual Performance Plans. This understanding is important as the performance targets that are set on the strategic goals, strategic objectives and budget programmes are measured at different timeframes and through different mechanisms and will therefore be reported on differently as guided by the Framework for Strategic Plans and Annual Performance Plans. The table below sets out differences as contained in the Framework for Strategic Plans and Annual Performance Plans:

CATEGORY	BASIS	TARGET TIME-FRAME	MEASUREMENT TIME-FRAME	MEASUREMENT MECHANISMS
Strategic Goals	Outcome-based	Medium to longer term targets	Measured over longer term periods, usually after a strategic period has been completed with identified outcome-based performance indicators. The Framework does not require targets for strategic goals to be broken down into annual and quarterly targets in its annual performance plans and hence reporting thereon is not required in the Annual Report.	Measured mainly through a series of outcome evaluations (end-term reviews).
Strategic Objectives	Output-based	Annual to medium term	Measured annually and over the medium term with identified output-based performance indicators. The Framework does not require targets for strategic objectives to be broken down into quarterly targets in its annual performance plans, however reporting thereon on an annual basis in the Annual Report is required.	Final outputs are measured mainly at the end with a closeout report and evaluation, although interim outputs are measured on an ongoing basis at defined intervals.
Budget Programmes	Intermediary Output, Activities and Inputs-based	Annual and quarterly	Measured annually and quarterly. The Framework requires targets for budget programmes to be broken down into annual targets and encourages it to be broken down into quarterly targets. Reporting thereon in the Annual Report and Quarterly Reports is required. Internal monitoring thereof in the Operational Plans is also performed.	Core activities and inputs are measured on an ongoing (usually monthly or quarterly) basis through the various monitoring reports.

The NSF’s approach to the formulation of strategic goals, budget programmes and strategic objectives are further explained below:

1. Strategic Goals

In terms of the *Framework for Strategic Plans and Annual Performance Plans*, strategic goals should be outcomes orientated and should focus on impacts and outcomes. Outcomes oriented goals identify areas of institutional performance that are critical to the achievement of the mission. They should stretch and challenge the institution, but must be realistic and achievable. A strategic outcomes oriented goal should ideally be written as a statement of intent that is specific, measurable, achievable, relevant and time-bound (SMART).

The NSF has set for itself one outcome orientated strategic goal to be achieved over the 5 years strategic period (2015/16 to 2019/20), which is premised on *Outcome 5: A skilled and capable workforce for an inclusive growth path*.

In achieving this all-encapsulating strategic outcome orientated goal, the following main outcome orientated performance indicators will be evaluated per key beneficiary category as outlined below:

STRATEGIC GOAL	KEY BENEFICIARY CATEGORY	PERFORMANCE INDICATORS (OUTCOME-BASED)
A skilled and capable workforce for an inclusive growth path.	NSF Funded Learners	The number of NSF funded learners that are employed (or self-employed) within 1 to 2 years after completion of their education and training through the skills development initiatives funded by NSF.
	PSET system	Percentage of priority projects aimed at expanding, integrating and improving the effectiveness of the PSET system that have successfully achieved the envisaged outcomes.

In terms of the *Framework* strategic goals are longer term goals as is the case with the NSF’s strategic goal. Therefore, the NSF’s strategic goal will only be measured after completion of the 5 year strategic period through an end-of-term review of the outcomes of the skills development initiatives funded by the NSF. As guided by the *Framework*, the NSF will only measure the outcomes of the skills development initiatives it funded, limited to the beneficiaries within its reach through those skills development initiatives funded.



2. Strategic Objectives

In order to achieve the NSF’s strategic goals, strategic objectives have been set, clearly stating what the NSF intends producing to achieve its strategic goal. These strategic objectives are stated in the form of output statements as required in terms of the *Framework for Strategic Plans and Annual Performance Plans* and are mainly premised on the following output performance indicators that the NSF produces through its skills development initiatives funded:

STRATEGIC OBJECTIVES	PERFORMANCE INDICATORS (OUTPUT-BASED)
Strategic Objective 1: Skills development towards priority occupations.	Number of NSF funded learners that completed their education and training towards priority occupations over the 5 year strategic period.
Strategic Objective 2: Rural skills development	Number of NSF funded learners from rural areas that completed their education and training over the 5 year strategic period.
Strategic Objective 3: SMME and Co-operative skills development	Number of SMMEs and co-operatives that benefitted from NSF funded skills development initiatives over the 5 year strategic period.
Strategic Objective 4: Community-based skills development	Number of NSF funded learners that acquired skills through NSF funded community-based skills development initiatives over the 5 year strategic period.
Strategic Objective 5: Worker Education	Number of workers to be educated through worker education initiatives of the 5 year strategic period.
Strategic Objective 6: An expanded, integrated and effective PSET system	Percentage of priority projects aimed at expanding, integrating and improving the effectiveness of the PSET system (excl. skills infrastructure development) that have successfully achieved the envisaged outputs.
Strategic Objective 7: Skills infrastructure development	Percentage of priority projects aimed at expanding, integrating and improving the effectiveness of the PSET system through skills infrastructure development that have successfully achieved the envisaged outputs.
Strategic Objective 8: Skills development research, innovation and communication	Percentage of research, innovation and communication projects due for completion within the 5 year strategic period that has successfully been completed.
Strategic Objective 9: Improve NSF’s efficiency and effectiveness through an improved organisational structure	i) Percentage of key funded positions filled (%) ii) Percentage of other positions filled (%)
Strategic Objective 10: Improve NSF’s efficiency and effectiveness through technology	Percentage of key ICT needs implemented (%)

3. Budget Programmes

In terms of the *Framework for Strategic Plans and Annual Performance Plans*, budget programmes and sub-programmes should be developed that are aligned to the main areas of service-delivery responsibility within the institution's mandate.

The NSF has developed a budget programme and sub-programme structure premised on the two main areas of service delivery responsibility as contained within the NSF's mandate, namely:

i) Budget Programme 1: Funding Skills Development

Aligned to the NSF's mandate as stipulated in section 28(1) and 30B of the Skills Development Act, 1998, (Act No. 97 of 1998), which stipulates the following:

1. To fund projects identified in the National Skills Development Strategy as national priorities;
2. To fund projects related to the achievement of the purposes of the Skills Development Act as the Director-General determines; and
3. To fund any activity undertaken by the Minister to achieve a national standard of good practice in skills development.

ii) Budget Programme 2: NSF Business Excellence (Administrative Programme)

Aligned to the NSF's mandate as stipulated in section 28(3) of the Skills Development Act, 1998, (Act No. 97 of 1998), which stipulates the following:

To administer the Fund within the prescribed limit (section 28(3) of the Skills Development Act). Regulations to prescribe the limit for the administration of the Fund at 10% of revenue has been approved and published in Notice No. R.1030, Government Gazette No. 33740 dated 8 November 2010.

Programme 1: Funding Skills Development has been further developed into four sub-programmes, which are constituent parts of the main budget programmes. The sub-programmes define the services or activities which contribute to the achievement of the objectives of the programme of which it forms a part.

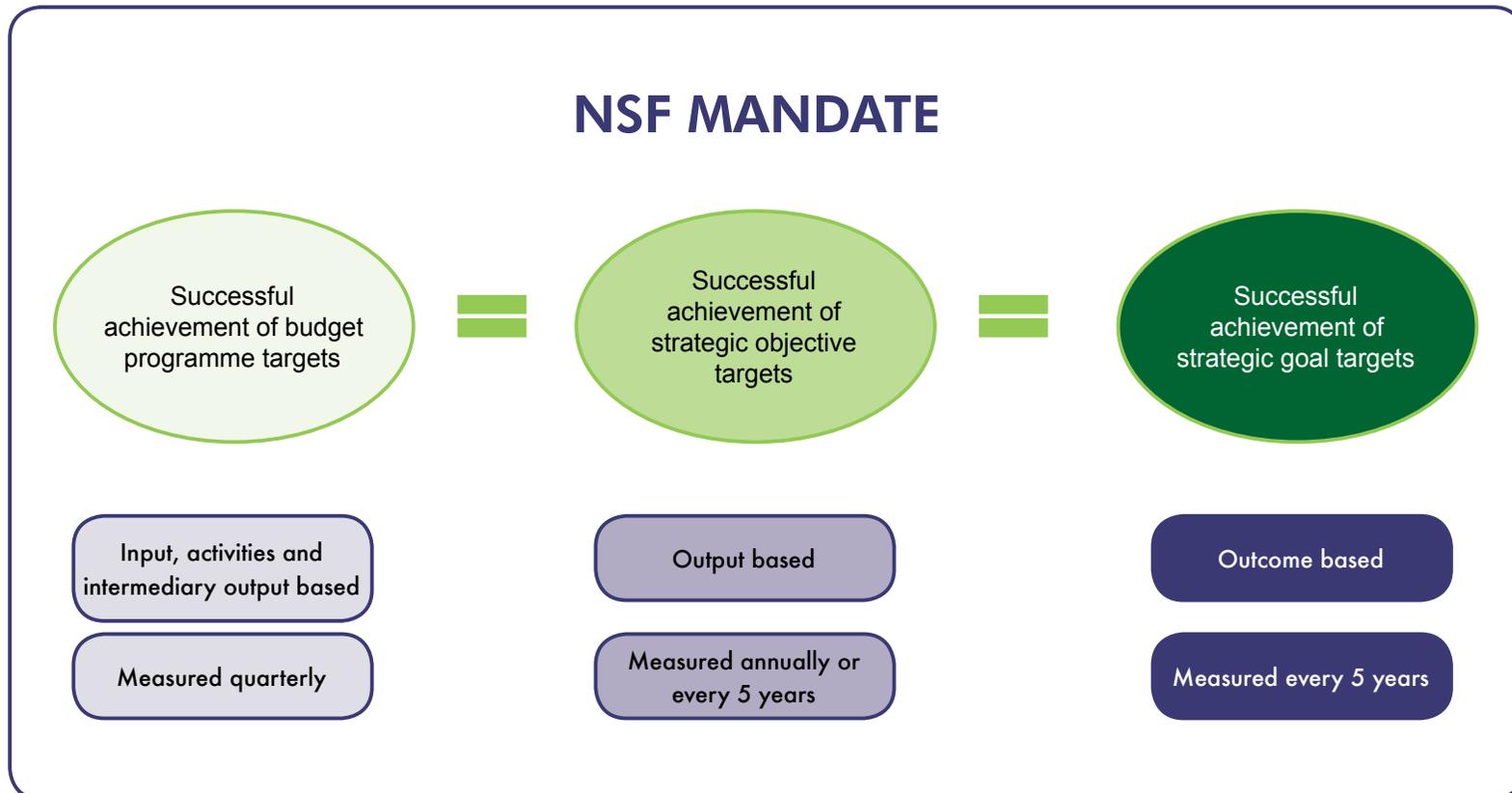


The performance indicators for the NSF’s budget programmes are the following:

BUDGET PROGRAMME	BUDGET SUB-PROGRAMME	PERFORMANCE INDICATORS (INTERMEDIARY OUTPUT, ACTIVITY AND INPUT-BASED)
Funding Skills Development	Education and training	<ul style="list-style-type: none"> i) Headcount of learners funded by NSF for education and training. ii) Headcount of learners funded by NSF for education and training towards priority occupations. iii) Headcount of learners from rural areas funded by NSF for education and training. iv) Number of SMMEs and co-operatives funded by NSF for skills development. v) Headcount of learners funded by NSF for skills development through community-based skills development initiatives. vi) Number of workers funded by NSF for worker education.
	PSET system development, capacity building and support	<ul style="list-style-type: none"> i) Percentage of NSF funded projects aimed at expanding, integrating and improving the effectiveness of the PSET system (excl. skills infrastructure development projects) with a clear business plan and value for money budget breakdown. ii) Percentage of NSF funded projects aimed at expanding, integrating and improving the effectiveness of the PSET system (excl. skills infrastructure development) where the actual project expenditure to date is in line with the actual project performance to date.
	Skills infrastructure development	<ul style="list-style-type: none"> i) Percentage of NSF funded skills infrastructure development projects with a clear business plan and value for money budget breakdown. ii) Percentage of NSF funded skills infrastructure development projects where the actual project expenditure to date is in line with the actual project performance to date.
	Skill development research, innovation and communication	<ul style="list-style-type: none"> i) Percentage of NSF funded research, innovation and communication projects where the actual project expenditure to date is in line with the actual project performance to date. ii) Percentage of NSF funded research, innovation and communication projects where the actual project expenditure to date is in line with the actual project performance to date.
NSF Business Excellence		<ul style="list-style-type: none"> i) Percentage of key positions filled (%) ii) Percentage of other positions filled (%) iii) Percentage of key ICT needs implemented (%)

4. Linking strategic goals, strategic objectives and budget programmes

It is important to understand that strategic goals, strategic objectives and budget programmes are linked to each other. The successful achievement of the NSF's budget programme targets (which is measured on a quarterly basis), will lead to the successful achievement of the NSF's strategic objective targets (which is measured on an annual or 5 year strategic period basis) and ultimately to the achievement of the NSF's strategic goal targets.



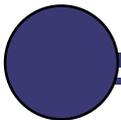
NATIONAL SKILLS FUND STRATEGIC PLAN AND ANNUAL PERFORMANCE PLAN DASHBOARD

STRATEGIC GOAL: A SKILLED AND CAPABLE WORKFORCE TO SUPPORT AN INCLUSIVE GROWTH PATH.

BUDGET PROGRAMMES AND SUB-PROGRAMMES BASED ON NSF MANDATE	STRATEGIC OBJECTIVES AND STRATEGIC TARGETS	PROGRAMME INDICATORS AND TARGETS	FOCUS
<p>NSF MANDATE (Derived from the Skills Development Act, 1998 (Act No. 97 of 1998))</p> <p>NSDS III National Priorities (sec 28(1) of SDA)</p> <p>Skills Development Act Priorities (sec 28(1) of SDA)</p> <p>National Standard of Good Practice in Skills Development (sec 30B of SDA)</p> <p>Administration of the Fund (sec 28(3) of SDA)</p>	<p>PROGRAMME 1: FUNDING SKILLS DEVELOPMENT</p> <p>SUB-PROGRAMME 1.1: EDUCATION AND TRAINING</p> <p>SUB-PROGRAMME 1.2: PSET SYSTEM DEVELOPMENT AND CAPACITY BUILDING</p> <p>SUB-PROGRAMME 1.3: SKILLS INFRASTRUCTURE DEVELOPMENT</p> <p>SUB-PROGRAMME 1.4: SKILLS DEVELOPMENT RESEARCH, INNOVATION AND COMMUNICATION</p> <p>PROGRAMME 2 NSF BUSINESS EXCELLENCE (ADMINISTRATIVE PROGRAMME)</p>	<p style="text-align: center;">OUTPUT BASED</p> <p>STRATEGIC OBJECTIVE 1: SKILLS DEVELOPMENT TOWARDS PRIORITY OCCUPATIONS TARGET 1: 36 000 NSF funded learners to complete their education and training towards priority occupations over the 5 year strategic period.</p> <p>STRATEGIC OBJECTIVE 2: RURAL SKILLS DEVELOPMENT TARGET 2: 36 000 NSF funded learners from rural areas to complete their education and training over the 5 year strategic period.</p> <p>STRATEGIC OBJECTIVE 3: SMME AND CO-OPERATIVE SKILLS DEVELOPMENT TARGET 3: 1 000 SMMEs and co-operatives to benefit from NSF funded skills development initiatives over the 5 year strategic period.</p> <p>STRATEGIC OBJECTIVE 4: COMMUNITY BASED SKILLS DEVELOPMENT TARGET 4: 7 000 NSF funded learners that acquired skills through community-based skills development initiatives over the 5 year strategic period.</p> <p>STRATEGIC OBJECTIVE 5: WORKER EDUCATION TARGET 5: 5 600 workers to be educated through worker education initiatives over the 5 year strategic period.</p> <p>STRATEGIC OBJECTIVE 6: AN EXPANDED, EFFECTIVE AND INTEGRATED PSET SYSTEM TARGET 6: 100% of priority projects aimed at expanding, integrating and improving the effectiveness of the PSET system (excl. skills infrastructure development) that have successfully achieved the envisaged outputs.</p> <p>STRATEGIC OBJECTIVE 7: SKILLS INFRASTRUCTURE DEVELOPMENT TARGET 7: 100% of priority projects aimed at expanding, integrating and improving the effectiveness of the PSET system through skills infrastructure development that have achieved the envisaged outputs.</p> <p>STRATEGIC OBJECTIVE 8: SKILLS DEVELOPMENT RESEARCH, INNOVATION AND COMMUNICATION TARGET 8: 100% of skills development research, innovation and communication projects have successfully achieved the project outputs.</p> <p>STRATEGIC OBJECTIVE 9: IMPROVE NSF'S EFFICIENCY AND EFFECTIVENESS THROUGH AN IMPROVED ORGANISATIONAL STRUCTURES TARGET 9: 90% of key positions filled. TARGET 10: 80% of other positions filled.</p> <p>STRATEGIC OBJECTIVE 10: IMPROVE NSF'S EFFICIENCY AND EFFECTIVENESS THROUGH AN IMPROVED THROUGH TECHNOLOGY TARGET 11: Implement 90% of key ICT needs.</p> <p style="text-align: center;">INPUT & ACTIVITY BASED</p> <p>EDUCATION AND TRAINING PROGRAMME TARGET 1: 121 800 learners funded by NSF for education and training over the 5 year strategic period.</p> <p>SKILLS DEVELOPMENT TOWARDS PRIORITY OCCUPATIONS PROGRAMME TARGET 2: 65 800 learners funded by NSF for education and training towards priority occupations over the 5 year strategic period.</p> <p>RURAL SKILLS DEVELOPMENT PROGRAMME TARGET 3: 48 720 learners from rural areas funded by NSF for education and training towards priority occupations over the 5 year strategic period.</p> <p>SMME AND CO-OPERATIVE SKILLS DEVELOPMENT PROGRAMME TARGET 4: 1000 SMMEs and Co-operatives funded by NSF for skills development over the 5 year strategic period.</p> <p>COMMUNITY BASED SKILLS DEVELOPMENT PROGRAMME TARGET 5: 10 000 learners funded by NSF for skills development through community-based skills development initiatives over the 5 year strategic period.</p> <p>WORKER EDUCATION PROGRAMME TARGET 6: 7 500 workers funded by NSF for worker education over the 5 year strategic period.</p> <p>AN EXPANDED, EFFECTIVE AND INTEGRATED PSET SYSTEM PROGRAMME TARGET 7: 100% of NSF funded projects aimed at expanding, integrating and improving the effectiveness of the PSET system (excl. skills infrastructure development projects) have a clear business plan and value for money budget breakdown. PROGRAMME TARGET 8: 100% of NSF funded projects aimed at expanding, integrating and improving the effectiveness of the PSET system (excl. skills infrastructure development) have incurred project expenditure to date that is in line with the actual project performance to date.</p> <p>SKILLS INFRASTRUCTURE DEVELOPMENT PROGRAMME TARGET 9: 100% of NSF funded skills infrastructure development projects have a clear business plan and value for money budget breakdown. PROGRAMME TARGET 10: 100% of NSF funded skills infrastructure development projects have incurred project expenditure to date that is in line with the actual project performance to date.</p> <p>SKILLS DEVELOPMENT RESEARCH, INNOVATION AND COMMUNICATION PROGRAMME TARGET 11: 100% of NSF funded research, innovation and communication projects have a clear business plan and value for money budget breakdown. PROGRAMME TARGET 12: 100% of NSF funded research, innovation and communication projects have incurred project expenditure to date that is in line with the actual project performance to date.</p> <p>IMPROVE NSF'S EFFICIENCY AND EFFECTIVENESS THROUGH AN IMPROVED ORGANISATIONAL STRUCTURES PROGRAMME TARGET 13: 90% of key positions filled. PROGRAMME TARGET 14: 80% of other positions filled.</p> <p>IMPROVE NSF'S EFFICIENCY AND EFFECTIVENESS THROUGH AN IMPROVED THROUGH TECHNOLOGY PROGRAMME TARGET 15: Implement 90% of key ICT needs.</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">OUTWARD FOCUSED (Service Delivery Programme)</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">INWARD FOCUSED (Administrative Programme)</p>

PART A:

STRATEGIC OVERVIEW





PART A: STRATEGIC OVERVIEW

1. Our Vision

Skilling our nation.

2. Our Mission

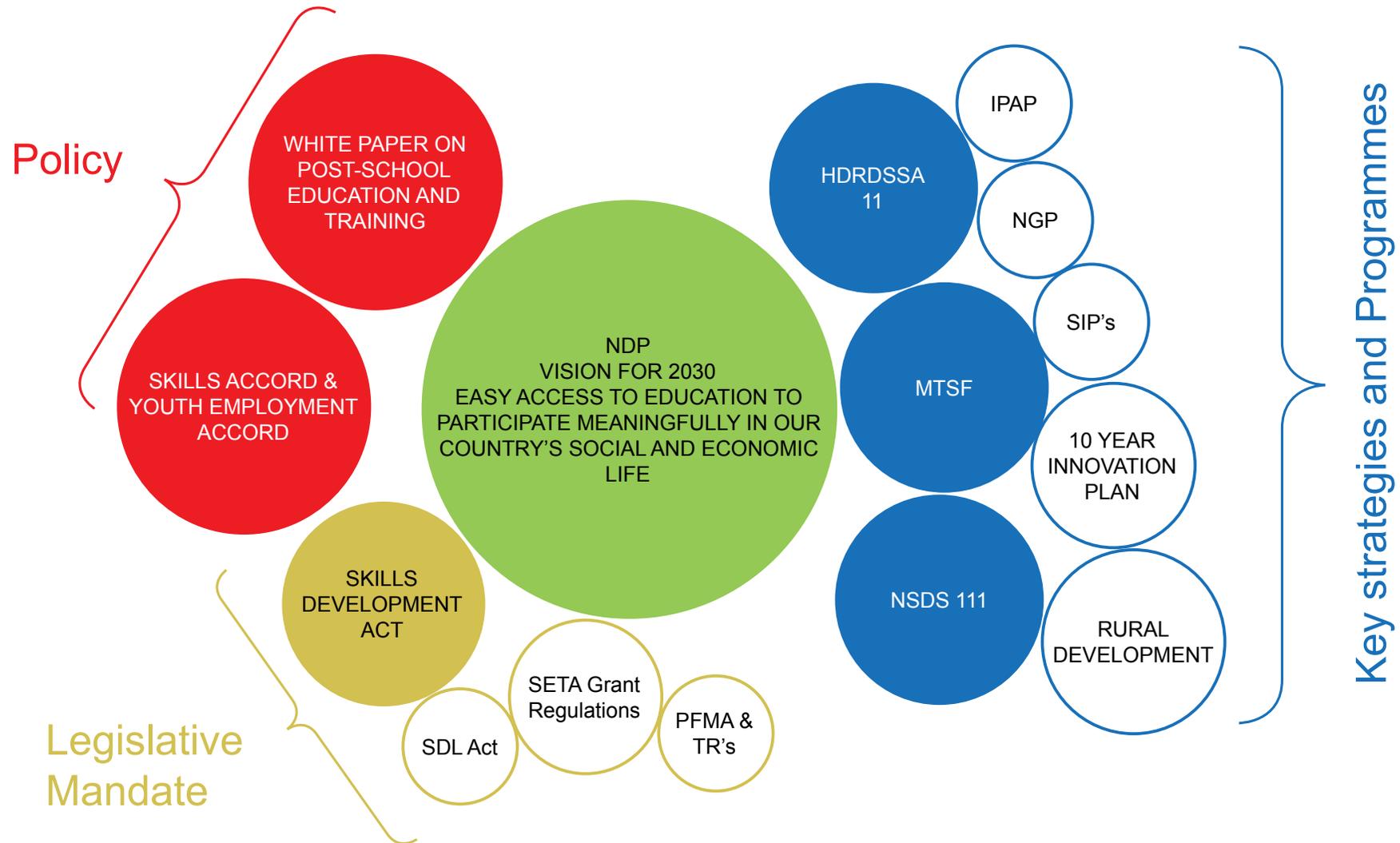
To provide funding for national skills development towards a capable workforce for an inclusive growth path.

3. Our 7 Values

The National Skills Fund upholds the following 7 values:

1. Passion
2. Integrity
3. Collaborative
4. Accountability
5. Service Excellence
6. Objective
7. Developmental

4. Legislative and other mandates





4.1. Legislative mandate

i) Established in terms of the Skills Development Act

The National Skills Fund was established in 1999 in terms of section 27(1) of the Skills Development Act, 1998 (Act No. 97 of 1998), stating the following: “The National Skills Fund is hereby established”. The National Skills Fund is thereby not established with legal persona.

In terms of section 29(1) of the Skills Development Act, 1998 (Act No. 97 of 1998), the Director-General of the Department of Higher Education and Training is the accounting authority of the Fund as contemplated by section 49(2)(b) of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

In terms of section 29(1)(d) of the Skills Development Act, 1998 (Act No. 97 of 1998), the Director-General of the Department of Higher Education and Training must, subject to the laws governing the public service, appoint the executive officer of the Fund who will, upon such appointment, be in the employ of the public service.

ii) Listed as a Schedule 3A public entity in terms of the PFMA

On 12 October 2012, the Minister of Finance listed the National Skills Fund as a Schedule 3A public entity in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), retrospectively effective from 1 April 2012 (Notice number 821 in the Government Gazette No. 35759).

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

namely the Skills Development Act, 1998 (Act No. 97 of 1998).

iii) Mandate of the National Skills Fund

The money of the Fund may be used for the primary objectives as defined by the prescripts of the Skills Development Act, 1998 (Act No. 97 of 1998) namely:

1. To fund projects identified in the National Skills Development Strategy as national priorities (section 28(1) of the Skills Development Act);
2. To fund projects related to the achievement of the purposes of the Skills Development Act as the Director-General determines (section 28(1) of the Skills Development Act);
3. To fund any activity undertaken by the Minister to achieve a national standard of good practice in skills development (section 30B. of the Skills Development Act); and
4. To administer the Fund within the prescribed limit (section 28(3) of the Skills Development Act). Regulations to prescribe the limit for the administration of the Fund at 10% of revenue has been approved and published in Notice No. R.1030, Government Gazette No. 33740 dated 8 November 2010.

iv) Revenue sources of the National Skills Fund

The current main revenue sources for the National Skills Fund are:

1. 20% of the skills development levies as contemplated in the Skills Development Levies Act, 1999 (Act No. 9 of 1999); and
2. Interest earned on investments held at the Public Investment Corporation.

The National Skills Fund may also receive revenue from the following sources:

1. The skills development levies collected and transferred to the Fund, in terms of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) in respect of those employers or sectors for which there are no SETAs;
2. Money appropriated by Parliament for the Fund;
3. Donations to the Fund; and
4. Money received from any other source.

v) Retention of accumulated surplus

In terms of section 29(3) of the Skills Development Act, 1998 (Act No. 97 of 1998) the unexpended balance in the Fund at the end of the financial year must be carried forward to the next financial year as a credit to the Fund.

vi) Policy: Generic National Artisan Learner Grant Funding and Administration System

The Policy: Generic National Artisan Learner Grant Funding and Administration System was developed to remove blockages experienced in artisan development, which includes amongst others blockages in the funding of artisan development. According to this policy the NSF must annually budget and contribute towards artisan development in accordance with the prescripts of the policy.

vii) Key legislation applicable to the NSF

The following key pieces of legislation are applicable to the NSF:

1. Skills Development Act, 1998 (Act No. 97 of 1998), as amended;
2. Skills Development Levies Act, 1999 (Act No. 9 of 1999), as amended;
3. Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended and Treasury Regulations; and
4. Public Service Act, 1994 (Act No. 38 of 1994), as amended.



4.2. Policy mandates

i) National Development Plan 2030 (NDP)

The National Development Plan 2030 is the over-arching long term strategy of government aiming to eliminate poverty and reduce inequality by 2030. It serves as the single most important long term strategy to which all strategies of government must be aligned.

This strategic plan of the National Skills Fund is comprehensively aligned to the objectives of the National Development Plan.

The National Development Plan places the following specific funding responsibility on the National Skills Fund:

“Training for start-ups and emerging businesses, rural development, adult basic education and training, and community development should be supported by money from the National Skills Fund and managed by relevant departments or agencies, such as Small Enterprise Development Agency, Kha Ri Gude and the National Youth Development Agency. This would enable the National Skills Fund to focus on large skills development programmes that form part of a broader programme. This would simplify the grant funding mechanism by supporting fewer, but larger programmes”
– page 286 of the NDP.

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

Objectives outlined by the NDP towards improving the education, training and innovation system:

- *Expand the college system with a focus on improving quality. Better quality will build confidence in the college sector and attract more learners. The recommended participation rate of 25% would accommodate about 1.25 million enrolments.*
- *Provide 1 million learning opportunities through Community Education and Training Centres.*
- *Produce 30 000 artisans per year.*
- *Increase enrolment at universities by at least 70% by 2030 so that enrolments increase to about 1.62 million from 950 000 in 2010.*
- *Increase the number of students eligible to study towards mathematics and science based degrees to 450 000 by 2030.*
- *Increase the percentage of PhD qualified staff in the higher education sector from the current 34% to over 75% by 2030.*
- *Produce more than 100 doctoral graduates per million per year by 2030. That implies an increase from 1 420 in 2010 to well over 5 000 a year.*
- *Expand science, technology and innovation outputs by increasing research and development spending by government and through encouraging industry to do so.*

Actions outlined in the NDP for technical and vocational education and training:

- *Support the development of specialised programmes in universities focusing on training college lecturers and provide funding for universities to conduct research on the vocational education*

sector.

- *Build the capacity of TVET institutions to become preferred institutions for technical and vocational education and training. Learners should be able to choose the vocational pathway before completing Grade 12. Expand the geographical spread of TVET institutions.*
- *Build a stronger relationship between the college sector and industry. SETAs have a crucial role in building relationships between education institutions and the employers.*

Actions outlined in the NDP for higher education:

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

ii) White Paper for Post-School Education and Training

The White Paper sets out government’s vision for an integrated system of post-school education and training that is able to respond to the needs of the South African society and economy. It outlines policy directions to guide the Department and the institutions for which it is responsible in order to contribute to building a developmental state with a vibrant democracy and a flourishing economy. Its main policy objectives are:

- 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;
- expanded access, improved quality and increased diversity of provision;
- a stronger and more co-operative relationship between education and training institutions and the workplace;
- a post-school education and training system that is responsive to the needs of individual citizens, employers in both public and private sectors, as well as broader societal and developmental objectives.

Amongst others, the White Paper directs attention to critical improvement and capacitation areas within the post-school education and training system integration that include:

- TVET college capacitation and infrastructure;
- Educational institutions and employers partnerships and work-integrated learning;
- Artisan development strategy operationalization;



- Recognition of prior learning;
- Community colleges and public adult learning centres development;
- Development of scarce and critical skills;
- Education and training improvement; and
- SETA landscape review.

iii) **National Skills Development Strategy**

The Minister of Higher Education and Training has been charged with the responsibility of coordinating Outcome 5 of Government's 12 performance outcomes namely: *A skilled and capable workforce to support an inclusive growth path*. The National Skills Development Strategy (NSDS) is intended to improve the effectiveness and efficiency of the skills development system and become the implementation framework for Outcome 5: *A skilled and capable workforce to support an inclusive growth path*.

The National Skills Development Strategy (NSDS) further outlines the mandate of the National Skills Fund identifying the following national priorities that will take precedence in the NSF:

1. Identified priorities that advance the Human Resource Development Strategy, decided upon in consultation with the Human Resource Development Council;
2. Priorities identified by the Minister after consultation with the National Skills Authority (NSA) and that support the NSA in its advisory work and building the capacity of the social partners (constituencies) to strengthen their role in and delivery of our National Skills Development Strategy;

3. Projects that are in alignment with the National Skills Development Strategy and support the new economic growth path, the Industrial Policy Action Plan, rural development, skills to support the green economy, and skills development in education and health, and that contribute towards capacity building and skills development for institutions dedicated to the fight against crime and corruption, as key priorities of government.

iv) **Human Resource Development Strategy of South Africa 2010 - 2030**

The HRDSSA is the long-term overarching strategy to drive human development in the country. The funding strategy of the NSF responds to and supports priorities that emanate from the following commitments of the HRDSA:

COMMITMENT ONE: We will urgently overcome the shortages in the supply of people with the priority skills needed for the successful implementation of current strategies to achieve accelerated economic growth.

COMMITMENT TWO: We will increase the number of appropriately skilled people to meet the demands of our current and emerging economic and social development priorities.

COMMITMENT THREE: We will ensure improved universal access to quality basic education and schooling (up to Grade 12) that is purposefully focused on: (a) achieving a dramatic improvement in the education outcomes for the poor; (b) equipping learners with optimal capacity for good citizenship; and (3) the pursuit of post-school vocational education and training for employment.

COMMITMENT FOUR: We will urgently implement skills development programmes that are purposefully aimed at equipping recipients/

citizens with requisite skills to overcome related scourges of poverty and unemployment.

COMMITMENT FIVE: We will ensure that young people have access to education and training that enhances opportunities and increases their chances of success in further vocational training and sustainable employment.

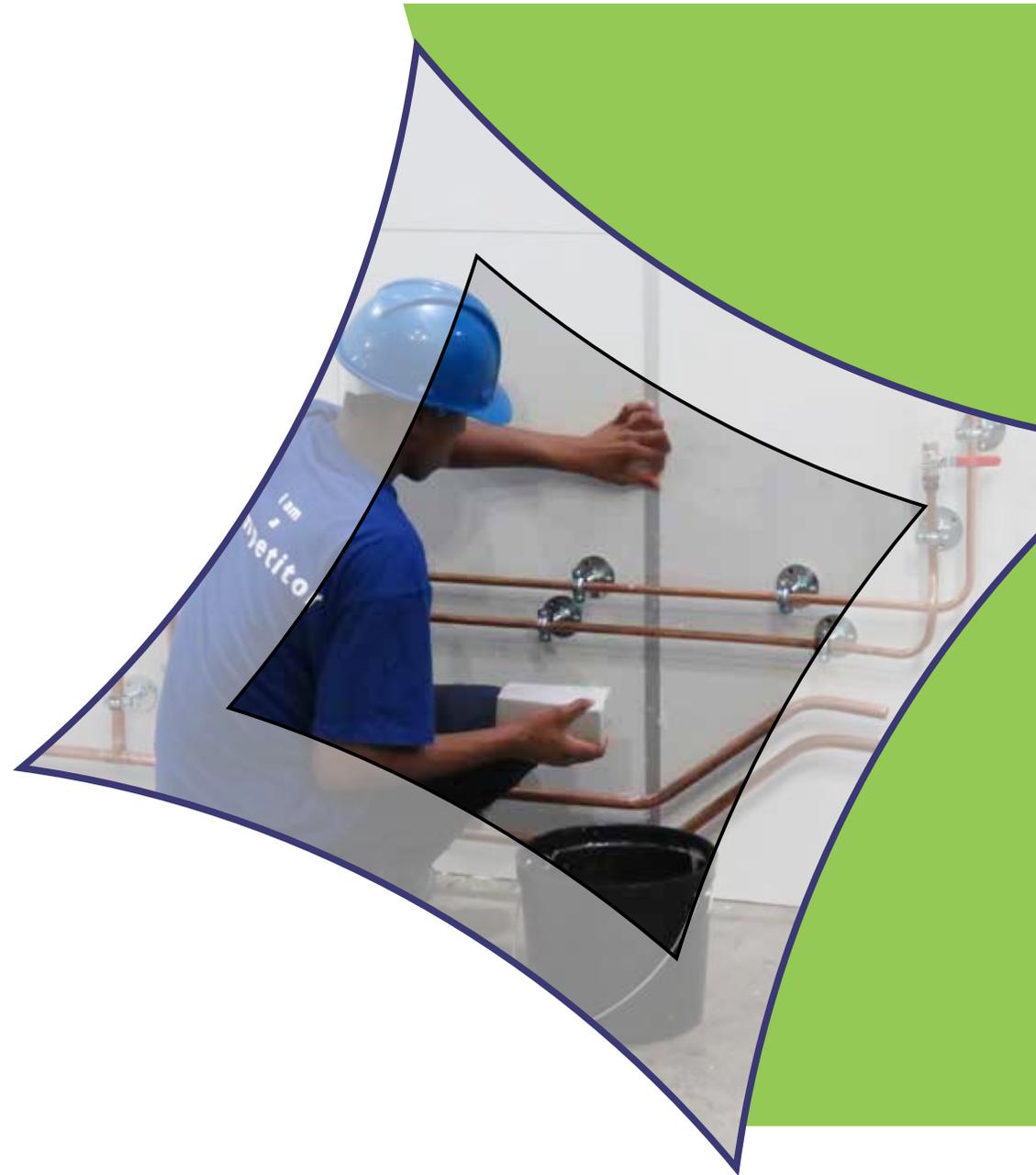
COMMITMENT SIX: We will improve the technological and innovation capability and outcomes within the public and private sectors to enhance our competitiveness in the global economy and to meet our human development priorities.

COMMITMENT SEVEN: We will ensure that the public sector has the capability to meet the strategic priorities of the South African developmental state.

COMMITMENT EIGHT: We will establish effective and efficient planning capabilities in the relevant departments and entities for the successful implementation of the HRDSSA.

v) National Integrated Human Resource Development Plan 2014-2018

The HRD Plan is premised on the Human Resource Development Strategy for South Africa (HRDSA) to meet the developmental needs of the country. It draws on the eight commitments outlined in the HRDSA as well as the five-point plan for HRD adopted by the Human Resource Development Council (HRDC) of South Africa in 2011.





The plan aims to achieve the following strategic outcome-orientated goals:

Goal	Goal statement
1. Universal Access to Quality Foundational Learning	1.1 Ensure expansion & strengthening of ECD. 1.2 Establish a system to ensure that entrants to the teaching profession have adequate & appropriate subject & pedagogical knowledge. 1.3 Improve school leadership & management.
2. Expanded Access to the Post-Schooling Education System	2.1 Strengthen TVET colleges to expand access to quality technical & vocational education. 2.2 Improve the quality of teaching & learning within TVET colleges. 2.3 Mainstream access to CETCs. 2.4 Increase the production & development of academics & staff at TVET colleges. 2.5 Increase the production & development of professionals across all priority professions.
3. Capable Public Sector with Effective & Efficient Planning & Implementation Capabilities	3.1 Revise the public service HRD strategies & plans in line with the vision of the NDP for a professional & capable public service. 3.2 Turn the public sector into a training space.
4. Production of Appropriately Skilled People for the Economy	4.1 Put in place a skills development system that meets the current & future needs of the South African economy. 4.2 Determine & critically analyse the level of alignment between skills supply & the needs of the economy. 4.3 Develop artisan & other middle-level skills to meet economic needs. 4.4 Ensure effective monitoring systems are in place to report on progress & enable blockages to be addressed. 4.5 Develop a National Worker Education Framework & Implementation Plan. 4.6 Integrate entrepreneurship into the curriculum & programmes throughout the education & training system. 4.7 Put in place a comprehensive inter-departmental framework of resource access, training & support to SMMEs. 4.8 Report on small & micro enterprise development, including employment numbers & trends.
5. Improved Technological Innovation & Outcomes	5.1 Advance innovation by the conversion of research outputs into commercially viable products, processes & services.

vi) Medium Term Strategic Framework 2014 - 2019

This Medium Term Strategic Framework (MTSF) is Government's strategic plan for the 2014-2019 electoral term. It reflects the commitments made in the election manifesto of the governing party, including the commitment to implement the NDP. The MTSF sets out the actions Government will take and targets to be achieved. It also provides a framework for the other plans of national, provincial and local government.

The MTSF is structured around 14 priority outcomes, which cover the focus areas identified in the NDP and Government's electoral mandate. These are made up of the 12 outcomes, which were the focus of the 2009-2014 administration, as well as two new outcomes (social protection, nation-building and social cohesion). Priority Outcome 5 is to develop a skilled and capable workforce to support an inclusive growth path. The Department of Higher Education and Training, as the outcome coordinating department, will coordinate implementation forums at a technical and strategic level.

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

To achieve the above, the following outputs for Outcome 5 have been identified:

1. A credible institutional mechanism for labour market and skills planning;
2. Increase access and success in programmes leading to intermediate and high level learning;
3. Increase access to and efficiency of high-level occupationally directed programmes in needed areas; and
4. Increase access to occupationally directed programmes in needed areas and thereby expand the availability of intermediate level skills with a special focus on artisan skills.

vii) New SETA landscape

It is acknowledged that the new SETA landscape may have a significant impact on the National Skills Fund. The National Skills Fund will continue to play a role in defining the new SETA landscape and improving the levy system in its entirety. The process of gazetting this new landscape has been delayed owing to a need to consult the public and stakeholders more widely. It may be that its implementation will be outside the timeframe of this strategic plan.



4.3. NSF’s alignment to key strategies and policies of government

The recent review of applicable strategies, policies and related documentation by the NSF management acknowledged key areas of NSF input, support and collaboration across the Post-School education and training system during the strategic plan period. The critical areas are tabled below:

Key area	Relevance						The NSF response	Strategic input
	White Paper	NSDS III	HRDSSA	NDP	MTSF	DHET strategy		
1) Educational institutions and employers partnerships linked to work-integrated learning	X			X	X	X	<p>The NSF acknowledges that work-integrated learning (WIL) is a key area of intervention.</p> <p>Funding mechanisms will be integrated to steer the PSET system towards systemically incorporating work-integrated learning as part of learners’ education and training.</p> <p>NSF will also contribute towards addressing current WIL gaps experienced by current learners that have completed their theoretical education and training, but lack workplace training.</p> <p>NSF will also contribute towards continued research, analysis and planning required in this area.</p> <p>NSF will continue to facilitate WIL partnerships, understand the total learner value chain right up to work-integrated learning and focus on areas of need.</p>	<p>Ongoing research, analysis and planning are required in the area for WIL.</p> <p>Stakeholder relationships should be facilitated to bring learning and the workplace closer together and funding mechanisms should steer learning and the workplace closer together.</p> <p>Projects should be structured to include practical experience to learners through work based training as part of the overall value chain.</p>

Key area	Relevance						The NSF response	Strategic input
	White Paper	NSDS III	HRDSSA	NDP	MTSF	DHET strategy		
2) Effective skills demand planning through research and analysis (including planning system)		X	X	X		X	<p>NSF will continue to fund the development and establishment of effective skills supply and demand planning through research and analysis.</p> <p>NSF funded the Labour Market Intelligence Project (LMIP), Applied Development Research Solutions (ADRS) Wits Educational Policy Unit and Higher Education and Training Management Information System (HETMIS).</p> <p>The NSF will also provide seed funding for the establishment of a National Skills Planning unit.</p>	<p>NSF will improve internal strategic planning capabilities, through:</p> <p>i) The appointment of strategic, research and analysis capacity;</p> <p>ii) The implementation of enabling strategic, research and analysis technology; and</p> <p>iii) The formation of strong linkages between the National Skills Planning unit and the NSF's internal strategic planning function to ensure integrated planning takes place.</p>
3) Departmental review of legislation and White Paper alignment					X	X	<p>NSF has special interest in this area and continues to participate actively in the development of the White Paper implementation plan, as well as fund areas already under implementation.</p> <p>Redefining the SETA landscape is a critical area of collaboration.</p>	<p>NSF to collaborate with stakeholders and participate in the process to ensure alignment of stakeholders and optimum value from funding of projects.</p> <p>Lessons learned will be shared to improve future policies.</p>
4) Promoting partnerships and innovation in project delivery.		X					<p>The NSF has to further unpack and understand the roles and responsibilities of partners, in the context of external factors.</p> <p>There should be regular communication with and obtaining of commitment from stakeholders.</p>	<p>Stakeholder strategies and frameworks are important.</p> <p>NSF must strengthen its capabilities in this area and incorporate stakeholder requirements in funding contracts.</p> <p>Partnerships with various stakeholders will have to be initiated and strengthened.</p>



Key area	Relevance						The NSF response	Strategic input
	White Paper	NSDS III	HRDSSA	NDP	MTSF	DHET strategy		
5) TVET colleges capacitation and infrastructure	X	X		X	X	X	<p>NSF is funding this area.</p> <p>NSF recognises that this is not a once off intervention, but rather a continuous funding exercise. Thus, not a short-term effect, but rather a long-term consideration.</p> <p>NSF acknowledges that further planning is required.</p>	<p>NSF understands that it will be involved in the expansion of the TVET college system and must participate in the planning and definition of its involvement. Stakeholder strategy and framework to be compiled and implemented.</p> <p>The NSF may have to acquire the necessary skills and capacity to drive infrastructure project outcomes.</p>
6) Community Education and Training colleges (CET) development	X			X	X	X	<p>This area is still under development and NSF will work with the CET branch to assist in both policy development and in piloting a few projects that will continue to support learners</p> <p>This area may potentially have a substantial financial implication.</p>	<p>Strategically this has to be considered seriously and in detail. Gaps in the development value chain have to be addressed, as this is a high priority area.</p> <p>NSF will have to promote partnerships between universities and colleges.</p> <p>Provincial Skills Development Forums (PSDFs) and others will be utilised in each province to ensure the CET work is achieved.</p>
7) SETA landscape review	X			X	X	X	<p>The SETA landscape has been redefined for public comment.</p> <p>SETAs have the industry links that are required to bring learning and workplace closer together, and should be used and protected.</p>	<p>NSF to be actively involved in the strategy formulation and support.</p> <p>NSF to play a role in defining the new SETA landscape and improving the levy system in its entirety.</p>
8) Artisan development strategy operationalisation	X	X		X		X	<p>NSF is currently funding this area and it will remain a high focus area in the future.</p>	<p>The funding plan for artisan development should be refined and aligned to sub-sectors.</p>

Key area	Relevance						The NSF response	Strategic input
	White Paper	NSDS III	HRDSSA	NDP	MTSF	DHET strategy		
9) Development of scarce and critical skills (incorporating SIPS)	X	X	X	X	X	X	<p>This is a high focus area, especially with regards to bursary allocations and vocational and technical skills through TVET colleges.</p> <p>NSF will utilise funding mechanisms to guide bursary allocations to universities and skills developed through the public TVET college system towards training of learners on scarce and critical skills.</p> <p>This includes scarce and critical skills bursaries for students in the university sector and the creation of centres of specialisation at public TVET colleges that are linked to scarce and critical skills.</p>	<p>NSF's utilisation of research to guide funding mechanisms is important.</p> <p>The NSF will proactively plan to satisfy demand for scarce skills through focussed funding.</p> <p>NSF will incorporate skills to deliver SIPS and the Operation Phakisa initiatives in its TVET college projects and bursary requirements.</p>
10) Improve the quality of education and training in post-school education	X					X	<p>Large amounts of money are spent on bursaries as well as on vocational and technical skills delivery through TVET colleges – NSF wants to ensure an increase in the success rate and throughput of beneficiaries.</p> <p>The NSF has to move closer to the relevant role players to ensure money spent complies with NSF rules, such as scarce skills coverage, acceptable throughput and student mentoring programmes.</p> <p>NSF will also contribute towards specific initiatives aimed at improving the quality of management, lecturers, curriculum, systems, processes and infrastructure in TVET colleges.</p>	<p>All beneficiaries to complete courses, with required coaching and mentorship and funding provided. Mentorship and coaching needs to be refined and driven.</p> <p>NSF will keep on funding this aspect in future.</p> <p>There must be integration across all systems and data.</p>
11) Facilitate partnerships and development of SMMEs		X		X			<p>The NSF acknowledges that this is a key aspect in creating economic growth.</p>	<p>Link to departmental plans, partnerships to train SMMEs, community college funding – further research and analysis is required.</p>



Key area	Relevance						The NSF response	Strategic input
	White Paper	NSDS III	HRDSSA	NDP	MTSF	DHET strategy		
12) Worker, NGO and community-based education programmes		X		X			<p>The NSF recognises this as an important link in the skills development value chain.</p>	<p>Analysis and planning in collaboration with the existing task team is required in this area.</p> <p>NSF must link with stakeholders and understand strategies in this area.</p> <p>NSF must identify gaps in the value chain and consider specific recommendations made by stakeholders recently, to define its role.</p>
13) Recognition of Prior Learning (RPL) integration	X						<p>The industry becomes challenging in this area.</p> <p>There are perceived levels of learning that are not acceptable to the industry.</p> <p>Industry and learning must be linked, and training standardised.</p>	<p>The NSF to meet with role players to better understand the value chain and gaps.</p> <p>Funding for capacitation, training and the system.</p> <p>Influence and collaboration so that previous training is validated and components taken into account.</p>
14) PSET integration	X	X	X	X	X	X	<p>NSF supports integration initiatives. NSF can use this for access to stakeholders.</p>	<p>Through funding, assist to integrate the PSET system.</p> <p>NSF requires ICT specialists to assess whether NSF and the PSET system gets optimal benefit from ICT funded projects and whether synergies can be unlocked through integration with existing ICT systems in the PSET environment, rather than duplication.</p> <p>Robust methodologies and frameworks have to be in place in which NSF will fund information systems and information technology.</p>

5. Situational analysis

5.1. Performance environment

i) Social Demand

The White Paper for Post-School Education and Training clearly states that historical disadvantages need to be redressed if South Africa is to move towards a more just and stable society. It further indicates that the NSF will also be a source of funds for wider government strategies such as youth programmes, building small businesses and co-operatives, and rural development.

The National Skills Development Strategy III defines the National Skills Fund as a 'catalytic' fund, enabling the state to drive key skills strategies as well as to meet the training needs of the unemployed, non-levy paying co-operatives, NGOs and community structures and vulnerable groups. It will promote strategic partnerships and innovation in project delivery. It will drive change towards partnership-based programmes and contribute significantly to raising the low base of education and training in our country, guided by our government policies of redress and promoting equity.

Skills development of the youth is imperative to address poverty, unemployment and inequality and contribute towards future economic growth, but also contribute towards key areas aimed at developing thinking citizens, who can function effectively, creatively and ethically as part of a democratic society, which may not necessary be directly linked to economic growth.

The Quarterly Labour Force Survey for Quarter 3 of 2015 (Statistical Release P0211, page 62) from Statistics South Africa indicated the following number of people per age group that are not in employment, education or training (Referred to as the NEET group):

AGE GROUP	NUMBER OF PEOPLE THOUSAND	PERCENTAGE OF TOTAL NEET
YOUTH	7 219	52%
15–24 years	3 044	22%
25–34 years	4 175	30%
ADULT	6 763	48%
35–44 years	2 695	19%
45–54 years	1 966	14%
55–64 years	2 102	15%
TOTAL	13 982	100%

According to the ILO (2014: KILM): "The NEET rate is a broad measure of untapped potential of youth who could contribute to national development through work. Because the NEET group is neither improving their future employability through investment in skills nor gaining experience through employment, this group is particularly at risk of both labour market and social exclusion."

It is clear from the above statistics that the youth (ages 15 to 35) makes up the largest percentage (52%) of the NEET category.

Also, the statistical release on the National and Provincial labour market: Youth Q1:2008 to Q1:2015 revealed that the unemployment rate amongst the youth being 36.9% as opposed to 17% amongst adults.



This is a cause for concern both with regards to the human potential being lost as well with regards to the detrimental consequences it holds for the stability of society should the situation not be addressed as a matter of urgency.

Therefore, the NSF places significant focus on the education and training of the youth (ages 15 to 35) in all its skills development initiatives funded, but still making an allowance for funding the skills development of adults, where applicable.

Skills development of disadvantaged population groups is also imperative to address poverty, unemployment and inequality and ensuring that economic growth is inclusive.

The Quarterly Labour Force Survey for Quarter 3 of 2015 (Statistical Release P0211, page 62) from Statistics South Africa indicated the following number of people per population group that are not in employment, education or training (Referred to as the NEET group):

POPULATION GROUP	NUMBER OF PEOPLE THOUSAND	PERCENTAGE OF TOTAL NEET
Black African	11 681	84%
Coloured	1 275	9%
Indian/Asian	347	2%
White	679	5%
TOTAL	13 982	100%

It is clear from the above statistics that the Black African and Coloured population groups make up the largest percentage (93%) of the NEET category.

Also, the statistical release on the National and Provincial labour market: Youth Q1:2008 to Q1:2015 revealed that the unemployment rate amongst the youth and adults per population group and gender:

YOUTH (15 - 34 yrs)		
POPULATION GROUP	MALE	FEMALE
Black African	36.7%	44.8%
Coloured	29.1%	35.5%
Indian/Asian	24.4%	20.2%
White	11.5%	10.8%
TOTAL	33.8%	40.7%

ADULTS (35 - 64 yrs)		
POPULATION GROUP	MALE	FEMALE
Black African	18.4%	20.7%
Coloured	15.2%	16.3%
Indian/Asian	7.5%	15.0%
White	4.4%	6.1%
TOTAL	15.9%	18.4%

The above statistics clearly indicate that the Black African population group is the most disadvantaged with regards to employment for both youth and adults, followed by the Coloured population group for both youth and

adults and then to a lesser extent the Indian / Asian population group for both youth and adults. Unemployment amongst the youth in the Black African and Coloured population groups is significantly higher than that of adults in the same population groups.

The latest labour market statistics are cause for concern and support the White Paper for Post-School Education and Training in its statement that historical disadvantages need to be redressed if South Africa is to move towards a more just and stable society.

Therefore, the NSF places significant focus on the education and training of people from disadvantaged population groups to ensure inclusive economic growth is achieved through skills development.

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

ii) PSET System Demand

The White Paper for Post-School Education and Training envisages an integrated system of post-school education and training, with all institutions playing their role as parts of a coherent but differentiated whole. These institutions include the colleges and universities whose main purpose is the direct provision of education and training and, in the case of universities, the conduct of research. They also include institutions that support the education and training process, such as the Sector Education and Training Authorities, the National Skills Fund and the advisory, regulatory and quality assurance bodies such as the South African Qualifications Authority (SAQA) and the Quality Councils.

The White Paper for Post-School Education and Training clearly stipulates that the NSF will be an important source of funding to enable the linkages between the skills system and the other post-schooling sub-systems that will be put in place. A number of the strategic goals and objectives related to the PSET system cannot be achieved without enabling funding from the NSF.

The White Paper also recognises the importance of partnerships between educational institutions and employers. Most students are preparing for careers in the labour market, and practical experience in the world of work is an invaluable part of their training. Even those students who do not find jobs in the formal labour market will benefit from practical workplace experience as they seek alternative ways of earning sustainable livelihoods. Employers must be drawn closer to the education and training process; they are among its major beneficiaries and must contribute to its success.

The NSF will therefore continue to be responsible for building linkages within the skills system and fund skills development capacity in public education and training institutions. The NSF aims to expand and improve the effectiveness and further integration of the PSET system as the PSET system plays a critical part in contributing towards the NSF's strategic goal, namely that of a skilled and capable workforce for an inclusive growth path.

Furthermore, the *White Paper for Post-School Education and Training* indicates that the NSF is to support research and innovation.

The third National Skills Development Strategy has raised research, development and innovation to a strategic level. They are not simply aspects of skills planning, but fundamental to the achievement of a skilled nation, attracting investment and achieving shared growth and development. The



NSF is in a good position to support research which cuts across sectors. For example, the issue of beneficiation in mining has been highlighted, as has training within the supply chain. AgriSETA has raised the need to strengthen training along the entire food chain if the rural economy is to be strengthened. The NSF must sponsor research where key opportunities for economic growth and industrial development are identified but do not fall tidily into a single sector or SETA. Some of the research questions posed by NSDS III are difficult. They impact the way we understand our challenges as a nation, or even how we identify the challenges. For example, how can skills development support the creation of a developmental state? This requires an understanding of the possible role of the state and its various components, and an exploration of different models of state intervention in the economy. Meta-analyses of census and other data on how the poor in rural and urban areas earn their livelihoods are examples of research that can inform us about skills needs and help shape our curricula, especially in community colleges. Such research, both empirical and theoretical, demands the involvement of intellectuals in universities and think tanks; the NSF should provide funding where appropriate to clarify and achieve government's aims with regard to the education and skills development systems.

Increasingly in this global world, innovation sets a country apart and places it on a positive developmental path. Innovation has been seen as something pertaining to universities and academics, but increasingly it is about applying theory in practical ways in industry. With the increased focus of NSDS III on bridging the gap between study and work, particularly in postgraduate fields of learning, innovation projects can be identified and funded by the NSF to support the wider goals of government.

Currently, priority projects aimed at expanding and improving the effectiveness and integration of the PSET system have been identified by

the Department of Higher Education and Training are estimated at R13.4 billion required over the 5 year strategic period (2015/16 to 2019/20). The demand for PSET system development and capacity building outstrips the NSF's funding supply and therefore the NSF, with the Department of Higher Education and Training, will prioritise key initiatives to be funded by NSF and balance funding between the different initiatives and post-school education and training sectors.

iii) Strategic skills development

The NSF's skills development initiatives will be aligned to key areas of demand related to both economic development imperatives, as well as social development imperatives.

It has been recognised that the skills required for meeting the objectives of many of the national development strategies and priorities are related to the same occupations and such these occupations will be identified as priority occupations.

The priority occupations will be determined from the following key government strategies, plans and initiatives:

1. The National Development Plan, which is especially implemented through the Operation Phakisa initiatives (e.g. Oceans Economy, Health, Mining and Beneficiation, etc.);
2. The White Paper for Post-School Education and Training (including White Paper implementation plan);
3. The National Skills Development Strategy IV;
4. The Industrial Policy Action Plan, which is implemented by the Department of Trade and Industry;

5. The New Growth Path, with specific reference to the 18 Strategic Integrated Projects (SIPs) implemented as part of the National Infrastructure Plan, namely:

SIP 1: Unlocking the northern mineral belt with Waterberg as the catalyst;

SIP 2: Durban-Free State-Gauteng logistics and industrial corridor;

SIP 3: South-Eastern node & corridor development

SIP 4: Unlocking the economic opportunities in North West

SIP 5: Saldanha-Northern Cape development corridor

SIP 6: Integrated municipal infrastructure project

SIP 7: Integrated urban space and public transport programme

SIP 8: Green energy in support of the South African economy

SIP 9: Electricity generation to support socio-economic development

SIP 10: Electricity transmission and distribution for all

SIP 11: Agri-logistics and rural infrastructure

SIP 12: Revitalisation of public hospitals and other health facilities

SIP 13: National school build programme

SIP 14: Higher education infrastructure

SIP 15: Expanding access to communication technology

SIP 16: SKA & Meerkat

SIP 17: Regional integration for African cooperation and development

SIP 18: Water and sanitation infrastructure

6. The Human Resource Development Strategy of South Africa (HRDSSA), implemented as outlined in the Human Resource Development Implementation Plan.

Linked to the above strategies and plans are key initiatives such as “War on Leaks”, “Decade of the Artisan”, etc. that the NSF will on a continuous basis evaluate to determine the priority occupations required for such initiatives and whether learners are already being funded on learning pathways towards such priority occupations.

Furthermore, key research will also be taken into consideration to determine priority occupations, such as the following:

1. South Africa’s Big Five: Bold Priorities for Inclusive Growth, published by the McKinsey Global Institute – September 2015
2. Growing Priority Skills in South Africa, published by the Joint Initiative on Priority Skills Acquisition – March 2010
3. Key issues in improving the quantity and quality of professionals in areas of scarce skills, published by the Human Resource Development Council – November 2012
4. Production of Academics and Strengthening of Higher Education Partnerships with Industry, published by the Human Resource Development Council
5. Advancing skills development in the maritime sector, published by the Human Resource Development Council – 15 October 2014
6. National Scarce Skills List: Top 100 Occupations in Demand, gazetted by the Department of Higher Education and Training in Government Gazette No. 37678, Notice No. 380 of 2014.



The NSF will provide a detailed breakdown of the number of learners that the NSF funded during each financial year on learning pathways towards priority occupations. The detailed breakdown will be included in the NSF's annual reports and will outline the occupations that the NSF is contributing towards.

The education and training of learners towards priority occupations is critical for the growth of the economy, social development priorities and also towards key areas aimed at developing thinking citizens, who can function effectively, creatively and ethically as part of a democratic society, which may not necessary be directly linked to economic growth.

By focusing the NSF's funding towards education and training of learners on learning pathways towards priority occupations will ensure that the Fund contributes towards the various economic growth strategies, plans and initiatives of government and thereby achieve strategic goal 1, namely that of a skilled and capable workforce for an inclusive growth path.

Funding is strategically aimed at benefitting as many people as possible with economically viable skills, whilst simultaneously benefitting the public skills delivery system through channelling a large portion of the skills development funding through the public delivery system.



5.2. Organisational environment

i) Project Siyaphambili

A series of events has led to the NSF implementing an integrated transformation project, named Project Siyaphambili, aimed at transforming the organisation to become more effective and efficient. These events consisted of the following, amongst others:

1. The 2010/11 to 2014/15 Strategic Plan of the Department pointed to the immediate key challenges for the NSF, which included:
 - Alignment of the NSF with the priorities set in the third National Skills Development Strategy (NSDS III);
 - An alignment of the NSF with the priorities of the post-school education and training system;
 - Developing a strong monitoring and evaluation capacity and systems for its funded programmes; and
 - Improving disbursement capacity, through amongst others promoting strategic partnerships and innovation in project delivery.

Further outlining the goal for the National Skills Fund to operate at the highest standards of efficiency and effectiveness, with high levels of client satisfaction, and making use of its resources to have a major impact on the provision of skills development in the country.

2. The launch of the third National Skills Development Strategy (NSDS III) in 2011, which, amongst other things emphasized, as one of NSF's primary activities, the urgent need to develop a strong monitoring and evaluation (M&E) capacity and system that will provide the necessary management and oversight assurance required

to ensure that funds are spent on the intended beneficiaries and in line with the contract and/or Service Level Agreements (SLA). M&E activities urgently need to be prioritised as a prominent and integral part of the NSF;

3. On 12 October 2012, the Minister of Finance listed the National Skills Fund as a national public entity under Part A of Schedule 3 of the Public Finance Management Act (PFMA). The listing was retrospectively effective from 1 April 2012, as per notice number 821 in Government Gazette No 35759. Although the listing of the NSF as a Schedule 3A public entity initially gave rise to the launch of the integrated transformation project, the main reason for the integrated transformation project is about improving the efficiency and effectiveness of the NSF as an organisation irrespective of the compliance framework within which the organisation must operate;
4. A series of reviews and evaluations was conducted by various departments and other role players on the skills levy institutions, which identified certain weaknesses and strengths and made recommendations for improvement. Many of the findings forthcoming from the reviews on the skills levy institutions reflects the current state of the NSF as well, which was further confirmed through the specific reviews conducted only on the NSF; and
5. The launch of the White Paper for Post-School Education and Training (White Paper) during November 2013 outlining amongst others the new envisaged role of the NSF within the envisaged Post-School Education and Training system.

The expected outcomes of Project Siyaphambili comprise of the following:

- Improving alignment of the organisation to its mandate;
- Optimising the NSF's operations;



- Reviewing the NSF's processes;
- Aligning, building, and staffing up the NSF's organisation structure;
- Building, improving and capacitating the NSF's monitoring and evaluation capability; and
- Enhancing the NSF's performance management, information and reporting.

Some of the current challenges faced by the NSF that are being addressed by Project Siyaphambili include but are not limited to:

- Insufficient capacity to deliver the NSF core operations such as strategic planning, research and analysis, initiation and monitoring and evaluation of its funded programmes (inclusive of performance information reporting);
- Insufficient systems to manage the NSF core and support operations, resulting in mainly manual operations;
- Inadequate business process articulation and inconsistencies in application;
- Inadequate support services delivered through a service level agreement with the Department;
- Misaligned cash-based financial system to the accrual based requirements of the public entity;
- Unstructured research and analysis functions that are not clearly defined and integrated;
- Inadequate knowledge management and lessons learnt feedback to influence decision making;

- Insufficient stakeholder management planning and interaction;
- Linking contributions from individual project level to strategic targets is not explicit, and logic frameworks are not applied to evaluate proposal success in delivering intended outcomes;
- Inadequate standard operating procedures for the recording and reporting of project performance information; and
- Misalignment of operating model processes and organisational structure.

The project is to successfully address the NSF challenges and establish an effective and efficient organisation by:

- Articulating the current state and challenges to be addressed;
- Defining the desired end state as an organisation through the design of strategically aligned core and support processes enabled by an organisational structure and information technology;
- Transitioning the NSF from its current state to the desired end state through implementation of comprehensive transition plans and training; and
- Implementing the appropriate change management initiatives and robust project management processes.

At the date of review of this strategic plan, the design phase and implementation planning phase of the NSF's new organisational architecture has been completed, with implementation of the NSF's new organisational structure having started, as well as implementation of the new ICT system and business processes.

The recommendations from the following reports were also used in designing the new improved NSF:

1. The current state assessment on the NSF performed as part of Project Siyaphambili;
2. The Expenditure Performance Review conducted by National Treasury specifically on the NSF; and
3. The Auditor-General's audit report and management report on the NSF for the 2013/14, 2014/15 and 2015/16 audit cycles.

At the time of preparation of this strategic plan, the implementation phase has commenced, which consists of the following:

1. Implementation of the NSF's new re-engineered business processes;
2. Implementation of the enabling technology and ICT systems; and
3. Implementation of the NSF's new organisational structure, based on the new re-engineered business processes.

The implementation of the various of aspects of the NSF's new organisational architecture have been incorporated into this strategic plan.

ii) High level organisational structure

Currently the organisational structure of the NSF, as at the end of February 2017, consists of the following staff:

Executive office – 3 staff

Sector skills support – 11 staff

Strategic projects – 20 staff

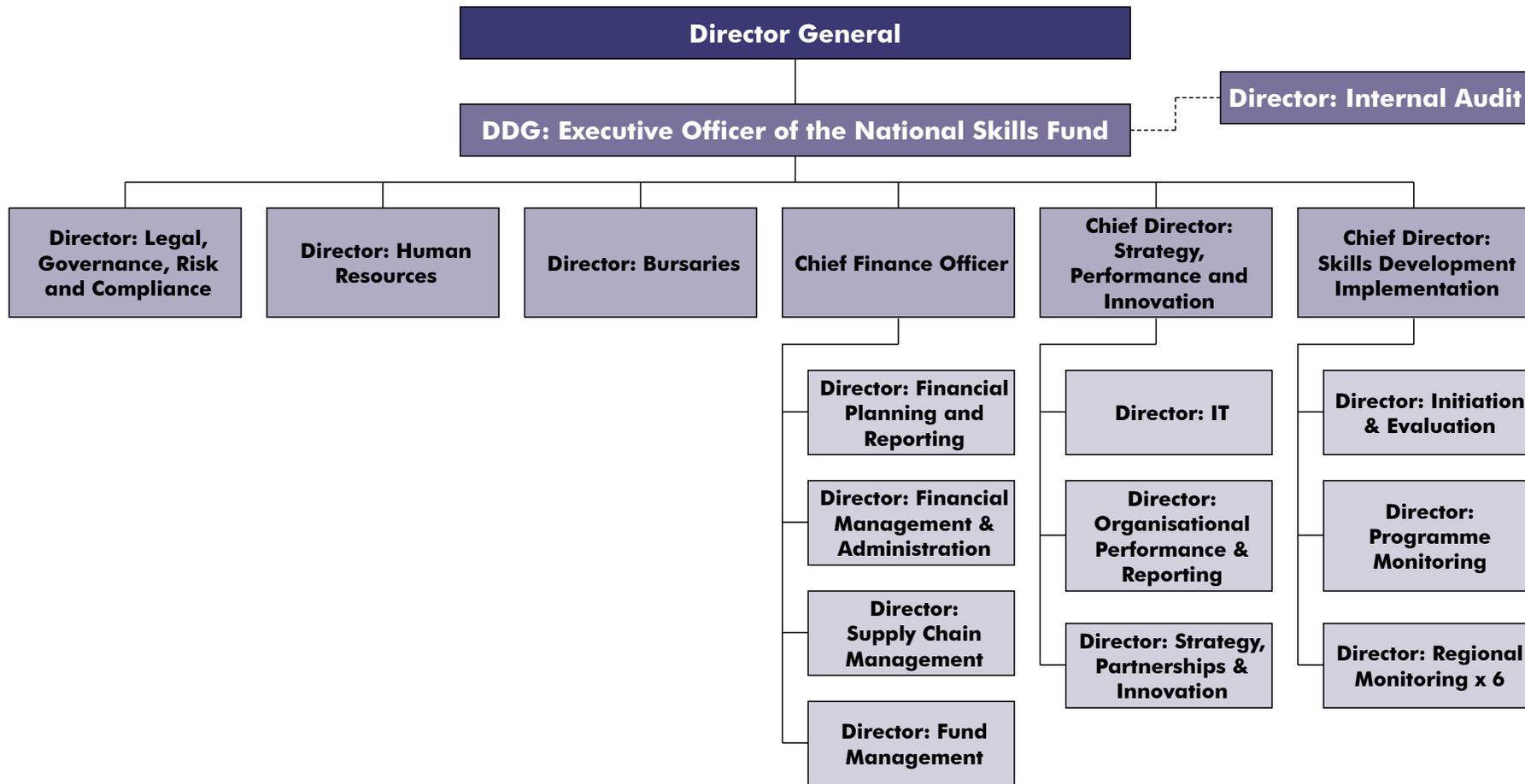
Finance and administration – 19 staff

Provincial operations – 18 staff

Interns – 24 staff

Total staff complement of 95

The current structure will be replaced by the NSF’s new organisational structure during the 2016/17 and 2017/18 financial years. The macro structure of the new organisational structure is as follows:



The new organisational structure is aimed at improving the following capabilities within the Fund:

1. Improved strategic planning (including skills supply and demand planning), research and analysis;
2. Improved stakeholder management;
3. Improved skills development initiation and brokering;
4. Innovation and continued organisation performance improvement;
5. Improved information, integrated reporting and ICT management;
6. Improved financial management at individual project level;
7. Improved skills development monitoring and evaluation;
8. Improved support functions (inclusive of Human Resource Management, Legal, Governance, Compliance and Supply Chain Management)

5.3. Description of the strategic planning process

A strategic planning session was held on 19 August 2015 to discuss, debate and finalise the NSF's strategic plan, which was reviewed during February 2017, subsequent to the NSF being required to use a significant portion of its funds towards funding the "No Fees Increase" for the 2016 and 2017 academic years.

In terms of section 5 of the Skills Development Act, 1998 (No.97 of 1998) one of the functions of the National Skills Authority is to advise the Minister on the strategic framework and criteria for allocation of funds from the National Skills Fund. The Fund will therefore, as in the past, table this strategic plan to the National Skills Authority for consideration in the presentation thereof to the Minister of Higher Education and Training, and the Director-General of the Department of Higher Education and Training, as the accounting authority of the NSF.



6. Strategic Outcome Oriented Goal: A SKILLED AND CAPABLE WORKFORCE TO SUPPORT AN INCLUSIVE GROWTH PATH

6.1. Strategic Goal Statement

It is the strategic goal of the NSF to contribute towards creating a skilled and capable workforce to support an inclusive growth path.

6.2. Importance / Purpose of the Strategic Goal

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

- i) the learners funded by NSF for skills development; and
- ii) the PSET system through which the skills of learners are developed.

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

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

The PSET system produces a skilled and capable workforce for the labour market (including self-employment) and therefore to expand and to make the PSET system more effective and integrated directly contributes to the NSF's strategic goal, namely that of contributing towards creating a skilled and capable workforce for an inclusive growth path.

This achievement of this strategic goal is aimed towards addressing South Africa's triple challenge of poverty, inequality and unemployment by providing for those from disadvantaged backgrounds and from vulnerable groups with education and training opportunities that will contribute towards their employment (including self-employment) prospects and wealth generation capabilities. This strategic goal is fully aligned to **Outcome 5: A skilled and capable workforce for an inclusive growth path.**

6.3. Performance Indicators and Targets

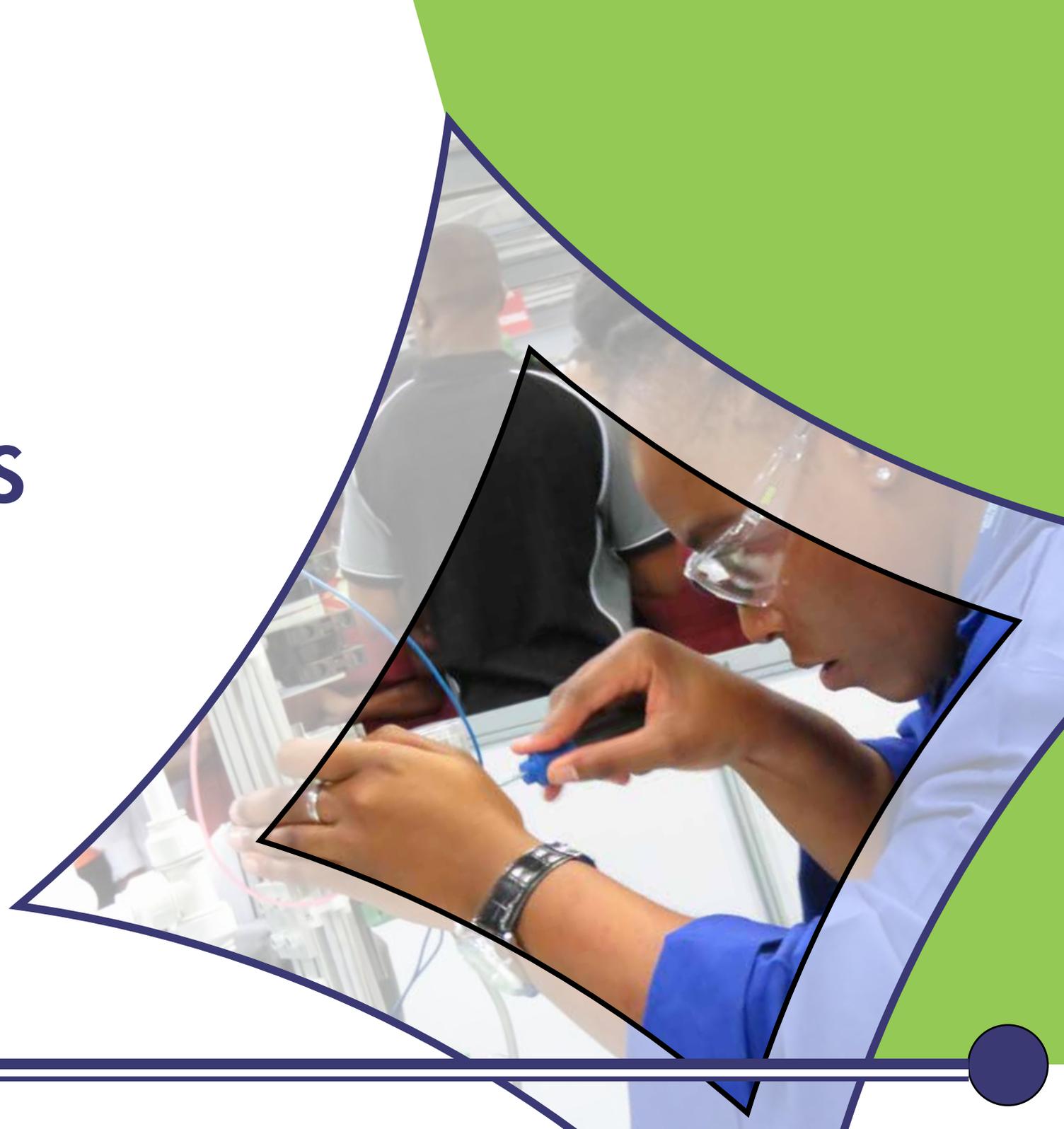
The NSF's performance on achieving this strategic goal will be measured by a number of outcome orientated performance indicators. These outcome-orientated performance indicators are focused towards measuring the NSF's ability to improve the employment (including self-employment) prospects of the learners that the Fund could reach through skills development, with specific focus being on people from disadvantaged backgrounds and vulnerable groups to ensure that growth is inclusive.

The NSF has set for itself the following outcome orientated performance indicators and targets to be mainly measured after completion of the 5 year strategic period (2015/16 to 2019/20):

STRATEGIC GOAL: A SKILLED AND CAPABLE WORKFORCE FOR AN INCLUSIVE GROWTH PATH								
Strategic outcome target for period 2015/16 to 2019/20		Outcome Performance Indicator	Estimated performance (Baseline)	Medium Term Targets			Additional 2 Years	
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
1	51 800 NSF funded learners that completed their education and training are employed (including self-employed) after completion of their education and training.	Number of NSF funded learners that are employed (including self-employment) after completion of their education and training. (OUTCOME-BASED)	No baseline available: New indicator.	9 600	9 600	10 400	11 100	11 100
	PURPOSE: By measuring the extent to which NSF funded learners are employed within a reasonable period after successful completion of their education and training will provide NSF with a good indication of the success of its skills development initiatives funded in creating a skilled and capable workforce for an inclusive growth path.							
2	100% of projects aimed at expanding, improving effectiveness and integrating the PSET system has successfully achieved the envisaged outcomes per project.	Percentage of projects aimed at expanding, improving effectiveness and integrating the PSET system that has successfully achieved the envisaged outcomes per project.	No baseline available: New indicator.	Longer-term projects, thus the successful completion thereof can only be measured closer to the end of the 5 year strategic period. Ongoing monitoring will however be performed throughout the projects.			100%	
	PURPOSE: The purpose of this outcome target and performance indicator is to measure the outcome of the NSF's investment in expanding, improving effectiveness and integrating the PSET system. The outcome of the NSF's investment in expanding, integrating and improving effectiveness of the PSET system, will be impacted by the success of the NSF's portfolio of projects, specifically aimed at expanding, integrating and improving the effectiveness of the PSET system. Each project's individual achievements of the project's specific envisaged outcomes will be evaluated to collectively determine the overall achievement of the projects collectively as a portfolio of projects aimed at expanding, improving effectiveness and integrating the PSET system.							

PART B:

STRATEGIC OBJECTIVES



PART B: STRATEGIC OBJECTIVES

7. Programme 1: Funding Skills Development

Programme purpose

Programme 1: Funding Skills Development is the outward focused service delivery programme of the NSF, namely that of funding skills development.

The programme is aligned to the following aspects of the NSF's mandate as per the Skills Development Act, 1998 (Act No. 97 of 1998):

1. To fund projects identified in the National Skills Development Strategy as national priorities (section 28(1) of the Skills Development Act);
2. To fund projects related to the achievement of the purposes of the Skills Development Act as the Director-General determines (section 28(1) of the Skills Development Act); and
3. To fund any activity undertaken by the Minister to achieve a national standard of good practice in skills development (section 30B. of the Skills Development Act).

Programme structure

Programme 1: Funding Skills Development has been further developed into the four sub-programmes, which are constituent parts of the main programme. Each of the 4 sub-programmes defines the main services or activities that NSF funds to achieve the strategic objectives of *Programme 1: Funding Skills Development*.

These 4 sub-programmes consist of the following:

Sub-Programme 1.1: Education and Training

This sub-programme consists of funding learners for education and training on strategic education and training initiatives.

Sub-Programme 1.2: PSET System Development and Capacity Building

This sub-programme consists of funding strategic PSET system development and capacity building initiatives.

Sub-Programme 1.3: Skills Infrastructure Development

This sub-programme consists of funding strategic skills infrastructure development initiatives.

Sub-Programme 1.4: Skills Development Research, Innovation and Communication

This sub-programme consists of funding skills development research, innovation, advocacy and communication.

Institution responsible for programme performance delivery

Although the NSF carries the responsibility for the performance of the skills development initiatives funded by the NSF under *Programme 1: Funding Skills Development*, the performance of these initiatives is dependent on the performance of a number of key stakeholders and institutions within the broader PSET environment.



Amongst them, are the following institutions and stakeholders:

1. The Department of Higher Education and Training (DHET) as the Department responsible for the entire PSET system. The Department is a key stakeholder in the performance of many of the skills development initiatives funded by the NSF, especially skills development initiatives where the Department plays an active role as implementer of those initiatives. These initiatives are funded under *Sub-Programme 1.2: PSET System Development and Capacity Building*, *Sub-Programme 1.3: Skills Infrastructure Development* and *Sub-Programme 1.4: Skills Development Research, Innovation and Communication*.
2. The learning institutions, namely the universities, the TVET colleges and community colleges, where learners undergo their theoretical learning component and, where applicable, their practical training component of their education and training. The learning institutions play a critical role towards the successful outcome of the skills development initiatives funded by the NSF, especially those initiatives funded under *Sub-Programme 1.1: Education and Training*.
3. Workplaces, where learners undergo their workplace-based learning component and, where applicable, their practical training component of their education and training. The workplaces play a critical role towards the successful outcome of the skills development initiatives funded by the NSF, especially those funded under *Sub-Programme 1.1: Education and Training*. These workplaces may be state owned companies, private companies, SMMEs and co-operatives, government departments, government agencies, non-profit organisations (e.g. community based organisations and non-governmental organisations). The Sector Education and Training Authorities (SETAs), employer associations, labour unions, government agencies and others often play a critical role in providing linkages to the workplaces, where learners may undergo their workplace-based learning component of their education and training.
4. SAQA, the three quality councils (QCTO, CHE and UMALUSI), quality assurance bodies (e.g. NAMB), professional bodies and others (SAIVCET) plays a critical role in ensuring that learners funded for education and training on strategic skills development initiatives under *Sub-Programme 1.1: Education and Training* undergo such education and training on accredited learning programmes and acquire recognised qualifications, where accreditation is a requirement. These stakeholders also play a critical role in the development and capacitation of the PSET system, especially with regards to matters related to quality.
5. The Human Resource Development Council of South Africa (HRDCSA) and National Skills Authority (NSA), together with the Department, play a critical role in the execution of skills development research, innovation and communication funded by NSF. These stakeholders' performance in these areas has a direct impact on the NSF's performance on *Sub-Programme 1.4: Skills Development Research, Innovation and Communication*.

Resource considerations

Revenue and expenditure trends

Significant increase in NSF's total revenue due to additional funding received from the SETAs (mainly once-off):

The NSF's total revenue has grown significantly in the past three financial years (2013/14, 2014/15 and 2015/16) mainly due the following additional funds received from the SETAs:

1. 2013/14: R1.077 billion

R1.077 billion was received from the SETAs in 2013/14 as the SETAs' contribution towards construction of the 16 new TVET college sites.

2. 2014/15: R2.646 billion

R2.586 billion was received from the SETAs in 2014/15 as a result of the SETAs' uncommitted surpluses being transferred to the NSF and R60.4 million was received from the SETAs towards TVET college infrastructure development.

3. R580 million

R363.945 was received from the SETAs in 2015/16 as a result of the SETAs' uncommitted surpluses being transferred to the NSF, R31.055 million was received from the SETAs towards TVET college infrastructure development and R185 million towards the establishment of SAIVCET.

The above additional funds received are however once-off contributions, earmarked for specific skills development initiatives such as the TVET college skills infrastructure development initiative. The SETA surpluses that

have been transferred to the NSF have initially been earmarked towards priority PSET system development and capacity building over 5 year strategic period (2015/16 to 2019/20). However, this funding has been reprioritised towards funding the "No Fees Increase" for the 2016 and 2017 academic years.

Levy income expected to grow moderately over the MTEF period at 5% per annum, while investment income is expected to decline significantly due to a decline in surpluses:

The NSF's constant revenue streams however relate to the revenue that the NSF receives on a monthly basis from skills development levies and investment income from its investments at the Public Investment Corporation (PIC).

The levy is currently indicating a negative nominal growth of 0.18% in comparison with the prior year (2016/17 Total SDL: R3.033 billion), whereas in the previous four financial years it has grown at 8.5% per year (2015/16 total SDL: R2.985 billion), 9.4% (2014/15 total SDL: R2.751 billion), 11.6% (2013/14 total SDL: R2.515 billion) and 10.9% (2012/13 total SDL: R2.254 billion) respectively. Given the current economic climate, the levy growth projection has been limited to 5% per year over the MTEF period.

The NSF's investment income grew significantly in the 2014/15, 2015/16 and 2016/17 financial years due to additional once-off funding received from the SETAs, effectively increasing the NSF's investment held at the PIC. However, the NSF's investment income is expected to decline significantly due to the steep decline in the NSF's surpluses. The steep decline in the NSF's surpluses is as a result of the NSF's contribution towards funding the "No Fees Increases" for the 2016 and 2017 academic years for university and TVET college students, as well as utilising the surpluses towards



funding priority PSET system development and capacity building projects and priority skills infrastructure development projects. Given the current projections on the utilising of the NSF's surpluses, it is expected that the NSF's investment income will significantly decline over the MTEF period.

Significant growth in NSF's skills development funding:

Prior to NSDS III, the National Skills Fund used to accumulate significant surpluses due to under-spending occurring year-on-year. However with the dawn of the NSDS III, the NSF's expenditure has increased significantly, as the Fund not only started to utilise its revenue toward skills development, but also its accumulated surpluses.

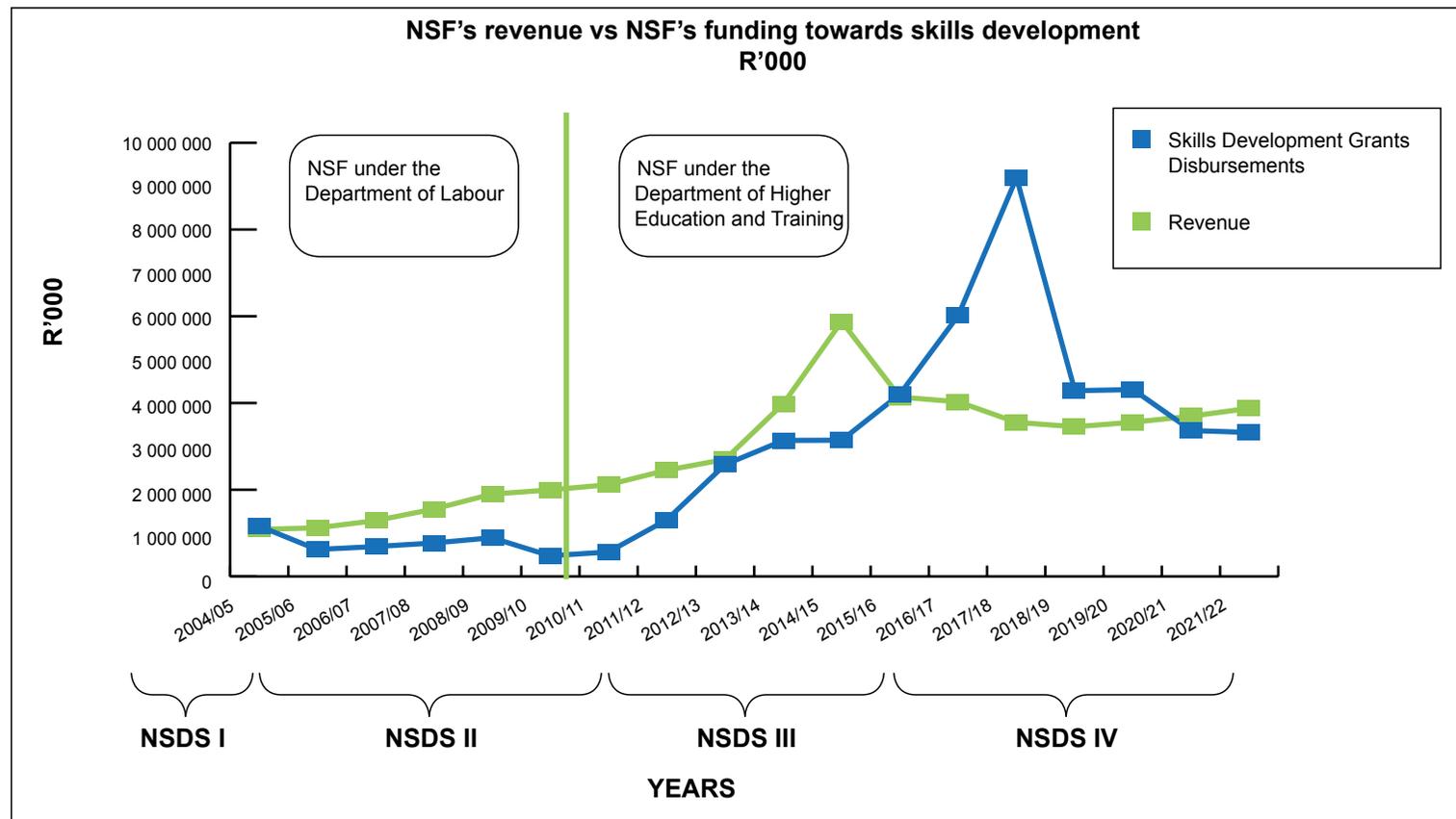
The NSF was required to fund 50% of the "No Fees Increase" for the 2016 academic year (R1.274 billion) and is further required to fund 100% of the "No Fees Increase" for the 2017 academic year (R5.288 billion) from its accumulated surpluses (including SETA uncommitted surpluses transferred to the NSF). The NSF's total contribution towards the "No Fees Increase" in the two academic years amounts to R6.563 billion in total, representing 59% of the NSF accumulated surpluses prior to the contribution. The redirection of the NSF's accumulated surpluses towards the "No Fees Increase" in the respective years has the following implications:

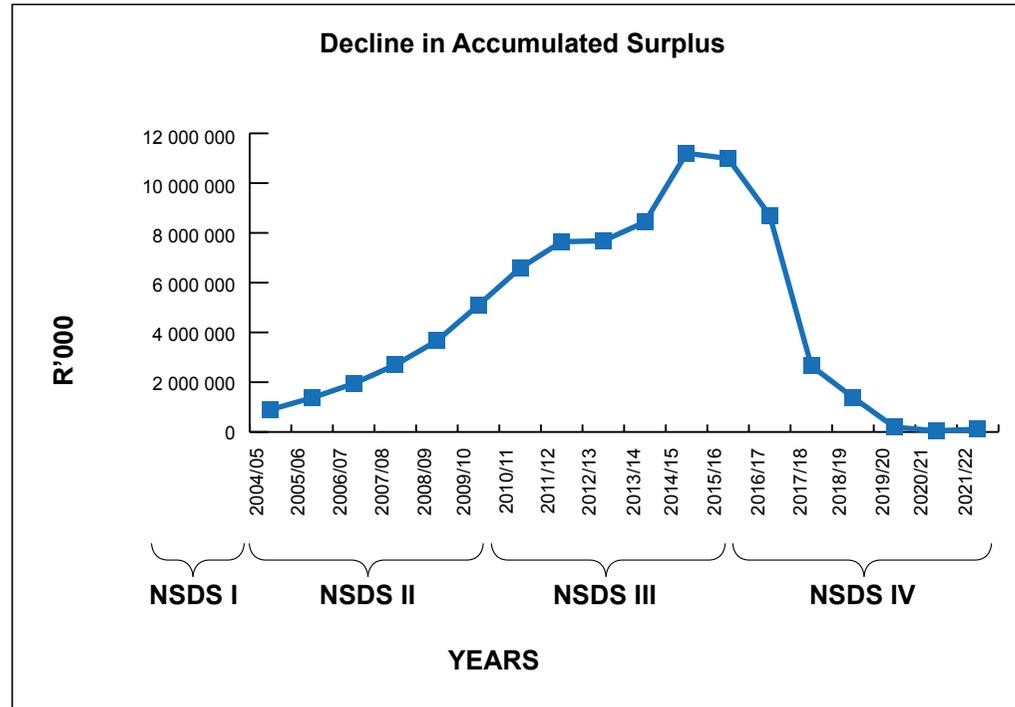
1. The NSF's annual investment income is expected to decline significantly from R817 million per annum to R88 million per annum. This means that the NSF will receive R729 million less revenue per annum in the outer year of MTEF period, resulting in the next two financial years due to a decline in the reserves. This will have a direct impact on the funding that is available for scarce and critical skills undergraduate

bursaries and post-graduate bursaries for university students as these bursaries allocations were funded from the NSF's investment income stream.

2. An estimated R1.5 billion has been lost for artisan development.
3. An estimated R1.5 billion has been lost for priority systemic improvements within the Post-School Education and Training (PSET) system and other PSET system functions that are currently funded solely by the NSF, can only be sustained until 2019/20 by the NSF. Thereafter all NSF's surplus funds would have been utilised and the NSF cannot sustain these critical PSET system functions. These functions includes funding the operations of the National Artisan Moderation Body (NAMB), operations of the Career Development Services, operations of the three new TVET college campuses, operations of the National Artisan Development Support Centre, operations of the South African Institute for Vocational Education and Training and a number of critical posts within the Technical and Vocational Education and Training (TVET) branch. Most of these operations and capacity are critical towards improving quality and efficiency in the TVET colleges and with regards to artisan development.

The graphs below illustrate that the NSF’s skills development funding has significantly increased since the beginning of the NSDS III and is expected to continue in 2017/18 and onwards, with skills development funding exceeding total revenue leading to a gradual decline in the NSF’s accumulated surplus. The peaks in total revenue and accumulated surpluses can be ascribed to the additional income that was received from the SETAs. The peak in skills development funding subsequent can be ascribed to the NSF’s once-off contributions of R1.274 billion and R5.288 billion towards the “No Fees Increase” during the 2015/16 and 2016/17 financial years.





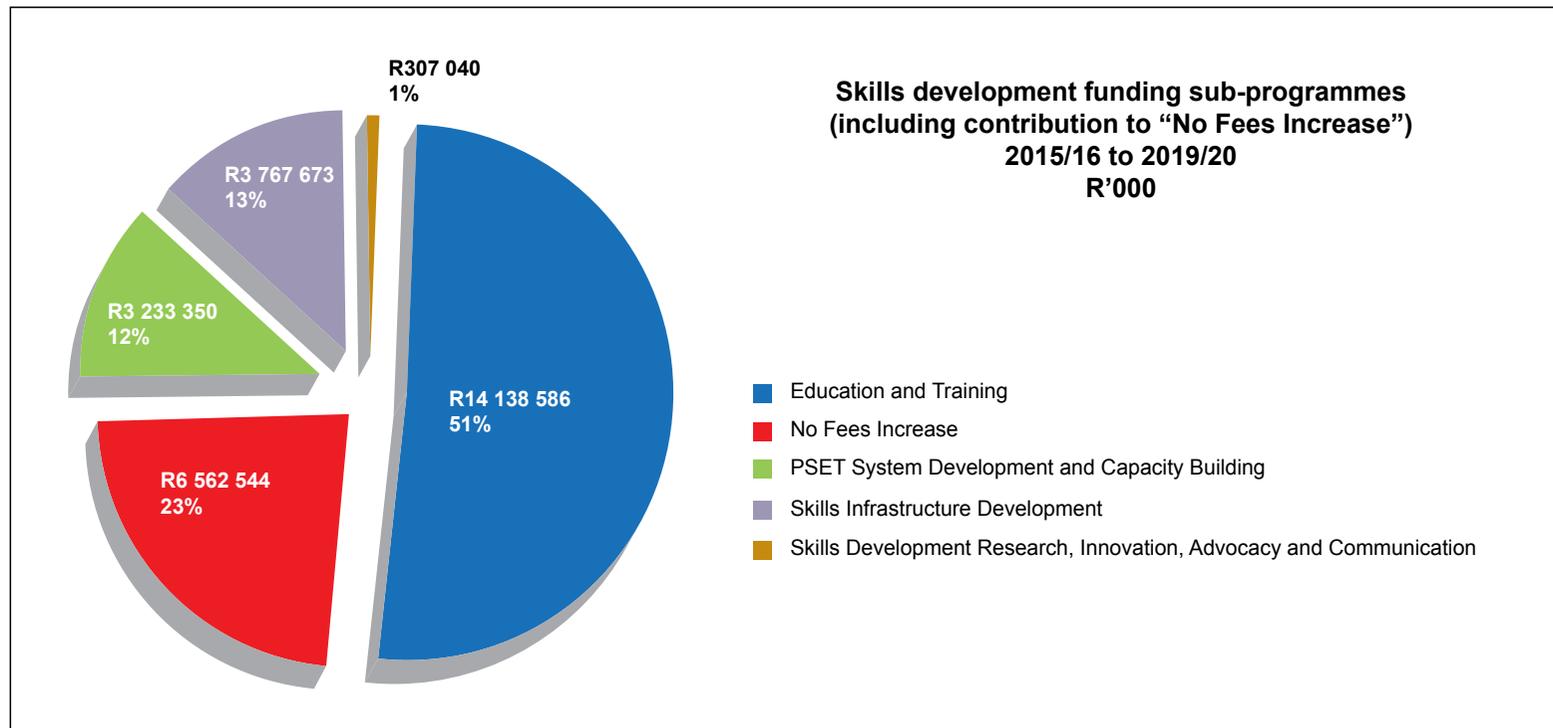
TOTAL SKILLS DEVELOPMENT FUNDING OVER NEXT 5 YEARS = R 26.775 BILLION

vs.

TOTAL REVENUE OVER 5 YEAR STRATEGIC PERIOD = R17.382 BILLION

TOTAL RESERVES UTILISED = R9.393 BILLION

Over the 5 year strategic period (2015/16 to 2019/20), 51% of the NSF’s investment in skills development will be focused towards the education and training of learners enrolled in specific skills development initiatives funded by the NSF, 23% towards the “No Fees Increase” for the 2016 and 2017 academic year as a once-off contribution, 12% towards developing the PSET system and expanding the capacity thereof, 13% towards skills infrastructure development and 1% towards skills development research, innovation, advocacy and communication. The share of each budget sub-programme related to *Programme 1: Funding Skills Development* is illustrated in the graph below:





7.1. Sub-Programme 1.1: Education and Training

Sub-programme purpose

This sub-programme consists of funding learners for education and training on strategic education and training initiatives.

These strategic education and training initiatives are aimed at educating and training learners towards priority occupations that are linked towards achieving the objectives of key government imperatives and initiatives, such as the following:

1. Education and training of learners towards priority occupations aimed at achieving the objectives of the National Development Plan, which is implemented through the Operation Phakisa Initiatives amongst others (e.g. Oceans Economy, Health, Mining and Beneficiation, etc.);
2. Education and training of learners towards priority occupations aimed at achieving the objectives of the Industrial Policy Action Plan, which is implemented in partnership with the Department of Trade and Industry;
3. Education and training of learners towards priority occupations aimed at achieving the objectives of the New Growth Path, which is implemented through, amongst others, the Strategic Integrated Projects (SIPs) as part of implementation of the National Infrastructure Plan;
4. Education and training of learners aimed at contributing towards the objectives of the Department of Science and Technology's 10 Year Innovation Plan; and

5. Education and training of learners towards priority occupations aimed at addressing scarce and critical skills as identified through ongoing research.

Priority occupations are those that address key growth and transformational objectives as evidenced through research and contained in the various strategies, plans and initiatives of government. These priority occupations are important for economic growth, but also include aspects required to achieve transformational objectives and that contribute to developing thinking citizens, who can function effectively, creatively and ethically as part of a democratic society.

The NSF will also fund the education and training of learners that contributes towards other key government priorities and initiatives, which includes amongst others supporting national programmes such as providing skills development through the Expanded Public Works Programme (EPWP) and National Rural Youth Service Corps (NARYSEC) programme, skills development aimed specifically at growing SMMEs and co-operatives, community-based skills development initiatives and so forth.

The NSF, as guided by the NSDS III, will measure each education and training project funded against the following seven key developmental and transformation imperatives:

KEY IMPERATIVE	APPLICATION
Race	Despite the many advances made by the democratic government since 1994 on the education and training front, the racial inequalities in our economy, including the racialised nature of our skills profile, have not changed in any significant way. Therefore, NSDS III will have to prioritise confronting these racial inequalities, with a particular focus on giving more opportunities to previously (and currently) disadvantaged South Africans. This requires focused attention on skills provision for blacks in general and Africans in particular.
Class	Directly related to racial inequalities, South Africa still remains one of the most unequal societies in the world today. These social inequalities are also being reinforced by a lack of access to skills by the overwhelming majority of our population, especially the workers and the poor. NSDS III will therefore pay particular attention to provision of skills in a manner that significantly reduces these widening social inequalities in our economy and society.
Gender	Ours is still a society that reflects huge disparities between men and women, including access to skills for effective participation in the labour market and society. This calls for particular attention to be paid to access to skills by women, especially black women, so that they can effectively participate in society as required by our constitution. In addition, all our skills development initiatives must contain within them specific programmes and strategies to promote gender equality in skills development, in employment and career development and in our economy as a whole.
Geography	Given the urban bias of our economic development, our country has not paid adequate attention to rural economic development and provision of skills for rural development. Given the fact that government has now prioritised rural development, our skills development system must increase its focus and attention on the production of skills for rural development. However, we must make a distinction between training of rural people and skills for rural development. The former has tended to train rural people only in order to migrate to the urban areas, whilst the latter will aim to train rural people for development of the rural areas themselves.
Age	Whilst all South Africans, youth and adults, must be given access to skills development, our young people are the most disadvantaged when it comes to access to education and training. For instance, the single largest category of the unemployed is those aged under 35. Therefore, NSDS III must pay particular attention to the training of our youth for employment.
Disability	Despite commitments from NSDS I and II to increase opportunities for training and skills development for persons with disabilities, we are still far from achieving our goals in this regard. Therefore, NSDS III aims to significantly open up opportunities for skills training for people experiencing barriers to employment caused by various forms of physical and intellectual disability.
The HIV and AIDS pandemic	Given the threat of the HIV and AIDS pandemic for the future growth and development of our country, and its particular impact on the youth, all our skills development initiatives must incorporate the fight against this pandemic and management of HIV and AIDS in the workplace. We need to ensure that we do not train our youth and adults for the grave but for the workplace and effective participation in society.



Sub-programme structure

The NSF’s engagement towards education and training of learners can be structured as follow in relation to the learning components, learning sectors and learning programme mixes:

EDUCATION AND TRAINING OF LEARNERS		
LEARNING COMPONENT	LEARNING SECTOR	LEARNING PROGRAMME MIX
THEORETICAL LEARNING (AND PRACTIAL LEARNING, WHERE APPLICABLE)	UNIVERSITY SECTOR	UNDERGRADUATE BURSARIES (LOCAL)
		POST-GRADUATE BURSARIES (LOCAL)
		POST-GRADUATE BURSARIES (INTERNATIONAL) AND INTERNATIONAL SCHOLARSHIPS
	TVET COLLEGE SECTOR (Including public and private training providers)	OCCUPATIONAL PROGRAMMES
		SKILLS PROGRAMMES
	COMMUNITY COLLEGE SECTOR (Including public and private training providers)	OCCUPATIONAL PROGRAMMES
		SKILLS PROGRAMMES

EDUCATION AND TRAINING OF LEARNERS		
LEARNING COMPONENT	LEARNING SECTOR	LEARNING PROGRAMME MIX
WORKPLACE-BASED LEARNING (AND PRACTIAL LEARNING, WHERE APPLICABLE)	SMALL ENTERPRISES (SMMEs and co-operatives)	WORKPLACE-BASED LEARNING SKILLS PROGRAMMES
	STATE OWNED COMPANIES (SOCs)	WORKPLACE-BASED LEARNING
	PUBLIC SECTOR (Including national government, departmental agencies and accounts, provinces and municipalities)	WORKPLACE-BASED LEARNING
		SKILLS PROGRAMMES
	PRIVATE SECTOR	WORKPLACE-BASED LEARNING
		TRAINING LAY-OFF SCHEME
	NON-PROFIT ORGANISATIONS (Including NGOs and CBOs)	WORKPLACE-BASED LEARNING
		SKILLS PROGRAMMES

WORKER EDUCATION		
LEARNING COMPONENT	LEARNING SECTOR	LEARNING PROGRAMME MIX
THEORETICAL LEARNING	WORKER EDUCATION THROUGH WORKER EDUCATION LEARNING INSTITUTIONS AND WORKER FEDERATIONS	WORKER EDUCATION PROGRAMMES



The NSF will steer each of the different learning programme mixes towards achievement of its strategic objectives. The level to which each learning programme mix, which is funded by NSF, will contribute to each of the NSF’s strategic objectives will differ per learning programme mix and how it relates to the NSF’s specific strategic objective. The table below provides an indication of the expected level that each programme mix will contribute towards the achievement of the NSF’s strategic objectives:

EDUCATION AND TRAINING OF LEARNERS			STRATEGIC OBJECTIVES				
LEARNING COMPONENT	LEARNING SECTOR	LEARNING PROGRAMME MIX	STRATEGIC OBJECTIVE 1: SKILLS DEVELOPMENT TOWARDS PRIORITY OCCUPATIONS	STRATEGIC OBJECTIVE 2: RURAL SKILLS DEVELOPMENT	STRATEGIC OBJECTIVE 3: SMME AND CO-OPERATIVE SKILLS DEVELOPMENT	STRATEGIC OBJECTIVE 4: COMMUNITY-BASED SKILLS DEVELOPMENT	STRATEGIC OBJECTIVE 5: WORKER EDUCATION
THEORETICAL LEARNING (AND PRACTIAL LEARNING, WHERE APPLICABLE)	UNIVERSITY SECTOR	UNDERGRADUATE BURSARIES (LOCAL)	HIGH	MEDIUM			
		POST-GRADUATE BURSARIES (LOCAL)	HIGH* (*related to innovation)				
		POST-GRADUATE BURSARIES (INTERNATIONAL) AND INTERNATIONAL SCHOLARSHIPS	HIGH* (*related to innovation)				
	TVET COLLEGE SECTOR	OCCUPATIONAL PROGRAMMES	HIGH	HIGH	MEDIUM	MEDIUM	
		SKILLS PROGRAMMES	MEDIUM	HIGH	MEDIUM	MEDIUM	
	COMMUNITY COLLEGE SECTOR	OCCUPATIONAL PROGRAMMES	MEDIUM	HIGH	MEDIUM	HIGH	
		SKILLS PROGRAMMES	MEDIUM	HIGH	MEDIUM	HIGH	

EDUCATION AND TRAINING OF LEARNERS			STRATEGIC OBJECTIVES				
LEARNING COMPONENT	LEARNING SECTOR	LEARNING PROGRAMME MIX	STRATEGIC OBJECTIVE 1: SKILLS DEVELOPMENT TOWARDS PRIORITY OCCUPATIONS	STRATEGIC OBJECTIVE 2: RURAL SKILLS DEVELOPMENT	STRATEGIC OBJECTIVE 3: SMME AND CO-OPERATIVE SKILLS DEVELOPMENT	STRATEGIC OBJECTIVE 4: COMMUNITY-BASED SKILLS DEVELOPMENT	STRATEGIC OBJECTIVE 5: WORKER EDUCATION
WORKPLACE-BASED LEARNING (AND PRACTIAL LEARNING, WHERE APPLICABLE)	SMALL ENTERPRISES	WORKPLACE-BASED LEARNING	HIGH	HIGH	HIGH	HIGH	
		SKILLS PROGRAMMES		HIGH	HIGH	HIGH	
	STATE OWNED COMPANIES (SOCs)	WORKPLACE-BASED LEARNING	HIGH	MEDIUM			
	PUBLIC SECTOR	WORKPLACE-BASED LEARNING	HIGH	HIGH		HIGH	
		SKILLS PROGRAMMES	MEDIUM	HIGH		HIGH	
	PRIVATE SECTOR	WORKPLACE-BASED LEARNING	HIGH	MEDIUM			
		TRAINING LAY-OFF SCHEME	MEDIUM				
	NON-PROFIT ORGANISATIONS	WORKPLACE-BASED LEARNING		HIGH		HIGH	
		SKILLS PROGRAMMES		HIGH		HIGH	



WORKER EDUCATION			STRATEGIC OBJECTIVES				
LEARNING COMPONENT	LEARNING SECTOR	LEARNING PROGRAMME MIX	STRATEGIC OBJECTIVE 1: SKILLS DEVELOPMENT TOWARDS PRIORITY OCCUPATIONS	STRATEGIC OBJECTIVE 2: RURAL SKILLS DEVELOPMENT	STRATEGIC OBJECTIVE 3: SMME AND CO-OPERATIVE SKILLS DEVELOPMENT	STRATEGIC OBJECTIVE 4: COMMUNITY-BASED SKILLS DEVELOPMENT	STRATEGIC OBJECTIVE 5: WORKER EDUCATION
THEORETICAL LEARNING	WORKER EDUCATION THROUGH WORKER EDUCATION LEARNING INSTITUTIONS AND WORKER FEDERATIONS	WORKER EDUCATION PROGRAMMES					HIGH

It can be noted that most of the NSF’s strategic objectives will be applied transversally (or vertically) across most of the learning components, learning sectors and learning programme mixes funded by the NSF to ensure the NSF maintains a strategic focus in its funding of those programme mixes. It is however worth noting that *Strategic Objective 5: Worker Education* cannot necessarily be applied transversally (or vertically) across the each of the different learning programme mixes, but will be addressed by specific worker education programmes funded by the NSF.

Strategic objectives and annual targets

STRATEGIC OBJECTIVE 1: SKILLS DEVELOPMENT TOWARDS PRIORITY OCCUPATIONS											
STRATEGIC OBJECTIVE STATEMENT:											
To develop skills required for priority occupations.											
Strategic target for the 5 year strategic period 2015/16 to 2019/20	Performance Indicator	Audited / Actual performance			Baseline	Medium Term Targets			Additional 2 Years		
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
STRATEGIC OBJECTIVE TARGET 1											
1	35 000 NSF funded learners to complete their education and training towards priority occupations over the 5 year strategic period.	Number of NSF funded learners that completed their education and training towards priority occupations. (OUTPUT-BASED)	New indicator. No data available.	6 500	6 500	7 000	7 500	7 500			
JUSTIFICATION:											
<p>Both the White Paper for Post-School Education and Training and the NSDS III clearly stipulates that the NSF will be responsible for skills development aligned to national development strategies and priorities, including building linkages within the skills system and providing funds for government strategies such as youth programmes, building small businesses and co-operatives, and rural development.</p> <p>The NSDS III further stipulates that the commitments of the Human Resource Development Strategy for South Africa II (HRDSSA II) be incorporated into the strategic plans of NSF, which includes of the following two commitments:</p> <p>COMMITMENT ONE: We will urgently overcome the shortages in the supply of people with the priority skills needed for the successful implementation of current strategies to achieve accelerated economic growth.</p> <p>COMMITMENT TWO: We will increase the number of appropriately skilled people to meet the demands of our current and emerging economic and social development priorities.</p> <p>It has been recognised that the skills required for many of the national development strategies and priorities are related to the same occupations and such these occupations will be identified as priority occupations.</p>											



STRATEGIC OBJECTIVE 1: SKILLS DEVELOPMENT TOWARDS PRIORITY OCCUPATIONS

The priority occupations will be determined from the following key government strategies, plans and initiatives:

1. The National Development Plan, which is especially implemented through the Operation Phakisa initiatives (e.g. Oceans Economy, Health, Mining and Beneficiation, etc.);
2. The White Paper for Post-School Education and Training (including White Paper implementation plan);
3. The National Skills Development Strategy IV;
4. The Industrial Policy Action Plan, which is implemented by the Department of Trade and Industry;
5. The New Growth Path, with specific reference to the 18 Strategic Integrated Projects (SIPs) implemented as part of the National Infrastructure Plan, namely:

SIP 1: Unlocking the northern mineral belt with Waterberg as the catalyst;

SIP 2: Durban-Free State-Gauteng logistics and industrial corridor;

SIP 3: South-Eastern node & corridor development

SIP 4: Unlocking the economic opportunities in North West

SIP 5: Saldanha-Northern Cape development corridor

SIP 6: Integrated municipal infrastructure project

SIP 7: Integrated urban space and public transport programme

SIP 8: Green energy in support of the South African economy

SIP 9: Electricity generation to support socio-economic development

SIP 10: Electricity transmission and distribution for all

SIP 11: Agri-logistics and rural infrastructure

SIP 12: Revitalisation of public hospitals and other health facilities

SIP 13: National school build programme

SIP 14: Higher education infrastructure

SIP 15: Expanding access to communication technology

SIP 16: SKA & Meerkat

SIP 17: Regional integration for African cooperation and development

SIP 18: Water and sanitation infrastructure

STRATEGIC OBJECTIVE 1: SKILLS DEVELOPMENT TOWARDS PRIORITY OCCUPATIONS

6. The Human Resource Development Strategy of South Africa, implemented as outlined in the Human Resource Development Implementation Plan;

Linked to the above strategies and plans are key initiatives such as “War on Leaks”, “Decade of the Artisan” etc. that the NSF will on a continuous basis evaluate to determine the priority occupations required for such initiatives and whether learners are already being funded on learning pathways towards such priority occupations.

Furthermore, key research will also be taken into consideration to determine priority occupations, such as the following:

1. South Africa’s Big Five: Bold Priorities for Inclusive Growth, published by the McKinsey Global Institute – September 2015
2. Growing Priority Skills in South Africa, published by the Joint Initiative on Priority Skills Acquisition – March 2010
3. Key issues in improving the quantity and quality of professionals in areas of scarce skills, published by the Human Resource Development Council – November 2012
4. Production of Academics and Strengthening of Higher Education Partnerships with Industry, published by the Human Resource Development Council
5. Advancing skills development in the maritime sector, published by the Human Resource Development Council – 15 October 2014
6. National Scarce Skills List: Top 100 Occupations in Demand, gazetted by the Department of Higher Education and Training in Government Gazette No. 37678, Notice No. 380 of 2014.

The NSF will provide a detailed breakdown of the number of learners that the NSF funded during each financial year on learning pathways towards priority occupations. The detailed breakdown will be included in the NSF’s Annual Report and will outline the occupations that the NSF is contributing towards.

The education and training of learners towards priority occupations are critical for the growth of the economy, social development priorities and also towards key areas aimed at developing thinking citizens, who can function effectively, creatively and ethically as part of a democratic society, which may not necessary be directly linked to economic growth.

Focusing the NSF’s funding towards education and training of learners on learning pathways towards priority occupations will ensure that the Fund contributes towards the various economic growth strategies, plans and initiatives of government and thereby achieve strategic goal 1, namely that of a skilled and capable workforce for an inclusive growth path.

LINKS:

White Paper for Post-School Education and Training

National Skills Development Strategy III (NSDS III)

Human Resource Development Strategy II (HRDSSA II)

**STRATEGIC OBJECTIVE 1: SKILLS DEVELOPMENT TOWARDS PRIORITY OCCUPATIONS****RESPONSIBILITY:**

Joint responsibility between:

- i) Chief Director: Strategy, Performance and Innovation
- ii) Chief Director: Skills Development Implementation
- iii) Director: Bursaries

Key support responsibility:

- i) Chief Financial Officer
- ii) Legal, Governance, Risk and Compliance

STRATEGIC OBJECTIVE 2: RURAL SKILLS DEVELOPMENT

STRATEGIC OBJECTIVE STATEMENT:

To develop the skills of people from rural areas.

Strategic target for the 5 year strategic period 2015/16 to 2019/20	Performance Indicator	Audited / Actual performance			Baseline	Medium Term Targets			Additional 2 Years	
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20

STRATEGIC OBJECTIVE TARGET 2

2	35 000 NSF funded learners from rural areas to complete their education and training over the 5 year strategic period.	Number of NSF funded learners from rural areas that completed their education and training. (OUTPUT-BASED)	New indicator. No data available.	6 500	6 500	7 000	7 500	7 500			
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JUSTIFICATION:

The White Paper for Post-School Education and Training (page 63) indicates that the NSF will also be a source of funds for wider government strategies such as youth programmes, building small businesses and co-operatives, and rural development.

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

LINKS:

White Paper for Post-School Education and Training (page 63)



STRATEGIC OBJECTIVE 2: RURAL SKILLS DEVELOPMENT

RESPONSIBILITY:

Joint responsibility between:

- i) Chief Director: Strategy, Performance and Innovation
- ii) Chief Director: Skills Development Implementation
- iii) Director: Bursaries

Key support responsibility:

- i) Chief Financial Officer
- ii) Legal, Governance, Risk and Compliance

STRATEGIC OBJECTIVE 3: SMME AND CO-OPERATIVE SKILLS DEVELOPMENT

STRATEGIC OBJECTIVE STATEMENT:

To support SMME and Co-operative development through skills development.

Strategic target for the 5 year strategic period 2015/16 to 2019/20	Performance Indicator	Audited / Actual performance			Baseline	Medium Term Targets			Additional 2 Years	
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20

STRATEGIC OBJECTIVE TARGET 3

3	800 SMMEs and co-operatives to benefit from NSF funded skills development initiatives over the 5 year strategic period.	Number of SMMEs and co-operatives that benefited from NSF funded skills development initiatives. (OUTPUT-BASED)	New indicator. No data available.	100	100	150	200	250			
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JUSTIFICATION:

The White Paper for Post-School Education and Training (page 63) indicates that the NSF will also be a source of funds for wider government strategies such as youth programmes, building small businesses and co-operatives, and rural development.

LINKS:

White Paper for Post-School Education and Training (page 63)



STRATEGIC OBJECTIVE 3: SMME AND CO-OPERATIVE SKILLS DEVELOPMENT

RESPONSIBILITY:

Joint responsibility between:

- i) Chief Director: Strategy, Performance and Innovation
- ii) Chief Director: Skills Development Implementation

Key support responsibility:

- i) Chief Financial Officer
- ii) Legal, Governance, Risk and Compliance

STRATEGIC OBJECTIVE 4: COMMUNITY BASED SKILLS DEVELOPMENT

STRATEGIC OBJECTIVE STATEMENT:

To benefit poor, disadvantaged and / or vulnerable communities through skills development.

Strategic target for the 5 year strategic period 2015/16 to 2019/20	Performance Indicator	Audited / Actual performance			Baseline	Medium Term Targets			Additional 2 Years		
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
STRATEGIC OBJECTIVE TARGET 4											
4	7 000 NSF funded learners that acquired skills through community-based skills development initiatives over the 5 year strategic period. (OUTPUT-BASED)	Number of NSF funded learners that acquired skills through community-based skills development initiatives.	New indicator. No data available.	1 400	1 400	1 400	1 400	1 400			



STRATEGIC OBJECTIVE 4: COMMUNITY BASED SKILLS DEVELOPMENT

JUSTIFICATION:

The National Skills Development Strategy III defines the National Skills Fund as a 'catalytic' fund, enabling the state to drive key skills strategies as well as to meet the training needs of the unemployed, non-levy paying co-operatives, NGOs and community structures and vulnerable groups. It will promote strategic partnerships and innovation in project delivery. It will drive change towards partnership-based programmes and contribute significantly to raising the low base of education and training in our country, guided by our government policies of redress and promoting equity.

The White Paper for Post-School Education and Training indicated that community colleges will expand to vocational and skills-development programmes and non-formal programmes. Formal programmes will include skills or occupational programmes funded by SETAs or the NSF. Community colleges will have to link directly with the work of public programmes to provide appropriate skills and knowledge. These programmes include the Expanded Public Works Programme (EPWP), Community Works Programmes (CWPs), the state's infrastructure development programme, and economic and social development initiatives such as the Community Development Workers (CDW) and Community Health Workers (CHW) programmes. Such programmes can provide work-integrated learning opportunities while the colleges provide classroom and workshop-based learning. Although the Department will provide the core funding of the colleges, including for core permanent teaching and administrative staff, this has to be complemented by funds from SETAs and the NSF where appropriate.

The NSF continues to support public programmes through skills development such as the Expanded Public Works Programme and will therefore also engage in linking occupational programme offerings through the Community Colleges to the public programmes for workplace-place experience.

Funds will also be set aside from the NSF, for funding community-initiated skills development projects and other initiatives, to address skills shortages in our country, in line with the objectives and goals of the National Skills Development Strategy.

LINKS:

White Paper for Post-School Education and Training

RESPONSIBILITY:

Joint responsibility between:

- i) Chief Director: Strategy, Performance and Innovation
- ii) Chief Director: Skills Development Implementation

Key support responsibility:

- i) Chief Financial Officer
- ii) Legal, Governance, Risk and Compliance

STRATEGIC OBJECTIVE 5: WORKER EDUCATION

STRATEGIC OBJECTIVE STATEMENT:

To educate workers through worker education initiatives.

Strategic target for the 5 year strategic period 2015/16 to 2019/20	Performance Indicator	Audited / Actual performance			Baseline	Medium Term Targets			Additional 2 Years	
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20

STRATEGIC OBJECTIVE TARGET 5

5	4 480 workers to be educated through worker education initiatives over the 5 year strategic period.	Number of workers educated through worker education initiatives. (OUTPUT-BASED)	New indicator. No data available.	560	560	840	1 120	1 400			
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JUSTIFICATION:

Trade unions, their education programmes, as well as other worker-initiated training programmes play an important role in the further education and training of workers in broader sectoral policy and capacity to effectively engage in the workplace and broader economy. Trade unions and worker education and training initiatives are able to use the critical networks of their organisations (e.g. shop stewards and union officials) to educate their members and other workers to suit their needs in a manner that is also beneficial to the economy as a whole. South Africa has a long history of worker education and training that needs to be supported and expanded. Worker-initiated education and training can contribute to a workforce that is better able to understand the challenges facing the economic sectors in which they operate. This would benefit the workplace, our economy as well as the developmental objectives of our country.

LINKS:

National Skills Development Strategy (NSDS III) – page 20



STRATEGIC OBJECTIVE 5: WORKER EDUCATION

RESPONSIBILITY:

Joint responsibility between:

- i) Chief Director: Strategy, Performance and Innovation
- ii) Chief Director: Skills Development Implementation

Key support responsibility:

- i) Chief Financial Officer
- ii) Legal, Governance, Risk and Compliance

Sub-programme performance indicators and annual targets

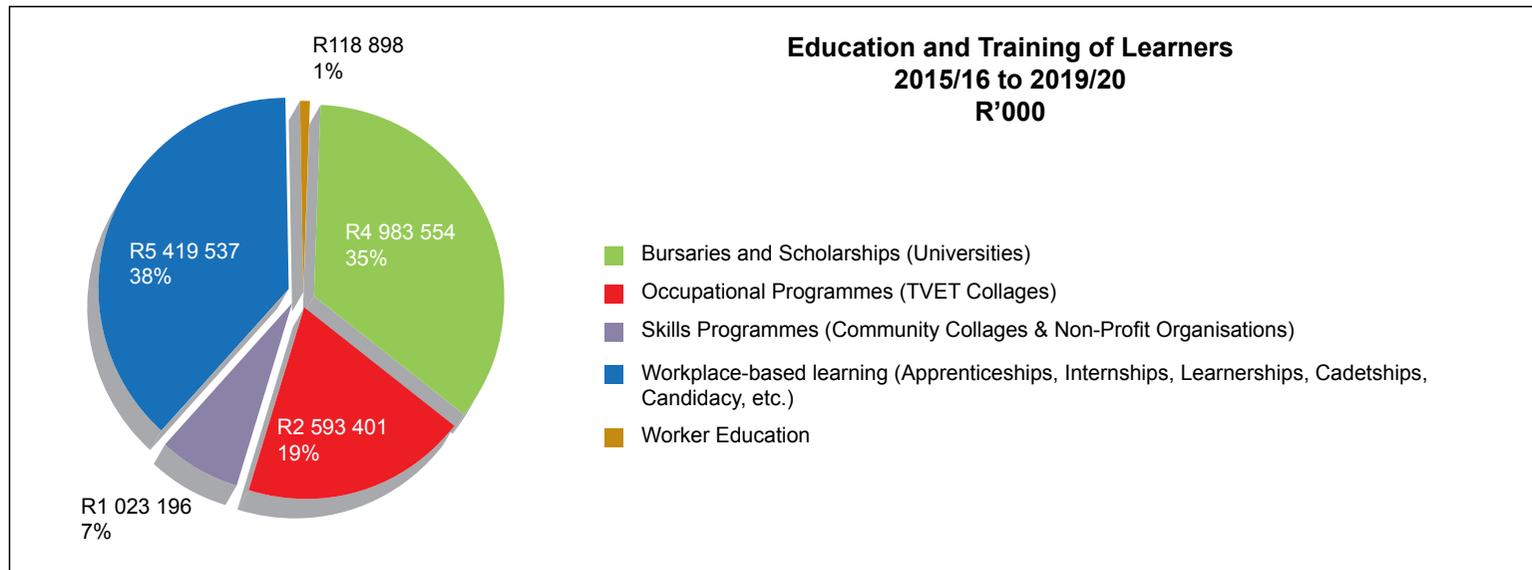
SUB-PROGRAMME 1.1: EDUCATION AND TRAINING											
Strategic target for the 5 year strategic period 2015/16 to 2019/20	Performance Indicator	Audited / Actual performance			Baseline	Medium Term Targets			Additional 2 Years		
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
BUDGET PROGRAMME TARGET 1											
1	213 000 learners (cumulative headcount) funded by NSF for education and training over the 5 year strategic period.	Headcount of learners funded by NSF for education and training. (ACTIVITY-BASED)	No data available.	95 554	77 913	62 617	41 000	43 000	43 000	43 000	43 000
BUDGET PROGRAMME TARGET 2											
2	143 500 learners (cumulative headcount) funded by NSF for education and training towards priority occupations over the 5 year strategic period.	Headcount of learners funded by NSF for education and training towards priority occupations. (ACTIVITY-BASED)	New indicator. No data available.	26 600	26 600	30 100	30 100	30 100			
BUDGET PROGRAMME TARGET 3											
3	86 000 learners (cumulative headcount) from rural areas funded by NSF for education and training over the 5 year strategic period.	Headcount of learners from rural areas funded by NSF for education and training. (ACTIVITY-BASED)	New indicator. No data available.	17 200	17 200	17 200	17 200	17 200			



SUB-PROGRAMME 1.1: EDUCATION AND TRAINING											
Strategic target for the 5 year strategic period 2015/16 to 2019/20	Performance Indicator	Audited / Actual performance			Baseline	Medium Term Targets			Additional 2 Years		
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
BUDGET PROGRAMME TARGET 4											
4	800 SMMEs and co-operatives funded by NSF for skills development over the 5 year strategic period.	Number of SMMEs and co-operatives funded by NSF for skills development. (ACTIVITY-BASED)	New indicator. No data available.	100	100	150	200	250			
BUDGET PROGRAMME TARGET 5											
5	10 000 learners (cumulative headcount) funded by NSF for skills development through community-based skills development initiatives over the 5 year strategic period.	Headcount of learners funded by NSF for skills development through community-based skills development initiatives. (ACTIVITY-BASED)	New indicator. No data available.	2 000	2 000	2 000	2 000	2 000			
BUDGET PROGRAMME TARGET 6											
6	6 000 workers funded by NSF for worker education over the 5 year strategic period.	Number of workers funded by NSF for worker education. (ACTIVITY-BASED)	New indicator. No data available.	750	750	1 125	1 500	1 875			

Resource considerations

The NSF’s funding towards education and training of learners over the 5 years strategic period (2015/16 to 2019/20) will mainly be towards learners undergoing workplace-based learning (apprenticeships, learnerships, cadetships, internships and so forth) at the workplace (38% or R5.419 billion), followed by funding of undergraduate and post-graduate bursaries for university students aimed at scarce and critical skills areas (35% or R4.983 billion) and funding of learners for occupational programmes (full qualifications) in the TVET colleges (19% or R2.593 billion), which is not fiscus funded. The NSF will also provide funding for skills programmes (or part qualifications) (7% or R1.023 billion) over the 5 years strategic period (2015/16 to 2019/20) to be delivered through the community college system, non-profit organisations, national government programmes e.g. the Expanded Public Works Programme (EPWP), which shall include skills programmes aimed at co-operative and SMME development. Worker education will also receive R119 million over the 5 year strategic period (2015/16 to 2019/20).





7.2. Sub-Programme 1.2: PSET System Development and Capacity Building

Sub-programme purpose

The purpose of this sub-programme consists of funding PSET system development and capacity building initiatives.

The White Paper for Post-School Education and Training envisages an integrated system of post-school education and training, with all institutions playing their role as parts of a coherent but differentiated whole. These institutions include the colleges and universities whose main purpose is the direct provision of education and training and, in the case of universities, the conduct of research. They also include institutions that support the education and training process, such as the Sector Education and Training Authorities, the National Skills Fund and the advisory, regulatory and quality assurance bodies such as the South African Qualifications Authority (SAQA) and the Quality Councils.

The White Paper also recognises the importance of partnerships between educational institutions and employers. Most students are preparing for careers in the labour market, and practical experience in the world of work is an invaluable part of their training. Even those students who do not find jobs in the formal labour market will benefit from practical workplace experience as they seek alternative ways of earning sustainable livelihoods. Employers must be drawn closer to the education and training process; they are among its major beneficiaries and must contribute to its success.

The White Paper for Post-School Education and Training clearly stipulates that the NSF will be an important source of funding to enable the linkages between the skills system and the other post-schooling sub-systems that will be put in place. A number of the strategic goals and objectives related to the PSET system cannot be achieved without enabling funding from the NSF.

The NSF will therefore continue to be responsible for building linkages within the skills system and fund skills development capacity in public education and training institutions. The NSF aims to expand and further integrate the PSET system as the PSET system plays a critical part in contributing towards the NSF's strategic goal, namely that of a skilled and capable workforce for an inclusive growth path.

Sub-programme structure

PSET System Development and Capacity Building projects can be categorised into the following categories, according to the relevance thereof to the specific PSET sub-sectors:

CATEGORY	DESCRIPTION
Transversal PSET system development and capacity building	These are PSET system development and capacity building projects that cuts across all or more than one PSET sub-system.
University system development and capacity building	These are PSET system development and capacity building projects that relates to the university system.
TVET college system development and capacity building	These are PSET system development and capacity building projects that relates to the TVET college system.
Community college system development and capacity building	These are PSET system development and capacity building projects that relates to the community college system.
Workplace-based learning system development and capacity building	These are PSET system development and capacity building projects that relates to the workplace-based learning system (skills system).



Strategic objectives and annual targets

STRATEGIC OBJECTIVE 6: AN EXPANDED, EFFECTIVE AND INTEGRATED PSET SYSTEM										
STRATEGIC OBJECTIVE STATEMENT:										
To expand the PSET system, improve effectiveness of the PSET system and further integrate the PSET system.										
Strategic target for the 5 year strategic period 2015/16 to 2019/20	Performance Indicator	Audited / Actual performance			Base line	Medium Term Targets			Additional 2 Years	
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
STRATEGIC OBJECTIVE TARGET 6										
6	100% of priority projects aimed at expanding, integrating and improving the effectiveness of the PSET system (excl. skills infrastructure development) have successfully achieved the envisaged outputs.	Percentage of priority projects aimed at expanding, integrating and improving the effectiveness of the PSET system (excl. skills infrastructure development) that have successfully achieved the envisaged outputs. (OUTPUT-BASED)	New indicator. No data available.	Longer-term projects, thus successful completion thereof can only be measured closer to the end of the 5 year strategic period.			100%			
JUSTIFICATION:										
<p>The White Paper for Post-School Education and Training envisages an integrated system of post-school education and training, with all institutions playing their role as parts of a coherent but differentiated whole. These institutions include the colleges and universities whose main purpose is the direct provision of education and training and, in the case of universities, the conduct of research. They also include institutions that support the education and training process, such as the Sector Education and Training Authorities, the National Skills Fund and the advisory, regulatory and quality assurance bodies such as the South African Qualifications Authority (SAQA) and the Quality Councils.</p> <p>The White Paper also recognises the importance of partnerships between educational institutions and employers. Most students are preparing for careers in the labour market, and practical experience in the world of work is an invaluable part of their training. Even those students who do not find jobs in the formal labour market will benefit from practical workplace experience as they seek alternative ways of earning sustainable livelihoods. Employers must be drawn closer to the education and training process; they are among its major beneficiaries and must contribute to its success.</p>										

STRATEGIC OBJECTIVE 6: AN EXPANDED, EFFECTIVE AND INTEGRATED PSET SYSTEM

The White Paper for Post-School Education and Training clearly stipulates that the NSF will be an important source of funding to enable the linkages between the skills system and the other post-schooling sub-systems that will be put in place. A number of the strategic goals and objectives related to the PSET system cannot be achieved without enabling funding from the NSF.

The NSF will therefore continue to be responsible for building linkages within the skills system and fund skills development capacity in public education and training institutions. The NSF aims to expand and further integrate the PSET system as the PSET system plays a critical part in contributing towards the NSF's strategic goal, namely that of a skilled and capable workforce for an inclusive growth path.

LINKS:

White Paper for Post-School Education and Training

RESPONSIBILITY:

Joint responsibility between:

1. National Skills Fund
 - i) Chief Director: Strategy, Performance and Innovation
 - ii) Chief Director: Skills Development Implementation
2. Department of Higher Education and Training

Key support responsibility:

1. National Skills Fund
 - i) Chief Financial Officer
 - ii) Legal, Governance, Risk and Compliance



Sub-programme performance indicators and annual targets

SUB-PROGRAMME 1.2: PSET SYSTEM DEVELOPMENT AND CAPACITY BUILDING											
Strategic target for the 5 year strategic period 2015/16 to 2019/20	Performance Indicator	Audited / Actual performance			Base-line	Medium Term Targets			Additional 2 Years		
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
BUDGET PROGRAMME TARGET 7											
7	100% of NSF funded projects aimed at expanding, integrating and improving the effectiveness of the PSET system (excl. skills infrastructure development projects) have a clear business plan and value for money budget breakdown.	Percentage of NSF funded projects aimed at expanding, integrating and improving the effectiveness of the PSET system (excl. skills infrastructure development projects) with a clear business plan and value for money budget breakdown. (ACTIVITY-BASED)	New indicator. No data available.	100%	100%	100%	100%	100%			
BUDGET PROGRAMME TARGET 8											
8	100% of NSF funded projects aimed at expanding, integrating and improving the effectiveness of the PSET system (excl. skills infrastructure development) have incurred project expenditure to date that is in line with the actual project performance to date.	Percentage of NSF funded projects aimed at expanding, integrating and improving the effectiveness of the PSET system (excl. skills infrastructure development) where the actual project expenditure to date is in line with the actual project performance to date. (ACTIVITY-BASED)	New indicator. No data available.	100%	100%	100%	100%	100%			

Resource considerations

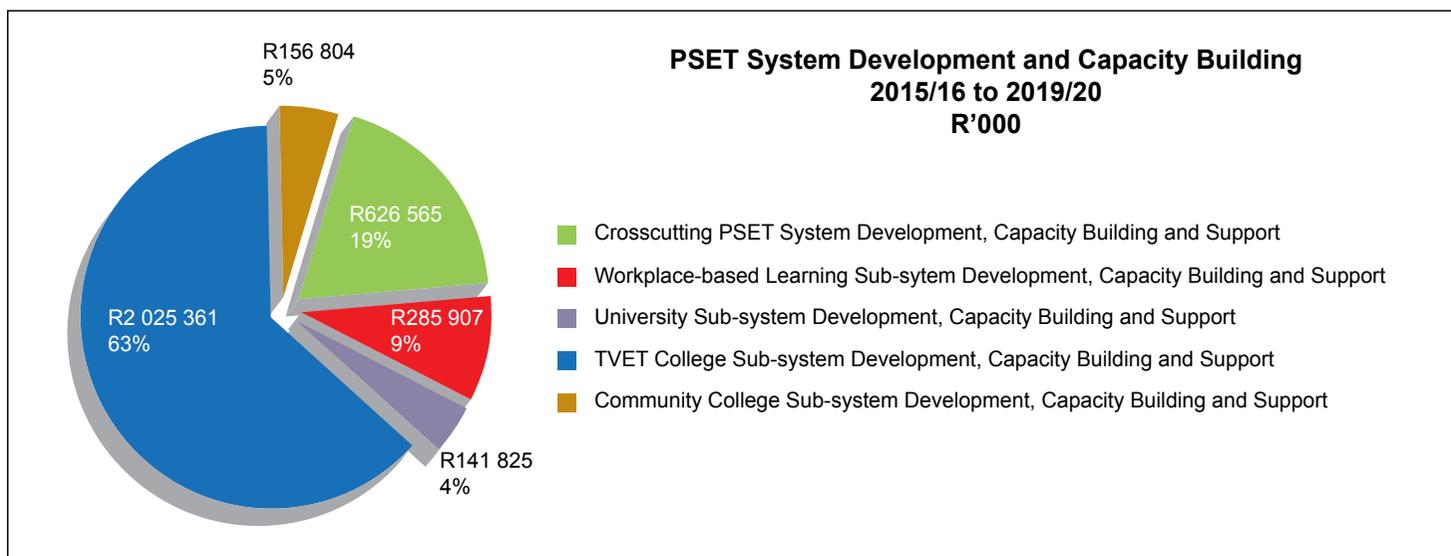
The NSF’s funding towards developing and building capacity of the PSET system is illustrated in the graphs below. The NSF will mainly focus its funding towards quality improvement in the TVET colleges. Specific projects funded by NSF related towards quality improvement in the TVET colleges relate to the following:

- The development of a Foundational Learning Programme aimed at addressing foundational learning gaps of TVET college learners in order to increase the TVET learner throughput rate;
- SAICA CFO and HRM project, aimed at improving financial management and human resource management at TVET colleges across the country;
- The establishment of the South African Institute for Vocational and Continued Education and Training (SAIVCET), aimed at improving

the quality of curriculum delivered at the TVET colleges. Its functions include curriculum development, lecturer development, teaching and learning material development, and so forth;

- The appointment of curriculum specialists; and
- The development of TVET college campus managers.

The NSF’s funding towards crosscutting PSET development relates to the funding towards developing the National Plan for PSET. The NSF also funds the development of the Central Applications System. Cross-cutting PSET functions that the NSF funding will sustain over the MTEF period to build further capacity relate to the operations of the Career Development Services, determining skills demand and supply signals for the country, with specific reference to the funding of the Higher Education and Training Management Information System (HETMIS), the linked macro-economic model, improvements to the PSET monitoring and evaluation framework and establishing a Skills Planning Unit.





7.3. Sub-Programme 1.3: Skills Infrastructure Development

Sub-programme purpose

Under this programme the NSF, as a catalytic fund, will fund strategic skills infrastructure development projects.

The White Paper for Post-School Education and Training envisages an integrated system of post-school education and training, with all institutions playing their role as part of a coherent but differentiated whole. These institutions include the colleges and universities whose main purpose is the direct provision of education and training and, in the case of universities, the conduct of research. They also include institutions that support the education and training process, such as the Sector Education and Training Authorities, the National Skills Fund and the advisory, regulatory and quality assurance bodies such as the South African Qualifications Authority (SAQA) and the Quality Councils.

The White Paper also recognises the importance of partnerships between educational institutions and employers. Most students are preparing for careers in the labour market, and practical experience in the world of work is an invaluable part of their training. Even those students who do not find jobs in the formal labour market will benefit from practical workplace experience as they seek alternative ways of earning sustainable livelihoods. Employers must be drawn closer to the education and training process; they are among its major beneficiaries and must contribute to its success.

The White Paper for Post-School Education and Training clearly stipulates that the NSF will be an important source of funding to enable the linkages between the skills system and the other post-schooling sub-systems that will be put in place. A number of the strategic goals and objectives related to the PSET system cannot be achieved without enabling funding from the NSF.

The NSF will therefore continue to be responsible for building linkages within the skills system and fund skills development capacity in public education and training institutions. The NSF aims to expand and further integrate the PSET system as the PSET system plays a critical part in contributing towards the NSF's strategic goal, namely that of a skilled and capable workforce for an inclusive growth path.

Sub-programme structure

The infrastructure development projects funded by the NSF can be categorised into the following categories:

CATEGORIES	DESCRIPTION
TVET colleges skills infrastructure development	Relates to infrastructure development and refurbishment aimed at the public TVET colleges.
Community colleges skills infrastructure development	Relates to infrastructure development and refurbishment aimed at the public community colleges.
Universities skills infrastructure development	Relates to infrastructure development and refurbishment aimed at the public universities.
Public delivery skills infrastructure development	Relates to infrastructure development and refurbishment aimed at the public delivery institutions.
SOCs skills infrastructure development	Relates to infrastructure development and refurbishment aimed at the skills development in State Owned Companies.



Strategic objectives and annual targets

STRATEGIC OBJECTIVE 7: SKILLS INFRASTRUCTURE DEVELOPMENT										
STRATEGIC OBJECTIVE STATEMENT:										
To expand the PSET system, improve effectiveness of the PSET system and integrate the PSET system through infrastructure development.										
Strategic target for the 5 year strategic period 2015/16 to 2019/20	Performance Indicator	Audited / Actual performance			Baseline	Medium Term Targets			Additional 2 Years	
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
STRATEGIC OBJECTIVE TARGET 7										
7	100% of priority projects aimed at expanding, integrating and improving the effectiveness of the PSET system through skills infrastructure development having achieved the envisaged outputs.	Percentage of priority projects aimed at expanding, integrating and improving the effectiveness of the PSET system through skills infrastructure development that have successfully achieved the envisaged outputs. (OUTPUT-BASED)	New indicator. No data available.	Longer-term projects, thus successful completion thereof can only be measured closer to the end of the 5 year strategic period.			100%			
JUSTIFICATION:										
<p>The White Paper for Post-School Education and Training envisages an integrated system of post-school education and training, with all institutions playing their role as parts of a coherent but differentiated whole. These institutions include the colleges and universities whose main purpose is the direct provision of education and training and, in the case of universities, the conduct of research. They also include institutions that support the education and training process, such as the Sector Education and Training Authorities, the National Skills Fund and the advisory, regulatory and quality assurance bodies such as the South African Qualifications Authority (SAQA) and the Quality Councils.</p> <p>The White Paper also recognises the importance of partnerships between educational institutions and employers. Most students are preparing for careers in the labour market, and practical experience in the world of work is an invaluable part of their training. Even those students who do not find jobs in the formal labour market will benefit from practical workplace experience as they seek alternative ways of earning sustainable livelihoods. Employers must be drawn closer to the education and training process; they are among its major beneficiaries and must contribute to its success.</p>										

STRATEGIC OBJECTIVE 7: SKILLS INFRASTRUCTURE DEVELOPMENT

The White Paper for Post-School Education and Training clearly stipulates that the NSF will be an important source of funding to enable the linkages between the skills system and the other post-schooling sub-systems that will be put in place. A number of the strategic goals and objectives related to the PSET system cannot be achieved without enabling funding from the NSF.

The NSF will be therefore continue to be responsible for building linkages within the skills system and fund skills development capacity in public education and training institutions. The NSF aims to expand, and further integrate and the PSET system as as the PSET system plays a critical part in contributing towards the NSF's strategic goal, namely that of a skilled and capable workforce for an inclusive growth path.

LINKS:

White Paper for Post-School Education and Training

RESPONSIBILITY:

Joint responsibility between:

1. National Skills Fund
 - i) Chief Director: Strategy, Performance and Innovation
 - ii) Chief Director: Skills Development Implementation
2. Department of Higher Education and Training

Key support responsibility:

1. National Skills Fund
 - i) Chief Financial Officer
 - ii) Legal, Governance, Risk and Compliance

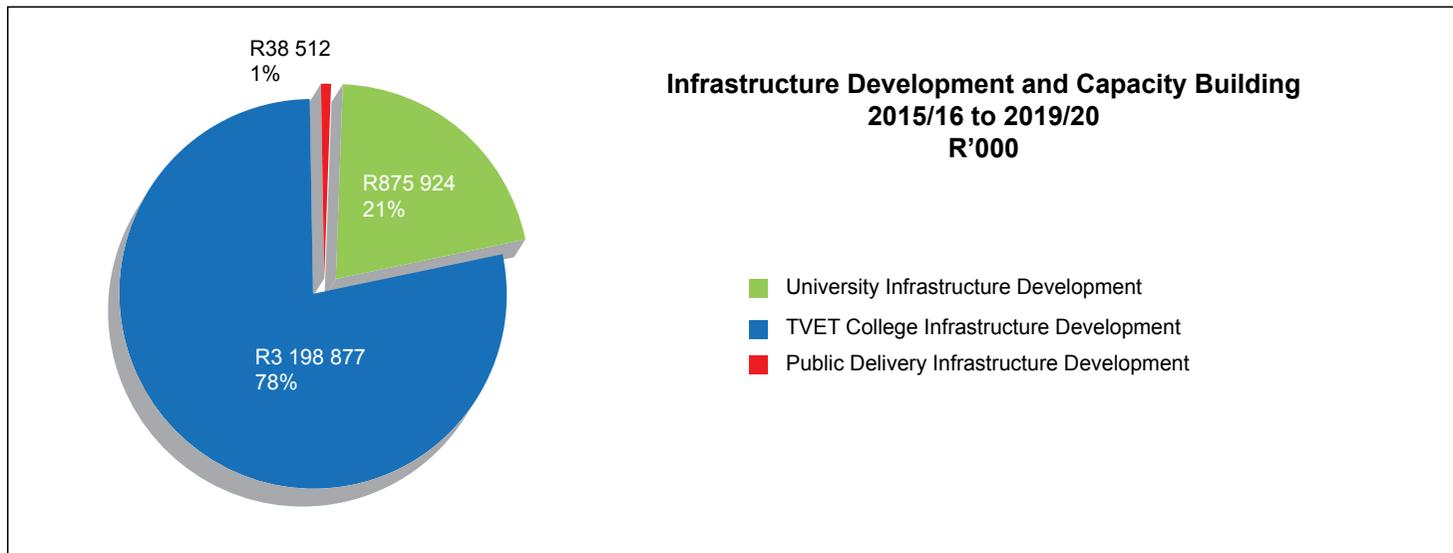


Sub-programme performance indicators and annual targets

SUB-PROGRAMME 1.3: SKILLS INFRASTRUCTURE DEVELOPMENT											
Strategic target for the 5 year strategic period 2015/16 to 2019/20	Performance Indicator	Audited / Actual performance			Base-line	Medium Term Targets			Additional 2 Years		
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
BUDGET PROGRAMME TARGET 9											
9	100% of NSF funded skills infrastructure development projects have a clear business plan and value for money budget breakdown.	Percentage of NSF funded skills infrastructure development projects with a clear business plan and value for money budget breakdown. (ACTIVITY-BASED)	New indicator. No data available.	100%	100%	100%	100%	100%			
BUDGET PROGRAMME TARGET 10											
10	100% of NSF funded skills infrastructure development projects have incurred actual project expenditure to date that is in line with the actual project performance to date.	Percentage of NSF funded skills infrastructure development projects where the actual project expenditure to date is in line with the actual project performance to date. (ACTIVITY-BASED)	New indicator. No data available.	100%	100%	100%	100%	100%			

Resource considerations

The NSF’s investment in skills infrastructure development over the 5 year strategic period (2015/16 to 2019/20) will mainly consist of TVET college infrastructure development, consisting of the completion of the remaining 13 TVET college campuses, creating centres of specialisation and funding the TVET college SANReN connectivity initiative. The university infrastructure development is related to infrastructure projects aimed at addressing specific scarce and critical skills areas e.g. veterinary sciences, medicine and engineering. The refurbishment of Indlela will also be funded by SETAs through the NSF.





7.4. Sub-Programme 1.4: Skills Development Research, Innovation and Communication

Sub-programme purpose

The White Paper for Post-School Education and Training indicates that the NSF is to support research and innovation.

The third National Skills Development Strategy has raised research, development and innovation to a strategic level. They are not simply aspects of skills planning, but fundamental to the achievement of a skilled nation, attracting investment and achieving shared growth and development. The NSF is in a good position to support research which cuts across sectors. For example, the issue of beneficiation in mining has been highlighted, as has training within the supply chain. AgriSETA has raised the need to strengthen training along the entire food chain if the rural economy is to be strengthened. The NSF must sponsor research where key opportunities for economic growth and industrial development are identified but do not fall tidily into a single sector or SETA. Some of the research questions posed by NSDS III are difficult. They impact upon the way we understand our challenges as a nation, or even how we identify

the challenges. For example, how can skills development support the creation of a developmental state? This requires an understanding of the possible role of the state and its various components, and an exploration of different models of state intervention in the economy. Meta-analyses of census and other data on how the poor in rural and urban areas earn their livelihoods are examples of research that can inform us about skills needs and help shape our curricula, especially in community colleges. Such research, both empirical and theoretical, demands the involvement of intellectuals in universities and think tanks; the NSF should provide funding where appropriate to clarify and achieve government's aims with regard to the education and skills development systems.

Increasingly in this global world, innovation sets a country apart and places it on a positive developmental path. Innovation has been seen as something pertaining to universities and academics, but it is becoming more about applying theory in practical ways in industry. With the greater focus of NSDS III on bridging the gap between study and work, particularly in postgraduate fields of learning, innovation projects can be identified and funded by the NSF to support the wider goals of government.

Sub-programme structure

Skills development research, innovation and communication projects can be categorised into the following categories:

CATEGORY	DESCRIPTION
Human Resource Development Council of South Africa (HRDCSA) Research, Planning, Advocacy and Communication	Research and communication rolled out in partnership with the HRDCSA aimed at achieving the objectives / commitments as specified in terms of the Human Resource Development Strategy South Africa (HRDSSA II) and National Integrated Human Resource Development Plan.
National Skills Authority (NSA) Monitoring, Research, Planning, Policy Development and Communication	Research, innovation and communication rolled out in partnership with the NSA aimed at achieving the objectives / commitments as specified in terms of the National Skills Development Strategy (NSDS).
National Skills Authority (NSA) Constituency Capacity Building and Advocacy	Skills development advocacy and communication rolled out in partnership with the NSA constituencies aimed at achieving the objectives / commitments as specified in terms of the National Skills Development Strategy (NSDS).
Department of Higher Education and Training Research	Research, innovation and communication rolled out in partnership with the Department.



Strategic objectives and annual targets

STRATEGIC OBJECTIVE 8: SKILLS DEVELOPMENT RESEARCH, INNOVATION AND COMMUNICATION										
STRATEGIC OBJECTIVE STATEMENT:										
To research priority areas related to skills development (including areas identified for innovation), to develop national skills development and human resource development policies, strategies and plans and to monitor the implementation thereof and communicate and advocate skills development.										
Strategic target for the 5 year strategic period 2015/16 to 2019/20	Performance Indicator	Audited / Actual performance			Baseline	Medium Term Targets			Additional 2 Years	
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
STRATEGIC OBJECTIVE TARGET 8										
8	100% of skills development research, innovation and communication projects have successfully achieved the project outputs. (OUTPUT-BASED)	Percentage of skills development research, innovation and communication projects that have successfully achieved the project outputs.	New indicator. No data available.	Longer-term projects, thus successful completion thereof can only be measured closer to the end of the 5 year strategic period.			100%			
JUSTIFICATION:										
The White Paper for Post-School Education and Training indicates that the NSF is to support research and innovation.										
The third National Skills Development Strategy has raised research, development and innovation to a strategic level. They are not simply aspects of skills planning, but fundamental to the achievement of a skilled nation, attracting investment and achieving shared growth and development. The NSF is in a good position to support research, which cuts across sectors. For example, the issue of beneficiation in mining has been highlighted, as has training within the supply chain. AgriSETA has raised the need to strengthen training along the entire food chain if the rural economy is to be strengthened. The NSF must sponsor research where key opportunities for economic growth and industrial development are identified but do not fall tidily into a single sector or SETA. Some of the research questions posed by NSDS III are difficult. They impact the way we understand our challenges as a nation, or even how we identify the challenges. For example, how can skills development support the creation of a developmental state? This requires an understanding of the possible role of the state and its various components, and an exploration of different models of state intervention in the economy. Meta-analyses of census and other data on how the poor in rural and urban areas earn their livelihoods are examples of research that can inform us about skills needs and help shape our curricula, especially in community colleges. Such research, both empirical and theoretical, demands the involvement of intellectuals in universities and think tanks; the NSF should provide funding where appropriate to clarify and achieve government’s aims with regard to the education and skills development systems.										

STRATEGIC OBJECTIVE 8: SKILLS DEVELOPMENT RESEARCH, INNOVATION AND COMMUNICATION

Increasingly in this global world, innovation sets a country apart and places it on a positive developmental path. Innovation has been seen as something pertaining to universities and academics, but it is becoming more about applying theory in practical ways in industry. With greater focus of NSDS III on bridging the gap between study and work, particularly in postgraduate fields of learning, innovation projects can be identified and funded by the NSF to support the wider goals of government.

LINKS:

White Paper for Post-School Education and Training (page 63)

National Skills Development Strategy III

RESPONSIBILITY:

i) Chief Director: Strategy, Performance and Innovation

Key support responsibility:

i) Chief Financial Officer

ii) Legal, Governance, Risk and Compliance

iii) Chief Director: Skills Development Implementation

iv) Director: Bursaries

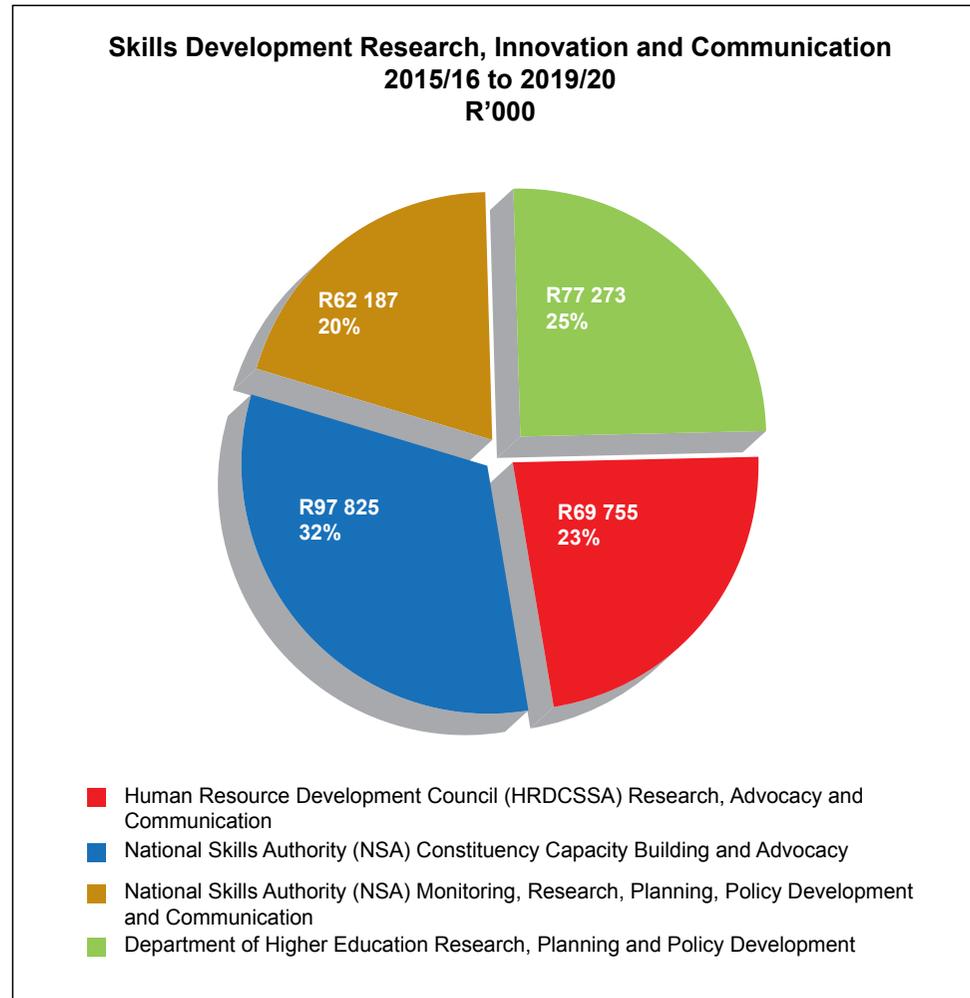


Sub-programme performance indicators and annual targets

SUB-PROGRAMME 1.4: SKILLS DEVELOPMENT RESEARCH, INNOVATION AND COMMUNICATION											
Programme target for the 5 year strategic period 2015/16 to 2019/20	Performance Indicator	Audited / Actual performance			Baseline	Medium Term Targets			Additional 2 Years		
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
BUDGET PROGRAMME TARGET 11											
11	100% of NSF funded research, innovation and communication projects have a clear business plan and value for money budget breakdown.	Percentage of NSF funded research, innovation and communication projects with a clear business plan and value for money budget breakdown. (ACTIVITY-BASED)	New indicator. No data available.	100%	100%	100%	100%	100%			
BUDGET PROGRAMME TARGET 12											
12	100% of NSF funded research, innovation and communication projects have incurred project expenditure to date that is in line with the actual project performance to date.	Percentage of NSF funded research, innovation and communication projects where the actual project expenditure to date is in line with the actual project performance to date. (ACTIVITY-BASED)	New indicator. No data available.	100%	100%	100%	100%	100%			

Resource considerations

The NSF’s investment in skills development research, innovation and communication can be ascribed to the following categories of skills development research, innovation and communication:





Risk Management

The five key strategic risks that may affect the realisation of the strategic objectives stated for this strategic goal are the following:

No	Risk Name	Description	Mitigating Actions
1	Organisational Structure	Operational inefficiency and strategic objectives not met due to inappropriate organisational structure.	The NSF is in the process of implementing its new restructured organisational structure that is based on the NSF's new operating model and re-engineered business process.
2	Integrated ICT system.	Strategic objectives not supported by an effective and efficient integrated ICT system.	The NSF is in the process of implementing an ICT system (including other relevant technology) to ensure that the NSF can monitor its achievement against its strategic objectives.
3	Stakeholder relationship management	Inability to anticipate/interpret and manage shifts in the information stakeholders want, and the way in which they want it communicated to them; and ineffective ongoing, transparent communications with the public in order to create goodwill.	The NSF will develop and implement a stakeholder management framework, whilst maintaining NSF's presence on key stakeholder forums. Stakeholders will be managed at all levels of the organisation (strategic and operational level).
4	People/HR Strategy	Failure to have a well-defined People/HR strategy that supports the entity and its strategic objectives, employee needs and desires, organisational mission, vision and values.	The NSF will build the necessary HR management capacity as outlined in its new organisational structure to assist in the development of a well-defined People/HR strategy that supports the entity and its strategic objectives, employee needs and desires, organisational mission, vision and values.
5	Performance Monitoring and Evaluation (PM&E)	Lack of effective integrated Performance Monitoring and Evaluation (PM&E) across the organisation.	Through Project Siyaphambili, the NSF will implement effective integrated PM&E across the organisation.

8. Programme 2: NSF Business Excellence

Programme purpose

This budget programme is the inward focused administrative programme of the NSF and incorporates the following aspect of the NSF's mandate: To administer the Fund within the prescribed limit (section 28(3) of the Skills Development Act). Regulations to prescribe the limit for the administration of the Fund at 10% of revenue has been approved and published in Notice No. R.1030, Government Gazette No. 33740 dated 8 November 2010.

To ensure business excellence within the NSF is maintained and continually improved.

This programme contributes towards the NSF achieving its strategic goal, namely *Strategic Goal 1: A skilled and capable workforce to support an inclusive growth path* through ensuring that the NSF as an organisation is efficient and effective in executing its mandate and continuously strive towards improving the organisation's efficiency and effectiveness.

According to the NSDS III, the NSF is a national resource which will be used to both initiate as well as respond to national skills priorities. It will be used to target gaps and complement resource shortages for national priorities. Its objectives will be achieved within the overall framework of the HRDSSA II and the NSDS III.

In order for the NSF to be both pro-active and reactive in funding skills development of national priority, the Fund's aim is to establish the relevant strategic capacity, with the necessary expertise to analyse and initiate projects of national priority, as well as evaluate project proposals submitted efficiently and intelligently.

The NSDS III further states that the NSF will need to develop a strong Monitoring and Evaluation (M&E) capacity and system that will provide the necessary management and oversight assurance required to ensure that funds are spent on the intended beneficiaries and in line with the contract and/or Service Level Agreement (SLA). M&E activities urgently need to be prioritised as a prominent and integral part of the NSF. This will also support the monitoring and evaluation of the NSDS.

Programme structure

The NSF's administrative programme is aligned to the NSF's new macro organisational structure, which consists of the following macro organisational units:

1. Executive Office

The NSF's Executive Office provides strategic leadership, manages stakeholder relationships, oversees NSF operations and is responsible for NSF's marketing, communications, public relations and media liaison.

2. Strategy, Performance and Innovation

The NSF's Strategy, Performance and Innovation unit is responsible for performing NSF's strategic planning functions (Strategic Plans, APPs, demand and supply analysis, etc.); developing skills development portfolios and projects to be funded; implementing and maintaining enabling IT technology; innovation, knowledge, information data management; continued organisational improvement and integrated reporting (including performance reporting).



3. Skills Development Implementation

The NSF's Skills Development Implementation unit is responsible for initiating skills development initiatives according to NSF's strategic objectives, monitoring the execution thereof on a programme, project and regional level and capturing lessons learned through evaluations.

4. Bursaries

The NSF's Bursary unit is responsible for initiating bursary awards to students according to NSF's strategic objectives, monitoring the execution thereof on a programme, project and regional level and capturing lessons learned through evaluations.

5. Finance and Fund Management

The NSF's Finance and Fund Management unit is responsible for financial planning and reporting, financial management, general fund administration, supply chain management and fund management for each skills development initiative funded.

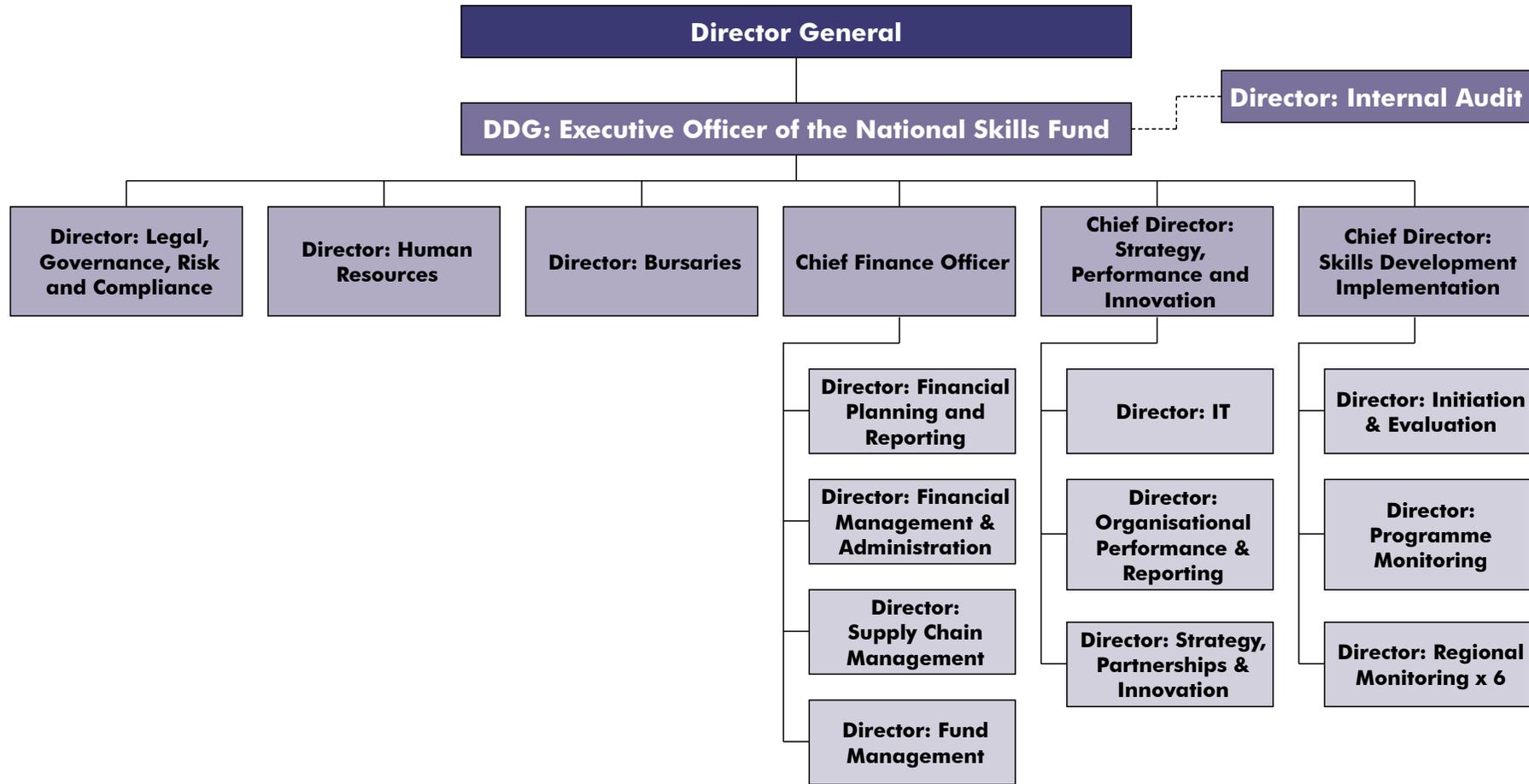
6. Human Resource Management

The NSF's Human Resource Management unit is responsible for performing all human resource management functions.

7. Legal, Governance, Risk and Compliance

The NSF's Legal, Governance, Risk and Compliance unit is responsible for performing all legal, governance, risk and compliance functions.







Strategic objectives and annual targets

It is worth noting that the NSF measures a number of its key performance areas through its Operational Plan with regards to the work performed by its different organisational units. However, the key performance areas that are of strategic importance in the achievement of the NSF's strategic goal have been included in the NSF's strategic plan as strategic objectives to be achieved by the Fund over the 5-year strategic period (2015/16 to 2019/20). These strategic objectives are the following:

Strategic Objective 9: Improve NSF's efficiency and effectiveness through an improved organisational structure

Strategic Objective 10: Improve NSF's efficiency and effectiveness through technology

STRATEGIC OBJECTIVE 9: IMPROVE NSF'S EFFICIENCY AND EFFECTIVENESS THROUGH AN IMPROVED ORGANISATIONAL STRUCTURE

STRATEGIC OBJECTIVE STATEMENT:

To improve the planning capabilities, skills development implementation capabilities, executive office and support service functions of the National Skills Fund over the 5 year strategic period (2015/16 to 2019/20) through the implementation of an improved organisational structure.

Strategic target for the 5 year strategic period 2015/16 to 2019/20	Performance Indicator	Audited / Actual performance			Baseline	Medium Term Targets			Additional 2 Years		
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
STRATEGIC OBJECTIVE TARGET 9											
9	90% of key positions filled.	Percentage of key positions filled (%) (OUTPUT-BASED)	100%	100%	100%	100%	20%	50%	90%	90%	90%
STRATEGIC OBJECTIVE TARGET 10											
10	90% of other positions filled.	Percentage of other positions filled (%) (OUTPUT-BASED)	100%	100%	100%	88%	45%	50%	90%	90%	90%

JUSTIFICATION:

The basis of the business case for the design of the new operating model and organisational structures of the NSF arises from:

The weaknesses and recommendations identified through a series of reviews and evaluations commissioned by various departments and other role players on the skills levy system; and

The envisaged role of the NSF as outlined in the White Paper for Post-School Education and Training (White Paper).

“The roles of the SETAs and the NSF will be simplified and clarified, and their capacity built in line with their core functions.

**STRATEGIC OBJECTIVE 9: IMPROVE NSF'S EFFICIENCY AND EFFECTIVENESS THROUGH AN IMPROVED ORGANISATIONAL STRUCTURE**

The NSF will be responsible for skills development aligned to national development strategies and priorities, including building linkages within the skills system and providing funds for government strategies such as youth programmes, building small businesses and co-operatives, and rural development. It will also fund research and innovation that is not confined to a particular sector.”

“SETAs and the NSF will also use the discretionary grant to fund skills development capacity in public education and training institutions.”

– White Paper for Post-School Education and Training, pages xvi and xvii.

The NSF undertook a comprehensive business process re-engineering project to address the many shortcomings and new areas of responsibility identified through the number of reports above, which formed the basis for the NSF's new organisational structure and ICT technology to be implemented.

LINKS:

NSDS III

RESPONSIBILITY:

Joint responsibility between:

- i) Executive Officer, for the appointment of macro structure heads
- ii) Heads of each macro structure unit for the appointment of staff within each vacant post
- iii) Director: Human Resources, for providing efficient recruitment and appointment services

STRATEGIC OBJECTIVE 10: IMPROVE NSF'S EFFICIENCY AND EFFECTIVENESS THROUGH TECHNOLOGY

STRATEGIC OBJECTIVE STATEMENT:

To improve the NSF's planning, skills development implementation, executive office and support functions through the implementation of information and communication technology for the National Skills Fund over the 5 year strategic period (2015/16 to 2019/20).

Strategic target for the 5 year strategic period 2015/16 to 2019/20	Performance Indicator	Audited / Actual performance			Baseline	Medium Term Targets			Additional 2 Years		
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
STRATEGIC OBJECTIVE TARGET 11											
11	Implement 90% of key ICT needs.	Percentage of key ICT needs implemented (%) (OUTPUT-BASED)	60%	60%	71%	71%	70%	80%	90%	90%	90%



STRATEGIC OBJECTIVE 10: IMPROVE NSF'S EFFICIENCY AND EFFECTIVENESS THROUGH TECHNOLOGY

JUSTIFICATION:

The basis of the business case for the design of the new operating model and organisational structures of the NSF arises from:

The weaknesses and recommendations identified through a series of reviews and evaluations commissioned by various departments and other role players on the skills levy system; and

The envisaged role of the NSF as outlined in the White Paper for Post-School Education and Training (White Paper).

“The roles of the SETAs and the NSF will be simplified and clarified, and their capacity built in line with their core functions.

The NSF will be responsible for skills development aligned to national development strategies and priorities, including building linkages within the skills system and providing funds for government strategies such as youth programmes, building small businesses and co-operatives, and rural development. It will also fund research and innovation that is not confined to a particular sector.”

“SETAs and the NSF will also use the discretionary grant to fund skills development capacity in public education and training institutions.”

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LINKS:

NSDS III

RESPONSIBILITY:

- i) Chief Director: Strategy, Performance and Innovation
- ii) Director: IT

Programme performance indicators and annual targets

PROGRAMME 2: NSF BUSINESS EXCELLENCE											
Programme target for the 5 year strategic period 2015/16 to 2019/20	Performance Indicator	Audited / Actual performance			Baseline	Medium Term Targets			Additional 2 Years		
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
BUDGET PROGRAMME TARGET 13											
13	90% of key positions filled.	Percentage of key positions filled (%) (OUTPUT-BASED)	100%	100%	100%	100%	20%	50%	90%	90%	90%
BUDGET PROGRAMME TARGET 14											
14	90% of other positions filled.	Percentage of other positions filled (%) (OUTPUT-BASED)	100%	100%	100%	88%	45%	50%	90%	90%	90%
BUDGET PROGRAMME TARGET 15											
15	Implement 90% of key ICT needs.	Percentage of key ICT needs implemented (%) (OUTPUT-BASED)	60%	71%	71%	71%	70%	80%	90%	90%	90%



Resource considerations

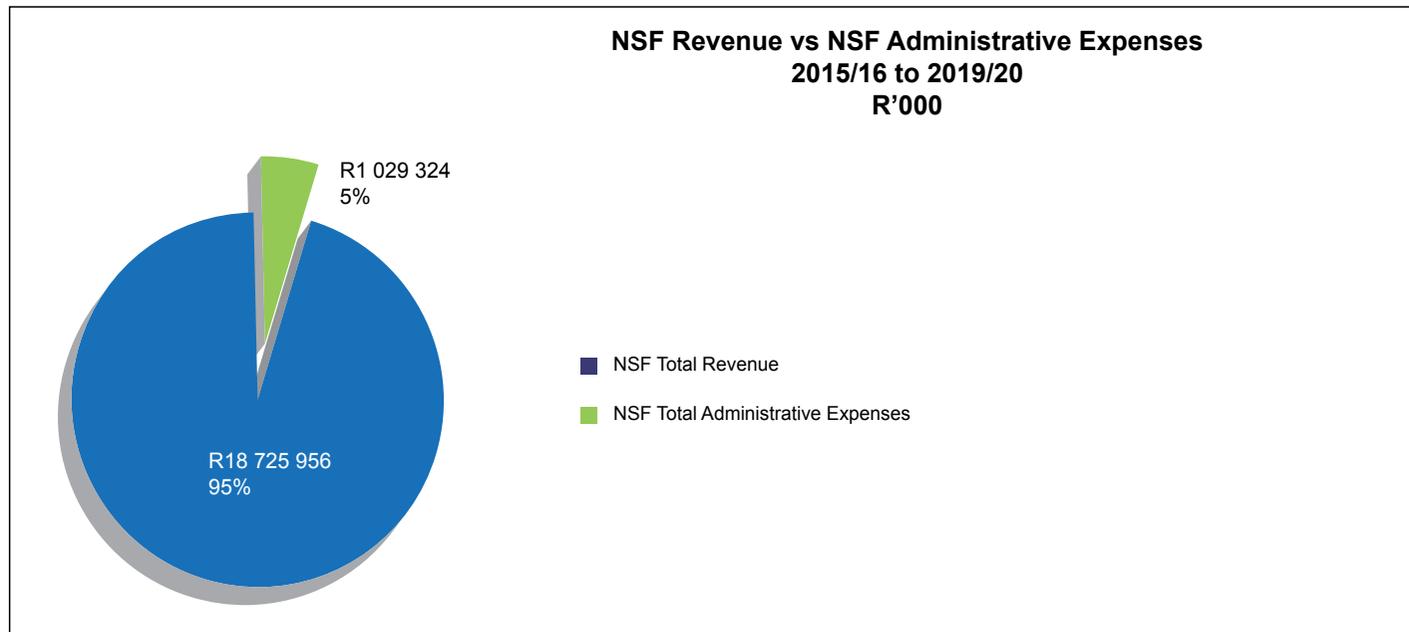
***i)* Expenditure trends**

The NSF’s administrative expenditure will increase during the 2016/17 and 2017/18 financial years due to the following:

1. Increase in human resource capacity with the implementation of the NSF’s new organisational structure; and
2. Investment in the Information and Communication Technology (ICT) to address the NSF’s ICT needs.

The expected future revenue is sufficient for the NSF to address its structural changes within the prescribed legislative administrative limit of 10% of revenue and will be able to sustain the NSF’s increased capacity going forward.

The increase of the NSF’s administrative expenditure over the 5 year strategic period in relation to the NSF’s total revenue is illustrated below:



Risk Management

The five key strategic risks that may affect the realisation of the strategic objectives stated for this strategic goal are the following:

No	Risk Name	Description	Mitigating Actions
1	Organisational Structure	Operational inefficiency and strategic objectives not met due to inappropriate operating structure.	The NSF is in the process of implementing its new restructured organisational structure that is based on the NSF's new operating model and re-engineered business process.
2	Integrated ICT system	Strategic objectives not supported by an effective and efficient integrated ICT system.	The NSF is in the process of implementing an ICT system (incl. other relevant technology) to ensure that the NSF can monitor its achievement against its strategic objectives.
3	Stakeholder relationship management	Inability to anticipate/interpret and manage shifts in the information stakeholders want, and the way in which they want it communicated to them; and ineffective ongoing, transparent communications with the public in order to create goodwill.	The NSF will develop and implement a stakeholder management framework, whilst maintaining NSF's presence on key stakeholder forums. Stakeholders will be managed at all levels of the organisation (strategic and operational level).
4	People/HR Strategy	Failure to have a well-defined People/HR strategy that supports the entity and its strategic objectives, employee needs and desires, organisational mission, vision and values.	The NSF will build the necessary HR management capacity as outlined in its new organisational structure to assist in the development of a well-defined People/HR strategy that supports the entity and its strategic objectives, employee needs and desires, organisational mission, vision and values.
5	Performance Monitoring and Evaluation (PM&E)	Lack of effective Integrated Performance Monitoring and Evaluation (PM&E) across the organisation.	Through Project Siyaphambili, the NSF will implement effective integrated PM&E across the organisation.

PART C:

**LINKS TO KEY
GOVERNMENT
STRATEGIES AND
PLANS**



PART C: LINKS TO KEY GOVERNMENT STRATEGIES AND PLANS

9. Alignment to key government strategies, plans, policies and initiatives

The National Skills Fund’s strategic plan and annual performance plan is aligned to the following key government strategies and plans. The alignment is outlined in the following addendums attached to this strategic plan:

KEY GOVERNMENT STRATEGIES, PLANS AND POLICIES
National Development Plan
New Growth Path
Industrial Policy Action Plan
White Paper for Post-School Education and Training
Expanded Public Works Programme
War on Leaks
National Infrastructure Plan (including Strategic Integrated Projects (SIPS))
Medium Term Strategic Framework (MTSF)
Human Resource Development Strategy for South Africa
Human Resource Development Plan for South Africa



ACRONYMS

ABET	-	Adult Basic Education and Training
AIDS	-	Acquired Immune Deficiency Syndrome
ASSA	-	Academy of Sciences of South Africa
ATR	-	Annual Training Report
BRICS	-	Brazil, Russia, India, China and South Africa
CBO	-	Community Based Organisations
CEO	-	Chief Executive Officer
CETC	-	Community Education and Training Centre
CHE	-	Council on Higher Education
CHET	-	Centre for Higher Education Transformation
DBE	-	Department of Basic Education
DHET	-	Department of Higher Education and Training
Director-General or DG	-	Director-General of Higher Education and Training
DST	-	Department of Science and Technology
DTI	-	Department of Trade and Industry
EPWP	-	Extended Public Works Programme
ETQC	-	Education and Training Quality Assurance Council
FET	-	Further Education and Training
FETC	-	Further Education and Training College
FETI	-	Further Education and Training Institute

FETMIS	-	Further Education and Training Management Information System
FTE	-	Full-Time Equivalent
GET	-	General Education and Training
GETC	-	General Education and Training Certificate
GFETQF	-	General and Further Education and Training Qualifications Framework
HEMIS	-	Higher Education Management Information System
HEQC	-	Higher Education Quality Committee
HEQCIS	-	Higher Education Quality Committee Information System
HEQF	-	Higher Education Qualifications Framework
HIV	-	Human Immunodeficiency Virus
HPCSA	-	Health Professions Council of South Africa
HRDC	-	Human Research Development Council
HRDSSA	-	Human Resource Development Strategy for South Africa
IPAP	-	Industrial Policy Action Plan
IT	-	Information Technology
JIPSA	-	Joint Initiative on Priority Skills Acquisition
M&E	-	Monitoring & Evaluation
Minister	-	Minister of Higher Education and Training
MTEF	-	Medium Term Expenditure Framework
MTSF	-	Medium Term Strategic Framework
NAMB	-	National Artisan Moderating Body

NASCA	-	National Senior Certificate for Adults
NCV	-	National Certificate (Vocational)
NEDLAC	-	National Economic Development and Labour Council
NGO	-	Non-Governmental Organisation
NGP	-	New Growth Path
NLRD	-	National Learner Records Database
NQF	-	National Qualifications Framework
NRF	-	National Research Foundation
NSA	-	National Skills Authority
NSC	-	National Senior Certificate
NSDS	-	National Skills Development Strategy
NSF	-	National Skills Fund
NSFAS	-	National Student Financial Aid Scheme
OFO	-	Organising Framework for Occupations
OQF	-	Occupational Qualifications Framework
PALAMA	-	Public Administration and Leadership Academy
PALC	-	Public Adult Learning Centre
PFMA	-	Public Finance Management Act, No. 1 of 1999, as amended, including related regulations and practice
PGC	-	Public Grants Committee
PSDF	-	Provincial Skills Development Forum
PSETA	-	Public Services Education and Training Authority
QCTO	-	Quality Council for Trades and Occupations

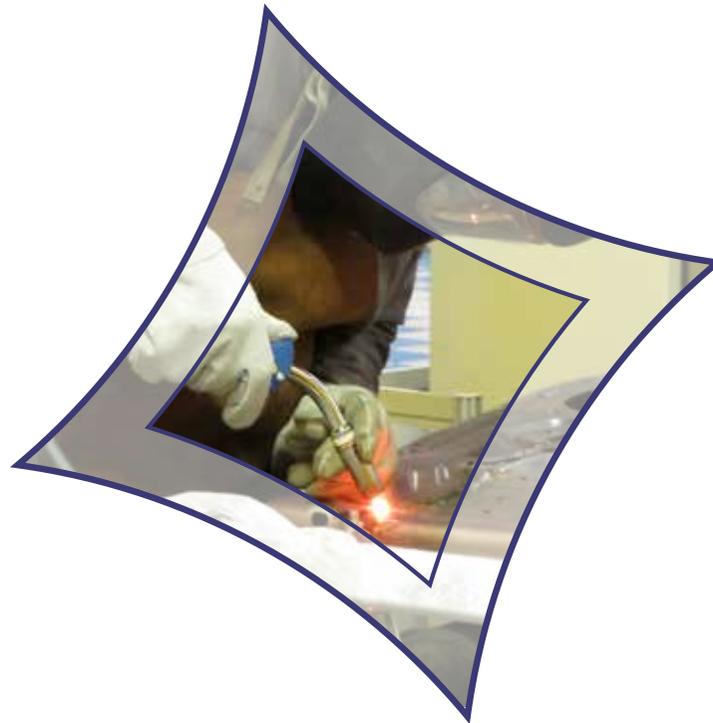
RPL	-	Recognition of Prior Learning
SADC	-	Southern African Development Community
SAQA	-	South African Qualifications Authority
SARS	-	South African Revenue Service
SARUA	-	Southern African Regional Universities Association
SDA or Skills Development Act	-	Skills Development Act, No. 97 of 1998, as amended, including related regulations and practice notes
SDL or Skills Development Levies Act	-	Skills Development Levies Act, No. 9 of 1999 as amended, including related regulations and practice notes
SET	-	Science, Engineering and Technology
SETA	-	Sector Education and Training Authority
SMME	-	Small Medium and Micro Enterprise
SOE	-	State Owned Enterprise
TEFSA	-	Tertiary Education Fund of South Africa
TUP	-	Training of Unemployed People
TVET	-	Technical and Vocational Education and Training
UK	-	United Kingdom
UNISA	-	University of South Africa
USA	-	United States of America
WSP	-	Workplace Skills Plan



NOTES

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Funding to Skill our Nation



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STRATEGIC PLAN



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

THE NATIONAL SKILLS FUND IS PROUDLY PART OF
THE DEPARTMENT OF HIGHER EDUCATION AND TRAINING

