



Strategic Plan 2020/21-2024-2025



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

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AND TRAINING AUTHORITY



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FOREWORD BY THE MINISTER

The mandate of the Sector Education and Training Authorities is derived, in the main from the Skills Development Act 97 of 1998 as amended, which amongst others, directs SETAs to develop Sector Skills Plan (SSPs). In their Sector Skills Plans, SETAs must reflect and incorporate government priorities, especially those that address our priority developmental goals, that of tackling the triple challenges of poverty, unemployment and inequalities. The SSPs are intended to ensure that skills are not a constraint to the economic development of our country.

The mandate of the SETAs must be understood within our vision of the post-school education and training system of having an integrated, coordinated and articulated PSET system for improved economic participation and the social development of youth and adults. Critical to this vision is our challenge of addressing the plight of the youth that are Not in Education, Employment or Training (NEET), which is standing at over 3.4 million in the fourth quarter of 2022.

The White Paper for Post-School Education and Training (WPPSET) envisages the post-school education and training system as an important institutional mechanism

that must be responsive to the needs of society. Critical to this, is our transformational and developmental imperatives which include amongst others: class, gender, race, geography and youth, which must be reflected at all materials times in our SETA interventions. The Ministry of Higher Education, Science and Innovation is among the leading ministries for the 2019–2024 Medium Term Strategic Framework (MTSF) Priority 3: Education, Skills and Health, and the following medium-term outcomes have been identified:

- An integrated and coordinated PSET system.
- Expanded access to PSET opportunities.
- Improved success and efficiency of the PSET system.
- Improved quality of PSET provisioning.
- A responsive PSET system

The President launched the Economic Reconstruction and Recovery Plan (ERRP) in October 2020 pointing out to skills development, science and innovation as enablers in driving South Africa's economic reconstruction and recovery, but also key in sustaining it. In support of this initiative, the Department working with social partners at the National Economic Development and Labour Council (NEDLAC) & the



National Skills Authority, in the main developed the Skills Strategy to support the government's efforts to mitigate the impact of COVID-19 global health pandemic and the initiatives towards economic and social recovery.

The Economic Reconstruction and Recovery Plan Skills Strategy (ERRP SS) aims to support the Economic Reconstruction and Recovery Plan (ERRP), ensuring that it is not compromised by skills shortages. It is born out of the urgency for a well-coordinated strategy of skills development to support both the management of the COVID-19 global health pandemic and economic and social recovery. President Ramaphosa captured our determination to reset the South African economy when he said: "We are determined not merely to return our economy to where it was before the coronavirus, but to forge a new economy in a new global reality." As stated in the ERRP, South Africa is now on the threshold of an important opportunity to imaginatively, and with a unity of purpose, reshape its economic landscape.

The ERRP SS is located within the broader skills planning arsenal of the Post-School Education and Training (PSET) system, which promotes the use of labour market intelligence (including future work scenarios) to inform PSET provisioning. The Department of Higher Education and Training has identified skills needs in the form of the List of Occupations in High Demand, the Priority Skills List and the Critical Skills List (which it prepared on behalf of the Department of Home Affairs). The SETAs will continue to play a critical role in the implementation of the Skills Strategy to support Economic Reconstruction and Recovery Plan.

The National Skills Development Plan (NSDP) 2030 remains at the centre in directing how the skills development levy will be disbursed up to 31 March 2030. For this reason, the Sector Education and Training Authorities (SETAs) have been re-established until 2030,

in alignment with the National Development Plan to ensure that the SETAs focus on skills required for our socio-economic development. For the financial year, we aim at expanding the participation of young people in skills development programs as well as workplace based learning opportunities. We have surpassed the State of the Nation Address (SoNA) 10 000 Technical and Vocational Education and Training (TVET) target placements in 2022 leading to setting a target for 2023 of 20,000 TVET placements.

For the 2023/24 financial year, the entire SETA system has set itself the following targets, as part of expanding post-school opportunities:

- 107000 workplace-based learning (WBL) opportunities;
- 148000 learners registered in skills development programs;
- 22 000 learners entering artisanal programs;
- 20 500 learners passing artisanal trades;
- 31 300 learners completing learnerships; and
- 5 200 learners completing internships.

The SETA will enter into the Service Level Agreement with the Director-General of the Department and commit that 25% of all targets to be achieved on a quarterly basis, with 100% achievement in the last quarter of the financial year.

The SETA Annual Performance Plan (APP) provides a clear commitment to the delivery of our skills development priorities and targets for implementation during the 2023/24 financial year.

Dr. BE Nzimande, MP

Executive Authority of Higher Education, Science



ACCOUNTING AUTHORITY STATEMENT

It pleases me to present the Services SETA's Strategic Plan (SP) 2020/21-2024/25 update for 2023/24. This update occurs during a critical time for South Africa's economy and the post-education and training system (PSET). The country's economy is still struggling to recover from the devastation of the COVID-19 pandemic. While quarter 1 of 2022 registered a promising growth of 1,9%, quarter 2 of 2022 registered a low growth of 0,9%. The growth prospects are made even more difficult by global events of ever-rising inflation and a rise in energy costs which are driving the costs of living and exacerbating the already dire unemployment situation. In addition, climate change-related incidents observed in recent times in some parts of the country, like excessive rainfalls and droughts, require closer attention by the Services SETA to develop appropriate skills development interventions.

South Africa's Economic Reconstruction and Recovery Plan (ERRP) is more relevant today than ever. Its focus is on key industries to drive recovery, and growth needs support from all concerned, including Post School Education and Training (PSET) role players. The contact centre industry, included in the Economic Reconstruction and Recovery Skills Strategy (ERRSS), falls within the scope of the Services SETA. The Services

SETA will, therefore, lend its unwavering support to critical occupations identified in the ERRSS developed by the Department of Higher Education and Training (DHET). In addition, attention will be paid to small and medium enterprises, women, youth, people living with disabilities, and those residing in rural areas in line with the government's transformation agenda.

Informed by the Sector Skills Plan, this SP reflects on the ERRP and other critical government and DHET policies and strategies to support the recovery efforts of our economy, especially from a skills development perspective. The National Skills Development Plan 2030 (NSDP) remains a critical skills development policy guiding the mandate of the Services SETA. As we enter the fourth year of the NSDP, we need to reflect deeply on the progress made, notwithstanding the economic challenges outlined above.

Drawing heavily from internal reflections, this SP notes strides made regarding its alignment with key planning framework and guidelines and the implementation of the National Skills Development Plan 2030 outcomes. Progress has also been made concerning adherence to the Public Finance Management Act and related regulations, as reflected in the Annual Report 2021/22.



However, more work is still needed to realise the five-year targets, aligned to the Medium Term Strategic Framework 2020/21-2024/25, to increase the supply of a suitably qualified labour force, improve collaboration across the PSET system and build the capacity of supply for occupationally directed programmes.

The Annual Performance Plan 2023/24, an implementation plan of the SP, places greater emphasis on building supply capacity in Technical, Vocational Education and Training (TVET) and Community Education and Training (CET) colleges. In addition to supporting the NSDP goal of building TVET and CET capacity, this strategy by the Services SETA is informed by the government's programmes that seek to expand education and training opportunities to youth, not in employment education and training (NEET), including those residing in rural areas. These interventions will be implemented in line with the National District-Based Delivery Model based on engagements with provincial and district coordinators to ensure alignment with the Districts-Based Delivery Model's One Plan, which facilitates the integration of development interventions per district.

On behalf of the Accounting Authority, I would like to thank all our internal and external stakeholders for your unwavering and continued support. We invite you to support us again in our endeavour to support the government's efforts to revolutionise skills development through NSDP and economic growth through ERRP and the ERRSS.

Mr Stephen De Vries

Chairperson: Accounting Authority



CHIEF EXECUTIVE OFFICER

This Strategic Plan 2020/21-2024/25 (SP) update is developed in line with the frameworks and guidelines issued by the Department of Planning, Monitoring and Evaluation (DPME), a custodian of the government's planning policies and practices. Alignment with the National Development Plan (NDP), the Medium Term Strategic Framework (MTSF) and the National Skills Development Plan 2030 (NSDP) has been strengthened, shaping the mandate and vision of the Services SETA as demonstrated by internal and external reviews.

Processes leading to this SP's update recognise progress in achieving key milestones aligned to our impact statement and outcomes. There is demonstrable progress with regard to three outcomes with a focus on optimising internal operations, supporting industry participation, and building the supply capacity for the services sector. Organisational stability is reflected through improved performance, low attrition rate, especially at the governance and senior management levels, and labour stability. More work is required to enhance the ICT systems, business processes and financial management controls. A Responsive Strategy Implementation Plan reflected in this SP aims to guide the Services SETA to realise this goal – with a clear focus on organisational performance, finance, systems, people, stakeholder relationships, and governance.

Industry participation in Services SETA's programmes and offerings is increasing, despite a distressed economic environment, helping the Services SETA to fulfil its mandate. This is demonstrated by improvements in the submission rate of Mandatory and Discretionary Grants at the Services SETA – a proxy indicator of renewed trust in the SETA and employers' active participation in skills development initiatives. While the uptake of Services SETA skills development opportunities by small and medium enterprises has also increased, the impact of these interventions needs close monitoring and evaluation. It is equally prudent to build on the momentum gained to cement the relationship with business and labour as envisaged in the responsive strategy and expressed herein. We will also intensify our efforts to contribute towards B-BBEE and transformational imperatives in fulfilling our mandate.



Efforts to strengthen the Services SETA's capacity to supply occupationally directed programmes have received overwhelming support from labour, industry, and skills development providers. This level of support has facilitated the provision of required resources by management from the Accounting Authority as an oversight body. Through close collaboration with the above and the Quality Council for Trade and Occupations (QCTO), the Services SETA has been able to develop/align more than 50 qualifications in line with the QCTO's framework on occupationally directed qualifications. The implementation strategy of these qualifications is underway while simultaneously increasing the suit of available qualifications and skills programmes.

We recognise the hard work needed to realise our five-year learner enrolment and completion targets. Unfortunately, progress was hampered by the COVID-19 pandemic and the floods in KwaZulu-Natal and other parts of the country. However, leveraging the unwavering support from our government, labour and business, we do our utmost best to close these gaps in the remaining two years of the NSDP and the MTSF. I wish to thank the DHET, National Skills Authority (NSA), and the Services SETA Accounting Authority for their guidance and oversight, as well as labour and business, for their active participation in our learning interventions and strategic engagements, which shaped this SP update. I also want to thank the Services SETA staff for their devotion to its vision and mandate.

Mr Menzi Fakude

Chief Executive Officer



Official Sign-Off

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Services SETA under the guidance of Mr Stephen De Vries, the Chairperson of the Services SETA Accounting Authority.
- Takes into account all relevant policies, legislation, and other mandates for which the Services SETA is responsible.
- Accurately reflects the impact and strategic outcomes that the Services SETA will endeavour to achieve over 2020/21 – 2024/25.

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Glossary

| | | | |
|----------------------|---|-----------------|--|
| 4IR | Fourth Industrial Revolution | HRDS | Human Resources Development Strategy |
| AA | Accounting Authority | ICT | Information and Communication Technology |
| AET | Adult Education and Training | IT | Information Technology |
| AfCFTA | African Continental Free Trade Area | KPA | Key Performance Areas |
| AGSA | Auditor General South Africa | LRA | Labour Relation Act |
| APP | Annual Performance Plan | MICTSETA | Media, Information and Communication, Technologies SETA |
| ATR | Annual Training Report | MOU | Memorandum of Understanding |
| B-BBEE | Broad-Based Black Economic Empowerment | MTSF | Medium Term Strategic Framework |
| BPO | Business Process Outsourcing | NDP | National Development Plan |
| BUSA | Business Unity South Africa | NEET | Not in Employment, Education or Training |
| CATHSSETA | Culture, Art, Tourism, Hospitality, and Sport Sector Education and Training Authority | NGO | Non-Governmental Organisation |
| CBO | Community-Based Organisation | NGP | New Growth Path |
| CET | Community Education and Training | NQF | National Qualifications Framework |
| COIDA | Compensation for Occupational Injuries and Diseases Act | NSA | National Skills Authority |
| CoS | Centres of Specialisation | NSDP | National Skills Development Plan |
| COVID-19 | Novel Coronavirus disease | NSF | National Skills Fund |
| DG | Discretionary Grant | PESTEL | Political, Economic, Social, Technological, Legal, and Environmental |
| DHET | Department of Higher Education and Training | PFMA | Public Finance Management Act |
| DTI | Department of Trade and Industry | PIVOTAL | Professional Vocational Technical and Academic Learning |
| EME | Exempted Micro Enterprises | PSET | Post-School Education and Training |
| ERRP | Economic Reconstruction and Recovery Plan | QCTO | Quality Council for Trades and Occupations |
| ERRSS | Economic Reconstruction and Recovery Skills Strategy | ToR | Terms of Reference |
| ETD | Education, Training and Development | SARS | South African Revenue Services |
| FoodBev | Food and Beverages Manufacturing SETA | SETMIS | Skills Education and Training Management Information System |
| FP & SETA | Fibre Processing and Manufacturing SETA | SCM | Supply Chain Management |
| GDP | Gross Domestic Product | SDA | Skills Development Act |
| HEI | Higher Education Institution | SDLA | Skills Development Levies Act |
| HET | Higher Education and Training | SDMS | Skills Development Management System |
| HRD-SA | Human Resources Development for South Africa | SETA | Sector Education and Training Authority |



| | |
|-----------------|--|
| SIC | Standard Industrial Classification |
| SIP | Strategic Infrastructure Projects |
| SLA | Service Level Agreement |
| SMME | Small, Medium and Micro Enterprises |
| SOE | State Owned Enterprise |
| SP | Strategic Plan |
| SSP | Sector Skills Plan |
| STATS SA | Statistics South Africa |
| SWOT | Strengths, Weaknesses, Opportunities and Threats |

| | |
|---------------------|---|
| TERS | Temporary Employee/Employer Relief Scheme |
| TVET | Technical and Vocational Education and Training |
| WBL | Workplace Based Learning |
| WIL | Work Integrated Learning |
| WP-PSET | White Paper on Post-School Education and Training |
| W&R SETA | Wholesale and Retail SETA |
| WSP | Workplace Skills Plan |



PART A: **OUR MANDATE**



1. CONSTITUTIONAL MANDATE

Section 29 of the Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996) provides all South Africans with the right - (a) to basic education, including adult basic education; and (b) to further education, which the state, through reasonable measures, must make progressively available and accessible. To contribute towards the achievement of Section 29, the Services SETA provides access to education for all South Africans through programmes such as Artisans, Learnerships and Adult Education & Training (AET).

Furthermore, the Services SETA derives its constitutional mandate from the Bill of Rights (Chapter 2 of the Constitution of the Republic of South Africa, 1996) where it provides everyone with the right to Education (29), Access to information (32), and Just Administrative Action (33).

2. LEGISLATIVE AND POLICY MANDATE

2.1. Legislative Mandate

2.1.1. Skills Development Act (SDA)

Section 9 (1) of the Skills Development Act (Act No. 97 of 1998 as amended) empowers "the Minister of Higher Education and Training to establish Sector Education and Training Authorities (SETAs) for any national sector economy". The Skills Development Act mandates SETAs to:

- Develop and implement its Sector Skills Plan;
- Promote occupation-based learning programmes that include work experience;
- Register agreements for learning programmes; and
- Support and form partnerships with other agencies on matters related to skills development;
- Collect and disburse the skills development

levies allocated to it in terms of sections 8 and 9 of the Skills Development Levies Act in the Education, Training and Development (ETD) Sector

Key learning programmes for SETAs comprise on-the-job training/skills programmes, learnerships, internships, apprenticeships, and bursaries, with a particular focus on the unemployed, women and youth. To strengthen accountability on Services SETA's performance, the Department of Higher Education and Training (DHET) enters into a Service Level Agreement (SLA) with all SETAs. The copy of the Service Level Agreement between Services SETA and the Ministry for Higher Education and Training is attached in the Annual Performance Plan.

2.1.2. Skills Development Levies Act

The Skills Development Levies Act (Act No. 9 of 1999), as amended, makes provision for the funding of SETAs through levies collected from employers. In terms of the Skills Development Levies Act (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 the training of employees and prospective employees, and a further 20% is allocated to the National Skills Fund, which provides funds to support projects that are national priorities in the National Skills Development Plan.

SETAs distribute a portion of the funds back to employers upon receipt of Workplace Skills Plans and Annual Training Reports (WSPs/ATRs) – the maximum amount reimbursable is 20%. The levy system creates an incentive for employers to train employees and to support training to drive the skills development programme of the government. SETAs are allocated 10,5% of the budget to cover administration costs. The remaining 49,5% is reserved for discretionary grants – 80% of which should address Professional, Vocational, Technical, and Academic Learning (PIVOTAL) skills, with



the remainder reserved for other skills interventions. Currently, the Grant Regulations determine that the skills levy is not the only funding source for skills development in the sector. Many employers spend resources on training they do not report; learners often pay for their own studies; public providers such as Technical Vocational Education and Training (TVET) colleges and Higher Education Institutions (HEIs) receive funding independently. These resources do not fall under the managerial control of the Services SETA but are the basis for leveraging further investments in education, training, and partnerships. In addition, the Services SETA influences the expenditure of these resources through sector skills planning.

2.1.3. Public Finance Management Act

The Services SETA is a national public entity established in terms of Schedule 3 (Part A) of the Public Finance Management Act (PFMA) (Act No. 1 of 1991). Therefore, the Services SETA must conduct its financial affairs in line with the PFMA. The PFMA regulates financial management in the national government, provincial governments, and State Owned Enterprises (SOEs) to ensure that all their revenue, expenditure, assets, and liabilities are managed efficiently and effectively. It provides for the responsibilities of persons entrusted with the financial management of those governments or entities.

2.1.4. Broad-Based Black Economic Empowerment Amendment Act

The Broad-Based Black Economic Empowerment Amendment Act 2003 (Act No. 53 of 2003), as amended by Act 46 of 2013, is a form of economic empowerment initiated by the South African government with the goal of distributing wealth across as broad a spectrum of the black South African society as possible. It is measured through the B-BBEE Scorecard, a system comprised of seven elements, each with a certain weighting (points) attached. The elements are Ownership, Management

Control, Employment Equity, Skills Development, Preferential Procurement, Enterprise Development and Social-Economic Development.

Companies must comply with three priority elements on the B-BBEE scorecard for verification. These elements are:

- i. Ownership,
- ii. Skills Development and
- iii. Enterprise Development.

Skills development, as a priority element of the B-BBEE scorecard, measures the extent to which companies carry out initiatives designed to develop the competencies of black people internally and externally. The sub-minimum requirement for skills development is 40% of the total weighting points for skills development which, on the generic scorecard, is 20 points. It is further required that black women form between 40% and 50% of the beneficiaries of the relevant elements of the B-BBEE scorecard and that black people with disabilities, black youth, black people living in rural areas, and black unemployed people also form part of the beneficiaries.

The Services SETA is committed to contributing towards B-BBEE through its supply chain management (SCM) processes and enhancing access for blacks. It also supports employers in gaining efficiencies from investing in skilling interventions.

Socio-economic transformation is one of the key strategic focuses of the Services SETA. A dedicated Unit has been established under Strategic Partnerships and Collaborations department to monitor organisational transformation.

2.1.5. Other Key Legislations

- South African Qualifications Authority Act, 1995 (Act No. 58 of 1995)
- The National Qualifications Framework Act (Act



No. 67 of 2008)

- 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

2.2. Policy Mandate

2.2.1. The National Development Plan

The National Development Plan (NDP) aims to eliminate poverty and reduce inequality by 2030. The NDP has identified the following nine key areas to achieve a developmental approach that is sustainable and inclusive: Creating jobs and livelihoods; Expanding infrastructure; Improving education and training; Transforming urban and rural spaces; Transitioning to a low-carbon economy; Fighting corruption and enhancing accountability and facilitate rural and urban development projects that foster social cohesion.

This Strategic Plan (SP) and the Annual Performance Plan (APP) emphasize the priorities identified in the National Development Plan (NDP). In the immediate future, by setting up the Skills Development Centres' initiative, the Services SETA aims to address artisanal skills shortages identified by Occupational Teams that have been established for the Strategic Infrastructure Projects (SIPs). In the medium-term, in supporting the education agenda linked to this mandate, the Services SETA supports DHET's skills development and capacity-building initiatives which prioritise Work-based learning (WBL) through facilitating placement of TVET College graduates.

2.2.2. Human Resources Development Strategy (HRD)

Human Resource Development Strategy for South

Africa (HRD-SA) 2010 –2030 has three clear goals to: (i) reduce levels of poverty and unemployment in South Africa; (ii) promote justice and social cohesion through improved equity in the provision and outcomes of education and skills development programmes, and (iii) improve national economic growth and development through improved competitiveness of the South African economy.

The Services SETA plays an intermediary role in facilitating the programmatic interventions of the strategy over the long, medium and short-term. The aim is to ensure a coordinated and continuous dialogue with stakeholders to lay the foundation for collaboration to address scarce, critical and priority skills needed for the services sector. Through the Entrepreneurship and Cooperative Development Initiative, the Services SETA aims to support the growth and development of emerging and growing Small, Medium and Micro Enterprises (SMMEs) and cooperatives with a specific focus on women, youth and people with disabilities.

2.2.3. White Paper on Post-School Education and Training

The White Paper on Post-School Education and Training (WP-PSET) focuses on improving the quality of TVET colleges, which entails the development of appropriate programmes; upgrading of lecturer qualifications; capacity building for management and governance; improved learner support; utilising appropriate information technology (IT) systems for learning and management; and building strong partnerships between colleges and employers in the public and private sectors. The Services SETA has established strategic partnerships and collaborations with TVET colleges, Community Education and Training (CET) Colleges and Universities aimed at ensuring improved access to quality learning programmes, increased relevance of skills development interventions, and building strong partnerships between stakeholders and social partners. The focus is on TVET colleges based in



rural areas.

2.2.4. National Skills Development Plan

The National Skills Development Plan (NSDP) 2030 is a 10-year plan that “seeks to ensure that South Africa has adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development”. The NSDP time frames are aligned with the NDP’s targets for 2030 and straddle two MTSF periods (2020/21-2024/25 and 2025/26-2029/2030). The NSDP contains eight outcomes that guide its implementation. In summary, the outcomes emphasise developing basic and technical skills, specifically focusing on historically disadvantaged individuals.

The NSDP implores SETAs to aim to facilitate and co-finance training for approximately 10% of the workforce annually. Crucially, the NSDP urges SETAs to collaborate closely with employers to strengthen workplace learning. This Strategic Plan ensures alignment between the NSDP outcomes and the impact statement, outcomes, and outputs. Targets set directly address the NSDP outcomes and the NDP goals and are aligned with the government’s five-year MTSF. There is also a strong emphasis on promoting workplace learning to promote the quality throughput of graduates to support the sector. The APP targets provide the most unambiguous indication of the alignment of the SP’s outcomes to NSDP outcomes.

2.2.5. NDP Five-Year Implementation Plan

The Services SETA, as an entity falling under the oversight of the DHET, supports the DHET in implementing its NDP Five-Year Implementation Plan: 2019-2024. The government has identified seven priorities derived from the Electoral Mandate and the State of the Nation Address which informs the Medium Term Strategic Framework (2020/21-24/25):

- Priority 1: Economic Transformation and Job Creation;

- Priority 2: Education, Skills, and Health;
- Priority 3: Consolidating the Social Wage through Reliable and Quality Basic Services;
- Priority 4: Spatial Integration, Human Settlements and Local Government;
- Priority 5: Social Cohesion and Safe Communities;
- Priority 6: A Capable, Ethical and Developmental State; and
- Priority 7: A better Africa and World.

Priority 2, Education, Skills, and Health, is relevant to the Department of Higher Education and Training. This priority contributes to the second NDP pillar, the Capabilities of South Africans. To implement these priorities, the DHET has identified five Outcomes which have a direct bearing on the Services SETA:

- Outcome 1: Expanded access to PSET opportunities;
- Outcome 2: Improved success and efficiency of the PSET system;
- Outcome 3: Improved quality of PSET provisioning;
- Outcome 4: A responsive PSET system; and
- Outcome 5: Improved employability of youth through skills training.

The Services SETA’s impact statement and outcomes are closely aligned to this Implementation Plan, as will be illustrated in the ensuing section of this Strategic Plan, with clear annual targets as expressed in the Annual Performance Plan attached herein.

2.2.6. New Growth Path

New Growth Path (NGP). The New Growth Path identifies five job drivers: Infrastructure for employment and development; Seizing the potential of new economies; Improving job creation in employment; Investing in social capital, and Spatial development.



Services SETA's response to NGP is to identify skills development to support infrastructure for employment and development needs that provide opportunities for sector role-players, including learners, employment creation, small business expansion and rural development. The current focus of the Services SETA is entrepreneurship and cooperatives development. This is largely because research indicates that small enterprises and the informal sector dominate the services sector. It is important to assist these enterprises in growing sustainably. A further intervention is the development of a suit of occupational qualifications to meet current industry needs to enable the services sector entrepreneurs to thrive.

2.2.7. National Skills Accord

The National Skills Accord is an outcome of a dialogue between the government, labour, and business to support the New Growth Path to speed up the process of creating new jobs annually. The parties have identified eight commitments they can each make on training and skills development. All eight commitments speak directly to the mandate of SETAs and form the key foundation of the Services SETA's strategic intent, pursuant to the implementation of the NSDP 2030.

The Services SETA's contribution to the National Skills Accord is primarily through investment in artisanal training-related interventions, including funding provided to Centres of Specialisation (CoS) and additionally through the placement of TVET learners on work-integrated learning in the public and private sector; and the significant allocation of resources to artisan development.

2.2.8. Economic Reconstruction and Recovery Plan

In response to the continued decline in GDP growth and the debilitating impact of COVID-19 on the economy, the government of South Africa formulated the Economic

Reconstruction and Recovery Plan (ERRP). The plan aims to foster an economic rebound from the pandemic and build the future economy. The plan has identified vital economic sectors likely to drive recovery faster. The Department of Higher Education, Science and Innovation has developed an Economic Reconstruction and Recovery Skills Strategy (ERRSS) to support this initiative. The Services SETA has identified scarce and critical skills prioritised by the DHET through the ERRSS for inclusion in the Sector Skills Plan (SSP) 2023/24 and with targets set out in the Annual Performance Plan 2023/24 and the Service Level Agreement signed between the Services SETA's Accounting Authority and the Minister of Higher Education, Science and Innovation.

3. INSTITUTIONAL POLICIES AND STRATEGIES OVER THE FIVE-YEAR PLANNING PERIOD

3.1. Institutional Policies

The Services SETA has two broad types of policy approaches: (1) governance and (2) operational. The Accounting Authority (AA) is responsible for governance policies that cover the governing body's vision and mission of Services SETA, their accountabilities, attendance, codes of conduct, commitments, conflict of interest, decision-making, financial prudence, governance values, leadership, ethics, roles and responsibilities, and a range of related cultural matters. They also include policies on the governing body's delegations to top management and staff and interactions with the broader community and stakeholder base. Operational policies are delegated to the executive management. These include policies on:

- Discretionary Grants;
- Delegation of Authority and Approval Framework;
- Supply Chain Management, Human Resource Management; and



- Organisational Compliance and Enterprise Risk Management.

Management initially develops and oversees these policies, with the Governance, Risk and Compliance Committee reviewing and the Accounting Authority finally approving them.

3.2. Institutional Strategies

3.2.1. Funding Strategy

The Services SETA is committed to implementing NSDP 2030 and supporting the government's priority programmes whilst maintaining financial viability. There has been promising progress regarding the revenue and reserves status of the Services SETA, enabling the SETA to address the legacy of commitments. This is primarily due to the turnaround funding strategy, which includes a review of the delivery model, including the Discretionary Grant policy and Business process optimisation adopted by the management of the Services SETA with the support of the AA. The ultimate goal is to ensure the successful implementation of the NSDP by supporting priority programmes whilst maintaining financial viability.

3.2.2. A Responsive Strategy Implementation Plan

To adequately align the Services SETA's SP to its vision and mandate, the management, with the guidance of the Accounting Authority, developed a responsive strategy implementation plan with a clear focus on organisational performance, finance, systems and business processes, people, stakeholder relations and governance. Summarised below are key activities for each focus area of the strategy.

Table 1: Responsive Strategy

| Focus Area | Description |
|---------------------------------------|--|
| Organisational Performance | Drive organisational performance to deliver effectively on NSDP2030 mandate and ensure responsiveness to sector skills needs as informed by ongoing labour market research, sector skills plan, strategic plan and annual performance plan. |
| Finance | Strive for effective use of resources to ensure financial sustainability to meet the mandate through improving financial controls and implementing and monitoring commitments. |
| Business Processes, including systems | Improve and align business processes to ensure efficiencies in delivering the Services SETA strategic goals and Enhance Information and Communication Technology (ICT) infrastructure and system, including integrating systems and platforms to optimise operational efficiencies. |
| People | Our people are central to achieving desired performance. The Services SETA aims to invest in employees' capabilities to drive a culture of continuous personal development and high performance. |
| Stakeholder Relationship | A healthy working relationship is critical to the success of the Services SETA. The Services SETA will continue to build, strengthen and maintain a good relationship with its internal and external stakeholders. |
| Governance | Risk management and organisational compliance are critical governance functions. The Services SETA strives to promote good governance by early detection of strategic risks and mitigation thereof. Improved organisational compliance will ensure adherence to critical legislative prescripts. |



3.2.3. Sector Skills Priorities

The Strategic Plan is informed by the following intervention areas as identified in the SSP:

1. **Foster Inter-SETA collaboration and industry partnerships to promote SMME development in the services sector –**

The South African Government's ERRP and NDP place 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". The Services SETA aims to work collaboratively with the Media, Information and Communication, Technologies SETA (MICTSETA); Food and Beverages (FoodBev) SETA; The Fibre Processing and Manufacturing SETA (FP&SETA); Construction Education and Training (CETA) SETA; Wholesale and Retail SETA (W&RSETA); and the Culture, Art, Tourism, Hospitality and Sport SETA (CATHSSETA) to support the development and growth and SMMEs. Memorandums of understanding (MOUs) have been concluded, and the relevant SETAs are working on a concept paper for implementation.

2. **Secure workplace training opportunities working in collaboration with the industry, employers and the SETA**

The Services SETA aims to work closely with industries to implement learning interventions. The priority is the mobilisation of the industry to participate in work-place based learning initiatives to ensure good quality of workplaces and improved throughput. Collaboration with other SETAs in this space is critically important and will be explored.

3. **Work with the QCTO and industry role players to complete and implement registered occupationally directed qualifications**

Several Services SETA qualifications are either outdated, have expired or are not aligned to the QCTO's occupationally directed qualifications

framework. Working with the industry and QCTO, the Services SETA will continue to update these qualifications and ensure alignment with the prescribed framework.

4. **Strengthen alignment between industry needs and Services SETA supply through research, implementation, and structured M&E**

Rapid developments in the South African economy, as brought about by ICT and the COVID-19 pandemic, require SETAs to conduct regular and relevant research to inform decision-making processes and training interventions. The Services SETA will foster closer collaboration with industry partners, businesses, and labour and university research institutions to conduct relevant and up-to-date research. Internal business operations will be streamlined to ensure efficient and effective implementation of learning interventions and timely monitoring and evaluation of impact.

5. **Implementation of an organisational-wide M&E Framework to improve performance management**

To inculcate a high-performance culture with impact, the Services SETA is developing an M&E framework that will integrate management performance and institutional (delivery) performance standards. The framework will draw from the Government-Wide Monitoring & Evaluation system and frameworks for Evaluation, Performance Standards (Monitoring), and Social, Economic and Demographic Statistics. The Theory of Change will be used to guide the monitoring and evaluation (M&E) framework to adequately measure the impact of Services SETA's skills development interventions.



4. RELEVANT COURT RULINGS

Regulations on Monies received by SETAs and related matters were promulgated in July 2013. The Business Unity South Africa (BUSA) versus DHET court case is bound to impact the implementation of this plan. 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.

In the plan for 2023/24, the Discretionary Grant (DG) allocations have been based on the Grant Regulations' determination of 20%. In line with this budget plan, the available DG amount is R1,562b. At the implementation of the court ruling above, the DG amount available will be R712,5m, and this outcome will have a severe impact on the Services SETA's ability to execute its mandate in line with the Strategic Plan 2020/21-2024/25 and Annual Performance Plan 2023/24 predetermined objectives.



PART B:

OUR STRATEGIC FOCUS



1. VISION

To Serve, to Deliver, for Renewal, for Prosperity.

2. MISSION

Facilitation of quality skills development for employment and entrepreneurship in the Services Sector for national economic growth.

3. VALUES

- Accountability
- Innovation
- Integrity
- Professionalism
- Responsiveness

4. SITUATIONAL ANALYSIS

4.1. External Environment Analysis

4.1.1. Overview of the services sector

As demarcated by the Department of Higher Education and Training, the services sector refers to the 68 Standard Industrial Classification (SIC) Codes. The 68 industries have been divided into six chambers and 16 subsectors for operational purposes.

Figure 1: Service SETA Chambers and Sub-sectors

| | | |
|---|-------------------------------------|---|
|  | Cleaning & Hiring Services | <ol style="list-style-type: none"> 1. Hiring services 2. Household services 3. Cleaning services |
|  | Communications & Marketing Services | <ol style="list-style-type: none"> 1. Marketing services 2. Contact Centres 3. Postal Services |

| | | |
|--|--------------------------------|--|
|  | Labour & Collective Services | <ol style="list-style-type: none"> 1. Labour Recruitment Services 2. Collective Services |
|  | Management & Business Services | <ol style="list-style-type: none"> 1. Business Services 2. Project Management |
|  | Personal Care Services | <ol style="list-style-type: none"> 1. Hair care 2. Beauty Treatment 3. Funeral services 4. Fashion |
|  | Real Estate & Related Services | <ol style="list-style-type: none"> 1. Real Estate Services |

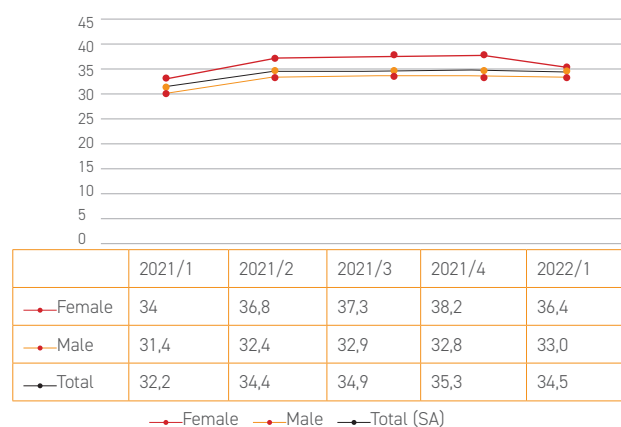
The Services SETA is one of the two largest SETAs in terms of the number of employers falling within its scope. Approximately 187,491 employers fall within its demarcation (as of February 2022). Of the 187,491 employers, about 30,836 (21%) pay skills levies received by the Services SETA. In terms of geographic spread, employers of the services sector are found in all nine provinces of South Africa, but with a high concentration in three developed and industrialised regions of Gauteng, Western Cape, and KwaZulu-Natal. Proportionally, most employers are in the Management and Business Services Chamber with 150,835 (80%) employers, followed by Real Estate and Related Services Chamber with 14,666 (8%) employers, with the lowest numbers recorded in the Labour and Collective Services Chamber.

The persistent decline in economic growth has had a correlating impact on jobs and employment levels. As Figure 2 illustrates, the levels of unemployment have witnessed an upward movement in the last five quarters. Women's unemployment levels remained



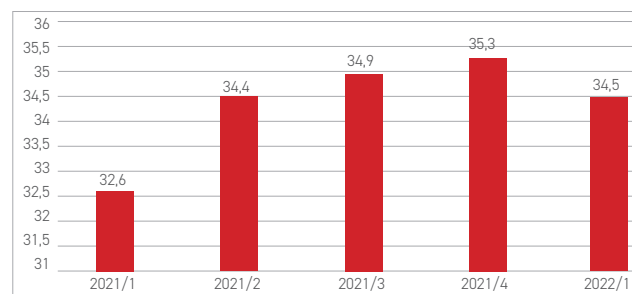
constant relative to the total South African average and men's, respectively. For the same period, 46,3% of youth aged 15-34 years were not in employment, education, or training (NEET).

Figure 2: Unemployment rates by gender (Q1 2020



Source: Statistics South Africa, 2021b

Figure 3: Unemployment rates, Q1 2020-Q1 2022– Q1,2022)



Source: Statistics South Africa, 2021b

GDP data indicates that the services sector is the largest industry in the South African economy and, as a result, also the largest employer. Employment in the services sector labour force is mainly in the low-level, low-paying occupational categories, namely: clerical, elementary and domestic, and is dominated by women. The implication for skills development is that the sector should strike a proper balance between training for productive industries 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.

The majority of the labour force nationally (Stats SA) is women. The labour force is also relatively youthful, with more than a third comprising individuals below the age of 35 – an official definition of youth in South Africa. Africans constitute nearly 76% of the labour force in this sector. The key role-players in the services sector include the Services SETA Accounting Authority, Employers, Trade Unions, Government Departments, Industry bodies and associations, TVET Colleges, CET Colleges and Universities and Service Providers.

Along with major world economies, the South African economy faces a serious growth challenge. As pointed out earlier, the Services SETA's scope of coverage overlaps with several industries as defined by the World Trade Organisation and Stats SA. Analysis of the service industries that fall under the Services SETA purview includes Finance, Real Estate, Business Services and Personal Services.

Research indicates that the South African economy has not fully recovered from the effects of the COVID-19 pandemic. Despite the promising signs of recovery with the easing of lockdown regulations, economic growth as measured in Gross Domestic Product (GDP) terms has not fully recovered. The economy grew by a low average growth of 1.9% in Quarter 1 of 2022, following an increase of 1.4 in Quarter 4 of 2021. Recent global events such as high inflation rates and widespread increases in interest rates are the clearest indicator that the economy is in for a long ride from the recovery perspective. Increases in commodities such as gas, oil and certain food items are likely to exacerbate an already worse situation. The effects of the war between Russia and Ukraine are yet to filter through, given their role in the world's commodities in the form of gas, oil, and grain.

Regarding the industry's performance, the manufacturing sector performed better, followed by trade and finance. The financial sectors, where most



of the Services SETA industries fall under, grew by 0,4% along with trade. Overall, the services sector is struggling to recover from years of underperformance, superimposed by the devastation wrought by the COVID-19 pandemic.

Regarding subsector contribution, firstly, the services sector shows growth, from R1,052,826 million in 2020 to R1,129,555 million in 2021. This growth occurred within the four chambers, with labour and collective services being the most significant contributor to the GDP, followed by personal care services, management and business services and cleaning and hiring services. Secondly, a decline has been seen in the communications and marketing services as well as the real estate and related services being disproportionately affected.

4.1.2. Skills demand analysis

Drawn from the SSP's research, this section reflects briefly on change drivers for skills demand in the services sector, skills scarcity and plans to address the skills demand and supply mismatch.

COVID-19

As discussed above, 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). In the aftermath, we can expect organisational structures to change in varying degrees, depending on the nature of business activities. Subsectors impacted include Beauty Treatment Services; Hair care Services; Recruitment Services; Funeral Services, and Cleaning Services. The implication of these key skills change drivers are primarily on how work is performed (remote working) and the pressure on companies to forcefully diversify

or downscale and embrace technology for conventional work practices.

Information and Communication Technology

The impact of ICT on the services sector transcends all industries to varying degrees. At the core of this impact is the need to do business differently, leveraging opportunities presented by the Fourth Industrial Revolution (4IR). For employers, this means the possibility of reducing 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 the workforce to avoid possible job losses. Digital communication platforms, the growth of e-commerce, and global industry and customer access are some prominent trends driving the services sector. Technology has impacted the design, form, and nature of the interaction between sellers and buyers. This impact traverse sub-sectors such as real estate, business management, contact centres, recruitment, and collective bargaining.

Globalisation

As higher levels of integration due to globalisation continue, business in most sectors is experiencing higher levels of competition. In addition, emerging and developing economies are seen as new engines of growth as companies continue to look for new locations for business investment. It is further expected that the global Services Sector will continue to drive global trade (World Bank Group, 2016), where contact centres play a significant role in supporting business operations through global process outsourcing. Furthermore, the African Continental Free Trade Area (AfCFTA) agreement which unites 54 of the 55 members of the African Union, entered into force on May 30, 2019, creating the largest trade bloc in the world, uniting 1.3 billion people in a \$3.4 trillion economic bloc. The AfCFTA aims to boost intra-African trade by promoting services penetration, among others. It is one clear example of the commitment to globalisation as an evolving means to improve competitiveness and access to new markets.



The Hair Care industry tends to be highly informal, and entry into the business is not controlled. Employers in this subsector stated that products were being distributed in the African market that have been banned in Europe and North America. Trends observed in formal hair care companies have seen a decrease in the number of young new entrants and an increase in the availability of consumer products and hair care practitioners from across the African diaspora operating in South Africa. Regarding implications for skills planning, there is a growing demand for qualified hairstylists in the Afro-hair industry.

Climate Change and Green Economy

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 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. A reduced need for washing textiles, biotechnological innovations leading to improved cleaning performance, and higher concentrations of environmentally friendly cleaning formulas affect the cleaning sector.

Pressures around protecting the environment, preserving natural resources, and energy conservation affect the personal care and real estate sectors. Green funerals are becoming the choice for most consumers (Lukstins, 2015)¹. Local cemetery green burial policies are introducing local burial restrictions to citizens. The hair industry is under increasing pressure to use chemicals that are not harmful to the environment and users.

Economy

As pointed out in chapter 1, the South African economy experienced a serious contraction last year. The COVID-19 pandemic exacerbated an already worse situation. The services sector which is the backbone of South Africa's economy, was disproportionately affected by the pandemic. This sector has not fully recovered from these setbacks, as demonstrated by the GDP figures for Q1 2021. The decline in economic growth has had a knock-on effect on employment as many companies closed or were forced to lay off staff to reduce expenditure. The current situation will require innovation to keep businesses afloat and grow the economy.

The Reconstruction and Recovery Skills Strategy provides further clarity for alignment with skills planning initiatives of the Services SETA. Analysis of hard-to-fill vacancies in the services sector identified 52 occupations where searching 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 National Qualifications Framework (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 4IR. A list of priority occupations (PIVOTAL list) emanating from the lists of hard-to-fill vacancies or skills gaps is enclosed in the SSP.

¹ Green practices include offering alternatives to chemical embalming, local green burial options, eco-friendly products, such as biodegradable caskets and urns, and other services and products that appeal to the environmentally-conscious consumer.



4.2. Internal Environment Analysis

4.2.1. PESTEL and Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

In addition to considering major change drivers for skills demand and supply for the services sector, detailed PESTEL and SWOT analyses were conducted. These trends have informed the development of strategic goals and objectives to steer the Services SETA on its path to deliver on its mandate. Noteworthy PESTEL, Table 2, the analysis points to a dire economic

environment and its impact on skills development budgets. This will significantly impact the labour market as funding is reprioritised. This challenge is only partly mitigated by the confluence between decreased costs and increased accessibility associated with technology, the ever-increasing competency of Services SETA human resources and more flexible commuting and working practices, which are increasingly possible in a 'connected' world. The rapidly changing technology landscape, fuelled by the advances of 4IR, will mean an increasing urgency for the Services SETA to work proactively.

Table 2: PESTEL Analysis

| Politics | Economic |
|--|---|
| <ul style="list-style-type: none">Legislative mandate – Skills Development Act, Skills Development Levies Act, the Constitution.Policy mandate – MTSF (2019-2024), NDP, NSDP 2030, White Paper on Post-School Education and Training.The transition from historical to occupational qualifications.The increased role of CET, TVET, and HEI in skills development provisioning. | <ul style="list-style-type: none">Low growth of GDP impacting skills levies revenueIncrease in business rescue and international benchmark/standards.Align skills development interventions to support the Economic Reconstruction and Recovery Plan (ERRP).Green economy – relevant training interventions to meet the skills demand. |
| Social | Technology |
| <ul style="list-style-type: none">High level of unemployment at the national level.The cumulative decline in employment rates in the services sector in the last two years.Access to Work-Integrated Learning (WIL) for TVET graduates.Ailing education and health systems.High levels of social problems, i.e., poverty, crime, GBV, substance abuse, teenage pregnancy.Disproportionate access to learning: infrastructure and geographical spread.Collaboration and Partnerships with other public entities may broaden access. | <ul style="list-style-type: none">Need to regularly update skills and re-train for the workforce replaced by technology.4IR presents opportunities for new businesses.Cyber security and related digital skills.Disproportionate access to learning: devices and data.Low and variable speed/ bandwidth.Opportunity to create a more equal society.Online and open education opportunities are created. |



| Environment | Legislation |
|---|--|
| <ul style="list-style-type: none"> • Climate change – impact on business operations – eco-friendly, adaptation environment legislation. • Environmental preservation - reduce carbon emissions – appropriate skills. • Climate change creates opportunities for entrepreneurship and innovation. • Environmental, Social, and (Corporate) Governance. | <ul style="list-style-type: none"> • Labour Relations Act (LRA) – basic conditions of employment; Minimum Wage Act. • Compensation of Occupational Injuries Act (COIDA). • Protection of Private Information. • B-BBEE. • National Treasury Legislation and Regulations impede public-private partnerships. |

The Services SETA's internal strengths and weaknesses and the external opportunities and threats referenced earlier were evaluated to provide a basis for re-aligning, re-prioritising and refining the NSDS's outcomes. The purpose of the analysis is for the Service SETA to optimise identified strengths, harness opportunities,

offset identified weaknesses and mitigate threats. The SWOT analysis findings have been integrated into the Services SETA's strategic responses and are also addressed in more detail in our Annual Performance Plan. There is a strong correlation between the SWOT analysis and our internal environment analysis.

Table 3: SWOT Analysis

| Strengths | Weaknesses |
|---|--|
| <ul style="list-style-type: none"> • Stable leadership and Governance. • Committed stakeholders and employees. • Research capacity to guide towards relevance. • Investment in research to improve evidence-based planning with industry. • Strong brand – highly regarded by key stakeholders. • Enjoy legislative mandate to implement skills development. • Regular performance monitoring and evaluation of impact to ensure alignment with the mandate. | <ul style="list-style-type: none"> • Integration of systems and business processes. • Inadequate delivery model – resulting in the slow implementation of learning interventions. • Centralisation of services and operations. • Ageing commitments with multi-years implementation. • Expired historical qualifications and transition to occupational qualification, identification, and capacity to supply. • Funding and implementation of Occupational Qualifications may reduce the number of learners enrolled. |



| Opportunities | Threats |
|---|---|
| <ul style="list-style-type: none"> • Organisational Design to ensure alignment of organisational structure, skills, and business processes with strategic objectives and NSDP 2030 policy. • Improvement in the automation of core business and support processes through system development, with a partial deployment. • Improvement in system functionality and integration requiring deployment, training and skills transfer to embed usage. • Strong focus and presence in entrepreneurship and co-operatives development. • Increased demand for skills development due to economic decline and increased unemployment. • Align services sector skills in demand/needs with the implementation of the annual performance plan to ensure the supply of critical, prioritised and hard-to-fill vacancies. • Decentralisation of services to reach remote areas. | <ul style="list-style-type: none"> • Negative audit outcomes. • BUSA court judgement – impact on available discretionary grants. • The high number of the small and informal sectors – resulting in low revenue and participation in skills development. • Employers and Public Higher Institutions lack of support to implement occupational qualifications. • Low rate of participation by employers in workplace training through WSP/ATR. • The decline in employment rates in the services sector in the last two years. |

4.2.2. Compliance with B-BBEE

The Services SETA considers Broad-Based Black Economic Empowerment (B-BBEE) and transformation vital in achieving its mission. The Services SETA is being measured on the Generic Specialised Scorecard as gazetted by the Department of Trade and Industry (Dti). One of the critical avenues through which B-BBEE is pursued is through preferential procurement. Preferential procurement measurement is based on suppliers awarded via the tender or request for quotation processes. The Services SETA procures goods and services from Exempted Micro Enterprises (EME), 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 is ongoing when there is a new allocation. The initiative entails a comprehensive project management offering administered by a reputable service provider. The 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 and skills programmes in line with business support and to assist SMMEs with uploading the documents in the Learner Management Information System for accreditation, which is desktop evaluation. The progress so far is stable and satisfactory.



The Services SETA has contributed towards various initiatives to improve non-profit organisations (NGOs) and the well-being of the beneficiaries. These contributions align with the organisations' Socio-Economic policy and the B-BBEE 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 a positive outcome.

4.2.3. Transformation imperatives

In line with the government's transformation agenda, the Services SETA has targeted designated groups as outlined below. This performance will be maintained and even improved over the MTSF period.

Table 4. Services SETA and Transformation

| Learning Intervention | Enrolment 2021/22 | Employed | Unemployed | Female | Black | Youth | Rural |
|---|-------------------|--------------------|--------------------|---------------------|---------------------|---------------------|--------------------|
| Adult Education and Training (AET) | 350 (2%) | 0 (%) | 350 (4%) | 222 (2%) | 122 (1%) | 282 (2%) | 115 (2%) |
| Artisans | 355 (2%) | 0 (%) | 355 (4%) | 178 (2%) | 315 (2%) | 346 (3%) | 76 (1%) |
| Bursaries | 1,627 (11%) | 443 (10%) | 1,184 (12%) | 1,023 (10%) | 1,494 (12%) | 1,388 (12%) | 179 (3%) |
| Candidacy Programmes | 216 (2%) | 0 (%) | 216 (2%) | 150 (1%) | 188 (1%) | 169 (1%) | 59 (1%) |
| Higher Education Training (HET) Graduates | 359 (3%) | 0 (%) | 359 (4%) | 237 (2%) | 355 (3%) | 324 (3%) | 138 (3%) |
| Internships | 427 (3%) | 0 (%) | 427 (4%) | 323 (3%) | 416 (3%) | 412 (4%) | 162 (3%) |
| Learnerships | 4,520 (31%) | 703 (16%) | 3,817 (39%) | 3,465 (33%) | 4,035 (31%) | 3,720 (32%) | 1,518 (29%) |
| Recognition of Prior Learning | 144 (1%) | 0 (%) | 144 (1%) | 106 (1%) | 128 (1%) | 93 (1%) | 37 (1%) |
| Skills Programmes | 5,896 (41%) | 3,274 (74%) | 2,622 (27%) | 4,388 (42%) | 5,415 (42%) | 4,508 (39%) | 2,769 (54%) |
| TVET Placements | 375 (3%) | 0 (%) | 375 (4%) | 297 (3%) | 363 (3%) | 346 (3%) | 113 (2%) |
| TOTAL | 14,269 | 4,420 (31%) | 9,849 (69%) | 10,389 (73%) | 12,831 (90%) | 11,588 (81%) | 5,166 (36%) |

Source: Services SETA Annual Report, 2022



As illustrated above, for the financial year 2021/22, more than 14,000 learners participated in Services SETA offerings. The majority of beneficiaries were unemployed black female youth. More work needs to be done to expand access to education and training for people living with disabilities and those residing in rural areas. Skills development centres are primarily aimed at addressing these shortcomings. To date, seven skills development centres have been constructed in rural municipalities. An implementation strategy is being rolled out that will see the Services SETA collaborating with other SETAs to utilise these centres to address skills needs in rural areas. Regarding equity, 73% and 90% of beneficiaries are women and black, respectively.

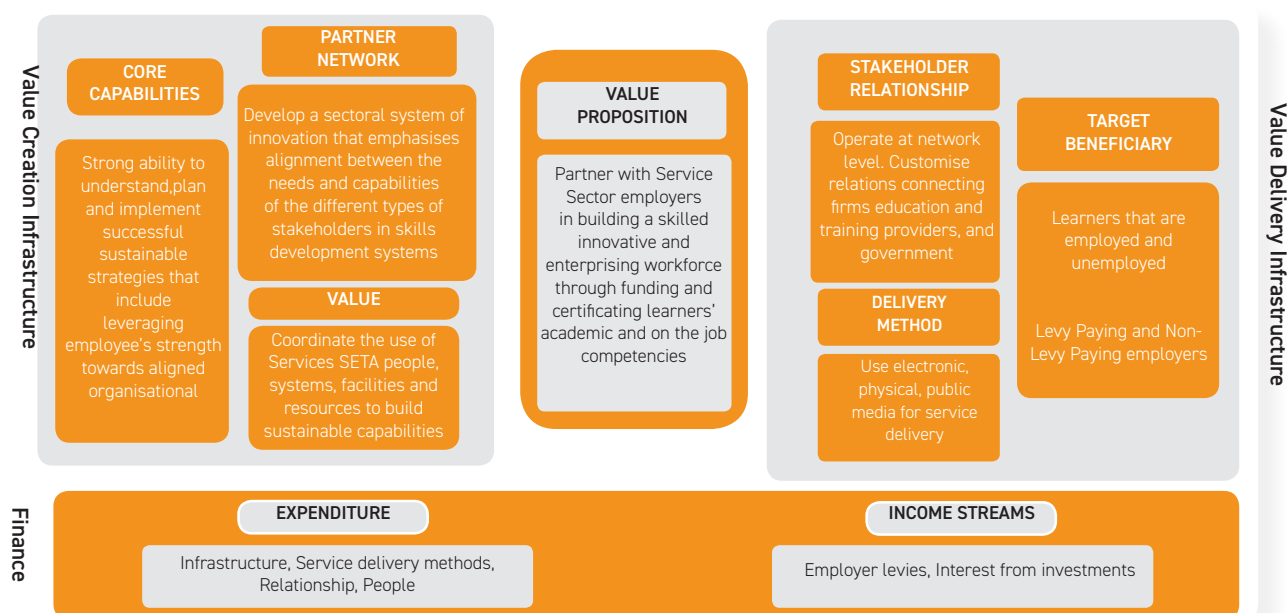
4.2.4. Services SETA Operating Model and Implications for Planning

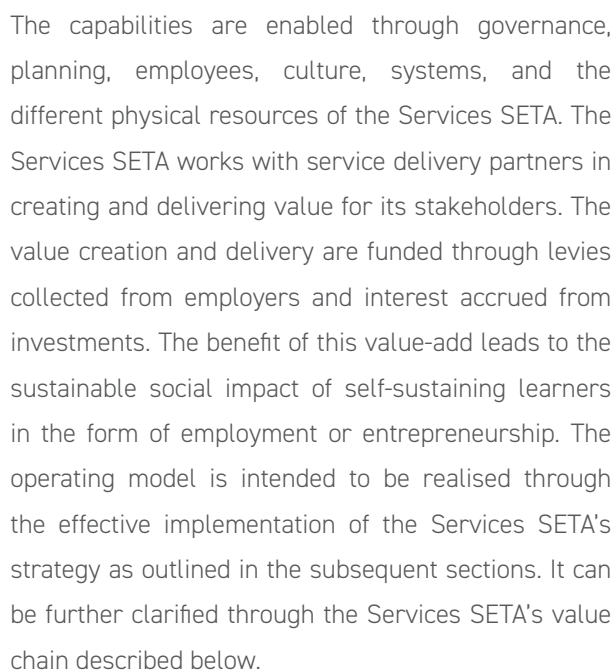
An operating model describes how the organisation creates, delivers, and captures value for its intended beneficiaries in line with its value proposition. The model further informs the Services SETA strategy and operations. The Services SETA's value proposition articulates the net benefit a customer derives from using the organisation's service offerings.

The Services SETA's value proposition is to partner with services sector employers to build a skilled, innovative and enterprising workforce through funding and certification of learners' academic and on-the-job competencies. This is delivered in the form of a service offering comprised of the following: Learnerships; Bursaries; Internships; Skills programmes; Recognition of Prior Learning; Candidacy; Artisans; and Advisory / Support / Information.

The Services SETA plays an intermediary role in skills development, including: (1) Connecting firms, education, and training providers, government, and other stakeholders; (2) Facilitating information flows among stakeholders; and (3) Offering essential services that are not readily available in the system (e.g., training, accreditation for short courses, etc.). It then delivers value by facilitating learning interventions and administering grants. Value is delivered by contracting with different stakeholders, i.e., learners, employers, and service delivery providers. The model is depicted in the diagram below:

Figure 4. Services SETA Operating Model





different core Services SETA capabilities in realising its value proposition. Although it is impossible to establish a direct link with a high level of certainty, the Services SETA's value chain reflects a logical model that embodies a plausible theory about the pathways through which the organisation's core functions produce the value envisaged for beneficiaries. The change is enabled by effectively implementing support systems such as human resources, finance, and IT.

The diagram below depicts the different components of the Services SETA's value chain. The value chain is adapted to the programmatic structure recommended by DHET. The value chain is premised on a strong instructional foundation that informs the Sector Skills, Strategic and Annual Performance Plans. The imperatives resulting from this planning process are subsequently translated through qualifications' design and learning interventions to address sectoral scarce and critical skills. Through the accreditation and quality assurance of service delivery providers, capacity is built to ensure the delivery of training. Thereafter the Discretionary Grant Funding process enables the facilitation of these learning interventions by ensuring adequate financial and human resources.

Implicit to the value chain rationale is the recognition that organisations are best served by operating in sectors where they have a relative efficiency advantage. Given the Services SETA's regulatory foundations, this efficiency can be presumed. The value chain depicts the process through which the Services SETA creates and delivers a value-add to its stakeholders. The value chain clarifies the linkages between the

Figure 5. Services SETA Value Chain





Quality assurance is carried out throughout implementation and closeout to ascertain the value and guarantee that learners exit the system with qualifications. Throughout the process, stakeholder relations remain an anchor by ensuring the communication of key operational information, the data about these activities, and the understanding and revelation of it are equally important to the activities themselves. The Services SETA acknowledges that the activities in the value chain merge and take shape through integration and association with the organisation's operating model.

The associated skills development cycle mapped below depicts a systematised process through which priority scarce or critical skills identified in the SSP are delivered. Establishing the status of qualifications, learning programmes and provisioning capacity for each scarce and critical skill will indicate planned enrolment and duration of impact. The total cycle is estimated to take between 1½ to 5 years. The implication of the cycle timeframe is that achievements for many targets cannot be achieved within a single financial year. Therefore, the performance measurement needs to reflect this appropriately.

4.2.6. Organisational Capabilities Underpinning Performance Improvements

Since its establishment, the AA has provided consistent oversight over the affairs of the Services SETA and 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, 100% and more than 70%, respectively. Six sub-committees have been duly established to complement 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. The functionality of these committees is very effective, as illustrated by the frequency of meetings and attendance rates.

4.2.7. The Services SETA Organisational Structure and Staffing

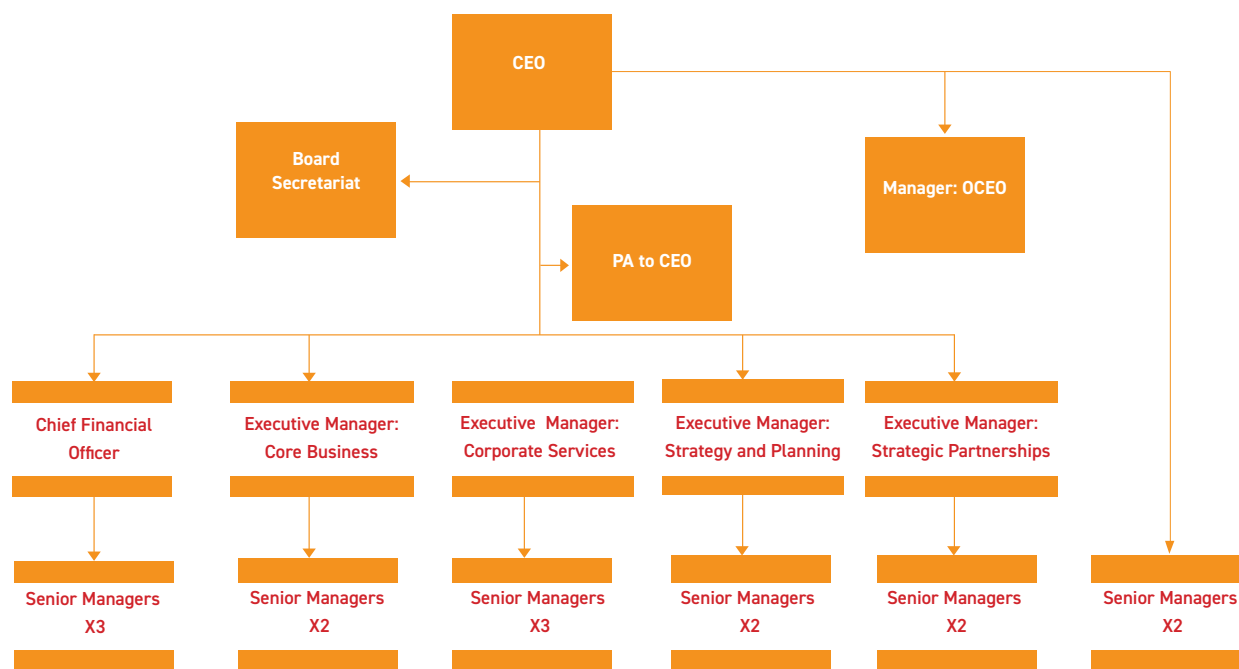
The Services SETA organisational structure has not been reviewed to accommodate the new landscape. For this reason, the entity has embarked on an extensive organisational design exercise to ensure alignment with the new Post School Education and Training (PSET) landscape and financial sustainability. The current structure is outlined below.

Figure 6. Skills Development Cycle





Figure 7. Governance and Executive Structure



The Services SETA aims to invest in its human capital as part of the turnaround strategy. The strategy includes reviewing the work environment, employee assistance programme, human resources development, and investment in mentoring and coaching and leadership development. Like many organisations, the Services SETA staff was significantly affected by COVID-19. Staff had to adjust to working

remotely with reduced workplace infection chances. As the COVID-19 regulations have been relaxed, all staff are now reporting physically to their respective offices. These developments come with genuine concerns and anxieties. To smoothen the transition to the organisation's normal operation, the Services SETA has developed a change management plan to assist staff in adjusting accordingly.



PART C: **MEASURING OUR PERFORMANCE**



1. INSTITUTIONAL PERFORMANCE INFORMATION

This section outlines the Services SETA's impact statements, outcomes, outcome indicators and risks.

1.1. Impact Statements

| | |
|-------------------------|---|
| Impact statement | A skilled, competitive, and entrepreneurial workforce that drives the economic growth of the services sector and contributes to improved quality of life and eradication of poverty |
|-------------------------|---|

1.2. Measuring Outcomes

| | | | |
|---|--|--------------------------|--------------------------|
| MTSF Priority | Priority 3: Education, skills, and health. | | |
| Outcome 1 | Outcome Indicator | Baseline 2019/20 | 5-Year (2024/25) |
| Enhanced organisational capabilities to deliver the strategy (NSDP) | 1.1. Quality of financial statements and reliable performance information submitted | Qualified | Clean Audit Outcome |
| | 1.2. Staff complement maintained | 70% | 70% |
| | 1.3. Alignment between business needs and ICT implementation plan in place | 60% | 80% |
| | 1.4. Stakeholder satisfaction rating score | 0% | 75% |
| | 1.5. Effective governance and assurance monitoring system | Governance report | Governance report |
| Outcome 2 | Outcome Indicator | Baseline 2019/20 | 5-Year |
| Enhanced mechanism for effective skills planning through collaborative research and partnerships | 2.1. Credible and integrated strategic plans developed | Approved SSP, SP and APP | Approved SSP, SP and APP |
| | 2.2. Number of partnerships to broaden access to skills development opportunities | 5 | 80 |
| | 2.3. Percentage increase in submissions of WSPs | (-3%) | 5% |
| Outcome 3 | Outcome Indicator | Baseline 2019/20 | 5-Year |
| Promote access to technical and professional skills for employment and entrepreneurship across the service sector | 3.1. Number of learners enrolled in priority occupations | 158,334 | 65,000 |
| | 3.2. The number of entrepreneurs and cooperatives supported | 0% (0/300) | 3,500 |
| | 3.3. Number of interventions embarked upon with employers to improve enrolment in and completion of priority occupations | - | 150 |
| Outcome 4 | Outcome Indicator | Baseline 2019/20 | 5-Year |
| Enhanced Quality Assurance efficiencies in executing QCTO delegated functions | 4.1. Percentage of external moderation and evaluation conducted within specified timelines | 80% | 85% |
| | 4.2. Percentage of occupational qualifications aligned to priority skills | 50% | 60% |



1.3. Explanation of planned performance over the five-year planning period

Considerable progress has been made in realising the outcome indicators.

- Regarding **Outcome 1: *Enhanced organisational capabilities to deliver the strategy*** (NSDP), the Services SETA has performed well against outcome indicators related to this outcome, except for Clean Audit. There has been noticeable progress in financial and performance information management at the Services SETA. Audit matters raised in previous years were classified into Financial Statements (various areas), Predetermined Objectives, and Compliance with legislation. An audit action plan was developed and monitored, reducing the number of findings issued. The Services SETA is working hard to achieve this goal before the end of the term.
- In **Outcome 2: *Enhanced mechanism for effective skills planning through collaborative research and partnerships***, the Services SETA is doing well in relation to this outcome. A special focus is increasing employer participation in WSP/ATR submissions to expand access to skills development using the workplace as a training place. This intervention has been interrupted by COVID-19. However, there are promising signs of a return to the pre-COVID-19 era.
- **Outcome 3: *Promote access to technical and professional skills for employment and entrepreneurship across the service sector***, there has been a concerted effort to promote SMEs' growth and sustainability and employers' participation in Services SETA learning interventions, including increased collaboration with TVET/CET college systems.

- The Services SETA is doing well in relation to **Outcome 4: *Enhanced Quality Assurance efficiencies to execute QCTO delegated functions*** due to improvements in internal processes. The turnaround time for issuing certificates has drastically improved, as demonstrated above. There is increasing progress with regard to qualifications development, but performance is still below expectations. It is for this reason that this indicator has been elevated to a strategic risk status that requires urgent attention.

1.4. Planned Performance over Five-Year Planning Period

The Services SETA has, over the last year, 2021/22, recorded a performance achievement of 80%. These primarily include governance, finance and ICT infrastructure and systems. A key strategic focus will be to align the organisation's performance to the NSDP and, ultimately, the NDP. The immediate focus will be to support the Economic Reconstruction and Recovery Plan, which aims to boost economic growth following the long spell of negative growth exacerbated by COVID-19. The Services SETA has identified scarce and critical skills prioritised by the Department for inclusion in its skills development strategy over the following years.



Table 5: Services SETA ERRSS Response

| Name of Occupation | Skills gaps in need of current/short-term intervention (in the next 12 months) | Skills gaps in need of future/long-term intervention (over the next five years) |
|------------------------------------|--|---|
| Call or Contact Centre Manager | Cloud architecture | Artificial Intelligence |
| Data Scientist | Cybersecurity | Biotechnology |
| Contact Centre Resource Planner | Data centre operations | Blockchain |
| Contact Centre Forecast Analyst | Desktop support engineering | Data analysis |
| Call or Contact Centre Manager | Enterprise architecture development | Data Science |
| Inbound Contact Centre Consultant | Integrated systems development | Internet of Things |
| Outbound Contact Centre Consultant | Learning management systems architecture | Machine learning |
| Contact Centre Real Time Advisor | Network analysis, control, and security | Nanotechnology |
| Call or Contact Centre Agent | Software development engineering | Quantum computing |
| | Systems engineering | Robotic automation |

The NDP 2030 forms the basis of all national policies and strategies. Education, training and innovation are key priorities to be supported by the PSET ecosystem. Therefore, the Services SETA has deliberately aligned

its MTSF strategic interventions to aid this goal. Table 9 below provides a breakdown of the tangibles to be delivered against the NDP 2030 deliverables.

Table 6: Alignment to the NDP Deliverables

| National Development Plan | Services SETA's planned intervention |
|---|--|
| 1. The recommended participation rate in the TVET college sector of 25 percent would accommodate about 1.25 million enrolments. | The Services SETA plans to establish 23 partnerships with TVET Colleges to support skills development. |
| 2. Provide 1 million learning opportunities through Community Education and Training Colleges. | The Services SETA plans to establish 13 partnerships with CET Colleges to support skills development. |
| 3. Improve the throughput rate to 80 percent by 2030. | Working with employers and other key role players, the Services SETA aims to increase the throughput rate to 85% by 2024/25. |
| 4. Produce 30,000 artisans per year by 2030. | The Services SETA aims to support 2000 artisan programmes by 2024/25 (Women, 40%, Youth, 80%, people with disability, 1% and Rural, 6%). |
| 5. Increase enrolment at higher education institutes by at least 70 percent by 2030 so that enrolments increase to about 1,62 million from 950,000 in 2010. | Services SETA plans to provide bursary opportunities to 6000 university students in the next five years (Women, 50% and Youth, 70%). |



| National Development Plan | Services SETA's planned intervention |
|--|--|
| 6. Expand science, technology and innovation outputs by increasing government research and development spending and encouraging industry to do so. | The Services SETA is working with the industry to address the challenges of the Fourth Industrial Revolution through research. |

1.5. Key Risks and Mitigations

Table 7. Key Risks and Mitigation

| Outcome | Key Risks | Risk Mitigations |
|---|--|--|
| 1. Occupational qualifications development and capacitation of Quality Assessment Partners. | <ul style="list-style-type: none"> All qualifications expire in 2023; QCTO grants no extension. | <ul style="list-style-type: none"> Skills development needs and gaps are identified through research, WSP submission data, and stakeholder engagements. |
| | <ul style="list-style-type: none"> Limited budget and capacity, which enables the development of a few qualifications at a time. | <ul style="list-style-type: none"> Qualifications to be prioritised for development or realignment are identified and aligned to the PIVOTAL and Hard-to-Fill skills list. |
| | <ul style="list-style-type: none"> Current Systems (LMIS) are not compatible with new occupational qualifications. | <ul style="list-style-type: none"> Occupational Qualification Development is a focus. To promote efficient, effective processes within the organisation, established Qualification Task Team, consisting of Strategy and Planning; Planning as DQP, Core Business as AQP, Corporate Services for support role: ICT, Communication, HRM&D and Assurance partners for ongoing monitoring. |
| | <ul style="list-style-type: none"> Lack of control over accreditation of SDPs for new occupational qualifications - QCTO function. | |
| | <ul style="list-style-type: none"> Delays in setting up the Assessment Quality Partner to develop a bank of assessment tools due to budget constraints, already developed six qualifications. | |
| | <ul style="list-style-type: none"> Lack of focus on qualifications to respond to a pandemic. | |



| Outcome | Key Risks | Risk Mitigations |
|--|--|---|
| 2. Inappropriate/ Unauthorised disclosure of confidential information leading to leaking of information outside the Protected Disclosure Act and PRECCA, resulting in reputational damage. | <ul style="list-style-type: none"> Inconsistent and Inadequate Information Security Awareness Campaigns. | <ul style="list-style-type: none"> Include the current ethics process as the current control. Investigate all data breach incidents. Quarterly campaigns to communicate policies in the support divisions. Privacy policy and Records Management policy approved. Quarterly training sessions to create awareness of all support division policies and procedures. Trend management is implemented for the movement of documents. Endpoint encryption is in place. Continuous awareness and training on Whistle blower facility Critical data identified by business and dealt with through the information management strategy. Closely monitor traffic on all networks. Utilise encryption. Lock down the network. Endpoint security. Protect hard copies of packs at meetings. Investigate all incidents. M365 Encryption protocols embedded for emails. Monthly reports from the service provider on vulnerabilities and threats. |
| | <ul style="list-style-type: none"> Lack of classification of documents. | <ul style="list-style-type: none"> Physical network encryption that is currently in place is the MPLS encryption control provided by Vodacom. |
| 3. Inability to implement APP targets due to BUSA case outcome impacting financial stability. | <ul style="list-style-type: none"> Prolonged BUSA case, set aside of the grant's regulation. | <ul style="list-style-type: none"> Prioritising expenditure, critically needed expenditure. Cash in the bank is optimised. Monthly and bi-monthly pay runs. MG refunds quarterly. Monitor improvement of reserves from the year-to-year financial year. |
| 4. Non-delivery of value to our Stakeholders (levy paying), leading to disgruntled stakeholders, which prevents the organisation from implementing our Discretionary Grants, commitments increase and increase in ISTs and damage to our reputation. | <ul style="list-style-type: none"> DG policy is too generic. Our allocation process is flawed; non-levy payers get large allocations as opposed to levy payers having workplaces that are getting smaller allocations. Our practices and business processes should be aligned; stakeholders lose trust in us. | <ul style="list-style-type: none"> Focus on the top 20 levy-paying members and form strategic partnerships and alignment. Mapping of commitments, budgets and APP targets and alignment to the current skills needs of the sector. Adjustment period locked in for allowable corrections on allocations to entities to free up funds quickly. Balance implementation of pre-enrolments and create opportunities for new DG allocations. Alignment in place with ERRP and scarce and hard-to-fill skills. |



1.6. District Development Model

| Five-year planning period | | | | | |
|---------------------------|--------------------------------|---|---------------------------|----------------|-----------------|
| Areas of intervention | Project description | District Municipality | Location: GPS coordinates | Project leader | Social partners |
| Skills Development | Various learning interventions | Amathole District Municipality - EC | 32.5842° S, 27.3616° E | Multiple | Multiples |
| Skills Development | Various learning interventions | Buffalo City Metropolitan Municipality - EC | 32.9344° S, 27.6435° E | Multiple | Multiples |
| Skills Development | Various learning interventions | Chris Hani District Municipality - EC | 31.8743° S, 26.7968° E | Multiple | Multiples |
| Skills Development | Various learning interventions | OR Tambo District Municipality - EC | 31.4632° S, 29.2321° E | Multiple | Multiples |
| Skills Development | Various learning interventions | Lejweleputswa District Municipality - FS | 28.3991° S, 26.2305° E | Multiple | Multiples |
| Skills Development | Various learning interventions | Mangaung Metropolitan Municipality - FS | 29.1303° S, 26.2358° E | Multiple | Multiples |
| Skills Development | Various learning interventions | Thabo Mofutsanyana District Municipality - FS | 28.1270° S, 28.2994° E | Multiple | Multiples |
| Skills Development | Various learning interventions | City of Johannesburg Metropolitan Municipality - GP | 26.1704° S, 27.9718° E | Multiple | Multiples |
| Skills Development | Various learning interventions | City of Ekurhuleni Metropolitan Municipality - GP | 26.1777° S, 28.3462° E | Multiple | Multiples |
| Skills Development | Various learning interventions | City of Tshwane Metropolitan Municipality - GP | 25.6051° S, 28.3929° E | Multiple | Multiples |
| Skills Development | Various learning interventions | Sedibeng District Municipality - GP | 26.6833° S, 28.2059° E | Multiple | Multiples |
| Skills Development | Various learning interventions | Amajuba District Municipality - GP | 27.8036° S, 30.0665° E | Multiple | Multiples |
| Skills Development | Various learning interventions | eThekweni Metropolitan Municipality - KZN | 29.8120° S, 30.8039° E | Multiple | Multiples |
| Skills Development | Various learning interventions | iLembe District Municipality - KZN | 29.3830° S, 31.1710° E | Multiple | Multiples |
| Skills Development | Various learning interventions | King Cetshwayo District Municipality | 28.6192° S, 31.5370° E | Multiple | Multiples |
| Skills Development | Various learning interventions | Ugu District Municipality - KZN | 30.6218° S, 30.2513° E | Multiple | Multiples |
| Skills Development | Various learning interventions | uMgungundlovu District Municipality - KZN | 29.5101° S, 30.3436° E | Multiple | Multiples |
| Skills Development | Various learning interventions | uMzinyathi District Municipality - KZN | 28.5152° S, 30.6200° E | Multiple | Multiples |



| Five-year planning period | | | | | |
|---------------------------|--------------------------------|--|---------------------------|----------------|-----------------|
| Areas of intervention | Project description | District Municipality | Location: GPS coordinates | Project leader | Social partners |
| Skills Development | Various learning interventions | uThukela District Municipality - KZN | 28.6783° S, 29.6035° E | Multiple | Multiples |
| Skills Development | Various learning interventions | Zululand District Municipality - KZN | 27.8872° S, 31.4456° E | Multiple | Multiples |
| Skills Development | Various learning interventions | Capricorn District Municipality - LP | 23.6123° S, 29.2321° E | Multiple | Multiples |
| Skills Development | Various learning interventions | Mopani District Municipality - LP | 23.3089° S, 30.7160° E | Multiple | Multiples |
| Skills Development | Various learning interventions | Vhembe District Municipality - LP | | Multiple | Multiples |
| Skills Development | Various learning interventions | Waterberg District Municipality - LP | | Multiple | Multiples |
| Skills Development | Various learning interventions | Ehlanzeni District Municipality - MP | | Multiple | Multiples |
| Skills Development | Various learning interventions | Gert Sibande District Municipality - MP | | Multiple | Multiples |
| Skills Development | Various learning interventions | Nkangala District Municipality - MP | 25.9460° S, 29.6035° E | Multiple | Multiples |
| Skills Development | Various learning interventions | Sedibeng District Municipality - MP | 26.6833° S, 28.2059° E | Multiple | Multiples |
| Skills Development | Various learning interventions | Dr Kenneth Kaunda District Municipality - NW | 26.8618° S, 26.5138° E | Multiple | Multiples |
| Skills Development | Various learning interventions | Frances Baard District Municipality - NC | 28.4251° S, 24.3341° E | Multiple | Multiples |
| Skills Development | Various learning interventions | Cape Winelands District Municipality - WC | 33.4221° S, 19.7592° E | Multiple | Multiples |
| Skills Development | Various learning interventions | City of Cape Town Metropolitan Municipality - WC | 33.9143° S, 18.5701° E | Multiple | Multiples |
| Skills Development | Various learning interventions | Garden Route District Municipality - WC | 33.7042° S, 22.0476° E | Multiple | Multiples |



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PART D: TECHNICAL INDICATOR DESCRIPTORS



| Indicator Title | 1.1. Quality of financial statements and reliable performance information submitted |
|--|--|
| Definition | <p>This indicator refers to the Services SETA's compliance with its approved financial policies and practices, including applicable legislations; its ability to continually improve and reinforce compliance and its ability to plan and report measurable and reliable performance.</p> <p>The outcome of the indicator is to be measured in line with the audit's outcome on the quality of the Annual Financial Statements and Annual Performance Report.</p> <p>"Outcome of audit" refers to the Auditor General South Africa (AGSA) concluding that the Services SETA's financial statements and annual performance report are free from material misstatements (in other words, a clean audit opinion) and comply with applicable legislation.</p> <p>"Misstatements" refer to incorrect or omitted information in the financial statements and annual performance report.</p> <p>"Performance Information" refers to information relating to organisational targets for a given year as contained in the Annual Performance Plan.</p> |
| Source of Data | AGSA audit report supported by Services SETA's Annual Financial Statements and Annual Performance Report. |
| Method of Calculation / Assessment | The outcome of the audit. |
| Assumptions | <p>There is a strong adherence to PFMA and financial regulations at the Services SETA.</p> <p>There is adherence to National Treasury and DPME reporting requirements for performance information.</p> |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Desired Performance | Clean Audit Outcome (MTSF period) |
| Indicator Responsibility | <p>Chief Financial Officer</p> <p>Executive Manager: Strategy & Planning</p> |



| Indicator Title | | 1.2. Staff compliment maintained |
|--|--|----------------------------------|
| Definition | <p>Percentage of filled positions in the organisation relative to the total number of approved funded positions in the organisational organogram.</p> <p>The Services SETA uses the data from this indicator:</p> <ul style="list-style-type: none"> • to measure the level of filled positions against the approved funded organogram; and • as an output measure in calculating the efficiency and effectiveness of the Services SETA. | |
| Source of Data | <ul style="list-style-type: none"> • The Services SETA Organogram serves as a base source for all approved and funded positions; and • Placement report for filled positions | |
| Method of Calculation / Assessment | Total Number of Filled Funded Positions / Total Number of Funded Positions as per the Organogram; multiply by a hundred. | |
| Assumptions | Unapproved organogram; and Lack of clarity regarding funded and unfunded positions on the organogram. | |
| Disaggregation of Beneficiary (where applicable) | <ul style="list-style-type: none"> • Women – 70% • People with disability – 2% | |
| Spatial Transformation (where applicable) | N/A | |
| Desired Performance | 70% (MTSF period) | |
| Indicator Responsibility | Executive Manager: Corporate Services | |



| Indicator Title | 1.3. Alignment between business needs and ICT implementation plan in place |
|--|--|
| Definition | <p>Corporate Governance ICT Framework is a government-requirements ICT Framework under the auspices of the Department of Public Services and Administration. The Corporate Governance of ICT is an integral part of the governance system at the Services SETA.</p> <p>The Corporate Governance of ICT involves evaluating, directing and monitoring the alignment of the ICT strategy with the SSETA Business Strategy and related strategies. It also involves monitoring.</p> <p>ICT service delivery to ensure a culture of continuous ICT service improvements in the SSETA.</p> <p>ICT develop a strategy and implementation plan which the ICT Steering Committee approves to respond to strategic business needs ensuring delivery of the strategic goals.</p> |
| Source of Data | <ul style="list-style-type: none"> • Services SETA Strategic Plan and Annual Performance Plan; and • ICT Strategy and Implementation plan with a list of approved plans/projects/programmes. |
| Method of Calculation / Assessment | <ul style="list-style-type: none"> • Assess ICT strategy implementation plan against strategic business needs; and • Number of implemented ICT plans/ total number of approved ICT implementation plans aligned with business needs * 100. |
| Assumptions | ICT strategy implementation plan not aligned with Services SETA business needs to achieve strategic objectives. |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Desired Performance | 80% (MTSF period) |
| Indicator Responsibility | Executive Manager: Corporate Services |



| Indicator Title | 1.4. Stakeholder satisfaction rating score |
|--|--|
| Definition | <p>This indicator measures the quality of support provided to key subsector stakeholders through capacity development, information sharing, customer service and technical support. The indicator also measures consultation with stakeholders on any policy and process development that will improve the SETA's service delivery to its subsector stakeholders. The outcome of the engagement contributes towards addressing key material issues that directly or indirectly impact the Services SETA's ability to create and preserve economic, social, or environmental value for itself and its stakeholders.</p> <p>"Stakeholders" refers to levy-paying and non-levy-paying employers that do business within the scope of the Services SETA; training providers doing business in the services sector; government departments within the scope of the Services SETA; Associations, Professional Bodies, Community of Expert Practitioners; as well as Trade Unions, Community-based organisations (CBOs) and NGO's that are active in the services sector, and others. A stakeholder is any individual or group that affects or is affected by the organisation's activities. The Services SETA will prioritise and invest time in stakeholders identified as part of key material issues.</p> <p>"Satisfaction rating score" refers to the score as per the survey report. A survey is to be conducted considering research methodologies aligned with stakeholder relationship management strategy/framework objectives.</p> |
| Source of Data | Stakeholder relationship management strategy/framework; and Stakeholder relationship management survey report. |
| Method of Calculation / Assessment | Stakeholder relationship management survey report outcome: rating score. |
| Assumptions | There is sufficient participation by Services SETA stakeholders and key partners. |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Desired Performance | Satisfaction rating score 75% (MTSF period) |
| Indicator Responsibility | Executive Manager: Corporate Services |



| Indicator Title | 1.5. Effective governance and assurance monitoring system |
|--|--|
| Definition | <p>The indicator refers to good governance at the Services SETA organisational compliance, enterprise-wide risk management and sound/effective governance:</p> <p>Organisational Compliance: compliance with Services SETA legislative universe and policies. This is monitored through quarterly percentage action plans, which refers to the proportion of the number of audit and compliance action plans implemented by the Services SETA in line with the audit reports and applicable laws and regulations.</p> <p>Enterprise-wide risk management: effective identification and mitigation of organisational risks. This is monitored through the percentage of risk action plans actioned, which refers to the process of executing risk mitigation actions as outlined in the quarterly action plans. Risk mitigation progress monitors the continuous process of tracking all identified risks, identifying new risks, and evaluating risk process effectiveness throughout the organisation's programmes.</p> <p>Governance: a governance report compiled and submitted by the board secretariat on the performance of the Accounting Authority and its Committees in carrying out its fiduciary duties and assessing effective oversight in line with key performance areas (KPAs) as contained in its Terms of Reference. In addition, it refers to the governance report compiled by organisational compliance and submitted to DHET.</p> |
| Source of Data | <ul style="list-style-type: none"> • Annual legislative universe & compliance remedial action plans report; • Annual audit action plans report; • Annual combined risk register; and • Governance reports. |
| Method of Calculation / Assessment | <p>Assess the reports below to determine the effective governance and assurance provided:</p> <ul style="list-style-type: none"> • Quarterly Compliance remedial action report; • Quarterly Audit action plan reports; • Quarterly Combined risk register; • Quarterly Governance reports submitted to DHET; and • Annual Governance reports measuring performance against Terms of References (ToRs) KPA. |
| Assumptions | Human error in collecting the data. |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Desired Performance | Good governance report (MTSF period) |
| Indicator Responsibility | Office of the Chief Executive Officer |



| Indicator Title | 2.1 Credible and Integrated strategic plans developed |
|--|---|
| Definition | <p>The indicator refers to the process followed in developing the Sector Skills Plan, Strategic Plan and Annual Performance Plan at the Services SETA. For the process to be credible, it must be evidence based on research studies conducted and findings, be participatory and consultative. Consultations should include Services SETA employers/industry role players, management, and members of the Accounting Authority.</p> <p>“Research Studies”: refers to deliberate research that assesses the processes and consequences of innovations and social policy programmes linked to skills development and entrepreneurship”.</p> <p>“Conducted”: referrers to research projects commissioned within the reporting period.</p> <p>“Evidence-based”: refers to approved planning documents that are based on consultation with the Services SETA management and Accounting Authority and are informed by research.</p> |
| Source of Data | <ul style="list-style-type: none"> • Research agenda and reports; and • SSP, SP, and APP. |
| Method of Calculation / Assessment | Letter of approval for SSP, SP and APP from DHET. |
| Assumptions | Letter of approval from DHET may be received after 31 March (year-end). |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Desired Performance | Approved SSP, SP & APP (MTSF period) |
| Indicator Responsibility | Executive Manager: Strategy and Planning |



| Indicator Title | | 2.2 Number of partnerships to broaden access to skills development opportunities |
|--|--|--|
| Definition | <p>The indicator refers to the total number of Higher Education Institutes partnerships established through formal agreements between Services SETA within a financial year.</p> <p>The outcome indicator measures various outputs fostering collaboration and partnership with Post School Education and Training (PSET) system role players to promote growth and strengthened alignment.</p> <p>“Partnerships” are regarded as a formal written agreement between the Services SETA and the institution of higher learning/labour to share and contribute financial and/or non-financial resources, including grant funding, in order to facilitate post-school education and training intervention.</p> | |
| Source of Data | <ul style="list-style-type: none"> • Signed Offer Letter of Intention to the intended partner; and/or • Signed MOUs between the Services SETA and the institution. | |
| Method of Calculation / Assessment | <p>Simple count of:</p> <ul style="list-style-type: none"> • Signed Offer Letters; and/or • Memorandums of Understanding or Agreements between the Services SETA and higher learning/labour institutions. | |
| Assumptions | Delays in processes (engagements, contracting and signing). Multi years partnerships with annual performance targets or annual implementation plans. | |
| Disaggregation of Beneficiary (where applicable) | N/A | |
| Spatial Transformation (where applicable) | N/A | |
| Desired Performance | 80 (MTSF period) | |
| Indicator Responsibility | Executive Manager: Strategic Partnerships | |



| 2.3 Percentage increase in submissions of WSP/ATR | |
|---|---|
| Indicator Title | 2.3 Percentage increase in submissions of WSP/ATR |
| Definition | This indicator measures the rate of increase in the number of employers submitting WSP/ATR as a percentage. |
| Source of Data | The Services SETA has developed and implemented an online mandatory grant submission tool referred to as SDMS (skills development management System). Employers submit the required data online through the tool. |
| Method of Calculation / Assessment | Number of employers who submitted WSP/ATR in the previous year minus the number of employers submitting WSP/ATR in the current, divided by the number of employers who submitted WSP/ATR in the previous year; multiply by one hundred. |
| Assumptions | Output and Efficiency, low participation by employers. |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Desired Performance | 5% (MTSF period) |
| Indicator Responsibility | Executive Manager: Core Business |

| 3.1. Number of learners enrolled in priority occupation | |
|---|--|
| Indicator Title | 3.1. Number of learners enrolled in priority occupation |
| Definition | The indicator refers to the total number of learners benefitting from Services SETA-funded learning interventions. Learners can benefit through learnerships, internships, skills programmes, bursaries, trades, candidacy and/or RPL. |
| Source of Data | The Sector Education and Training Information System (SETMIS) and Survey Hub listings supporting the Annual Performance Report. |
| Method of Calculation / Assessment | Simple count of learners benefitting from Services SETA-funded learning interventions over a period of five years. |
| Assumptions | Delays in processes (engagements, contracting, signing). |
| Disaggregation of Beneficiary (where applicable) | Women – 60% Youth – 80% People with disability – 3% Rural – 20% |
| Spatial Transformation (where applicable) | N/A |
| Desired Performance | 65,000 (MTSF period) |
| Indicator Responsibility | Executive Manager: Core Business |



| Indicator Title | 3.2. Number of entrepreneurs and cooperatives supported |
|--|--|
| Definition | <p>The indicator refers to the total number of small businesses and cooperatives supported by Services SETA. Support can be in the form of capacity-building interventions based on their specific needs; ranging from Training in Business Management; Mentoring and Coaching; Technical training; and business advisory advice.</p> <p>“Supported” means beneficiaries participate in the learning opportunity and complete one or more units of learning aligned to one or more skills or behaviours as learning outcomes.</p> |
| Source of Data | <ul style="list-style-type: none"> • Database of small businesses supported; • Database of cooperatives supported; and • Attendance registers/Proof of attendance. |
| Method of Calculation / Assessment | Simple count of SMEs, SMMEs, NGOs, Entrepreneurs and Cooperatives supported. |
| Assumptions | Delays in processes (engagements, contracting, signing). |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Desired Performance | 3,500 (MTSF period) |
| Indicator Responsibility | Executive Manager: Strategic Partnerships |



| Indicator Title | | 3.3. Number of interventions embarked upon with employers to improve enrolment in and completion of priority occupations |
|--|---|--|
| Definition | This indicator measures employer training interventions to host and/or fund through collaboration with learners on Services SETA learning interventions of prioritised occupations. | |
| Source of Data | Memorandum of Agreements between the Services SETA and employers to place/train learners in the workplace for prioritised occupations. | |
| Method of Calculation / Assessment | <ul style="list-style-type: none"> Simple count of Memorandum of Agreements between the Services SETA and employers. | |
| Assumptions | Employers not participating in skills development interventions. | |
| Disaggregation of Beneficiary (where applicable) | N/A | |
| Spatial Transformation (where applicable) | N/A | |
| Desired Performance | 150 (MTSF period) | |
| Indicator Responsibility | Executive Manager: Strategy and Planning Executive Manager: Core Business | |

| Indicator Title | | 4.1 Percentage of external moderation and evaluation conducted within specified timelines |
|--|---|---|
| Definition | <p>The indicator refers to the efficiency of the process of learners' certification and the compliance of Services SETA with its own policies in regard to this.</p> <p>External moderations are conducted as and when providers issue requests.</p> <p>Certificates or Statements of Results can only be issued upon a recommendation of an external moderation visit.</p> | |
| Source of Data | <ul style="list-style-type: none"> External moderation schedule lists; and External moderation reports. | |
| Method of Calculation / Assessment | The number of external moderations successfully completed divided by the total number of external moderation requests received; multiply by one hundred. | |
| Assumptions | There are sufficient personnel to carry out external moderation. | |
| Disaggregation of Beneficiary (where applicable) | N/A | |
| Spatial Transformation (where applicable) | N/A | |
| Desired Performance | 85% | |
| Indicator Responsibility | Executive Manager: Core Business | |



| Indicator Title | 4.2. Percentage of occupational qualifications aligned to priority skills |
|--|---|
| Definition | <p>This indicator measures the number of qualifications aligned to priority skills as a percentage of the total suite of qualifications identified and confirmed as a need to develop for the industry.</p> <p>Qualifications to be developed are identified through Research, WSP submissions, Chamber stakeholder engagements, hard-to-fill and PIVOTAL lists as per SSP.</p> <p>Priority skills mean the consolidated list of scarce, critical, or pivotal skills identified in the applicable Sector Skills Plan for the implementation period.</p> |
| Source of Data | <p>A list of qualifications requiring development</p> <p>A list of qualifications linked to prioritised skills</p> |
| Method of Calculation / Assessment | The number of occupational qualifications aligned to priority skills divided by the total number of qualifications identified and confirmed as a need to develop for the industry; multiply by one hundred. |
| Assumptions | <p>There is sufficient participation from the industry.</p> <p>Industry qualifications in need of development may include skills that are not a priority.</p> |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Desired Performance | 60% (MTSF period) |
| Indicator Responsibility | Executive Manager: Strategy & Planning |

