



**2021/22**  
**ANNUAL**  
**PERFORMANCE**  
**PLAN**



## ACCOUNTING AUTHORITY STATEMENT

This Annual Performance Plan (2021/22) (APP) is a yearly implementation plan of the five-year Strategic Plan (2020/21-2024/25) (SP) of the Services SETA. The Strategic Plan sketches the contextual background against which this plan is being implemented, including priority areas of interventions to turn the situation around. This APP expresses these noble intentions in numbers and Rands.

The prevailing economic environment, accelerated by the COVID-19 pandemic, presents unique challenges to the implementation of skills development opportunities for the sector. It requires a delicate balance between supporting struggling businesses to stay afloat and supporting workers affected by the closure of their employer companies to find alternative employment amidst the rapidly declining revenue.

Consequently, the training budget allocation for this APP reflects the strategic intent of the Services SETA to use scarcely available resources optimally, targeting strategic learning interventions that will yield instant outcomes pursuant to the strategic goal or impact statement as expressed in the Strategic Plan.

Services SETA's ICT capabilities, and entrepreneurial and cooperative development interventions received heightened attention to ensure delivery of quality, uninterrupted services, and to promote alternative livelihoods through entrepreneurial development. This is particularly relevant for this sector given the disproportionately high number of the informal sector businesses with precarious job security.

In the context of a mismatch between demand and supply, strategic partnerships are of critical importance to ensure that the Services SETA achieves impactful outcomes with limited resources. Particular emphasis has been placed on building meaningful partnerships with employers for workplaces learning, supporting the call of the Honourable Minister of Higher Education and Training, Dr Blade Nzimande to turn the workplace into training spaces.

To realise the Strategic Plan's Outcome to change the Services SETA into an agile organisation with high levels of innovation, good governance and sound financial controls, plans are afoot to improve organisational performance and financial controls. The Services SETA leadership is alive of the regressive performance in the last two successive years, in as far as meeting the set targets, and audit outcomes are concerned and are seized with corrective measures.

I, therefore, urged stakeholders to work together with the Accounting Authority and management of the Services SETA to render quality service.



---

MR STEPHEN DE VRIES  
CHAIRPERSON OF THE ACCOUNTING AUTHORITY

26 November 2020

---

Date

## CHIEF EXECUTIVE OFFICER

I present to you the Services SETA 2021/22 Annual Performance Plan (APP). This Plan takes place under difficult economic conditions brought about a weak global economic performance and COVID-19 pandemic. The combined effect of the ailing economy and the pandemic has serious repercussions for the skills development budget.

The coronavirus pandemic has severely interrupted the implementation of many and critical learning interventions. The national economic lockdown measures that were introduced to mitigate the spread of the pandemic disrupted learning programmes that were underway and halted implementation of new ones by more than six months.

Considering the above, the Services SETA is playing “catch-up” against the APP 2020/21 priorities and targets vis-à-vis identifying new priorities and targets for 2021/2022 financial year. To realise this difficult task, the Services SETA is reviewing its operating model to allow a seamless delivery of services to the sector. In the first place, the Services SETA is investing heavily in Information and Communication Technology (ICT). All learning grants applications and enrolments, as well as service provider accreditation, processes will be automated to limit person-to-person contact, thereby saving stakeholders time and money, but also ensuring wider accessibility of training opportunities.

In the last two years, the Services SETA introduced a Learner Management Information System that allows online application and registration of learners. This platform successfully facilitated the implementation of the APP during the lockdown. Earlier this year, the Services SETA also introduced an e-learning platform to facilitate distance learning. A considerable number of service providers are already using the system. Services providers are encouraged to seize this opportunity.

To promote quality assurance of learning interventions, an online monitoring and evaluation system has also been introduced to allow for remote monitoring and evaluation of learning programmes to allow timely certification of learners. Advancements in the ICT platform will also extend to learner stipend management system to ensure timely and accurate payment of stipends to learners.

The Services SETA is mindful of the impact of the ailing economy and COVID-19 pandemic on services sector, particularly, the SMMEs and the informal sector. A concerted effort will be made to assist this sector. Entrepreneurial and Corporative Development Institute will be sufficiently capacitated to provide the required support to SMME sector. The Accounting Authority of the Services SETA will also identify, and support affected employers through the Special Project Office.

The Services SETA would like to thank all stakeholders to the support offered and patience exercised during this difficult period and looks forward to a continued support going forward.



26 November 2020

---

MR MENZI FAKUDE  
CHIEF EXECUTIVE OFFICER

---

Date

## OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- was developed by the management of the Services SETA in consultation with the Department of Higher Education and Training
- was informed by the Services SETA Strategic Plan for the period 2020/21-2024/25, as per National Skills Development Plan 2030
- accurately reflects the performance targets which the Services SETA will endeavour to achieve within available funding for the 2021/22 financial year

Mr Sibusiso Dhladhla



26 November 2020

Executive Manager: Planning

Signature

Date

Mr Andile Sipengane



26 November 2020

Executive Manager: Core Business

Signature

Date

Mr Tsheola Matsebe



26 November 2020

Chief Financial Officer

Signature

Date

Mr Menzi Fakude



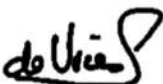
26 November 2020

Chief Executive Officer

Signature

Date

Mr Stephen de Vries



26 November 2020

Chairperson: Accounting Authority

Signature

Date

# TABLE OF CONTENTS

## Contents

<b>ACCOUNTING AUTHORITY STATEMENT</b> .....	<b>2</b>
<b>ACCOUNTING OFFICER STATEMENT</b> .....	<b>i</b>
<b>OFFICIAL SIGN-OFF</b> .....	<b>i</b>
<b>TABLE OF CONTENTS</b> .....	<b>i</b>
<b>LIST OF TABLES</b> .....	<b>ii</b>
<b>LIST OF FIGURES</b> .....	<b>iii</b>
<b>LIST OF ACRONYMS</b> .....	<b>i</b>
<b>PART A: OUR MANDATE</b> .....	<b>1</b>
<b>1. UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES</b> .....	<b>2</b>
1.1 Legislation, Regulations and Policies Constituting the National Development Framework .....	2
1.2 Skills Development Legislation and Policy .....	3
1.3 Other Laws and Regulations.....	4
<b>2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES</b> .....	<b>5</b>
2.1 Institutional Policies .....	5
2.2 Institutional Strategies.....	5
<b>3. UPDATES TO RELEVANT COURT RULINGS</b> .....	<b>6</b>
<b>PART B: OUR STRATEGIC FOCUS</b> .....	<b>5</b>
<b>4. UPDATED SITUATIONAL ANALYSIS</b> .....	<b>5</b>
4.1 External Environment Analysis.....	5
1.1.1. Overview of the services sector .....	5
1.1.2. Skills demand analysis .....	13
1.1.3. PESTEL and SWOT Analysis .....	15
1.1.4. Priority interventions for skills supply .....	18
4.2 Internal Environment Analysis.....	20
4.2.1. Organisational Capabilities Underpinning Performance Improvements .....	20
4.2.2. The Services SETA Organisational Structure and Staffing.....	21
<b>PART C: MEASURING OUR PERFORMANCE</b> .....	<b>22</b>
<b>5. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION</b> .....	<b>22</b>
5.1. Programme 1: Administration.....	22
5.1.1. Purpose .....	22
5.1.2. Description of the Programme .....	22

## LIST OF TABLES

- Table 1: Outcomes and Outcome Indicators
- Table 2: Employment by Gender, Race and Age in the services sector
- Table 3: Impact of COVID-19 on the PSET
- Table 4: PESTEL Analysis
- Table 5: SWOT Analysis
- Table 6. Services SETA Filled and Approved Posts
- Table 7. Profile of the Services SETA Staff
- Table 8. Services SETA and Transformation
- Table 9. Programme 1: Outcomes, Outputs, Performance Indicators and Targets
- Table 10. Programme 2: Outcomes, Outputs and Output Indicator
- Table 11. Programme 3: Outcomes, Outputs and Output Indicators
- Table 12. Programme 4: Outcomes, Outputs and Output Indicators
- Table 13. Services SETA Medium-Term Expenditure Framework
- Table 14. Key Risks and Mitigation Strategies

## LIST OF FIGURES

- Figure 1. Services SETA Chambers and Sub-sectors
- Figure 2: Services SETA employers by provincial spread
- Figure 3: Employees by province
- Figure 4. Services SETA Key Role Players
- Figure 5. The Roles Played by Key Role Players
- Figure 6. Growth in GDP (%), Q2 2020
- Figure 7. Contributions to growth in GDP (% points), Q2 2020
- Figure 8. Governance and Executive Structure

## LIST OF ACRONYMS

AET	Adult Education and Training
AFS	Annual Financial Statements
APP	Annual Performance Plan
APR	Annual Performance Report
ATR	Annual Training Report
BBBEE	Broad-Based Black Economic Empowerment
CET	Community Education and Training colleges
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CPD	Continuing Professional Development
DG	Discretionary Grants
DHET	Department of Higher Education and Training
ENE	Estimates of National Expenditure
ETQA	Education and Training Quality Assurance
HET	Higher Education and Training
HR	Human Resources
HRD	Human Resource Development
ICT	Information and Communications Technologies
LPE	Levy Paying Employer
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NCV	National Certificate (Vocational)
NEET	Not in Education Employment or Training
NGP	New Growth Path
NLPE	Non Levy Paying Employer
NQF	National Qualifications Framework
NSA	National Skills Authority
NSDS	National Skills Development Strategy
PAIA	Promotion of Access to Information Act 2 of 2000
PAJA	Promotion of Administration Justice Act 3 of 2000
PFMA	Public Finance Management Act 1 of 1999
PIVOTAL	Professional, Vocational, Technical and Academic Learning Programmes
QCTO	Quality Council for Trade and Occupations
RPL	Recognition of Prior Learning
SARS	The South African Revenue Services
SDA	Skills Development Act
SDLA	Skills Development Levies Act
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SIPS	Strategic Integrated Projects
SLA	Service Level Agreement
SME	Small- and Micro-sized Enterprises
SMME	Small- Medium- and Micro-sized Enterprises
SP	Strategic Plan
SSP	Sector Skills Plan
TVET	Technical Vocational Education and Training (Formerly FET Colleges)
WIL	Work Integrated Learning
WSP	Workplace Skills Plan

## PART A: OUR MANDATE

The Services Sector Education and Training Authority (Services SETA) is a statutory body established through the Skills Development Act (No 97 of 1998 as amended) to enable its stakeholders to grow the services sector through contribution to the National Domestic Product (GDP), jobs creation and entrepreneurial development, and to develop skills for the services sector labour force.

This Annual Performance Plan is an implementation plan of the Strategic Plan for the 2021-22. The Strategic Plan provide the impact statement of the Services SETA for the Medium-Term Strategic Framework (2020/21-2024/25) as well the associated outcomes. The Annual Performance Plan presents the outputs associated with the outcomes as well outputs' performance indicators. The table below outlines the outputs and their alignment to the outcomes.

**Table 1: Outcomes and Outcome Indicators**

Impact Statement	<b>A skilled, competitive and entrepreneurial workforce that drives economic growth of the services sector and contributes to improved quality of life and eradication of poverty</b>
Outcome	Outcome Indicator
<b>1. Agile organisation with high levels of innovation, good governance and sound financial controls leveraging on ICT</b>	1.1. Quality of financial statements and reliable performance information submitted
	1.2. Percentage of staff compliment maintained
	1.3. Percentage alignment between business and ICT strategies
	1.4. Approved and up-to-date legislative universe in place
	1.5. Approved risk management plan and quarterly progress reports
	1.6. Percentage AA functional structures
<b>2. Strengthened stakeholder relationship management that facilitates skills development</b>	2.1. Stakeholder satisfaction rating score
	2.2. Revised SSP, SP and APP
	2.3. Number of key partnerships
<b>3. Capacitated entrepreneurial support ecosystem rendering relevant and innovative skills development and support to entrepreneurs</b>	3.1. Percentage increase in the number of SMEs supported
<b>4. Engaged sector employers that meaningfully invest in skills development and offer work-integrated learning opportunities</b>	4.1. Percentage increase in WSP/ATR submissions
	4.2. Percentage throughput rate
<b>5. Transition towards implementation of occupational qualifications aligned to QCTO standards and requirements</b>	5.1. Percentage of external moderation visits conducted within specified time
	5.2. Percentage of qualifications aligned to priority skills



# 1. UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES

The Sector Skills Plan and Strategic Plan discussed the policy and regulatory frameworks that govern the mandate of the Services SETA and their implications for planning. The Sector Skills Plan further identifies subsector legislative changes that affect the business of employers falling within the scope of the Services Sector. The purpose of this section is not to replicate details provided in the SSP and SP, but only to highlight the policy and regulatory imperatives that hold implications for the forthcoming year, and therefore the APP.

## 1.1 Legislation, Regulations and Policies Constituting the National Development Framework

Key legislations for SETAs include the Skills Development Act. Section 9 (1) of the Skills Development Act (SDA) empowers “the Minister of Higher Education and Training to establish a Sector Education and Training Authorities for any national sector economy”. In the terms of the SDA, key functions of SETAs are to develop and implement sector skills plans within the framework of the national skills development strategy; and to promote and register learning programmes.

Here, the National Development Plan and associated strategies define the “impact” level of measurement for skills development. Recent changes here include:

- The effect of the Employment Tax Incentive, commonly known as the youth wage subsidy, has been higher than projected, with time running out if the incentive is to continue in 2017. The Act reduces the cost to employers of hiring young people through a reduction in the pay-as-you-earn employee tax, and aims to give youth crucial work experience to try and alleviate high unemployment rates. Given that employers could also claim a tax allowance for workers who are trained through a recognised learnership or apprenticeship programme, the expiration of this scheme may disincentivise industry uptake of SETA learnerships and apprenticeships. The government has proposed the continuation of this incentive but limited to a cap of R20 million on the value which an employer can claim.
- The New National Youth Policy was published in April 2015. This makes a specific commitment to youth development and is reflected in the youth development priorities and targets in the APP.
- The amended BBBEE scorecard, gazetted in October 2013, came into effect in 2015. This affects all companies that are being measured and verified based on financial periods ending after 30 April 2015. Skills development is now a priority element, with a subminimum achievement of 40% required. The spend target has doubled to 6% of salary/wages bill and can include people other than employees. Training of black employees and learners on priority skills identified by SETAs could effectively result in a boost for discretionary grant applications made by industry.
- There has been substantial progress in planning the Strategic Integrated Projects (SIPs) key to the New Growth Path. Services SETA supports this presidential initiative and the APP continues to make provision for measuring funded learners enrolled in SIPs aligned scarce occupations.

## 1.2 Skills Development Legislation and Policy

The National Skills Development Plan (NSDP) makes provision for SETAs to exist for the next 10 years. This provision allows the Services SETA sufficient time to plan and execute skills development programmes that meet the needs of the sector in the short- medium- to long-term. Furthermore,

the Skills Development Levies Act (SDLA) (1999) makes provision for the funding of SETAs through levies collected from employers. In terms of the SDLA, employers are required to pay 1% of the payroll cost to the National Treasury through the South African Revenue Services (SARS). SETAs receive 80% of the funds to facilitate training of employees and prospective employees. SETAs distribute a portion of the funds back to employers upon receipt of workplace training plans and reports. The levy system creates an incentive for employers to train employees and to support training to drive the skills development programme of the government.

As pointed out above, the NSDP places a greater emphasis on Work-Integrated Learning and Workplace-Based Learning. This focus intends to produce work-ready graduates to meet the skills demand of the sector to support economic growth of the services sector. The Services SETA plans to work closely with employers to urge them to open up workspaces for this intervention. The Services SETA will also forge a closer working relationship with the QCTO to ensure appropriate vetting and accreditation of work places. Both the SP and APP make sufficient provision for the Services SETA to achieve this goal by allocating sufficient human and financial resources.

This Annual Performance Plan (APP) places emphasis on the priorities identified in the National Development Plan (NDP). The NDP mandates SETAs “play a more effective role in the production of skills that are required to meet the immediate needs of employers”. The plan further implore support to private, workplace and community-based providers to be supported to offer targeted work-place training, as well as community and youth development programme. The DHET’s NDP Five-Year Implementation Plan (2020/21-2024/25) strives to realise this goal through five priority actions: Expanded access to PSET opportunities; Improved success and efficiency of the PSET system; Improved quality of PSET provisioning; A responsive PSET system, and Improved employability of youth through skills training. These priorities speak directly to the mandate of Services SETA. This APP demonstrates how the Services SETA will implement them in the immediate future.

The SSP, SP and APP make a strong emphasis on labour market research to strengthen the Services SETA skills surveillance and support evidence-based decision-making. In response to research findings, the Services SETA will continue to work with the QCTO to strengthen the supply-side of skills demand through relevant and current qualifications and appropriately accredited service providers.

The review of the SETA system under the Human Resources Development Council (HRDC) has also proposed a regionalisation of skills planning and a localisation of skills development. This APP reflects the importance of expanding stakeholder engagements and participation at national, provincial and sub-sector levels. Many of the skills development interventions will continue to promote localisation.

The review processes also point to an increased collaboration across SETAs; between SETAs and public providers; and between providers and employers. All these trends are accordingly reflected in the interventions and targets proposed in this APP. Progress on inter-SETA collaboration has been achieved as reflected on in the SSP and SP and will be progressed in the forthcoming financial year.

A centralisation of the quality assurance system under the QCTO is gaining momentum. The Services SETA Quality Management Division is working closely with the QCTO to ensure adequacy of the supply-side.

### **1.3 Other Laws and Regulations**

- South African Qualifications Authority Act, 1995 (Act No. 58 of 1995)
- The National Qualifications Framework Act, (Act No. 67 of 2008)
- Public Finance Management Act (Act No. 29 of 1999)
- Employment Equity Act, 1998 (Act No. 55, 1998)
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)
- Protection of Personal Information Act, 2013 (Act No. 4 of 2013)
- Regulations published in the Government Gazette, No. 35940, 03 December 2012 regarding Monies Received by a SETA and Related Matters

The Services SETA Sector Skills Plan, Strategic Plan, Annual Performance Plan and Service Level Agreement seek to operationalise the priorities contained in all national policy, legislation and regulations, and as determined by the Executive Authority.

## 2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

### 2.1 Institutional Policies

The Services SETA has two broad types of policies: governance and operational. The governing body makes governance policies. They cover the governing body's accountabilities, attendance, codes of conduct, commitments, conflict of interest, decision-making, governance values, leadership, roles and responsibilities, and a range of related cultural matters. They also include policies on the governing body's relationship with the top manager and staff, its nation and community members, its financial commitments and its ethics.

The top manager of the organisation usually drafts operational policies. They include policies on complaints procedures, diversity and harassment, employment, HR and managing staff. The top manager initially develops and oversees these policies, but the governing body will also be involved and finally approve them, often at its meetings when discussing communication with members, dispute resolution and cultural leave issues.

### 2.2 Institutional Strategies

The Strategic Plan is informed by the following strategies as contained in the SSP:

- Priority 1:** Promote social and circular economy through entrepreneurship and cooperative development initiatives
- Priority 2:** Increase throughput rate of occupationally directed qualifications through mobilisation of key industry role players
- Priority 3:** Improve the pipeline of supply by ensuring relevance of qualifications and capacitation of training providers, including TVET Colleges
- Priority 4:** Expand access to skills development to employees and learners residing in rural and peri-urban areas of South Africa

## 3. UPDATES TO RELEVANT COURT RULINGS

Regulations on Monies received by SETAs and related matters were promulgated in July 2013. The BUSA versus DHET court case is bound to have an impact on the implementation of this plan. Business Unity South Africa (BUSA) launched a court case against DHET on the SETA 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. In summary; BUSA did not agree with the decrease in the Mandatory Grant percentage from 50% to 20% and that unspent SETA funds are transferred to the National Skills Fund (NSF). The Court ruled in favour of BUSA. This ruling has significant financial implications for the Services SETA, especially if retrospective payment is awarded.

Due to COVID-19 pandemic, employers were granted a levy payment holiday of four months. This regulation by the Department of Cooperative Governance and Traditional Affairs has had a negative impact on the Services SETA revenue. The knock-on effect is a shrinking training budget with serious implications for effective implementation of learning interventions.

# PART B: OUR STRATEGIC FOCUS

## 4. UPDATED SITUATIONAL ANALYSIS

### 4.1 External Environment Analysis

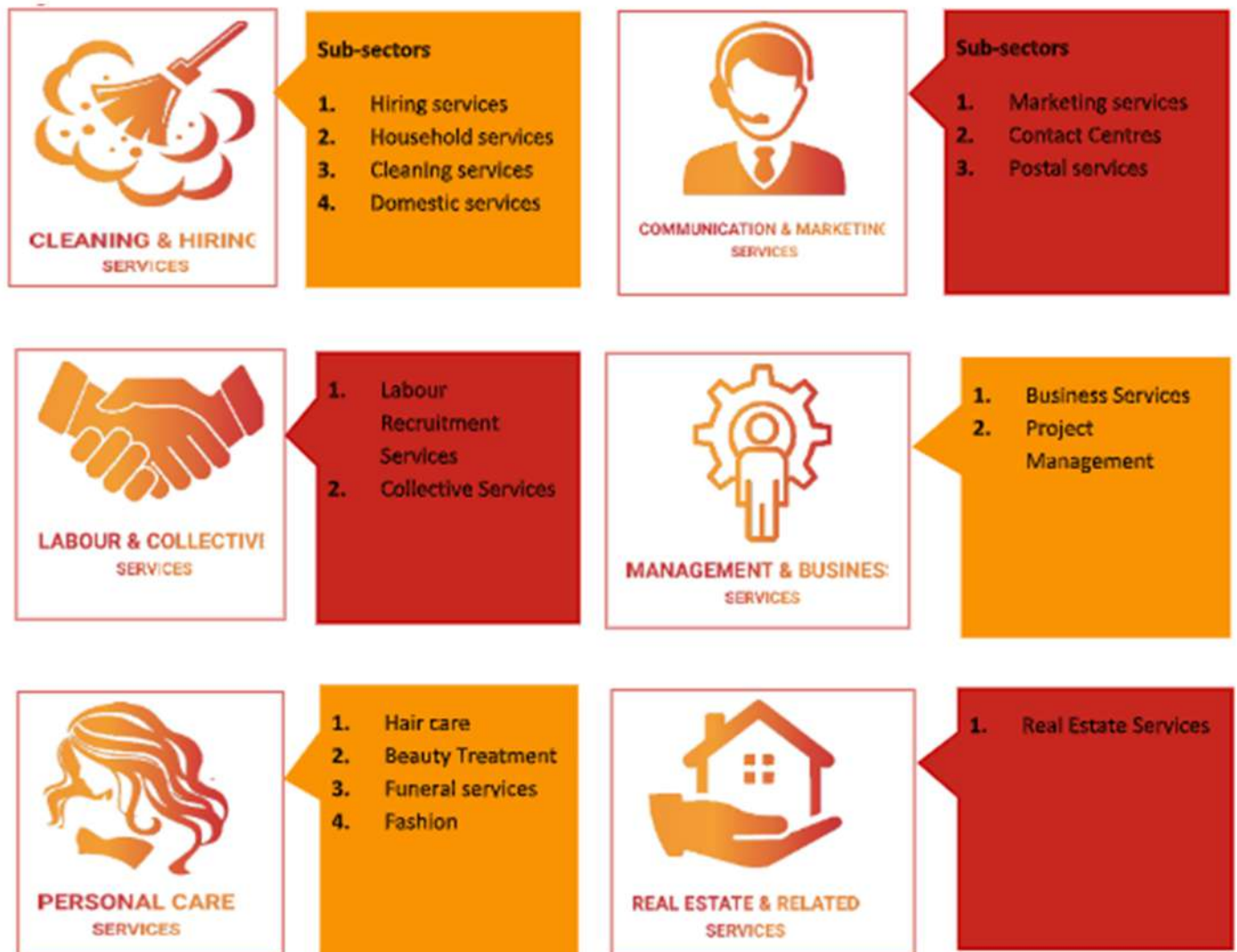
This section discusses the external environment of the Services SETA. Firstly, it provides an overview of the services sector. Secondly, it highlights the nature and extent of skills demand and supply in the services sector. Lastly, it outlines priority actions for addressing skills demand and supply in the services sector.

#### 1.1.1. Overview of the services sector

##### (a) Size of the services sector

The services sector, as demarcated by the Department of Higher Education and Training, refers to the 70 Standard Industrial Classification (SIC) Codes. The 70 industries have been divided into 6 chambers and 16 subsectors for operational purposes, please see Figure 1.

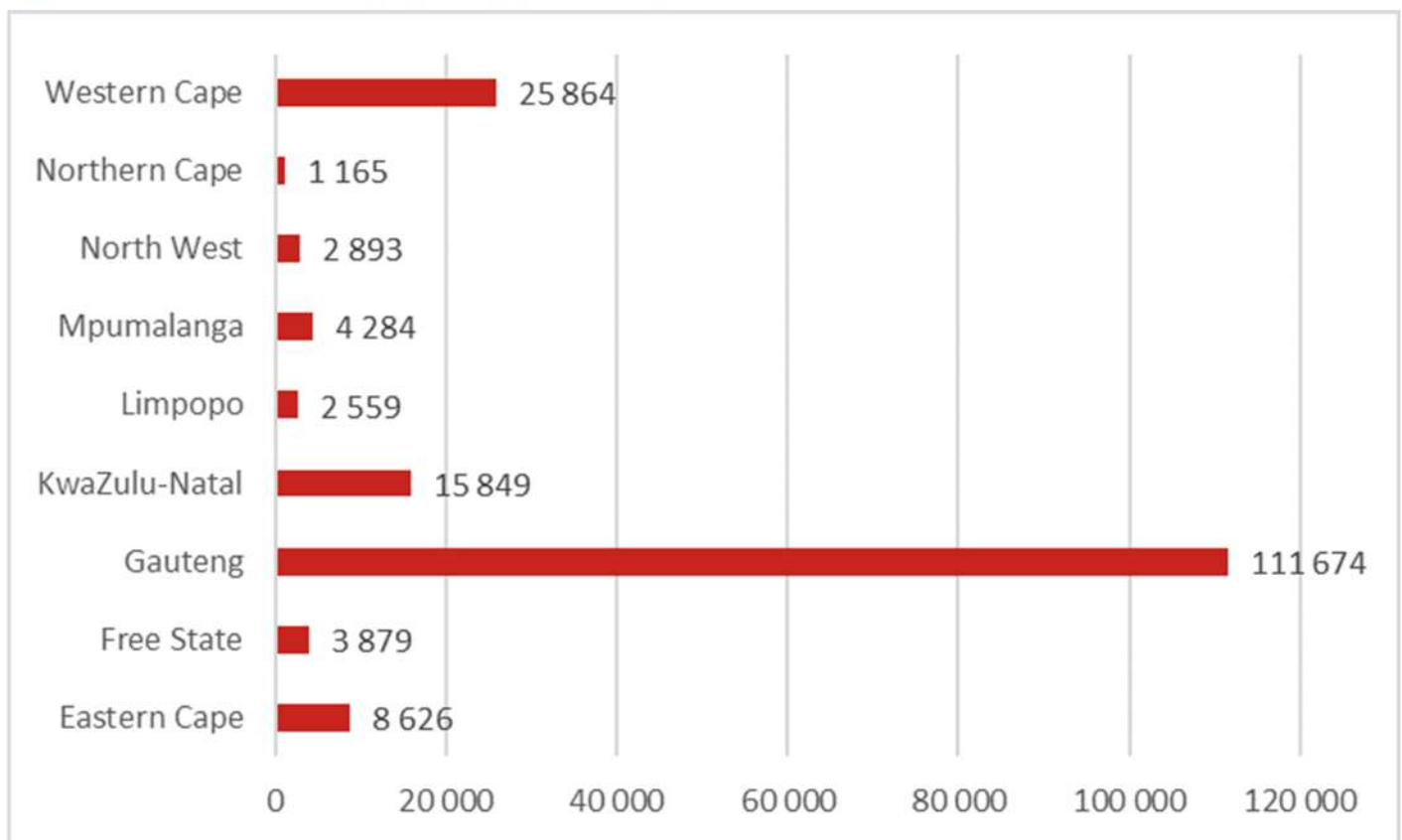
Figure 1. Services SETA Chambers and Sub-sectors



The Services SETA is one of the largest SETAs in terms of the number of employers falling within its scope. Approximately 176 793 employers fall within its demarcation (as of May 2020). About 131 105 employers were actively trading around the same time.

In terms of geographic spread, employers of the services sector are found in all nine provinces of South Africa, but with high concentration in three developed and industrialised regions of Gauteng, Western Cape and KwaZulu-Natal. Figure 2 illustrates the fact that most employers are located in the developed cities of Johannesburg, Cape Town and Durban. This situation highlights the need to expand access of training to the rural provinces of Limpopo, Eastern Cape, Mpumalanga, Northern Cape, Free State, North West and most parts of KwaZulu-Natal, to promote equity.

Figure 2: Services SETA employers by provincial spread

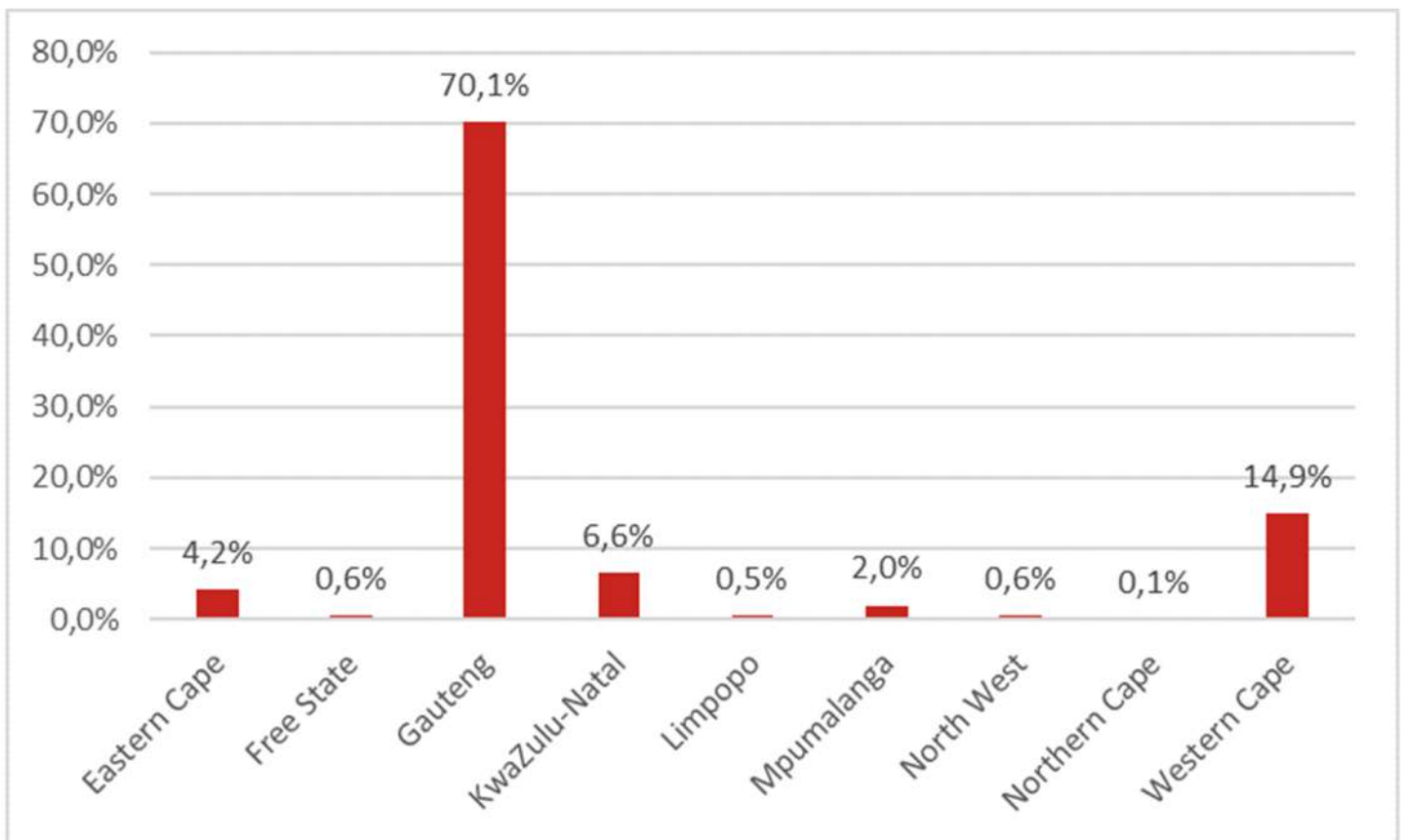


Services SETA Database, May 2020

Proportionally, most employers are in the Management and Business Services Chamber with 143 856 (81%) employers, followed by Real Estate and Related Services Chamber with 13 167 (7%) employers; with the lowest numbers recorded in the Marketing and Communication Services Chamber. Analysis of employer Workplace Skills Plans (WSP) and Annual Training Reports (ATR), submitted in June 2020, indicates a high volume of employer investment in the Cleaning and Hiring Services and Related Estate Services Chambers. Therefore, Services SETA Strategic Plan (SP) and Annual Performance Plan (APP), will consider these developments in informing training intervention priorities for the sector. Similar observations can be made regarding levy payment.

The provincial spread of the labour force is outlined below. Majority of employees are based in Gauteng Province.

Figure 3: Employees by province



Source: Services SETA WSP/ATR (2020)

The labour force is predominantly black (80%), women (57%), and youth (15-34 years, 37%). Employer data from the Services SETA database indicates that the Management and Business Services subsector employs more people (47%). Employment in the services sector labour force is mainly in the low-level, low-paying occupational categories, namely: clerical, elementary and domestic.

The implication for skills development is that the sector should strike a proper balance between training for productive industries, which are in the manager occupational category, professional and technical occupation, to support economic growth and the non-productive sector to promote transformation and equity, by training the low-level labour force.

**Table 2: Employment by Gender, Race and Age in the services sector**

Gender	Services SETA	National (Stats SA) <sup>2</sup>
	May 2018	Jan-Mar 2018
<b>Male</b>	216 930 (57%)	1495613 (44%)
<b>Female</b>	160 613 (43%)	1903507 (56%)
Race	<b>May 2018</b>	<b>Jan-Mar 2018</b>
<b>Black African</b>	263 320 (70%)	2 693 120 (79.2%)
<b>Coloured</b>	38 542 (10%)	286 500 (8.4%)
<b>Indian/ Asian</b>	14 354 (4%)	72 466 (2.1%)
<b>White</b>	60 302 (16%)	347 035 (10.2%)
Total	<b>377,543</b>	<b>3 399 120</b>
Age	<b>May 2018</b>	<b>Jan-Mar 2018</b>
<b>&gt;34yr</b>	228,881 (61%)	1142249 (60%)
<b>36-54yr</b>	127,369 (34%)	1904096 (56%)
<b>&gt;55yr</b>	21,293 (6%)	352 775 (10%)
Total	<b>377,543 (100%)</b>	<b>3 399 120</b>
Occupation	<b>Services SETA<sup>3</sup></b>	<b>National (Stats SA)<sup>4</sup></b>
<b>Manager</b>	28 839 (7.6%)	185 969 (5.5%)
<b>Professional</b>	28 307 (7.5%)	137 392 (4.0%)
<b>Technician</b>	53 796 (14.2%)	161 510 (4.8%)
<b>Clerk</b>	62 715 (9.0%)	240 811 (7.1%)
<b>Sales and services</b>	33 962 (9.0%)	804 785 (23.7%)
<b>Skilled agriculture</b>	20 322 (5.4%)	0 (0.0%)

<b>Craft and related trade</b>	4 053 (1.1%)	78 084 (2.3%)
<b>Plant and machine operator</b>	47 174 (12.5%)	66 852 (2.0%)
<b>Elementary</b>	98 375 (26.1%)	1 723 716 (50.7%)
<b>Total</b>	<b>377 543</b>	<b>3 399 120</b>
Level of Education		<b>Jan-Mar 2018</b>
<b>No schooling</b>	228 881 (61%)	83 603 (2.5%)
<b>Less than primary completed</b>	127 369 (34%)	319 845 (9.4%)
<b>Primary completed</b>	21 293 (6%)	156 652 (4.6%)
<b>Secondary not completed</b>		1 388 105 (40.8%)
<b>Secondary completed</b>		943 051 (27.7%)
<b>Tertiary</b>		454 326 (13.4%)
<b>Other</b>		53 538 (1.6%)
<b>Total</b>	<b>377 543 (100%)</b>	<b>3 399 120</b>

Source: Services SETA Mandatory Grant Data, May 2020, Statistics South Africa, 2020b

At Stats SA's 3-digit level  
Profile of the Labour Force of Services SETA Levy-Paying Employers  
At Stats SA's 3-digit level  
Profile of the Labour Force of Services SETA Levy-Paying Employers

### **(b) Key role players**

The key role-players in the services sector include the Accounting Authority, Chamber Committees, Employers, Trade Unions, Government Departments and Service Providers as illustrated in Figure 4.



The relationships among these role players is further demonstrated in Figure 5. In terms of the Higher Education Act, Skills Development Act and the Skills Development Levy Act, the Portfolio Committee on Higher Education, Science and Innovation, and Department of Higher Education provide, respectively, legislative and administrative oversight to the Services SETA. In terms of the SETA Constitution, the Services SETA Accounting Authority provides strategic oversight to the Services SETA in fulfilment of the mandate.

For practical purposes the Accounting Authority (AA) delegates some of its responsibilities and functions to one or more committees. There are currently five sub-committees, namely: Executive Committee; Governance, Risk and Strategy Committee; Human Resources and Remuneration Committee; Finance Committee and; Audit Committee. These committees are mechanisms to assist AA in giving detailed attention to specific key areas of its duties and responsibilities.

Figure 5. The Roles Played by Key Role Players



In addition, in order to strengthen oversight, the AA has established Chamber Committees to oversee the six chambers detailed in Figure 1. Chamber Committees act in a stakeholder capacity as advisory bodies to assist the Services SETA Executive Management to carry out the mandate of the AA. These are thus, independent advisory bodies that make recommendations on matters relevant to the subsectors of the Chamber. The membership of the committees is not restricted to members of the AA only.

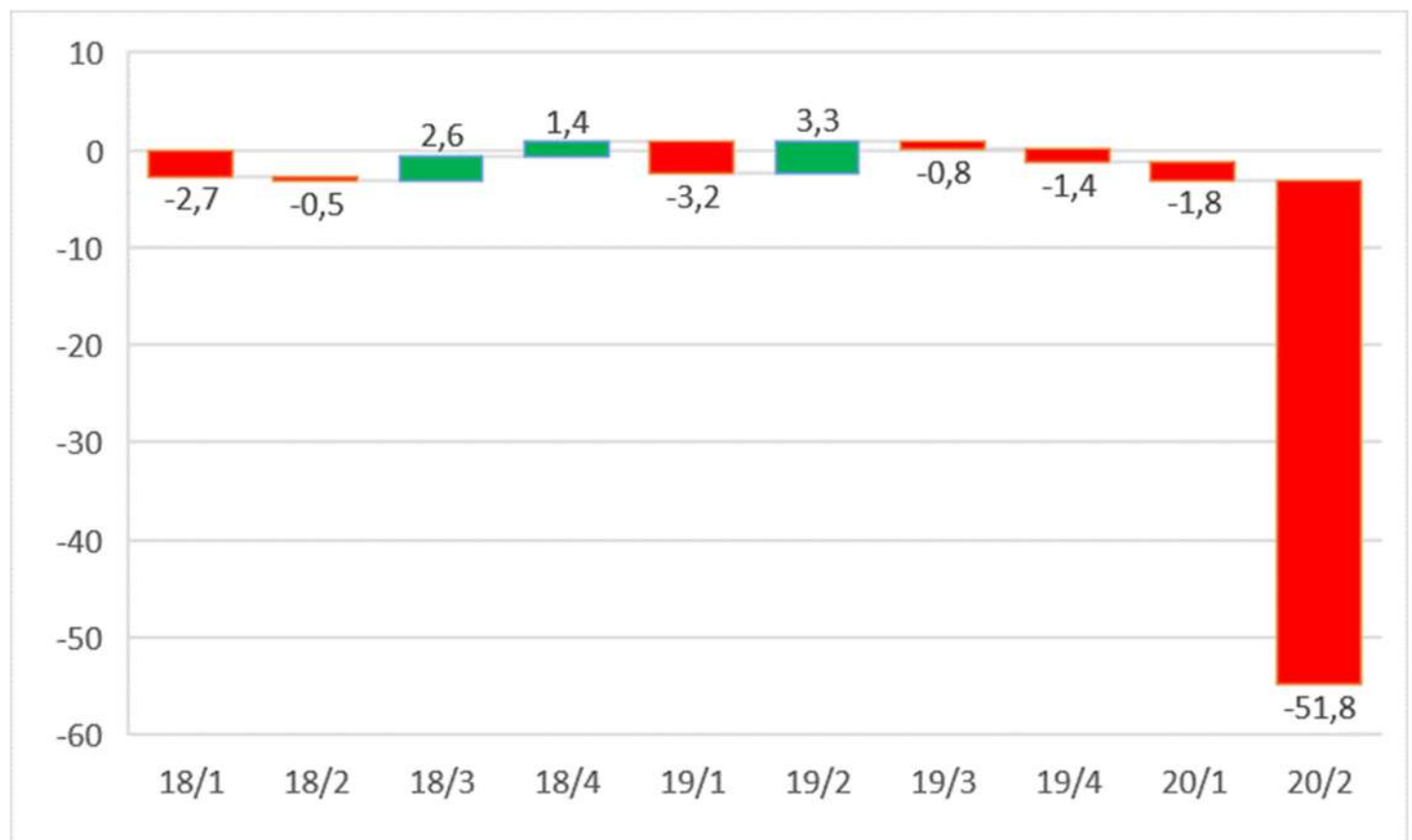
Furthermore, SETAs are founded on a tripartite relationship between government, business and labour. Whilst the government provides a legislative guidance and monitoring function, business is expected to pay a portion of its monthly payroll towards skills development levy to train its workforce. Labour, as a representative of the workforce, advocates for the rights of employees' access to relevant training. These partners are critical in informing the Services SETA's skill development planning process, including identification and development of relevant qualifications, in line with the mandate, including the implementation of the NSDP 2030.

Professional bodies, universities, colleges of education, private training providers and research centres play a critical enabling role. They provide advices on skills needs analysis, design and development of qualifications to meet skills demanded by the sector in line with the NSDP 2030, and provide the requisite training on behalf of the Services SETA.

### **(c) Economic contribution of the services sector**

Along with major economies of the world, the South African economy is faced with a serious growth challenge. Following a negative decline more than two consecutive quarters, the South African economy is in full depression. From Q3 of 2019 to Q2 of 2020, the South African GDP registered a negative growth rate – see Figure 6. As expected, the COVID-19 pandemic has caused a serious damage to the South Economy. During Q2 of 2020, the GDP growth fell by a massive 51%, far exceeding the World Trade Organisation (WTO) prediction of a fall by between 13% and 32% in 2020. This status of affairs has serious implications for jobs and skills development.

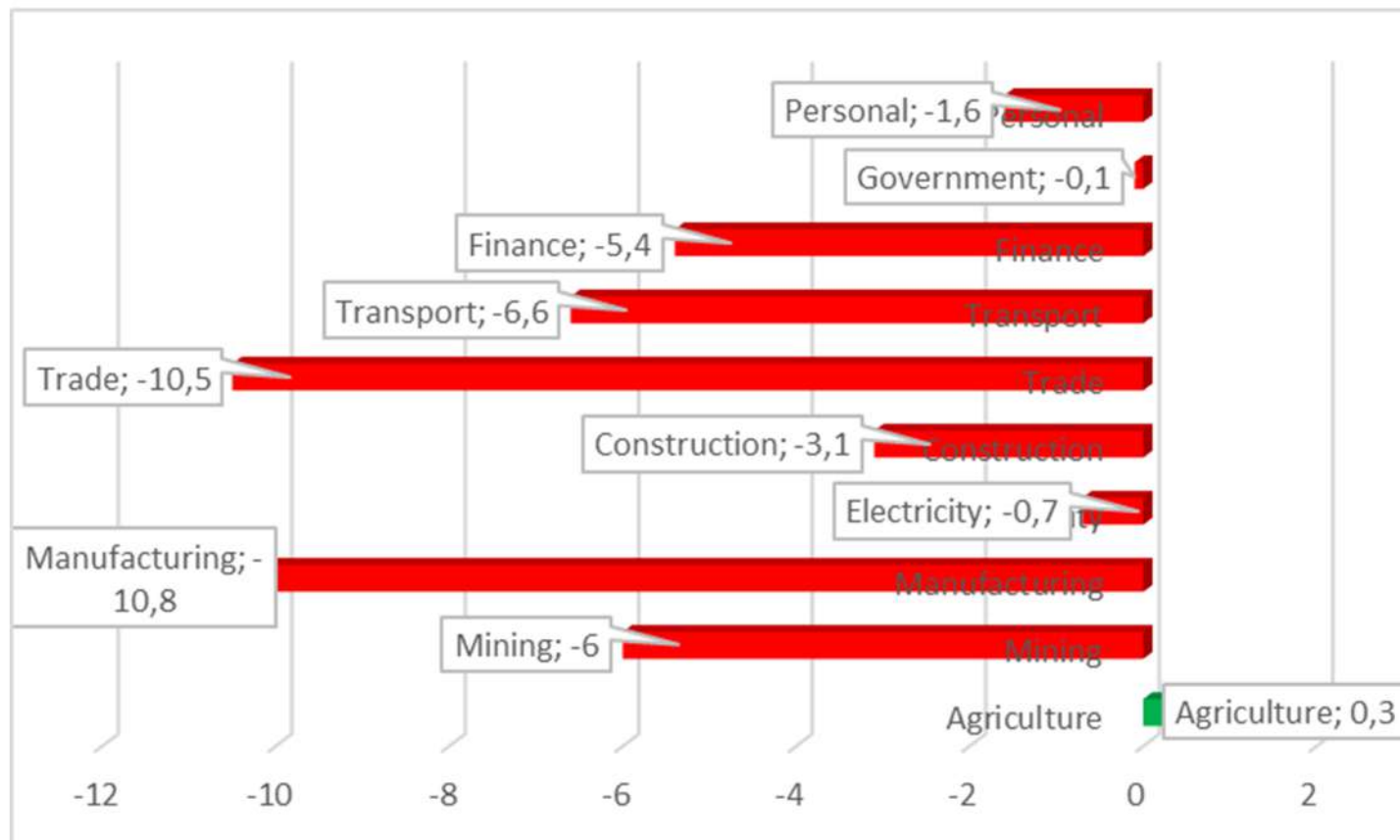
**Figure 6. Growth in GDP (%), Q2 2020**



Source: Stats SA (2020a)

Analysis of South Africa's Gross Domestic Product for Q2, 2020 by industry, as it pertains to the services sector, the indicates that business sector (including, real estate, marketing, labour recruitment, consulting) was harshly affected registering nearly 6% negative growth rate – see Figure 7. Personal care services also registered a negative growth of 2%. These developments demonstrate the impact of COVID-19 on the services sector. The sector continues to collectively register positive net growth, notwithstanding a difficult economic climate.

**Figure 7. Contributions to growth in GDP (% points), Q2 2020**



**Source: Stats SA (2020a)**

The damage inflicted on the South African economy in general and services sector in particular will take a lot longer time to rectify. Skills development interventions will play a central role in stimulating growth through innovation. A careful balance will be required between training on productive skills on the one hand and supportive skills on the other hand – that is, high level skills that promote innovation and low level skills that support the running of the economy, respectively.

#### **(d) The impacts of COVID-19**

The impacts of COVID-19 on the South African economy, alluded to above, are already beginning to surface. A survey by Stats SA (Stats SA, 2020b) aimed at providing an early indicator of the business impact resulting from COVID-19, illustrates that most businesses (85%) expect their turnover to decline. A large number of businesses (60%) anticipate that the effect will be substantially worse than the 2008/2009 global financial crisis (Stats SA, 2020b). In this study a battery of economic indicators was used to assess the impact of COVID-19 on the South African economy, such as; business turnover, trading status, and labour turnover among others

The impact of COVID-19 on planning for skills development is significant. As Rasool (2020:1) points out the sector skills planning process for 2020-2021 would need to capture accurate picture of the state of the economy and labour market. It means that the impact of COVID-19 on students, employers, employees and the unemployed should be thoroughly researched to avoid the risk of sending misleading signals for public investment in skills development. The COVID-19 impact on skills development is illustrated in Table 3.

**Table 3: Impact of COVID-19 on the PSET**

Area of Impact	Nature of Impact
Finance	<ul style="list-style-type: none"> <li>• Public budget cuts for PSET provision.</li> <li>• Reprioritisation of spending by PSET institutions and support bodies</li> <li>• Public demand for a higher economic return from PSET.</li> <li>• Reduced skills development levy income.</li> </ul>
Restructuring	<ul style="list-style-type: none"> <li>• Restructuring at PSET institutions.</li> <li>• Staff re-organisation due to reduced budgets.</li> <li>• Review of strategies, business plans and processes.</li> <li>• New national, sector and employer skills development priorities</li> </ul>
Employers & Employees	<ul style="list-style-type: none"> <li>• Reduced staff training budgets.</li> <li>• A decline in workplace training activity.</li> <li>• Excess supply of skilled, semi-skilled and unskilled workers.</li> <li>• Greater need for retrenchment mitigation measures.</li> </ul>
Training Providers	<ul style="list-style-type: none"> <li>• Growing shift to online learning, blended learning and other hybrid forms.</li> <li>• Need for curriculum development to serve multiple learning delivery channels.</li> <li>• Need for staff training.</li> <li>• Higher training costs due to social distancing mitigation measures.</li> </ul>
Students	<ul style="list-style-type: none"> <li>• Less student funding.</li> <li>• Students take responsibility for their learning and development.</li> <li>• Scarcity of employment openings.</li> <li>• Need for life-long learning.</li> </ul>

**Source (Rasool, 2020: 15-16)**

The impact of Covid-19 on Services SETA subsectors economy has also been no different as depicted above on national economic data. Firstly, the four-month payment holiday announced by the president has had an impact on levies. The impact is anticipated to be felt post September 2020 due to reasons that some businesses have shutdown.

Moreover, during the start of lockdown; most of Services SETA subsectors did not fall under essential services category. Based on a survey conducted by the Services SETA (2020) on employers in May 2020 on how Covid-19 impacted on companies, the respondents highlighted loss of income. Despite generating income, they mentioned concerns on meeting demands of paying employees, paying rent, among others. As providing services involves personal interaction, the respondents mentioned seeing the impact from Covid-19 as soon as lockdown commenced.

The ECDi's sole mandate is to support the development and growth of SMEs through skills development and linkages with requisite resources. The ECDi has entered into partnership with national and provincial government departments, state-owned SMEs funding agencies and professional bodies to drive this mandate. It is anticipated that these interventions will mitigate against the impact of COVID-19 pandemic and the freefall in the GDP growth.

### **1.1.2. Skills demand analysis**

#### **(a) Change drivers for skills demand**

The Sector Skills Plan 2021/22 identified COVID-19, ICT and Green Economy as main drivers of skills demand in the services sector. Below we discuss each change driver and highlight implications for skills demand.

#### **COVID-19**

---

As illustrated in Chapter 1, the impact of COVID-19 on companies is likely to be severe. Rasool (2020b) argues that companies will surgically cut costs with the collapse of business activity during the lockdown. We can expect management to assess every aspect of the internal value chain of the organisation. The pandemic has enabled companies to experiment with new organisational architectures during the lockdown. It is no longer necessary for every employee to report to the workplace daily (working remotely). Applications such as Skype, Zoom and Microsoft Teams are used effectively to get the work done. In the aftermath, we can expect organisational structures to change in varying degrees, depending on the nature of business activities.

For the services sector specifically, subsectors such as personal care, labour recruitment and collective, and funeral industries have been negatively impacted by COVID-19. On the other hand, real estate, sales and marketing, business consulting and project management are likely to emerge stronger. The cleaning services subsector is contracting, but, it remains resilient due to need for deep cleaning services.

#### **Information and Communication Technology**

---

The impact of ICT on the services sector transcends all industries in varying ways. At the core of this impact is the need to do business differently, leveraging on opportunities presented by the Fourth Industrial Revolution. For employers, this means possibility of reduction in the cost of doing business and creating value for customers. For the workforce, this implies changes in occupations, jobs and tasks. Some jobs may become obsolete and can be replaced with new ones. This will require retraining of the workforce to avoid possible job losses.

The digital communication platforms, the growth of e-commerce, and global industry and customer access are some of the main trends that are driving the services sector. The sector is data-driven and demands a combination of skills – advanced computer literacy, analytics, basic legal (e.g. POPI Act compliance) along with all-round communication ability to be able to handle the range of skills needed, not just for now, but for the future, to be competent with integrated marketing skills. 'Big data' requires that managers and professionals acquire higher levels of analytical skills to use data strategically.

#### **Climate Change**

---

As the International Labour Organisation (2018) notes, climate change and other forms of environmental degradation have already caused net negative impacts on jobs and work productivity. It is expected that these impacts are likely to become more pronounced in the coming decades (Ibid). Climate change may lead to job

The ECDi's sole mandate is to support the development and growth of SMEs through skills development and linkages with requisite resources. The ECDi has entered into partnership with national and provincial government departments, state-owned SMEs funding agencies and professional bodies to drive this mandate. It is anticipated that these interventions will mitigate against the impact of COVID-19 pandemic and the freefall in the GDP growth.

### **1.1.2. Skills demand analysis**

#### **(a) Change drivers for skills demand**

The Sector Skills Plan 2021/22 identified COVID-19, ICT and Green Economy as main drivers of skills demand in the services sector. Below we discuss each change driver and highlight implications for skills demand.

#### **COVID-19**

---

As illustrated in Chapter 1, the impact of COVID-19 on companies is likely to be severe. Rasool (2020b) argues that companies will surgically cut costs with the collapse of business activity during the lockdown. We can expect management to assess every aspect of the internal value chain of the organisation. The pandemic has enabled companies to experiment with new organisational architectures during the lockdown. It is no longer necessary for every employee to report to the workplace daily (working remotely). Applications such as Skype, Zoom and Microsoft Teams are used effectively to get the work done. In the aftermath, we can expect organisational structures to change in varying degrees, depending on the nature of business activities.

For the services sector specifically, subsectors such as personal care, labour recruitment and collective, and funeral industries have been negatively impacted by COVID-19. On the other hand, real estate, sales and marketing, business consulting and project management are likely to emerge stronger. The cleaning services subsector is contracting, but, it remains resilient due to need for deep cleaning services.

#### **Information and Communication Technology**

---

The impact of ICT on the services sector transcends all industries in varying ways. At the core of this impact is the need to do business differently, leveraging on opportunities presented by the Fourth Industrial Revolution. For employers, this means possibility of reduction in the cost of doing business and creating value for customers. For the workforce, this implies changes in occupations, jobs and tasks. Some jobs may become obsolete and can be replaced with new ones. This will require retraining of the workforce to avoid possible job losses.

The digital communication platforms, the growth of e-commerce, and global industry and customer access are some of the main trends that are driving the services sector. The sector is data-driven and demands a combination of skills – advanced computer literacy, analytics, basic legal (e.g. POPI Act compliance) along with all-round communication ability to be able to handle the range of skills needed, not just for now, but for the future, to be competent with integrated marketing skills. 'Big data' requires that managers and professionals acquire higher levels of analytical skills to use data strategically.

#### **Climate Change**

---

As the International Labour Organisation (2018) notes, climate change and other forms of environmental degradation have already caused net negative impacts on jobs and work productivity. It is expected that these impacts are likely to become more pronounced in the coming decades (Ibid). Climate change may lead to job

and work productivity. It is expected that these impacts are likely to become more pronounced in the coming decades (Ibid). Climate change may lead to job and work productivity losses because it increases the frequency of extreme weather events and, more generally, threatens the provision of ecosystem services. At the same time, it presents opportunities for new occupations for the services sector.

Several disruptive technologies affect the sector profoundly. Reduced need for washing textiles, biotechnological innovations leading to improved cleaning performance and higher concentrations of environmentally-friendly cleaning formulas affect the cleaning sector. At the same time the laundry industry is moving away from “laundry liquids, powders, emulsifiers, starches, boosters, bleaches, dry cleaning detergents, wet cleaning chemicals, spotters, sanitizers” and other products that are not environmentally friendly (Laundry-ME, 2015).

## **(b) Skills demand for the services sector**

Analysis of hard-to-fill vacancies in the services sector identified 52 occupations where the search for suitable candidates proved difficult. The identified occupations are a proxy indicator of scarcity. An analysis of this list indicates a strong demand for training at NQF Level 6 and above. As discussed above, the Services SETA plans to work with universities to develop and register occupational qualifications at this level. The SSP research identified 46 skills gaps and skills programmes to address the demand. There is a strong focus on IT-related occupations. This signifies the impact of the Fourth Industrial Revolution.

A draft list of priority occupations (PIVOTAL list), emanating from the lists of hard-to-fill vacancies or skills gaps is enclosed in the SSP. The magnitude of demand will be determined, and the planned interventions identified before the final submission on 31 August 2020. Identified interventions will inform the updates of the Strategic and Annual Performance Plans 2021/22.

## **(c) Pipeline of skills supply**

Given the importance of partnerships in skills development, the Services SETA has initiated a number of partnerships with key stakeholders, which include Technical and Vocational Education and Training (TVET) colleges, universities, local municipalities, and strategic national and provincial departments. The focus of these partnerships is on skills demand and supply, the roles of TVET Colleges, Higher Education Institutions, intermediaries and inter-SETA collaboration. The current inter-SETA collaboration is the best partnership model for the Services SETA.

### **1.1.3. PESTEL and SWOT Analysis**

A participatory analysis ((which included key internal partners) of megatrends that have an impact on the Services SETA as the analysis of the strength, weakness, opportunities and threads pertaining to the Services SETA reveals that the state of the economy as well as the COVID-19 pandemic are a major source of concern. The findings these exercises are summarised in the two tables below.

**Table 4: PESTEL Analysis**

<p><b>Politics</b></p>	<ul style="list-style-type: none"> <li>»Ongoing debates about the role and relevance of SETAs</li> <li>»Stability in policy direction</li> <li>»Stable and accountable political leadership</li> </ul>
<p><b>Economic</b></p>	<ul style="list-style-type: none"> <li>»Decline in GDP</li> <li>»Increased borrowing by government to cover COVID-19 increasing debt-to-GDP ratio</li> <li>»Increase in business rescue and failure</li> <li>»Weak manufacturing base</li> <li>»Demand for renewable energy – new business opportunities</li> <li>»Poor credit rating by grading agencies</li> <li>»Weak exchange rate</li> <li>»Stronger economic integration/globalization</li> <li>»Balance of payment - Export vs import</li> </ul>
<p><b>Social</b></p>	<ul style="list-style-type: none"> <li>»High level of unemployment</li> <li>»High levels of poverty, crime, GBV, substance abuse</li> <li>»The need for work-life balance</li> <li>»High levels of community alertness and collective action</li> <li>»Multiculturalism</li> </ul>
<p><b>Technology</b></p>	<ul style="list-style-type: none"> <li>»Need to regularly update skills and re-train for the workforce replaced by technology</li> <li>»4IR presents opportunities for new businesses</li> <li>»Cyber security increase</li> <li>»Cost of data</li> <li>»More opportunities for new businesses</li> <li>»Disproportionate access (infrastructure, devices and data)</li> <li>»Low and variable speed/ bandwidth</li> <li>»Opportunity to create more equal society</li> </ul>
<p><b>Environment</b></p>	<ul style="list-style-type: none"> <li>»Climate change – impact on business operations – eco-friendly, adaptation environment legislation</li> <li>»COVID-19 and other pandemics</li> <li>»Green skills</li> <li>»Environmental preservation - reduce carbon emissions</li> <li>»Climate change creates opportunities for entrepreneurship and innovation</li> <li>»Electricity and water shortages</li> <li>»Waste management</li> </ul>
<p><b>Legislation</b></p>	<ul style="list-style-type: none"> <li>»Labour Relations Act – basic conditions of employment; Minimum Wage Act</li> <li>»COIDA</li> <li>»Protection of private information</li> <li>»B-BBEE</li> <li>»Amendment to the Skills Levies Act – stipend payment (i.e., learners as workers)</li> <li>»Sudden changes in legislation, e.g., declaration of the state of disaster</li> <li>»UIF</li> <li>»National Treasury Legislation and Regulations impede public-private partnerships</li> <li>»Bureaucratic red-tape add costs (time and money) to doing business, a particular burden to start-ups &amp; SME</li> </ul>



**Table 5: SWOT Analysis**

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"><li>» Strong national footprint</li><li>» Infrastructure and IT Systems</li><li>» Adequate supply-side – relevant qualifications and service providers</li><li>» Stable leadership and Governance</li><li>» Committed stakeholders</li><li>» Improvement in automation of core business and support processes through system development, with partial deployment</li><li>» Wider scope in the skills development landscape – e.g., trades, occupational qualifications</li><li>» Strong focus and presence in entrepreneurship development</li><li>» Strong brand – highly regarded by key stakeholders</li><li>» Enjoy legislative mandate to implement skills development</li></ul>	<ul style="list-style-type: none"><li>» Insufficient communication to external stakeholders</li><li>» Integration of operations/functions</li><li>» Uneven allocation of resources</li><li>» Targets that exceed budget have a knock-on effect</li><li>» Delivery model – resulting in slow implementation of learning interventions</li><li>» Weak feedback mechanisms</li><li>» Centralisation of services and operations</li><li>» Weak public relations</li><li>» Inconsistent organisational performance</li><li>» Integrated monitoring of resolutions, commitments implementation and targets</li><li>» High level of aging commitments with no implementation</li><li>» Cyber Security</li><li>» Over-reliance on consultants for critical functions</li></ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"><li>» Broaden access to eLearning platform</li><li>» Strong focus and presence in entrepreneurship development</li><li>» Inter-SETA transfers – need to attract new levy payers</li><li>» Stability the 10yrs SETA licensing offers</li><li>» Lockdown has proven that work-from-the-home works in the majority of cases providing alternative for BCP</li><li>» Improvement in system integration requiring deployment, training and skills transfer to embed usage</li><li>» Increased demand for skills development due to economic decline and increased unemployment</li><li>» Fostering public-private partnership</li><li>» New governance leadership</li><li>» ICT infrastructure</li><li>» National footprint</li><li>» Research capacity to guide towards relevance</li><li>» Appetite to have online and automated systems</li></ul>	<ul style="list-style-type: none"><li>» Inter-SETA outbound transfers</li><li>» Decline in revenue due poor economic performance</li><li>» COVID-19 – impact on revenue, work environment, health and hygiene</li><li>» Reputational damage due to negative media coverage</li><li>» High number of small and informal sector – resulting in low revenue</li><li>» Relevance of SETA products and the changing needs of industries as they diversify.</li><li>» Decline in revenue due to Levy Payment holiday</li><li>» Unrealistic planning within budget</li><li>» Practice of crisis management which limits innovation and planning for the future</li><li>» IT Security</li><li>» Employee Relief Scheme (TERS) – not budgeted for however expected to support</li></ul>

Based on the PESTEL and SWOT analysis above, the following priority interventions have been identified by implementation.

#### **1.1.4. Priority interventions for skills supply**

The Services SETA identified four critical areas for interventions to promote skills development in the sector in the short-to-medium term. These include:

##### **Priority 1: Promote social and circular economy through entrepreneurship and cooperative development initiatives**

The South African Government's Nine-Point Plan and National Development Plan places a strong emphasis on developing small and medium enterprises. Point four of the Nine-Point Plan aims to "[unlock] the potential of small, medium and micro enterprises, cooperatives and township enterprises". Realising that entrepreneurs are at different stages of the business life cycle and at different levels of capital (human, financial, social and intellectual) intensity needs different content, products and services to grow and sustain their businesses. Services SETA through the Entrepreneurship and Cooperative Development Institute programme of action is investing in the development of applied learning products such as business advisory services and business development services. Once proven successful, discretionary grant funding will be set aside for quality supply scaling up delivery across all SETAs and sectors. This project is a partnership with learning institutions, the corporate sector and government departments such as the Department of Small Business Development among others to support corporates and small enterprises.

The Programme of Action for the Institute comprises of nine interventions that will form part of the content, products and services for entrepreneurs both virtually and physically.

They include research and dialogue; online ecosystem; business advisory services; monitoring and evaluation; societies; micro entrepreneurship programme; business growth programme; start-up enterprise villages and skills development.

##### **Priority 2: Increase throughput rate of occupationally directed qualifications through mobilisation of key industry role players**

Linked to the question of vocational training is work experience. For firms to be competitive, the labour force especially new entrants should be competent as well as qualified. Competence is not equal qualifications. Therefore, the skills system has to find a way of ensuring that qualified people also have experience and proof of competence. This is in the main the role played by internship programmes. A learner tracer study conducted by the Services SETA (2017d) to measure the impact of learnerships and internships revealed, amongst others, the lack of mentorship was a major challenge.

This finding suggests the need to work closely with employers to ensure that learners find placement with companies in order to gain practical experience upon completing their theoretical learning. The Services SETA has prioritised the training of coaches and mentors to support work-based training and mentorship. In addition, the Services SETA aims to expand collaboration with employers, employer associations, trade unions and learners to facilitate access to work-based learning for those who obtain their qualifications.

##### **Priority 3: Improve the pipeline of supply by ensuring relevance of qualifications and capacitation of training providers, including TVET Colleges**

The supply side of skills development in the services sector is severely constrained by the lack of up-to-date qualifications, especially those relating to ICT and Fourth Industrial Revolution. Compounding the problem is the lack of uptake of SETA qualifications by public TVET colleges. There is also an issue of capacity among private providers.

In addition, the Services SETA will embark on a programme aimed at aligning learning programmes to new regulations. Grant Regulations (2012) requires that the key focus of the Services Sector Education and Training Authority (Services SETA) must be to address hard-to-fill vacancies and skills gaps, through relevant programmes to address such skills needs and which include work based learning. As a result, the changes to the regulatory process requires that the Learnership Regulations (2007), to be replaced with the Workplace Based Learning Programme Agreement Regulations, 2018.

#### **Priority 4: Expand access to skills development to employees and learners residing in rural and peri urban areas of South Africa**

Access to educational and skills development opportunities is limited. Services SETA will focus on partnerships with the following partners, to ensure the impact of the Bursary scheme reaches the students who do not have resources to easily receive information and prioritise the missing middle, given the implementation of free higher education by government. A three-pronged approach is in place. These involve skills development infrastructure development and support, provider capacitation and e-learning platform. Over the last three years, the Services SETA has supported the construction of skills development centres where none existed, and renovation of existing ones to ensure access to skills development. There are commitments to support eight more skills development centres in the current financial year. There is a special emphasis on promoting transformation.

Implementation of these priority actions will place greater emphasis on entrepreneurial development and support to SMMEs as well as cooperatives. The Entrepreneurship and Cooperative Development Initiative of the Services SETA has been mandated to implement this goal. Special focus will be placed on women, youth, people with disabilities as well people residing in rural areas to reduce the rural-urban divide.

## **4.2 Internal Environment Analysis**

### **4.2.1. Organisational Capabilities Underpinning Performance Improvements**

#### **a) Governance and oversight**

Since its establishment, the Accounting Authority has provided consistent oversight over the affairs of the Services SETA, in addition to providing guidance on its strategic direction as highlighted above. The Board is fully functional, as demonstrated by the frequency of the scheduled meetings, and the meeting attendance rate by members, being 100% and more than 70%, respectively. Six sub-committees have been duly established to compliment the work of the board: Audit Committee; Finance Committee; Governance, Risk and Strategy Committee; Human Resources and Remuneration Committee, Transformation Committee and Executive Committee (Accounting Authority). In addition, six chamber committees have been established. Similarly, functionality of these committees is very good as illustrated by frequency of meetings and attendance rates.

#### **b) Organisational performance**

The Services SETA recorded a positive performance against the annual performance plans. In the last three financial years, the Service SETA has achieved more than 70% of the annual targets. However, there has been a decline in financial controls, resulting in qualified audit opinions by the Auditor-General of South Africa (AG-SA) over the same period (2017/18 & 2018/19). Working with the AG-SA,

the Services SETA is devised strategies to mitigate this risk. Learner enrolments are increasing accordingly.

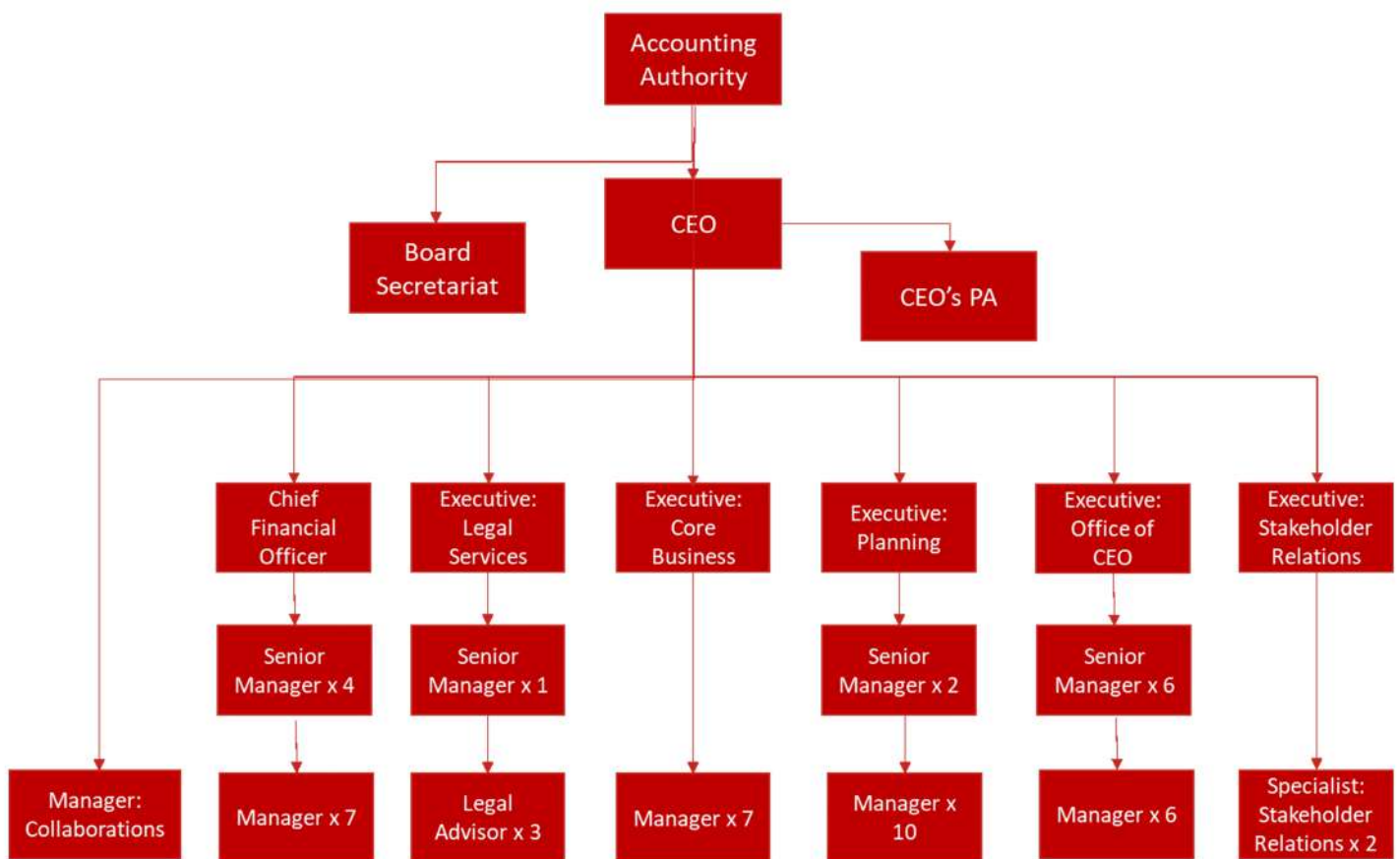
Equally, the Services SETA is working hard to revise the decline in enrolment number of learners. Financial challenges faced last year (2018/19) resulted in reduced training budget with a knock-on effect on enrolment figures. At the same time, the Services SETA is mindful of the negative impact of COVID-19 on the revenue and training interventions. On the one hand, expected decline in revenue is likely to affect training budget. On the other hand, cessation of businesses operations (including training providers) due to the lockdown measures put in place to reduce the spread of the virus has affected enrolment processes and training of learners. This state of affairs is likely to have a negative impact on the Services SETA's performance against pre-determined targets generally, but particularly learner enrolment and certification.

## 4.2.2. The Services SETA Organisational Structure and Staffing

### a) Staffing

The Organogram below reflects the Governance Structures and Management Committee which comprises Executive and Senior Management. Management is well constituted with only eight current vacancies. Senior Management positions across core business functions are fully occupied.

Figure 8. Governance and Executive Structure



As the table below illustrates, the Services SETA reasonably well staffed against the approved organisational structure at 61% capacity. The economic and revenue environment discussed above casts serious doubt on the Services SETA's possibility to fully placed staff according to the organogram.

**Table 6. Services SETA Filled and Approved Posts**

Filled Posts per Job Level by Programme	Programme 1: Administration	Programme 2: Skills Planning	Programme 3: Learning Programmes	Programme 4: Quality Assurance	TOTALS
Executive Management	3	1	2	0	6
Senior Management	9	2	3	0	14
Management	21	12	19	3	54
Senior Officers	16	9	27	22	74
Officers	13	7	35	9	64
Administrators	19	11	18	6	54
General	0	0	20	0	20
<b>TOTALS</b>	<b>81</b>	<b>42</b>	<b>124</b>	<b>40</b>	<b>286</b>
Approved Posts per Job Level by Programme	Programme 1: Administration	Programme 2: Skills Planning	Programme 3: Learning Programmes	Programme 4: Quality Assurance	TOTALS
Executive Management	4	1	2	1	8
Senior Management	11	3	5	0	19
Management	34	10	23	4	71
Senior Officers	25	6	47	40	118
Officers	26	11	91	12	140
Administrators	22	10	29	18	79
General	1	0	35	0	36
<b>TOTALS</b>	<b>123</b>	<b>41</b>	<b>232</b>	<b>75</b>	<b>471</b>
% Occupancy per Job Level by Programme	Programme 1: Administration	Programme 2: Skills Planning	Programme 3: Learning Programmes	Programme 4: Quality Assurance	TOTALS
Executive Management	75%	100%	100%	0%	75%
Senior Management	82%	67%	60%	0%	74%
Management	62%	100%	83%	75%	76%
Senior Officers	64%	150%	57%	55%	63%
Officers	50%	64%	38%	75%	45%
Administrators	86%	70%	62%	33%	68%
General	0%	0%	57%	0%	56%
<b>TOTALS</b>	<b>66%</b>	<b>100%</b>	<b>53%</b>	<b>53%</b>	<b>61%</b>

## b) Employment equity

Analysis of the staff profile indicates that the Services SETA is fairly represented in terms of race and gender. The majority of staff is African, and women. There is 50% representation of women in top and senior management positions, and more than 50% in professional and skilled technical positions as illustrated below.

**Table 7. Profile of the Services SETA Staff**

Occupational Level	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	1				1						2
Senior Management	9				8			2	1		20
Professionally qualified and experienced Specialists and Mid-Management	19	1		2	17	2	2	6	1		50
Skilled Technical and academically qualified Workers, Junior Management, Supervisors, Foremen and Superintendents	33	5	3	2	83	6	4	3			141
Semi-skilled and discretionary decision-making	6	1			37	5		2		2	51
Unskilled and defined decision-making	5				13	1					19
<b>Total</b>	<b>73</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>159</b>	<b>14</b>	<b>6</b>	<b>13</b>	<b>2</b>	<b>2</b>	<b>283</b>

The Services SETA continues to perform well in relation to organisational targets and financial controls. In the last two financial years, organisational performance has surpassed 80%. The Services SETA's contribution to transformational imperatives have been in line with the government's targets. As the table below illustrate, the majority of beneficiaries of Services SETA's training interventions is youth, women, people in rural areas and people living with disabilities.

## **c) Contribution to B-BBEE**

---

The Services SETA is one of the few public entities that implements enterprise supplier development programmes to promote the B-BBEE goal of the government. The Services SETA is currently a Level 3 BEE contributor, with an enhanced procurement level of 110%. The BEE certificate expires on 30 October 2020. The organisation has also successfully submitted its B-BBEE Compliance Report to the BEE Commission.

One of the critical avenues through which B-BBEE is pursued is through preferential procurement. Preferential procurement measurement is based on suppliers that are awarded via the tender or request for quotation processes. The Services SETA procure goods and services from Exempted Micro Enterprises, enterprises that are 51% owned by black people and 30% enterprises owned by black women. In addition, the SETA received bonus points for procuring from Designated Group Suppliers that are at least 51% Black owned based on the B-BBEE Recognition Level.

Services SETA has invested in a Supplier Development initiative aimed at assisting all SMME Discretionary grantees to successfully complete allocated projects. The programme has gained traction and ongoing as in when there is a new allocation. The initiative entails a comprehensive project management offering administered by a reputable service provider. Enterprise Development approach is intended to feed into the value chain. This programme is aimed at assisting SMMEs with the entire Accreditation process. This intervention entails Accreditation Workshops, Skills Programmes in line with business support and to assist SMMEs with uploading the documents in the Learning Intervention and Monitoring system for accreditation, which is Desktop evaluation. The progress so far is stable and satisfactory.

The Services SETA has contributed towards various initiatives aimed at improving non-profit organisations and the well-being of the beneficiaries. These contributions are in line with the organisations' Socio-Economic policy and the BEE Codes of Good Practice. The Services SETA's policy is broad and covers infrastructural developments of Skills centres, skills development interventions and sponsorships. One initiative that stands out amongst others, is the sponsorship of summits facilitated by the Disabled People of South Africa which were a success and yielded positive outcome.

Table 8. Services SETA and Transformation

Learning Intervention	Enrolment 2018/19	Female	Black	Disability	Youth	Rural
<b>Adult Education and Training</b>	644	96 (77%)	629 (98%)	(0%)	208 (32%)	405 (63%)
<b>Artisans</b>	3,030	1,629 (54%)	2,545 (84%)	19 (1%)	2,770 (91%)	422 (14%)
<b>Bursaries</b>	4,143	2,468 (60%)	3,916 (95%)	78 (2%)	3,963 (96%)	712 (17%)
<b>Candidacy Programmes</b>	190	123 (65%)	82 (43%)	2 (1%)	105 (55%)	11 (6%)
<b>HET Graduates</b>	1,820	1,216 (67%)	1,784 (98%)	13 (1%)	1,751 (96%)	578 (32%)
<b>Internships</b>	2,028	1,494 (74%)	2,003 (99%)	12 (1%)	1,975 (97%)	1,050 (52%)
<b>Learnerships</b>	14,389	10,119 (70%)	13,147 (91%)	442 (3%)	12,849 (89%)	6,610 (46%)
<b>Recognition of Prior Learning</b>	1,104	833 (75%)	941 (85%)	10 (1%)	655 (59%)	228 (21%)
<b>Skills Programmes</b>	3,216	2,279 (71%)	2,886 (90%)	18 (1%)	2,296 (71%)	804 (25%)
<b>TVET Placements</b>	662	516 (78%)	660 (100%)	5 (1%)	648 (98%)	424 (64%)
<b>TOTAL</b>	<b>31,226</b>	<b>20,161 (65%)</b>	<b>27,304 (87%)</b>	<b>594 (2%)</b>	<b>26,364 (84%)</b>	<b>10,415 (33%)</b>

Source: Services SETA Annual Report, 2019

As reflected in this annual performance plan, the Services SETA aims to increase contributions to transformational imperatives as well as absorption of graduates into the labour force and to provide on-going support to SMMEs. A recent tracer study (Service SETA, 2018) demonstrates positive outcomes in as far the impact on graduates is concerned. A reasonable number of employed graduates (30%) indicated that they got promoted in their respective companies upon completing their qualifications with the Services SETA. More than half of unemployed graduates (54%) were employed within six months of completion and 30% were continuing with their studies (Services SETA, 2018).

To build the capacity of the sector to participate in learning programmes, the Services SETA is collaborating with employers, government departments, local government, SOEs and institutions of higher learning. To this effect, the Services SETA holds regular engagements with employers to understand their needs. In addition, the Services SETA works with over 15 local governments to promote access to skills development through skills development centres. Plans are afoot to support more municipalities in the near future. Furthermore, the Services SETA collaborates with more than 20 TVET and Community Education Colleges with particular emphasis on rural areas.

In order to strengthen the capacity to deliver, the Services SETA is leveraging on its ICT system. To this effect, the Services SETA is working on integrating the internal ICT infrastructure and investing in new technologies. There are also attempts to introduce technology in the management of information and delivery of learning programmes. The recently developed and launched Learner Management Information System is contributing to the enhancement of learner data reliability and quality. A recently launched e-learning platform will provide effective and efficient means of delivering training services.



## PART C: MEASURING OUR PERFORMANCE

### 5. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

#### 5.1. Programme 1: Administration

##### 5.1.1. Purpose

The purpose of the administration programme is to enable the delivery of the Services SETA Mandate through the delivery of support services.

##### 5.1.2. Description of the Programme

---

The programme comprises the following sub-programmes:

1. Finance
2. Human Resources Development and
3. ICT
4. Compliance
5. Risk Management, and
6. Governance

##### 5.1.3. Outcomes and Outcome Indicators

---

This programme primarily supports Outcome 1: Agile organisation with high levels of innovation, good governance and sound financial controls leveraging on ICT, but it also supports the implementation of other four outcomes, as a support programme. Outputs and indicators which support the realisation of the outcome are outlined below.

**Table 9. Programme 1: Outcomes, Outputs, Performance Indicators and Targets**

**Sub-Programme: Finance**

Outcome	Output	Output Indicator	Audited /Actual Performance			Estimated performance	MTEF Period		
			2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
1. Agile organisation with high levels of innovation, good governance and sound financial controls leveraging on ICT	1.1.1. Error Free Financial Statements and reliable performance information report	1.1.1.1. No material findings on financial statements and performance information	Clean	Qualified	Qualified	Clean Audit	Clean Audit	Clean Audit	Clean Audit
Output Indicator (Quarterly Targets 2020/2021		Annual Target	Indicator Status	Indicator Type	Reporting Period	Q1	Q2	Q3	Q4
	1.1.1.1. No material findings on financial statements and performance information	Clean Audit	Continued	Non-Cumulative	Annually	-	Clean Audit	-	-

**Sub-Programme: HR&D**

Outcome	Output	Output Indicator	Audited /Actual Performance			Estimated performance	MTEF Period			
			2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	
1. Agile organisation with high levels of innovation, good governance and sound financial controls leveraging on ICT	1.2.1. Approved Recruitment and Training Plan is developed and implemented	1.2.1.1. Percentage implementation of Recruitment Plan	-	-	-	70%	70%	70%	70%	
		1.2.1.2. Percentage of WSP implemented	-	-	-	60%	70%	80%	80%	
		1.2.1.1. Percentage implementation of Recruitment Plan	70%	Continued	Non-Cumulative	Quarterly	70%	70%	70%	70%
		1.2.1.2. Percentage of WSP implemented	70%	Continued	Non-Cumulative	Quarterly	70%	70%	70%	70%

### Sub-Programme: ICT

Outcome	Output	Output Indicator	Audited /Actual Performance			Estimated performance		MTEF Period	
			2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
<b>1. Agile organisation with high levels of innovation, good governance and sound financial controls leveraging on ICT</b>	1.3.1. ICT infrastructure and systems plan to support Services SETA	1.3.1.1. Percentage achievement against ICT plans	-	-	-	100%	100%	100%	100%
Output Indicator (Quarterly Targets 2020/2021)		<b>Annual Target</b>	<b>Indicator Status</b>	<b>Indicator Type</b>	<b>Reporting Period</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>1.3.1.1. Percentage achievement against ICT plans</b>		100%	Continued	Non-Cumulative	Quarterly	100%	100%	100%	100%

### Sub-Programme: Organisational Compliance

Outcome	Output	Output Indicator	Audited /Actual Performance			Estimated performance		MTEF Period	
			2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
<b>1. Agile organisation with high levels of innovation, good governance and sound financial controls leveraging on ICT</b>	1.4.1. Enterprise-wide integrated compliance	1.4.1.1. Percentage of audit and compliance action plans actioned	-	-	100%	100%	100%	100%	100%
Output Indicator (Quarterly Targets 2020/2021)		<b>Annual Target</b>	<b>Indicator Status</b>	<b>Indicator Type</b>	<b>Reporting Period</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>1.4.1.1. Percentage of audit and compliance action plans actioned</b>		100%	Continued	Non-Cumulative	Quarterly	100%	100%	100%	100%

## Sub-Programme: Enterprise-Wide Risk Management

Outcome	Output	Output Indicator	Audited /Actual Performance			Estimated performance		MTEF Period	
			2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
<b>1. Agile organisation with high levels of innovation, good governance and sound financial controls leveraging on ICT</b>	1.5.1. Enterprise-wide integrated risk management	1.5.1.1. Percentage of risk action plans actioned	-	-	100%	100%	100%	100%	100%
Output Indicator (Quarterly Targets 2020/2021)		<b>Annual Target</b>	<b>Indicator Status</b>	<b>Indicator Type</b>	<b>Reporting Period</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>1.5.1.1. Percentage of risk action plans actioned</b>		100%	Continued	Non-Cumulative	Quarterly	100%	100%	100%	100%

## Sub-Programme: Governance

Outcome	Output	Output Indicator	Audited /Actual Performance			Estimated performance		MTEF Period	
			2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
<b>1. Agile organisation with high levels of innovation, good governance and sound financial controls leveraging on ICT</b>	1.6.1. Effective governance oversight	1.6.1.1. Quarterly Good Governance report	-	-	-	4	4	4	4
Output Indicator (Quarterly Targets 2020/2021)		<b>Annual Target</b>	<b>Indicator Status</b>	<b>Indicator Type</b>	<b>Reporting Period</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>1.6.1.1. Quarterly Good Governance report</b>		4	Continued	Non-Cumulative	Quarterly	4	4	4	4

## **5.2. Programme 2: Skills Development**

### **5.2.1. Purpose**

To enable the Services SETA and Services Sector to target relevant skills development. It is responsible for researching skills needs within the Services Sector, issuing the Sector Skills Plan, developing strategic and annual performance plans for the Services SETA, monitoring and evaluating organisational performance and conducting targeted evaluations to strengthen programme improvement in executing its mandate.

### **5.2.2. Description of the Programme**

---

This programme consists of the following sub-programmes:

1. Stakeholder Relations, Provincial Operations and Chambers
2. Research, planning, monitoring and reporting

### **5.2.3. Outcomes, Outputs and Output Indicators**

---

This programme contribute to Outcome 2: “Strengthened stakeholder relationship management that facilitates skills development”. The outcome has three outcome indicator(s) and a five-year target. Alignment of outcomes to the outputs is demonstrated below.

**Table 10. Programme 2: Outcomes, Outputs and Output Indicator**  
**Sub-Programme: Stakeholder Relations, Provincial Operations and Chambers**

Outcome	Output	Output Indicator	Audited /Actual Performance			Estimated performance		MTEF Period	
			2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
<b>2. Strengthened stakeholder relationship management that facilitate skills development</b>	2.1.1. Stakeholder engagements and career exhibitions held to promote SETA offerings	2.1.1.1. Number of stakeholder engagements	157	123	250	120	120	120	120
		2.1.1.2. Number of career exhibitions	<b>33</b>	<b>12</b>	<b>16</b>	<b>9</b>	<b>18</b>	<b>18</b>	<b>18</b>
		Urban	33	12	16	4	8	8	8
		Rural	-	-	-	5	10	10	10
		2.1.1.3. Number of Career Development Practitioners trained	-	-	-	20	40	40	40
		2.1.1.4. Number of capacity building workshops on Career Development Services initiated	-	-	-	9	18	18	18
<b>2.1.1.1. Number of stakeholder engagements</b>		120	Continued	Cumulative	Quarterly	30	30	30	30
<b>2.1.1.2. Number of career exhibitions</b>		<b>18</b>	<b>Modified</b>	<b>Cumulative</b>	<b>Quarterly</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>5</b>
<b>Urban</b>		8	Continued	Cumulative	Quarterly	2	2	2	2
<b>Rural</b>		10	Continued	Cumulative	Quarterly	2	2	3	3
<b>2.1.1.3. Number of Career Development Practitioners trained</b>		40	Continued	Cumulative	Quarterly	10	10	10	10
<b>2.1.1.4. Number of capacity building workshops on Career Development Services initiated</b>		18	Continued	Cumulative	Quarterly	4	4	4	6



Output Indicator (Quarterly Targets 2020/2021)	Annual Target	Indicator Status	Indicator Type	Reporting Period	Q1	Q2	Q3	Q4
<b>2.2.2.1. Number of research partnerships</b>	3	Continued	Cumulative	Quarterly	-	1	1	1
<b>2.2.2.2. Number of sector research agreements signed for TVET growth occupationally directed programmes</b>	2	Continued	Cumulative	Annually	-	-	1	1
<b>2.2.2.3. Number of learners in employment (Internships, Skills programmes, Bursaries, Learner ships completed)</b>	2 000	Continued	Cumulative	Annually	-	-	-	2 000
<b>2.2.2.4. Number of established and emergent cooperative skills needs identified through research</b>	10	Continued	Cumulative	Annually	-	-	-	10



## **5.4. Programme 3: Learning Programmes**

### **5.3.1. Purpose**

The purpose of the skills development programme is to deliver the Services SETA service offering to the target stakeholders in order to achieve the mandate. The programme is responsible for disbursement of Services SETA discretionary grants through special and regular projects for infrastructure development, to expand access to skills development in rural and underserved areas, and pivotal learning interventions.

### **5.3.2. Description of the Programme**

---

This programme consists of four sub-programmes as outlined:

1. Special Projects
2. Mandatory grant
3. Entrepreneurship and Corporate Development Institute
4. Learning Interventions

### **5.3.3. Outcomes, Outputs and Output Indicators**

---

This programme contributes to:

**Outcomes 2:** “Strengthened stakeholder relationship management that facilitates skills development”.

**Outcome 3:** “Capacitated entrepreneurial support ecosystem rendering relevant and innovative skills development and support to entrepreneurs”

**Outcome 4:** “Engaged sector employers that meaningfully invest in skills development and offer work-integrated learning opportunities” The outcome has three outcome indicator(s) and a five-year target. Alignment of outcomes to the outputs is demonstrated below.

outputs is demonstrated below.

**Table 11. Programme 3: Outcomes, Outputs and Output Indicators**  
**Sub-Programme: Special Projects**

Outcome	Output	Output Indicator	Audited /Actual Performance			Estimated performance		MTEF Period	
			2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
<b>2. Stakeholder relationship management that facilitate skills development strengthened</b>	2.3.1. Partnerships established to promote access to skills development opportunities, including rural areas	2.3.1.1. Number of partnerships HEIs	11	4	3	15	15	15	15
		TVET				7	7	7	7
		University				4	4	4	4
		CET				4	4	4	4
		2.3.1.2. Number of TVET Lecturers exposed to the industry through Skills Programmes	-	-	-	40	40	30	20
		2.3.1.3. Number of TVET Managers receiving training on curriculum related studies	-	-	-	8	8	10	20
		2.3.1.4. Number of TVET colleges Lecturers awarded Bursaries	-	-	-	50	50	50	50
		2.3.1.5. TVET colleges infrastructure development (equipment/workshops)	-	-	-	5	5	5	5
		2.3.1.6. Number of CET colleges lecturers awarded skills development programmes	-	-	-	10	10	10	10
		2.3.1.7. CET colleges infrastructure development support (equipment/workshops/ Connectivity/ ICT)	-	-	-	1	3	3	3
		2.3.1.8. Number of CET college Managers receiving training on curriculum related studies	-	-	-	10	5	10	10
		2.3.1.9. Number of CET learners accessing AET programmes	-	-	-	10	20	10	10

Output Indicator (Quarterly Targets 2020/2021)	Annual Target	Indicator Status	Indicator Type	Reporting Period	Q1	Q2	Q3	Q4
<b>2.3.1.1. Number of partnerships HEIs</b>	<b>15</b>	<b>Continued</b>	<b>Cumulative</b>	<b>Quarterly</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>TVET</b>	7	Continued	Cumulative	Quarterly	1	2	2	2
<b>University</b>	4	Continued	Cumulative	Quarterly	1	1	1	1
<b>CET</b>	4	Continued	Cumulative	Quarterly	1	1	1	1
<b>2.3.1.2. Number of TVET Lecturers exposed to the industry through Skills Programmes</b>	40	Continued	Cumulative	Quarterly	-	-	20	20
<b>2.3.1.3. Number of TVET Managers receiving training on curriculum related studies</b>	8	Continued	Cumulative	Quarterly	-	2	2	4
<b>2.3.1.4. Number of TVET colleges Lecturers awarded Bursaries</b>	50	Continued	Cumulative	Quarterly	-	-	25	25
<b>2.3.1.5. TVET colleges infrastructure development (equipment/workshops)</b>	5	Continued	Cumulative	Quarterly	1	1	1	2
<b>2.3.1.6. Number of CET colleges lecturers awarded skills development programmes</b>	10	Continued	Cumulative	Quarterly	-	-	5	5
<b>2.3.1.7. CET colleges infrastructure development support (equipment/ workshops/ Connectivity/ ICT)</b>	3	Continued	Cumulative	Quarterly	-	-	1	2
<b>2.3.1.8. Number of CET college Managers receiving training on curriculum related studies</b>	5	Continued	Cumulative	Quarterly	-	-	-	5
<b>2.3.1.9. Number of CET learners accessing AET programmes</b>	20	Continued	Cumulative	Quarterly	-	5	5	10

## Sub-Programme: Special Projects

Outcome	Output	Output Indicator	Audited /Actual Performance			Estimated performance		MTEF Period	
			2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
<b>2. Stakeholder relationship management that facilitate skills development strengthened</b>	2.4.1. Trade Unions and Federations supported to strengthen worker participation in skills development	2.4.1.1. Number of trade unions and federations supported	6	11	4	4	6	6	6
		Unions	6	11	4	4	4	4	4
		Federations	-	-	-	-	2	2	2
Output Indicator (Quarterly Targets 2020/2021)		<b>Annual Target</b>	<b>Indicator Status</b>	<b>Indicator Type</b>	<b>Reporting Period</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>2.4.1.1. Number of trade unions and federations supported</b>		6	Continued	Cumulative	Quarterly	1	2	1	2
<b>Unions</b>		4	Modified	Cumulative	Quarterly	1	1	1	1
<b>Federations</b>		2	Modified	Cumulative	Quarterly	-	1	-	1
Outcome	Output	Output Indicator	Audited /Actual Performance			Estimated performance		MTEF Period	
			2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
<b>2. Stakeholder relationship management that facilitate skills development strengthened</b>	2.5.1. Rural development interventions prioritised	2.5.1.1. Number of rural development projects*	-	5	7	5	5	5	5
		2.5.1.2. Number of centres of specialisations supported	-	-	-	-	4	4	4
Output Indicator (Quarterly Targets 2020/2021)		<b>Annual Target</b>	<b>Indicator Status</b>	<b>Indicator Type</b>	<b>Reporting Period</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>2.5.1.1. Number of rural development projects</b>		5	Continued	Cumulative	Quarterly	1	1	1	2
<b>2.5.1.2. Number of Number of centres of specialisations supported</b>		4	Continued	Cumulative	Quarterly	-	1	1	1

**Sub-Programme: ECDi**

Outcome	Output	Output Indicator	Audited /Actual Performance			Estimated performance	Annual Target	MTEF Period	
			2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
<b>3. Capacitated entrepreneurial support ecosystem rendering relevant and innovative skills development and support to entrepreneurs</b>	3.1. Increased SMEs participation in SETA offerings	3.1.1.1. Number of Co-operatives and SME supported with training	415	684	862	600	600	600	600
		Co-ops	207	333	315	300	300	300	300
		SME	208	351	547	300	300	300	300
		3.1.1.2. Number of people trained in entrepreneurial skills	-	-	-	-	100	100	100
		3.1.1.3. Number of non-profit organisations supported with training	124	104	100	100	100	100	100
		3.1.1.4. Number of people trained to start their business	-	-	-	-	100	100	100
<b>3.1.1.1. Number of Co-operatives and SME supported with training</b>	600	Continued	Cumulative	Quarterly	100	100	200	200	
<b>Co-ops</b>	300	Continued	Cumulative	Quarterly	50	50	100	100	
<b>SME</b>	300	Continued	Cumulative	Quarterly	50	50	100	100	
<b>3.1.1.2. Number of people trained in entrepreneurial skills</b>	100	Continued	Cumulative	Quarterly	25	25	25	25	
<b>3.1.1.3. Number of non-profit organisations supported with training</b>	100	Continued	Cumulative	Quarterly	25	25	25	25	
<b>3.1.1.4. Number of people trained to start their business</b>	100	Continued	Cumulative	Quarterly	25	25	25	25	

## Sub-Programme: Mandatory Grants

Outcome	Output	Output Indicator	Audited /Actual Performance			Estimated performance	Annual Target	MTEF Period	
			2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
<b>4. Engaged sector employers that meaningfully invest in skills development and offer work-integrated learning opportunities</b>	4.1.1. Increased number of employers participating in SETA programmes	4.1.1.1. Number of employers submitting WSP/ATR	3 754	3 941	3 958	4 954	5 004	5 254	5 005
		Small	2 576	2 704	3 621	3 281	3 345	3 512	3 346
		Medium	633	665	200	972	991	1 041	991
		Large	545	572	137	701	668	701	668
		4.1.1.2. Number of industry learners entered*	-	500	500	500	550	580	610
Output Indicator (Quarterly Targets 2020/2021)	<b>Annual Target</b>	<b>Indicator Status</b>	<b>Indicator Type</b>	<b>Reporting Period</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	
<b>4.1.1.1. Number of employers submitting WSP/ATR</b>	<b>5 004</b>	<b>Continued</b>	<b>Non-Cumulative</b>	<b>Annually</b>	<b>5 004</b>	-	-	-	
<b>Small</b>	3 345	Continued	Non-Cumulative	Annually	3 345	-	-	-	
<b>Medium</b>	991	Continued	Non-Cumulative	Annually	991	-	-	-	
<b>Large</b>	668	Continued	Non-Cumulative	Annually	668	-	-	-	
<b>4.1.1.2. Number of industry learners Entered</b>	550	Continued	Cumulative	Annually	100	100	100	250	

## Sub-Programme: Learning Interventions

Outcome	Output	Output Indicator	Audited /Actual Performance			Estimated performance	MTEF Period		
			2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
<b>4. Engaged sector employers that meaningfully invest in skills development and offer work-integrated learning opportunities</b>	4.2.1. Increased access and throughput of learners to support the flow of skills to the sector	4.2.1.1. Number of learnership entered	<b>14 542</b>	<b>23 227</b>	<b>14 389</b>	<b>6 400</b>	<b>4 480</b>	<b>4 704</b>	<b>4 939</b>
		Unemployed	12 270	19 651	13 360	5 400	3 780	3 969	4 167
		Worker	2 272	3 576	1 029	1 000	700	735	772
		4.2.1.2. Number of learnership completions	<b>1 732</b>	<b>5 514</b>	<b>12 495</b>	<b>8 016</b>	<b>8 016</b>	<b>8 417</b>	<b>8 838</b>
		Unemployed	-	5 097	-	4 810	4 810	5 051	5 303
		Worker	-	417	-	3 206	3 206	3 366	3 535
		4.2.1.3. Number of Internships Entered Placements	<b>9 212</b>	<b>9 114</b>	<b>4 638</b>	<b>1 600</b>	<b>1 120</b>	<b>1 176</b>	<b>1 235</b>
		Unemployed	584	3 267	2028	600	420	441	463
		TVET Placement	6 933	1 980	662	500	350	368	386
		HET Placement	1 695	3 867	1948	500	350	368	386
		4.2.1.4. Number of Internships Completion Placements	<b>2 009</b>	<b>1 598</b>	<b>2 575</b>	<b>2 783</b>	<b>2 836</b>	<b>2 978</b>	<b>3 127</b>
		Unemployed	1091	383	1550	1 217	1 270	1 334	1 400
		TVET Placement	630	609	407	397	397	417	438
				HET Placement	288	606	618	1 169	1 169
		4.2.1.5. Number of Bursaries Entered	<b>3 283</b>	<b>4 017</b>	<b>4 143</b>	<b>2 500</b>	<b>1 750</b>	<b>1 838</b>	<b>1 929</b>
		Unemployed New	2 971	2 715	3 432	1 000	700	735	772
		Unemployed Continue				1 000	700	735	772
		Worker New	312	1 302	711	300	140	147	154
		Worker Continue				200	210	221	232

## Sub-Programme: Learning Interventions

Outcome	Output	Output Indicator	Audited /Actual Performance			Estimated performance		MTEF Period	
			2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
<b>4. Engaged sector employers that meaningfully invest in skills development and offer work-integrated learning opportunities</b>	4.2.1. Increased access and throughput of learners to support the flow of skills to the sector	4.2.1.6. Number of Bursaries Completions	<b>671</b>	<b>4 212</b>	<b>2 666</b>	<b>3 600</b>	<b>1 478</b>	<b>1 552</b>	<b>1 629</b>
		Unemployed	289	2 106	1 333	1 009	1 009	1 059	1 112
		Worker	382	2 106	1 333	469	469	492	517
		4.2.1.7. Number of Skills Programmes Entered	<b>1 680</b>	<b>5 945</b>	<b>3 216</b>	<b>8 000</b>	<b>5 600</b>	<b>5 880</b>	<b>6 174</b>
		Unemployed	225	859	<b>1 021</b>	3 500	2 450	2 573	2 701
		Worker	1 455	5 086	<b>2 195</b>	4 500	3 150	3 308	3 473
		4.2.1.8. Number of Skills Programmes Completions	<b>225</b>	<b>859</b>	<b>2 038</b>	<b>1 844</b>	<b>1 844</b>	<b>1 936</b>	<b>2 033</b>
		Unemployed	225	859	2 038	1 317	1 317	1 383	1 452
		Worker				527	527	553	581
		4.2.1.9. Number of Artisans Entered	-	2 254	3 030	500	350	368	386
		4.2.1.10. Number of Artisans Completions	-	376	579	1 818	1 818	1 909	2 004
		4.2.1.11. Number of RPL Entered	353	1 021	896	200	140	147	154
		4.2.1.13. Number of AET Entered	309	1 064	644	500	350	368	386
		4.2.1.14. Number of AET Completions	518	64	903	386	386	405	426
		4.2.1.15. Number of Candidacy Entered	-	50	210	150	105	110	116
		4.2.1.16. Candidacy Completion	-	0	20	90	126	132	139



Output Indicator (Quarterly Targets 2020/2021)	Annual Target	Indicator Status	Indicator Type	Reporting Period	Q1	Q2	Q3	Q4
<b>4.2.1.1. Number of learnership entered</b>	<b>4 480</b>	<b>Continued</b>	<b>Cumulative</b>	<b>Quarterly</b>	<b>1 120</b>	<b>1 120</b>	<b>1 120</b>	<b>1 120</b>
Unemployed	3 780	Continued	Cumulative	Quarterly	945	945	945	945
Worker	700	Continued	Cumulative	Quarterly	175	175	175	175
<b>4.2.1.2. Number of learnership completions</b>	<b>8 016</b>	<b>Continued</b>	<b>Cumulative</b>	<b>Quarterly</b>	<b>2 004</b>	<b>2 004</b>	<b>2 004</b>	<b>2 004</b>
Unemployed	4 810	Continued	Cumulative	Quarterly	1 202	1 203	1 202	1 203
Worker	3 206	Continued	Cumulative	Quarterly	801	802	801	802
<b>4.2.1.3. Number of Internships Entered Placements</b>	<b>1 120</b>	<b>Continued</b>	<b>Cumulative</b>	<b>Quarterly</b>	<b>280</b>	<b>280</b>	<b>280</b>	<b>280</b>
Unemployed	420	Continued	Cumulative	Quarterly	105	105	105	105
TVET Placements	350	Continued	Cumulative	Quarterly	87	88	87	88
HET Placements	350	Continued	Cumulative	Quarterly	87	88	87	88
<b>4.2.1.4. Number of Internships Completion Placements</b>	<b>2 836</b>	<b>Continued</b>	<b>Cumulative</b>	<b>Quarterly</b>	<b>709</b>	<b>709</b>	<b>709</b>	<b>709</b>
Unemployed	1 270	Continued	Cumulative	Quarterly	317	318	317	318
TVET Placements	397	Continued	Cumulative	Quarterly	99	99	99	100
HET Placements	1 169	Continued	Cumulative	Quarterly	292	292	292	293
<b>4.2.1.5. Number of Bursaries Entered</b>	<b>1 750</b>	<b>Modified</b>	<b>Cumulative</b>	<b>Quarterly</b>	<b>437</b>	<b>438</b>	<b>437</b>	<b>438</b>
Unemployed New	700	Continued	Cumulative	Quarterly	175	175	175	175
Unemployed Continue	700	Continued	Cumulative	Quarterly	175	175	175	175
Worker New	140	Continued	Cumulative	Quarterly	35	35	35	35
Worker Continue	210	Continued	Cumulative	Quarterly	52	53	52	53
<b>4.2.1.6. Number of Bursaries Completions</b>	<b>1 478</b>	<b>Continued</b>	<b>Cumulative</b>	<b>Quarterly</b>	<b>369</b>	<b>370</b>	<b>369</b>	<b>370</b>
Unemployed	1 009	Continued	Cumulative	Quarterly	252	252	252	253

<b>Worker</b>	469	Continued	Cumulative	Quarterly	117	117	117	118
<b>4.2.1.7. Number of Skills Programmes Entered</b>	<b>5 600</b>	<b>Continued</b>	<b>Cumulative</b>	<b>Quarterly</b>	<b>1 400</b>	<b>1 400</b>	<b>1 400</b>	<b>1 400</b>
<b>Unemployed</b>	2 450	Continued	Cumulative	Quarterly	612	613	612	613
<b>Worker</b>	3 150	Continued	Cumulative	Quarterly	787	788	787	788
<b>4.2.1.8. Number of Skills Programmes Completions</b>	<b>1 844</b>	<b>Continued</b>	<b>Cumulative</b>	<b>Quarterly</b>	<b>461</b>	<b>461</b>	<b>461</b>	<b>461</b>
<b>Unemployed</b>	1 317	Continued	Cumulative	Quarterly	329	329	329	330
<b>Worker</b>	527	Continued	Cumulative	Quarterly	131	132	132	132
<b>4.2.1.9. Number of Artisans Entered</b>	350	Continued	Cumulative	Quarterly	87	88	87	88
<b>4.2.1.10. Number of Artisans Completions</b>	1 818	Continued	Cumulative	Quarterly	454	455	454	455
<b>4.2.1.11. Number of RPL Entered</b>	140	Continued	Cumulative	Quarterly	35	35	35	35
<b>4.2.1.12. Number of AET Entered</b>	350	Continued	Cumulative	Quarterly	87	88	87	88
<b>4.2.1.14. Number of AET Completions</b>	386	Continued	Cumulative	Quarterly	96	97	96	97
<b>4.2.1.15. Number of Candidacy Entered</b>	105	Continued	Cumulative	Quarterly	26	26	26	27
<b>4.2.1.16. Number of Candidacy Completion</b>	126	Continued	Cumulative	Quarterly	31	32	31	32

## 5.5. Programme 4: Quality Assurance

### 5.4.1. Purpose

This programme contributes to Outcome 5: “Transition towards implementation of occupational qualifications aligned to QCTO standards and requirements”. The purpose of this sub-programme is to accredit skills development providers and fulfil the QCTO delegated quality assurance of learner achievements function.

### 5.4.2. Description of the Programme

This programme consists of four sub-programmes as outlined below:

1. Certification
2. Qualifications Development

### 2.4.1. Outcomes Outputs and Output Indicators

This programme consists of four outcome statements. Each outcome has an outcome indicator(s) and a five-year target. Alignment of outcomes to the impact statement is as demonstrated below.

**Table 12. Programme 4: Outcomes, Outputs and Output Indicators**  
**Sub-Programme: QMD**

Outcome	Output	Output Indicator	Audited /Actual Performance			Estimated performance	Annual Target	MTEF Period	
			2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
<b>5. Transition towards implementation of occupational qualifications aligned to QCTO standards and requirements</b>	5.1.1. Increased learner participating in skills development opportunities	5.1.1.1. Percentage increase in number of learners receiving certificates/SOR	-	-	-	-	80%	80%	80%
	5.2.1. Strengthen development and alignment of SETA qualifications to occupational qualifications	5.2.1.1. Number of qualifications developed or aligned to the priority skills	-	-	-	-	5	6	8
<b>5.1.1.1. Percentage increase in number of learners receiving certificates/SOR</b>		80%	Continued	Non-Cumulative	Quarterly	80%	80%	80%	80%
<b>5.2.1.1. Number of qualifications developed or aligned to the priority skills</b>		5	Continued	Non-Cumulative	Quarterly	-	-	4	5

## 7. PROGRAMMES RESOURCES CONSIDERATION

Table 13. Services SETA Medium-Term Expenditure Framework

Services SETA										
Income and Expenditure Estimates for the period 2020/21-2025/26										
	Income outcome			Budget (Original)	Adjusted Appropriation	Medium-term income estimate				
R thousand	2017/18	2018/19	2019/20	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Levies Received</b>	R 1 504 855	R 1 601 845	R 1 643 732	R 1 045 541	R 960 194	R 1 326 000	R 1 591 200	R 1 591 200	R 1 591 200	R 1 591 200
<b>Levies Received:</b>										
<b>Administration 10.5%</b>	R 197 363	R 209 986	R 216 021	R 137 227	R 126 025	R 174 038	R 208 845	R 208 845	R 208 845	R 208 845
<b>Levies Received:</b>										
<b>Employer Grants 20%</b>	R 378 595	R 397 523	R 411 384	R 261 385	R 240 048	R 331 500	R 397 800	R 397 800	R 397 800	R 397 800
<b>Levies Received:</b>										
<b>Discretionary Grants 49.5%</b>	R 928 897	R 994 337	R 1 016 327	R 646 928	R 594 120	R 820 463	R 984 555	R 984 555	R 984 555	R 984 555
<b>Other Income</b>	R 193 504	R 143 547	R 102 321	R 9 484	R 13 473	R 15 087	R 16 596	R 14 936	R 14 190	R 13 906
<b>Penalties and Interest on Levies</b>	R 56 140	R 47 442	R 45 594							
<b>Investment Income</b>	R 131 361	R 52 438	R 20 680	R 9 484	R 13 473	R 15 087	R 16 596	R 14 936	R 14 190	R 13 906
<b>Other Income</b>	R 6 003	R 43 667	R 36 047	R 0	R 0	R 0	R 0	R 0	R 0	R 0
<b>TOTAL INCOME</b>	<b>R 1 698 359</b>	<b>R 1 745 392</b>	<b>R 1 746 053</b>	<b>R 1 055 025</b>	<b>R 973 667</b>	<b>R 1 341 087</b>	<b>R 1 607 796</b>	<b>R 1 606 136</b>	<b>R 1 605 390</b>	<b>R 1 605 106</b>

All programmes by economic classification	Expenditure outcome			Budget (Original)	Adjusted Appropriation	Medium-term expenditure estimate				
	2017/18	2018/19	2019/20			2020/21	2020/21	2021/22	2022/23	2023/24
R thousand										
Administrative expenses	R 306 097	R 246 651	R 185 251	R 185 346	R 181 332	R 192 359	R 209 976	R 207 710	R 210 633	R 215 254
<b>Compensation of employees</b>	R 67 764	R 54 618	R 65 256	R 60 504	R 65 100	R 69 657	R 76 623	R 76 623	R 76 623	R 76 623
<b>Goods and services of which:</b>	R 238 333	R 192 033	R 119 996	R 124 842	R 116 232	R 122 702	R 133 353	R 131 087	R 134 011	R 138 631
<b>Advertising</b>	R 30 225	R 20 300	R 2 876	R 3 281	R 1 500	R 3 000	R 3 600	R 3 744	R 3 894	R 4 050
<b>Audit Fees</b>	R 7 340	R 6 809	R 6 010	R 7 333	R 6 731	R 9 992	R 10 991	R 11 431	R 11 888	R 12 364
<b>Communication</b>	R 3 657	R 2 725	R 4 681	R 5 750	R 9 000	R 9 500	R 10 450	R 10 868	R 11 303	R 11 755
<b>Computer services</b>	R 7 953	R 8 936	R 9 385	R 12 849	R 10 000	R 10 600	R 11 660	R 12 126	R 12 611	R 13 116
<b>Consultants, contractors and special services</b>	R 49 462	R 56 433	R 29 624	R 21 640	R 21 395	R 21 570	R 23 727	R 24 676	R 25 663	R 26 690
<b>Governance Fees</b>	R 10 094	R 7 195	R 10 349	R 9 173	R 9 173	R 9 000	R 9 900	R 10 296	R 10 708	R 11 136
<b>Maintenance repair and running cost</b>	R 19 034	R 18 758	R 22 254	R 25 331	R 22 084	R 25 443	R 27 987	R 29 107	R 30 271	R 31 482
<b>Depreciation &amp; Impairment</b>	R 64 416	R 14 978	R 26 220	R 15 012	R 18 985	R 19 000	R 20 900	R 21 736	R 22 605	R 23 510
<b>Less: Depreciation &amp; Impairment</b>	-R 64 416	-R 14 978	-R 26 220	-R 15 012	-R 18 985	-R 19 000	-R 20 900	-R 21 736	-R 22 605	-R 23 510
<b>Less Capital Expenditure</b>	R 86 889	R 46 158	R 13 692	R 18 924	R 18 924	R 19 000	R 15 000	R 8 000	R 6 000	R 5 500
<b>Travel and subsistence and venue hire</b>	R 6 846	R 4 869	R 3 475	R 1 844	R 1 705	R 1 948	R 2 143	R 2 229	R 2 318	R 2 410

<b>Staff training, recruitment, assistance and welfare</b>	R 6 906	R 5 441	R 3 662	R 3 525	R 1 872	R 2 820	R 3 102	R 3 226	R 3 355	R 3 489
<b>QCTO</b>	R 8 149	R 10 590	R 10 964	R 11 448	R 11 448	R 7 829	R 12 593	R 13 097	R 13 620	R 14 165
<b>Rental</b>	R 1 778	R 3 819	R 3 024	R 3 744	R 2 400	R 2 000	R 2 200	R 2 288	R 2 380	R 2 475
Mandatory Grants - Transfers and subsidies to:	R 166 652	R 192 649	R 211 914	R 132 899	R 118 894	R 165 750	R 198 900	R 198 900	R 198 900	R 198 900
<b>Provinces</b>										
<b>Agencies and accounts</b>										
<b>Universities and Technikons</b>										
<b>Public corporations and private enterprises</b>	R 166 652	R 192 649	R 211 914	R 132 899	R 118 894	R 165 750	R 198 900	R 198 900	R 198 900	R 198 900
<b>Foreign governments and international organisations</b>										
<b>Non-profit institutions</b>										
<b>Households</b>										
Discretionary Grants - Transfers and subsidies to:	R 2 073 462	R 2 048 438	R 1 263 056	R 831 982	R 824 665	R 929 978	R 1 022 976	R 1 125 273	R 1 125 273	R 1 124 714
<b>Provinces</b>										
<b>Agencies and accounts</b>										
<b>Universities and Technikons</b>										
<b>Public corporations and private enterprises</b>	R 2 073 462	R 2 048 438	R 1 263 056	R 831 982	R 824 665	R 929 978	R 1 022 976	R 1 125 273	R 1 125 273	R 1 124 714



## **5.4 Programme 4: Quality Assurance**

### **5.4.1. Purpose**

This programme contributes to Outcome 5: “Transition towards implementation of occupational qualifications aligned to QCTO standards and requirements”. The purpose of this sub-programme is to accredit skills development providers and fulfil the QCTO delegated quality assurance of learner achievements function.

### **5.4.2. Description of the Programme**

---

This programme consists of four sub-programmes as outlined below:

1. Certification
2. Qualifications Development

### **2.4.1. Outcomes Outputs and Output Indicators**

---

This programme consists of four outcome statements. Each outcome has an outcome indicator(s) and a five-year target. Alignment of outcomes to the impact statement is as demonstrated below.



Payments for capital assets:	2017/18	2018/19	2019/20	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Buildings and other fixed structures</b>	89 169	64 127	8 976	-	-	5 000	-	-	-	-
<b>Machinery and equipment</b>	3 023	11 913	2 597	6 122	6 122	1 500	1 500	1 500	1 500	1 500
<b>Computer equipment</b>	4 599	8 854	2 695	7 550	7 550	5 500	2 000	2 000	2 000	2 000
<b>Software and other intangible assets</b>	17 008	31 826	29 168	73 662	73 662	37 000	25 000	15 000	10 000	5 000
<b>Motor vehicle</b>	5 153	6 977	-	-	-	-	2 000	-	-	2 000
Total Capital expenditure	118 952	123 697	43 437	87 334	87 334	49 000	30 500	18 500	13 500	10 500
<i>Note: Services SETA applies the accrual basis of accounting and assets are written off through depreciation which is a budgeted expense</i>										
Expenditure by Programmes	Expenditure outcome			Budget (Original)	Adjusted Appropriation	Medium-term expenditure estimate				
R thousand	2017/18	2018/19	2019/20	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>1. Administration</b>	927 809	713 331	519 314	444 939	443 805	R 476 197	R 495 245	R 515 055	R 535 657	R 557 083
<b>2. Skills Planning</b>	214 613	236 480	243 364	156 264	141 818	R 180 832	R 214 585	R 215 213	R 215 865	R 216 544
<b>3. Learning Programmes</b>	1 311 070	1 511 241	905 647	542 057	536 687	R 626 351	R 651 681	R 677 862	R 704 857	R 732 930
<b>4. Quality Management</b>	2 217	1 658	5 005	3 054	2 630	R 4 707	R 4 406	R 3 666	R 3 240	R 3 370
<b>TOTAL</b>	<b>R 2 455 709</b>	<b>R 2 462 710</b>	<b>R 1 673 330</b>	<b>R 1 146 314</b>	<b>R 1 124 940</b>	<b>R 1 288 087</b>	<b>R 1 437 752</b>	<b>R 1 545 619</b>	<b>R 1 551 412</b>	<b>R 1 556 878</b>

## Programme 1: Administration

Expenditure by Programmes	Actual Expenditure			Budget (previous)	Adjusted Appropriation	Medium-term expenditure estimate					
	2017/18	2018/19	2019/20			2020/21	2020/21	2021/22	2022/23	2023/24	2024/25
R thousand											
<b>Board Secretariat Services</b>	6 049	7 026	10 474	9 115	9 486	9 415	9 792	10 183	10 591	11 014	
<b>CEO</b>	233 351	98 895	55 792	36 969	25 233	24 124	25 089	26 093	27 136	28 222	
<b>Communication Marketing</b>	98 167	149 481	23 654	25 855	12 428	9 523	9 904	10 300	10 712	11 141	
<b>Compliance</b>	2 556	605	2	3 019	3 002	3 505	3 645	3 791	3 943	4 100	
<b>Legal</b>	42 449	61 969	21 101	8 246	9 328	15 533	16 154	16 800	17 473	18 171	
<b>Finance</b>	111 355	52 105	70 319	62 270	69 601	67 147	69 833	72 626	75 531	78 552	
<b>Human Resources</b>	208 303	188 762	204 864	181 100	202 038	217 054	225 736	234 766	244 156	253 922	
<b>Information Technology</b>	34 226	34 631	43 119	42 417	47 118	49 745	51 735	53 804	55 956	58 195	
<b>Infrastructure Development &amp; Facilities Management</b>	191 353	117 084	82 145	49 773	48 181	58 330	60 663	63 090	65 613	68 238	
<b>Internal Audit</b>	-	2 773	2 106	4 387	1 796	4 219	4 388	4 563	4 746	4 936	
<b>WSP Unit</b>				83	22	65	68	70	73	76	
<b>Core Business - EM Office</b>				3 192	1 512	1 518	1 579	1 642	1 708	1 776	
<b>Stipend Unit</b>			2 791	9 399	9 400	9 044	9 406	9 782	10 173	10 580	
<b>Records Management</b>	-	-	2 947	9 114	4 660	6 975	7 254	7 544	7 846	8 160	
<b>TOTAL</b>	<b>927 809</b>	<b>713 331</b>	<b>519 314</b>	<b>444 939</b>	<b>443 805</b>	<b>476 197</b>	<b>495 245</b>	<b>515 055</b>	<b>535 657</b>	<b>557 083</b>	

## Programme 2: Skills Development

Expenditure by Programmes	Actual Expenditure			Budget (previous)	Adjusted Appropriation	Medium-term expenditure estimate					
	2017/18	2018/19	2019/20			2020/21	2020/21	2021/22	2022/23	2023/24	2024/25
R thousand											
<b>Provinces</b>	4 532	12 922	6 718	2 376	955	1 100	1 144	1 190	1 237	1 287	
<b>Mandatory Grants</b>	166 653	192 641	211 914	132 899	118 894	165 750	198 900	198 900	198 900	198 900	
<b>Planning</b>	9 510	7 179	11 102	5 214	5 332	4 342	4 516	4 696	4 884	5 080	
<b>Stakeholder Relations</b>	1 569	671	96	112	32	22	23	24	25	26	
<b>Chambers</b>	32 350	23 067	13 534	15 663	16 605	9 618	10 003	10 403	10 819	11 252	
<b>TOTAL</b>	<b>214 613</b>	<b>236 480</b>	<b>243 364</b>	<b>156 264</b>	<b>141 818</b>	<b>180 832</b>	<b>214 585</b>	<b>215 213</b>	<b>215 865</b>	<b>216 544</b>	

## Programme 3: Learning Interventions

Expenditure by Programmes	Actual Expenditure			Budget (previous)	Adjusted Appropriation	Medium-term expenditure estimate				
	2017/18	2018/19	2019/20			2020/21	2020/21	2021/22	2022/23	2023/24
R thousand										
<b>Enterprise development</b>	1 316	520	430	8 040	5 505	10 601	11 301	11 866	12 222	12 589
<b>Learning Intervention</b>	950 461	1 178 219	776 301	381 453	406 052	465 343	483 957	503 315	523 448	544 385
<b>Artisan Development</b>	3 640	1 215	8 723	20 536	10 092	20 115	20 920	21 756	22 627	23 532
<b>Special Projects</b>	217 435	189 806	43 112	51 994	35 010	53 250	55 380	57 595	59 899	62 295
<b>Bursary Management</b>	138 218	141 481	77 081	80 034	80 028	77 042	80 124	83 329	86 662	90 128
<b>TOTAL</b>	<b>1 311 070</b>	<b>1 511 241</b>	<b>905 647</b>	<b>542 057</b>	<b>536 687</b>	<b>626 351</b>	<b>651 681</b>	<b>677 862</b>	<b>704 857</b>	<b>732 930</b>

## Programme 4: Quality Management

Expenditure by Programmes	Actual Expenditure			Budget (previous)	Adjusted Appropriation	Medium-term expenditure estimate					
	2017/18	2018/19	2019/20			2020/21	2020/21	2021/22	2022/23	2023/24	2024/25
R thousand											
<b>Qualifications</b>						-	-	-	-	-	
<b>Quality Assurance</b>	2 217	1 658	5 005	3 054	2 630	4 707	4 406	3 666	3 240	3 370	
<b>TOTAL</b>	<b>2 217</b>	<b>1 658</b>	<b>5 005</b>	<b>3 054</b>	<b>2 630</b>	<b>4 707</b>	<b>4 406</b>	<b>3 666</b>	<b>3 240</b>	<b>3 370</b>	

## 8. KEY RISKS

Table 14. Key Risks and Mitigation Strategies

Outcome	Risk	Mitigation
1. <b>Agile organisation with high levels of innovation, good governance and sound financial controls leveraging on ICT</b>	<ul style="list-style-type: none"> <li>- Non-compliance with governance, legislative prescripts and lack of integrated systems.</li> </ul>	<ul style="list-style-type: none"> <li>- Approved and implemented governance, compliance, risk and ICT frameworks in place</li> <li>- Establish effective internal control processes.</li> <li>- Business plans developed and aligned to ICT</li> <li>- Quarterly AFS prepared in line with year-end requirements</li> </ul>
2. <b>Stakeholder relationship management that facilitates skills development strengthened</b>	<ul style="list-style-type: none"> <li>- Failure to translate research findings into strategic decision making and qualification development.</li> <li>- Failure of the Services SETA to honour commitments to stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>-</li> <li>- Developed evaluation framework and research agenda.</li> <li>- Developed research protocol and report framework.</li> <li>- Approved and implemented planning programme in place</li> <li>- Keep records of commitments to stakeholder, implementation monitored regularly (Stakeholder Relations Management Strategy)</li> </ul>
3. <b>Capacitated entrepreneurial support ecosystem rendering relevant and innovative skills development and support to entrepreneurs</b>	<ul style="list-style-type: none"> <li>- Not satisfying relevance and demand from entrepreneurs and SGBs (Small and Growing Businesses)</li> </ul>	<ul style="list-style-type: none"> <li>- Programme of Action adopted by Accounting Authority for ECDi</li> </ul>
4. <b>Engaged sector employers that meaningfully invest in skills development and offer work-integrated learning opportunities</b>	<ul style="list-style-type: none"> <li>- Non-completion of learning programmes, employers not interested to host learners. Insufficient number of approved work places especially in rural areas to accommodate the training of apprentices</li> <li>- Learners placed in workplaces that went down because of lockdown</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure relevance of Services SETA offerings</li> <li>- Further strengthen integration and automate all manual process that is still utilised.</li> <li>- Synchronise internal processes with requirements of QCTO and NAMB</li> <li>- Database of approved and available workplaces</li> </ul>
5. <b>Transition towards implementation of occupational qualifications aligned to QCTO standards and requirements</b>	<ul style="list-style-type: none"> <li>- Inability to speedily develop new occupational qualifications/ re-align legacy qualifications into occupational qualifications and piloting the new qualifications for rolling out</li> </ul>	<ul style="list-style-type: none"> <li>- Chambers regularly engage with stakeholders. Stakeholder relations management.</li> <li>- Awareness campaign of Services SETA qualifications.</li> <li>- Capacitation of quality assessment partners</li> </ul>

**PART D**

---

**TECHNICAL  
INDICATOR  
DESCRIPTOR**

# REFERENCES

Department of Higher Education and Training (2013) The White Paper on Post-School Education and Training. Government Printers: Pretoria.

Department of Higher Education and Training (2012) The National Skills Development Strategy III. Government Printers: Pretoria.

Department of National Treasury (2010) The Framework for Strategic Plans and Annual Performance Plans.

Department of Public Service and Administration (2008) Human Resources Development Strategy for the Public Sector [online], Available: [http://www.dpsa.gov.za/hrd\\_documents.asp](http://www.dpsa.gov.za/hrd_documents.asp) [Accessed: August 2013]

Department of Trade and Industry (2012) Industrial Policy Action Plan [online], Available: [http://www.thedti.gov.za/nipf/IPAP\\_r1.pdf](http://www.thedti.gov.za/nipf/IPAP_r1.pdf) [Accessed: August 2013]

Economic Development Department (2012) The New Growth Path: Accord 1 - The National Skills Accord. Government Printers: Pretoria.

Services SETA (2017) Annual Report, Parktown, Services SETA  
<https://www.servicesseta.org.za/public/uploads/document/Services%20SETA%202019%20241019%20Final.pdf>

Services SETA (2018) Annual Report, Parktown, Services SETA,  
<https://www.servicesseta.org.za/public/uploads/document/Services%20SETA%20Annual%20Report%202018.pdf>

President Ramaphosa (2020). Statement by President Cyril Ramaphosa on further economic and social measures in response to the COVID-19 epidemic, Union Buildings, Tshwane, 21 April 2020

Rasool, H. (2020). COVID-19, Economy and Labour Market: Reforms for Post-School Education and Training. Labour Market Series Paper Two.FR Research.

South African Government. (2020). Risk-adjusted strategy for economic activity. Department of Cooperative Governance and Traditional Affairs, Government Printers, Pretoria.

Statistics South Africa (2020a) Gross Domestic Product, Fourth Quarter 2019 [online], Available: <http://www.statssa.gov.za/publications/P0441/P04414thQuarter2019.pdf>

Statistics South Africa (2020b) Business impact survey of the COVID-19 pandemic in South Africa [online], Available: <http://www.statssa.gov.za/publications/Report-00-80-01/Report-00-80-01April2020.pdf>

Statistics South Africa (2020c) Quarterly Labour Force Survey, Q4 2019 [online], Available: <http://www.statssa.gov.za/publications/P0441/P04414thQuarter2019.pdf>

<http://afrotame.co.za/index.php/2018/12/06/climate-change-may-be-responsible-for-your-hair-loss/> : December 6, 2018, Accessed on 05 May 2020

Sarah Shearman. (2017). <https://www.refinery29.com/en-us/2017/05/158677/beauty-industry-pollution> June 12, 2017 Accessed on 05 May 2020

South African Government (2009) Human Resource Development Strategy for South Africa: A nation at work for a better life. Government Printers: Pretoria.

South African Government (2009) Together Doing More and Better Medium-Term Strategic Framework: A Framework to Guide.

South African Government's Programme in the Electoral Mandate Period (2009 – 2014). Government Printers: Pretoria.

South African Government (1998) The National Skills Act 97 of 1998. Government Printers: Pretoria.

South African Government (2008) National Qualifications Framework Act 67 of 2008. Government Printers: Pretoria.