

# W&RSETA

Strategic Plan for  
2020/21 – 2024/25



## 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:

- 107 000 workplace-based learning (WBL) opportunities;
- 148 000 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 Strategic Plan (SP) provides a clear commitment to the delivery of our skills development priorities and targets for implementation during the 2020/21 to 2024/25 medium-term period.



**Dr. BE Nzimande, MP**

**Executive Authority of Higher Education, Science and Innovation**

## ACCOUNTING AUTHORITY STATEMENT

The Strategic Plan 2020/21-2024/25 outlines the reviewed strategic priorities of the Wholesale and Retail SETA (W&RSETA) in accordance with National imperatives, including the Medium-Term Expenditure Framework (MTEF) and COVID-19 Economic Survey findings. The Strategic Plan demonstrates the integration of the W&RSETA's primary responsibilities as sustained by sound management of levy funds, human resources, and operational systems; the specific strategic outcomes based on the Sector Skills Plan (SSP); the National Skills Development Plan (NSDP) outcomes, and the Economic Reconstruction and Recovery Plan, as well as managing the performance thereof. The W&RSETA is committed to increasing interventions targeted at sector transformation and creating opportunities for the historically disadvantaged.

The W&RSETA has considered the following strategic areas in the process of reviewing the updated Strategic Plan 2020/21-2024/25:

- Organisation's strategic challenges
- Post COVID-19 strategic interventions
- Support for the vulnerable sub-sectors
- Performance environment
- Provision of strategic orientation
- Building demand and supply-side capacity
- Bridging supply-demand mismatch
- Delivering the skills required
- Organisational environment
- The external environment, which is inclusive of the economic environment
- The Sector Skills Plan (SSP) findings and recommendations of the W&RSETA

The following key government initiatives and legislation informed and influenced the development of the W&RSETA Strategic Plan:

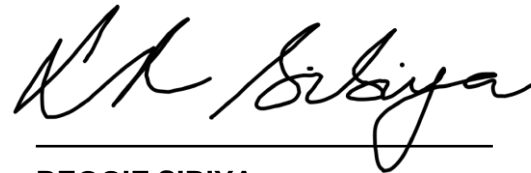
- Industrial Policy Action Plan (IPAP IV)
- National Skills Accord (NSA)
- National Development Plan (NDP)
- Human Resource Development South Africa (HRDSA) Policy
- National Skills Development Plan (NSDP)
- National Growth Path (NGP)
- White Paper on Post-School Education and Training (WP-PSET)
- Economic Reconstruction and Recovery Plan

The WP-PSET 2013 profoundly impacts on the SETA landscape as it aims to provide a clear strategic direction in terms of what post-school education and training aim to achieve. Collectively, the aforementioned documents, the Wholesale and Retail Sector Skills Plan, the Service Level Agreement (SLA) signed with the Department of Higher Education and Training (DHET), and the SETA Grant Regulations (2012) directed and shaped the W&RSETA Strategic Plan.

The Strategic Plan fully complies with the Department of Monitoring and Evaluation Framework for Strategic Plans and Annual Performance Plans, which ensures the alignment and articulation of our goals into strategic outcomes, performance indicators, operational plans, and employee annual performance agreements. The Strategic Plan is therefore a presentation of the Accounting Authority's decisive and evidence-based organisational re-engineering and repositioning to ensure that the strategy fully addresses skills supply and demand as determined by the wholesale and retail industry. Furthermore, there is sound commitment across the SETA to implement this strategic plan.

On a strategic level, re-engineering and repositioning include:

1. Promoting the development and implementation of the sector transformation strategy.
2. The relook of the W&RSETA policies to enable and support the implementation of strategic outcomes.
3. Exploring employment and entrepreneurship opportunities withindigitization and ICT.
4. Reaffirmation of the W&RSETA's vision, mission, and values
5. Restructuring our strategic outcomes to ensure that challenges identified through the research activities and the SSP are addressed.
6. An environmental scanning exercise is undertaken to identify risks andplan for the mitigation thereof.
7. Planning has been done to ensure the commensurate capacity and capability of the SETA to support skills development initiatives in the sector.
8. Strategic partnerships be entered into for greater efficiency and effectiveness in the delivery of skills development initiatives.
9. Strengthening of Monitoring and Evaluation capacity for ImpactAssessment.
10. A new culture of doing business encapsulate responsiveness andagility both at the administrative and governance level.



**REGGIE SIBIYA**

**CHAIRPERSON OF THE W&RSETA ACCOUNTING AUTHORITY**

27 January 2023

**DATE**

## CHIEF EXECUTIVE OFFICER STATEMENT

2021 has not been much different to 2020, in that it has come with unprecedented challenges for the entire country, and indeed most countries world-wide. Just when the W&RSETA was turning things around, we have had to adapt to the new norm. Whilst our focus remains on the development of people and skills within our sector, and for designated groups within our societies (National Imperatives), we have had to, in the last year re-look and re-design our delivery model as well as our planned targets.

When the President of the country, President Cyril Ramaphosa announced the nation's hard lockdown, the W&RSETA was on the verge of implementing one of its most important milestones – the decentralisation of all of its operations planned for April 2020. This has now been implemented and will assist us in responding to particular provincial needs and operating in a more streamlined and efficient manner. We believe this model will help us achieve our vision of becoming a leader in skills development in the country.

As we usher in the NSDP in full swing since April 2020, we have taken along and assisted all our stakeholders as we journeyed into the new "normal". Certificates continue to be issued for successful programmes implemented, and training is also carrying on for those stakeholders and partner training providers that are ready to implement within the new normal. We have also fast-tracked various types of teaching and facilitating methods in order to be considerate to small companies without the necessary equipment to make those adjustments in their businesses to continue to be in business. Blended learning, online learning and virtual learning are some of the changes that we have introduced into the learning space. The new system promises to be more efficient, and effective, and responsive towards the changing needs within the skills development, legislative requirements and fiduciary duties that have to be considered in our efforts to be more efficient as a SETA.

The 4<sup>th</sup> Industrial Revolution (4IR) that is already upon us, is no longer an event to plan for, it is here! As one of its achieved milestones amid COVID-19, the W&RSETA commissioned and concluded two (2) studies relating to 4IR. The studies looked at the impact of 4IR on employment and on evaluating the interventions required to respond to the sector (new job) needs.

The SETA has always been committed to empowering the most vulnerable members of society, this focus has been increased with the country's harsh realities being highlighted by the pandemic.

The economic meltdown, alongside other factors, such as the mass looting and unrest, has seen jobs being lost across different sectors. The retail sector has not been spared as well. Challenging times are ahead as we all head towards re-building our economy. The National Skills Development Plan (NSDP) as a vehicle will assist in the process of ensuring impact of the training and skills given to beneficiaries (instead of numbers). The long-term spin-offs will impact on the process of rebuilding of the economy of the country.

For increased economic emancipation and focused job creation, as mentioned in this document before, uplifting and increasing participation of other marginalised groups of society, as identified in our SSP and the Priority Skills Plan, will assist greatly to transform the lives of all our communities including:

- SMME, Informal traders, and Cooperatives;
- Youth;
- People with Disabilities; and
- Women

The W&RSETA commits to implementing the Strategic Plan for the period 2020/21-2024/25.

Once again, we remain responsive to your needs, and are ready to serve!



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**TOM MKHWANAZI**  
**CHIEF EXECUTIVE OFFICER**

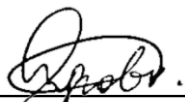
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27/01/2023  
**DATE**

## OFFICIAL SIGN OFF

It is hereby certified that this Strategic Plan:

- Was developed by the management of the W&RSETA under the guidance of the W&RSETA Accounting Authority.
- Considers all the relevant policies, legislation and other mandates for which the W&RSETA is responsible.
- Accurately reflects the Impact, Outcomes and Outputs which the W&RSETA will endeavour to achieve over the period 2020/21-2024/25.



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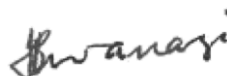
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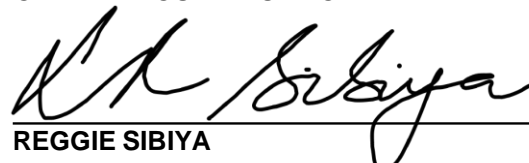
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**REGGIE SIBIYA**  
CHAIRPERSON OF THE W&RSETA ACCOUNTING AUTHORITY

*Approved by*



**Dr BLADE NZIMANDE**  
MINISTER OF HIGHER EDUCATION, SCIENCE AND TECHNOLOGY  
DATE:



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## LIST OF ACRONYMS

ACRONYM	DESCRIPTION	ACRONYM	DESCRIPTION
4IR	4 <sup>th</sup> Industrial Revolution	NQF	National Qualifications Framework
AET	Adult Education and Training	NSDP	National Skills Development Plan
ALC	Adult Learning Centre	NPO	Non-Profit Organisation
AI	Artificial Intelligence	OECD	Organisation of Economic Cooperation and Development
APP	Annual Performance Plan	OFO	Organising Framework for Occupations
ATR	Annual Training Report	PWD	Public Works Department
BUSA	Business Unit South Africa	QCTO	Quality Council for Trades and Occupations
B-BBEE	Broad Based Black Economic Empowerment	RA	Retailers Association
CET	Community Education and Training	RPL	Recognition of Prior Learning
CBO	Community Based Organisation	SAQA	South African Qualifications Authority
CPI	Consumer Price Index	SARB	South African Reserve Bank
DBE	Department of Basic Education	SETA	Sector Education and Training Authority
DHET	Department of Higher Education and Training	SLA	Service Level Agreement
GDP	Gross Domestic Product	SIC	Standard Industrial Classification
HDI	Historically Disadvantaged Individual	SMME	Small, Medium and Micro Enterprises
IPAP	Industrial Policy Action Plan	SP	Strategic Plan
MTEF	Medium Term Expenditure Framework	SSP	Sector Skills Plan
NEC	National Executive Format	STATSSA	Statistics South Africa
NDP	National Development Plan	TVET	Technical and Vocational Education and Training
NGP	New Growth Path	W&RSETA	Wholesale and Retail Sector Education and Training Authority
		WP-PSET	White Paper for Post-School Education

## PART A: OUR MANDATE

### 1. Constitutional Mandate

Section 29 of the Constitution provides all South Africans with the right - (a) to a 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 SETA will accordingly provide access to education for all South Africans through programmes such as Artisans, Learnerships and Adult Education & Training (AET).

Chapter 2 of the Constitution (Bill of Rights) affirms the right to equality, human dignity, life, freedom and security, privacy and various freedoms. The SETA, in its interactions with all stakeholders, will respect all rights as enshrined in the Bill of Rights of the SA Constitution.

In addition, Chapter 10 of the Constitution (Public Administration) mandates all public institutions to be run on the principles of accountability, high ethical standards, economic efficiency, impartiality in the provision of services and transparency in operations. Through reporting systems, the W&RSETA will continue to ensure that efficient skills development services are provided to all South Africans with no favour, in a transparent manner.

Finally, Chapter 13 (Public Finance) specifies the need for fairness and transparency in the procurement (Section 217(1)) of goods and services by government institutions and the remuneration (Section 219(1)) of public service employees. In conformity, W&RSETA transparently procures goods and services through its open tender process, while all employees are paid fairly based on their work and qualifications with zero tolerance for discrimination.

### 2. Legislative and Policy Mandates

The Wholesale and Retail SETA (W&RSETA) is a schedule 3A public entity and derives its mandate from the Skills Development Act No. 97 of 1998 (as amended). The SETA is responsible for supporting skills development in the wholesale and retail sector in South Africa, through the disbursement of grants to facilitate the implementation of learning Programmes and monitoring of education and training (as outlined in the Act), in accompanying regulations and the National Skills Development Plan.

#### 2.1. Legislative Mandate

Table 1 below summarises the legislative framework under which the W&RSETA operates.

*Table 1: Legislative mandate*

LEGISLATION OR REGULATION	SUMMARY OF PURPOSE
Skills Development Act, No. 97 of 1998 (as amended)	<p>The purpose of the Skills Development Act is to:</p> <ul style="list-style-type: none"><li>• Ensure credible labour market analysis to provide a supply and demand analysis that inform sector skills priorities.</li><li>• Develop the skills of the South African workforce.</li><li>• Increase the levels of investment in education and training in the labour market.</li><li>• Encourage employers to use the workplace as an active learning environment.</li><li>• Encourage workers to participate in learning programmes.</li></ul>

LEGISLATION OR REGULATION	SUMMARY OF PURPOSE
	<ul style="list-style-type: none"> <li>• Improve the employment prospects of persons who were previously disadvantaged</li> <li>• Ensure the quality of learning in and for the workplace</li> </ul>
Skills Development Levies Act, No. 9 of 1999	<p>Imposes the payment of skills levies by employer organisations in order to motivate investment in skills development.</p> <ul style="list-style-type: none"> <li>• Employers pay 1% of the total payroll, which is utilised as follows</li> <li>• 20% to the National Skills Fund</li> <li>• 10% for operating costs</li> <li>• 80% to the SETAs</li> <li>• 0.5% to the QCTO</li> <li>• 20% for mandatory grants</li> <li>• 49.5% for discretionary grants</li> </ul>
National Qualifications Framework Act, No. 67 of 2008	<ul style="list-style-type: none"> <li>• Creates a single integrated national framework for learning</li> <li>• Enhances the quality of education and training</li> <li>• Facilitates access to education, training and career path</li> <li>• Accelerates the redress of past unfair discrimination</li> <li>• Allows for SAQA and the quality councils to oversee the NQF</li> </ul>
Workplace-Based Learning Programmes Regulations	<ul style="list-style-type: none"> <li>• Provides guidelines for the management of workplace-based learning programme agreements</li> </ul>
SETA Grant Regulations, 3 December 2012, Vol. 570, 35940	<ul style="list-style-type: none"> <li>• Assists the SETAs to develop internal policies and procedures in response to the Grant Regulations</li> <li>• Requires 80% of discretionary funds to be spent on the delivery of PIVOTAL programmes</li> </ul>

LEGISLATION OR REGULATION	SUMMARY OF PURPOSE
Public Finance Management Act, No. 29 of 1999	<ul style="list-style-type: none"> <li>• Regulates financial management in the national government and provincial governments to ensure that all their revenue, expenditure, assets and liabilities are managed efficiently and effectively; and</li> <li>• Provides for the responsibilities of persons entrusted with financial management of those governments</li> </ul>
B-BBEE Act, No. 53 of 2003.	<ul style="list-style-type: none"> <li>• Proposed amendments to the Act now include higher education. The Skills Development target, which is still at 6%, is now to be allocated as 3.5% spend on black people and 2.5% on black students in higher education. In the past the Skills Development Element was focused on Learnerships, internships and apprenticeships. The Skills Development spend on black students includes bursaries at higher education institutions as a new indicator</li> </ul>
Disaster Management Act, No. 57 of 2002.	<ul style="list-style-type: none"> <li>• The SETA may need to revisit processes and avail additional support to stakeholders as a result of any pandemics, natural disasters or acts outside of its control that have a severe impact on the sector and its ability to deliver on its mandate.</li> </ul>

## 2.2. Policy Mandate

Table 2 summarises the W&RSETA policy mandates and the strategies that form the basis of the W&RSETA operations. The Table also outlines the alignment of the W&RSETA strategic plan to government national policies and strategies.

Table 2: National strategies or policies and implications for W&RSETA

NATIONAL STRATEGIES OR POLICIES	IMPLICATIONS FOR W&RSETA
<b>National Skills Accord</b>  8 commitments to be followed: <ul style="list-style-type: none"> <li>• Expand training using existing facilities</li> <li>• Set ratios for trainees and artisans, as well as across the technical vocations, to improve training</li> <li>• Improve training funding and incentives for companies to train</li> <li>• Create internship and placement opportunities</li> <li>• Set annual targets for training in state-owned enterprises</li> <li>• Improve SETA governance, fiscal management, and stakeholder involvement</li> <li>• Align training to the New Growth Path and improve SSPs</li> <li>• Improve the role and performance of TVET colleges</li> </ul>	The implications are <ul style="list-style-type: none"> <li>• Increase learnership, apprenticeship, internship and bursaries</li> <li>• Increase the number of accredited training providers</li> <li>• Expand partnerships with the college sector</li> <li>• Strengthen relations with other strategic partners and role players.</li> <li>• Alignment in response to the 4<sup>th</sup> IR.</li> </ul>
<b>Industrial Policy Action Plan (IPAP) 2018/19-2020/21</b> IPAP has identified a collaborative approach between government, the private sector and labour; an approach itself characterised by ongoing processes of mutual discovery.	<ul style="list-style-type: none"> <li>• Addressing the skills/education profile of the unemployed</li> <li>• Deeper involvement of the public and private sectors in providing resources for training</li> <li>• A more strategic and sustainable approach to meeting scarce skills needs in identified high priority areas of the economy</li> </ul>

NATIONAL STRATEGIES OR POLICIES	IMPLICATIONS FOR W&RSETA
	<ul style="list-style-type: none"> <li>• Respond to the needs of the sector with regard to artificial intelligence and disruptive economy.</li> </ul>
<b>New Growth Path (NGP).</b> The New Growth Path identifies 5 job drivers: <ul style="list-style-type: none"> <li>• Infrastructure for employment and development.</li> <li>• Seizing the potential of new economies.</li> <li>• Improving job creation in employment.</li> <li>• Investing in social capital.</li> <li>• Spatial development.</li> </ul>	<ul style="list-style-type: none"> <li>• Create projects to increase college-to-work transitions.</li> <li>• Increase learnerships, apprenticeships, internships and bursaries in clothing, textiles, footwear and leather goods and automotive.</li> <li>• Develop projects for promoting green industries.</li> <li>• Capacity building of SMMEs and informal traders</li> </ul>
<b>National Development Plan 2030 (NDP).</b> The National Development Plan 2030 has identified the following 9 key areas to achieve a developmental approach that is sustainable and inclusive: <ul style="list-style-type: none"> <li>• Creating jobs and livelihoods.</li> <li>• Expanding infrastructure</li> <li>• Improving education and training</li> <li>• Transforming urban and rural spaces.</li> <li>• Transitioning to low-carbon economy</li> <li>• Fighting corruption and enhancing accountability.</li> </ul>	<ul style="list-style-type: none"> <li>• Support initiatives addressing unemployment, poverty and inequality.</li> <li>• Subscribe to the ethos of clean administration and good corporate governance</li> <li>• Increase capacity in the sector in order to respond to the economic dynamics.</li> <li>• Support initiatives addressing unemployment, poverty and inequality</li> <li>• Respond to the needs of the sector with regard to artificial intelligence</li> <li>• Capacity building of SMMEs and informal traders</li> </ul>

NATIONAL STRATEGIES OR POLICIES	IMPLICATIONS FOR W&RSETA
<ul style="list-style-type: none"> <li>Facilitate rural and urban development projects that foster social cohesion</li> </ul>	
<b>National Skills Development Plan</b>	<ul style="list-style-type: none"> <li>NSDP seeks to ensure that South Africa has adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development</li> <li>The NSDP outcomes, sub-outcomes and indicators set the basis for the W&amp;RSETA strategic plan</li> </ul>
<b>White Paper for Post-School Education and Training (WPPSET)</b> <ul style="list-style-type: none"> <li>It is a vision for an integrated system of post-school education and training with all institutions playing their roles.</li> <li>Set out strategies to improve the capacity of the post-school education and training system to meet SA's needs.</li> </ul>	<ul style="list-style-type: none"> <li>Review of curriculum to respond to sector needs</li> <li>Increase the number of accredited training providers.</li> <li>Expand partnerships with college sector.</li> <li>SMME development and support</li> <li>Redressing through skills development initiatives</li> <li>Support skills development centres in rural and urban setting through infrastructure development projects</li> </ul>
<b>Economic Reconstruction and Recovery Plan and ERRP Skills Strategy</b> The ERRP Skills Strategy aims to support the Economic Reconstruction and Recovery Plan (ERRP) to ensure	<ul style="list-style-type: none"> <li>The following have been identified as specific interventions with the PSET ecosystem to support the</li> </ul>

NATIONAL STRATEGIES OR POLICIES	IMPLICATIONS FOR W&RSETA
that it is not compromised by skills shortages. It is borne out of the urgency for a well-coordinated strategy of skills development to support both the management of Covid-19 as well as economic and social recovery	implementation of the ERRP <ul style="list-style-type: none"> <li>Expand the provisioning of short skills programmes (both accredited and non-accredited) to respond to skills gaps identified in this strategy.</li> <li>Enable the provisioning of short skills programmes (both accredited and non-accredited) that respond to skills gaps identified in this strategy.</li> <li>Expand the provisioning of workplace-based learning (WBL) opportunities to respond to occupational shortages and skills gaps identified in this strategy.</li> <li>Increase enrolments in qualification-based programmes that respond to occupational shortages identified in this strategy.</li> <li>Review and revise education and training qualifications, programmes and</li> </ul>

NATIONAL STRATEGIES OR POLICIES	IMPLICATIONS FOR W&RSETA
	<p>curricula to respond to occupational shortages and skills gaps identified in this strategy.</p> <ul style="list-style-type: none"> <li>• Update the draft Critical Skills List and associated regulatory mechanisms</li> <li>• Strengthen entrepreneurship development programmes</li> <li>• Embed skills planning into economic planning processes and vice versa</li> </ul>

### 3. Institutional Policies and Strategies Governing the Five-year Planning Period

The following institutional policies will guide the implementation of the W&RSETA strategy between 2020 and 2025:

POLICY/STRATEGY	LINKAGE TO NATIONAL PRIORITIES
1. Infrastructure Funding and Development Policy	Outcome 5: Support the growth of the public college system
2. W&RSETA Rural Development Strategy	Sub-Outcome 5.1: Support the TVET Colleges Sub-Outcome 5.2: Support the CET Colleges Outcome 8: Support career development services

POLICY/STRATEGY	LINKAGE TO NATIONAL PRIORITIES
3. Strategy for implementation of Disability Programmes	NSDP Principle 5.2: Advancing an equitable and integrated system
4. Strategy for implementation of youth unemployment programmes	NSDP Principle 5.2: Advancing an equitable and integrated system
5. Strategy for implementation of SMME and Co-Operatives Development Programmes	Outcome 6: Skills development support for entrepreneurship and cooperative Development
6. Skills development grants policy	NSDP Principle 5.2: Advancing an equitable and integrated system Outcome 6: Skills development support for entrepreneurship and cooperative Development

#### 3.1. Policy for Funding of Infrastructure Development

The following are the facets/aspects that are considered for funding in terms of the Infrastructure Development Policy:

- Mounted Equipment;
- Industrial Machinery;
- Branded Vehicles for Service Delivery;
- Security Features;
- Robotics and Tools;
- ICT Tools to Support 4IR;
- Mobile Classrooms;
- Creation of a Technical and Skill Development Centres for the Retail Industry within an existing institution;
- Social infrastructure to house equipment and machinery; and
- Ancillary Support for SMME and Informal Traders.



### **3.2. Strategies**

#### **3.2.1. SETA's Delivery model – Decentralisation**

The Centralised Model of doing business was identified as an impediment to service delivery and as creating unnecessary bottlenecks.

The Decentralised Delivery Model would ensure the devolution of powers and the empowerment of Regional Offices to take certain decisions in order to expedite delivery of Services.

The new operating model has been developed to meet the evolving needs of the Wholesale and Retail Sector. The decentralisation inherent in the new model will ensure that the W&RSETA is efficient, capacitated and positioned to manage projects at regional level.

The strategy focused on the following pillars:

- People Issues:
  - Structural realignment
  - Skills Audit
  - Remuneration issues

- Policies, Procedures and Systems
- Reviewing of the Delivery Model
- Eradication of the Backlog

#### **Implications for the W&RSETA**

- Need for structural alignment of policies with the sector and the economy
- Cultural renewal to better live the W&RSETA values
- Delivery model enhancement
- Capacitation of regions with more power to make decisions
- Development of the service delivery charter to communicate the turnaround times with stakeholders

### **4. Relevant Court Rulings**

There are no court rulings relevant to the W&RSETA 2020/21-2024/25 Strategic Plan.

## PART B: OUR STRATEGIC FOCUS

### 1. Vision

To be the leader in skills development in the country

### 2. Mission

To develop a skilled, capable, competent, and professional workforce to transform the Wholesale and Retail sector

### 3. Values

#### 3.1. Accountability

- Responsible for decisions, actions, and results at organisation and employee level
- Ownership
- Client-centric work ethic

#### 3.2. Agility

- Responsive to the ever-changing needs and trends of industry
- Demand-driven
- Innovative work ethic within the confines of the regulatory environment
- Foresight
- Pro-activeness through leadership

#### 3.3. Integrity and trustworthiness

- Keeping your word
- Behaving in an ethical manner
- Consistent
- Compliant

### 3.4. Mutual respect

- Appreciation of others
- Active listening
- “Kicking the ball not the man”
- Acknowledgement
- Acceptance
- Embracing diversity

### 3.5. Quality services

- Professionalism
- Oriented to service fulfilment
- Exceeding expectations
- Meticulousness
- Adhering to standards
- Consistency
- Living the Batho Pele principles

#### 4. Situational Analysis

This review of the 2020/21-2024/25 W&RSETA's Strategic Plan took place during a period when the South African economy was in a difficult position with worsening unemployment levels, stagnating growth and deteriorating fiscal indicators. The COVID-19 pandemic, with its resulting restrictions on social and economic activities, has caused damage to the economy while, looting and violence in KwaZulu Natal and Gauteng plunged the economy into an even deeper crisis.

The Wholesale and Retail sector employs approximately 21% of the South African labour force. The Wholesale and Retail sector contributes approximately 12,5% to the country's gross domestic product (GDP), making it the third largest contributor to the national GDP. Despite South Africa being a developing country, the sector is said to be relatively advanced. However, the COVID-19 impact on the sector has included decreases in revenue, thus translating to a decrease in levy collection. On the socio-political front, the pandemic has exposed and expanded massive socio-economic inequalities, with vulnerable sectors and vulnerable communities being hit the hardest by the pandemic. The W&RSETA has, therefore, had to adopt a more inclusive approach in its planning, which will ensure the prioritisation of women, rural communities, youth, and people with disabilities. Greater focus will also be placed on empowering SMME, co-operatives and the informal sector with appropriate skills and enabling technologies.

The sector mainly consists of a few big retailers that have a large influence over the sector. The technological advancements and the changing expectations of Wholesale and Retail stakeholders and customers will alter the kinds of support and skills interventions provided by W&RSETA. This is as a result of how the pandemic has fast-tracked the digital transformation within the wholesale and retail sector which has led to the exponential growth in number of customers adopting e-commerce. The W&RSETA has therefore had to align its planning to include skills development within the ICT/digital space. The COVID-19 pandemic has shone the light on the need for adoption of strict health and hygiene practices within the sector and has placed greater health and safety compliance requirements on employers in the sector. The W&RSETA is therefore required to support its stakeholders, to develop further skills in areas of health and safety as well as quality management. The W&RSETA also has to place focus on helping stakeholders adjust to the changes and traumas caused by the pandemic. The implications of COVID-19 for skills planning include slowing down of business activity, decline in revenue, increased demand for e-commerce, prioritising reskilling and retraining to minimise job losses, and higher health and safety risk for customers, employers, employees, and partners.

Another major disruptor in the Wholesale and Retail sector has been the looting of businesses and violence in KwaZulu Natal and Gauteng in July 2021. With KwaZulu-Natal and Gauteng combined contributing roughly 50% towards the South African economy, the country's GDP has been said to have dropped by approximately 0,7%. The looting of shops, damage to infrastructure and violence led to many businesses losing stock, having their business infrastructure destroyed, early and/or complete closures of stores. These damages have affected an estimated 200 malls/ shopping centres, with about 900 stores in total affected and the damages amounting to more than R15 billion. In addition to the damage on the economy and employment by COVID-19, many jobs have been compromised due to store closures and retrenchments, there have also been long-term and even possibly irrevocable damage. Needless to say, households relying on the businesses are also negatively affected. On a larger scale, these events may have also impacted South Africa's global image, lowering investor confidence both nationally and internationally.

The W&R sector is a major employer of the unskilled and semi-skilled labour force. The majority of the unskilled and semi-skilled are mostly African. White employees form a large proportion and high percentage in top management, senior management, and professional categories in the sector. Although the sector has made some progress in terms of transformation, the under-representation of African, Coloured, and Indian workers, Woman and People with Disabilities (PWD), at professional, senior and top levels remain an issue that needs to be addressed.

The supply of wholesale and retail skills does not meet demand for the skills in the W&R sector. There are key factors identified as change drivers influencing skills supply and demand. These include COVID-19 as already discussed; data privacy and Protection of Personal Information Act; technology advancements and access to information; SMME Development, and the changing expectations of W&R stakeholders. This has led to the SETA considering skills gaps identified and emerging skills that are required by the sector. The implication is that employers within the sector must rethink and adapt to the future of work, which is technologically driven, and thus require technical skills, re-capacitation and reskilling of workers. The shortage of skills is to a certain extent linked to transformational imperatives within the sector and have been identified as priority areas in the sector.

An extensive situational analysis for the W&RSETA was conducted using SWOT analysis, PESTEL analysis and the SSP research and impact of COVID-19, as well as research on the Impact of Economic Disruption in the Wholesale and Retail sector. This informed the 2021/22 – 2024/25 strategy which is articulated through the impact statement, the resultant outcomes and outcome indicators. During the upcoming MTSF period, the SETA will aim to concentrate service in priority areas as outlined by the NSDP 2030 (such as the increase in artisanship and occupationally directed programmes) while simultaneously addressing skills needs identified through internal and external environmental analysis. This section summarises the performance environment, internal environment analysis and external environment analysis.

## **5. External Environment Analysis<sup>1</sup>**

The W&RSETA continues to recognise the influence that the external environment has on the W&RSETA's overall performance as well as total levies received per financial year. The performance of the South African economy and the W&R sector also significantly affect overall performance of the W&RSETA, hence influencing priority areas in the allocation of levy resources.

### **5.1. Wholesale and Retail Sector Environment**

The W&R sector is divided into two main subsectors: the Wholesale and Retail. Wholesale trade deals with the bulk buying of goods from various manufacturers and the breaking down of these bulk purchases into smaller quantities, which are then sold to retailers. Retail trade deals with the buying of goods from the wholesaler and the selling thereof to the consumer. The actual activities that fall within the scope of the wholesale and retail sector are demarcated according to Standard Industrial Classification (SIC) code, as shown in the table below.

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<sup>1</sup> External Environment Analysis section is aligned and reflected in the W&RSETA SSP 2020-2025, Chapter 1.

Table 3: Standard Industrial Classification (SIC) code for the W&R Sector

SIC CODE	TRADE CATEGORY
<b>WHOLESALE</b>	
45000	Wholesale and retail trade and repair of motor vehicles and motorcycles
45100	Sale of motor vehicles
45101	Wholesale of motor vehicles
45102	Retail of new motor vehicles
45103	Retail sale of used motor vehicles
45200	Maintenance and repair of motor vehicles
45300	Sale of motor vehicle parts and accessories
45400	Sale, maintenance and repair of motorcycles and related parts and accessories
45500	Retail of automotive fuel in specialized stores
46000	Wholesale trade, except of motor vehicles and motorcycles
46100	Wholesale on a fee or contract basis
46200	Wholesale of agricultural raw materials and live animals
46300	Wholesale of food, beverages and tobacco
46301	Wholesale trade in foodstuffs
46302	Wholesale trade in beverages
46303	Wholesale in tobacco products
46400	Wholesale of household goods
46410	Wholesale of textiles, clothing and footwear
46490	Wholesale of other household goods
46491	Wholesale trade in household furniture, requisites and appliances
46492	Wholesale trade in books and stationery
46493	Wholesale trade in pharmaceuticals, toiletries and medical equipment
46499	Other wholesale trade in other household goods n.e.c.
46500	Wholesale of machinery, equipment and supplies
46510	Wholesale of computers, computer peripheral equipment and software
46520	Wholesale of electronic and telecommunications equipment and parts

SIC CODE	TRADE CATEGORY
46530	Wholesale of agricultural machinery, equipment and supplies
46590	Wholesale of other machinery and equipment
46600	Other specialized wholesale
46610	Wholesale of solid, liquid and gaseous fuels and related products
46620	Wholesale of metals and metal ores
46621	Wholesale of gold
46629	Other wholesale of metals and metal ores
46630	Wholesale of construction materials, hardware, plumbing and heating equipment and supplies
46690	Wholesale of waste and scrap and other products n.e.c.
46691	Sale of used parts and accessories, including scrapyards
46692	Wholesale trade in diamonds, pearls and other precious and semi-precious stones
46699	Other wholesale of waste and scrap and other products n.e.c.
46900	Non-specialized wholesale trade
<b>RETAIL</b>	
47000	Retail trade, except of motor vehicles and motorcycles
47100	Retail sale in non-specialized stores
47110	Retail sale in non-specialized stores with food, beverages or tobacco predominating
47190	Other retail sale in non-specialized stores
47200	Retail sale of food, beverages and tobacco in specialized stores
47210	Retail sale of food in specialized stores
47211	Retail trade in fresh fruit and vegetables
47212	Retail in meat and meat products
47213	Retail trade in bakery products
47219	Other retail sale in specialized stores
47220	Retail sale of beverages in specialized stores
47230	Retail sale of tobacco products in specialized stores
47300	Retail sale of information and communications equipment in specialized stores
47310	Retail sale of computers, peripheral units, software and telecommunications
47320	Retail sale of audio and video equipment in specialized stores

SIC CODE	TRADE CATEGORY
47400	Retail sale of other household equipment in specialized stores
47410	Retail sale of textiles in specialized stores
47420	Retail sale of hardware, paints and glass in specialized stores
47430	Retail sale of carpets, rugs, wall and floor coverings in specialized stores
47490	Retail sale of electrical household appliances, furniture, lighting equipment and other household articles in specialized stores
47500	Retail sale of cultural and recreation goods in specialized stores
47510	Retail sale of books, newspapers and stationery in specialized stores
47520	Retail sale of music and video recordings in specialized stores
47530	Retail sale of sporting equipment in specialized stores
47540	Retail sale of games and toys in specialized stores
47600	Retail sale of other goods in specialized stores
47610	Retail sale of clothing, footwear and leather articles in specialized stores
47620	Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles in specialized stores
47630	Other retail sale of new goods in specialized stores
47631	Specialized retail sale of jewellery
47632	Specialized retail sale of watches and clocks
47639	Other retail sale of new goods in specialized stores n.e.c.
47640	Retail sale of second-hand goods
47700	Retail sale via stalls and markets
47710	Retail sale via stalls and markets of food, beverages and tobacco products
47720	Retail sale via stalls and markets of textiles, clothing and footwear
47790	Retail sale via stalls and markets of other goods
47800	Retail trade not in stores, stalls or markets
47810	Retail sale via mail order houses or via internet
47890	Other retail sale not in stores, stalls or markets

## 5.2. Key Stakeholders

The key stakeholders which contribute to the SETA's achievement of its outcomes in the sector are grouped into groups of organised employers, the W&RSETA board, training providers, organised labour, government, community, and others as shown on Table 4.

Table 4: W&RSETA Stakeholders

ORGANISED EMPLOYERS	ROLES AND RESPONSIBILITIES	NSDP OUTCOME ALIGNMENT
Retailers Association (RA) Consumer Goods Council of South Africa (CGCSA) National Clothing Retail Federation (NCRF) Black Business Council (BBC) Enterprise Mentorship of South Africa (EMOSA) Business Unity South Africa (BUSA) Fuel Retailers Association (FRA) South African Petroleum Retailers Association Retail Motor Industry Organisation Wholesale and retail enterprises (small, medium and large)	<ul style="list-style-type: none"> <li>Represented equally on the committees of the W&amp;RSETA BOARD</li> <li>Represent and articulate employer (small, medium and large) interests.</li> <li>Contribute to education and training, negotiations, marketing, finance, human resources and legal.</li> </ul>	<ul style="list-style-type: none"> <li>Engaging workplaces to enable them to provide increasingly relevant data on the skills of their existing workforce as well as projected skills needs, through relevant templates;</li> <li>Engaging stakeholders (including but not limited to employers, labour and government) to ascertain their perceptions of future trends in their sectors and the implications of these for the demand and supply interventions planning.</li> <li>Continuously exploring the implications of the findings from the workplace data and stakeholder engagement with respect to sector trends and national policy priorities; and Effective and meaningful stakeholder engagement to support ownership and participation among stakeholders including social partners, employers, labour, training providers, prospective learners, and the public.</li> </ul>



W&RSETA BOARD	ROLES AND RESPONSIBILITIES	NSDP OUTCOME ALIGNMENT
W&RSETA Board	<ul style="list-style-type: none"> <li>• Ensure good corporate governance principles are adhered to</li> <li>• Provide strategic direction and leadership</li> <li>• Identify strategic risks and ensure mitigation thereof</li> <li>• Ensure regulatory compliance</li> <li>• Ensure policy and strategy development</li> <li>• Oversight and monitoring of implementation</li> <li>• To govern and control the W&amp;RSETA by providing strategic direction and leadership</li> <li>• To provide corporate governance guidance</li> <li>• To approve the W&amp;RSETA SSP</li> <li>• To approve the Strategic plan and budget</li> </ul>	<ul style="list-style-type: none"> <li>• Improve governance oversight, monitoring and evaluation mechanisms and capacity, with strong social partners' involvement; and</li> <li>• Institute mechanisms to ensure implementation of findings from the monitoring and evaluation system in order to understand the strengths, challenges and impact of the system</li> <li>• Review the system where evidence suggests that there are obstacles preventing the realisation of the agreed upon outcomes. This will ensure that the Minister can intervene where there is non-performance or maladministration</li> <li>• Introduce mechanisms for instructions to the SETAs by the Minister, where there are challenges; and review the SETA Standard Constitution to strengthen governance and accountability mechanisms. The decision about numbers on the Accounting Authority will take into consideration the nature of the sector (for example the number of sub-sectors) and the need to support effective decision-making and good governance. The accounting authority will continue to have governing powers and steer the sector in terms of the scope (mandate and functions) of the SETA whilst, the management of the SETA will focus on operational and administrative roles; and</li> <li>• The roles and responsibilities of the accounting authority will further be defined. This will include a clear statement regarding conflict of interest and guidelines regarding the number of meetings per annum and the rates at which members of the accounting authority are remunerated.</li> <li>•</li> </ul>



TRAINING PROVIDERS	ROLES AND RESPONSIBILITIES	NSDP OUTCOME ALIGNMENT
<p>Further Education and Training Committee.</p> <p>Higher Education and Training Committee; Association of Private Providers of Education Training and Development.</p> <p>Southern African Society for Cooperative Education.</p> <p>Universities; TVET Colleges; Private Training Providers; Community Colleges.</p>	<ul style="list-style-type: none"> <li>• Represent interests of training providers, both public and private.</li> <li>• Contribute to education and training, quality assurance, curriculum development.</li> </ul>	<ul style="list-style-type: none"> <li>• The delivery of programmes against qualifications across all the sub-frameworks that support economic growth, encourage employment creation and enable social development for workers, unemployed and pre-employed (students)</li> <li>• Facilitating workplace-based experience as part of a qualification or a post-graduate qualification with a specific focus on occupations that support growth, encourage employment creation and enable social development.</li> <li>• Support for, and prioritisation of, Centres of Specialisation, where practically possible.</li> <li>• Support for TVET colleges in implementing occupationally directed programmes.</li> <li>• Partnerships and collaboration with higher education and research institutions, amongst others, will be central for evidence-based understanding of skills demand and supply</li> </ul>
ORGANISED LABOUR	ROLES AND RESPONSIBILITIES	NSDP OUTCOME ALIGNMENT
<p>Congress of South African Trade Unions (COSATU)</p> <p>Federal Council of Retail Allied Workers (FEDCRAW) Development Institute for Training, Support and Education for Labour (DITSELA)</p> <p>South Africa Commercial Catering and Allied Workers Union (SACCAWU)</p> <p>Entertainment Catering Commercial and Allied Workers Union (ECCAWUSA)</p> <p>National Union of Metal Workers of South Africa (NUMSA)</p>	<ul style="list-style-type: none"> <li>• Represented equally on the committees of the W&amp;RSETA.</li> <li>• Represent and articulate worker interests</li> <li>• Contribute to education and training, negotiations, public management and dispute resolution.</li> </ul>	<ul style="list-style-type: none"> <li>• Skills levy institutions will work with the federations/trade unions in their sectors in identifying the required skills needs, especially to better understand the sectors, and implement the relevant interventions.</li> <li>• Engaging stakeholders, including but not limited to employers, labour and government, to ascertain their perceptions of future trends in their sectors and the implications thereof for the demand and supply interventions planning.; and</li> <li>• Trade unions and worker education and training institutions are able to use the critical networks of their organisations such as shop stewards.</li> </ul>

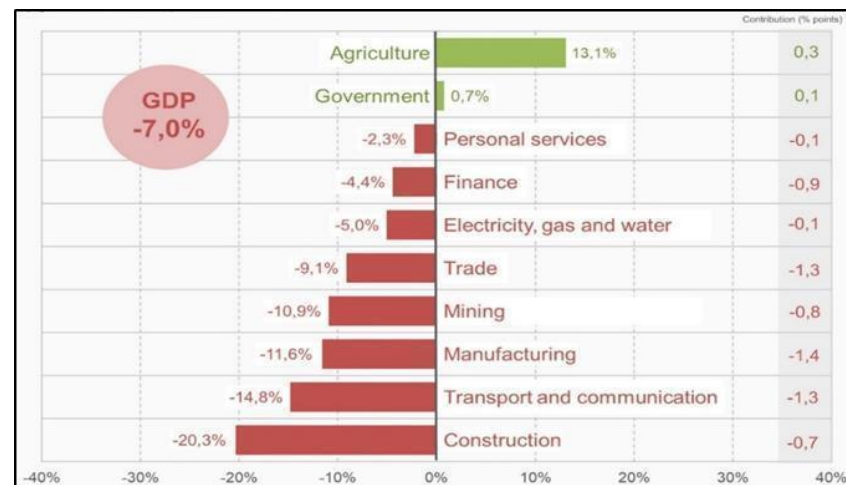
Southern African clothing and Textile Workers Union (SACTWU)		
COMMUNITY	ROLES AND RESPONSIBILITIES	NSDP OUTCOME ALIGNMENT
South African Community at large.	<ul style="list-style-type: none"> <li>Represent interests of communities and co-operatives.</li> <li>Contribute to education and training, small enterprise and co-operative development, advancement of women.</li> </ul>	<ul style="list-style-type: none"> <li>Social partners will continue to play an active role, amongst others, in the Accounting Authorities of SETAs and in the NSA. These roles will be further elaborated in the Act and relevant skills development Regulations with key responsibilities for the implementation of the NSDP;</li> <li>Career development services, including material must be accessible to all especially in rural areas and targeted beneficiaries; and</li> <li>Ensure that prospective learners and the public are aware of when and how to apply for programmes and have access to a simplified process.</li> </ul>

### 5.3. Economic Performance of South African Industries

This section assesses the current economic performance of the W&R Sector.

In Q4 of 2020, the South African economy saw, on average, a positive growth of 1,5%, from 8 out of 10 industries, which was less than the 13,7% of growth recorded in Q3. However, the positive growth did not compensate for the decline seen during previous quarters caused by the harsh impact of Covid-19 restrictions. Trade showed an annualised negative growth of -9,1% which might be due to Covid-19 restrictions and changes to consumer habits. During this period, South Africa's economic activity was recorded to have the highest annual decline since 1946.

The diagram below shows the economic performance of South African industries by gross domestic product (GDP) for the year 2020.

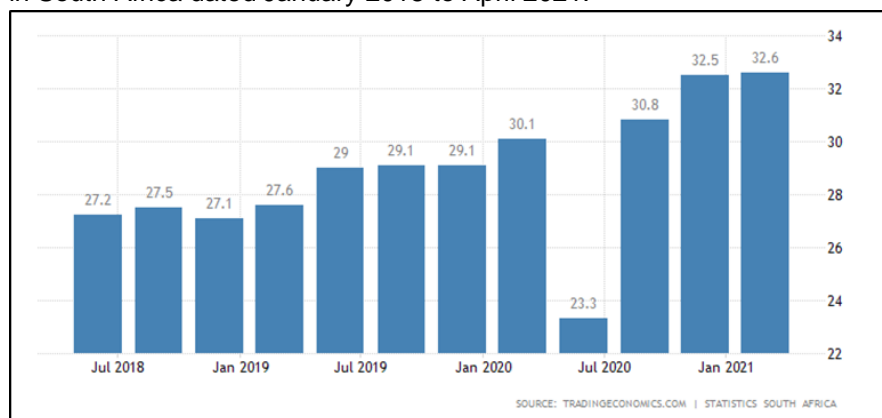


**Figure 1:** Performance of South African Industries (2020)

Source: (Statistics South Africa, 2021)

## 5.4. South Africa's Unemployment

In February 2021, the unemployment rate increased to 32,6%, which was the highest rate recorded for unemployment since 2008. Covid-19 resulted in more companies closing and retrenching leaving 701 000 more people without employment causing the number of unemployed people to increase to 7.3 million, while employed people only increased by 333 000 to 15 million. The real unemployment rate increased by 1,1% to 43.1% from the third quarter of 2020. The graph below shows the unemployment statistics in South Africa dated January 2018 to April 2021.



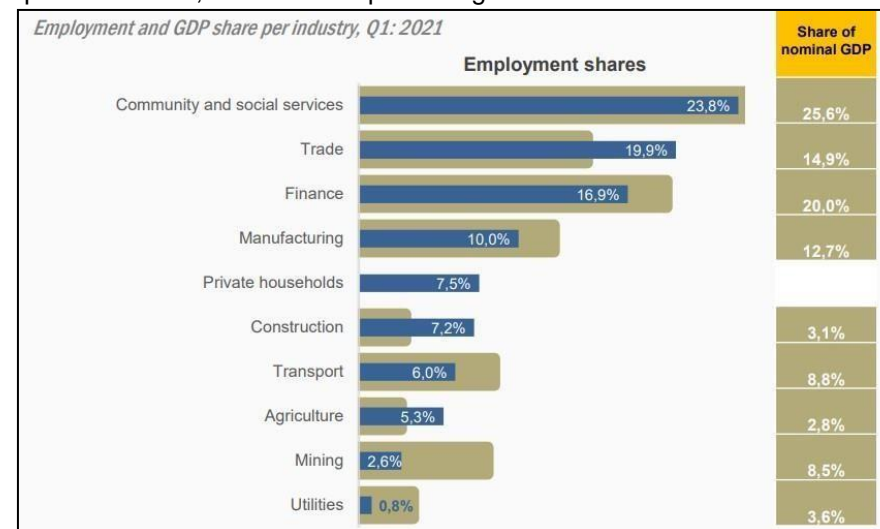
**Figure 2: South Africa's Unemployment**  
Source: Trading Economics, 2021

## 5.5. Share of employment per industry relative to its GDP share (%)

Similar to Q4 of 2020, trade, construction and agriculture have higher employment shares relative to their GDP contribution in the first quarter of 2021. The trade, catering and accommodation industries increased at a rate of 6,2% in Q1 of 2021, contributing 0,8 of a percentage point to GDP growth and an increased economic activity have been reported in wholesale trade and retail trade. This could lead to an increase in employment shares overtime, should increased trade be consistent. However, with a decrease

in the trade of mineral products and long-term purchases, the growth in employment shares might be progressively slow in comparison to GDP contribution.

The graph below depicts the share of employment per industry in the first quarter of 2021, relative to its percentage GDP share.

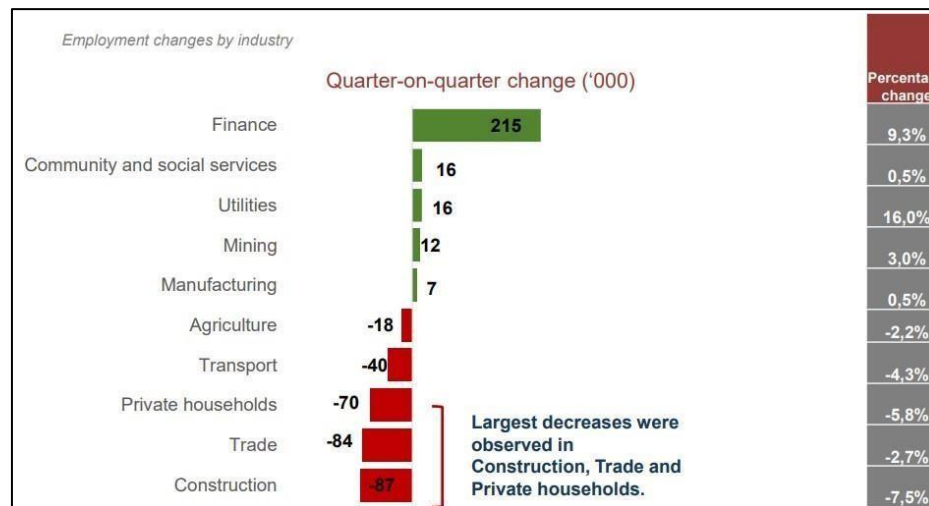


**Figure 3: Employment Shares per Industry (2021)**  
Source: (Statistic South Africa, 2021)

## 5.6. Employment Losses and Gains

The employment losses were mainly driven by Construction, Trade and Private households. Agriculture has regressed in comparison to previous quarters, although the gains were previously relatively low. The quarterly labour force survey shows that employment gains were largely observed in Finance, and in Community and social services, Utilities and Mining. The largest percentage increase was in the Finance industry, with the lowest in Manufacturing.

The diagram below shows the employment losses and gains in various sectors.

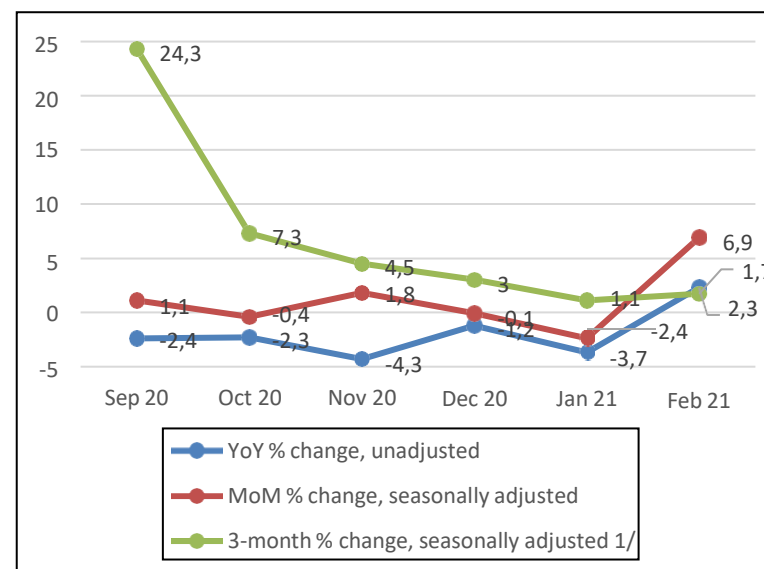


**Figure 4:** Employment losses and gains  
Source: (Statistics South Africa, 2021)

## 5.7. Economic Performance of W&R Sector

This section assesses the economic performance of the W&R sector from September 2020 to February 2021.

South Africa's year-on-year retail sales trade increased to 2,3% in February 2021, when measured in real terms at constant 2015 prices. The highest positive annual growth rates were for household furniture, appliances and equipment retailers and for textiles, clothing, footwear and leather goods retailers, at 17,3% and 12,3% respectively. The overall increase by 2,3% was mostly contributed to by the retailers in textiles, clothing, footwear and leather goods and general dealers, accounting. The diagram below shows South Africa's retail sales.



**Figure 5:** South Africa's Retail Trade Sales  
Source: (Statistics South Africa, 2021)

## 5.8. Growth by Industry Type

This section covers the percentage growth by various types of industry.

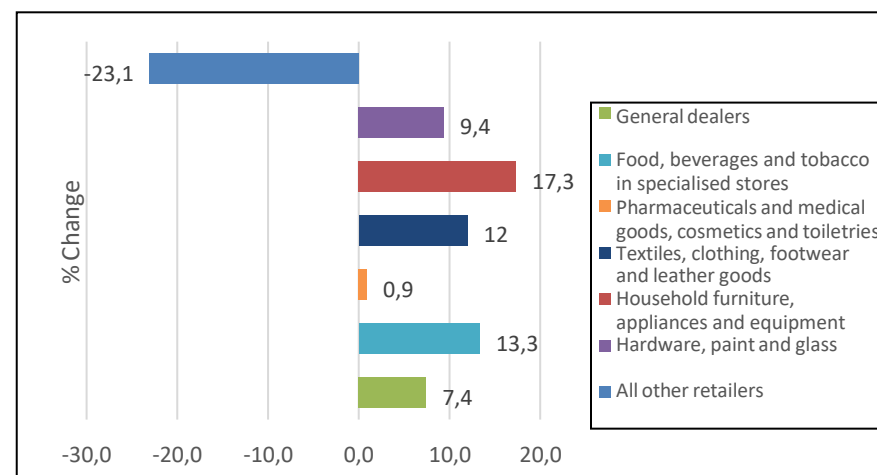
### 5.8.1. Growth by Industry Type

The South African retail trade is recorded at an overall 2,3% change comprised of a positive change of 17,3% in the household furniture, appliances and equipment and a contrasting -23,6% change by all other retailers. The retailer types with the lowest percentage change are all other retailers, pharmaceuticals and medical goods, cosmetics and toiletries and textiles, clothing, footwear and leather goods. Additionally, the food, beverages and tobacco and metal and metal ores subsectors might grow due the ERRP's focus on food security and exports in metals as part of boosting employment and supporting economic recovery.

Furthermore, it is noted that relevant key focus areas of the ERRP include the Green Economy, the Business Process Economy and Communications and the Digital Economy. The SETA will place emphasis on these areas with a view to assist in the successful implementation of the ERRP. Regarding the Green Economy, the SETA recognises the following as possible interventions to be explored:

- The FMCG sector's waste management initiatives to convert waste to fuel.
- The Fuel Sector's green agenda should be explored, as it focuses on the reduction of carbon emissions, the move towards cleaner fuels and the use of alternative sources of energy such as wind, water and solar power.
- Bio-fuel innovation could benefit rural communities, by converting plant materials into fuel. Management should consider strategic partnerships, including SETAs in implementing some of these initiatives.

The graph below shows the year-on-year percentage change in retail trade sales by type of retailer in February 2021.

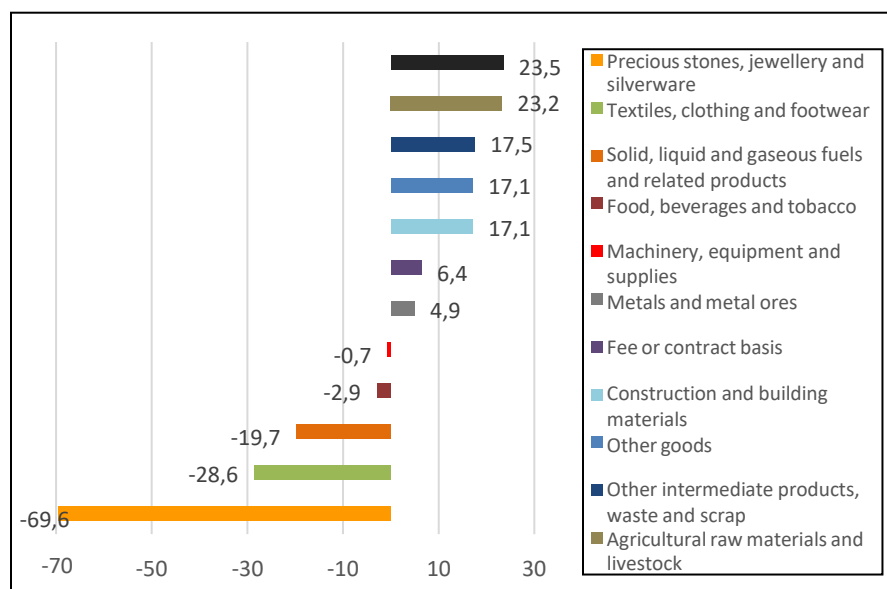


**Figure 6:** Retail Trade Sales by Retailer Type  
Source: (Statistics South Africa, 2021)

### 5.8.2. Growth by Type of Wholesaler

In 2021, South Africa's annual wholesale trade sales saw a total percentage change of -11,8%. The largest negative change percentage was recorded in the precious stones, jewellery and silverware sub-sector, which is more than twice that of the textiles, clothing and footwear sub-sector. The highest positive change recorded was for the other household goods except precious stones sub-sector and the agricultural raw materials and livestock sub-sector, with 23,5% and 23,2%, respectively.

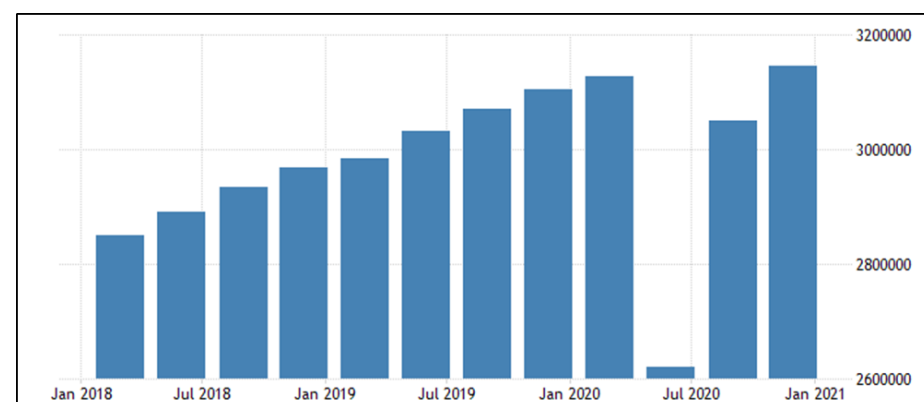
The graph below shows the growth rates of South Africa's wholesale industry.



**Figure 7: Wholesale Trade Sales by Dealer Type in Percentage**  
Source: (Statistics South Africa, 2021)

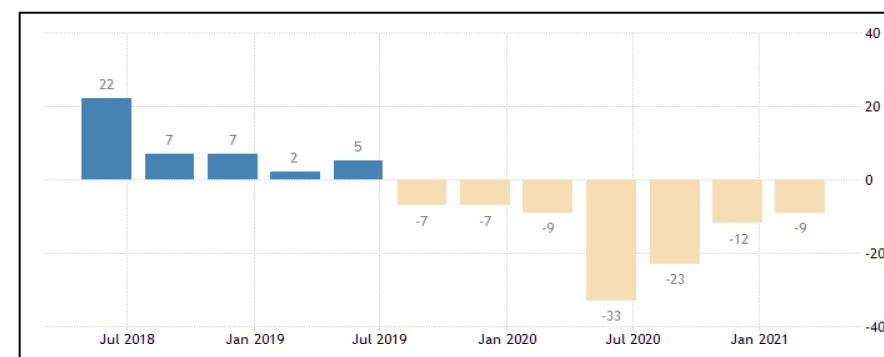
Disposable Personal Income in South Africa increased to R3 145 736 million in the fourth quarter of 2020 from R3 050 164 Million in the third quarter of 2020.

The disposable personal income in South Africa between January 2018 and January 2021 is displayed in the graph below.



**Figure 8: Disposable Income (2018-2021)**  
Source: (Trading Economics, 2021)

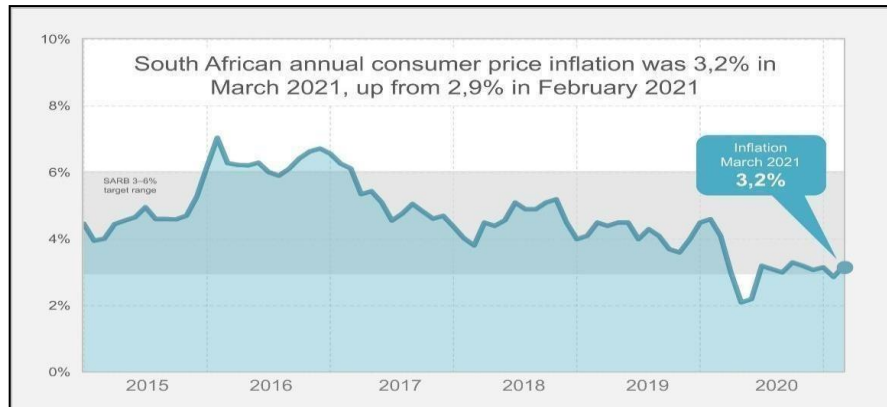
Consumer Confidence in South Africa improved to -9 in the first quarter of 2021 from -12 in the fourth quarter of 2020. South Africa has already started its path in recovering from the losses caused by Covid-19, however, because of the continued economic uncertainty consumer confidence is still low. Unfortunately, the -9 figure is still below the +2 average from 1994. The graph below shows the consumer confidence from 2018 to 2021.



**Figure 9: Consumer Confidence (2018-2021)**  
Source: (Trading Economics, 2021)

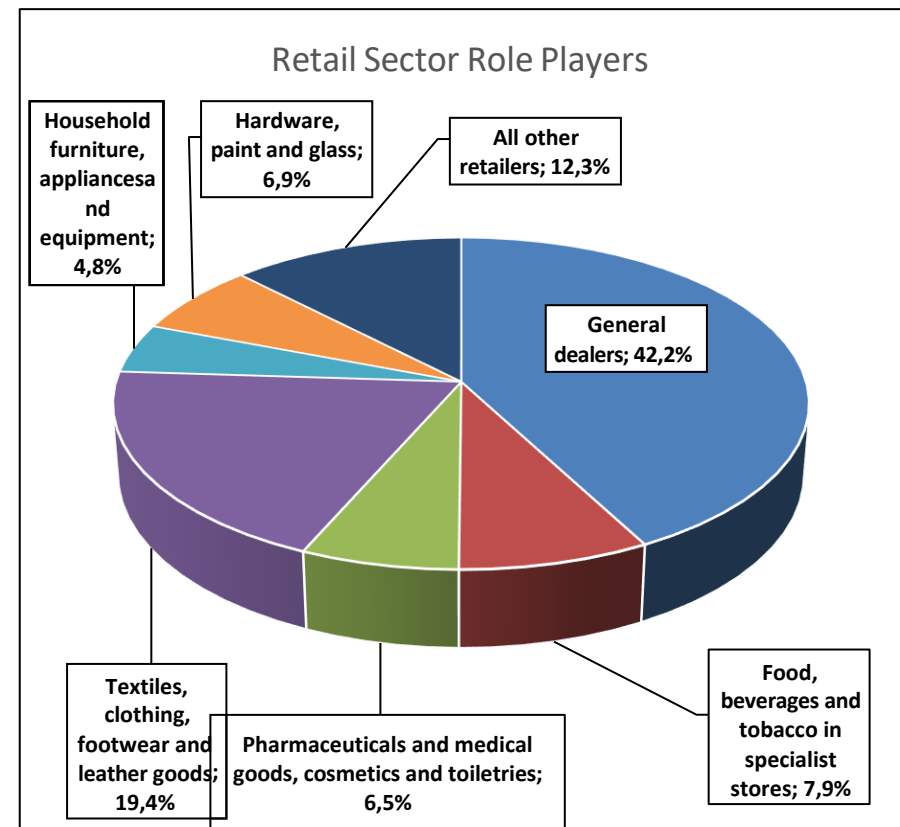


The graph below indicates South Africa's Consumer Price Inflation between March 2005 and April 2020.



**Figure 10: Consumer Price Inflation**  
Source: (Statistics South Africa, 2021)

As indicated by the figure below, general dealers have the highest weight in the retail sector with 42,2%; followed by textiles, clothing, footwear and leather goods and all other retailers with 19,4% and 12,3%, respectively. The pie chart below shows the biggest role players in South Africa's retail sector.



**Figure 11: Biggest Role Players in the Retail Sector**  
Source: (Statistics South Africa, 2021)

## 5.9. Employer Profile

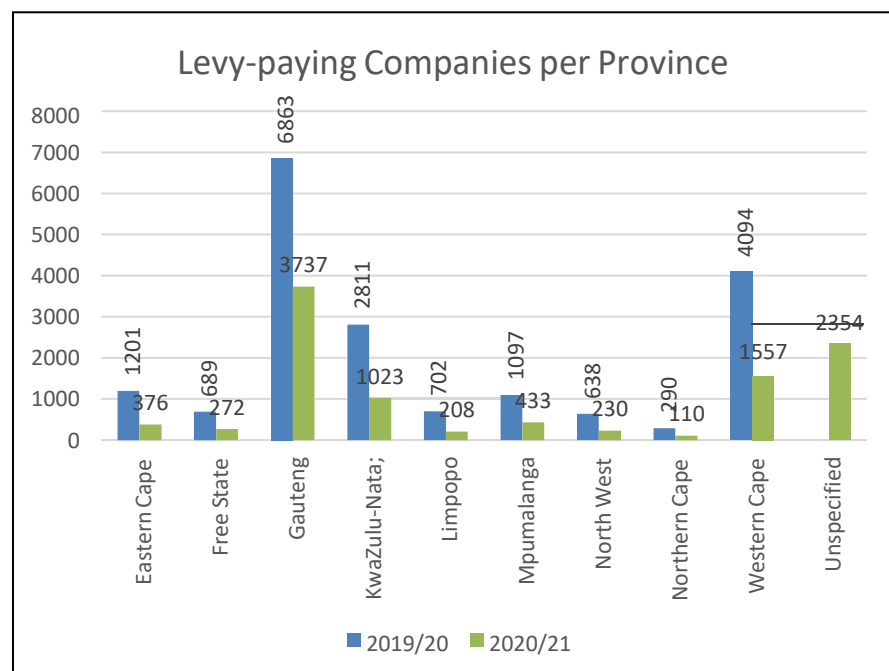
This section provides an employer profile of the W&R Sector for the period of 2019/20 to 2020/21.

The highest number of levy-paying companies was in Gauteng with 6863 (Gauteng South = 1612, Gauteng North = 5251), followed by Western Cape with 4094 and Kwa-Zulu Natal with 2811. The high numbers of levy-paying



companies are due to the higher concentration of companies in these 3 regions.

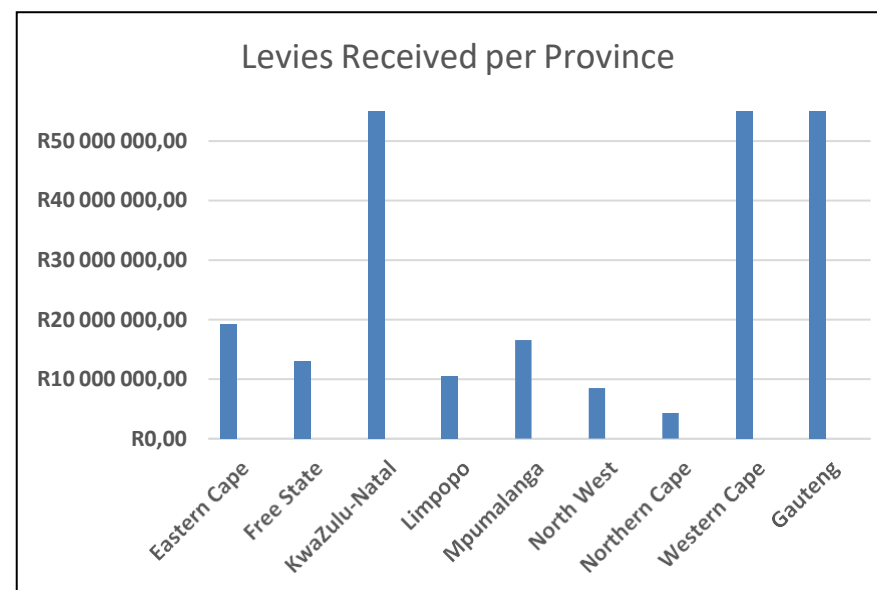
The graph below shows the levy-paying companies per province for the 2019/20 and 2020/21 periods.



**Figure 12:** Levy-paying companies per Province  
Source: (W&RSETA, 2019/20); (W&RSETA 2020/21)

### 5.9.1. Levy Income Trends

Levies received from Gauteng were the highest, followed by the Western Cape and KwaZulu-Natal due to the higher concentration of companies in these provinces. The graph below shows the levies received per province in the period 2019/20.



**Figure 13:** Levies Received per Province  
Source: (W&RSETA, 2020/21)

### Labour Market Profile

The employee profile of the W&R sector illustrates that job growth has decreased from December of 2019. This is due to the impact carried on companies and employment. The revised estimates in the graph below reveal the following:

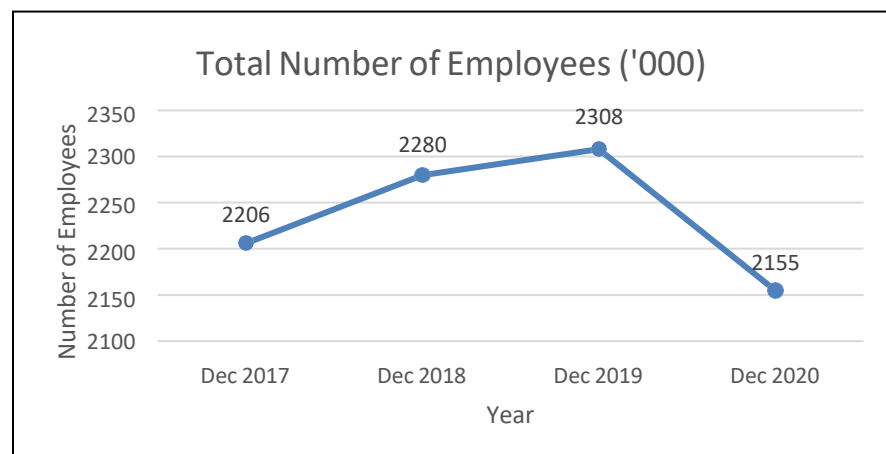
- The wholesale and retail sector employed 2.155 million people in December of 2020, which is about 15% of the total number of employed people. In 2017, there were 2.206 million employees compared to 2.155 million employees in 2020. This represents a decrease of 51000 (2%) of employees in this period.
- Employment declined in the fourth quarter of 2020, by a net decrease of 1.4 million in total employment. The biggest proportions contributing to this decrease include losses in Finance (256 000), Community and

social services (241 000), Manufacturing (230 000), Wholesale and retail trade (186 000) and Construction (184 000) industries.

- The informal sector employment increased by 65 000 people in the fourth quarter of 2020, 17 000 of those people were absorbed into the Wholesale and retail trade.

It is important to note that Covid-19 had a major influence in reduced employment in the sector, especially from early 2020 onwards.

The graph below shows the number of employees in the Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods; hotels and restaurants sector between 2017 and 2020.



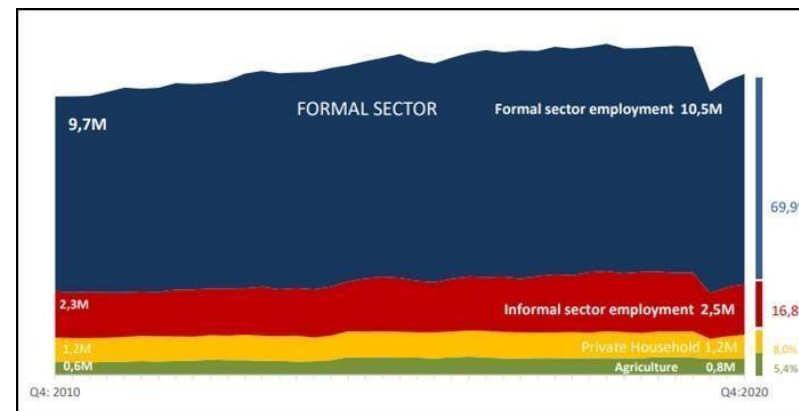
**Figure 14:** Number of Employees in W&R Sector 2017-2020 ('000)  
Source: (W&RSETA, 2021)

The graph below shows the number of employees in the formal and informal sector.

The graph reveals the following:

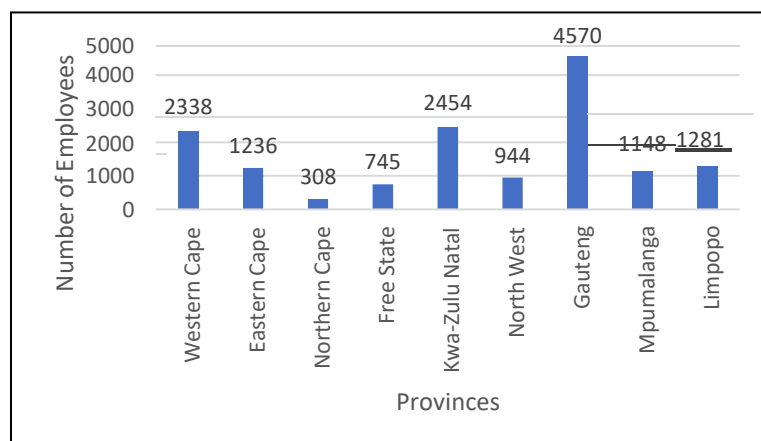
- The number of people in formal employment increased by 0.8 million to 10.5 million in the period of 10 years, which is 69,9% of South Africa's total employment. The informal sector accounts for 16,6% (2.5 million people) of South Africa's total employment.

- Employment in both the formal sector and the informal sector experienced a relatively steady increase between 2010 and 2020. However, there was a rapid decline before the fourth quarter of 2020 likely due to the impact of Covid-19, amongst other possible reasons.



**Figure 15:** Employees in the Formal and Informal sectors  
Source: (Statistics South Africa, 2021)

The Graph below provides statistics on employment by province.



**Figure 16:** Employment by Province ('000)  
Source: (Statistics South Africa, 2021)

### 5.9.2. Employee Demographics

The Table below indicates that despite the fact that democratic transformation in South Africa began over 25 years, change is still not prominent in this sector. The figures indicate that 56,5% of people in top management are represented by White males, which constitutes as the largest group to represent any occupational level. In contrast, there are only 22,7% of South African women represented in top management, with only 2,2% being African. The number of African females represented has decreased from 5,1% in 2018/19 to 2,2% in 2019/20, while that of White females has increased by 1,9%.

African males and females represent the largest group of semi-skilled and unskilled workers by a sizeable margin. African males make up 31,1% semi-skilled workers and 40,8% unskilled workers, while African females make up 46,3% semi-skilled workers and 43,2% unskilled workers. This is followed by Coloured males and females with the second largest representation of semi-skilled and unskilled workers, making up 14% of semi-skilled workers and 11,6% of unskilled workers. Further noting that

Coloured males and females have the lowest representation in senior management.

Through a surface analysis of the below figures, a skewed representation in favour of White males, is visible. There is also an overall larger representation of males than females in the below occupational levels with the exception of semi-skilled workers and unskilled workers.

The employment profile table below shows that the demographics for formal employment in the W&R sector are a challenge. According to the Commission for Employment Equity the racial and gender profile of the sector is as follows:

OCCUPATIONAL LEVEL	MALE (%)				FEMALE (%)				FOREIGN NATIONAL		TOTAL (%)
	A	C	I	W	A	C	I	W	M	F	
Top Management	4,3	2,7	11,3	56,6	2,2	1,7	3,8	15,0	1,8	0,5	100
Senior Management	11,6	5,7	10,5	35,5	6,3	4,1	4,6	19,4	1,8	0,4	100
Professional	17,7	6,7	7,3	22,8	13,7	6,7	4,9	18,5	1,2	0,5	100
Technician	27,1	6,9	4,7	10,9	25,2	9,0	4,1	10,4	1,2	0,5	100
Semi-Skilled Workers	31,1	4,9	1,4	1,9	46,3	9,1	1,6	2,4	0,9	0,4	100
Unskilled Workers	40,8	5,0	0,7	0,7	43,2	6,6	0,6	0,4	1,4	0,6	100

**Table 1:** Employee Demographics  
Source: (CEE, 2019/20)

The table below provides the racial profile of W&RSETA registered employees by Major OFO Groups. The figures from the table indicate that African males constitute the most predominant group, followed by African females. Furthermore, the biggest demographic across Major OFO Groups is African male Plant and Machine Operators and Assemblers with 66,1% in comparison to a combined total of 12,7% of female Plant and Machine Operators and Assemblers.

Overall, there are more males than females in 6 Major OFO Groups, which exclude the Clerical Support Workers, and the Service and Sales Workers Major OFO Groups. While this still indicates a skewed representation in favour of males, on a racial perspective there are more Africans than other

racial group. Furthermore, there are more White males in the Manager and Professionals groups, with 26,9% and 23,9% respectively.

OCCUPATIONAL LEVEL	MALE (%)				FEMALE (%)				FOREIGN NATIONAL		TOTAL (%)
	A	C	I	W	A	C	I	W	M	F	
Managers	21,8	5,1	6,4	26,9	17,8	4,1	2,9	13,5	1,1	0,4	100
Professionals	12,4	6,3	6,8	23,9	11,8	6,0	6,7	24,5	1,1	0,5	100
Technicians and Associate Professionals	26,0	7,7	4,3	12,2	17,2	8,5	4,7	16,8	2,0	0,5	100
Clerical Support Workers	41,8	2,4	1,6	2,0	36,3	5,5	2,7	6,8	0,6	0,3	100
Service and Sales Workers	32,4	4,5	1,2	3,5	41,9	8,2	1,3	3,3	2,5	1,2	100
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	45,7	11,0	2,3	10,1	15,6	7,2	0,4	1,0	5,5	1,1	100
Plant and Machine Operators and Assemblers	66,1	12,0	2,5	2,7	9,7	2,5	0,2	0,2	3,9	0,1	100
Elementary Occupations	39,8	10,6	0,9	2,0	31,3	9,7	0,4	0,7	3,6	1,0	100

**Table 2:** Employee Profile by Major OFO Group

Source: WSP Data 2021; SSP Survey; Employer Interviews; SSP Provincial Engagements

The following table provides the racial profile of the W&R Sector by gender, based on WSP data.

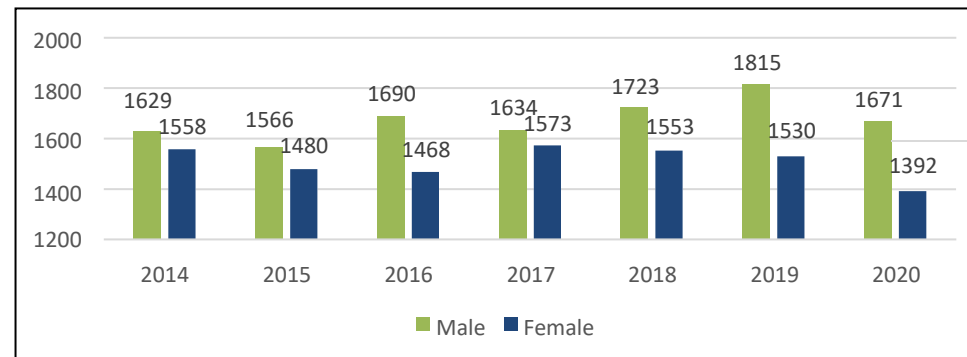
	African	Coloured	Indian	White
Male	37%	6%	3%	7%
Female	32%	7%	2%	6%

**Table 3:** Racial Profile

Source: WSP Data 2021; SSP Survey; Employer Interviews; SSP Provincial Engagements

The graph below illustrates that the number of females employed in the sector reached its lowest in 2020 with 1 392 000 employees, in comparison to the 6 years prior. The number of employed males in the sector increased to its highest in 2019 at 1 815 000 but decreased by 7,9% to 1 671 000.

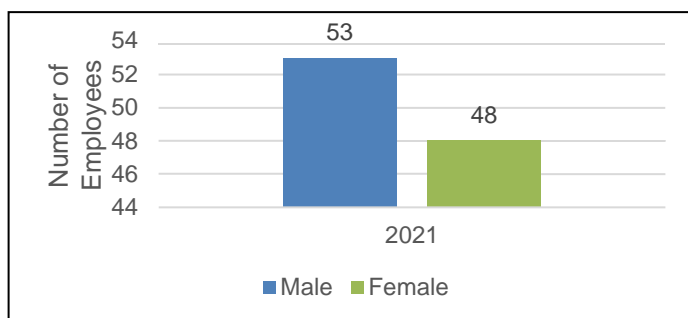
The graph below illustrates the number of employees in the sector by gender between 2014 and 2020:



**Figure 17:** Number of Sector Employees by Gender ('000)

Source: (Statistics South Africa, 2021)

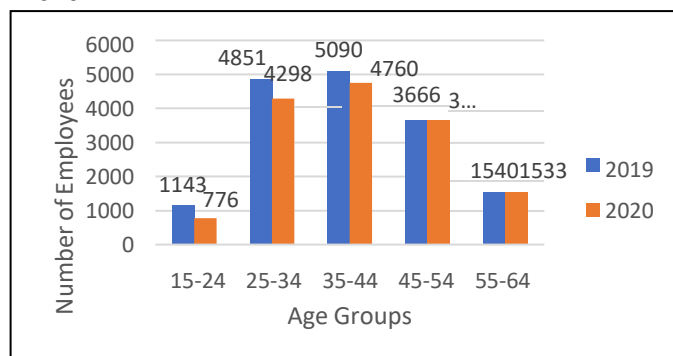
The following graph illustrates the breakdown of employees by gender, based on 2021 WSP data. From the figure below, it is evident that there are more males than females in the W&R Sector.



**Figure 18: Employees by Gender ('000)**

Source: WSP Data 2021; SSP Survey; Employer Interviews; SSP Provincial Engagements

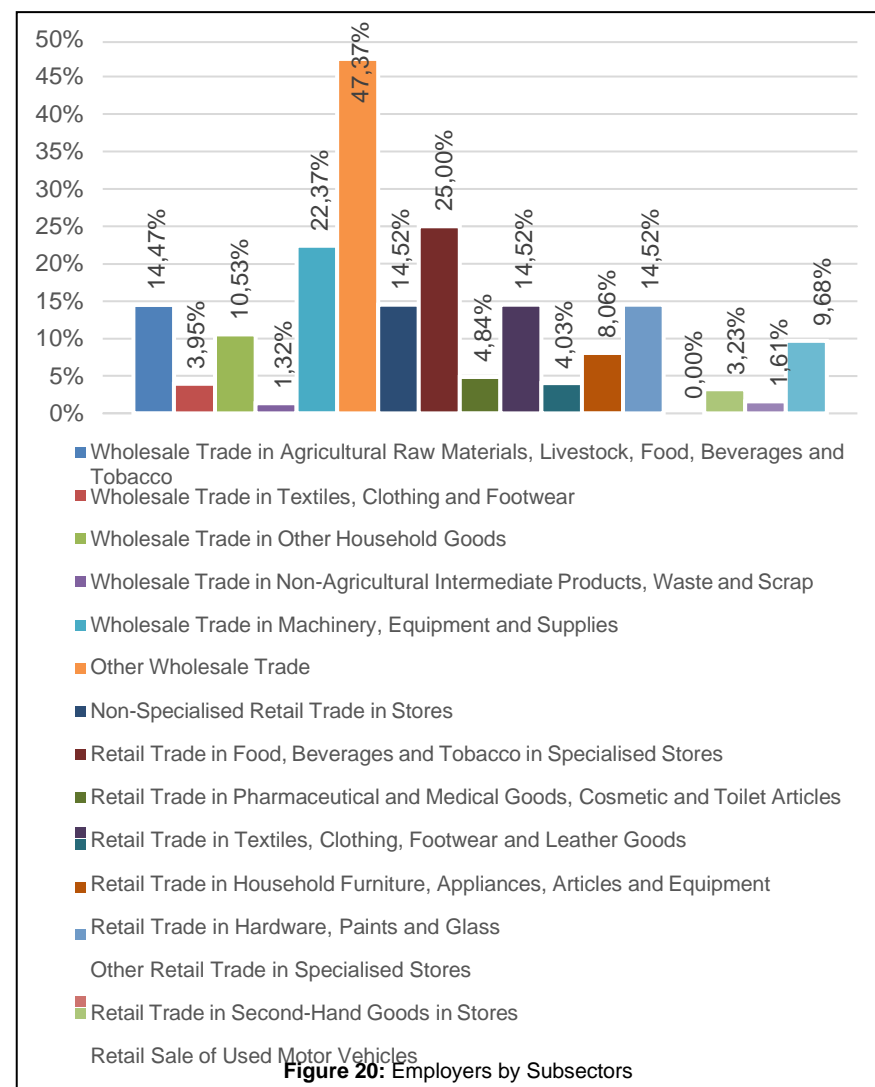
The graph below illustrates the number of employed people per age group in thousands. The figure shows that people between the ages of 15 and 24 have the lowest number of employed people in 2020 when compared to 2019 and overall, across the age groups. The age groups 25 to 34, 35 to 44 and 45 to 54 have all seen a decrease in the number of employed people. Overall, the number of employed people decreased across all the age groups in 2020.



**Figure 19: Number of Employed People per Age Group**

Source: (Statistics South Africa, 2021)

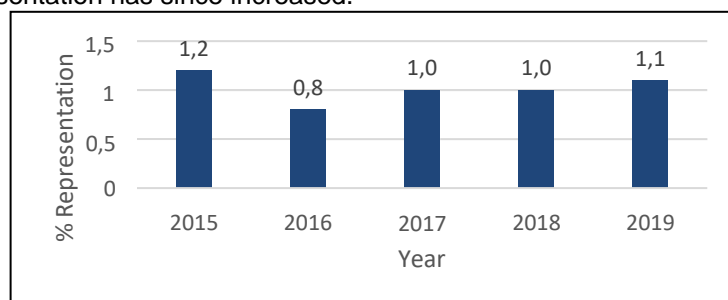
The graph below shows the percentage of employers by subsector.



**Figure 20: Employers by Subsectors**

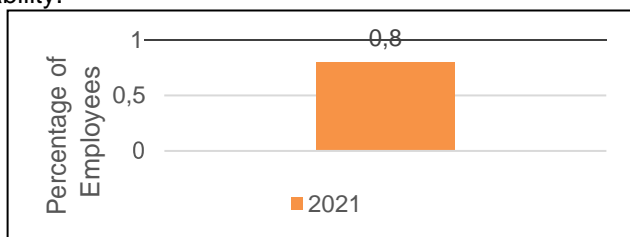
Source: Employer Survey

The following figure shows the percentage of the workforce made up by people with disabilities over the three years from 2015 to 2019. The graph shows an average of 1,0% from 2015 until 2019. The representation of people with disabilities in the workforce has decreased since 2015, especially in 2016 where it decreased by 0,4%. The percentage representation has since increased.



**Figure 21:** Percentage Representation of Workforce with Disabilities 2015-2019  
Source: (CEE, 2019/19): (CEE, 2019/20)

The following graph provides the percentage of employees with disabilities, as per the 2021 WSP data. The figure shows that less than 1% of employees had a disability.



**Figure 22:** Percentage of Employees with Disabilities in 2021

Source: WSP Data 2021; SSP Survey; Employer Interviews; SSP Provincial Engagements

### **Representation of People with Disabilities (PWD) within the Sector:**

People with Disabilities are the least represented across the South African workforce, despite the commitment by companies to comply to the Employment Equity Act 55 of 1998 (EEA). The EEA serves 2 key purposes, one of which is 'implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupation categories and levels in the workforce' (Department of Labour, 2004).

The figures in the 20th Commission for Employment Equity Annual Report for 2019/20 show that the representation of People with Disabilities is extremely low, with an average representation percentage of 1% across the workforce since 2015 (CEE, 2019/20). This illustrates that the action taken towards transformation and equity in the workplace is taking place at a much slower pace than it should. The figures for the W&R sector were not much different either, as the sector only had slightly less than 1,2% employees that represent People with Disabilities (W&RSETA APP, 2021/22 - 2023/24). This is slightly concerning considering that People with Disabilities are one of the annual SSP priority areas. However, the SETA's strategy highlights the challenges faced by People with Disabilities and is geared towards highlighting this to the W&R sector, to assist in accelerating developmental programmes to alleviate the statistics alluded to.

A challenge with the transformation interventions set for People with Disabilities, and other individuals in marginalised groups, is that although the interventions are targeted the impact imparted does not always translate as well in employment as it does in academics and training. There is still a highly visible margin in the representation of Persons with Disabilities and able-bodied people.

## 5.10. PESTEL Analysis

Table 5: Political, Economic, Social, Technological, Environmental and Legal (PESTEL) Analysis

EMERGING ISSUES		IMPLICATIONS FOR THE W&RSETA
<b>POLITICAL FACTORS</b>	<ol style="list-style-type: none"> <li>1. Macro-reorganisation of the state e.g., the merging of departments</li> <li>2. Instability in the Informal Sector</li> <li>3. SOE governance Framework</li> <li>4. Political pressure for a more inclusive economy</li> <li>5. The country's massive inequality exposed in terms of access to good quality education and training resources and economic impact on vulnerable groups</li> </ol>	<ul style="list-style-type: none"> <li>• Support rural and township economy through skills development initiatives</li> <li>• Drive social cohesion in the Informal Sector</li> <li>• Adopt a more collaborative approach to the planning and execution of training programme</li> <li>• Greater intersectoral and community involvement.</li> <li>• Programmes aimed at uplifting vulnerable sectors of society.</li> </ul>
<b>ECONOMIC FACTORS</b>	<ol style="list-style-type: none"> <li>1. State of economy, including mass unrest and looting</li> <li>2. Lower economic growth levels</li> <li>3. Retrenchments by various Sectors</li> <li>4. Rising unemployment especially among youth</li> <li>5. High poverty and rising inequality</li> <li>6. Budget Adjustments – reallocation of funds</li> <li>7. Retrenchments and worsening unemployment</li> <li>8. Deepening Recession</li> <li>9. Reduced SDL Income</li> <li>10. Economic Reconstruction and Recovery Plan</li> <li>11. Mass looting and civil unrest impact on businesses, especially SMMEs</li> </ol>	<ul style="list-style-type: none"> <li>• Accelerate implementation of strategies that support employment and placement</li> <li>• Entrepreneurship support initiatives</li> <li>• Prioritise programs that can support failing industries and SMMEs</li> <li>• Training layoff scheme with Department of Labour</li> <li>• Upskills and reskilling of the unemployed and those that have been laid off</li> <li>• Partnerships with Department of Labour regarding Training Layoff scheme programmes</li> <li>• Budget cuts – thus focus priority areas emphasis on making an impact</li> <li>• Budget adjustments to include PPE clothing and Online platforms for learning</li> <li>• The following are guidelines to assist in the implementation of the ERRP: <ul style="list-style-type: none"> <li>○ To understand education and training intervention needs at an occupational level.</li> <li>○ To identify training and education interventions critical to ensure occupational shortages do not hamper the effectiveness of the ERRP.</li> <li>○ To understand education and training intervention needs to alleviate/plug skills gaps.</li> </ul> </li> </ul>

EMERGING ISSUES		IMPLICATIONS FOR THE W&RSETA
		<ul style="list-style-type: none"> <li>○ To Identify training and education interventions critical to ensure skills gaps do not hamper the effectiveness of the ERRP.</li> <li>• To assist businesses impacted by looting and civil unrest               <ul style="list-style-type: none"> <li>○ Assist affected SMMEs through appropriate measures such as infrastructure improvements to damaged properties.</li> <li>○ Partner with funding agencies to provide comprehensive solutions for SMMEs as a result of the unrest.</li> <li>○ Continuously communicate with SMME associations to understand what the needs of their members brought on by the economic disruptions are to prepare interventions that address those needs.</li> <li>○ Ensure credible labour market analysis to provide a supply and demand analysis that inform sector skills priorities, keeping in consideration the shift in the sector brought on by the economic disruptions.</li> <li>○ Infrastructure supporting (Shelving, painting, and branding).</li> <li>○ Provide training layoff scheme to the affected employees and learners</li> <li>○ Continuous engagement with sub-sectors affected by retrenchments due to economic disruption for the implementation of upskilling programmes.</li> </ul> </li> </ul>
<b>SOCIAL FACTORS</b>	<ol style="list-style-type: none"> <li>1. Unemployment especially among youths</li> <li>2. Instability in the townships</li> </ol>	<ul style="list-style-type: none"> <li>• Grow participation in bursary, learnerships and artisans</li> <li>• Come up with skills development initiatives for small businesses</li> <li>• Partnerships with Department of Labour to use the Training Layoff Scheme</li> <li>• Reskilling and Upskilling</li> </ul>



EMERGING ISSUES		IMPLICATIONS FOR THE W&RSETA
		<ul style="list-style-type: none"> <li>Partnerships with cooperatives, providing them with appropriate training programmes</li> </ul>
<b>TECHNOLOGICAL FACTORS</b>	<ol style="list-style-type: none"> <li>The fourth industrial revolution which is driven by artificial intelligence (AI) and cyber-physical systems (CPS)</li> <li>Accelerated adoption of e-commerce with subsequent disruption of supply chain</li> <li>Limited export opportunities occasioned restriction of movement of people and Goods and services</li> <li>A rise in the adoption of digital education and training platforms</li> <li>Lack of or limited access to technology from rural areas and vulnerable groups</li> </ol>	<ul style="list-style-type: none"> <li>Invest in the use of artificial intelligence particularly in curriculum development</li> <li>Support initiatives to build infrastructure that supports 4IR technology</li> <li>Support dialogue and research to understand and benchmark for the 4IR</li> <li>Invest in research on 4IR</li> <li>Ensure regional, national and international partnerships</li> <li>Facilitate the development appropriate digital retail skills e.g., Digital Supply Chain Skills, Digital Marketing as well relevant robotics and coding courses.</li> <li>Empower retailers and SMME's and the informal sector with digital supply chain networks</li> <li>Partnerships and collaboration with Organisations within the ICT space</li> <li>Increase the number of bursaries for students with online academic centres</li> <li>Investing in future skills responding to the 4IR as identified in the SSP. These include: <ul style="list-style-type: none"> <li>Data analyst;</li> <li>System analyst;</li> <li>IT specialist;</li> <li>Product manager;</li> <li>E-learning Designer.</li> </ul> </li> <li>Investing in new and emerging top-up skills as identified in the SSP. These include: <ul style="list-style-type: none"> <li>Digital marketing skills;</li> <li>Digital customer communication skills;</li> <li>Problem solving skills;</li> <li>Financial literacy skills;</li> <li>Data analytics skills;</li> <li>Ethics &amp; discipline;</li> <li>Information Communication Technology (ICT) skills.</li> </ul> </li> </ul>

EMERGING ISSUES		IMPLICATIONS FOR THE W&RSETA
<b>ENVIRONMENTAL FACTORS</b>	<ol style="list-style-type: none"> <li>1. Consumer awareness of, for example the green economy</li> <li>2. Movement towards organic foods</li> <li>3. Plastic pollution awareness, recycling and alternatives to plastic</li> <li>4. Reduced Carbon Footprint</li> <li>5. Net positive carbon emissions</li> <li>6. Food loss and waste</li> </ol>	<ul style="list-style-type: none"> <li>• Facilitate skills development programmes that support the green economy</li> <li>• Support community-based initiatives that address environmental challenges and unemployment</li> <li>• Cooperatives formation</li> <li>• Facilitate programmes that support reduction of carbon emissions</li> <li>• Partnership with universities to consider offering entirely new study fields focusing on Green Economy and Environment.</li> <li>• Funds allocation for green trades and occupations through bursaries and placement of the unemployed.</li> <li>• Support eco-innovation programmes for the unemployed.</li> <li>• Upskilling programmes focusing on green technologies by strengthening initial education and vocational training partnerships.</li> <li>• Setting up green training and expertise centres to educate employers and employees in the wholesale and retail sector</li> </ul>
<b>LEGAL FACTORS</b>	<p>Legislation affecting the sector in business including:</p> <ul style="list-style-type: none"> <li>• SETA Grant Regulations (December 2012)</li> <li>• National Qualifications Framework Act, No. 67 of 2008</li> <li>• Workplace Based Learning Programme Agreement Regulations, 2018</li> <li>• Occupational Health and Safety Act, No. 85 of 1993</li> <li>• Disaster Management Act, No. 57 of 2002</li> <li>• POPI Act</li> <li>• Skills Development Act</li> <li>• Skills Development Levies Act</li> <li>• Employment Equity Act</li> <li>• Labour Relations Act</li> <li>• Basic Conditions of Employment Act</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring Regulatory Compliance</li> <li>• Capacity to adhere to relevant pieces of legislation</li> <li>• Enable initiatives that ensure health and safety policies put in place</li> </ul>

### 5.11. Opportunities and Threats

The following opportunities and threats might affect the W&RSETA strategy as shown on Table 6:

Table 6: Opportunities and Threats

OPPORTUNITIES	THREATS
<ol style="list-style-type: none"> <li>1. National legislation which mandates all corporate organisations to participate and pay levies</li> <li>2. The new SETA landscape which has renewed SETA operations up to 2030 provides growth opportunities</li> <li>3. High youth unemployment is an opportunity to expand training programmes. Accordingly, the SETA will pursue priorities for youth skills development for employment creation as well as career advancement, in line with NSDP 2030 principles and SSP priority action 1.</li> <li>4. Opportunity to capitalise on the 4<sup>th</sup> Industrial Revolution (4IR). This gives a chance to change the way things are done e.g., classdelivery. To make impact in the sector, the SETA will pursue the development and revision of a curriculum which is relevant to the sector. Research interventions into industry trends will inform the development and revision of the curriculum; which will seek to respond to sector dynamics.</li> <li>5. Opportunities for partnerships with international organisations, higher education institutions and other SETAs. In line with NSDP 2030 outcome 5, the SETA will pursue partnerships aimed at the capacitation of TVET and CET colleges through infrastructure development, equipment and lecturer capacitation. Meanwhile, partnerships with other SETAs and international institutions will be made in the fields of research, exchange learning and curriculum development.</li> <li>6. Job opportunities within the sector relating to the Green Economy. Opportunities could be leveraged through:</li> </ol>	<ol style="list-style-type: none"> <li>1. Movement of W&amp;RSETA stakeholders to other SETAs – This is a recurring occurrence; and is likely to reduce the number of levies collected by the W&amp;RSETA by a significant percentage if the trend persists. The SETA will focus on improving stakeholder relations during the strategic plan implementation period to enhance retaining of levy paying firms.</li> <li>2. The general perception of rife corruption in the SETA system – This generally leads to lack of trust in the SETA to deliver on its promises and might also lead to the reluctance of W&amp;R firms to pay their levies. The W&amp;RSETA will accordingly aim to interact with all stakeholders with dignity by delivering on all obligations. Building, maintaining and enhancing trust with stakeholders will be among the key overall priorities for the W&amp;RSETA's approach to the 2020/21-2024/25 SP implementation processes.</li> <li>3. Overall poor performance of the economy which decreases levies obtained by the W&amp;RSETA – As at the first quarter 2021; unemployment in SA is at its highest, whilst growth rates has also declined. A continuation of the trend will result in the decline in levies received; thereby affecting the SETA's ability to meet targets set in the APPs. Accordingly, the SETA will focus on improving efficiency in the utilisation of limited resources; through investment in extensive research into W&amp;R sector dynamics.</li> <li>4. Reconstruction of SETAs and their mandate</li> <li>5. Bureaucratic systems that are do not adapt to "new normal"</li> <li>6. Low learner absorption and placement rate</li> <li>7. High retrenchment rate due to COVID-19 and unrest/ looting related disruptions</li> </ol>

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Green skills project aligned to the sector focussing on awareness, supply chain efficiencies, critical and occupational shortages.</li> <li>• The development and implementation of the green policy framework for the sector.</li> <li>• Bursaries may be awarded to students within the sector to venture into the green economy.</li> <li>• Collaboration with the Department of Environmental Affairs and other institutions within the green economy.</li> </ul>	

## 5.12. Factors Affecting Skills Demand and Supply

This section describes the key factors identified as change drivers influencing skills supply and demand either positively or negatively. The section also presents the implications of these factors for skills development of the sector.

### i. COVID-19

COVID-19 is an unprecedented public health emergency that is rapidly transforming the way we all live our lives. It is also mandating significant changes to retail and commerce. In this dynamic time of humanitarian and social uncertainty, what we buy, how we buy, and when and where we buy is undergoing a seismic shift.

The implications of COVID-19 for Skills planning include slowing down of business activity, decline in revenue, increased demand for e-commerce, prioritising reskilling and retraining to minimise job losses, and higher health and safety risk of customers, employers, employees and partners. Skills planning also has to include transitioning to e-learning and/or blended learning to provide training for employees and learners. The strategic priority skills areas therefore include Safety, Health, Environmental and Quality (SHEQ), Food Safety, Product knowledge, Skills programmes for unemployed youth and supporting vulnerable sub-sectors of the economy (SMMEs, informal traders, cooperatives, NGOs and youth). Training in ICT literacy is also a priority due to an increased need for virtual team management.

## ii. Data Privacy and Protection of Personal Information Act

All businesses in South Africa are now required to adhere to the requirements of the Protection of Personal Information Act. These requirements can be onerous for businesses, especially for SMMEs (for example, the requirement of all businesses to appoint an Information Officer who can be held liable for data breaches in multiple ways). POPI will require a fundamental shift in how businesses process data and how they market themselves. Furthermore, cybersecurity and IT literacy skills will become essential as most data is stored on servers or in the cloud.

## iii. Technology Advancements and Access to Information

The wholesale and retail industries are rapidly changing due to technological advancements. These advancements offer wholesalers and retailers opportunity to increase their efficiency and revise their business models. However, these advancements have also given consumers more power in relation to retailers. This power is often through constant connectivity, communication and access to information.

Implications of technology for Skills Planning in the sector include the following:

- **Mobile Applications:** Smartphones, tablets and wearable devices present retailers with new opportunities for engagement with customers. Retailers can build personal relationships with customers based on their preferences, shopping styles, and mobile interaction<sup>2</sup>.
- **Online Shopping:** Online shopping is growing rapidly in popularity. Companies are increasingly marketing online in order not to be outdone by rivals.
- **Big Data:** Large, complex datasets from multiple sources. Provides information on consumer behaviour and is a strong predictive sales indicator.
- **Social Media:** A platform for retailers to expand marketing to a wider range of consumers. Major platforms are Facebook, twitter, LinkedIn and others. Conversely, social media offers Consumers an opportunity to gather information about retailers. This includes negative publicity (e.g., retailers being accused of unethical conduct, poorly thought-out marketing campaigns, etc.).
- **Cyber Crime:** Retailers are a target for cybercriminals. Retailers experience nearly three times as many cyber-attacks as those in the finance sector. With 77% of organisations being affected<sup>3</sup>.

Other uncategorised implications include the following:

- The future of work is changing as technology is rapidly advancing towards latest trends such as automation and artificial intelligence, which will change the traditional roles leading to some jobs becoming absolute.<sup>4</sup>
- Employers and employees will require skills in the ICT and data analytics space.
- Re-capacitation and reskilling of workers are critical to ensure their readiness to embrace the new technological changes.
- Retailers may have an increased need for environmental managers, social corporate managers, public relations managers and HR Managers. Furthermore, it is increasingly important that companies have the skills to make the correct decision quickly (both in terms of business sustainability and ethically).

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<sup>2</sup> Euromonitor International, Retailing in South Africa, Market Research Report, 2018

<sup>3</sup> PWC, Global Economic Crime and Fraud Survey South Africa, 2018

<sup>4</sup> NEDLAC, Future of Work in South Africa, 2019

- Should the business make a decision that is unpopular (as was the recent case when a major retailer was accused of appropriating someone's product idea as their own) it is imperative that they have the required public relations skills to mitigate the negative impact this incident may pose.
- There are still areas that struggle with access to network, internet and technological resources. This will create a gap within the sector's development and transformation.

The Skills Gap Needs that were identified include ICT, analytics, graphic design, photography, programming, cloud computing, web development, data mining, statistics, research, forecasting, marketing and sales, management, networking, mobile device management, cyber security and ICT law. Re-capacitation and reskilling of workers are critical to ensure their readiness to embrace the new technological changes.

The occupational needs include Software Developer/ Web Designer/ Web Administrator/ ICT Security Specialist/ Graphic Designer/ Analyst/ Researcher/ Marketing and Sales Manager Digital skills/Cognitive based work/ Programming/ machine device management/ Customer Service optimization.

#### iv. SMME Development

The W&R sector in South Africa is made up of many SMMEs in need of support and development.

The implications for Skills Planning in the sector are listed as follows:

- **Small enterprise development:** SMMEs should build a sustainable business model given that the gestation period for success in the retail sector is long. Sustainable product pricing, offering products that imply longevity, expanding operations in a calibrated but determined manner.
- **Hawkers:** Hawkers are a vulnerable group, since many are women with little family support. A major characteristic of hawkers is their mobility since they traverse on foot.
- **Casualisation:** The entire retail sector is characterized by high casualization – the “permanent temporary worker”. Most workers employed by unorganised businesses do not receive healthcare, educational and minimum wages.
- **New Training Model:** A new training model is required to upgrade the skills of SMMEs, since they cannot leave the business for skills training. Training for SMMEs should include e-training; toolkits; on-the-job training; digitization of training; industry clusters; mentoring and coaching. An SMME Strategy for skills development is needed. The SETA can also ensure partnerships between SMMEs and Training Providers.
- **Township Based Businesses and Smaller Retailers:** National supermarkets are saturating townships and peri-urban areas causing a strain on small retailers. There is therefore a need for smaller businesses to partner with the larger retailers and form part of these supply chains. This will raise the need for skills relating to business management, compliance training and quality assurance. There are many requirements that larger retailers have for their suppliers and business owners will need training in this space. There have been calls for informal businesses to become formal so they can better compete with the big chains but there are a series of barriers facing them.<sup>5</sup>

<sup>5</sup> Charman, A., Bacq, S. & Brown, K., “Spatial determinants of formal retailers’ impact on informal microenterprises in the township context: A case study of Philippi East, Cape Town.” (February 2019). Food Security.

The occupational needs in the sector include tellers, packagers, cleaners, securities, sales managers, buyers, merchandisers, sales assistants, bakers, butchers, etc. The skills gap needs include financial management, product knowledge, marketing and sales, communication, merchandising negotiation, technical, conflict management, buying, pricing, time management, customer relations, ICT, life skills and coaching. The occupational needs include Coach/ Mentor, SMME specialist, and Finance/ Business Management.

#### v. Changing Expectations of W&R Stakeholders

The expectations of customers, employees, suppliers and investors are constantly evolving and changing over time. For example, employers are encouraged to be more aware and responsive to differences in employee cultures and religions.

Customers expect a much faster reaction time from their favoured stores. Competition is also being faced from a global perspective. Furthermore, consumers are more inclined to support businesses who operate ethically with a sustainable ecological footprint. With the rise in access to information, consumers can easily seek out retailers who demonstrate these characteristics. There is also an increased demand for Customer Service and Emotional Intelligence to help with dealing with the pressures and trauma faced by employees and customers due to COVID-19. These elements require employees to be skilled and knowledgeable in HR practices, environmentally friendly practices, be aware of the local and global economic and political context.

### 5.13. Challenges in the Internal Environment and Interventions for Addressing Challenges

The SETA's performance in terms of meeting its priorities set in the 2015-20 strategic plan, together with the 2020/21 period, was affected by a number of challenges which emanated from the internal and external environments.

*Table 7: Challenges experienced by the W&RSETA in the performance environment*

Challenges experienced by the SETA	Mitigations over the 2020/21 – 2024/25 period
1) Failure to meet targets due to the mismatches between employers and learning institutions' financial years	<ul style="list-style-type: none"> <li>Activities and reporting will be streamlined to ensure maximum registrations are conducted and reported on during the SETA's financial period.</li> <li>Registrations for skills development programmes will proceed throughout all periods when employers and educational institutions are open</li> </ul>
2) Failure of some companies to submit compliant Annexure II documents, thus leading to rejection of applications	<ul style="list-style-type: none"> <li>Companies will be educated and informed on the process of submitting compliant documents, to reduce the number that fail to submit compliant documents</li> <li>Introduction of new IT systems</li> </ul>

Challenges experienced by the SETA	Mitigations over the 2020/21 – 2024/25 period
3) Challenges with handling inter-departmental interdependencies within the SETA operating environment	<ul style="list-style-type: none"> <li>The implementation of the decentralised model has assisted to mitigate this challenge</li> </ul>
4) Misalignment between the SETA's outcomes, the external environment, internal environment and national priorities	<ul style="list-style-type: none"> <li>The SETA's impact statement for the 2020/21 – 2024/25 MTSP period was formulated based on the situational analysis, and aligned to NSDP outcomes</li> <li>Targets will be revised over the period based on dynamics in the operating environment as reflected in the SSP documents</li> <li>Theory of change adopted as one of the planning tools</li> <li>M&amp;E capacitation for the organisation</li> <li>Focus on Impact Evaluation of the programmes</li> </ul>
5) Fragmented IT systems	<ul style="list-style-type: none"> <li>Implementation of an integrated IT system</li> </ul>
6) Manual processing of transactions with stakeholders	<ul style="list-style-type: none"> <li>Implementation of automated processes where all transactions with stakeholders will be automated on the IT system. This will also reduce the amount of paperwork that the regional offices receive, capture and the store. All the input from stakeholders will be electronic with a good audit trail for supporting documents</li> </ul>
7) COVID-19 and requirements for business to continue as normal	<ul style="list-style-type: none"> <li>Enabling W&amp;RSETA staff to be able to work from home through the implementation of IT collaboration services through Microsoft Teams, digital signatures and approval, online service desk</li> </ul>
8) Planning not always flexible enough, do not account for provincial differences	<ul style="list-style-type: none"> <li>The decentralised delivery model, together with the development of the Provincial Skills Plan will better inform how interventions are planned for and how resources are distributed to better match the challenges of the individual provinces.</li> </ul>
9) Looting and violence particularly, but not limited to, Gauteng and KwaZulu-Natal	<ul style="list-style-type: none"> <li>Continuation of business support and grants for small businesses</li> </ul>



Challenges experienced by the SETA	Mitigations over the 2020/21 – 2024/25 period
10) Sustainable planning	<ul style="list-style-type: none"> <li>Planning for targets needs to be in based on long-term outcomes, risks planning and mitigation to avoid revising targets</li> </ul>
11) Lack of assessment/ analysis of previously planned interventions with targets that were both met and unmet	<ul style="list-style-type: none"> <li>The SETA needs to take ample time for creating new targets by evaluating previous tasks, looking at the challenges and enablers for previous tasks set and looking at the risks related to the achievement of each target</li> </ul>
12) Not meeting targets for employed learners	<ul style="list-style-type: none"> <li>Introduce targets for employed learners that are in line with clear career paths and occupations available for employed learners to take up so that the skills are retained within the sector</li> </ul>
13) Potential of changing Regulations with regard to the use of Levies designated for SETAs	<ul style="list-style-type: none"> <li>Maintain communication with decision makers to ensure the impact this may have on SETAs is appreciated.</li> <li>Maintain a flexible APP and operational plans that will allow the organisation to pivot quickly</li> </ul>

## 6. Internal Environment Analysis

### 6.1. SETA's Capacity to Deliver: Human Resources

The W&RSETA has a total of ten regional offices, with one regional office in each of the nine provinces of the Republic of South Africa, except for Gauteng Province, which has two regional offices. The total current staff complement of the W&RSETA is 264. The 264 is the staff complement for both Head Office and the Provincial Offices. The number of staff on fixed term is gradually being reduced to the new structure currently being implemented.

The Provincial footprint of the W&RSETA offices facilitates access to W&RSETA services and projects; and are adequately resourced with skilled and competent W&RSETA officials whose duties include management and monitoring of skills interventions through learner verifications, monitoring, evaluation and reporting. Provincial offices are also responsible for ensuring quality standards in the implementation of learning programmes through assessments, moderation and learner certification.

#### ***Organisational Design (OD)***

In the journey to deliver on the Turnaround Strategy, the W&RSETA has embarked on various initiatives. One of these initiatives is the Organisational Design (OD) process which involves the realignment of the W&RSETA

organisational structure with the mandate to respond adequately to changing demands and needs of the sector.

The intent of the OD process is meant to yield the following results/outputs:

- Greater effectiveness and efficiency
- Meeting of the desired results/outputs
- Use of resources economically
- Ensuring a mechanism for clean administration is in place
- Ensuring the W&RSETA becomes an employer of choice
- Bringing services closer to the major role players
- Supporting, developing and growing the informal sector

#### ***Implications of the New Structure:***

- Clustering of regions for greater efficiencies
- Revisions of the naming conventions
- Clear job profiles and descriptions
- Migration to the new structure and remuneration framework
- Devolution of powers/ responsibilities
- Decentralisation of identified services
- Sharing of enablers/ support services

### Approved Macro Structure

The approved macro structure is the culmination of the second phase of organizational design (OD) process for the SETA. The macro structure includes the following;

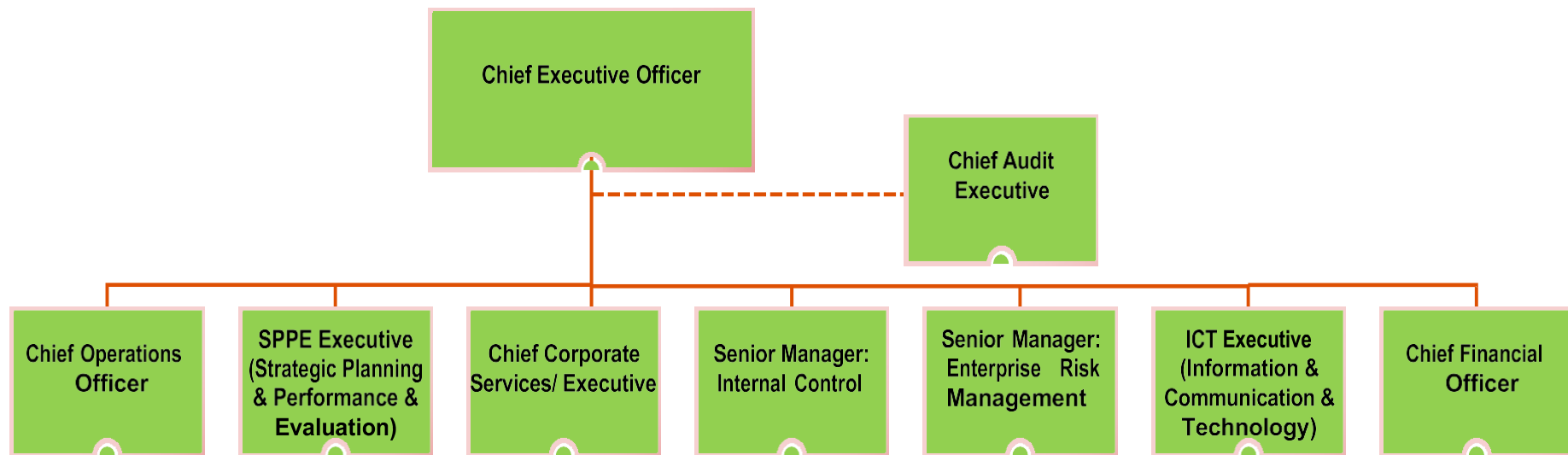
- Executive management structure; and
- Functional structure

It is the output of work led by the CEO and his Management team and represents the design intent of the Board approved turnaround strategy.

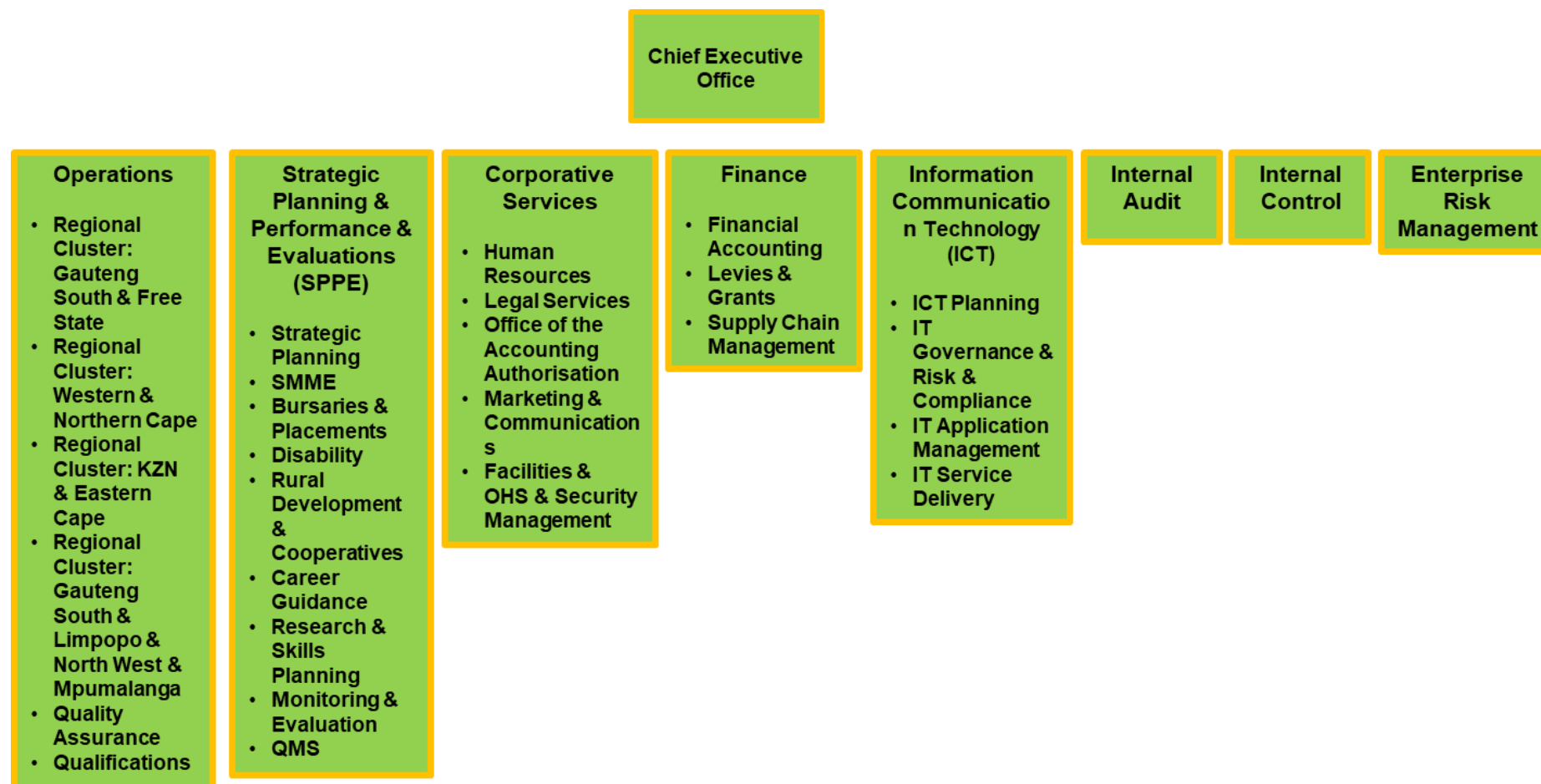
The design was guided by the Board approved decentralized service delivery model and the design principles developed aligned with the service delivery model and turnaround strategy. It is structured around three key focus areas:

- Value creators
- Value enablers
- Value defenders

### Approved W&RSETA Structure: Executive Management



## Approved W&RSETA: Functional Structure



## 6.2. W&RSETA's Capacity to Deliver: Financial Resources

### Introduction

The Medium-Term Expenditure Framework (MTEF) outlines the strategic priorities of the W&RSETA. The adjustments to the budgets are informed by external economic factors. Overall poor performance of the economy which decreases levies obtained by the W&RSETA, unemployment in SA is at its highest, whilst growth rates also declined. The impact of COVID-19 disruptions to the sector, a 4-month levy holiday and rampant looting of retail shops are all such occurrences that have a declining impact on the sector.

The SETA thus will focus on improving efficiency in the utilization of limited resources to support its stakeholders to overcome the economic challenges they are faced with.

### Financial Resource

The W&RSETA receives 80% of the 1% of payroll paid by levy paying companies. Revenue streams projected for 2021/2022-2024/2025 is based on actual levies received during 2020/2021 (taking into consideration the impact of COVID-19) and the forthcoming years, considering the state of the economy and the CPI percentiles (part of the MTEF guidelines).

Revenue streams in past budgets have always been conservatively projected at an average increase of 5%-6% per year, this is based on the salary negotiations within the sector that forms the basis for the calculation of the 1% skills levy.

### Goods and services

Goods and services are expected to increase by 12,70% in the 2021/22 financial year and thereafter the growth levels will be reduced as follows: 2022/23 (0,57%), 2023/24 (4,23%).

The significant increase in the year 2021/22 is necessitated by the immediate pressure to increase delivery and support to our stakeholders as they endeavor to recover from the impact of a low production year 2020/21 due to COVID-19. Learning interventions were deferred to the 2021/22 year and the sector demands are focused recovery and closing the skills needs gap.

Goods and services are expected to increase by 12,70% in the 2021/22 financial year and this is due to the following:

- The external audit fees are expected to increase by 51% since an ICT audit was not conducted in the year 2020/21 since the entity was still in the process of data migration during the period of the audit. The audit plan for 2021/22 includes an extensive IT audit on both the newly developed ERP system and MIS system.
- The communication expense is expected to increase by 14,6% in the 2021/22 due to the increase of internet usage caused by the change in the way of work. There is an increase in virtual meetings and working from home culture, thus necessitating that staff must be sufficiently equipped with data access as an essential tool of trade.
- Professional fees are budgeted to increase by 27,4% due to the cost of Information Technology (IT) services. The W&RSETA took a decision in the 2019/20 financial year to develop and own critical IT systems and platforms and this was a significant departure from prior years whereby these systems were outsourced, and the SETA was paying a monthly service fee and had no ownership rights.

- Included in the increase are annual license costs, system maintenance and support costs, connectivity costs and hosting costs. The benefit of this investment to IT will result in greater efficiencies through the automation of various business processes and functions.
- Other expenses have been adjusted for inflation over the MTEF.

### **Employee Costs**

Employee costs are expected to decrease by 12,39% in 2021/22 and thereafter increase by 10% year on year.

2021/22 will be the first year that the entity will notice the economic savings of the newly implemented organization structure. Thereafter, the increases are projected based on anticipated wage increase negotiations.

In the journey to deliver on a Turnaround Strategy, the W&RSETA has embarked on various initiatives. One of these initiatives is the Organizational Design (OD) process which involves the realignment of the W&RSETA organizational structure with the mandate to respond to changing demands and needs to the sector.

### **Revenue**

Levy revenue is expected to increase by 32%, 5% and 6% over the MTEF. This is arrived at after considering the following:

- The sharp increase in 2021/22 is largely since, a 4-month levy holiday was given to stakeholders in the year 2020/21 to support businesses that have been affected by the extended lockdown.
- Further to levy holiday, most businesses were not operational for a couple of months during the hard lockdown and were thus forced to reduce their staff complement which also has a direct impact of the levy amount that is payable to the SETA.

- Therefore the 32% increase is due to the recovery of the economy after the hard lockdown and reflective of levy income for a full 12-month year when compared to that of 8 months prior.

The remainder of the levy income movements have been projected with consideration of the following:

- Historic trend analysis of revenue
- Economic data on overall performance (including forecasts) of the sector and the South African economy. This includes inflation estimates over the medium term.
- Unemployment in the country continues to be high and the 4th Industrial Revolution is likely to negatively impact W&RSETA salary costs over the medium term.
- The impact of COVID related lockdowns will still be a challenging reality in the medium term.
- The recent looting incidents that have affected the sector.

### **Transfers and subsidies**

Transfers and subsidies expenditure represents the total value of both mandatory and discretionary grant expenditure for the SETA. This expenditure is expected to increase by at 65.9%, 10.5% and 7.6% over the MTEF. The significant increase in the first year is intended to cover the training interventions that were delayed due to extended lockdown periods in prior year.

The tables below provide the Medium-term Expenditure Framework (MTEF) for the period 2019/20-2025/26:



Table 8: MTEF Estimates 2019/19 to 2025/26 Consolidated budget

	R'000	R'000	R'000	R'000		R'000	R'000	R'000
				Approved				
Financial Performance data	Audited Outcome/ Actual values			Previous Budget	Revised Budget	Medium Term Estimates		
R thousand	2019/20	2020/21	2021/22	2022/23	2022/23	2023/24	2024/25	2025/26
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>187 574</b>	<b>97 443</b>	<b>108 181</b>	<b>142 125</b>	<b>142 125</b>	<b>161 667</b>	<b>171 367</b>	<b>181 478</b>
Interest income	186 878	95 871	106 435	142 125	142 125	161 667	171 367	181 478
Other	696	1 572	1 746					
<b>Transfers received</b>	<b>1 211 426</b>	<b>834 225</b>	<b>1 323 572</b>	<b>1 184 374</b>	<b>1 409 604</b>	<b>1 494 179</b>	<b>1 568 887</b>	<b>1 642 621</b>
Administration Grant (10.5%)	154 657	105 513	168 776	146 620	181 897	192 810	202 451	211 966
Mandatory Grant (20%)	292 868	200 914	325 794	278 067	346 471	367 259	385 622	403 745
Discretionary Grant (49,5%)	729 978	497 485	806 729	692 647	857 515	908 966	954 413	999 268
Penalties and interest on levies	33 923	30 313	22 273	67 040	23 721	25 144	26 401	27 642
<b>Total revenue</b>	<b>1 399 000</b>	<b>931 668</b>	<b>1 431 753</b>	<b>1 326 499</b>	<b>1 551 729</b>	<b>1 655 846</b>	<b>1 740 254</b>	<b>1 824 099</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>141 660</b>	<b>162 256</b>	<b>135 269</b>	<b>146 620</b>	<b>181 022</b>	<b>192 455</b>	<b>201 601</b>	<b>211 210</b>
Compensation of employees	67 277	60 823	56 732	72 038	100 672	105 706	110 991	116 540
Goods and services	71 239	94 472	67 743	71 582	70 350	74 746	78 072	81 570
Depreciation	3 144	6 961	10 794	3 000	10 000	12 004	12 538	13 099
<b>Transfers and subsidies</b>	<b>1 127 637</b>	<b>964 072</b>	<b>1 267 681</b>	<b>1 761 291</b>	<b>1 820 649</b>	<b>1 928 464</b>	<b>2 058 239</b>	<b>2 179 729</b>
Transfers and subsidies excluding project costs	1 023 933	862 760	1 099 119	1 605 056	1 713 027	1 814 484	1 937 560	2 052 017
- Compensation of employees	60 213	79 371	107 679	108 057	79 422	83 393	87 563	91 941
- Other Project Expenses	43 491	21 941	60 883	48 178	28 200	30 587	33 116	35 771
<b>Total expenses</b>	<b>1 269 297</b>	<b>1 126 328</b>	<b>1 402 950</b>	<b>1 907 911</b>	<b>2 001 671</b>	<b>2 120 919</b>	<b>2 259 840</b>	<b>2 390 940</b>
<b>Surplus / (Deficit)</b>	<b>129 703</b>	<b>- 194 660</b>	<b>28 803</b>	<b>- 581 412</b>	<b>- 449 942</b>	<b>- 465 073</b>	<b>- 519 586</b>	<b>- 566 840</b>
<b>Retained Surpluses</b>				<b>581 412</b>	<b>449 942</b>	<b>465 073</b>	<b>519 586</b>	<b>566 840</b>
<b>Total Surplus / (Deficit)</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
				Approved				
Financial Performance data	Audited Outcome/ Actual values			Previous Budget	Revised Budget	Medium Term Estimates		
R thousand	2019/20	2020/21	2021/22	2022/23	2022/23	2023/24	2024/25	2025/26
<b>Total Revenue Budget</b>	<b>1 399 000</b>	<b>931 668</b>	<b>1 431 753</b>	<b>1 326 499</b>	<b>1 551 729</b>	<b>1 655 846</b>	<b>1 740 254</b>	<b>1 824 099</b>
1. Administration Grant (10.5%)	154 657	105 513	168 776	146 620	181 897	192 810	202 451	211 966
2. Mandatory Grant (20%)	292 868	200 914	325 794	278 067	346 471	367 259	385 622	403 745
3. Discretionary Grant (49,5%)	729 978	497 485	806 729	692 647	857 515	908 966	954 413	999 268
4. Other Income	221 497	127 756	130 454	209 165	165 846	186 811	197 768	209 120
<b>Expense Breakdown per Grant Category</b>								
<b>Total Expenditure Budget</b>	<b>1 269 297</b>	<b>1 126 328</b>	<b>1 402 950</b>	<b>1 907 911</b>	<b>2 001 671</b>	<b>2 120 919</b>	<b>2 259 840</b>	<b>2 390 940</b>
1. Administration Grant (10%)	133 912	154 410	129 647	140 320	172 782	182 762	190 727	199 210
2. QCTO (0.5%)	7 748	7 846	5 622	6 300	8 240	9 693	10 874	12 000
3. Mandatory Grant (20%)	211 797	138 512	218 566	278 067	278 067	294 751	328 507	349 190
<b>4. Discretionary Grant (49.5%)</b>	<b>915 840</b>	<b>825 560</b>	<b>1 049 115</b>	<b>1 483 224</b>	<b>1 542 582</b>	<b>1 633 713</b>	<b>1 729 732</b>	<b>1 830 539</b>
<b>4.1 Project Expenses (7.5% Admin)</b>	<b>103 704</b>	<b>101 312</b>	<b>168 562</b>	<b>156 235</b>	<b>107 622</b>	<b>113 980</b>	<b>120 679</b>	<b>127 712</b>
- Compensation of employees	60 213	79 371	107 679	108 057	79 422	83 393	87 563	91 941
- Other Project Expenses	43 491	21 941	60 883	48 178	28 200	30 587	33 116	35 771
<b>4.2 Discretionary Grant excluding project expenditure</b>	<b>812 136</b>	<b>724 248</b>	<b>880 553</b>	<b>1 326 990</b>	<b>1 434 960</b>	<b>1 519 733</b>	<b>1 609 053</b>	<b>1 702 827</b>
4.2.1 Discretionary Grant: Pivotal (80%+ of 49,5%)	606 836	579 398	704 442	1 061 592	1 147 968	1 215 786	1 287 242	1 362 262
4.2.2 Discretionary Grant: Various Projects (20%- of 49.5%)	205 300	144 850	176 111	265 398	286 992	303 947	321 810	340 565



	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
				Approved				
Financial Performance data	Audited Outcome/Actual values			Previous Budget	Revised Budget	Medium Term Estimates		
R thousand	2019/20	2020/21	2021/22	2022/23	2022/23	2023/24	2024/25	2025/26
<b>Programme 1: Administration</b>	<b>141 660</b>	<b>162 256</b>	<b>135 269</b>	<b>146 620</b>	<b>181 022</b>	<b>192 456</b>	<b>201 601</b>	<b>211 209</b>
1.1 Compensation of employees	67 277	60 823	56 732	72 038	100 672	105 706	110 991	116 540
1.2 Good and services	71 239	94 472	67 743	71 582	70 350	74 746	78 072	81 570
1.3 Depreciation	3 144	6 961	10 794	3 000	10 000	12 004	12 538	13 099
<b>Programme 2: Skills Planning</b>	<b>222 547</b>	<b>152 429</b>	<b>234 506</b>	<b>295 176</b>	<b>295 176</b>	<b>312 754</b>	<b>336 522</b>	<b>347 767</b>
2. Project Expenses	750	3 361	3 563	3 777	3 777	4 004	4 308	4 450
2.1 Research (Chairs and SOEs)	6 000	6 336	8 733	9 170	9 170	9 628	10 359	10 711
2.2 Sector Skills Plans	4 000	4 220	3 644	4 163	4 163	4 371	4 703	4 862
2.3 Work Skills Plans and Annual Training Reports (Mandatory Grant)	211 797	138 512	218 566	278 067	278 067	294 751	317 152	327 744
<b>Programme 3: Learning Programmes and Projects</b>	<b>867 257</b>	<b>761 039</b>	<b>979 533</b>	<b>1 409 256</b>	<b>1 468 614</b>	<b>1 555 438</b>	<b>1 656 867</b>	<b>1 764 946</b>
3. Project Expenses	100 314	100 145	141 733	137 844	137 844	90 075	110 416	100 287
3.1 Implementation of learning Programmes per NSDS goals	689 753	639 223	743 963	1 171 944	1 231 302	1 359 926	1 433 002	1 547 422
3.2 Special projects (including partnerships)	66 900	15 120	80 280	85 097	85 097	90 203	97 058	100 299
3.3 Monitoring, Evaluation and Reporting	2 500	-	2 650	2 809	2 809	2 978	3 204	3 311
3.4 Career and vocational guidance	10 290	6 551	10 907	11 562	11 562	12 256	13 187	13 627
<b>Programme 4: Quality Assurance</b>	<b>37 833</b>	<b>50 604</b>	<b>53 641</b>	<b>56 859</b>	<b>56 859</b>	<b>60 271</b>	<b>64 850</b>	<b>67 018</b>
4. Project Expenses	2 640	13 006	13 787	14 614	14 614	15 491	16 668	17 228
4.1 Provider Accreditations	17 269	18 688	19 809	20 998	20 998	22 258	23 949	24 748
4.2 Learning Programmes	-	-	-	-	-	-	-	-
4.3 Certifications	-	-	-	-	-	-	-	-
4.4 Qualification Development	17 924	18 910	20 045	21 247	21 247	22 522	24 233	25 042
<b>Total expense</b>	<b>1 269 297</b>	<b>1 126 328</b>	<b>1 402 950</b>	<b>1 907 911</b>	<b>2 001 671</b>	<b>2 120 919</b>	<b>2 259 840</b>	<b>2 390 940</b>

### **6.3. W&RSETA's compliance with the B-BBEE Act and disability requirements**

Context: In South Africa, Broad-Based Black Economic Empowerment (BBBEE, or BEE as it is more commonly known) is a complex system of rules and guidelines designed to effect socio-economic transformation by levelling the playing field for people of all races. Broad-Based Black Economic Empowerment: While the major legislation involved is the Broad-Based Black Economic Empowerment Act, No.53 of 2003 as supplemented by the Codes of Good Practice, it is supported by and intertwined with other laws and one key example is the Employment Equity Act, No. 55 of 1998.

The Employment Equity (EE) Act and BEE Act have many overlapping aims and functions – and here we explore what these are.

Under the old BEE legislation, EE was one of the seven pillars of the BEE scorecard. To ensure a good score, businesses had to show compliance with the requirements of the EE Act in their workplace. Employment Equity Act: Section 15 of the Employment Equity Act no 55 of 1998 stipulates that a Designated Employer must implement affirmative action measures intended to ensure that suitably qualified employees from Designated Groups have equal opportunity and are equitably represented in all occupational categories and levels of the workforce.

## 6.4. Strengths and Weaknesses

Table 10: Strengths and Weaknesses

STRENGTHS	WEAKNESSES
<ol style="list-style-type: none"> <li>1. The relatively assured availability of financial resources due to a large number of levy-paying firms within the sector</li> <li>2. Existing national footprint with regional offices in all nine provinces</li> <li>3. Availability of W&amp;RSETA offices at nearly all the TVET branches in South Africa</li> <li>4. Staff complement with substantive understanding of clients and the wholesale and retail sector</li> <li>5. As W&amp;RSETA is statutory created, government support is available</li> <li>6. Organisational stability</li> <li>7. Leadership commitment</li> <li>8. Providing platforms for stakeholder input and engagement</li> </ol>	<ol style="list-style-type: none"> <li>1. An organisational culture which does not support business – Staff and management are so far working with a SILO mentality which stifles teamwork. To mitigate this, contracts of employees could be based on overall performance rather than narrowly defined roles and responsibilities</li> <li>2. Inadequate investment in change management – A rigid approach to organisational activities can cripple the SETA's ability to swiftly respond to the dynamics of the W&amp;R environment such as the recent 4<sup>th</sup> IR introduction. Target owners should hence be more flexible towards embracing change; and communicating it to their subordinates</li> <li>3. Poor communication internally and externally – Poor internal communication results in lack of coordination in doing business, especially due to existing interdependencies between functional units and support units.</li> </ol>

## Outcomes of the W&RSETA

The following are the eight Outcomes for the W&R sector, as identified in the Strategic Plan:

Table 11: Outcomes of the W&RSETA (APP)

NSDP 2030 OUTCOME	W&RSETA OUTCOMES
Outcome 1: Identify and increase production of occupations in high demand	Outcome 1: An efficient and effective organisation with good corporate governance
Outcome 2: Linking education and the workplace	Outcome 4: A sector responsive Research Agenda that supports and informs the establishment of impact geared W&R skills development programmes
Outcome 3: Improving the level of skills in the South African workforce	Outcome 8: An appropriately skilled, agile and responsive workforce and skills pool able to meet the W&R sector current and emerging skills needs
Outcome 4: Increase access to occupationally directed Programmes	Outcome 5: Increased access to wholesale and retail occupationally directed programmes
Outcome 5: Support the growth of the public college system	Outcome 3: Growth focused programmes for the development and support of Training Providers and the Higher Education, TVET and CET sectors to enable their responsiveness to changing occupations and technological advances
Outcome 6: Skills development support for entrepreneurship and cooperative development	Outcome 6: Growth focused skills development and entrepreneurship development support for emerging entrepreneurs, cooperative sector and small, medium and informal business enterprises to enhance their participation in the mainstream economy
Outcome 7: Encourage and support worker-initiated training	Outcome 7: Capacitated Trade Unions within the W&R sector
Outcome 8: Support career development services	Outcome 2: An integrated career guidance programme

## PART C: MEASURING OUR PERFORMANCE

### 1. Institutional Performance Information

The W&RSETA impact statement is informed by:

- Legislative and policy imperatives;
- Overall external and environmental analysis; and
- Sector needs

#### 1.1. Impact Statement

The W&RSETA has adopted an overarching impact statement, focussed at sector level:

**Impact Statement: A well-skilled workforce contributing towards a transformed, agile and thriving wholesale and retail sector**

#### 1.2. Measuring our outcomes

The table below outlines the Outcomes that will contribute to the realisation of Impact Statement, with the indicator and five-year targets.

Outcome	Outcome indicator	Baseline	Five-year target
<b>Outcome 1:</b> An efficient and effective organisation with good corporate governance	Audit opinion by 2024/25	Unqualified	A clean audit opinion
	% Reduction of manual processes as a result of seamless and optimised business processes	70% manual processes	90% reduction of manual processes
<b>Outcome 2:</b> An integrated Career Guidance Programme	A comprehensive career guidance and career development strategy developed	New target	A career guidance and career development strategy which is developed and implemented to guide the W&RSETA career guidance interventions over the period 2020/21 – 2024/25.
<b>Outcome 3:</b>	Percentage increase in the number of HET, TVET and CET partnerships aimed at enabling their growth	New Target	10% increase in the number of partnerships with Training Providers and

Outcome	Outcome indicator	Baseline	Five-year target
Growth focused programmes for the development and support of Training Providers and the Higher Education, TVET and CET sectors to enable their responsiveness to changing occupations and technological advances.			Further and Higher Education and Training Institutions
	Number of education and training institutions and training providers offering W&R occupationally directed programmes	New Target	20 HET, TVETs, CET sites/campuses  40 Training Providers (of which 100% are HDI Providers)
<b>Outcome 4:</b> A sector responsive Research Agenda that supports and informs the establishment of impact geared W&R skills development programmes	Number of research studies conducted in response to the sector needs	4 research reports	20 research reports completed
	Number of impact assessment reports published	4	5
<b>Outcome 5:</b> Increased access to Wholesale and Retail occupationally directed programmes	Number of learners participating in occupationally directed programmes	6 536	7 000 (4% person with disability 12.5% persons from rural areas)
<b>Outcome 6:</b> Growth focused skills development and entrepreneurship development support for emerging entrepreneurs, cooperative sector and small, medium and informal business enterprises to enhance their participation in the mainstream economy.	Number of informal businesses that have participated in W&RSETA skills development initiatives registered with relevant business or enterprise registration bodies	New target	1 000 Informal Businesses registered with relevant registration bodies
	Number of small and medium enterprises that have participated in W&RSETA supplier development programmes registered with CSD	New target	500
	Number of Cooperatives participating in skills development initiatives	New target	100
	Number of transformation projects implemented in collaboration with industry partners	New target	3
<b>Outcome 7:</b> Capacitated trade unions within the W&R sector	Number of interventions conducted to capacitate Trade Union members	N/A	15 Interventions
	Percentage Increase in trade union member participation in Trade Union Capacitation Programmes	800	20%
<b>Outcome 8:</b> An appropriately skilled, agile and responsive workforce and skills pool	Number of workers registered in programmes addressing Hard to Fill Vacancies as identified in the SSP	New target	10 000

Outcome	Outcome indicator	Baseline	Five-year target
able to meet the W&R sector current and emerging skills needs.	% Reduction of imbalance between skills supply and demand for priority skills in the W&R sector	New Target	10%
	Number of employed and unemployed persons obtain qualifications in programmes that address W&R sector current and emerging skills needs for increased sector responsiveness to 4IR and related technological advances.	New Target	2 000
	Number of young people supported with ICT skills to access digitisation job and entrepreneurship opportunities in the sector	874	1 500
	Number of learners exiting W&RSETA programmes	21 252	39 470
	Number of previously unemployed persons who have completed W&RSETA programmes are employed or start their own businesses	9 064	12 000

## **2. Explanation of Planned Performance Over the Five-Year Planning Period**

In crafting the Strategic and Annual Performance Plans, the W&RSETA has considered and integrated the objectives of the NDP, NDP Five-Year Implementation Plan and the NSDP to inform its Outputs. The strategic focus areas of the framing documents (NDP and NSDP) have been relied upon to inform the strategic focus of the W&RSETA with a view to ensure clear contribution to the priorities of the NDP. The discussion below outlines the key delivery imperatives as outlined in both the NDP and the NSDP and explains how expected impacts from the W&RSETA Outputs link to these priorities.

### **2.1. National Development Plan**

Eliminating poverty and reducing inequality by 2030 are central to the National Development Plan. Of critical importance in realising the objectives of the plan, the NDP focuses on the need to grow an inclusive economy through enhancing the capacity of the state, promoting leadership and partnerships throughout society. The following are the priorities of the NDP:

- An economy that will create more jobs;
- Improving infrastructure;
- Transition to a low carbon economy;
- An inclusive and integrated rural economy;
- Reversing the spatial effects of apartheid;
- Improving the quality of education, training and innovation;
- Quality health care for all;
- Social protection;
- Building safer communities;
- Reforming the public sector;
- Fighting corruption; and
- Transforming society and uniting the Country.

In line with the NDP priorities of promoting an economy that creates employment and improving the quality of education, training and innovation, W&RSETA's contribution to the achievement of the NDP's goals includes the following:

- Partnerships with TVET and other HET institutions with the objective of improving accessibility to education;
- Learning Programmes targeted at unemployed youth aiming at increasing employability of the youth in the economy;
- Mainstreaming women, youth and people with disabilities in all projects implemented; and
- Partnerships with employers and labour in order to improve training delivery and employability across the sector.

### **2.2. National Development Plan Five-Year Implementation Plan**

The NDP Five-Year Implementation Plan seeks to reinforce a coherent vision and plan to achieve the long-term priorities expressed in the NDP. Its specific objectives include to:

- Enable the achievement of the NDP through five-year building blocks;
- Outline results to which government, the private sector and civil society must contribute;
- Coordinate the harmonization of the different levels of the sector plans to achieve alignment and consistency;
- Foster spatial and economic reforms for development planning; and
- Provide a basis for a monitoring framework to measure progress towards achievement of the NDP Five-Year Implementation Plan.

In developing the Strategic Plan and APP, W&RSETA has considered the objectives of the NDP Five-Year Implementation Plan. This alignment has also been achieved through linking the NSDP Outcomes and the W&RSETA Outputs as discussed below.



### 2.3. National Skills Development Plan

The purpose of the National Skills Development Plan (NSDP) is to ensure that South Africa has adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development<sup>6</sup>. In line with these objectives, the following outcomes have been set for NSDP:

1. Identify and increase production of occupations in high demand;
2. Linking education and workplace;
3. Improving the levels of skills in the workforce;

4. Increase access to occupationally directed Programmes;
5. Support the growth of public colleges;
6. Skills development support for entrepreneurship and cooperative development;
7. Encourage and support worker-initiated training; and
8. Support career development services.

### Link between Outputs, Outcomes and national priorities

In order to contribute to delivery of national priorities, the W&RSETA has aligned its Outputs to the NSDP outcomes and SSP priority actions as shown on Table 12.

Table 12: Alignment of National Outcomes, Outcomes and National Imperatives (APP)

OUTCOMES	OUTPUTS	SSP PRIORITIES	NSDP 2030 PRIORITIES
<b>Impact Statement: A well-skilled workforce contributing towards a transformed, agile and thriving wholesale and retail sector</b>			
<b>Outcome 1:</b> An efficient and effective organisation with good corporate governance	<b>Output 2:</b> Allocate resources to implement Programmes aligned to the SSP, SP and APP	SSP Priority 1: Priority Skills Plan (PSP) SSP Priority 2: SMME, Cooperatives and Informal Traders Development SSP Priority 3: Youth Unemployment	Sub-Outcome 1.1: National enrolment and resource ratios for the high, intermediate and elementary skills level
	<b>Output 12:</b> Efficient and effective use of resources to ensure good governance, compliance with laws and regulations and excellent service delivery	SSP Priority 4: Hard-To-Fill Vacancies (HTFVS) and Skills Gaps SSP Priority 5: Stakeholder Engagement SSP Priority 6: Sector Transformation, including Training and Employment of People with Disabilities (PWD) SSP Priority 7: Economic Recovery and Reconstruction and Recovery Plan	Sub-Outcome 1.2: Targets for priority occupations

<sup>6</sup> NSDP p11

OUTCOMES	OUTPUTS	SSP PRIORITIES	NSDP 2030 PRIORITIES
<p><b>* Outcome 4:</b> A sector responsive Research Agenda that supports and informs the establishment of impact geared W&amp;R skills development programmes</p>	<p><b>Output 1:</b> Research and develop a Sector Skills Plan (SSP) in reply to the sector skills demand and supply</p>	<p>SSP Priority 1: Priority Skills Plan  SSP Priority 4: Hard-To-Fill Vacancies  SSP Priority 6: Sector Transformation, including Training and Employment of People with Disabilities (PWD)  SSP Priority 7: Economic Recovery and Reconstruction and Recovery Plan</p>	<p>Sub-Outcome 1.4: Identification of interventions required to improve enrolment and completion of priority occupations</p>
	<p><b>Output 3:</b> Identify, prioritise and form partnerships to address priority occupations</p>	<p>SSP Priority 1: Priority Skills Plan  SSP Priority 4: Hard-To-Fill Vacancies  SSP Priority 5: Stakeholder Engagement  SSP Priority 6: Sector Transformation, including Training and Employment of People with Disabilities (PWD)  SSP Priority 7: Economic Recovery and Reconstruction and Recovery Plan</p>	<p>Sub-Outcome 1.2: Targets for priority occupations  Sub-Outcome 1.3: Targets for priority qualifications</p>
	<p><b>Output 6:</b> Facilitate access and provide support for interventions towards occupationally directed learning programmes.</p>	<p>SSP Priority 1: Priority Skills Plan  SSP Priority 4: Hard-To-Fill Vacancies  SSP Priority 6: Sector Transformation, including Training and Employment of People with Disabilities (PWD)  SSP Priority 7: Economic Recovery and Reconstruction and Recovery Plan</p>	<p>Sub-Outcome 4.2: Increase access for Intermediate and high-level skills</p>
<p><b>Outcome 2:</b> An integrated career guidance strategy</p> <p><b>*Outcome 3:</b> Growth focused programmes for the development and support of Training Providers and the Higher Education, TVET and CET sectors to enable their</p>	<p><b>Output 1:</b> Research and develop a Sector Skills Plan (SSP) in reply to the sector skills demand and supply</p>	<p>SSP Priority 1: Priority Skills Plan  SSP Priority 4: Hard-To-Fill Vacancies  SSP Priority 6: Sector Transformation, including Training and Employment of People with Disabilities (PWD)  SSP Priority 7: Economic Recovery and Reconstruction and Recovery Plan</p>	<p>Sub-Outcome 1.4: Identification of interventions required to improve enrolment and completion of priority occupations</p>

OUTCOMES	OUTPUTS	SSP PRIORITIES	NSDP 2030 PRIORITIES
<p>responsiveness to changing occupations and technological advances.</p> <p><b>Outcome 5:</b> Increased access to wholesale and retail occupationally directed programmes</p> <p><b>Outcome 6:</b> *Growth focused skills development and entrepreneurship development support for emerging entrepreneurs, cooperative sector and small, medium and informal business enterprises to enhance their participation in the mainstream economy.</p> <p><b>Outcome 7:</b> Capacitated Trade Unions within the W&amp;R sector</p> <p><b>*Outcome 8:</b> An appropriately skilled, agile and responsive workforce and skills pool able to meet the W&amp;R sector current and emerging skills needs.</p>	<b>Output 4:</b> Facilitate innovative workplace-based learning opportunities within the sector	SSP Priority 1: Priority Skills Plan SSP Priority 2: SMME, Informal Traders and Cooperative Development SSP Priority 3: Youth Unemployment SSP Priority 4: Hard-To-Fill Vacancies SSP Priority 6: Sector Transformation, including Training and Employment of People with Disabilities (PWD)	Sub-Outcome 2.1: Workplace-based learning opportunities increased
	<b>Output 5:</b> Facilitate and create opportunities for skills development for the employed	SSP Priority 1: Priority Skills Plan SSP Priority 4: Hard-To-Fill Vacancies SSP Priority 6: Sector Transformation, including Training and Employment of People with Disabilities (PWD)	Sub-Outcome 3.1: To increase workers participating in various learning programmes to a minimum of 80% by 2030, to address, critical skills required by various sectors of the economy, to transform workplaces, improve productivity and to improve economic growth prospects in various sectors of the economy
	<b>Output 6:</b> Facilitate access and provide support for interventions towards occupationally directed learning programmes.	SSP Priority 1: Priority Skills Plan SSP Priority 3: Youth Unemployment SSP Priority 4: Hard-To-Fill Vacancies SSP Priority 6: Sector Transformation, including Training and Employment of People with Disabilities (PWD) SSP Priority 7: Economic Recovery and Reconstruction and Recovery Plan	Sub-Outcome 4.2: Increase access for Intermediate and high-level skills
	<b>Output 8:</b> Assist CET colleges to increase capacity to offer retail and related programmes	SSP Priority 6: Sector Transformation, including Training and Employment of People with Disabilities (PWD)	Sub-Outcome 5.2: Support the CET colleges
	<b>Output 9:</b> Provide skills development support to SMMEs, Cooperative s, Informal traders and emerging entrepreneurs	SSP Priority 2: SMME, Informal Traders and Cooperative Development SSP Priority 7: Economic Recovery and Reconstruction and Recovery Plan	Sub-Outcome 6.1: To increase skills development support to stimulate entrepreneurial activity and the establishment of new enterprises and cooperatives



OUTCOMES	OUTPUTS	SSP PRIORITIES	NSDP 2030 PRIORITIES
	<b>Output 10:</b> Facilitate and create the potential for collaborations in support of worker-initiated Programmes at retail workplaces	SSP Priority 6: Sector Transformation, including Training and Employment of People with Disabilities (PWD)	Outcome 7: Encourage and support worker-initiated training
	<b>Output 11:</b> Develop and support an integrated career guidance and development strategy	SSP Priority 1: Priority Skills Plan	Outcome 8: Support career development services
	<b>Output 13:</b> A skilled, competent and professional workforce in the wholesale and retail sector through provision of Bursaries to W&RSETA employed and unemployed beneficiaries	SSP Priority 1: Priority Skills Plan SSP Priority 3: Youth Unemployment SSP Priority 4: Hard-To-Fill Vacancies SSP Priority 6: Training and Employment for People with Disabilities SSP Priority 6: Sector Transformation, including Training and Employment of People with Disabilities (PWD) SSP Priority 7: Economic Recovery and Reconstruction and Recovery Plan	Sub-Outcome 4.2: Increase access for Intermediate and high-level skills
<b>Outcome 3:</b> Growth focused programmes for the development and support of Training Providers and the Higher Education, TVET and CET sectors to enable their responsiveness to changing occupations and technological advances.	<b>Output 7:</b> Assist public colleges to increase capacity to offer Retail and related learning programmes	SSP Priority 1: Priority Skills Plan SSP Priority 3: Youth Unemployment SSP Priority 5: Stakeholder Engagement SSP Priority 6: Sector Transformation, including Training and Employment of People with Disabilities (PWD)	Sub-Outcome 5.1: Support the TVET Colleges
	<b>Output 8:</b> Assist CET colleges to increase capacity to offer retail and related Programmes	SSP Priority 1: Priority Skills Plan SSP Priority 3: Youth Unemployment SSP Priority 5: Stakeholder Engagement SSP Priority 6: Sector Transformation, including Training and Employment of People with Disabilities (PWD)	Sub-Outcome 5.2: Support the CET colleges

### 3. Key Risks and Mitigations

Table 13: Key Risks and Mitigation Factors

Outcome	Key risk	Risk mitigation strategies
<b>Outcome 1:</b> An efficient and effective organisation with good corporate governance	Financial Risk  Inefficient and ineffective enablers  Inadequate project and contract management  Non-availability of ICT network and hosting of infrastructure, New ERP system, Learner Management System & functionality  Fraud Risk  Risk of payment delays leading to:	<ul style="list-style-type: none"> <li>Budget revisions to consider the impact of COVID-19 lockdowns, economic depression and riots.</li> <li>Implement cost containment measures over and limit employee costs</li> <li>Revise the investment policy such that the SETA can improve returns on invested surplus reserves in order to generate income.</li> <li>Reprioritisation of the budget.</li> <li>Reduce accumulated cash reserves annually over the MTEF (will be achieved by increasing expenditure and ensuring completions of historic projects).</li> <li>Weekly updates and reporting on commitments register.</li> <li>Tracking of prior year audit issues and status of implemented corrective actions.</li> </ul>
	<ul style="list-style-type: none"> <li>- Non-compliance with legislation and contractual provisions</li> <li>- Cash flow challenges</li> <li>- Delays to implementation of SETA programmes and initiatives</li> <li>- Reputational damage for SETA and its implementing agents</li> <li>- Loss of confidence on SETA initiatives</li> <li>- Financial difficulties for stakeholders in particular HDI and SMME's</li> <li>- Disruption to delivery of training and SETA's mandate</li> <li>- Non-attainment of APP targets and low participation levels by employers and the W&amp;R sector</li> </ul>	

Outcome	Key risk	Risk mitigation strategies
		<ul style="list-style-type: none"> <li>• Build project management capacity and discipline within the organisation, enrolling project personnel in an online Project Management program.</li> <li>• Develop and implement a monitoring and evaluation programmes to report on impact</li> <li>• Revised Fraud Prevention Policy and Plan</li> <li>• Conduct and create awareness on Fraud, corruption and prevention mechanisms across the organisation.</li> <li>• Ongoing training for Supply Chain officials</li> <li>• Probity and Proactive Security Audits (including SCM, Grant reviews, Validation of Disclosure of Interest, Phishing reviews etc.)</li> <li>• Review Internal HR policies to allow for effective</li> </ul> <p><b>ICT network and hosting of infrastructure</b></p> <ul style="list-style-type: none"> <li>• The W&amp;RSETA to consider entering into a disengagement agreement with the current service provider for transitioning of services.</li> <li>• Tender was advertised by 30 November 2020 and Bid Evaluations took place by 30 January 2021, in order to allow for due diligence to be done by end February for award to be concluded by 31 March 2021.</li> <li>• Tender re-advertisement 30 April 2021</li> <li>• Bid Evaluations 11 June 2021</li> <li>• Award the tender 2 July 2021</li> <li>• Transition of services to the new service provider by the 31st of October 2021.</li> </ul> <p><b>MIS/LMS System</b></p> <ul style="list-style-type: none"> <li>• Finalise the Mandatory Grants disbursement functionality</li> <li>• Finalisation of the migration of historic data from Indicum into the MIS</li> <li>• Fixing all Discretionary Grants module outstanding issues</li> <li>• Generation of W&amp;RSETA reports to meet compliance and statutory reporting requirements</li> <li>• The ETQA module finalisation based on the approved W&amp;RSETA processes</li> <li>• Migration of the Development, Test and the Production environments of the MIS to the W&amp;RSETA's hosting partner. Migration of the latest database on the MIS to allow the W&amp;RSETA to generate reports from the MIS.</li> </ul>
<b>Outcome 2:</b> An integrated career guidance Programme	Misalignment of skills planning and stakeholder alignment	<ul style="list-style-type: none"> <li>• Quarterly Regional Stakeholder consultations and furthermore conduct quarterly satisfaction surveys.</li> <li>• Conduct economic research to determine the needs of the sector (incl.</li> </ul>

Outcome	Key risk	Risk mitigation strategies
	<p>Inefficient and ineffective enablers</p> <p>Lack of Impact of W&amp;R SETA Programmes</p>	<ul style="list-style-type: none"> <li>Implementation of the transformation Agenda (high-level skills, SMMEs, Rural development, unemployed youth, women and people with disabilities)</li> <li>Accreditation of previously disadvantaged training providers to support township and rural communities (transformation) and retail sector operational and training plan and period.</li> <li>The new ERP system has gone live</li> <li>The migration of legacy ERP data to the new system</li> <li>ERP User training and adoption</li> <li>Conduct IT Disaster Recovery tests at least twice per annum. Skills Audit &amp; Plan to be conducted within the organisation</li> <li>Budget provisions will be made in the MTEF to ensure filling of critical vacancies and ultimate implementation of the Organizational Structure</li> <li>Engage large retailers on learner absorption and agree on a contractual percentage for fulltime employment.</li> <li>Stakeholder engagement Plan (Improved stakeholder communication and consultation) Conduct satisfaction surveys and ensure adherence to service delivery standards</li> <li>Implementation of retail related programmes (i.e., Enhanced partnerships with HETs, TVETs and CETs will be required) Accelerate development of occupationally directed programmes through strategic partnerships with TVET Colleges and Institutions of Higher Education and Training</li> </ul>
<p><b>Outcome 3:</b></p> <p>Growth focused programmes for the development and support of Training Providers and the Higher Education, TVET and CET sectors to enable their responsiveness to changing occupations and technological advances</p>	<p>Inadequate quality management system in the organisation 7</p>	<ul style="list-style-type: none"> <li>Funding plan for QMS functionary.</li> <li>Full implementation of Decentralised model: Complete process mapping of key business activities.</li> <li>Continuous Process system Audit – quarterly</li> <li>Procurement of an electronic, centralised QMS with provision for organisation wide access, training, quality auditing, non-conformance handling and monitoring</li> </ul>
<p><b>Outcome 4:</b></p> <p>A sector responsive Research Agenda that supports and informs the establishment of impact geared W&amp;R skills development programmes</p>	<p>Misalignment of skills planning and stakeholder alignment</p> <p>Inefficient and ineffective enablers</p> <p>Lack of Impact of W&amp;R SETA Programmes</p>	<ul style="list-style-type: none"> <li>Quarterly Regional Stakeholder consultations and furthermore conduct quarterly satisfaction surveys.</li> <li>Conduct economic research to determine the needs of the sector (incl.</li> <li>Implementation of the transformation Agenda (high-level skills, SMMEs, Rural development, unemployed youth, women and people with disabilities)</li> </ul>

Outcome	Key risk	Risk mitigation strategies
		<ul style="list-style-type: none"> <li>• Accreditation of previously disadvantaged training providers to support township and rural communities (transformation) and retail sector operational and training plan and period.</li> <li>• The new ERP system has gone live</li> <li>• The migration of legacy ERP data to the new system</li> <li>• ERP User training and adoption</li> <li>• Conduct IT Disaster Recovery tests at least twice per annum. Skills Audit &amp; Plan to be conducted within the organisation</li> <li>• Budget provisions will be made in the MTEF to ensure filling of critical vacancies and ultimate implementation of the Organizational Structure</li> <li>• Engage large retailers on learner absorption and agree on a contractual percentage for fulltime employment.</li> <li>• Stakeholder engagement Plan (Improved stakeholder communication and consultation) Conduct satisfaction surveys and ensure adherence to service delivery standards</li> <li>• Implementation of retail related programmes (i.e., Enhanced partnerships with HETs, TVETs and CETs will be required) Accelerate development of occupationally directed programmes through strategic partnerships with TVET Colleges and Institutions of Higher Education and Training</li> </ul>
<b>Outcome 5:</b> Increased access to wholesale and retail occupationally directed programmes	Misalignment of skills planning and stakeholder alignment  Inefficient and ineffective enablers  Lack of Impact of W&R SETA Programmes	<ul style="list-style-type: none"> <li>• Quarterly Regional Stakeholder consultations and furthermore conduct quarterly satisfaction surveys.</li> <li>• Conduct economic research to determine the needs of the sector (incl. Implementation of the transformation Agenda (high-level skills, SMMEs, Rural development, unemployed youth, women and people with disabilities)</li> <li>• Accreditation of previously disadvantaged training providers to support township and rural communities (transformation) and retail sector operational and training plan and period.</li> <li>• The new ERP system has gone live</li> <li>• The migration of legacy ERP data to the new system</li> <li>• ERP User training and adoption</li> <li>• Conduct IT Disaster Recovery tests at least twice per annum. Skills Audit &amp; Plan to be conducted within the organisation</li> <li>• Budget provisions will be made in the MTEF to ensure filling of critical vacancies and ultimate implementation of the Organizational Structure</li> </ul>



Outcome	Key risk	Risk mitigation strategies
		<ul style="list-style-type: none"> <li>Engage large retailers on learner absorption and agree on a contractual percentage for fulltime employment.</li> <li>Stakeholder engagement Plan (Improved stakeholder communication and consultation) Conduct satisfaction surveys and ensure adherence to service delivery standards</li> <li>Implementation of retail related programmes (i.e., Enhanced partnerships with HETs, TVETs and CETs will be required) Accelerate development of occupationally directed programmes through strategic partnerships with TVET Colleges and Institutions of Higher Education and Training</li> </ul>
<b>Outcome 6:</b> Growth focused skills development and entrepreneurship development support for emerging entrepreneurs, cooperative sector and small, medium and informal business enterprises to enhance their participation in the mainstream economy	Misalignment of skills planning and stakeholder alignment  Inefficient and ineffective enablers  Lack of Impact of W&R SETA Programmes	<ul style="list-style-type: none"> <li>Quarterly Regional Stakeholder consultations and furthermore conduct quarterly satisfaction surveys.</li> <li>Conduct economic research to determine the needs of the sector (incl.</li> <li>Implementation of the transformation Agenda (high-level skills, SMMEs, Rural development, unemployed youth, women and people with disabilities)</li> <li>Accreditation of previously disadvantaged training providers to support township and rural communities (transformation) and retail sector operational and training plan and period.</li> <li>The new ERP system has gone live</li> <li>The migration of legacy ERP data to the new system</li> <li>ERP User training and adoption</li> <li>Conduct IT Disaster Recovery tests at least twice per annum. Skills Audit &amp; Plan to be conducted within the organisation</li> <li>Budget provisions will be made in the MTEF to ensure filling of critical vacancies and ultimate implementation of the Organizational Structure</li> <li>Engage large retailers on learner absorption and agree on a contractual percentage for fulltime employment.</li> <li>Stakeholder engagement Plan (Improved stakeholder communication and consultation) Conduct satisfaction surveys and ensure adherence to service delivery standards</li> <li>Implementation of retail related programmes (i.e., Enhanced partnerships with HETs, TVETs and CETs will be required) Accelerate development of occupationally directed programmes through strategic partnerships with TVET Colleges and Institutions of Higher Education and Training</li> </ul>
<b>Outcome 7:</b>	Misalignment of skills planning and stakeholder alignment	<ul style="list-style-type: none"> <li>Quarterly Regional Stakeholder consultations and furthermore conduct quarterly satisfaction surveys.</li> <li>Conduct economic research to determine the needs of the sector (incl.</li> </ul>

Outcome	Key risk	Risk mitigation strategies
Capacitated trade unions within the W&R sector	<p>Inefficient and ineffective enablers</p> <p>Lack of Impact of W&amp;R SETA Programmes</p>	<ul style="list-style-type: none"> <li>Implementation of the transformation Agenda (high-level skills, SMMEs, Rural development, unemployed youth, women and people with disabilities)</li> <li>Accreditation of previously disadvantaged training providers to support township and rural communities (transformation) and retail sector operational and training plan and period.</li> <li>The new ERP system has gone live</li> <li>The migration of legacy ERP data to the new system</li> <li>ERP User training and adoption</li> <li>Conduct IT Disaster Recovery tests at least twice per annum. Skills Audit &amp; Plan to be conducted within the organisation</li> <li>Budget provisions will be made in the MTEF to ensure filling of critical vacancies and ultimate implementation of the Organizational Structure</li> <li>Engage large retailers on learner absorption and agree on a contractual percentage for fulltime employment.</li> <li>Stakeholder engagement Plan (Improved stakeholder communication and consultation) Conduct satisfaction surveys and ensure adherence to service delivery standards</li> <li>Implementation of retail related programmes (i.e., Enhanced partnerships with HETs, TVETs and CETs will be required) Accelerate development of occupationally directed programmes through strategic partnerships with TVET Colleges and Institutions of Higher Education and Training</li> </ul>
<p><b>Outcome 8:</b></p> <p>An appropriately skilled, agile and responsive workforce and skills pool able to meet the W&amp;R sector current and emerging skills needs</p>	<p>Misalignment of skills planning and stakeholder alignment</p> <p>Inefficient and ineffective enablers</p> <p>Lack of Impact of W&amp;R SETA Programmes</p>	<ul style="list-style-type: none"> <li>Quarterly Regional Stakeholder consultations and furthermore conduct quarterly satisfaction surveys.</li> <li>Conduct economic research to determine the needs of the sector (incl.</li> <li>Implementation of the transformation Agenda (high-level skills, SMMEs, Rural development, unemployed youth, women and people with disabilities)</li> <li>Accreditation of previously disadvantaged training providers to support township and rural communities (transformation) and retail sector operational and training plan and period.</li> <li>The new ERP system has gone live</li> <li>The migration of legacy ERP data to the new system</li> <li>ERP User training and adoption</li> <li>Conduct IT Disaster Recovery tests at least twice per annum. Skills Audit &amp; Plan to be conducted within the organisation</li> <li>Budget provisions will be made in the MTEF to ensure filling of critical vacancies and ultimate implementation of the Organizational Structure</li> </ul>

Outcome	Key risk	Risk mitigation strategies
		<ul style="list-style-type: none"> <li>Engage large retailers on learner absorption and agree on a contractual percentage for fulltime employment.</li> <li>Stakeholder engagement Plan (Improved stakeholder communication and consultation) Conduct satisfaction surveys and ensure adherence to service delivery standards</li> <li>Implementation of retail related programmes (i.e., Enhanced partnerships with HETs, TVETs and CETs will be required) Accelerate development of occupationally directed programmes through strategic partnerships with TVET Colleges and Institutions of Higher Education and Training</li> </ul>

#### 4. Public Entities

Not applicable

## PART D: TECHNICAL INDICATOR DESCRIPTORS (TID)

The following tables provide descriptions linked to the specific Outputs laid out in this document. The TIDs identify key narratives of the indicator.

**Outcome 1:** An efficient and effective organisation with good corporate governance

<b>Indicator Title</b>	Audit opinion by 2024/25
<b>Definition</b>	The indicator measures the status of Auditor General South Africa's (AGSA) audit opinion for all assurance levels, risk areas identified and status of drivers of internal controls for both financial and performance information, and compliance.
<b>Source of data</b>	Auditor General South Africa Audit reports
<b>Method of Calculation / Assessment</b>	Audit opinion given to the W&RSETA at year five of the strategic plan (that is, audit opinion for 2024/25 financial year)
<b>Assumptions</b>	W&RSETA has all the necessary systems and controls in place for improving planning, performance monitoring, reporting and financial management
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Desired performance</b>	A clean audit opinion obtained by 2024/25
<b>Indicator Responsibility</b>	Chief Financial Officer

**Outcome 1:** An efficient and effective organisation with good corporate governance

<b>Indicator Title</b>	% Reduction of manual processes as a result of seamless and optimised business processes
<b>Definition</b>	This target measures the reduction of manual processes achieved due to the implementation of seamless and optimised business processes through ICT
<b>Source of data</b>	User Acceptance Tests (UAT)
<b>Method of Calculation / Assessment</b>	Total number of manual processes in year 1 (2020/21), minus manual processes in year 5 (2025/25) divide by Total number of manual processes in year 1 (2020/21) multiply by 100
<b>Assumptions</b>	Implementation of seamless and optimised ICT business processes will reduce manual processes and increase the number of automated processes
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Desired performance</b>	90% reduction of manual processes identified at the start of the strategic plan implementation
<b>Indicator Responsibility</b>	Chief Information Officer

**Outcome 2:** An integrated Career Guidance Programme

<b>Indicator Title</b>	A comprehensive career guidance and career development strategy developed
<b>Definition</b>	This indicator ensures that a comprehensive career guidance and career development strategy is developed to guide the implementation of career guidance and career development activities of the W&R sector.
<b>Source of data</b>	Signed career guidance and career development strategy document
<b>Method of Calculation / Assessment</b>	Assess the availability of the career guidance and career development strategy and implementation reports
<b>Assumptions</b>	Situational analysis will determine career needs and inform the development of the W&RSETA career guidance and career development strategy
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Desired performance</b>	A career guidance and career development strategy which guide the implementation of W&RSETA career guidance interventions over the period 2020/21 – 2024/25
<b>Indicator Responsibility</b>	SPPE Executive

**Outcome 3:** Growth focused programmes for the development and support of Training Providers and the Higher Education, TVET and CET sectors to enable their responsiveness to changing occupations and technological advances.

<b>Indicator Title</b>	Percentage increase in the number of HET, TVET and CET partnerships aimed at enabling their growth
<b>Definition</b>	The indicator measures an increase in the number of public TVET Colleges, Community Education and Training Colleges and Higher Education institutions that have partnered with the W&RSETA with the purpose of enabling their growth.
<b>Source of data</b>	MOUs signed with HETs, TVETs and CETs
<b>Method of Calculation / Assessment</b>	<p>Numerator: Number of public TVET Colleges, CETs and HEIs delivering W&amp;RSETA who partnered with the W&amp;RSETA through the signing of an MOU in 2024/25 minus the number of public TVET Colleges, CETs and HEIs who partnered with the W&amp;RSETA through signing MOUs in 2020/21</p> <p>Denominator: Number of public TVET Colleges, CETs and HEIs who partnered with the W&amp;RSETA through the signing of an MOU in 2024/25</p> <p>The numerator and denominator are divided and multiplied by 100 in order to get the percentage increase</p>
<b>Assumptions</b>	The identified public TVET Colleges, CETs and HEIs will be willing to partner with the W&RSETA
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	<p>Rural</p> <p>Urban</p>
<b>Desired performance</b>	10% increase in the number of partnerships with HET, TVET and CET
<b>Indicator Responsibility</b>	COO

**Outcome 3:** Growth focused programmes for the development and support of Training Providers and the Higher Education, TVET and CET sectors to enable their responsiveness to changing occupations and technological advances.

<b>Indicator Title</b>	Number of education and training institutions and training providers offering W&R occupationally directed programmes
<b>Definition</b>	The indicator measures the number of education and training institutions that are accredited to offer W&R occupationally directed programmes. The education and training institutions in this indicator refers to HETs, TVETs and CETs and training providers from the HDI category.
<b>Source of data</b>	Accreditation Register relating to HETs, TVETs and CETs and HDI training providers
<b>Method of Calculation / Assessment</b>	Count the number of HETs, TVETs, CETs and HDI Training Providers that have been accredited within the period to offer W&R occupationally directed programmes
<b>Assumptions</b>	Identified institutions obtain accreditation
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not Applicable
<b>Desired performance</b>	20 HET, TVETs, CET and 40 HDI providers are accredited to offer W&R occupationally directed programmes
<b>Indicator Responsibility</b>	SPPE Executive



**Outcome 4:** A sector responsive Research Agenda that supports and informs the establishment of impact geared W&R skills development programmes

<b>Indicator Title</b>	Number of research studies conducted in response to the sector needs
<b>Definition</b>	The indicator measures the number of research conducted in responding to the SETA to sector research needs.
<b>Source of data</b>	<ul style="list-style-type: none"> <li>- Research Reports</li> <li>- Research Agenda</li> </ul>
<b>Method of Calculation / Assessment</b>	Count the number of research studies conducted in response to sector needs between 2020/21- 2024/25
<b>Assumptions</b>	Research agenda is approved
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Desired performance</b>	20 research studies that responds to the sector needs are conducted
<b>Indicator Responsibility</b>	SPPE Executive

**Outcome 4:** A sector responsive Research Agenda that supports and informs the establishment of impact geared W&R skills development programmes

<b>Indicator Title</b>	Number of impact assessment reports published
<b>Definition</b>	Impact assessments reports are published on W&RSETA website in order to communicate the impact of W&RSETA programmes to stakeholders
<b>Source of data</b>	<ul style="list-style-type: none"> <li>- Published Impact Assessment Research Reports</li> <li>- Research Agenda</li> </ul>
<b>Method of Calculation / Assessment</b>	Count the number of impact assessments conducted and published in W&RSETA website during the period 2020/21 to 2024/25
<b>Assumptions</b>	W&RSETA Research Agenda is approved annually
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Desired performance</b>	5 impact assessment studies conducted, and the reports published in the W&RSETA website
<b>Indicator Responsibility</b>	SPPE Executive

**Outcome 5:** Increased access to Wholesale and Retail occupationally directed programmes

<b>Indicator Title</b>	Number of learners participating in occupationally directed programmes
<b>Definition</b>	This indicator measures the number of learners participating on occupational directed programmes of the W&RSETA.
<b>Source of data</b>	Signed Work-place based agreement
<b>Method of Calculation / Assessment</b>	Count the number of learners registered in occupationally directed programmes during the period 01 April 2020 to 31 March 2025
<b>Assumptions</b>	Favourable uptake of allocations by employers and participation by learners
<b>Disaggregation of Beneficiaries (where applicable)</b>	4% person with disability 60% Females
<b>Spatial Transformation (where applicable)</b>	Rural (12.5% persons from rural areas) and urban beneficiaries supported
<b>Desired performance</b>	7 000 learners participating in occupationally directed programmes over a five-year period (4% person with disability and 12.5% persons from rural areas)
<b>Indicator Responsibility</b>	Chief Operations Officer (COO)

**Outcome 6:** Growth focused skills development and entrepreneurship development support for emerging entrepreneurs, cooperative sector and small, medium and informal business enterprises to enhance their participation in the mainstream economy.

<b>Indicator Title</b>	Number of informal businesses that have participated in W&RSETA skills development initiatives registered with relevant business or enterprise registration bodies
<b>Definition</b>	This indicator measures the total number of informal businesses who become registered with relevant business or enterprise registration upon their attendance to W&RSETA skills development initiatives
<b>Source of data</b>	Informal businesses skills development initiatives attendance register Company Registration Documents
<b>Method of Calculation / Assessment</b>	Count the number of informal businesses who registered their businesses after participating in W&RSETA capacitation programmes, using company registration documents.
<b>Assumptions</b>	Informal businesses are willing to register their businesses with the relevant registration bodies The W&RSETA will assist the informal businesses to register their businesses with the relevant registration bodies
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Desired performance</b>	1 000 Informal Businesses registered with relevant registration bodies
<b>Indicator Responsibility</b>	COO

**Outcome 6:** Growth focused skills development and entrepreneurship development support for emerging entrepreneurs, cooperative sector and small, medium and informal business enterprises to enhance their participation in the mainstream economy.

<b>Indicator Title</b>	Number of small and medium enterprises that have participated in W&RSETA supplier development programmes registered with CSD
<b>Definition</b>	<p>This indicator measures the number of SMEs who have participated in W&amp;RSETA supplier development programmes and registered on the CSD database after participation.</p> <p>The CSD is the Central Supplier Database that maintains a database of organisations, institutions and individuals who can provide goods and services to government.</p>
<b>Source of data</b>	<ul style="list-style-type: none"> <li>• Supplier Development Programmes attendance registers</li> <li>• CSD registration certificates</li> </ul>
<b>Method of Calculation / Assessment</b>	Simple count of the number of SMEs who participated in supplier development programmes and subsequently registered in the CSD
<b>Assumptions</b>	SMEs will be willing to register in the CSD after participating in supplier development programmes
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Desired performance</b>	500 small and medium enterprises who participated in W&RSETA supplier development programmes registered with CSD
<b>Indicator Responsibility</b>	Chief Operations Officer

**Outcome 6:** Growth focused skills development and entrepreneurship development support for emerging entrepreneurs, cooperative sector and small, medium and informal business enterprises to enhance their participation in the mainstream economy.

<b>Indicator Title</b>	Number of transformation projects implemented in collaboration with industry partners
<b>Definition</b>	This indicator measures strategic partnerships between the SETA and industry focusing on the implementation of transformation projects that are aimed at sector transformation
<b>Source of data</b>	Signed MOUs with Industry partners
<b>Method of Calculation / Assessment</b>	Count the number of Transformation Projects implemented in collaboration with Industry Partners by counting the number of partnership agreements signed to implement transformation projects
<b>Assumptions</b>	Industry buy-in
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Desired performance</b>	3 transformation projects implemented in collaboration with industry partners
<b>Indicator Responsibility</b>	COO

**Outcome 6:** Growth focused skills development and entrepreneurship development support for emerging entrepreneurs, cooperative sector and small, medium and informal business enterprises to enhance their participation in the mainstream economy.

<b>Indicator Title</b>	Number of Cooperatives participating in skills development initiatives
<b>Definition</b>	The indicator measures the number of Cooperatives that operate in the Wholesale and Retail Sector who participate in Wholesale and Retail SETA's skills development initiatives.
<b>Source of data</b>	Signed contracts with the Cooperatives
<b>Method of Calculation / Assessment</b>	Count the number Cooperatives which participated in skills development initiatives of the W&RSETA using signed contracts.
<b>Assumptions</b>	Cooperatives are willing to participate in the skills development initiatives of the W&RSETA.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Townships, Rural, Urban
<b>Desired performance</b>	100 Cooperatives participate in skills development initiatives
<b>Indicator Responsibility</b>	COO

**Outcome 7: Capacitated Trade Unions within the W&R sector**

<b>Indicator Title</b>	Number of interventions conducted to capacitate Trade Union members
<b>Definition</b>	This indicator measures the number of distinct interventions conducted by the SETA to capacitate trade union members in the W&R sector.
<b>Source of data</b>	Contracts/ MoUs with trade unions
<b>Method of Calculation / Assessment</b>	Simple count of the number of interventions conducted to capacitate trade union members
<b>Assumptions</b>	Trade unions participate in the interventions
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Desired performance</b>	15 interventions targeted at capacitating trade union members are conducted over a five-year period
<b>Indicator Responsibility</b>	COO



**Outcome 7: Capacitated Trade Unions within the W&R sector**

<b>Indicator Title</b>	Percentage increase in trade union member participation in Trade Union Capacitation Programmes
<b>Definition</b>	This indicator measures the increase in the number of trade union members who participate in the capacitation programmes conducted by the W&RSETA for Trade Unions.
<b>Source of data</b>	Verified Annual Performance Reports for 2020/21 to 2024/25 showing the number of Trade Union members who participated in capacitation programmes for Trade Unions.
<b>Method of Calculation / Assessment</b>	<p>Numerator = Number of members who participated in capacitation programmes in 2024/25 Financial Year minus the number of members who participated in capacitation programmes in 2020/21 Financial Year</p> <p>Denominator = Number of members who participated in capacitation programmes in 2024/25 Financial Year</p> <p>* To get the % increase, the formula will be as follows:</p> <p>Numerator divide by denominator as described above, multiplied by 100.</p>
<b>Assumptions</b>	Trade Unions will have compliant registration documents that enable them to participate in Capacitation Programmes
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Desired performance</b>	20% increase in Trade Union member participation by 2024/25
<b>Indicator Responsibility</b>	COO

**Outcome 8:** An appropriately skilled, agile and responsive workforce and skills pool able to meet the W&R sector current and emerging skills needs.

<b>Indicator Title</b>	Number of workers registered in programmes addressing Hard to Fill Vacancies as identified in the SSP
<b>Definition</b>	<p>This indicator refers to the number of learners registered in the programmes that address HTFVs as identified in the Sector Skills Plan of the W&amp;RSETA with the main aim of reducing skills shortages in the W&amp;R sector annually.</p> <p>Hard to fill vacancies are defined as those vacancies that take the employer a period longer than six months to find suitable candidates to fill the vacancy (with mainly skills-related reasons).</p>
<b>Source of data</b>	Verified Annual Reports from 2020/21 to 2024/25; Signed learner agreements
<b>Method of Calculation / Assessment</b>	Count each learner registered in W&RSETA programmes addressing Hard to Fill Vacancies as identified in the SSP
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>• Employers allows workers to participate in programmes</li> <li>• Workers are willing to participate in programmes</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not Applicable
<b>Spatial Transformation (where applicable)</b>	<p>Rural</p> <p>Urban</p>
<b>Desired performance</b>	10 000 workers registered in programmes addressing Hard to Fill Vacancies
<b>Indicator Responsibility</b>	COO

**Outcome 8:** An appropriately skilled, agile and responsive workforce and skills pool able to meet the W&R sector current and emerging skills needs.

<b>Indicator Title</b>	% Reduction of imbalance between skills supply and demand for priority skills in the W&R sector
<b>Definition</b>	The indicator measures the reduction of the imbalance between skills supply and demand in order to bring a balance in the labour market in terms of the demand of skills and the supply of skills by effectively training individuals.
<b>Source of data</b>	WSP/ATR Report
<b>Method of Calculation / Assessment</b>	<p>Numerator = Sum of HTFVs captured in WSP/ATR submissions in 2024/25 financial year less the sum of HTFVs captured in WSP/ATR submission in 2020/21</p> <p>Denominator = Sum of HTFV captured in WSP/ATR submission in 2024/25 financial year</p> <p>Divide Numerator by the Denominator and multiply by 100.</p>
<b>Assumptions</b>	There will be a reduced imbalance between skills supply and demand for priority skills in the W&R sector
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Desired performance</b>	10% reduction in imbalance between skills supply and demand for priority skills in the W&R sector
<b>Indicator Responsibility</b>	COO

**Outcome 8:** An appropriately skilled, agile and responsive workforce and skills pool able to meet the W&R sector current and emerging skills needs.

<b>Indicator Title</b>	Number of employed and unemployed persons obtain qualifications in programmes that address W&R sector current and emerging skills needs for increased sector responsiveness to 4IR and related technological advances.
<b>Definition</b>	The indicator measures the number of persons (employed and unemployed) who obtain qualifications in programmes that address W&R sector current and emerging skills needs for increased sector responsiveness to 4IR and related technological advances.
<b>Source of data</b>	Bursaries completion Reports from 2020/21 to 2024/25
<b>Method of Calculation / Assessment</b>	Count the number of employed and unemployed persons who have obtained qualifications in programmes that address W&R sector current and emerging skills needs for increased sector responsiveness to 4IR and related technological advances
<b>Assumptions</b>	Current and emerging skills needs for sector responsiveness to 4IR, and related technological advances are identified
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Desired performance</b>	2000 persons obtain qualifications in programmes that responds to 4IR and related technological advances
<b>Indicator Responsibility</b>	COO

**Outcome 8:** An appropriately skilled, agile and responsive workforce and skills pool able to meet the W&R sector current and emerging skills needs.

<b>Indicator Title</b>	Number of young people supported with ICT skills to access digitisation job and entrepreneurship opportunities in the sector
<b>Definition</b>	The indicator measures the number of young people (youth) who were equipped with relevant skills that enable them to access relevant digitisation job and entrepreneurship opportunities in the W&R sector. The support provided is in the form of Learning Programmes/ Training.
<b>Source of data</b>	Verified Learning Programmes Reports from 2020/21 to 2024/25
<b>Method of Calculation / Assessment</b>	Count the number of young people who were supported to obtain ICT skills
<b>Assumptions</b>	Young people are willing to participate in programmes that are aimed at providing them with ICT skills
<b>Disaggregation of Beneficiaries (where applicable)</b>	Youth: 100%
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Desired performance</b>	1500 young people are supported with ICT skills
<b>Indicator Responsibility</b>	COO

**Outcome 8:** An appropriately skilled, agile and responsive workforce and skills pool able to meet the W&R sector current and emerging skills needs.

<b>Indicator Title</b>	Number of learners exiting W&RSETA programmes
<b>Definition</b>	The indicator measures the number of learners who participated in W&RSETA's programmes to completion.
<b>Source of data</b>	Completion certificates/ statement of results
<b>Method of Calculation / Assessment</b>	Count the number learners who have completed W&RSETA programmes in the financial years 2020/21 to 2024/25
<b>Assumptions</b>	The number of registrations from 2020/21 to 2024/25 will not be reduced
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Desired performance</b>	39 470 learners exiting W&RSETA programmes over a five-year period
<b>Indicator Responsibility</b>	COO

**Outcome 8:** An appropriately skilled, agile and responsive workforce and skills pool able to meet the W&R sector current and emerging skills needs.

<b>Indicator Title</b>	Number of previously unemployed persons who have completed W&RSETA programmes are employed or start their own businesses
<b>Definition</b>	The indicator aims to trace the number of learners who have completed W&RSETA programmes and have been able to obtain employment or to start their own businesses.
<b>Source of data</b>	Placements close out reports by employers indicating absorption rate of learners Tracer Study Reports
<b>Method of Calculation / Assessment</b>	Count the number of previously unemployed persons who have completed W&RSETA programmes and obtained employment or started their own businesses
<b>Assumptions</b>	Employers who absorb learners and provide information/ absorption statistics to the SETA Learners who have participated in W&RSETA programmes participate in tracer studies
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Desired performance</b>	12000 previously unemployed persons who have completed W&RSETA programmes gets employment or start their own businesses
<b>Indicator Responsibility</b>	COO

# ANNEXURE A: MATERIALITY FRAMEWORK

In terms of Treasury Regulations, 28.3.1 for purposes of material [sections 50(1), 55(2) and 66(1) of the Act] and significant [section 54(2) of the Act], the accounting authority must develop and agree on a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors.

The Wholesale & Retail SETA has developed a materiality and significance framework which outlines materiality and significance as follows:

TREASURY REGULATION 28.1.5		
“For purposes of “material” [sections 50(1), 55(2) and 61(1) (c) of the Act] and “significant” [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors.”		
		Materiality approach adopted
Section 50(1)	<p>(1) The accounting authority for a public entity must -</p> <p>(a) Exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity;</p> <p>(b) Act with fidelity, honesty, integrity and in the best interest of the public entity in managing the financial affairs of the public entity;</p>	<p>Appropriate systems of control and risk management are maintained as well as a corporate risk management policy which is reviewed annually for effectiveness and a high level of compliance.</p> <p>W&amp;RSETA sets high standards for good governance and ethical behaviour. The best interest of the public entity is always relevant and reflected in the business plan as approved by the Board (accounting authority) and the implementation of the business plan is of the utmost importance.</p>



### TREASURY REGULATION 28.1.5

“For purposes of “material” [sections 50(1), 55(2) and 61(1) (c) of the Act] and “significant” [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors.”

		Materiality approach adopted
	<p>(c) On request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all <b>material</b> facts, including those reasonably discoverable, which in any way influence the decision or actions of the executive authority or that legislature; and</p> <p>(d) Seek, within the sphere of influence of that accounting authority, to prevent any prejudice against the financial interests of the state.</p>	<p>W&amp;RSETA is committed to an open and transparent culture and in revealing any relevant information to its stakeholders. Materiality can only be determined if the nature of the information which will affect the decision of the stakeholder is known.</p> <p>W&amp;RSETA employs risk management plans and reviews. Identified processes are aimed at preventing any prejudice to the financial interest of the state.</p>

### TREASURY REGULATION 28.1.5

“For purposes of “material” [sections 50(1), 55(2) and 61(1) (c) of the Act] and “significant” [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors.”

		Materiality approach adopted
Section 55 (2)	<p>(2) The annual report and financial statements referred to by PFMA Subsection 55 (1)(d) must –</p> <p>(a) Fairly present the state of affairs of the public entity, its business, its financial results, its performance against pre-determined objectives and its financial position as of the end of the financial year concerned;</p> <p>(b) include particulars of –</p> <p>(i) Any <b>material</b> losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;</p> <p>(ii) Any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;</p> <p>(iii) Any losses recovered or written off;</p> <p>(iv) Any financial assistance received from the state and commitments made by the state on its behalf; and</p> <p>(v) Any other matters that may be prescribed; and</p> <p>(c) Include the financial statements of any subsidiaries.</p>	<p>W&amp;RSETA makes use of independent assurance providers and is involved with disclosure forums for the presentation of annual financial statements to ensure that its affairs are fairly represented in the AFS.</p> <p>All losses are disclosed in the AFS.</p> <p>All activities are disclosed in the AFS.</p> <p>All losses are disclosed in the AFS.</p> <p>All financial assistance received or committed is disclosed.</p> <p>W&amp;RSETA will apply any other matters that become prescriptive.</p> <p>Not applicable.</p>
Section 54 (2)	<p>(1) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant</p>	

**TREASURY REGULATION 28.1.5**

“For purposes of “material” [sections 50(1), 55(2) and 61(1) (c) of the Act] and “significant” [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors.”

		Materiality approach adopted
	particulars of the transaction to its executive authority for approval of the transaction  (a) Establishment or participation in the establishment of a company;  (b) Participation in a significant partnership, trust, unincorporated joint venture, or similar arrangement  (c) Acquisition or disposal of a significant shareholding in a company  (d) Acquisition or disposal of a significant asset  (e) Commencement or cessation of a significant business activity;  (f) A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture, or similar arrangement.	  Not applicable.  Not applicable.  Not applicable.  Management attains the approval of the Accounting Authority. Not applicable. Not applicable.
Section 61(1)(c)	(a) The report of an auditor appointed in terms of section 58(1)(b) must be addressed to the executive authority responsible for the public entity concerned and must state separately in respect of each of the following matters whether in the auditor's opinion –	The materiality of 0.5% of the total value of the sum of the revenue received for the year is applied.  Budgeted Revenue 2022/23 = R 1, 551 billion (based on MTEFestimate)  Materiality for 2022/23 = R 7,8 million

**TREASURY REGULATION 28.1.5**

“For purposes of “material” [sections 50(1), 55(2) and 61(1) (c) of the Act] and “significant” [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors.”

		Materiality approach adopted
	(b) The transactions that had come to the auditor’s attention during auditing were in all material respects per the mandatory functions of the public entity determined by law or otherwise.	
Section 66 (1)	<p>(1) An institution to which this Act applies may not borrow money or issue a guarantee, indemnity, or security, or enter into any other transaction that binds or may bind that institution or the Revenue Fund to any future financial commitment, unless such borrowing, guarantee, indemnity, security, or other transaction –</p> <p>(2)</p> <p>(a) Is authorised by this Act; and</p> <p>(b) In the case of public entities, is also authorised by other legislation, not in conflict with this Act; and</p> <p>(c) In the case of loans by a province or a provincial government business enterprise under the ownership control of a provincial executive, is within the limits as set in terms of the Borrowing Powers of Provincial Governments Act, 1996 (Act No 48 of 1996).</p>	W&RSETA operates within the ambit as set by this clause and its related Act.

### Quantitative Aspects

Materiality level for consideration, the level of materiality for 2023/24 has been set as follows:

Financial Statement Base	Base Amount	Materiality %	Materiality value for 2023/24
Total assets	R 2 816 414 000	1%	R 28 164 140
Total revenue	R 1 551 729 000	0.5%	R 7 758 645
Total Surplus	Not relevant as the W&RSETA is not budgeting for a surplus		

The total revenue amount is based on the MTEF Estimates for the 2023/24 financial year while the total assets value is based on the audited financial statements for the 2021/22 financial year.

Therefore, final materiality is set at R 7 758 645 for the 2023/24 financial year.

### Qualitative aspects

Materiality is not merely related to the size of the entity and the elements of its financial statements. Misstatements that are large either individually or taken together may affect a “reasonable” user’s judgement. However, misstatements may also be material on qualitative grounds. These qualitative grounds include amongst others:

- New contracts that the SETA has entered into.
- Unusual transactions entered into that are not repetitive and are disclosable purely due to the nature thereof due to knowledge thereof affecting the decision making of the user of the financial statements.
- Transactions entered into that could result in a reputational risk to the SETA.
- Any fraudulent or dishonest behaviour of an officer or staff of the SETA.
- Any infringement of W&RSETA’s agreed performance levels.
- Procedures/processes required by legislation or regulation (e.g., PFMA and the Treasury Regulations)

This Materiality Framework is re-assessed and adjusted on an annual basis with the Audit Committee, Internal and External Auditors and assessed and approved by the Accounting Authority.



**CHIEF FINANCIAL OFFICER**



## ANNEXURE B: GLOSSARY OF TERMS

<b>Artisan</b>	the person who has been certified as competent to perform a listed trade in accordance with the skills development act, 1998 (Act of 97 Of 1998)
<b>Certification</b>	the formal recognition of a student who successfully completed all courses required to obtain a qualification or part qualification
<b>Continuing Education Training</b>	all learning and training Programmes leading to qualifications or part qualifications at Levels 1-4 of the NQF contemplated in the National Framework Act, 2008 (Act No. 67 of 2008)
<b>Data source</b>	a record, organisation, individual or database from which data is obtained
<b>Higher Education Institution</b>	any institution that provides higher education on full time, part time or distance basis and which is established deemed to be established or declared as a public higher education institution or registered or conditionally registered as a private higher education institution under the higher Education Act No 101 of 1997
<b>Hard to Fill Vacancies (HTFVs)</b>	hard to fill vacancies are defined as those vacancies that take the employer a period longer than six months to find suitable candidates to fill the vacancy (with mainly skills-related reasons)
<b>Learnership</b>	a learning Programme that leads to an occupational qualification or part qualification
<b>Recognition of prior learning</b>	the principles and processes, through which the prior knowledge and skills of a person are made visible, mediated and assessed for the purpose of alternative access and admission, recognition and certification, or further learning and development
<b>Workplace based learning</b>	an educational approach with a quality assured curriculum through which a person internalizes knowledge, gain insights and acquire skills and competences through exposure to a workplace to achieve specific outcomes applicable to employability