



THE CONSTRUCTION EDUCATION AND TRAINING AUTHORITY

STRATEGIC PLAN

For the Fiscal Years

2020/21 to 2024/25 TERM

(5 years beginning from 2020/21)

15 September 2023

Accounting Authority's Statement

It is our honour to present the Strategic Plan for the Construction Education and Training Authority (CETA) updated for FY 2024/25. This document is presented in terms of the Skills Development Act and the Public Finance Management Act (Act 1 of 1999, as amended) and is submitted as per the Department of Higher Education and Training's (DHET) Compliance Calendar. The framework guiding the development of this Strategic Plan is set out in the National Treasury's Framework for Strategic Plans and Annual Performance Plans and as informed by the Department of Planning, Monitoring and Evaluation.

The Accounting Authority endorses this Strategic Plan as an appropriate response by the organisation post COVID, Administration period and various change drivers in the construction sector. Prior to COVID, the construction sector was already in decline, as indicated in the Statistics SA Construction Industry report 2020, with 20% decline in employment from June 2017 until June 2020¹. Since COVID, the government has adopted plans and strategies to stimulate economic growth and in particular, the Economic Recovery and Reconstruction Plan (ERRP) which CETA is contributing towards in all provinces.

The sector is diverse with four broad categories or subsectors namely: Roads and Civil Construction, Materials Manufacturing, Building Construction, Built Environment Professions and Electrical Construction. The need for skilled employees is driven by spending in these subsectors by both public and private investors. The CETA will be establishing Chambers for these sectors, with the intention of forging closer and mutually beneficial relationships for improved skills in the sector. These Chambers are being established in the current financial year, 2023/24, and CETA looks forward to make impact in its service to stakeholders and discharging its mandate better through active and regular industry participation. We are committed to building stronger relationships with all stakeholders in the sector to increase the number of skills in the sector, but to also produce quality skills for global competitiveness.

The CETA exited Administration in February 2022, and the organisation has improved its performance and the governance breaches that led to it being placed under administration. To this end, the CETA is capacitating itself internally to respond to the challenges of the day. Together with the newly appointed executive, the Accounting Authority will work with all employees to ensure that skills development the sector is facilitated in an ethical, responsive, and professional manner. Systems are being improved, and where they do not exist, are being developed to strengthen the organisation to support the sector.

The CETA continues to support the goal of economic inclusion and will continue to focus on working with stakeholders to realise transformation in the sector, through prioritising designated groups in its programmes. The sector, like most sectors, remains untransformed at management

¹ Statistics SA Construction Sector Report 2020

levels, with African and Coloureds found to be underrepresented.² The candidacy and bursary programmes are examples of pathways used by the CETA to effect transformation and there will be more emphasis on supporting them in the future.

The CETA's strategic direction over the period of this Strategic Plan and Annual Performance Plan is aimed at sustainably supporting skills development within the construction sector and making a significant contribution to economic growth. The CETA will continue to do this by positioning skills as a foundation for economic development and empowerment, working with industry to realise the dream of turning each construction site in the country into a learning site for all our learners.

THABO MASOMBUKA
CHAIRPERSON
ACCOUNTING AUTHORITY

² 22nd Report of the Commission on Employment Equity

Official Sign-Off

It is hereby confirmed that this Strategic Plan for the Construction Education and Training Authority was developed by the management team of the CETA under the guidance of the Accounting Authority; takes into account all the relevant legislation, policies and other mandates for which the CETA is responsible; and accurately reflects the strategic goals and objectives which the CETA will endeavour to achieve over the period 2022/23 to 2024/25.

This Strategic Plan is hereby presented as the anchor document for the CETA for the period in compliance with the National Treasury Guidelines.

Ms Molebogeng Thobela

Signature: _____

Executive Manager: Strategic Support

Date: **30 November 2023**

Mr Malusi Shezi

Signature: _____

CETA Chief Executive Officer

Date: **30 November 2023**

Mr Thabo Masombuka

Signature: _____

CETA Board Chairperson

Date: **30 November 2023**

Table of Contents

1	Constitutional Mandates	8
2	Legislative and policy mandates	9
2.1	Legislative Mandates	9
2.2	Policy mandates	11
3	Institutional Policies and Strategies over the five-year planning period.....	18
3.1	The CETA'S Strategic Priorities	18
3.2	Ministerial Imperatives.....	19
4.	Relevant Court Rulings.....	20
5.	CETA value proposition, vision, mission and values	21
6.	Updated Situational Analysis.....	21
6.1	External Environmental Analysis.....	22
7.	Employer Profile	26
7.1	Analysis of employment in the sector.....	27
7.2	Skills demand analysis	33
7.3	Performance environment.....	34
7.4	EXTERNAL ENVIRONMENT ANALYSIS	46
7.4.1	TOPAC-G Assessment	46
7.5	Strength, Opportunities, Aspirations and Results (SOAR) Analysis.....	52
7.6	PIVOTAL LIST	53
8.	Internal Environment Analysis.....	54
8.1	CETA PFILMS Assessment Summary.....	54
8.2	CETA Stakeholder Relationship Management	61
8.3	CETA Skills Value Chain.....	65
8.4	CETA Learning Delivery Model	66
8.5	The CETA External Audit Opinion.....	67
8.6	Governance	68
8.7	CETA Employees	68
8.8	Financial Overview	70
8.9	Materiality and Significance Framework	73
	PART C Measuring Our Performance.....	74
9.	Institutional Performance Information	74

9.1 Measuring Impact.....	75
9.2 The CETA is supported by the goals set out below per broadprogramme.....	69
9.3 Explanation of Planned Performance over the Five-Year Planning Period	80
10. Key Risks.....	81
PART D	110
10. Programme and sub-programme plans	110
11. Annexure A: Technical Indicator Descriptions	82

List of Tables

Table 1 CETA's alignment to the NSDP Outcomes.....	12
<i>Table 2: CETA key focus areas in relation to ERRP.....</i>	<i>13</i>
Table 3: CETA's alignment to the National HRD Strategy	15
Table 4: Key Change Drivers for the Construction Sector (exogenous).....	27
Table 5: Key Change Drivers for the Construction Sector (Endogenous).....	28
Table 6: Hard to Fill Vacancies in the Sector.....	29
Table 7: Skills Gaps in the Construction Sector.....	30
Table 8: Employers by Sub-sector.....	32
Table 9: TOPAC-G Assessment.....	46
Table 10: Gap reduction tool.....	47
Table 11: CETA TOPAC-G Assessment.....	48
Table 12: PIVOTAL list.....	53
Table 13: CETA PFILMS Assessment.....	55
Table 14: CETA Stakeholder Matrix.....	62
Table 15: Analysis of CETA Delivery Model.....	67

List of Figures

Figure 1: Geographic Location of Construction Activities 2020.....	25
Figure 2: CETA Skills Value Chain.....	66
Figure 3: 4A Learning Delivery Model.....	67

Glossary of terms

Accounting Authority	The governing body of the CETA
Apprenticeship	A trade qualification registered with Quality Council for Trades and Occupations in terms of the Skills Development Act No 97 of 1998 as amended
AQP	Assessment Quality Partner
Assessment	A structured process for gathering evidence and making judgments about an individual's performance in relation to registered, national standards
ARPL	Artisan Recognition of Prior Learning
DHET	Department of Higher Education, Science and Technology
Discretionary Grant	Grants paid out in terms of Regulation 6(3) (a) and (b) of the Skills Development Levies Act No 9 of 1999
DQP	Development Quality Partner
Funding Priorities	Skills Development priorities approved by the Accounting Authority
Learnership	A vocational based learning qualification that includes a practical work-based component. A learnership has to be aligned with a registered NQF qualification
MTSF	Medium-Term Strategic Planning Framework
NQF	National Qualifications Framework
NSDS	National Skills Development Strategy
NSDP	National Skills Development Plan
NT	National Treasury
OFO	Organising Framework of Occupations codes
PFMA	Public Finance Management Act No 1 of 1999
PIVOTAL	Professional, Vocational, Technical and Academic Learning programmes that result in occupational qualifications and may include a knowledge component that is normally delivered at a further education and training college or a university as well as structured learning in an accredited training centre or an approved workplace
QCTO	Quality Council for Trades and Occupations
QMS	Quality Management System as defined by the CETA
RPL	Recognition of Prior Learning by assessing competence against the outcomes of a set of unit standards
SAQA	South African Qualifications Authority established in terms of the South African Qualifications Authority Act No 58 of 1995
SDL	Skills Development Levy
Skills Programmes	Occupationally based unit standard training programme, delivered by accredited education and training providers
SLA	Service Level Agreement
SSP	Sector Skills Plan
TVET	Technical Vocational Education and Training at Levels 2 to 4 of the National Qualifications Framework (NQF)
WSP	Workplace Skills Plan

PART A

Our Mandate

The development of the strategic plan was underpinned by specific constitutional, legislative, functional and policy mandates of the CETA. The legislative and other mandates listed under this section are those that the CETA is directly responsible for implementing, managing or overseeing.

1 Constitutional Mandates

The Constitution of the Republic of South Africa is the supreme law governing South Africa. It provides the legal foundation for the existence of the Republic and sets out the rights and duties of its citizens and defines the structure of the Government. The relevant sections of the Constitution that have a direct bearing on the governance of CETA are the following:

- *Right to education including further education (Section 29)*

The CETA complies with this by ensuring that there are credible mechanisms for skills planning through conducting research and using labour market information intelligence tools, to develop a Sector Skills Plan for the Construction Sector to guide skills planning. These processes also assist in enhancing and supporting training for new entrants and the workforce in the construction sector. The SSP forms the basis of skills planning, as well as sets skills priorities to be pursued by the CETA through this Strategic Plan.

The updated CETA Strategic Plan has four programmes as per the Uniform SETAs Budget Programme Structure prescribed by DHET to guide SETAs in developing planning and reporting documents. This programme structure is aimed at streamlining and standardising planning, budgeting, implementation, monitoring, evaluation and reporting processes by the CETA. The programmes also address the subsectors within the construction sector. These four programmes are as follows:

- Programme 1: Administration;
- Programme 2: Research, Planning and Reporting;
- Programme 3: Learning Programmes and Projects; and
- Programme 4: Quality Assurance.

As a public entity, CETA reports to the Minister of Higher Education, Science and Innovation. We are accountable to Parliament (through the Portfolio Committee on Higher Education, Science and Innovation) and are also under the oversight of National Treasury in terms of performance management and financial administration. We engage with a broad range of stakeholders in the public domain in fulfilment of our CETA mandate, which requires us to uphold principles of good governance in the interest of making a meaningful contribution in skills development for the benefit of the construction sector and the country. In response to this, the CETA is obliged to submit its approved Strategic Plan, Annual Performance Plan and

its audited Annual Report to Parliament as per the Compliance Calendar prescribed by DHET.

2 Legislative and policy mandates

The CETA was established in April 2000 and is responsible for skills development activities within the construction sector. The following mandates represent the legislative environment in which the CETA operates:

2.1 Legislative Mandates

2.1.1 Skills Development Act 1998 (Act 97 of 1998) (As amended)

The Skills Development Act requires the CETA to develop a Sector Skills Plan (SSP) within the framework of the National Skills Development Plan 2030 (NSDP).

2.1.2 Skills Development Levies Act, 1999 (Act 9 of 1999) (As amended)

The Act makes provision for the South African Revenue Service (SARS) to collect skills levies and distribute them by paying a portion thereof into the account of the National Skills Funds (NSF) and use the remainder in terms of its provision and those of the Skills Development Act and SETA Grant Regulations.

2.1.3 Public Finance Management, 1999 (Act 1 of 1999)

The Public Finance Management (PFMA) is aimed at promoting good financial management in order to maximise delivery through the efficient and effective use of financial resources within public institutions. It regulates that all revenue, expenditure, assets and liabilities are managed efficiently and effectively.

2.1.4 SETA Grants Regulations (2012)

The SETA's Grant Regulations Regarding Monies Received by a SETA and Related Matters, which was gazetted on 3 December 2012 and came into effect on 1 April 2013, has also been considered in our budgeting and identification of PIVOTAL and Non-PIVOTAL interventions.

2.1.5 The National Qualifications Framework (NQF) Act (Act 67 of 2008)

The National Qualifications Framework (NQF) Act allows for the CETA to develop qualifications within the occupational and higher education sub-frameworks. This Act also provides for the regulation of qualifications and professional bodies and establishes the quality councils that the CETA interacts with including the QCTO.

2.1.6 The Construction Regulations Act, 2014: The Registration of Construction Health and Safety (CHS) Professionals

The following categories of Construction Health and Safety have been approved for registration: Registration Rules for Construction Health and Safety Agent (PrCHSA) in Terms of Section 18 (1) (c) of the Act, (Act No. 48 of 2000), as published on 31 May 2013 in the

Government Gazette, Gazette No. 36525, Board Notice 115 of 2013 for commencement 1 June 2013.

- Construction Health and Safety Agent (PrCHSA)
- Construction Health and Safety Manager (CHSM)
- Construction Health and Safety Officer (CHSO)

The CETA's mandate is to ensure that relevant health and safety programmes are developed or curriculum is reviewed and that skills development providers are accredited for such programmes. Construction Health and Safety assessors and moderators are registered against recognised standards with the CETA.

2.1.7 Income Tax Act 1962 –Tax Allowance, (Act 58 of 1962) (As amended)

Section 12H of the Income Tax allows for tax breaks for entities participating in learnerships and apprenticeships programmes and other relevant approved SETA programmes. The CETA is involved in the process of learnership tax claims by entities in the sector registering learnerships or apprenticeships agreements with the CETA as well as for completion of such learning programmes included in the tax breaks by the South African Revenue Services (SARS).

2.1.8 Basic Conditions of Employment Act (BCEA) 1997, (Act No 75 of 1997): Sectoral Determination No 5: Learnerships

The Act makes the sectoral determination establishing binding conditions of employment and rates of allowances for learners in all sectors where SETAs operate.

2.1.9 Employment Equity 1998, (Act 55 of 1998)

This Act aims to facilitate workplace transformation through the elimination of unfair discrimination and implementation of affirmative action and measures to enable equitable representation of employees from different race and gender groups in the workplace.

The Commission for Employment Equity's (CEE)³ annual report for the 2020-2021 financial year as released by the Department of Labour, highlights the under-representation of targeted groups at the senior and Top Management levels of the workforce. The CETA is actively targeting designated groups in its programmes.

2.1.10 Broad-Based Black Economic Empowerment Amendment Act 2013, (Act 46 of 2013) (As amended)

The amended Code Series 300, Statement 300: The General Principles for Measuring Skills Development prescribes compliance targets and weighting points to be claimed by Measured Entities, subject to verifiable expenditure incurred for training black people on various listed learning interventions. The Code determines that "Workplace Skills Plan, an Annual Training Report and Pivotal Report which are SETA approved" will constitute criteria for Measured

³ 22nd Report of the Commission for Employment Equity

Entities to receive points towards their BBBEE scorecards. The CETA evaluates the submitted WSPs for approval. Upon approval of the WSP, the CETA issues an approved entity with a compliance certificate that the entities may use for BBBEE purposes.

The implications for skills planning for the CETA is as follows:

- Prioritise skills development in qualifying small companies;
- Assist large and medium enterprises in developing skills which will assist with their BBBEE efforts;
- WSP-ATR submissions approved by the CETA;
- Learning Programme Matrix under the BBBEE Code places an emphasis on PIVOTAL training and provision for accredited training.

2.1.11 Other key legislations

- South African Qualifications Authority Act 1995 (Act No 58 of 1995)(SAQA Act).
- Protection of Personal Information Act 2013, (Act No 4 of 2013)(POPIA).
- Promotion of Access to Information Act 2000 (Act No 2 of 2000)(PAIA).

2.2 Policy Mandates

CETA's strategic planning process has taken into consideration the aims and objectives of the Human Resources Development Strategy for South Africa (HRDS-SA), which outlines the human resources development strategy for the country; the Medium-Term Strategic Framework (MTSF), which is a broad Government framework that indicates economic growth drivers and the National Skills Development Plan 2030 (NSDP). These mandates serve as the roadmap for CETA within which to deliver our skills development interventions.

2.2.1 The National Development Plan (NDP) (2013)

The National Development Plan (NDP) was introduced at the end of 2011 by the National Planning Commission. It focuses on the reduction of poverty and inequality and reiterates the objectives of the New Growth Path. It lays out the vision to be achieved by 2030. The NDP is a detailed blueprint for how the country can eliminate poverty and reduce inequality by the year 2030.

The most important aspect of the plan from the point of view of the construction industry is the massive infrastructure investment. Cutting across all infrastructural projects and initiatives is the operation and maintenance of such infrastructure post establishment.

2.2.2 National Skills Development Plan 2030

The National Skills Development Plan 2030 (NSDP) has been developed to respond to the policy goals of the White Paper on Post School Education and Training ("White Paper") to improve both the integration of the post -school education and training system ("PSET), and the interface between PSET institutions and the world of work

To illustrate the alignment between the CETA's updated strategic plan and the outcomes of

the NSDP 2030, the Table below outlines the link between these outcomes and the CETA programmes and strategic goals:

Table 1 CETA's alignment to the NSDP Outcomes

NSDP Outcomes	CETA Linked Outcomes	CETA Linked Programmes
4.1 Identify and increase production of occupations in high demand	To ensure a credible mechanism for skills planning and reporting in the construction sector - Respond to changing sectoral needs and priorities including contributing to transformation through skills development in the construction sector.	Programme 2: Skills Planning and Reporting
4.2 Linking education and the workplace	To address skills priorities within the construction sector – Support skills development of new entrants or unemployed to the Construction Sector Enhance the skills of the existing workforce of the Construction sector	Programme 3: Learning Programmes and Projects Programme 4: Quality Assurance
4.3 Improving the level of skills in the South African workforce	Strengthen and expand strategic partnerships to maximise sustainability and impact of skills development interventions	Programme 3: Learning Programmes and Projects Programme 4: Quality Assurance
4.4 Increase access to occupationally directed programmes	Support skills development of new entrants or unemployed to the Construction Sector Enhance the skills of the existing workforce of the Construction Sector	This goal is addressed as part of Programme 2 under Sub Programme: Short Skills Programme Programme 4: Quality Assurance`
Support the growth of the public college institutional type as a key provider of skills required for socio-economic development	Support skills development of new entrants or unemployed to the Construction Sector	Programme 3: Learning Programmes and Projects
4.6 Skills development support for entrepreneurship and cooperative development	Support national imperatives in relation to skills development, with emphasis on the Construction sector.	Programme 3: Learning Programmes and Projects
4.7 Encourage and support worker initiated training	Support national imperatives in relation to skills development, with emphasis on the Construction Sector.	Programme 3: Learning Programmes and Projects

4.8 Support Career Development Services	Support skills development of new entrants or unemployed to the Construction Sector	Programme 3: Learning Programmes and Projects
---	---	--

2.2.3 Economic Reconstruction and Recovery Plan (2020)

In response to the devastation wrought by the COVID-19 pandemic to the economy and the country's growth prospects, the South African government unveiled an Economic Reconstruction and Recovery Plan. For the construction sector, the pandemic led to low levels of capacity utilisation for a prolonged period thereby negatively impacting gross fixed capital formation for the entire economy. The key areas of the Economic Reconstruction and Recovery Plan relevant to the construction sector and CETA, include the following:

Table 2: CETA key focus areas in relation to ERRP

Focus Area	Relevance
Resource mobilisation	The CETA to support the sector in government infrastructure-built programmes and other investment efforts for the benefit of sector growth and jobs.
Building a capable state	The CETA will be paying attention to improving its governance systems, financial management, competence and skills of its employees and crucially, instilling a zero- tolerance culture against maladministration and corruption.
Social Compacting	To build a coalition for growth and job-creation, the CETA will strengthen its efforts at creating partnerships with all relevant stakeholders.
Skills Development	It calls attention for the CETA to revert to its core business of building skills for current and future requirements in the sector. Thereby ensuring the CETA and sector are ready to effectively function in a post-COVID-19 environment (in terms of skills planning). Also, focused attention to be paid to historically excluded demographics (blacks, women, disabled and rural folks) to ensure economic inclusion.
Employment oriented localisation and re- industrialisation	The construction sector is well positioned to drive comprehensive localisation efforts, by ensuring that

	more of the sector's inputs are locally manufactured.
Green Economy interventions, technology and innovation	Being at the heart of skills development in the construction sector, the CETA is well placed to catalyse the introduction of new and innovative green construction methods and technological knowhow. There are also real opportunities for new research and global skills transfer (as other countries have covered some ground in green technology and innovation)

The CETA fully embraces the government's Economic Reconstruction and Recovery Plan and is putting plans in place to ensure that the key elements find expression in its strategies and programmes, moving forward.

2.2.4 White Paper on Post-School Education and Training (PSET)

The White Paper was established amongst others to ensure a coordinated, and inclusive post school education and training system, expand access, improve quality of provision and ensure education and training system that is responsive to citizens, employers as well as the broader societal developmental objectives. It seeks to expand the scope of education and training to include even people who could not attend formal education. The White Paper aims to simplify the role of SETAs and build their capacity in line with their redefined roles. In terms of the White Paper, SETAs will continue facilitating development of skills for those in existing enterprises and skills pipeline in workplaces. This means that SETAs will ensure that the skills requirements of their respective industries are understood and catered for by different providers as contemplated within the policy document.

2.2.5 Transformation in the Construction Sector: Construction Charter Codes 2017

Transformation charters such as the Construction Charter (revised), which seek to increase the participation of Black people and people with disabilities in general and focuses on the broad based- black economic empowerment in the sector, continue to guide CETA's strategic planning process.

The sector continues to reflect vast inequalities in ownership patterns, black participation is principally through micro and small businesses where sustainability levels are generally low. There are limited number of black people, especially black women, in controlling positions, managerial positions and in specialised professions in the larger enterprises in the sector.

There is a depleted skills base due to disconnection between academia from the needs of the sector, the sector's low appeal as a career choice, the low numbers of school leavers with adequate grades in Mathematics and Science, low salaries and poor prospects for career

development. Inadequate investment in skills development exacerbates this problem despite sufficient funding allocated by the CETA to the sector. Challenges include inadequate recognition of prior learning and low levels of workplace training. The sector has a dire need for recognition of prior learning amongst other areas in the scaffolding, formwork or working at heights industry, plant operations industry and within the construction health and safety industry.

Transformation within the built environment sector remains a challenge and not all the set sector targets are met or achieved. The CETA has funded and implemented Candidacy Programmes; through partnering with the relevant statutory councils and voluntary associations within the built environment industry, the CETA hopes to contribute towards the transformation of the sector.

2.2.6 National Human Resource Development (HRD) Strategy of South Africa

The National HRD Strategy of South Africa (2010 to 2030) is a social compact distilling the critical skill challenges for the socio-economic growth and development of the country. The document also sets out collective commitments for all sectors of the society. The CETA addresses the HRD Strategy commitments as follows:

Table 3: CETA's alignment to the National HRD Strategy

HRDSA Commitment	CETA alignment
Address shortages of supply of people with priority skills	Programme 3: Learning Programmes and Projects Implementation of learning programmes
Increase the number of appropriately skilled people	Programme 3: Learning Programmes and Projects Increase access to occupationally directed programmes in the construction sector
Access to education and training	Programme 3: Learning Programmes and Projects Increase access to occupationally directed programmes in the construction sector

Improve technological and innovation capability

Programme 3: Learning Programmes and Projects

Contribute to the improvement of the technological and innovation capability and outcomes within the public and private sectors by funding post graduate studies and research studies within the built environment disciplines

Innovative Programmes:

- Development of SMME Programmes
- Increased focus on research and innovation
- Development of Quality Partnerships for construction programmes
- Development and Support of Academic Programmes
- Inter-SETA Collaboration
- Establishment of Skills Development Centres

2.2.7 The Expanded Public Works Programme (2004)

The EPWP is a nationwide programme covering all spheres of Government and state- owned enterprises. The programme provides an important avenue for labour absorption and income transfers to poor households in the short to medium-term. It is also a deliberate attempt by the public sector bodies to use expenditure on goods and services to create work opportunities for the unemployed. EPWP projects employ workers on a temporary or on-going basis either by Government, by contractors, or by other non-Governmental organisations under the Ministerial Conditions of Employment for the EPWP or learnership employment conditions.³ The first phase was reviewed in 2008 as presented to Cabinet and the subsequent extension of the programme to EPWP Phase 2.

The third phase of EPWP Phase 3 was launched by the President of South Africa in 2014 to kick start the creation of six million work opportunities. Since 2004, the EPWP has provided work opportunities and training for the unemployed. The new phase aims to provide six million work opportunities by 2019. EPWP Projects employ workers on a temporary or ongoing basis either by Government, contractors or other non-Governmental organisations under the Ministerial Conditions of Employment for the EPWP or learnership employment conditions.

The CETA's contribution is to conduct external moderation for the training in the construction sector and to certify the learners. The CETA considers the National Department of Public Works as a major public sector partner in the delivery of skills development activities and on an annual basis provides financial support in the implementation of bursaries, internships, candidacy and learnership programmes.

2.2.8 National Infrastructure Maintenance Strategy (2007)

Cutting across all infrastructural projects and initiatives is the operation and maintenance of such infrastructure post establishment. This strategy also focuses on Municipal Infrastructure Maintenance. Municipal service activities to ensure infrastructure is delivered effectively require all Government spheres to work together in planning and coordination. The CETA supports the strategy through the provisioning of discretionary funding to municipalities based on their economic activity aligned to construction sector. There is a national drive by the state towards the professionalisation of allied built environment disciplines such as the planned regulation and professionalisation of the public sector building inspectors, construction procurement specialist as well as the implementation of the infrastructure delivery management system in local Government, national and provincial Government sectors to enhance service delivery.

2.2.9 Comprehensive Rural Development Programme (2009)

The aim of the Comprehensive Rural Development Programme (CRDP) is to empower and mobilise rural communities, and with the assistance of Government, to assist these regions to develop. CETA has a role to play in supporting the rural and township contractors and to support the rural economy or localisation. To facilitate training in contractor development particularly in the area of supply chain management to assist these emerging entities in tendering processes. This support includes both technical construction skills support and venture creation and management skills. The CETA Skills Development Centres are located in rural and township areas, and are therefore relevant to the CRDP.

2.2.10 Strategic Infrastructure Projects (2012)

CETA provides skills development support to the construction related programmes within the 18 SIPS as each has relevance to construction industry. Through the Sector Skills Plan, the CETA identifies and implements SIPs Priority Occupations, e.g., massive railroad infrastructure and water in Limpopo will requisite specialised technical built environment skills.

2.2.11 The National Infrastructure Plan (NIP) (2012)

The NIP was adopted by the South African Government in 2012 to transform the economic landscape of the country simultaneously creating jobs and improving basic service delivery. The plan maps the spatial infrastructural gaps taking into consideration future population growth, economic growth and underserved areas in South Africa.

The National Infrastructure Plan as well as the 9 Point Plan campaigns, presented by Government at the 2015 State of the Nation address, focuses on economic growth and social development.

2.2.12 District Development Model

The District Development Model (DDM) is an operational model for improving Cooperative Governance aimed at building a capable, ethical Developmental State. It embodies an approach by which the three spheres of government and state entities work in unison in an impact-oriented way, and where there is higher performance and accountability for coherent service delivery and development outcomes. Although each sphere, sector or entity has its distinct constitutional powers, functions and responsibilities, they cooperate and undertake collaborative planning, budgeting and implementation processes converging efforts at the district/metropolitan level. This joint work is expressed through the formulation and implementation of a “One Plan” which is a long-term strategic framework guiding investment and delivery in each district and metropolitan space.⁴

2.2.13 Youth Employment Service (YES) Programme

Gazetted in 2018 by the Department of Trade and Industry, the YES Programme seeks to facilitate the gaining of work experience by South African youth by encouraging corporates to make a contribution to national imperatives such as addressing youth unemployment. Corporates are encouraged to adopt programmes that address specific YES targets, which in turn can assist them to gain up to Level 2 BBBEE scoring.

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

3.1 The CETA’S Strategic Priorities

In addition to focusing its interventions on the following groups:

- Women;
- People with disabilities;
- Youth and workers;
- Military veterans; and
- Rural and township communities.

The CETA will focus its energies on:

- The development of quality and relevant qualifications that respond to current and future sector needs. This will be underpinned by credible research conducted in collaboration with our partners.
- Transformation of the sector by providing more support to the candidacy and related programmes.
- More collaborations and stronger relationships with stakeholders.
- Building internal capacity to support the goal of clean administration.

⁴ District Development Model website

3.2 Ministerial Imperatives

In addition to legislative and policy mandates, CETA is focused on addressing ministerial imperatives as identified by the Minister of Higher Education, Science and Technology and the Portfolio Committee on Higher Education, Science and Technology. Broadly the Ministerial imperatives focuses on the improvement of education levels in the sector, partnerships with all relevant stakeholders from TVET, Colleges, HETs to SETAs, and the implementation of an inclusive Post School Education and Training System (PSET), amongst many others.

These imperatives have been incorporated into the programmes and interventions that CETA implemented to achieve the goals and objectives of the NSDP. Specific target and budget information related to these imperatives is included in the Annual Performance Plan (APP).

3.2.1 Economic Reconstruction and Recovery Plan

The government's immediate response to the most pressing socio-economic pressures occasioned by the COVID-19 pandemic is set out in some detail in the Economic Reconstruction and Recovery Plan (ERRP). Several aspects of the plan have direct impact on the CETA and the construction sector including the following:

- The CETA and the construction sector should be fully plugged into government's infrastructure- built programmes and investment efforts, to facilitate social compacting at sector level as well as growth and jobs.
- The moment calls on the CETA and its partners to revert to its core business of producing skills for current and future needs of the sector.
- The CETA and the sector should strengthen internal capacity in an endeavour to prepare the sector to function effectively in a post COVID-19 environment (in terms of skills planning).
- The plan presents the CETA and the sector with an opportunity to make determined efforts to tackle exclusion in the sector. In other words, there is a real opportunity to "build back better".

The CETA is implementing programmes in line with the Governments Economic Reconstruction and Recovery Plan (ERRP) with an infrastructure investment projects pipeline worth R340 billion in network industries such as energy, water, transport and telecommunications has been developed. Specific to the mandate of the CETA the ERRP aims to revive the construction industry and create much-needed jobs. The ERRP programmes are primarily earmarked at short skills, learnerships and internships programmes which are reflected in Programme 3 on the Annual Performance Plan.

3.2.2 Report of the Ministerial Task Team on the Implications of the 4th Industrial Revolution for the Post-School Education and Training System

As part of its research agenda, and in collaboration with partners in higher education, the CETA will undertake research on the implication of 4IR on the work done by the CETA in support of the sector in the facilitation of skills development.

4 Relevant Court Rulings

BUSA instituted review proceedings on two occasions in the Labour Court to set aside the regulations but the most recent application pertaining to the re-promulgation of the Regulation 4(4) was dismissed last year. BUSA subsequently launched an appeal against the judgment of the Labour Court.

The appeal was heard in the Johannesburg Labour Appeal Court on 20 August 2019. Judgment has been handed down and the appeal was successful. The Labour Appeal Court held that there was no clear explanation from the Minister as to what he, as the decision-maker who promulgated Regulation 4(4) considered had changed in the context of giving rise to the decision to promulgate the same regulation. The Labour Court's judgment has been set aside and is replaced with the following:

- a. Regulation 4(4) as promulgated in Government Notice 23 of 2016, published in Government Gazette 39592 in terms of the Skills Development Act 97 of 1998 is set aside.
- b. The first respondent (Minister of Higher Education and Training) is ordered to pay the costs of this application.

PART B

Our Strategic Focus

5 CETA value proposition, vision, mission and values

The delivers its mandate anchored on the following:

Value proposition statement

To provide skills development services by implementing the objectives of the National Skills Development Plan (NSDP 2030); to increase number of people that obtain critical or scarce skills needed, and to build the capacity of the construction sector to be economically sustainable and globally competitive.

Vision

To be a pillar for skills development and nation-building.

Mission

To position skills as a foundation for economic development and empowerment.

Values

The CETA values that anchor delivery of its mandate and strategic objectives, are as follows:

Agile	Easy availability of relevant personnel and decision-makers to all stakeholders and prompt response to their issues.
Results-oriented	Always striving towards attaining the highest performance targets and greatest impact.
Integrity	Acting and discharging our duties with absolute honesty, and in compliance with laws and applicable norms
Respect	Treating all we interact with and discharging our responsibilities with courtesy and dignity
Professionalism	Executing our responsibilities and tasks with the requisite skill, competency and attitude; and the ability to give and/or receive constructive criticism or advice without any prejudice or repercussions

6 Updated Situational Analysis

This section sets out the external environment of the CETA. In the first instance, the focus is on an overview of the construction sector (including all its sub-sectors), then a discussion of skills supply and demand dynamics in the construction sector, the economic contribution of the sector to the overall South African economy and lastly, the priority action points adopted by the CETA to meet the skills shortages in the labour market.

6.1 External Environmental Analysis

The construction sector plays a significant role in terms of its contribution to South Africa's fixed gross capital formation. The sub-sectors that make up the CETA's areas of focus in the sector are the following:

- Building Construction,
- Built Environment Professionals,
- Materials Manufacturing,
- Roads and Civil Construction, and
- Electrical Construction.

The South African economy has been underperforming and experiencing low growth. The NT 2023 Budget Review cited that the economy is estimated to have grown by 2.5 per cent in real terms in 2022. However, largely as a result of intensive and persistent load-shedding, real GDP growth has been revised down to 0.9 per cent for 2023. Over the next three years, growth will average 1.4 per cent. As a result, the government has been experiencing fiscal constraints, which have limited its fiscal capacity to provide stimulus to the economy by increasing infrastructure expenditure. The COVID-19 pandemic resulted in the reallocation of the budget from public sector infrastructure to other relief measures. As a result of the fiscal constraints and these relief measures, there have been budget cuts for infrastructure investment. The construction industry produces a significant portion of the investment in public sector infrastructure, therefore when there are large infrastructure budget cuts, it harms the demand for the construction industry. (CIDB, April 2022).

An analysis of Gross Fixed Capital Formation in Construction (GFCFC) in current prices (i.e., not adjusted for inflation) for the year 2021 is shown below, which includes investment by General Government, Public Corporations and the Private Sector in the following:

- civil construction;
- non-residential buildings and
- residential buildings.

The total GFCF spend in 2021 amounted to around R329 billion.

An increase in the infrastructure and housing spending by governments across the globe is invigorating the market growth for construction. Increasing private sector investments in construction is further aiding the growth of the industry. Expanding manufacturing footprint and rising foreign investments are also enhancing the construction market growth. This global construction market attained a value of nearly USD 11.7 trillion in 2019 and was expected to witness a further growth in the forecast period of 2020- 2025, growing at an AGR of 3.5%. Initial projections estimated that the industry could reach a value of almost USD 14.4 trillion by 2025.

While this optimism once held true for South Africa, with average contribution to gross fixed capital formation around 43%, current realities point to a different trajectory. The global economy has suffered significant slowdown amid prolonged trade disputes and wide-ranging policy uncertainties. The World Economic Situation and Prospects 2023 presents a gloomy and uncertain economic outlook for the near terms or years, warns that economic risks remain strongly tilted to the downside in the near future (UN, 2020).

Statistics South Africa, National Treasury and the International Monetary Fund (IMF) paint a bleak picture of South Africa's economic outlook. As previously stated, the downward trajectory of the industry pre-dates the onset of COVID-19. The pandemic has deepened the crisis and rendered the prospects of a quick recovery doubtful. The IMF forecast is ever so slightly optimistic, setting the rebound in 2021 at 4% GDP growth, the table below succinctly sets out South Africa's growth prospects:

Table 4: South Africa's growth prospects

Region	Actual 2019	Actual 2020	Actual 2021	Projections 2022	Projections 2023	Projections 2023/24 to 2024/25
Global	2.8	-3.1	6.1	3.2	2.9	
Developing Countries	3.6	-2.0	6.8	3.6	3.9	
Sub-Saharan Africa	3.2	-1.6	4.6	3.8	4.0	
South Africa (IMF)	0.2	-6.3	4.9	2.3	1.4	

Source: IMF World Economic Outlook Update, July 2022/SARB

6.1.1 A Fragile fiscal outlook

The debt-to-GDP ratio has been rising steadily over the past several quarters, with the debt service burden hovering around 15% of public revenue. At the same time, given the financial exigencies imposed by the COVID-19 pandemic on households and businesses, it is expected that the South African Revenue Services (SARS) will lose up to R285 billion in tax revenue this year. This is the equivalent of between 15% and 20% lower than projected.

6.1.2 Rising borrowing costs

Ratings agencies Fitch and Standard and Poor further downgraded South Africa deeper into junk status in March 2023 thereby severely impacting the country's standing in the World Government Bond Index. However, a complete exit was prevented by rival agency Moody's maintenance of South Africa at sub-investment grade, until March 2020. The downgrade by Moody's marked the end of South Africa's precarious standing above junk status. Given the performance of the economy in the past several years, this was inevitable. Nevertheless, junk

status by all major ratings agencies will make borrowing extremely costly for South Africa, going forward.

6.1.3. Stubborn unemployment numbers

Unemployment has been South Africa's Achilles-heel for decades, this is in part a function of an economy that has yet to graduate from its narrow and racially defined focus, to one that actively includes all socio-economic and racial groups in South Africa. It is important to underline that unemployment and access to economic opportunities is largely racially defined, has gender and geographic dimensions. Blacks, women, the disable, rural dwellers, and those located in South Africa's townships continue to suffer the brunt of economic and social exclusion. Current unemployment rates are at 33.9 % and the expanded definition places it at 44.1%, with young people between the ages of 15 – 34 representing 45.0% of the unemployed. The impact and aftermath of the COVID-19 pandemic is expected to worsen these numbers significantly. The economic outlook is therefore dire.

6.1.4 COVID-19 Impact

6.1.4.1 Impact on skills planning

The CETA found it difficult to fully rely on "business as usual" skills planning instruments (WSPs, ATRs, etc) given the immense disruption to normal economic activity wrought by the pandemic. As much as this is an important limitation, like all crises it also presents opportunities to do skills planning in new and, hopefully, more effective ways. Planners are compelled to make far more effective use of economic data, economic trends and comparative analysis (how is the construction sector elsewhere in the world managing the crisis and how are other sectors of our economy negotiating the current disruption and uncertainty). Has our preoccupation with WSPs and ATRs forced us to be overly in-ward looking, when we should have (like the rest of the world) been exploring innovative ways of growing our sector? Have we paid sufficient attention to the potential role of technology in our sector (3 D technology and the 4th Industrial Revolution)? Have we invested enough in exploring the great potential benefits of the "green economy" as far as the construction sector is concerned? These are all critical questions that are emerging as we go beyond the 'normal' and as we seek ways to re-imagine the construction sector in a post- COVID- 19 environment.

6.1.4.2 Impact on the Sector

The impact of the pandemic on the construction sector has largely unfolded through the following channels:

- Direct impact on production: slow growth in the first half of 2020 due to national lockdown
- Supply chain and market disruption: small and medium-sized firms facing greater

difficulty in surviving the disruption.

- Financial impact on firms and financial markets: temporary disruptions of inputs and/or production might stress some firms, particularly those with inadequate liquidity.
- Construction companies with high levels of debt and low cash reserves may face a liquidity crisis.
- As smaller businesses, sub-contractors may fail rapidly.
- Contract management will come into sharp focus, as customers seek to terminate or renegotiate contracts.
- Internationalisation will become less viable as companies reconsider the regions in which they want to operate, and countries put more restrictions on foreign companies.

The protracted economic downturn and reduced levels of public infrastructure investment have exacted a heavy toll on contractors, including most of the sector's major players, compelling some to file for business rescue.

6.1.4.3 Other sectors

This bleak picture is not unique to the construction sector. The International Labour Organisation (ILO) and the Minerals Council of South Africa 2020, show that there are similar concerns in the mining sector. The 420 000 odd employees in that sector are also facing uncertainty and so too, does the future of several mining houses, with restructuring, mergers and bankruptcies a real possibility. On a positive note, there are efforts afoot to re-imagine mining in the COVID-19 period and a post-pandemic environment. The Minerals Council of South Africa has recently published a 10-Point Action Plan, which sets out measures to operate in the current environment. As discussed above, the mining sector is also looking into investing into research and innovation (skills of the future). These include the possibility of self-driving haul trucks, remote operations centres, fully automated loaders and drills.

Innovation, creativity, research and development have also been thrust forcefully on other sectors of the economy notably, the new protocols introduced at airports and taxi ranks for the transport sector and new measures regarding buffets dishes at hotels and restaurants for the tourism sector or the additional safety protocols for the beauty industry, gyms and increased role of online shopping and delivery services, throughout the services sector. Thus, while the impact of the COVID-19 and a sluggish economy is uneven across sectors, no sector has been left unscathed by the need for innovation, new technology and environmental awareness, in how business is conducted, moving forward.

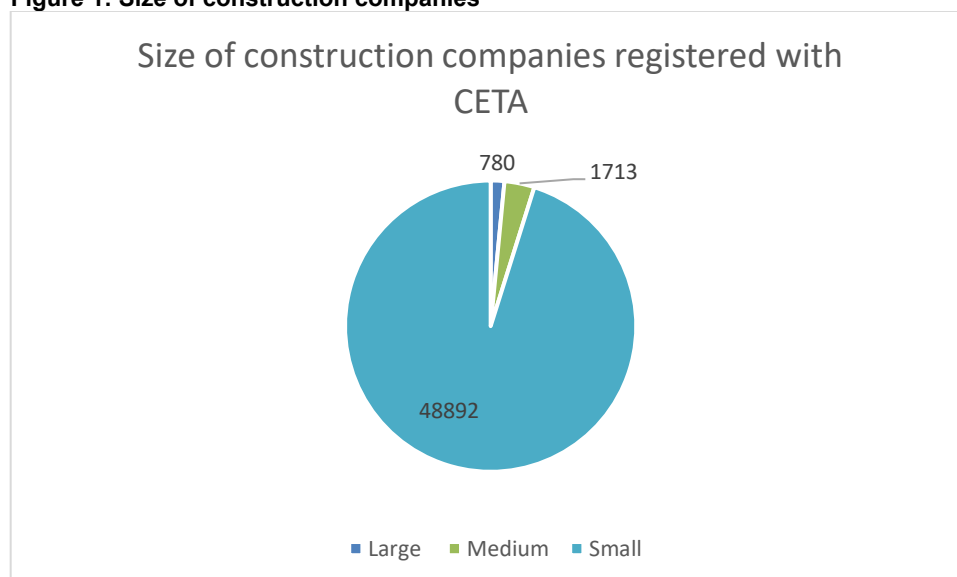
6.1.5 War in Ukraine

The war in Ukraine has triggered a costly humanitarian crisis across the world. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to rising inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. The construction sector in South Africa has also been directly impacted by the war in Ukraine in various ways. Namely, because of rising price of commodities, it is now suggested that construction companies include the risk mitigation of exceptional international events (Polity, March 2022).

7. Employer Profile

Firms in the construction sector vary widely in size and ownership, from sole proprietors to large multinational construction services groups. In 2022 there are 51 385 firms (including building materials firms) registered with CETA and over 51 513 firms registered with the CIDB. Table 13 shows a breakdown of the number of businesses by level of employment and broad activity in the sector.

Figure 1: Size of construction companies



Source: CETA WSP data, 2021

There is clearly a significant rise in the number of entrants into the construction sector; the CETA experienced a 79% annual increase from 2019 to 2021, while similarly the CIDB saw a 28% incline. Of the 51 513 contractors listed on the Register of Contractors, 3 013 were processed for upgrades. About 85% of these registrations are at Grade 1, indicating the attractiveness of the industry to potential entrepreneurs, many of whom do not have the required skills or experience. This perhaps explains the significant jump in small companies represented in the CETA; from 14 648 to 23 367 – nearly a 60% hike. This hike no doubt runs contrary to the downward trajectory of the overall sector. However, the chronic scarcity of formal employment coupled with governments recent anti-cyclical measures – increased tender advertisement – could perhaps be linked to an upsurge in business registrations. The

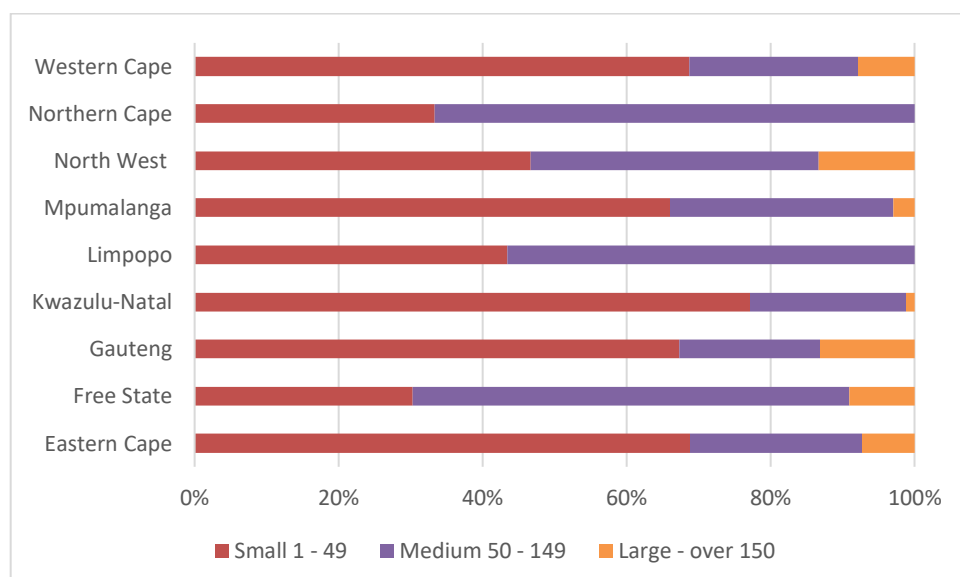
CIDB's vision for the construction sector is that 90% or more of the capacity of the construction sector is 90% or more black-owned and delivers 90% or more of construction contracts by value. In this regard, the Construction Monitor on Transformation (CIDB, 2020) notes that "the state of transformation decreases with increasing CIDB Grade (size of company). Specifically, for ownership of 51% and above, less than 40% of CIDB registered enterprises in Grade 9 are black owned." Although about 48% of companies registered at CIDB are women owned, 95% of these are at grades 1-6 with only 8 at grade 8.

Most of the firms employ fewer than 100 people and over one-third employ fewer than 50. Most employees are in the roads and civil construction sub-sector. One major trend in recent years has been the deteriorating financial performance of large public companies and their exit or reduction in their activities in the domestic construction sector. For companies registered with the CIDB, Black-Owned Companies represent 80% of all companies for Grades 2 to 6 compared to 35% of companies at the highest grade of 9 (a grade at which there is no maximum value a contractor may bid for in a contract with the public sector).

Geographic location of employers

Construction services activities reflect the general geographic location of economic activity in the country. The graphic below shows the sector's number of employers by province in 2021 registered with CETA. Gauteng is by far the largest area of firms' activities and concentration, representing 37% of the industry's GVA, followed by the Western Cape (21%) and Kwazulu-Natal (16%). As would be expected, the geographic location of firms' activities closely matches the structure of employment in the sector by province. It should be noted that the entities that participate in the WSP/ATR submissions constitute 5.4 per cent of the total number of entities that are registered with the CETA.

Figure 2: Geographic Location of Construction Activities 2021



Source: CETA WSP, 2022

In more recent financial years, there has been a worrying trend with respect to the relationship between the CETA's spending patterns and where the bulk of the economic activity and concentration of much of the construction sector was located.

The analysis of CETA projects and skills interventions show an uncharacteristic growth of expenditure in the Free State, with Local Government as training sites. Further analysis is required both to understand the key drivers of this anomaly but crucially, to understand the impact and value add derived from what seems a counter-intuitive expenditure pattern on the part of the CETA.

Labour Market Profile

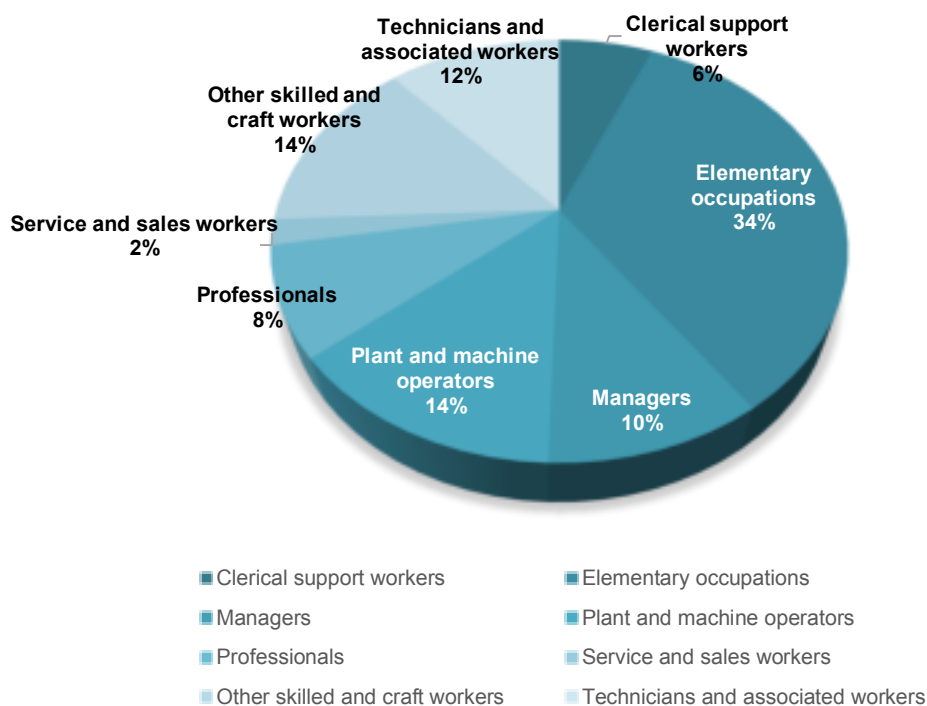
There is little doubt that the COVID-19 pandemic has had a devastating impact on the construction sector and the South African labour market more broadly. Early indications are that the sector lost around 7000 jobs in Quarter 1 of 2020 (StatSA, 2020). Employment in the construction sector in 2019 averaged 1 350 000 and is estimated at 1 343 000 for Q2 2020; accounting for about 6% of total employment in South Africa. Although the sector started the last decade robustly across the board, largely driven by massive state and private sector led infrastructure investments (stadia, dams and water, roads malls etc). From around 2015, things have been trending downwards, as evidenced by the liquidation of several 'big players' in the sector (with the associated losses in jobs). In the meantime, the sector has been experiencing a mushrooming of informal construction activity. The level of informal employment in the sector is higher than in other sectors of the economy, an average of 35% of total employment compared to 21% for total employment excluding the agricultural sector.

The construction sector employs far more men than women as shown in Figure 8. The proportion of women employed in the industry has remained relatively stable over the total period from 2011 to 2019. In this period, the proportion of women showed a varying trend, although the highest percentage (12,5%) was reached in 2017. This was followed by a sharp decline to 10,7% of total employment in 2019. The ratio is considerably below the average for total female employment in the economy during the period, i.e., 11% female employment in the construction sector compared to 44% overall female employment. While the net employment effect is a decline for both genders during the pandemic period, there has been a disproportionate impact on females relative to their male counterparts.

The sector employs a wide range of occupations, many that are specialist to the sector, such as civil engineers, architects, and similar professionals, but also others of a more general nature, such as clerical support, and service and sales employees. Figure 6 shows our

estimates of total employment in the sector by broad occupation using the Quarterly Labour Force Survey and WSP data. Elementary occupations represent the largest proportion of employees, nearly 34% of the labour force, followed by skilled craft workers, plant and machine operators and technicians. The proportion of elementary occupations in the industry is considerably higher than the national average of 23% for these occupations. Managers account for 10% of employees in the industry, a little above the national average of 9%.

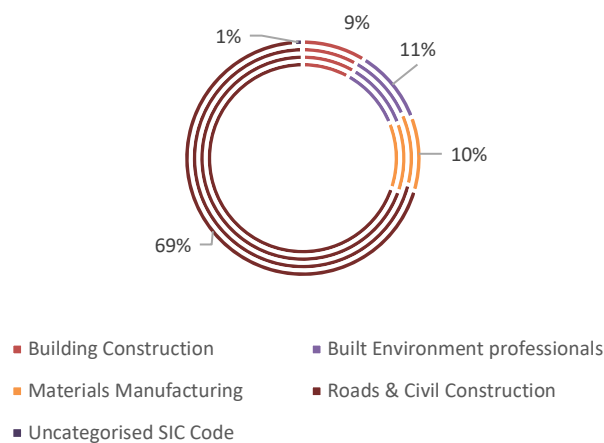
Figure 3: Estimated Employment by Major Occupation 2020



Source: Stats SA

Most employees work in the roads and civil sub-sector, nearly 70% of the total employed in the whole sector. There has been little growth in employees in any of the broad sub-sectors since 2015.

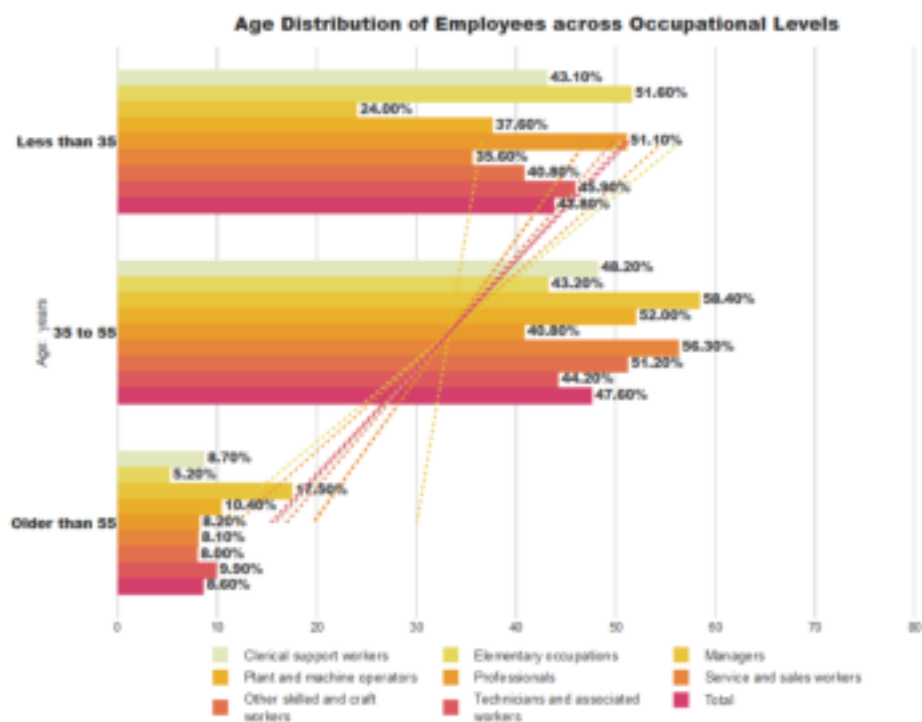
Figure4: Employment by Subsector



Source: CETA database

The age distribution of workers in the sector using WSP data for 2018 is shown in Figure 10. The data breaks down permanent employees in three groups by major occupation in the industry: employees under 35 years of age (111 815), those between 35 and 55 years (121 303), and those above 55 years (21 978). The table shows, as would be expected, that there are relatively few workers over 55 years in the industry, accounting for under 9% of total employees, although for managers the proportion is higher at 17,5%. The number of employees below 35 years, and between 35 to 55 years is broadly similar but vary significantly by occupation.

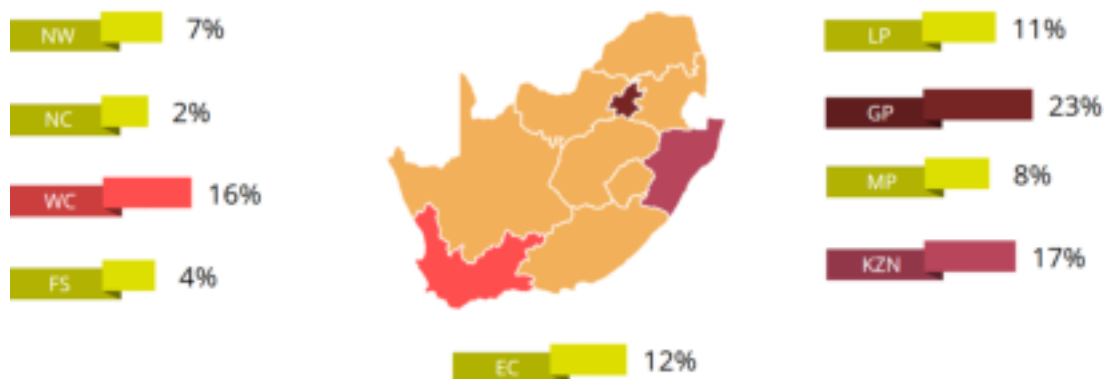
Figure 5: Age Distribution of Employees



Source: CETA WSP data, 2020

Figure 9 shows the numbers employed in the construction sector by province. Employment is well-dispersed among the provinces. In 2019, Gauteng employed the largest number of construction workers, 310 000 (23% of the total), followed by KwaZulu-Natal and Western Cape provinces. Together, these three provinces accounted for 56% of the total number employed in the sector during the year.

Figure 6: Employment by Geography 2020



Source: Stats SA, 2020

In 2019, there were 1 120 disabled employees in companies registered with the CETA. Figure 10 shows the number of disabled employees by occupation in 2020. Over a third worked in clerical support activities followed by technicians, elementary occupations, managers, and professional employees.

Figure 7: Disabled Workers by Occupation 2020

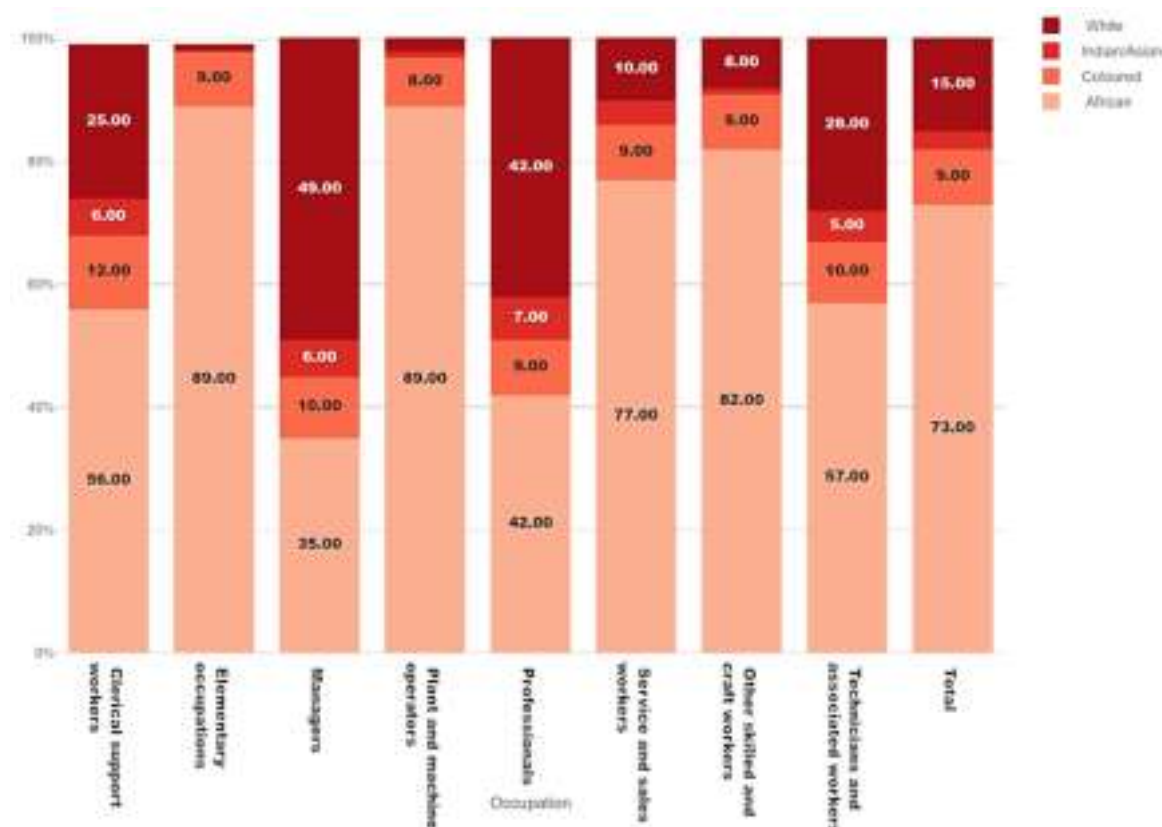


Source: CETA WSP data, 2020

The distribution of employees by race and occupation in 2020 based on WSP data is shown in Figure 11 African employees represent 73%, coloured employees 9%, Indian/Asian employees 3% and White employees 15% of the total number employed in the sector. African employees account for higher proportions of total employees than average in the sector in elementary occupations (89%), plant and machine operators and 'other skilled and craft workers' (82%).

Even though seven out of 10 employees in the construction sector are African, in the management occupational category about half of the employees are White while 35% are African. In the professional occupational category African and White employees account for 42% each. In other words, about six out of ten employees in the professional category are Black (i.e., African, Indian, and Coloured) whilst about four out of 10 are White. This is clearly not reflective of the racial demographics of the country as contemplated in the Employment Equity Act

Figure 8: Race Distribution Across Occupational Levels

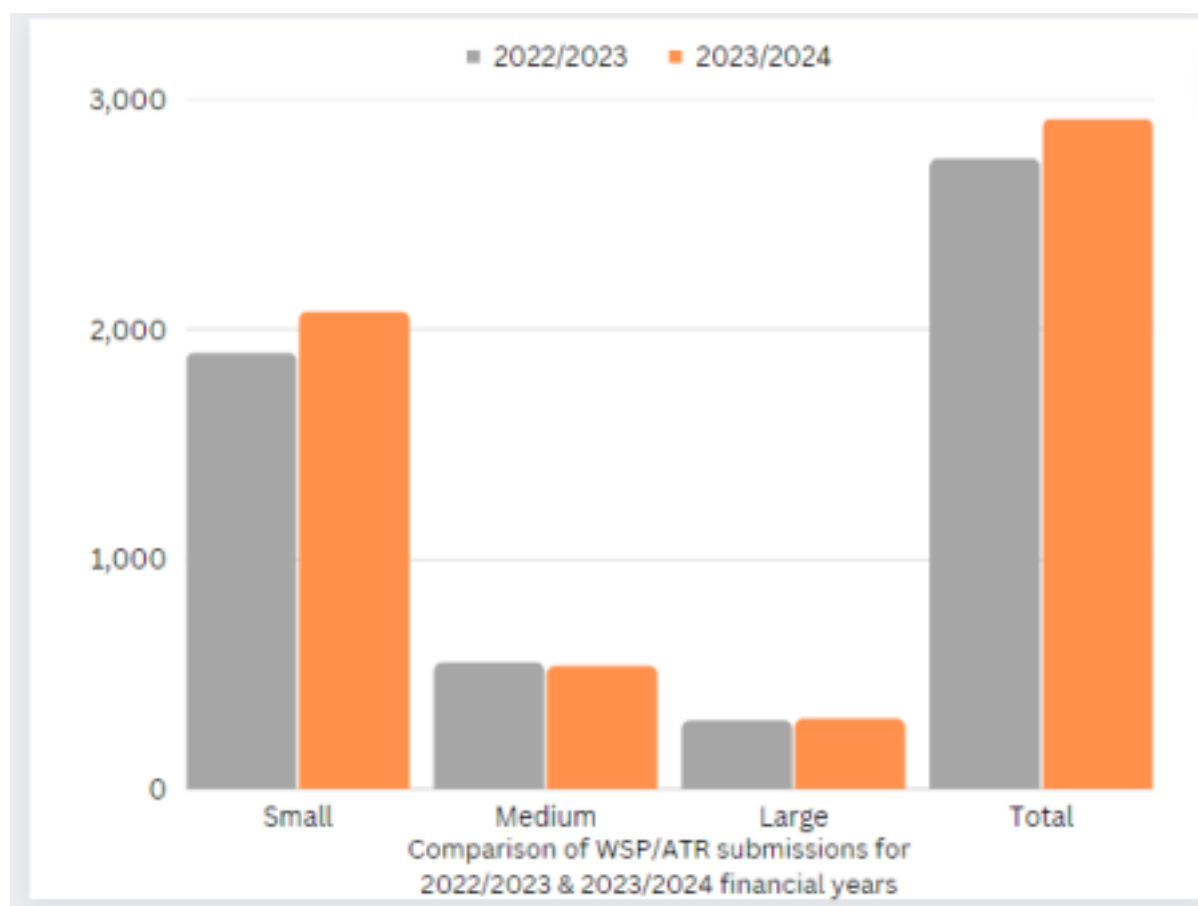


Source: WSP data, 2020

WSP/ATR analysis for 2022/2023 and 2023/2024 financial years

Skills development has become a strategic concern for businesses seeking to achieve or maintain an acceptable B-BBEE level while simultaneously meeting the requirements of the Skills Development Act. The Workplace Skills Plan (WSP) and the Annual Training Report (ATR) are critical to establishing a demand-led skills development system that is responsive to South Africa's economic and social demands. Below figure outlines the difference between the submission made by companies operating within the construction sector. The comparison is for year 2022/2023 and 2023/2024 financial years.

Figure 9: WSP/ATR comparison for 2022/2023 & 2023/2024 financial years



The accompanying bar graph shows a modest variation between the two fiscal years, with year 2023/2024 having the highest submission rate. Although the change is not significant when compared to the 2022 submission, the data above show a sense of consistency in the submissions, implying that submissions may climb to more than 3000 in 2024.

7.2 Skills demand analysis

7.2.1 Change drivers for skills demand

Key drivers affecting changes in demand and supply of skills in the construction sector can be divided into internal and external factors. There exist a complex and dynamic interplay between these factors. The internal factors, which are also change drivers, are those that are internal (endogenous) to the construction sector and CETA, over which they have a degree of control. The external factors, or change drivers, on the other hand, are external (exogenous) to the CETA and not within their direct control.

External factors include the South African macro economy, technological change affecting the sector and the policy environment including the National Development Plan (NDP), and the quality of school-leavers entering the post-school environment. The recent COVID-19 pandemic, a global economic contraction, a war situation, and other natural disasters would also belong to this category.

Internal factors include the employment absorption rate in both the formal and informal sectors, skills shortages, and skills development and training, the quality of such training and the capacity of the CETA to drive and effectively oversee skills development in the construction sector.

The below figure illustrates some of the key strategic priorities that are necessitated by a poor performing economy, transformational and internal capacity challenges of the CETA:

Figure 10: Key Change Driver



2.2.1 Transformation in the construction sector

Identifying transformation as a key change driver provides the sector with an opportunity to shine the spotlight firmly on the racial and gender inequities afflicting the sector. There is a definite need to ensure representativity of women and Black people in highly skilled occupational categories in the sector. There is also a pressing need for a definition of more effective tools to monitor and measure transformation in the sector.

The integration of digital technology into all parts of a construction organization, optimizing operations and value delivery, is known as digital transformation in construction. A culture shift is also required as part of a construction digital transformation; construction firms must challenge the existing quo and differentiate. As far as implication of skills in the sector is concerned, some of the implications of transformation (technology) reveal that the use of construction equipment will have a tremendous impact on the workforce as one equipment would be able to execute work that could be done by a sizeable number of labourers.

Implications in the sector

The construction sector is not immune to the country's racial and gender inequities, with black, women, disabled persons and those located in rural areas and townships. In the main, these groups bear the brunt of such inequality of opportunities, throughout the pipeline and value chain of the sector.

Interventions to address Transformation as a key change driver

Given the extent of racial and gender inequality in the construction sector, the CETA has a responsibility of actively contributing to removing the logjam. More attention will be focused on transformation profiles of training providers, assessors, and moderators. Historically black institutions of higher learning and TVETs will be supported with the aim of ensuring that they have the necessary infrastructure to offer construction related programmes. A Reference Group is being established to 1) review CETA bursary funding and 2) explore the adequacy of current candidacy programmes (especially as they affect black and women candidates).

While preferential procurement (and other opportunities for black people, women, and people with disability) is important, the most potent instrument in the hands of the CETA is that of ensuring that all obstacles to the production of a predominantly black and gender representative skilled workforce in the construction sector, are removed.

Identifying transformation as a key change driver provides the sector with an opportunity to shine the spotlight firmly on the racial and gender inequities afflicting the sector. There is a definite need to ensure representativity of women and Black people in highly skilled occupational categories in the sector. There is also a pressing need for a definition of more effective tools to monitor and measure transformation in the sector.

2.2.2 Technology and Innovation

The sector is increasingly going digital too and these innovations need to be invested in and supported and skills would inevitably be required to bring these innovations into practice.

Examples of such change and innovation consist of emerging technologies such as the Fourth Industrial Revolution, Three-Dimensional Printing of prefabricated walls, Artificial Intelligence (AI), Machine Learning and advanced Data Analytics. These technological drivers are expected to shape the future skills demand in the construction sector, but not in the immediate term, where South African building techniques are expected to remain traditional, with the dominance of bricks-and-mortar and steel frame methodologies.

Implications of technology in the sector

Examples of such change and innovation consist of emerging technologies such as the Fourth Industrial Revolution, Three-Dimensional Printing of prefabricated walls, Artificial Intelligence (AI), Machine Learning and advanced Data Analytics. These technological drivers are expected to shape the future skills demand in the construction sector, but not in the immediate term, where South African building techniques are expected to remain traditional, with the dominance of bricks-and-mortar and steel frame methodologies. However, foresight and early investment in the future is critical. After all, the process of producing skills is not instantaneous, instead, it calls for advance planning. Other technological changes affecting construction skills are advances and developments in “Smart Buildings”, “Green Buildings”, communication, materials production and handling, transport of construction materials, and assembly methods.

Interventions to address technology as a key change driver

The increase in demand forms the new reality for the sector as far as the technology is concerned. The incorporation of BIM (Building Information Modelling) as a governmental construction standard has contributed significantly to this course, thus making construction managers and personnel conform to the new trend in construction innovation. In addition, the development of the BIM dimension model, which ranges from 3D to 7D, and some digital innovations, such as virtual and augmented reality, have made these trends more affordable and accessible for companies of different sizes.

The use of drones in the construction sector

As drones become more common and affordable, new applications for their utilization emerge all the time. Drones are also increasingly being employed on building sites in a variety of ways. Drones, also known as unmanned aerial vehicles (UAVs), are not totally autonomous, but they can go into locations that are inaccessible or even dangerous for humans.

To avoid material waste, high labor expenses, frequent mistakes and errors on the job site, or the difficulties of meeting deadlines that are directly (and excessively) dependent on human resources. Looking at some of the operational issues within the industry, it is not possible to ignore the concept of construction automation, similar to how robots are widely used in the automobile industry. Using remotely controlled or programmed robots to carry out a task independently has various benefits and can result in significant savings in construction projects. According to studies, it is safe to claim that Drone is an enormous future capability that the construction sector cannot afford to ignore. The following are some of the advantages of using UAVs (drones), Aero (2023).

Building surveys

Roof access is frequently required for surveys of newly constructed or pre-existing buildings, which

is not always easy to get. Instead of utilizing scaffolding, which have health and safety implications, a drone can be used to conduct the survey.

Efficiency

Manually surveying a construction site is a difficult and time-consuming task. With the growing expertise of deploying drones in the business, the issue of managing time and safety can be avoided, as can quality assurance.

Infrared imaging

A drone equipped with the appropriate camera may capture thermal imaging of your complete construction project. This will emphasize cold or hot regions, which may indicate architectural faults or electrical problems.

2.2.3 Green Agenda and Climate change

2.2.3.1 Green Agenda

The world faces significant environmental challenges and to help combat these, the construction sector needs to play its role in reducing CO₂ emissions by designing and building more energy efficient structures, homes, and materials; reduce the costs of heating and help meet the country's required energy needs. Delivery of low carbon buildings and adapting the existing building fabric is the biggest and most pressing challenge facing the property and construction sector. However, provided with the right conditions, decarbonising the building stock could also be a huge opportunity to drive growth across the sector, export skills around the world and provide a much-needed lever for training a new generation of skilled workers.

Although the pursuit of a green agenda in the construction sector is far advanced in other global centres, its fuller exploration in the South African context is constrained by lack of skills, poor investment, and planning. Accordingly, there is an opportunity to be forward looking in this regard. The CETA should invest in Research and Development (R&D) focused on pursuing evermore greener technologies and innovations, across the construction value chain (including timber and wood technology). Where there are institutions and training providers offering some of these courses, the CETA and its partners in the sector might want to invest in projects designed to supporting learners, to equip them with these future skills.

2.2.3.2 Climate Change

The construction sector is a significant contributor to climate change; however, it can also be an

important factor in decreasing greenhouse gas submissions. These need to be taken into consideration when manufacturing of materials and efficiencies in building when considering architectural design. A recent example of the devastating effects of climate change in South Africa is the recent floods in Kwazulu-Natal, which impacted infrastructure extensively, and provides the construction industry with an opportunity to rethink the skills required for these types of climate related construction projects. Apart from the work to rebuild the destruction, according to Deloitte (Deloitte, 2022), the industry needs to consider building resilience against the environmental consequences of climate change, when considering developments.

The CETA will need to also consider the types of skills required to adapt to the requirements of the climate change and how to support the construction industry needs more effectively.

Implications of green agenda and climate change

The extent in which concrete, steel and wood can be used for green house or climate change

Unsustainable building has a negative impact on the environment; however, in office and commercial buildings, transitioning from non-sustainable building materials such as concrete and steel to sustainable building materials such as wood helps the construction sector toward a healthier planet. Concrete and steel were previously the most innovative building materials. Big grey constructions were and still are the hallmarks of civilisation and progress during the industrial revolution. Leed (2016) discovered that this is no longer the case.

According to a study led by Galina Churkina (2020), urbanization and population growth will create a large demand for the construction of new housing and commercial buildings, implying that cement and steel production will continue to be a major source of greenhouse gas emissions unless appropriately addressed.

Interventions to address green agenda and climate change impact

Green agenda

Construction sustainability isn't just beneficial for the environment, but it also supports the well-being of individuals and communities. Ergonomic construction isn't just about using renewable materials; it's also about implementing methods that enhance sustainable efforts. Some of these methods include.

- Limiting the materials used to reduce waste;
- Controlling waste management, such as separating and recycling waste;
- Constructing green buildings;

- Adaptive reuse projects that transform old buildings and
- Managing construction sites to improve conservation efforts.

Climate Change

With challenges comes opportunities, contractors that acquire these capabilities now will be in the best position to grow their business by retrofitting buildings with energy-efficient upgrades, putting up new buildings that meet strict environmental standards, and protecting themselves and their clients from the negative impacts of climate change. They also will be regarded favorably by the surety bond guarantors they apply to for the necessary performance bonds.

2.2.4 Load Shedding

Load shedding interferes with the normal operation of households, businesses, and industries. Power outages can cause problems with lighting, cooking, heating and cooling, as well as the operation of electrical appliances and equipment. This can have an impact on productivity, communication, and general quality of life.

Implication of loadshedding in the sector

The construction sector significantly relies on electricity to run heavy machinery and lights. Load shedding has so disturbed work plans, caused delays, forced contractors to reschedule their projects, and damaged electrical equipment due to power surges and voltage spikes, according to Van de Berg (2023).

Furthermore, the rising cost of power has resulted in greater building expenses, while the supply and maintenance of generators can also result in higher prices and increased pollution. These variables add up to dramatically greater expenses and decreased productivity. Finally, the insecurity and volatility of power induced by load shedding has harmed firms throughout the value chain, including suppliers, subcontractors, and manufacturers, all of whom offer critical inputs to the industry.

Interventions to address the challenges

- Encourage and expedite private investment in generation capacity,
- Accelerate the acquisition of new capacity,
- Renewable energy, gas, and battery storage,
- Encourage businesses and individuals to invest in rooftop solar,
- Transform the power industry fundamentally in order to secure long-term energy security.

2.2.5 Informal sector

This sector is a key change driver in that it is growing extensively and has very nuanced needs. In

certain instances, programmatically it would prove sustainable to incorporate these individuals or small entities into the broader construction industry, through accreditation and Recognition of Prior Learning (RPL) programmes; however, it could also be met with resistance for those individuals and entities that prefer the 'informality' of their sector and the way it operates. The CETA aims to identify the skills required in the informal sector.

Implication of the informal sector as a key change driver

The lack of essential skills, particularly in the supply of artisans, is a major barrier for the construction sector's ability to continue to grow and sustain its importance as a contributor to South Africa's Gross Domestic Product (GDP). If the informal sector issue is not addressed, the industry will continue to endure the impact of this shortage and thus struggle to meet the 30 000 artisan target by 2030 as outlined by NDP.

Interventions to address informal sector as a change driver

The need for a public-private partnership between CETA and the 'big five'. Through this partnership, the establishment of cooperatives and small businesses could develop to assist the informal sector. This could include the use of technology through apps since majority of the artisans have mobile phones (Wits,2018). In addition to this, a possibility across the nine provinces is to cluster the informal artisans within each province to form a cooperative.

This will further link into the SMME strategy and make the CETA work more visible in the provinces. A public-private initiative with the CETA and the 'big five' involved could leverage on some form of corporate social responsibility (CSR) as well. There is the need to develop a sustainable strategy for recognition of prior learning (RPL) that is implementable drawing from the database built on the basis of this study. This is an urgent imperative. The importance of soft skills has been argued for as pertinent to employability (Succi & Canovi, 2019).

The authors identified twenty soft skills in their study, which are very relevant to the recommendation made here. As the sixth sector, the requirements and skills need of the informal sector need to be considered by the CETA and its planning. This sector is a key change driver in that it is growing extensively and has very nuanced needs. In certain instances, programmatically it would prove sustainable to incorporate these individuals or small entities into the broader construction industry, through accreditation and Recognition of Prior Learning (RPL) programmes; however, it could also be met with resistance for those individuals and entities that prefer the 'informality' of their sector and the way it operates. The CETA aims to identify the skills required in

Current and Future Skills

The construction industry is evolving rapidly, and the future of work in this field will require new skills and training. The changing landscape of technology, sustainability, and safety regulations is driving a demand for a workforce that can adapt to these changes. To remain competitive, companies need to invest in the development of their workforce. The skill sets required for construction jobs are changing, and it is essential to ensure that employees have the necessary training and qualifications to meet the demands of the industry.

Current Skills in Demand

Occupational health and safety

Safety is always a top priority in the construction industry, and new regulations are constantly being introduced to improve worker safety. It is crucial that employees receive proper training on how to operate equipment safely, identify hazards, and respond to emergencies.

Construction Project Management

Construction project management knowledge will help the sector to maintain a tight schedule, staying within budget, allocating resources, avoiding scope creep, and ensuring quality. They assess risks in real time and keep stakeholders informed.

- Civil Engineering
- Quantity surveyors
- Carpenter and
- Solar Installer

Future Skills

Integration of New Technologies (BIM and AR)

The integration of new technologies, such as Building Information Modelling (BIM) and Augmented Reality (AR), is transforming the way construction projects are designed and built. Workers will need to be trained on how to use these technologies to increase efficiency and reduce errors.

Sustainability

Sustainability is also a growing concern in the construction industry. The development of green building techniques and materials requires a new set of skills and knowledge. Workers must be trained on how to incorporate sustainable practices into their work, such as reducing waste, recycling materials, and utilizing renewable energy sources.

In summary, the future of work in construction will require new skills and training to adapt to the changing industry. Companies must invest in the development of their workforce to remain competitive and ensure that their employees have the necessary qualifications to meet the demands of the industry.

Occupational health and Safety

Safety is always a top priority in the construction industry, and new regulations are constantly being introduced to improve worker safety. It is crucial that employees receive proper training on how to operate equipment safely, identify hazards, and respond to emergencies.

List of hard-to-fill vacancies in the Construction Sector – 2023

Based on an analysis of WSPs submitted by employers in the sector, a total of 419 occupations were identified as hard to fill vacancies. A position that has been vacant for more than a month is unlikely to be filled within three months. The vacancy period indicates whether or not a post is available. Some difficult-to-fill occupations are the result of societal shifts as we shift to other industries than prior generations. Many specialized positions that were popular 30 years ago are no longer as popular and are nearly impossible to fill with a perfect-fit individual.

Economic conditions can play a key effect in the creation of difficult-to-fill positions. With dropping earnings, rising inflation, and overall dissatisfaction with working conditions, convincing people to take those difficult-to-fill roles is getting more challenging. Subsequently location is an important consideration. Rural employment often draws fewer applications, and agricultural sectors are experiencing a labor shortage. Hard to fill vacancies are also due to unsuitable job location or geographic location refers to a municipality's location that is not appealing to prospective candidates. Smaller municipalities in rural areas have a smaller labor market from which to draw.

As a result, local scarcity is likely, particularly in highly specialized fields. Furthermore, where a general scarcity occurs, it will be felt most acutely in rural and/or distant locations. Using the data at our disposal, CETA will conduct in-depth analysis to get the factors influencing the current hard to fill vacancies. The top occupations identified are outlined in Table below.

Table 5: List of hard-to-fill vacancies in the Construction Sector – 2023

Major Group	OFO Code	OFO Occupation	Hard To Fill Vacancy Reason	Quantity needed
Managers	2021-121206	Health and Safety Manager	Lack of qualifications, lack of relevant experience	24
	2021-121904	Contract Manager	Lack of qualifications, lack of relevant experience	24
	2021-132104	Engineering Manager	Lack of experience, lack of qualifications	39
	2021-132301	Construction Project Manager	Lack of experience, lack of qualifications	115
Professionals	2021-214201	Civil Engineer	Lack of relevant qualifications, lack of relevant experience	118
	2021-214202	Civil Engineering Technologist	Lack of relevant qualifications, lack of relevant experience	33
	2021-214904	Quantity Surveyor	Lack of relevant qualifications, lack of relevant experience	34
	2021-641401	Concreter	Lack of relevant qualifications, lack of relevant experience	150
	2021-733210	Road construction operator	Lack of relevant qualifications, lack of relevant experience	51
	2021-734201	Earth moving plant operator	Lack of relevant qualifications, lack of relevant experience	27
	2021-214101	Industrial Engineering	Lack of relevant qualifications, lack of relevant experience	30
	2021-216101	Architect	Lack of relevant qualifications, lack of relevant experience	23
Technicians and Associate Professionals	2021-312301	Building Associate	Lack of relevant qualifications, lack of relevant experience	33
Trades Workers	2021-641502	Carpenter	Lack of relevant qualifications, lack of relevant experience	144
	2021-671101	Electricians	Lack of relevant qualifications, lack of relevant experience	40

Source: CETA WSP Database, 2023

Several reasons stemmed from the data analysis that explains why some occupations were deemed hard to fill:

Lack of relevant experience

The sector has difficulty filling job vacancies because there are inadequate jobseekers with the required skills/experience. This requirement of appropriate skills and experience at times presents the employers with difficulties in getting the required candidates from the labour market.

Equity Considerations

Some vacancies were considered hard to fill because the available candidates did not meet the employment equity targets of the employers. This employment equity considerations at times delays the time taken to fill some vacancies.

Lack of necessary qualifications, training, or skills in the given field

There is a scarcity of qualified people, currently or anticipated in the future. This could be because such qualified people are not available or are available but do not meet the current employment criteria.

The analysis illustrated above suggests that the trend to enrol and graduate higher numbers of science, technology, engineering, and maths (STEM) graduates from both universities and TVET colleges is not having the desired impact in the construction sector. The skills mismatch remains stubbornly intact. There is clearly a need for higher enrolments and completion rates in technical and trade-related programmes.

Identification of major skills gaps

Skills gaps refer to areas within an occupation where a worker is not fully competent to perform a particular task. These can include cognitive skills, such as problem solving, language and literacy skills. These “top-up” skills can be specific to a particular occupation resulting in skills gaps, which might arise because of phenomena such as improved technologies or new forms of work organisation. Hard-to-fill vacancies are in some cases a result of a skills gap in an occupation. The nature of the skills gap varies from soft-skills, procedures that may be company specific, experience related and technical or qualification related that may require a combination of several competencies.

The South African construction sector is currently under severe strain as a result of a severe shortage of experienced and qualified personnel. As a result, employers compete fiercely for available competent people, while crucial positions frequently go unfilled for extended periods of time, further affecting the unemployment rate. The construction industry is critical to South Africa's long-term economy, from creating homes and offices to ensuring that South Africans have access to critical fundamental services and infrastructure, (van de Berg (2023).

Furthermore, the sector has the potential and responsibility to create jobs and develop people just as much as it does the country's buildings and infrastructure. The trends on skills gaps, as demonstrated in the table below, reveal persistent trends on skills gaps, which is concerning given that several African countries continue to endure increasing unemployment.

Table 6: Skills gaps for workers in the sector

Major Group	Occupations	Skills Gap
Managers	2021-132301 Construction Project Manager	Lack of experience, lack of qualifications
	2021-121206 Health and Safety Manager	
	2021-121905 Programme or Project Manager	Lack of experience, lack of qualifications
	2021-121201 Human Resource Manager	
	2021-132102 Manufacturing Operations Manager	
Professionals	2021-214401 Mechanical Engineer	Lack of qualifications
	2021-226302 Safety, Health, Environment and Quality (SHE&Q) Practitioner	Lack of experience, lack of qualifications
	2021-711401 Concrete Products Machine Operator	Technical skills
	2021-653306 Diesel Mechanic	Lack of experience, lack of qualifications
	2021-642602 Solar Installer	Lack of experience
	2021-214201 Civil Engineer	Lack of experience
	2021-734201 Earthmoving Plant Operator (General)	Lack of experience

Major Group	Occupations		Skills Gap
	2021-214202 2021-216101 2021-214202	Quantity Surveyor Architect Civil Engineering Technologist	Lack of experience, lack of qualifications Lack of experience, lack of qualifications
Technicians and Associate Professionals	2021-313901	Integrated Manufacturing Line Process Control Technician	Lack of experience, lack of qualifications
Clerical Support Workers	2021-441903	Program or Project Administrators	Lack of relevant qualifications, Lack of relevant experience
Service and Sales Workers	2021-243301 2021-332202	Industrial Products Sales Representative Sales Representative (Building and Plumbing Supplies)	Lack of relevant qualifications, Lack of relevant experience
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	2021-641501 2021-641101	Carpenter and Joiner House Builder	Technical skills Technical skills

Table 6: Occupational skills gap

Based on the of WSPs analysis submitted by employers in the construction sector, a total of 342 occupations with skills gaps were identified. The top 24 occupations identified are outlined in table above. The above results reveal that there are major weaknesses in the construction sector in terms of training and development, which means that many companies do not spend in bridging the skills gap as per their own desired goals or demands, and hence most companies decide to subcontract when undertaking projects. To counteract this scarcity on a firm level, the industry should be willing to hire inexperienced and semi-skilled people, give in-house training, and assist them in gaining more experience and qualifications.

Graduates with TVET qualifications often work as technicians and associate professionals. It is at this level that more focus is required in terms of skills development, to make technical skills more attractive. The focus should not just be on technical skills but also on innovation and entrepreneurial skills. Another view is that a tremendous number of resources is invested in training and up-skilling artisans. However, due to the sub-contracting nature favoured by the sector, many trained artisans struggle to find work between projects. Thus, keeping skills honed and up to date becomes extremely challenging when artisans only find work sporadically.

Throughout this document, the notion of future skills has been underlined considering globalisation, innovation and competitiveness. Along with these trends, arise critical skills and skill sets, which are required by workers that are not necessarily found in traditional institutional learning. The world of work is changing and so too, is the notion of a workplace. For workers to keep pace and for their training to remain relevant over time, they need to possess key skills that will allow them to be more successful in their work and more marketable to relevant sectors. The nature of skills gaps implies specific skills within an occupation, which may not necessarily be covered in institutional training. Broad categories of skills gaps include critical thinking and problem-solving, leadership, resilience, agility and adaptability, communication, interaction with ICT and creativity. A few critical considerations flow from the above discussion.

First, there is a need for the CETA and its partners to keep pace with changes and innovation in the sector, so that skills invested in remain relevant and are future orientated. Second, there is an urgent and pressing need to re-visit the relationship between CETA and institutions of higher learning (universities and TVETs), the relationship can no longer be only a financial transaction. Research and development, quality, planning curriculum development and innovation should be integral to these relationships. Third, instead of fitting into what is offered by institutions, CETA should endeavor to push for interventions that will have the most impact on the labour market and the skills gaps in the sector. For instance, construction management, supervisor training, civil and environmental engineering – these are all interventions that are desperately need by the sector.

Extent and nature of supply

The determination of the supply of skills within the construction sector is a culmination of comprehensive analyses of Higher Education Management Information System (HEMIS) data, various publications from DHET, and the Mandatory Grant data submitted by employers to CETA. The picture that emerged is that there are skilled labour shortages in the construction sector. This is mainly prevalent in trade skills such as electrical, plumbing and welding. The shortages are correlated with the need for certification and the view that there is a difference between the quality of work produced by certified skilled workers and those that are uncertified. The research suggests that the fundamental factors that affect skilled labour supply are the lack of basic education, declining economic growth, and the need for certification from a ranking perspective

7.4 EXTERNAL ENVIRONMENT ANALYSIS

7.4.1 TOPAC-G Assessment

The CETA utilised the TOPAC-G framework to scan the macro external environmental factors that have an impact on its business. This framework analyses various elements which have a direct influence on the operating environment of CETA. The elements are as follows:

Table 7: TOPAC-G Assessment

Trends	Trends within the sector as well as other sectors. Key role players, stakeholders, collaborators, and suppliers the CETA should be learning from and partnering with.
Opportunities	This looked at the opportunities the CETA has before it. Critical questions had to be asked to determine whether the CETA's house was in order operationally to take advantage of these opportunities.
Position	With a clear understanding of the CETA's stakeholders and collaborators, their needs and the opportunities available, what value proposition would the CETA propose to them to meet their needs?
Alignment	The CETA must align its processes and organisational structure to be able to deliver on its mandate and the value it has proposed to the stakeholders and collaborators.
Competencies	The ideal competency sets the CETA requires to deliver on its mandate and objectives. These competencies span over various capabilities including technological advances, and their relevance in applicability over different localities.

Goals	The CETA's growth targets for the term of the current strategic plan including the identification of risks and mitigation plans.
--------------	--

The TOPAC-G framework was used together with the Gap-Reduction (G-R) Strategic Tool to action the key findings of the exercise. The G-R framework allowed the CETA to envision, analyse, diagnose and find solutions from within, for all elements of the TOPAC-G by asking four critical questions:

Table 8: Gap reduction tool

What should be happening?	The CETA had to have an outward look of an ideal future state with the assumption of all conditions perfect, how it would address each element.
What is currently happening	The CETA had to conduct introspection of the current way "As-Is State" in which it is handling each of the elements versus the ideal state.
Why is there a gap?	With the understanding gained, the CETA can draw a comprehensible diagnosis of where the potential gaps and bottle necks may be.
What are we going to do to close the gap?	With the application of creative thinking, the CETA derives interventions that will assist the organisation to fulfil its mandate.

The following is the outcome of the exercise detailed in the table below:

Table9: CETA TOPAC-G Assessment

Strategic Considerations	What Should Be Happening	What is Currently Happening	Why Is There A Gap	What Are We Going to Do To Close The Gap
Trends	1. More partnerships with established employers	Partnerships with institutions of higher education	Few opportunities for impactful engagement with private sector players that can lead to more partnerships.	More engagements with established employers. Identification of key private sector players to enter into partnerships with.
	2. Infrastructure positioned by government as an enabler to economic development	There is little integrated planning to tap into opportunities created by this drive.	Limited interactions with institutions responsible for Infrastructure development	As part of Stakeholder engagement, work more closely with relevant institutions through regular interactions to understand infrastructure planning and aligning programmes thereto.
	3. Reduce high levels of unemployment	Training interventions are not impactful enough to absorb the majority of programme participants.	CETA has internally focused without an effective feedback mechanism that assesses the impact of its programmes.	Conduct research on the impact of learning programmes on the sector and implement recommendations.
Opportunities	1. Training interventions impact assessment – ensuring return on investment	There is no post-learning support of learners.	Resourcing and data management Partnerships not mapped for maximum impact.	Internal data management and post-learning tracing. Use the stakeholder engagements on training rollout to ensure continued relationship with learners and providers.
	2. Partnership with Government and Private Infrastructure Program	There are currently no initiatives.	No policy, process developed to guide CETAs involvement in infrastructure planning.	Identify all relevant institutions that partnering with would improve relevance, quality and efficiency in delivery of programs.

	3. Contribution in the placements and absorption of learners post-training.	No defined processes to effectively contribute to learner absorption.	Lack of research to support the improvement of delivery models and/or quality of programmes which may result in absorption.	Develop policy and guidelines to be active in post training initiatives.
	4. Continued research and implementation of new ways to deliver training initiatives.	Training materials exclusively developed by the providers without guidance from the CETA.	CETA has traditionally focused on the accreditation of learning programmes only and not involved itself in assisting providers with the development of learning material.	Develop a strategy and plan to contribute towards standardisation of learning programmes that respond to sector needs as well as the development of a policy on qualification development and program implementation.
	5. Increased number of people with disabilities trained.	People with disabilities are trained, however, there is no deliberate initiative to target them with the aim of increasing their numbers in the programmes.	Awards are currently dependent on DG applications	Use of special projects and partnerships to focus on recruitment of people with disabilities.
Position	1. Skills development agenda must form an integral part of planning in the sector.	CETA is not involved in platforms where planning for the sector is done.	CETA, through stakeholder engagement and planning activities, should identify platforms for participation in sector planning platforms.	Strengthened research on sector needs, future skills, creation of an engagement platform for sector players should place CETA at an advantage to contribute to sector planning.
	2. Provide quality and relevant training by recruiting and capacitation of employees that have specialised knowledge in different areas of core business.	Even though there are positions with Specialists title on the organogram, these are not intended to be occupied by specialists on various areas.	Limited and/or misplaced core business competencies in the organisation required to successfully support programmes.	Develop relevant competency matrix and development plan for different core business departments and ensure their development and/or acquisition.
	3. Visibility – to be the first point of contact for the skills development in the sector.	Not accessible and not first point of contact on skills discussions and plans.	Existing systems and processes not in line with new trends of doing things which creates inefficiencies across	Employee development plan for continued learning. Quarterly stakeholder

			the value chain and this impacts the stakeholders experience.	engagements on various matters affecting the industry. Invest in technology for efficiencies and to keep active participation by stakeholders.
Alignment	<p>1. Industry alignment in terms of the skills required by the sector.</p> <p>2. CETA to be more responsive to stakeholders.</p>	<p>Established Chambers for the subsectors to enable closer interaction with industry</p> <p>Ineffective stakeholder engagement and management.</p>	<p>Lack of chambers leading to an uncoordinated response to sector skills needs.</p> <p>Existing frameworks not responsive to industry post-COVID.</p>	<p>Actively engage with the industry to understand their needs, through amongst other platforms, the creation of Chambers in the CETA.</p> <p>Develop and implement a Stakeholder Management Framework using national and international best practice.</p>
Competency	<p>1. Appropriately qualified staff members should be appointed and internal skills be continuously developed.</p> <p>2. Subject matter experts should be hired on highly specialised areas.</p>	<p>Skills and competencies required on various areas not defined.</p> <p>CETA currently making plans to contract subject matter experts.</p>	<p>Undefined skills and competencies for core business.</p> <p>Many processes interrupted during administration in an effort to revitalise the CETA.</p>	<p>Define the skills/competencies relevant for the delivery of the mandate. Change the naming convention of posts on the structure to reflect on the nature of work to be executed by the post.</p> <p>Expedite the appointment of subject matter experts.</p>
Goals	<p>1. To support industry by supplying required and relevant skills.</p> <p>2. Support the transformation</p>	<p>Inadequate research on relevant and future skills. Lack of involvement in curriculum design or development.</p> <p>DG policy addresses the</p>	<p>Inadequate capacity /resources.</p> <p>Lack of enforcement</p>	<p>Continually focus on improvement of quality and delivery mechanisms of training interventions through timely research and interaction with industry through the Chambers.</p> <p>Implement the existing policy</p>

	agenda through opening opportunities to previously marginalized groups.	transformation target		directives in the recruitment of learners.
--	---	-----------------------	--	--

7.5 Strength, Opportunities, Aspirations and Results (SOAR) Analysis

The SOAR analysis below; summarises the strengths and opportunities the CETA can strategically leverage to enhance its delivery and performance. A Strength, Opportunities, Aspirations, Results (SOAR) analysis is a strategic planning tool that focuses an organisation on its current strengths and vision of the future for developing its strategic goals.

The overarching aspiration of the CETA is to be positioned to play its mandate role of being the Sector Authority.

Table 10:

STRENGTHS	OPPORTUNITIES	ASPIRATIONS	RESULTS
<ul style="list-style-type: none"> Knowledge of the industry as a skills AUTHORITY Long-standing relationships with key stakeholders Transformed organisation Strategic alignment Strong institutional memory 	<ul style="list-style-type: none"> Impactful partnership with SDP (Professional Bodies, QCTO, etc.) Influence the infrastructure planning Policy Leverage learning-demand strategy Strengthening collaborations with other SETAs BRICS Future skills initiative Local/International partners Targeted partnerships Grow new levy payers from grade 3-5 CIDB registered emerging companies “Employer of Choice” in 5 years Leverage organisational redesign 	<ul style="list-style-type: none"> High-performing and fit for purpose, sustainable SETA Customer-centricity Sustainability State of the art Research and Development Anchor on technology and innovation Capable workforce Effective governance structure and systems 	<ul style="list-style-type: none"> Customer satisfaction Financial sustainability Active participation of beneficiaries Actionable-Vision Data-centric entity Achieve APP targets with measurable impact (high-performance culture Co-funded projects Stakeholder sentiment (i.e., surveys) Positive image Move from complaints to compliments Engaged and subject matter expert personnel

7.6 PIVOTAL LIST

The compilation The PIVOTAL list is based on the scarce skills within the sector. The occupational groups identified as being in short supply form the basis of the list. The training interventions that are best suited to provide the skills required in those occupations are added to the list. The training interventions consist of the educational qualifications that are generally required in the sector and for the specific occupations as well as the learnerships used in the sector. Information from the projects for which educational institutions and professional bodies apply for funding is also considered in the development of the PIVOTAL list.

Table 11: PIVOTAL listSET A Name	Period	Occupation Code	Occ Description	Intervention Planned by CETA	NQF Level	NQF Aligned
CETA	2024/2025	2021- 132301	Construction Project Manager	Learnership, Apprenticeship	NQF 4,5,6	Y
				HET Placement	NQF 6	Y
CETA				Bursary	NQF 6, 7,8,9,10	Y
CETA	2024/2025	2021- 311201	Civil Engineering Technician	Bursary	NQF 4,5, 7,8,9,	Y
				Candidacy	NQF 6,7	Y
				Apprenticeship	NQF 4	Y
				HET Placement	NQF 6,7,8	Y
CETA	2024/2025	2021- 214201	Civil Engineer	HET Placement	NQF 5,6,7,8	Y
CETA				Bursary	NQF 5,6,7,8,9	Y
CETA				Candidacy	NQF 7	Y
CETA	2024/2025	2021- 641201	Bricklayer	Apprenticeship	NQF 4,5	Y
				Learnership	NQF 2,4	Y
				HET Placement	NQF 5	Y
CETA				Bursary	NQF 4	Y
CETA	2024/2025	2021- 215101	Electrical Engineer	Bursary	NQF 6,7,8	Y
CETA				Apprenticeship	NQF 5	Y
CETA	2024/2025	2021- 642601	Plumber	Bursary	NQF 4	Y
				HET Placement	NQF 4	Y
				Learnership	NQF 4	Y

CETA				Apprenticeship	NQF 4	Y
CETA	2024/2025	2021-216101	Architect	Bursary	NQF 5,6,7,8,9	Y
CETA				Candidacy	NQF 6	Y
CETA	2024/2025	2021-226302	Safety, Health, Environment and Quality (SHE&Q) Practitioner	Bursaries	NQF 6,7,8,9	Y
CETA				Candidacy	NQF 6.7	Y
CETA	2024/2025	2021-441903	Program or Project Administrators	Bursaries	NQF 6,7,8,9	Y
CETA				Learnership, Apprenticeship	NQF 4,5,6,	Y
CETA	2024/2025	2021-312301	Building Associate	Bursary	NQF 4,5,6,7	Y
CETA				HET Placement	NQF 5,6,7	Y
CETA				Apprenticeship	NQF 4	Y
CETA				Learnership	NQF 4	Y
CETA				Candidacy	NQF 6	Y

8. Internal Environment Analysis

The key internal environmental analysis uses the PFILMS framework. The framework analysed the CETA's ability to identify the strengths specified key elements of a successful organisation, that contribute towards high performance and high impact based on best practice. A scan is conducted for each contributing element to determine the CETA's strengths and weaknesses in executing and/or upholding them. Strategies are applied to see how the CETA can leverage and build on its strengths and find innovative ways to mitigate the weaknesses to achieving its mandate.

8.1 CETA PFILMS Assessment Summary

Table 12: CETA PFILMS Assessment

INTERNAL ENVIRONMENTAL ANALYSIS			
PFILMS	STRENGTHS	WEAKNESSES	RESPONSE
Personnel	The personnel is aware of its organisational challenges and root causes	Lack of innovation and no solution-orientation	Create a "safe space" for employees to provide solutions. This can be done through initiatives such as "Innovation Week" where solutions can be submitted, and the best solution is voted for. Some kind of cash-less incentive programme is also a consideration.
	The majority of employees have academic qualifications for their job level but need further skills development for effectiveness in their current roles.	Difficulty in adapting to change and new processes; mismatch of skills in the organisation i.e. skills not necessarily placed optimally on the organogram.	Develop an organisational renewal Framework, workshop employees on it, appoint ambassadors and use them to drive change in the organisation. Develop plans to upskill employees for effectiveness in their current roles.
	Many employees are willing to work despite challenges and majority of employees have signed performance contracts.	Lack of strict adherence to performance management principles. Lack of systems that enable information sharing and knowledge management.	Strengthening of performance management processes. Implementation of systems and processes that will build knowledge in the organisation; and make the knowledge accessible to appropriate parties as and when needed. Development of a competency framework for each job level, and the implementation thereof.

Finance	Improvement in revenue collection after COVID	Qualified audit opinion affecting organisation negatively. Have not meet the target set for revenue collection	Close monitoring of audit action plan, with monthly and quarterly reporting to ensure better audit outcomes.
	Employees in the department have the academic qualifications required.	Although academic qualifications exist, there is limited practical accounting skills in the department, skills such as analytical skills and knowledge of accounting procedures	Use the competency framework for the Finance job family to develop skills that will impact performance in the short term. Systems/automation of processes currently being implemented to increase efficiency in the department.
	Audit action plan has been developed and is being reported on monthly.	Proper cost centre budgeting is still to be implemented. SCM processes and compliance to be improved. Finance systems not fully utilised and/or functionality not maximized. Risk assessments on service providers not done prior to appointment Contract management can be implemented in a more effective way	Implement budget tool, and train managers SCM to workshop employees on SCM Policy and Processes on a regular basis to improve compliance Ensure all staff in department trained on implemented systems Develop and implement a risk assessment tool to be used by SCM as part of the SCM strategy Ensure a dedicated resource for contract management that will report regularly and proactively to manage contract issues-working closely with responsible managers

Infrastructure	Physical space - all provincial offices have offices to work from	Not all provincial offices are ideal and conducive for meetings, especially where located at TVET colleges	Negotiate better office space in the TVET where there is a requirement for the office to be based in a TVET College
	Good location of head office	Not all office space is utilised in an efficient way.	Finalise the office partitioning project to utilise space optimally.
	Revitalised brand image and identity	Brand management- no uniform look and feel in all offices, no norms and standards for provincial offices	Develop norms and standards taking brand management into account so that all offices are equitably equipped, and look and feel the same anywhere in the country
	Employees has a workstation with a desk, chair and laptop with connection to the internet. We have well developed computing services and are able to work remotely	Lack of a biometric time and attendance system and/or productivity monitoring tool	Implement a time and attendance biometric system in all offices and an tool to measure productivity, and report exceptions and implement consequence management.
	Development of a tools of trade guideline is in progress.	Telephone system has reached end of life and will not be further supported. Not all employees at Head Office have telephones and provincial offices do not have telephones	Procure telephone system that responds to the new world of work i.e. employees should remain reachable even when away from their desks. This will contribute to creating a responsive workforce
	Fleet management policy developed, which will enable employees access to learning sites as and when required.	Old fleet in all offices.	New fleet is being delivered in phases
	Generator at Head Office to keep us working during load shedding.	The high cost of diesel makes operating a generator costly	All employees have modems and are able to work during loadshedding; and can work remotely if necessary.
		Server room to be upgraded for the modern world of work, and to comply	Server room upgrade included in the procurement plan. Invest in hybrid disaster

	Renewed warranties on server infrastructure.	with best practice. No Disaster Recovery Site in an event of a disaster to enable business continuity.	recovery technologies that will enable seamless working in the event of a disaster i.e. both cloud based and physical site.
--	--	--	---

Leadership	<p>New AA with experience in the industry, willing to make difficult decisions</p> <p>New executive team has Revitalised vision, mission and values</p> <p>Executive being intricately involved in operations has led to deeper understanding of organisational issues in a short space of time</p>	<p>Lack of support to enable executive team to focus more on strategic issues. Currently, executives are operating at senior management and management levels due to vacancies</p> <p>Executive and Senior Managers operating without employment contracts since the revision of their terms and conditions of employment.</p>	<p>Fill vacancies with appropriately qualified, experienced and skilled employees to free executive to drive achievement of organisational mandate</p> <p>Develop relevant policies and SOPs to support managers to manage their departments and support the executive</p> <p>Once CEO has contracted with the AA Chair, also implement employment and performance contracts for the Senior and Executive Managers</p> <p>Ensure that executives attend an executive development course, and assign them a mentor where necessary</p>
Management	<p>All employees at management are employees with institutional memory since they have been with the organisation for a while</p>	<p>Not all employees at management level are operating at the required level and need to be developed</p> <p>Managers are not taking accountability for their area of work</p> <p>Managers are all unionised and are conflicted when critical decision need to be made for the good of the organisation</p>	<p>Managers to undergo management development programme that will help them to understand their role in the organisation</p> <p>specialists to undergo supervisory skills programme to prepare them for management positions - succession planning</p> <p>Ensure that the Recognition Agreement with the union bars managers from becoming shop stewards</p> <p>Ensure managers are held to the same standard by implementing management specific performance contracts</p>

Systems	<p>Clear intention to implement systems across the organisation</p> <p>ICT is currently reviewing available systems on the market that can assist the organisation to be more effective</p> <p>Additional modules of SAGE are being implemented for Finance and HR</p> <p>Performance management system exists</p>	<p>Systems and licences in operation not optimally used</p> <p>Systems are not fully integrated to enable proper decision making</p> <p>Lack of a fully functional Core Business system that covers the entire core business from end to end</p> <p>No risk management, compliance, procurement, biometric time and attendance, contact centre, ERP systems,</p> <p>Performance management system needs to be electronic/digital</p>	<p>Investigate how all current systems and licences can be fully utilised and implement</p> <p>Appoint an enterprise architect to investigate ICT infrastructure against all system requirements in the organisation, and develop a digitisation strategy and implement</p> <p>Procure systems that respond to organisational needs now and in the future. System must be integrated for proper decision making</p> <p>SAGE will digitise performance management</p>
----------------	--	--	--

8.2 CETA Stakeholder Relationship Management

The Construction Education and Training (CETA) is focused on addressing ministerial imperatives as identified by the Minister of Higher Education, Science and Technology, which entails the improvement of education levels in the construction sector; partnership with all relevant stakeholders from TVET Colleges, higher education and training institutions to SETA's, and the implementation of an inclusive Post School Education and Training System (PSET), amongst many others. Collaborative partnerships and other formalised collaborative engagements and efforts with organisations, institutions, departments and structures external to the CETA are, therefore, a mandated deliverable of the CETA.

8.2.1 CETA Stakeholder Management Framework

Stakeholders can be defined as all individuals or groups who have an entrusted interest in the performance of an organisation. Therefore, it is imperative that organisations build healthy and balanced relationships with their stakeholders, as their level of authenticity is determined by how well they meet their stakeholders' demands (Penta, 2021).

It was in fulfilment of this mandated deliverable that the CETA developed a stakeholder-wide focused, directed and intentional Stakeholder Engagement Strategy, in an effort to ensure a consistent and coherent Stakeholder Management representing the mission, vision and values of the CETA to best effect. While the assurance of a consistent institutional Stakeholder Management Framework is instructive for any other organisation that interacts with external stakeholders, this was more imperative for the CETA in view of the organisation's battered image owing to the placement of CETA under administration.

The Objective of the Stakeholder Management Framework (SMF)

- To position stakeholder engagement as an organisational imperative
- To position the CETA as a stakeholder-centric organisation
- To implementation of effective stakeholder management programmes
- To understand the priority stakeholders and implement a communication strategy and method of engagement
- To incorporate CETA values in the SMF.

8.2.2 Stakeholder Analysis

Stakeholders are those individuals or groups who have a vested interest in the performance of the CETA and / or affected by, its activities. The CETA understands partnerships as mutually empowering relationships and focused on mutual growth, organisational and sector development with enhanced economies of scale. The CETA believes that programmes implemented in partnership increase the collective knowledge, skills, reach, and experience applied to an initiative. Programmes implemented in partnership are likely to be better at encouraging and enabling the real participation and investment of employers and learners.

The Department of Higher Education and Training's (DHET's) Sector Skills Plan (SSP) Framework defines partnerships as "A collaborative agreement between two or more parties intended to achieve specified outcomes directed towards addressing mutually inclusive skills priorities or objectives within a specified time frame". The CETA understand this to mean a contractual arrangement between CETA and one (1) or more parties where the parties agree to a common education, training and/or skills development purpose, aligned to sector imperatives.

The table below outlines the prioritised stakeholder groups and the actions to be taken to ensure successful partnerships.

Table 13: CETA Stakeholder Matrix

Stakeholder identity	Stakeholder needs	CETA strategic response action
Levy-paying employers	<ul style="list-style-type: none">• Capacity building and support for skills planning and delivery• Access to CETA DG and MG funds• Quality provisioning (Access to registered qualification;• Accredited Skills Development Providers (SDP); registered with CETA• Assessors and Moderators• Approval and accreditation of workplaces	<ul style="list-style-type: none">• Develop strategy to increase participation in skills planning and delivery across all provinces• Prioritise industry needs – Flexibility, employer and training provider risk profiling and agility• Implement partnership model• Facilitate partnership for both demand and supply for strategic project• Review workplace approval strategy
Non-levy paying employers	<ul style="list-style-type: none">• Capacity building and support for skills planning and delivery• Access to Discretionary Funds	<ul style="list-style-type: none">• Allocate funding to non-levy-paying employers• Understand their environment and challenges• Fast responses to requests and inquiries (especially QA)

	<ul style="list-style-type: none"> • Quality provisioning (Access to registered qualification; • accredited Skills Development Providers (SDP); registered • Assessors and Moderators approval and accreditation of workplaces 	<ul style="list-style-type: none"> • Create user friendly, streamlined, and non-bureaucratic avenues for funding and reporting
Higher Education and Training institutions	<ul style="list-style-type: none"> • Learner funding (bursaries) • Support for research (technical) • Support to roll out short courses • Support for innovation and enterprise development 	<ul style="list-style-type: none"> • Build up internal research capacity • Include research outcomes in operational processes • Create holistic partnerships (research, bursaries, community projects, research chairs, WIL, etc) • Build strategic partnerships with Universities South Africa (USA) • Build strategic partnerships with influential universities and researchers
Further Education and TVETs Colleges	<ul style="list-style-type: none"> • Lecturers and Management Development programmes • Workplace Exposure for Lecturers • Infrastructure support • Students' workplace based learning programmes • Student's bursaries 	<ul style="list-style-type: none"> • Develop College' Strategy • Build strategic partnership with the South African College Principals (SACPO) • Conduct Research into TVET Agreements for Occupational Qualifications • Build strategic partnerships FETs, TVETs and industry • Build strategic partnership with South African Public Colleges Organisation (SACPO) • Forge partnerships with Community Education and Training Colleges (CETCs)
Professional Bodies and Councils and Industry associations	<ul style="list-style-type: none"> • Understand of CETA's value proposition for their members • Funding especially for mentorship/candidacy • Funding to design and roll out Continuous Professional Development courses • Candidacy programmes • Co-fund learners (postgraduate bursaries) • Internship funding • Co-fund research projects 	<ul style="list-style-type: none"> • Fund CPD courses and industry transformational imperatives from a skilling point • Fund course and learning materials, also short courses • Create user friendly, streamlined, and non-bureaucratic avenues for funding and reporting • Set up Knowledge Hub to publish research findings • Build up internal research capacity

	(skills)	<ul style="list-style-type: none"> • Include research outcomes in operational processes • Create holistic partnerships (research, bursaries, community projects, research chairs) • Collaboration with Universities' built environment faculties for professionals pipeline
Community constituencies with measurable interest in the construction sector	<ul style="list-style-type: none"> • Need for funding of programmes related to the sector skills • Research and learning and development capacity need 	<ul style="list-style-type: none"> • Develop partnerships and stakeholder relations strategy / plan incorporating community associations • Implement programmes run by community organisations • Coordinate links between community organisations and industry partners
Unions with significant representation in the construction sector	<ul style="list-style-type: none"> • Capacity building for shop stewards to access and develop proposals for funding of worker-initiated education and training programmes 	<ul style="list-style-type: none"> • Strategic partnerships with Training and Development at employers with Union representation • Develop Union Engagement Strategy
International bodies	<ul style="list-style-type: none"> • Networks and access in South Africa • National accreditation/recognition for international programmes • Support to roll out international short courses • Understanding of regulatory environment • Exchange programmes (exposure to international advance technology) 	<ul style="list-style-type: none"> • Develop international partnership strategy • Identify strategic partners • Identify co-funding opportunities
Learners enrolled on CETA programmes	<ul style="list-style-type: none"> • Understanding of the journey and outcomes measurement for their completions • Bursaries and learner support programmes 	<ul style="list-style-type: none"> • Induction programmes and on-boarding of learners standardised across • Standard learning material on key programmes

	<ul style="list-style-type: none"> • Access to mentors and role models • Develop entrepreneurial acumen 	<ul style="list-style-type: none"> • Access to technological facilities for learners • Run entrepreneurship programmes embedded to every training
--	---	---

8.3 CETA Internal value chain

The CETA as part of its mandate performs the following core functions:

CETA Core Business division has two distinct and interlinked departments to enable it to fulfil its mandate of facilitating and funding skills development in the construction sector. The CETA Core Business performs the following functions:

The primary function of the CETA in relation to quality assurance is to monitor and audit the achievements of the CETA in terms of national standards and qualifications standards by performing the following:

- Conducts research and analysis of the labour market within the construction sector including management of research on skills supply and demand, as well as being a trusted advisor on skills planning within the sector;
- Undertakes skills planning in line with Labour Market Information Intelligence Programme (LMIP) and PSET system, Skills Planning and Monitoring Framework, Goal 4.1 of the NSDS III as extended and the Medium-Term Strategic Framework (MTSF) on the identification of medium to long-term skills shortages;
- Develop, review and update the Sector Skills Plan (SSP) for a credible mechanism for skills planning in the construction sector;
- Coordinate mechanisms such as ATR-WSP, for claiming of mandatory grants from the CETA by levy paying construction entities ;
- The production of the Strategic Plan (SP) and the Annual Performance Plan (APP) and Service Level Agreement (SLA) of the CETA;
- The preparation and submission of quarterly progress reports against the APP and the APR of the CETA;
- Coordinate the design, development and/or revision of specified occupational standards and qualifications and/or part qualifications according to the QCTO procedure;

- Accredit providers for the qualifications or part-qualifications listed in the schedule in terms of criteria determined by the QCTO;
 - Register Assessors to undertake assessment for specified qualifications of part-qualifications in terms of criteria determined by the QCTO;
 - Maintain a comprehensive learner information management system and
 - Upload learner data to the NLRD according to the NLRD load specifications.
-
- Research, Planning and Reporting
 - Learning Pathways and Quality Assurance
 - Project Management (there are five distinct sub business units)
 - Monitoring and Evaluation

Figure 1: CETA Skills Value Chain

8.4 CETA Learning Delivery Model

The CETA has adopted the 4A Learning Delivery Model to deliver effectively on its mandate. The CETA had previously adopted the Kirk Patrick Model as an evaluation tool that evaluates the results of the training or learning programme, however due to its limitations based on the time the model is used in the implementation cycle, it was deemed fit by the Executive of the CETA to consider an alternative learning delivery model.

The 4A Learning Delivery Model allows the CETA to be “hands on” from the onset as the applications are received. The CETA will be able to support the learners in all 3 Stages of their learning, namely: Pre-Learning, Learning and Post-Learning. Each stage has a series of activities which underpin the effective delivery of quality service to all learners as well as optimise the efficiency of the CETA processes to guarantee maximum impact and throughput.

Figure 11: 4A Learning Delivery Model

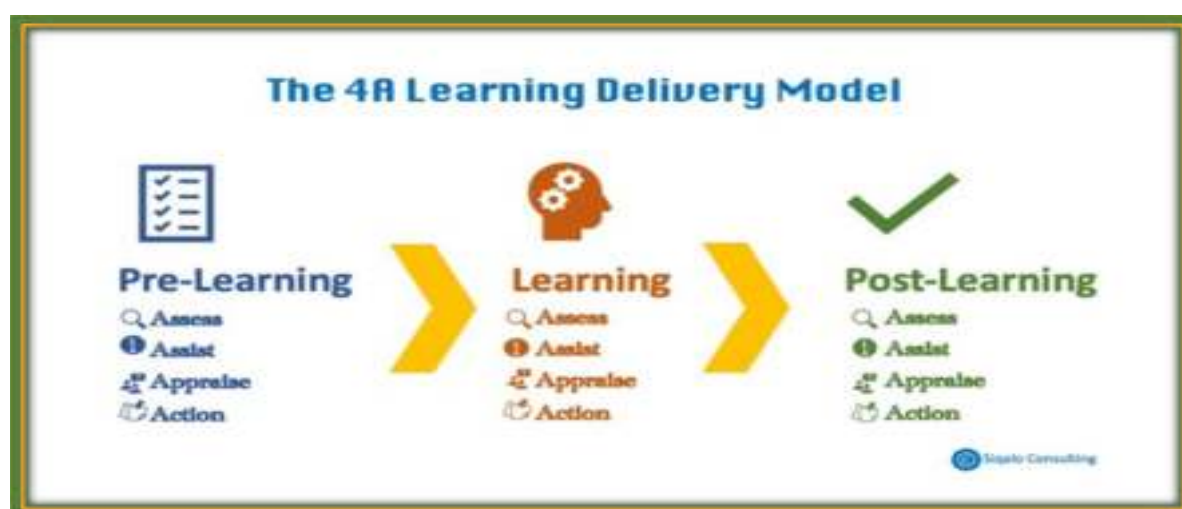


Table 14: Analysis of CETA Delivery Model

PRE-LEARNING	LEARNING	POST-LEARNING
Assess This is the initial stage where applications for admissions are made with the CETA. The applications will be assessed to ensure correct fit and maximum throughput.	Assess Assess how learning is conducted through the CETA standardised checklist in accordance with the SOPs.	Assess Assess the impact of the training using various assessment tools such as survey questionnaires, one on one and group interviews.
Assist Provide relevant support to the applicants to ensure all documentation and other relevant information is communicated with the applicant.	Assist Support the learning centers or learners in areas where challenges would be encountered. In instances where interventions such as remedial action is required, facilitate the process to ensure learning is conducted effectively.	Assist Areas where gaps are revealed, introducing strategic interventions.
Appraise Evaluate all applications for compliance.	Appraise Evaluate the impact from the interventions taken, assessing the outcomes	Appraise Evaluate the impact of the interventions
Action Appropriate action to be taken at the conclusion of the evaluation process.	Action Appropriate action to be taken at the conclusion of the evaluation process.	Action Appropriate action to be taken at the conclusion of the evaluation process

8.5 The CETA External Audits

The Auditor-General provides independent assurance on the financial statements and performance against predetermined objectives of the CETA, as prescribed in the PFMA and the Public Audit Act as amended. The audit reports are one of the critical instruments assuring

the stakeholders and the public on how the CETA discharges its stewardship role in relation to the funds entrusted to it by the SDA and the SDLA.

It is the CETA's strategic focus to ensure that it achieves effective and efficient governance, underpinned by clean administration. The CETA aspires to achieve Clean Audit opinions as a norm in the organisation. Action Plans are prepared to address the Auditor-General's concerns, non-compliance gaps and control deficiencies that may be identified as a major risk to the organisation. The Action Plans are an instrument that should not only be directed at AG's reports; but to strategically steer and improve the control environment and embed culture of effective risk and compliance management across all functionaries and departments of the CETA.

8.6 Governance

The Accounting Authority of the CETA is constituted in line with the prescripts of the SDA and CETA Constitution. The following are its Board Committees:

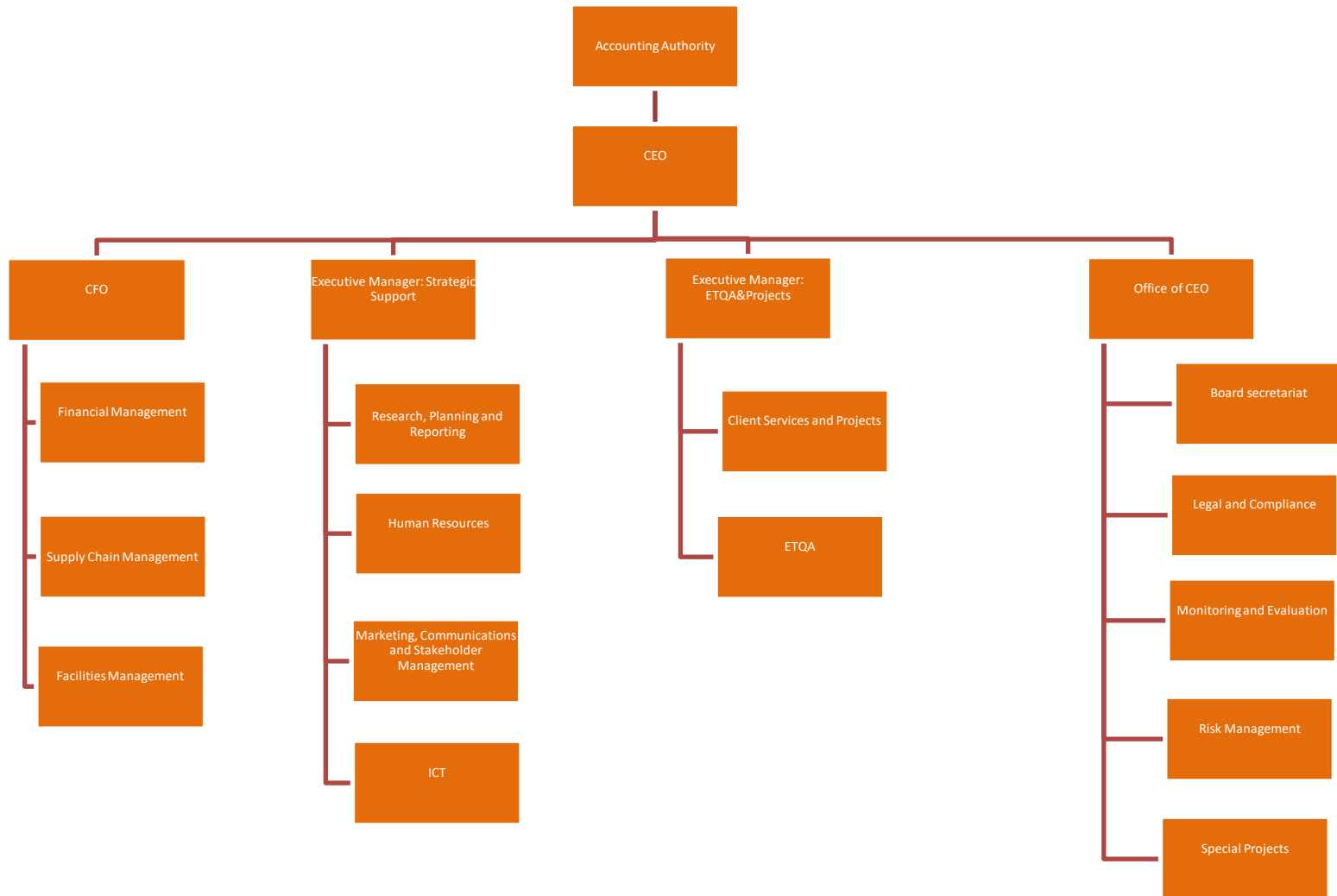
- Executive Committee (EXCO),
- Audit and Risk Committee (ARC),
- Finance, Human Resource and Ethics Committee (FHREC), and
- Governance, Strategy and ICT Committee (GSICT).

All the Committees of the Accounting Authority meet as per the requirements of the Constitution and operate in terms of the approved Committee Terms of Reference. It is the intention of the CETA to ensure it has effective, nimble and lean committees that add value and assist it in becoming an agile, high performing and learning organisation that is fit for purpose and sustainable.

8.7 CETA Employees

The organisational structure was reviewed during administration, and the CETA continues to review its effectiveness to ensure that it is fit for purpose. To support the new organisation, a performance management system has been approved and the Human Resources Department is working with all employees to ensure that personal development plans that are relevant are developed and implemented.

In addition, employees are assisted with a comprehensive wellness programme to assist them to cope with changes both internally and externally. The CETA leadership is committed to employee satisfaction, and has implemented an organisational renewal project called One CETA One Team, to support the organisation to build a new values-based culture that is responsive to the sector. The organisational structure is depicted below:



8.7.1 CETA resourcing

The next section briefly depicts staff trends or resource allocations to the various programmes.

Table 15: Trends in the numbers of staff

Programme skills delivery		Actual (total number of employees)			Projected (projected number of employees)		
No	Description	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
1.	Administration	45	43	47	53	58	64
2.	Skills Planning and reporting	8	8	3	3	5	6
3.	Learning Programmes and Projects	50	51	35	51	61	70
4.	Quality Assurance (ETQA)	6	7	20	5	7	10

Table 16: Resource Consideration: Learning Programmes and Projects

Output Indicators	Annual Target	Budget	2022/23 Annual Budget	2023/24 Budget	2024/25 Budget
3.23. Number of internships entered: Unemployed learners per year	352 (Funded)	R60,000	R21,120,000	R21,753,600	R22,406,208
3.24. Number of internships completed: Unemployed learners per year	124 (Funded)	R60,000	R7,440,000	R7,588,800	R7,740,576
3.25. Number of University Student Placement entered per year	119 (Funded)	R50,000	R5,950,000	R6,128,500	R6,251,070
3.26. Number of University Student Placement completed per year	62 (Funded)	R50,000	R3,100,000	R3,177,500	R3,256,937
3.27. Number of TVET Student Placement entered per year	600 (Funded)	R50,000	R30,000,000	R31,500,000	R33,075,000
3.28. Number of TVET Student Placement completed per year	68 (Funded)	R50,000	R3,400,000	R3,468,000	R3,572,040
3.29. Number of Candidacy programmes entered per year	237 (Funded)	R300,000	R71,100,000	R73,588,500	R75,060,270
3.30. Number of Candidacy programmes completed per year	60 (Funded)	R300,000	R18,000,000	R18,270,000	R18,544,050
3.31. Number of skills development centres supported	5 (Funded)	R25,000,000	R125,000,000	R100,000,000	R75,000,000

8.8 Financial Overview

The total revenue for the year ended 31 March 2021 amounted to R446 million. Included in total revenue is Investment Income which decreased by 56 % from R132.3 million to R57.8 million as a result of a decrease in the cash and cash equivalents from R1 688 billion in the previous financial year to R1.336 billion in the current financial year. The decrease in the cash and cash equivalent is as the results of higher disbursements in grants and lower revenue received in the current financial year. CETA currently invest with CPD as required by National Treasury and the average interest rates are quoted at 3.7%.

8.8.1 Expenditure Trends

Table 17

	ACTUAL			MEDIUM TERM ESTIMATES			
	2020/21 R'000	2021/22 R'000	2022/23 R'000	BUDGET 2023/24 R'000	AST BUDGET 2023/24 R'000	ADJUSTME NT 2023/24 R'000	2024/25 R'000
INCOME							
- Levy income(80%	370,130	571,684	614,754	590,770	643,706	52,936	672,351
Administration(10.5%	52,542	79,124	85,496.00	81,485	91,055	9,570	95,107
- QCTO(0.5%)	263	396	427	407	455	48	476
- Admin income(10%	52,279	78,728	85,069	81,078	90,600	9,522	94,631
Mandatory (20%)	91,367	141,539	151,033.00	155,207	157,708	2,501	164,726
Discretionary(49.5%	226,221	351,021	378,225.00	354,078	394,943	40,865	412,518
- Non - Levy income	76,576	62,400	81,809	444,032	394,858	(49,174)	485,411
Fines, interest and g	17,127	14,160	17,332.00	30,062	18,098	(11,964)	18,903
Interest income	57,871	44,964	62,750.00	25,663	70,831	45,168	73,984
Release from the re	-	-	-	388,307	304,125	(84,182)	390,641
Other income	1,578	3,276	1,727.00	-	1,804	1,804	1,883
TOTAL INCOME	446,706	634,084	696,563	1,034,802	1,038,564	3,762	1,157,762
EXPENDITURE							
Administration expe	122,173	159,011	141,842.00	147,191	220,740	73,549	230,652
- QCTO expenditure	4,474	2,891	3,660	3,147	4,251	1,104	4,440
- Administration exp	117,699	156,120	138,182	144,044	216,489	72,445	226,212
Mandatory grants ex	41,921	71,897	75,570.00	80,082	78,910	(1,172)	83,646
Discretionary exper	662,461	651,799	468,576.00	807,529	738,914	(68,615)	843,464
TOTAL EXPENDIT	826,555	882,707	685,988	1,034,802	1,038,564	3,762	1,157,762
SURPLUS/(DEFICIT)	(379,849)	(248,623)	10,575	-	-	-	-

Budget per 4 CETA Programmes

Expenditure Estimates per Programme							
PROGRAMMES	ACTUAL			MEDIUM TERM ESTIMATES			
	2020/21	2021/22	2022/23	INITIAL	REVISED/PO	ADJUSTME	2024/25
	R'000	R'000	R'000	BUDGET	CAST	NT 2023/24	
				2023/24	BUDGET	R'000	R'000
Administration	122,173.00	159,011.00	141,842.00	147,191.00	220,740.00	73,549.00	230,652.00
Skills planning and reporting	41,921.00	71,897.00	75,570.00	80,082.00	78,910.00	-1,172.00	83,646.00
Learning programmes and projec	662,461.00	651,799.00	468,576.00	807,529.00	734,582.00	-72,657.00	836,346.03
Quality Assurance	-	-	-	-	4,332.00	4,042.00	7,117.97
Total	826,555.00	882,707.00	685,988.00	1,034,802.00	1,038,564.00	3,762.00	1,157,762.00

8.9 Materiality and Significance Framework

Based on the materiality and significance framework, CETA has set its materiality and significance amount at R6,200,000, which is 0,9% of the total revenue for the 2024/25 financial year based on audited results for the respective year.

PART C Measuring Our Performance

9. Institutional Performance Information

The CETA Strategic Plan represents its programme of action in line with its vision to ensure quality education and training to enhance the construction sector's contribution to national economic growth and development. It is compiled in line with National Treasury Regulations. This plan considers the Medium-Term Strategic Framework (MTSF) and it reflects the outcomes of Government.

In terms of strategic goals, it responds specifically to the outcomes of NSDP 2030 which is informed by Government's MTSF 2019 - 2024. The framework is the planned manifestation of the implementation of the NDP vision, articulates a strong focus on quality education, transformation of the economy, and sets high goals to address skills needs for targeted groups and the provinces that are economically challenged.

The CETA follows National Treasury's planning and budgeting guidelines. In addition, the Government-wide planning and the MTSF inform and align the CETA's plans as follows:

- Sector Skills Plan;
- Five-year Strategic Plan;
- Annual Performance Plans (APPs) and MTEF targets;
- Operational Plans of CETA Departments;
- Review or development of Standard Operating Procedures; and
- Individual Staff Performance Agreements.

Current policy mandates and emerging industry developments and needs guided the development of the CETA Strategic Plan. For the planning period 2024/2025 as expected by statutory requirement for the MTEF, the CETA has reviewed and amended its objectives in line with the SSP to ensure that the CETA remains relevant, and the interventions are appropriate. In this Strategic Plan, the CETA has adopted the DHET Programme Structure of Four Programmes.

The Accounting Authority is ultimately responsible for determining the strategic priorities for the sector to be implemented by the CETA. A strategic planning session was held by the Accounting Authority to review the five-year rolling strategy and annual performance plan with input from management and stakeholders.

9.1 Measuring Impact

Impact statement	To facilitate and support quality skills development and training in the construction sector.
-------------------------	---

9.1.1 Measuring Outcomes

Outcome	Outcome indicator	Baseline	Five-year amended target
Support skills development of new entrants into the Construction Sector	Number of new beneficiaries entering various learning pathways in critical and scarce skills	6666	36307
Enhance the skills of the existing workforce in the Construction Sector	Number of employed people receiving skills training, including worker initiated programmes	205	2040
Respond to changing sectoral needs and transformation through small business development support	Contribution to the improvement in technological, innovation capability and sustainability of small Businesses in the construction sector	21	200
Strengthen and expand strategic partnerships to maximise sustainability and impact	Number of strategic partnerships agreements signed	45	327
Support national imperatives for skills development as they pertain to the construction sector	Implemented strategic and transformation imperatives of the RSA Government	Compliance with National and Construction Sector Charter Codes' imperatives have been achieved	Specific targets set for Women, Youth and PwDs in CETA skills programmes

The above strategic term targets are broken down in the table below.

Table 18 : Breakdown of 2020/21 to 2024/25 Strategic Term Targets

Table 10 : Breakdown of 2020/21 to 2024/25 Strategic Term Targets						
OUTPUT INDICATOR	5 Year Target	2020/21 Target	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target
OUTCOME: Support skills development of new entrants or unemployed people into the Construction Sector						
Number of learners placed in employment (Internships, Skills Programmes, bursaries, learnerships)	36 037	1134	1179	1226	1281	1338
Number of unemployed learners per year entering learnerships		1000	873	3000	1250	1092
Number of unemployed learners per year entering skills programmes		450	227	3500	757	619
Number of unemployed learners per year entering Artisan Programmes		2500	2050	2200	2140	2184
Number of unemployed bursary learners per year enrolled (new enrolments)		100	42	150	104	108
Number of unemployed learners entering internship		340	148	352	250	160
Number of University student placement entered		261	114	119	225	129
Number of TVET student placement entered		522	227	600	364	158
Number of learners entering Candidacy programmes		522	227	237	320	258
OUTCOME: Enhance the skills of the existing workforce of the Construction Sector						
Number of employed learners per year entering in learnerships	2040	100	89	221	282	241
Number of employed learners per year entering skills programmes		0	0	500	103	0
Number of employed learners per year entering Artisan programmes		0	0	0	0	0
Number of employed bursary learners enrolled		105	45	113	118	123
OUTCOME: Respond to changing sectoral needs and priorities including contributing to transformation through small business development						
Number of Small businesses supported with training interventions or funded	183	9	21	15	15	15
Number of cooperatives supported with training interventions or funded		9	9	9	9	9
Number of CPOs/NGOs/NPOs supported with training interventions or funded		12	12	13	13	13
OUTCOME: Strengthen and expand strategic partnerships to maximise sustainability and impact						
Number of SETA/University partnerships funded by the CETA through DG for construction sector programmes	327	10	10	10	10	10
Number of SETA/TVET college partnerships supported and signed MOUs with CETA to deliver and implement skills development programmes in the construction sector		35	35	20	20	20
Number of CET Partnerships established		9	9	9	9	9

Number of partnerships entered with entered with private institutions to improve service delivery through skills development		7	7	7	7	7
Number of partnerships entered with public institutions to improve service delivery through skills development		12	13	14	14	14

In achieving the above outcomes, the CETA has also identified six focus areas as follows:

- 10.1.1.1 Support skills development of the youth;
- 10.1.1.2 Creation and promotion of greater opportunities for women;
- 10.1.1.3 Creation and promotion of participation of people with disabilities;
- 10.1.1.4 Creation and promotion of greater participation of rural and township communities;
- and
- 10.1.1.5 Creation and promotion of greater participation of military veterans.

9.2 The CETA is supported by the goals set out below per broad programme:

STRATEGIC GOAL 1: Sustainable high performing CETA anchored on Clean Governance and Administration

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	BASELINE	JUSTIFICATION	LINKS
ADMINISTRATION				
Sound financial management and accurate reporting.	To provide effective financial management in line with the requirements of the PFMA.	Unqualified Audit Outcome	To ensure efficient and effective systems of financial management, internal controls, risk management and compliance.	Public Finance Management Act (PFMA), Treasury Regulations, and CETA Policies and Procedures.
STAKEHOLDER MANAGEMENT				
Enhanced reputation of the CETA through public relations and marketing activities	Effective an enhanced stakeholder relations with improved brand reputation	0% unresolved stakeholder queries in a period of 1 month	Resolution of stakeholder queries in a timely manner is an measure of responsiveness, leading to improved brand reputation	CETA values, CETA Policies and Procedures

STRATEGIC GOAL 2: Credible skills planning and reporting based on research, technology and innovation

SKILLS PLANNING

Sector Skills Needs Addressed	To ensure effective planning to address the skills priorities in the sector.	Sector Skills Plans; Workplace Skills Plan; Annual Training Report.	Suitably trained workforce in the construction sector.	Labour Market Intelligence Programme (LMIP); Employment Equity Reports (Labour); Stats SA (labour force survey).
Skills Performance Reporting	To ensure accurate reporting of sector skills development initiatives.	Quarterly Performance Report; Annual Performance Report.	All training interventions are accurately reported to ensure further skills planning.	To ensure accurate reporting of sector skills development initiatives.

STRATEGIC GOAL 3: Skills development programmes that prioritises critical and scarce skills linked to the current and future of work for the construction sector

Implementation of learning programmes				
A skilled and capable workforce in the construction sector	To ensure the skills needs in the sector are addressed with adequately skilled workforce.	Strategic Plan; Annual Performance Plan; Sector Skills Plan.	A capacitated, empowered and appropriately skilled workforce in the Construction sphere.	CETA Grants Policy; PIVOTAL List.
Graduate Placements				
A Transformed Built Environment Profession	To address transformation challenges within the built environment through increasing access to built environment professions for individuals from previously disadvantaged groups	Employment Equity Report; Construction Industry Charter; Survey Reports; Sector Skills Plan.	To address the current demographic imbalances and to achieve equity within the built environment professions	BBBEE; Construction Industry Charter Codes.
Provision of skills development opportunities and centres within the previously disadvantaged Communities				
Greater Access by marginalised Communities to Skills Development through Infrastructural Support	To ensure increased access to skills development programmes by marginalised communities through the construction of	CETA Situational Analysis Research Report (Skills Development Institutes); Sector Skills Plan.	To address the lack of technical infrastructure capacity for skills training in marginalised communities.	Skills Development Act; CETA Grants Policy; Grant Regulations; National Development Plan.

	skills development centres.			
Development and Support of SMME's, COOPs, NGOs, CBOs & NPOs				
A Vibrant Civil Society Engagement in Skills Development within the Construction Sector	To achieve sustainable development through increased participation of SMME'S, Co-ops, NGOS, CBOS, NPOs in skills development in the construction sector	Sector Skills Plan; CETA SMME Programme.	To address the imbalances within the construction sector.	National SMME Strategy; Comprehensive Rural Development Programme; Stats SA Survey of Employers and Self Employed.
Partnerships				
Strengthened Collaboration and Partnerships for skills development in the construction sector	To ensure a wider impact, greater reach and a multi sectorial approach to skills development.	Signed Memorandum of Understanding (MOU); Sector Skills Plan.	To give effect to the objective of the Constitution of inter-Governmental collaborations.	NSDP; Sector Skills Plan.
Bursaries				
An increased pool of skilled and competent graduates to enter the construction sector	To provide financial support to deserving students from previously disadvantaged communities in the main to enrol for studies relevant to the construction sector.	CETA funded bursaries.	To address socio economic challenges faced by-in the main-township and rural learners	Rural Development Strategy of the Country; NSDP; Sector Skills Plan.
Career and Vocational Guidance				
Increased knowledge and interest in the construction careers	To attract new entrants into the construction sector occupations	CETA Career Guide; CETA Career exhibitions.	Promote post school education and training opportunities within the construction sector	NSDP; Sector Skills Plan.
Certification (Excluding Trades)				
Increased throughput of learners on accredited construction programmes	To award successful learners with valid recognised certificates and	NLRD Uploads, QMR Reporting of certified learners.	To conduct external moderation of the assessments to ensure that the	NSDP; Sector Skills Plan.

through a strengthened certification process	Statement of Achievements		quality standard is maintained by accredited CETA training providers and to reward qualifying learners with recognised certificates.	
--	---------------------------	--	--	--

STRATEGIC GOAL 4: Capacitated quality assurance processes that will enhance construction sector competitiveness and delivery of quality skills and training

NQF PROVIDER ACCREDITATIONS				
Accredited skills training in the construction sector.	To ensure the delivery of quality accredited training by skills development providers in the construction sector	Database of accredited training providers	To ensure quality training within the construction sector	QCTO; NQF Act; Skills Development Act
Qualifications Review and Development				
Qualifications development.	To develop qualifications that meets the skills needs of the industry.	Registered CETA qualifications	Qualifications that meets industry needs are registered and implemented	QCTO; NQF Act; Sector Skills Plan
Monitoring and Evaluation				
Increased and improved monitoring and evaluation of CETA programmes	To ensure the quality of training provision within the construction sector	CETA Quality Assurance Policy; CETA Monitoring and Evaluation Policy	To ensure efficiency and effectiveness of project implementation and training	Government monitoring and evaluation policy framework; NSDP

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

Through the research presented in the SSP, the CETA has identified its priority areas on which to focus over the next five-year period. The Table below sets out the priority areas and the action plans to achieving them:

10. Key Risks

Strategic goal	Key Risk	Risk Mitigation – risk workshop consideration;
Goal 1 - Sustainable high performing CETA anchored on Clean Governance and Administration	Governance failure.	<ul style="list-style-type: none"> Adequately capacitated governance structures Effectively implemented systems and process that track compliance and organisational compliance Implement integrated information systems and processes that supports compliant decision-making using accurate and relevant data Effectively implemented combined assurance systems
	Financial unsustainability	<ul style="list-style-type: none"> Implement a CETA levy revenue strategy to attract and retain new levy payers as well as grow levy base
Goal 5 - Enhanced stakeholder relations and CETA brand positioning	Damaged and declining organisational reputation	<ul style="list-style-type: none"> Establishing and maintaining of existing strategic partnerships with industry stakeholders, both private and public, to determine effectiveness and ensure maximum achievement of desired outcomes Actively showcase CETA offerings to and share successes with stakeholders Instil a stakeholder centred culture for the organisation
Goal 2 - Ensure credible skills planning and reporting based on research, technology and innovation in the construction sector & Goal 3 - Implement skills development programmes that prioritises critical and scarce skills linked to the current and future of work for the construction sector	Inability to measure the impact on delivery of the CETAs mandate in addressing hard-to-fill vacancies and skills gaps	<ul style="list-style-type: none"> Implementation of research activities through an impact study as well as a tracer study to track learners that have completed CETA programmes and to measure impact Implementation of a CETA alumni programme Collaborate with relevant industry partners to address the skills demand and supply factors within the sector
Goal 4 - To implement capacitated quality assurance processes that will enhance construction sector competitiveness and delivery of quality skills and training	Qualifications not articulating to current and future industry needs	<ul style="list-style-type: none"> Development of industry led qualifications Use of subject matter expert quality assurance purposes

10. 1 Key risks identified as per strategic objectives:

Table 19

- 1. Annexure A: Technical Indicator Descriptions are annexed as per the APP.**

