

# 2021-24 SERVICES SETA STRATEGIC PLAN



# CONTENTS

Accounting Authority statement	4
CHIEF EXECUTIVE OFFICER	5
LIST OF TABLES	7
LIST OF FIGURES	8
GLOSSARY	9
PART A: OUR MANDATE	11
CONSTITUTIONAL MANDATE	12
2. LEGISLATIVE AND POLICY MANDATE	12
1.1. Legislative Mandate	12
1.1.1. Skills Development Act	12
1.1.2. Skills Development Levies Act	13
1.1.3. Public Finance Management Act	14
1.1.4. Other Key Legislations	14
1.2. Policy Mandates	15
1.2.1. The National Development Plan	15
1.2.2. IPAP II: IPAP 2018/19 – 2020/21	15
1.2.3. Rural Development and Land Reform Strategy	15
1.2.4. Human Resources Development Strategy	16
1.2.5. White Paper on Post-School Education and Training	16
1.2.6. National Skills Development Plan	16
1.2.7. NDP Five Year Implementation Plan	17
1.2.8. National Accords	17
2. INSTITUTIONAL POLICIES AND STRATEGIES	18
2.1. Institutional Policies	18
2.2. Institutional Strategies	18
3. RELEVANT COURT RULINGS	19
PART B: OUR STRATEGIC FOCUS	20
VISION	20
To Serve, to Deliver, for Renewal, for Prosperity.	20
MISSION	20

4.	SITUATIONAL ANALYSIS	20
4.1.	External Environment Analysis	20
4.1.1.	Overview of the services sector	20
4.1.2.	Skills demand analysis	31
4.1.3.	PESTEL and SWOT Analysis	33
4.1.4.	Priority interventions for skills supply	37
4.2.	Internal Environment Analysis	39
4.2.1.	Services SETA Operating Model and Implications for Planning	39
4.2.2.	The Services SETA Value Chain	40
4.2.3.	Organisational Capabilities Underpinning Performance Improvements	42
4.2.4.	The Services SETA Organisational Structure and Staffing	43
	Table 4. Services SETA Filled and Approved Posts	43
	PART C: MEASURING OUR PERFORMANCE	46
5.1.	Measuring Impact	46
5.2.	Measuring Outcomes	46
5.3.	Key Risks	48
5.4.	Planned Performance over Five-Year Planning Period	49
6.	TECHNICAL INDICATOR DESCRIPTOR	51
7.	REFERENCES	60

# ACCOUNTING AUTHORITY STATEMENT

It gives me great pleasure to introduce the Services SETA's updated Strategic Plan 2020/21-24/25. This update takes place in the most trying times ever in the recent history of the country. Since Q3 of 2019, the economy has decreased by a negative basis point, culminating in a record-breaking -52% in Q2 of 2020. The decline in economic growth traverses all sectors of the economy, including services sectors' subsectors.

The COVID-19 pandemic has exacerbated these adverse economic conditions. The forced global shutdown of economic activities to limit the spread of the virus had a devastating impact on the world's economy. The services sector has been disproportionately affected by this pandemic due to the nature of services rendered, which in most cases involve personal contact.

It is unclear how long the situation will persist. What is apparent though, based on projections by current economic models, is that the impact will linger for the foreseeable future, leaving a trail of destruction of livelihoods and jobs in its wake.

Against this somber background, the Services SETA has positioned itself to become agile in its approach to delivering quality skills development service leveraging on ICT capabilities as reflected in the Outcomes of this Strategic Plan. This plan further envisages the forging of strategic partnerships with employers, HEIs, TVETs and Community Colleges, and skills development providers to streamline the offering of critical skills to revitalise and sustain the services sector's economy.

The development and support of SMMEs have also received heightened attention, as reflected in the enclosed Annual Performance Plan, to promote entrepreneurial and cooperative development to preserve vulnerable SMMEs and promote the emergence of new SMMEs in support of alternative livelihoods. The Entrepreneurship and Cooperative Development Initiative (ECDi) is instrumental in this endeavor and will receive close attention.

The pandemic has underlined the importance of ICT for operational efficacy and tested the readiness of the services sector. The Services SETA has availed its ICT infrastructure and online learning platforms, to stakeholder. Our frontline support services have been streamlined to provide timely support.

Services SETA stakeholders are therefore encouraged to seize these opportunities to realise a skilled, competitive and entrepreneurial workforce that drives economic growth for the services sector and contributes to improved quality of life and eradication of poverty as encapsulated in the impact statement of this plan.



MR STEPHEN DE VRIES  
CHAIRPERSON OF THE ACCOUNTING AUTHORITY

26 November 2020

\_\_\_\_\_  
Date



# CHIEF EXECUTIVE OFFICER

The 2021/22 update of the Strategic Plan 2020/21-2024/25 represents a second iteration over the Medium-Term Strategic Framework 2020/21-2024/25, the National Development Plan Five-Year Plan, and the National Skills Development Plan 2030.

This update is underscored by two unrelated factors. In the first place, this iteration has sought to strengthen alignment to the Department of Performance Monitoring and Evaluation (DPME) issued “Revised Framework for Strategic Plans and Annual Performance Plans”. A special focus has been placed on outlining the Impact Statement and identifying clear and relevant Outcomes as well Outputs and related indicators.

To this effect, the Impact Statement speaks to: “A skilled, competitive and entrepreneurial workforce that drives economic growth of the services sector and contributes to improved quality of life and eradication of poverty”. Outputs are:

- Agile organisation with high levels of innovation, good governance and sound financial controls leveraging on ICT
- Strengthened stakeholder relationship management that facilitates skills development
- Capacitated entrepreneurial support ecosystem rendering relevant and innovative skills development and support to entrepreneurs
- Engaged sector employers that meaningfully invest in skills development and offer work integrated learning opportunities
- Transition towards implementation of occupational qualifications aligned to QCTO standards and requirements

These developments will help to shape the focus of the Services SETA and strengthen to alignment to national priorities. Outputs will be measured through the Strategic Plan after five years whereas Outputs will be measured yearly through the Annual Performance Plan and Annual Report. In the second place, this update takes place under the most trying economic times for South Africa. The economy has reached depression levels with record-breaking GDP decline and unemployment levels. Unemployment levels breached the 30% mark with nearly half of youth being unemployed. The COVID 19 pandemic has exacerbated the already worse situation. More than a third of businesses in this sector were forced to close, resulting in loss of income and jobs for affected employees.

This situation calls for closer collaboration between all partners; government, business and labour. As reflected in Outcome 2, the Services SETA plans to strengthen partnership and collaboration with employer partners to jointly identify problems and solutions.

This Strategic Plan is the clearest demonstration yet of the Services SETA's intention, and invitation of stakeholders, to map a new way for skills development revolution.



MR MENZI FAKUDE  
CHIEF EXECUTIVE OFFICER

26 November 2020

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## OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Services SETA in consultation with the Department of Higher Education and Training
- was informed by the revised Services SETA Sector Skills Plan submitted on 31 August 2020
- accurately reflects the strategic outcome-oriented goals and strategic objectives which the Services SETA will endeavour to achieve over the period of 2020/21 - 2024/25

Mr Sibusiso Dhladhla  
Executive Manager: Planning

  
Signature

26 November 2020  
Date

Mr Andile Sipengane  
Executive Manager: Core Business

  
Signature

26 November 2020  
Date

Mr Tsheola Matsebe  
Chief Financial Officer

  
Signature

26 November 2020  
Date

Mr Menzi Fakude  
Chief Executive Officer

  
Signature

26 November 2020  
Date

Mr Stephen de Vries  
Chairperson: Accounting Authority

  
Signature

26 November 2020  
Date

# LIST OF TABLES

Table 1: Employment by Gender, Race and Age in the services sector ..... 24

Table 2: Impact of COVID-19 on the PSET ..... 30

Table 3: SWOT Analysis ..... 35

Table 4. Services SETA Filled and Approved Posts..... 43

Table 6. Key Risks ..... 48

Table 7. Alignment of NDP Targets to the Strategic Plan ..... 49

Table 8. Alignment of impact statements and outcomes to NSDP outcomes ..... 50

Table 9. Services SETA and Transformation ..... 51

# LIST OF FIGURES

Figure 1. Allocations of Skills Levy Funds .....	13
Figure 2. Services SETA Chambers and Sub-sectors .....	21
Figure 3: Services SETA employers by provincial spread .....	22
Figure 4: Employees by province .....	23
Figure 5. Services SETA Key Role Players .....	25
Figure 6. The Roles Played by Key Role Players .....	26
Figure 7. Growth in GDP (%), Q2 2020 .....	27
Figure 8. Contributions to growth in GDP (% points), Q2 2020 .....	28
Figure 9. Business turnover range by industry .....	28
Figure 10. Services SETA Operating Model .....	40
Figure 11. Services SETA Value Chain .....	41
Figure 12. Skills Development Cycle .....	42
Figure 13. Governance and Executive Structure .....	44



# GLOSSARY

AET	Adult Education and Training
ASGISA	Accelerated Shared Growth Initiative of South Africa
	Annual Training Report
BUSA	Business Unity South Africa
DHET	Department of Higher Education and Training
DTI	Department of Trade and Industry
TVET	Further Education and Training
GATS	General Agreement on Trade and Services
GRAP	Generally Recognised Accounting Practice
HET	Higher Education and Training
HRD	Human Resources Development
HRDS	Human Resources Development Strategy
IPAP	Industrial Policy Action Plan
ICT	Information and Communication Technology
IT	Information Technology
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NEET	Not in Employment, Education or Training
NGO	Non-Governmental Organisation
NGP	New Growth Path
NIPF	National Industrial Policy Framework
NLPE	Non Levy Paying Employer
NPC	National Planning Commission
NQF	National Qualifications Framework
NSA	National Skills Authority
NSDS	National Skills Development Strategy
NSF	National Skills Fund
OFO	Organising Framework for Occupations
OHS	Occupational Health and Safety Act
PFMA	Public Finance Management Act
PIVOTAL	Professional Vocational Technical and Academic Learning

QCTO	Quality Council for Trades and Occupations
SCM	Supply Chain Management
SDA	Skills Development Act
SDLA	Skills Development Levies Act
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SME	Small and Micro Enterprises
SMME	Small, Medium and Micro Enterprises
SSP	Sector Skills Plan
TVET	Technical and Vocational Education and Training
WPPSET	White Paper on Post-School Education and Training
WSP	Workplace Skills Plan

# PART A: OUR MANDATE

The Services Sector Education and Training Authority (Services SETA) is a statutory body established through the Skills Development Act of 1998 as amended by the Skills Development Act, 26 of 2011 to enable its stakeholders to grow the services sector through contribution to the Gross Domestic Product (GDP), job-creation and entrepreneurial development. In terms of the Skills Development Act (No 97 of 1998 as amended) and the National Skills Development Plan: 2030 (NSDP), the Services SETA is mandated to develop skills for the services sector labour force.

This Strategic Plan (SP) outlines the Services SETA's plans to realise this mandate over the Medium-Term Strategic Framework (2020/21-2024/25). This Plan is a product of rigorous research and thorough consultations with internal and external stakeholders. It outlines impact statement and the desired outcomes that guide the achievement of the intended impact. Key risks and mitigation strategies are outlined to ensure a seamless implementation of the plan.

The Plan is developed against the backdrop of a negative economic growth, as measured by GDP rate, and the rampant COVID-19 pandemic that is sure to have long-term impact on the economy. For the Services SETA, the challenge is managing financial resources prudently to both support struggling companies and workers facing retrenchment or job redeployment as companies change operations to adapt to challenges wrought about both COVID-19 and declining economy. In light of the above, the plan places a strong emphasis on SMME development and support. The Programme of Action of the Entrepreneurship and Cooperatives Development Initiative will drive this mandate. This goal is aptly encapsulated in the impact statement of this Strategic Plan.

The impact statement of the Services SETA is: "A skilled, competitive and entrepreneurial workforce that drives economic growth of the services sector and contributes to improved quality of life and eradication of poverty".

## Specific outcomes include:

- Agile organisation with high levels of innovation, good governance and sound financial controls leveraging.
- Strengthened stakeholder relationship management that facilitate skills development
- Capacitated entrepreneurial support ecosystem rendering relevant and innovative skills development and support to entrepreneurs;
- Engaged sector employers that meaningfully invest in skills development and offer work-integrated learning opportunities, and
- Transition towards implementation of occupational qualifications aligned to QCTO standards and requirements

# CONSTITUTIONAL MANDATE

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

The Services SETA's mandate, as outlined in its Constitution and in accordance with the National Skills Development Plan (NSDP) framework, is to:

- Develop and implement its Sector Skills Plan;
- Promote occupation-based learning programmes that include work experience;
- Register agreements for learning programmes
- Support and form partnerships with other agencies on matters related to skills development;
- Collect and disburse the skills development levies, allocated to it in terms of sections 8 and 9 of the SDLA, in the Education, Training and Development (ETD) Sector

This section discusses key legislation, policies and Government programmes that informs the

## 2. LEGISLATIVE AND POLICY MANDATE

This section discusses key legislation, policies and Government programmes that informs the Services SETA's mandate.

### 1.1. Legislative Mandate

#### 1.1.1. Skills Development Act

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

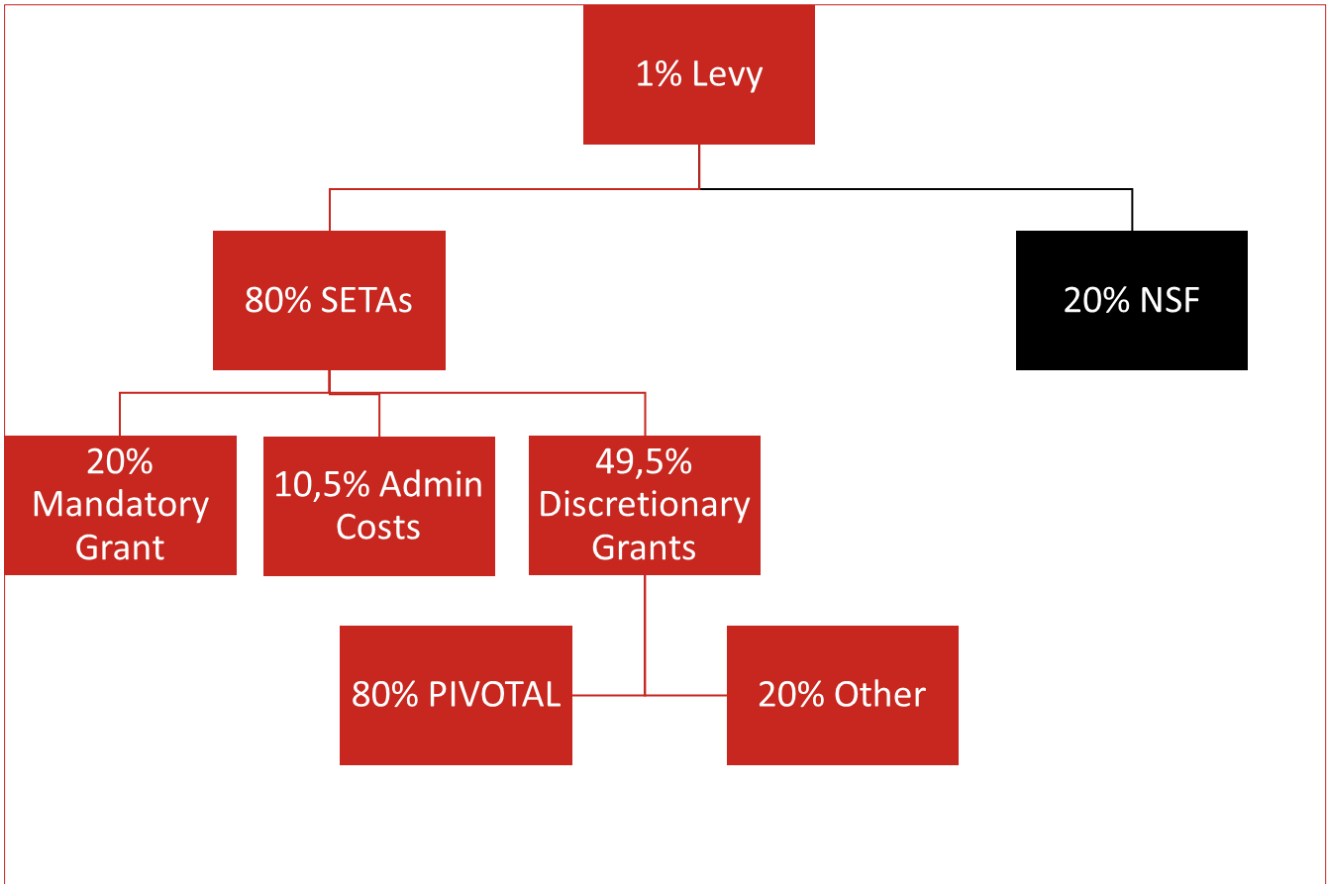
Key programmes for SETAs comprise on-the-job training, learnerships, internships and bursaries, with a particular focus on the unemployed, women and youth. To strengthen accountability on the SETAs performance, the SDA mandates the Department of Higher Education and Training (DHET) to enter into a Service Level Agreement (SLA) with all SETAs.

The copy of the Service Level Agreement between Services SETA and the Ministry for Higher Education and Training is in Annexure B of the Annual Performance Plan as updated.

## Skills Development Levies Act

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

Figure 1. Allocations of Skills Levy Funds



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

### 1.1.3. Public Finance Management Act

The Services SETA is a national public entity established in terms of Schedule 3 (Part A) of the Public Finance Management Act (PFMA) (Act 1 of 1991). Therefore, the Services SETA must conduct its financial affairs in line with the PFMA. The current audit findings by the Auditor-General of South Africa points towards some weaknesses in the way the Services SETA conducts its financial affairs (see for example, Services SETA Annual Report, 2018; 2019). In these reporting periods, the Services SETA received qualified audit opinions. This suggests the need to improve system of internal controls over financial reporting.

### 1.1.4. Other Key Legislations

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



## 1.2. Policy Mandates

### 1.2.1. The National Development Plan

This Strategic Plan (SP) and the Annual Performance Plan (APP) place emphasis on the priorities identified in the National Development Plan (NDP). In the immediate future, there is a need to support Operation Phakisa which seeks to fast-track the delivery of priorities outlined in the NDP regarding the ocean's economy. In the medium-term, through the setting up of Skills Development Centres' initiative, the Services SETA aims to address artisanal skills shortages identified by Occupational Teams that have been established for the Strategic Infrastructure Projects (SIPs) being utilised for Operation Phakisa. In the long-term, in supporting the education agenda linked to this mandate, the Services SETA supports DHET's skills development and capacity-building initiatives which prioritise Workplace Based Learning (WBL) through facilitating placement of TVET College graduates.

### 1.2.2. IPAP II: IPAP 2018/19 – 2020/21

The current version of Industrial Policy Action Plan (IPAP) relates to the services sector in three focus areas. First, the targeted growth in manufacturing aims also to have a downstream impact on growth in the services provided to manufacturing. Second, the restructuring of public procurement has major implications – the services sector is a major supplier to government. Third, Special Economic Zones and Cluster Programmes aim to create integrated value chains across sectors – the services sector is thus becoming a core support node. The Services SETA will continue to align training programmes to these initiatives through on-going research and partnerships with other state entities, including SETAs and institutions of higher learning in the medium to long-term horizon.

### 1.2.3. Rural Development and Land Reform Strategy

As part of the rural development strategy, the Services SETA has entered into strategic partnerships with various Municipalities and TVETs in line with the White Paper on Post-School Education and Training's principle of supporting economic growth for employment creation and poverty eradication. These partnerships are over a 3 to 5 years' period, covering the Medium-Term Strategic Framework era. The role of the Services SETA in rural development is through a multi-faceted strategy providing opportunities for the support and development of SMME and Cooperatives whose scope falls within the services sector, the development and empowerment of persons with disabilities, youth and women empowerment, as well as driving the strategy of engagements and building capacity within local public TVETs.

#### 1.2.4. Human Resources Development Strategy

The Human Resource Development Council (HRDC) recently released a revised Human Resources Development Strategy (HRDS) in April 2017. The revisions identify and reinforce the relevance of skills development and the importance of human resource development to achieving our national objectives. The revisions also identify the key stakeholders and the importance of the workplace as the site of development. The Services SETA plays an intermediary role in facilitating the programmatic interventions of the strategy over the long, medium, and short-term. The responsibility is to ensure a coordinated and continuous dialogue with stakeholders to lay the foundation for collaboration to address scarce, critical and priority skills needed for the services sector.

#### 1.2.5. White Paper on Post-School Education and Training

The White Paper on Post-School Education and Training focuses on improving the quality of the TVET colleges which entails the development of appropriate programmes; upgrading of lecturer qualifications; capacity building for management and governance; improved learner support; utilising appropriate information technology systems for learning and management; and building strong partnerships between colleges and employers in the public and private sectors. The Services SETA has established strategic partnerships with TVET colleges and universities aimed at ensuring improved access to quality learning programmes, increased relevance of skills development interventions and building strong partnerships between stakeholders and social partners. The focus is on TVET colleges based in rural areas. Partnership contracts are of a short-term nature, approximately one year to ensure wider coverage of universities and TVET Colleges.

#### 1.2.6. National Skills Development Plan

The National Skills Development Plan (NSDP: 2030) is a 10-year plan that “seeks to ensure that South Africa has adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development”. The NSDP time frames are aligned to the NDP’s target of 2030 and straddles two MTSF periods (2020/21-2024/25 and 2025/26-2029/2030). The NSDP contains eight outcomes that guide its implementation. In sum, the outcomes places emphasis on developing both basic skills and technical skills, with a specific focus on historically disadvantaged individuals. It implores SETAs to aim to facilitate and co-finance training for approximately 10% of the workforce annually. Crucially, the NSDP urges SETAs to forge close collaboration with employers to strengthen work-place learning. This Strategic Plan ensures alignment between the NSDP outcomes and the impact statements, outcomes as well as outputs. Targets set directly address the NSDP Outcomes as well as the NDP goals and are aligned to five-year MTSF of the government. There is also a strong emphasis on promoting workplace learning to promote quality throughput of graduates to support the sector. The Annual Performance Plan (APP) targets provide the clearest indication of the alignment of the SP’s outcomes to NSPS outcomes.

### 1.2.7.NDP Five Year Implementation Plan

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

- Priority 1: Economic Transformation and Job Creation
- Priority 2: Education, Skills and Health
- Priority 3: Consolidating the Social Wage through Reliable and Quality Basic Services
- Priority 4: Spatial Integration, Human Settlements and Local Government
- Priority 5: Social Cohesion and Safe Communities
- Priority 6: A Capable, Ethical and Developmental State
- Priority 7: A better Africa and World

Priority 2, namely; Education, Skills and Health is relevant to the Department of Higher Education and Training. This priority contributes to pillar 2 of the 3 NDP pillars which is Capabilities of South Africans. To implement these priorities, the DHET has identified five Outcomes which have a direct bearing on the Services SETA:

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

The Services SETA's impact statement and outcomes are closely aligned this Implementation Plan as will be illustrated in the ensuing section of this Strategic Plan.

### 1.2.8.National Accords

The Services SETA's contribution to the National Youth Accord is primarily through investment in artisanal training related to Strategic Infrastructure Plans and additionally through the placement of TVET learners on work-integrated learning in the public and private sector; and the significant allocation of resources to artisan development, in partnership with the National Youth Development Agency. Programmes are short to medium-term in nature to ensure that as many learners as possible benefit from these initiatives.

## 2. INSTITUTIONAL POLICIES AND STRATEGIES

### Institutional Policies

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

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

### Institutional Strategies

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

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

### 3.RELEVANT COURT RULINGS

Regulations on Monies received by SETAs and related matters were promulgated in July 2013. The Business Unity South Africa (BUSA) versus DHET court case is bound to have an impact on the implementation of this plan. BUSA launched a court case against DHET on the SETA Grant Regulations Regarding Monies Received by a SETA and Related Matters, which was gazetted on 3 December 2012 and came into effect on 1 April 2013. In summary, BUSA did not agree with the decrease in the Mandatory Grant percentage from 50% to 20% and that unspent SETA funds are transferred to the National Skills Fund (NSF). The Court ruled in favour of BUSA. This ruling has significant financial implications for the Services SETA, especially if retrospective payment is awarded.

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

# PART B: OUR STRATEGIC FOCUS

## VISION

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

## MISSION

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

## VALUE

**The following values guide Services SETA:**

- Accountability
- Innovation
- Integrity
- Professionalism
- Responsiveness

## 4. SITUATIONAL ANALYSIS

### External Environment Analysis

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

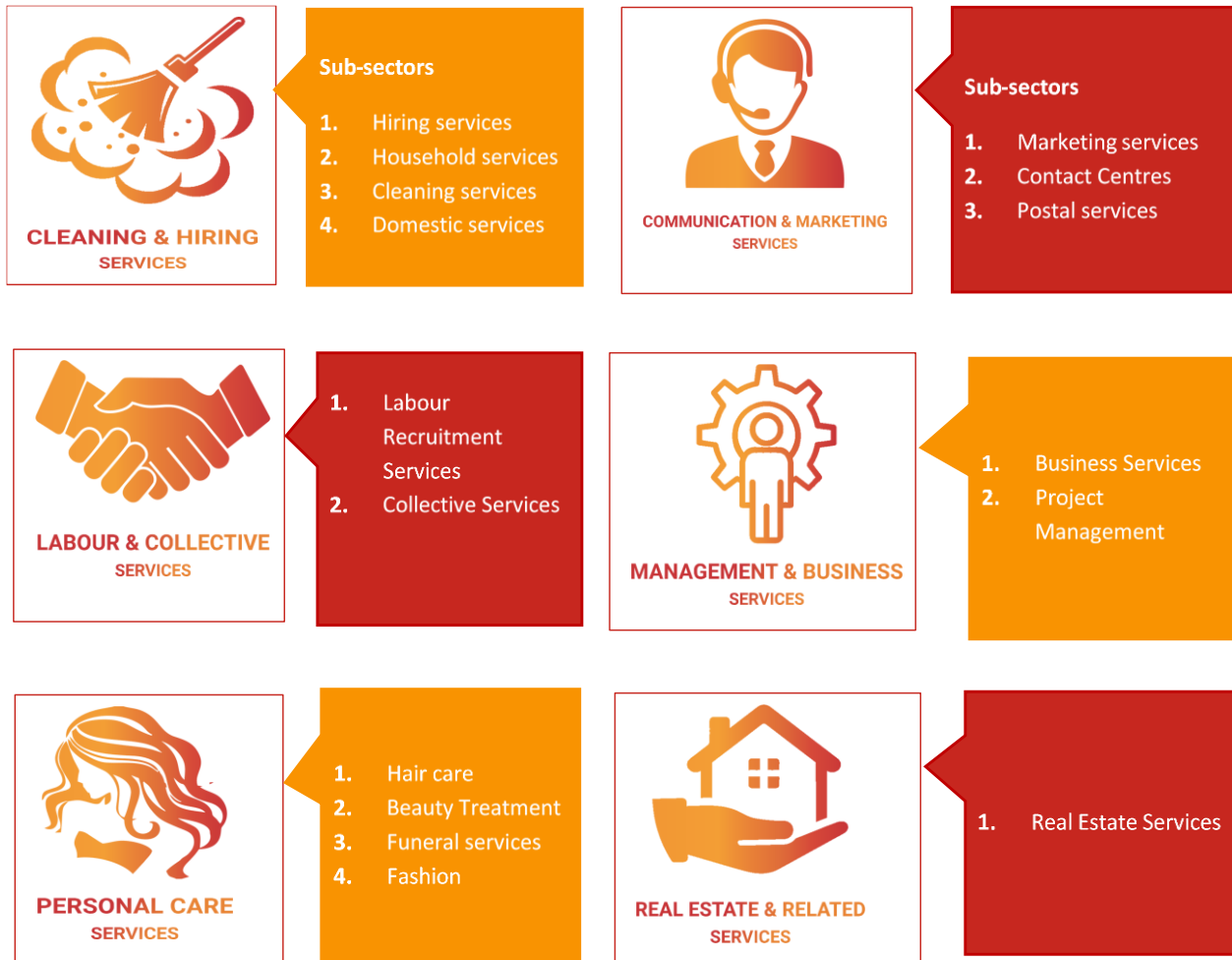
#### 4.1.1. Overview of the services sector

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

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



Figure 2. Services SETA Chambers and Sub-sectors

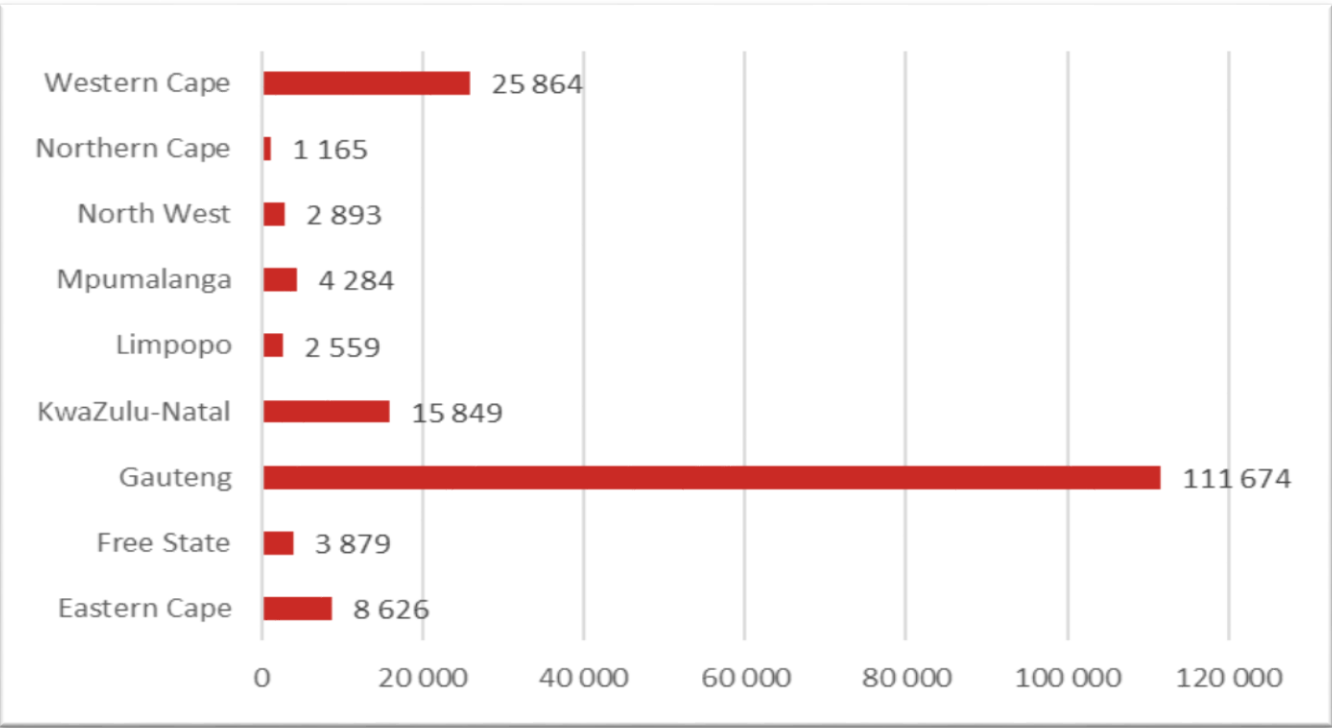


The Services SETA is one of the largest SETAs in terms of the number of employers falling within its scope. Approximately 176 793 employers fall within its demarcation (as of May 2020. About 131 105 employers were actively trading around the same time.

In terms of geographic spread, employers of the services sector are found in all nine provinces of South Africa, but with high concentration in three developed and industrialised regions of Gauteng, Western Cape and KwaZulu-Natal.

Figure 3 illustrates the fact that most employers are located in the developed cities of Johannesburg, Cape Town and Durban. This situation highlights the need to expand access to training to the rural provinces of Limpopo, Eastern Cape, Mpumalanga, Northern Cape, Free State, North West and most parts of KwaZulu-Natal, to promote equity.

Figure 3: Services SETA employers by provincial spread

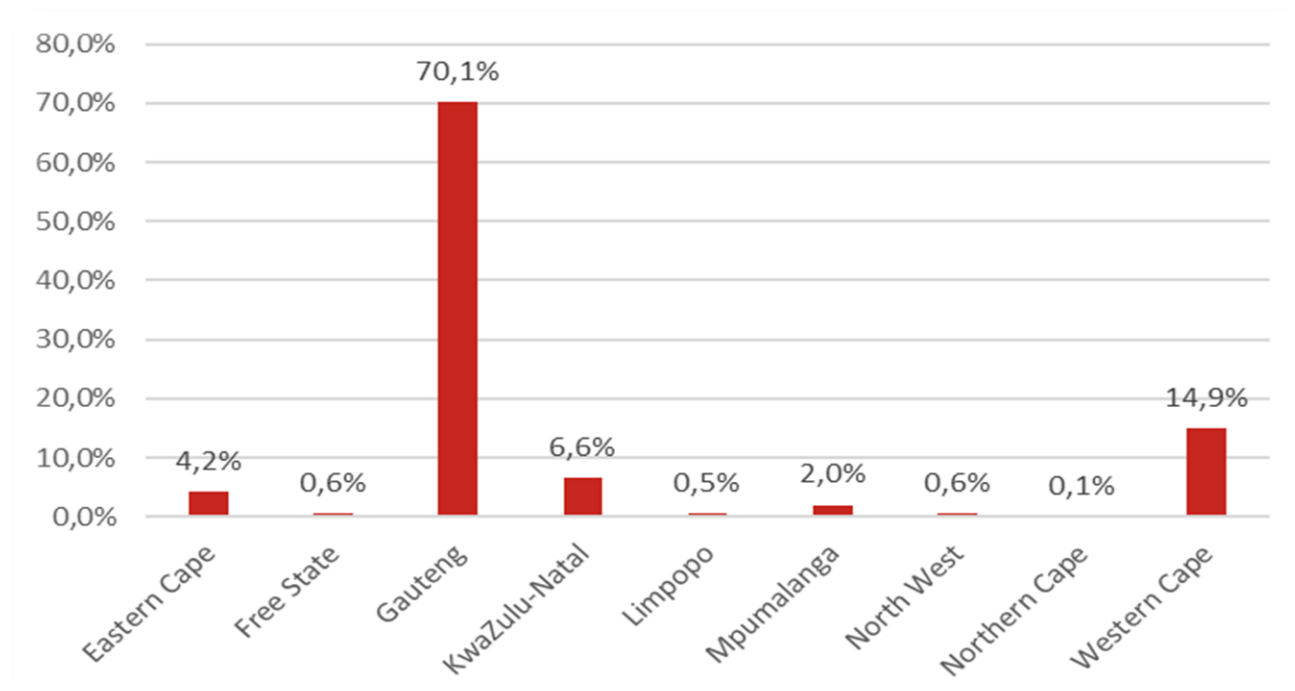


Services SETA Database, May 2020

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

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

Figure 4: Employees by province



Source: Services SETA WSP/ATR (2020)

The labour force is predominantly black (80%), women (57%), and youth (15-34 years, 37%). Employer data from the Services SETA database indicates that the Management and Business Services subsector employs more people (47%). Employment in the services sector labour force is mainly in the low-level, low-paying occupational categories, namely: clerical, elementary and domestic. The implication for skills development is that the sector should strike a proper balance between training for productive industries, which are in the manager occupational category, professional and technical occupation, to support economic growth and the non-productive sector to promote transformation and equity, by training the low-level labour force.

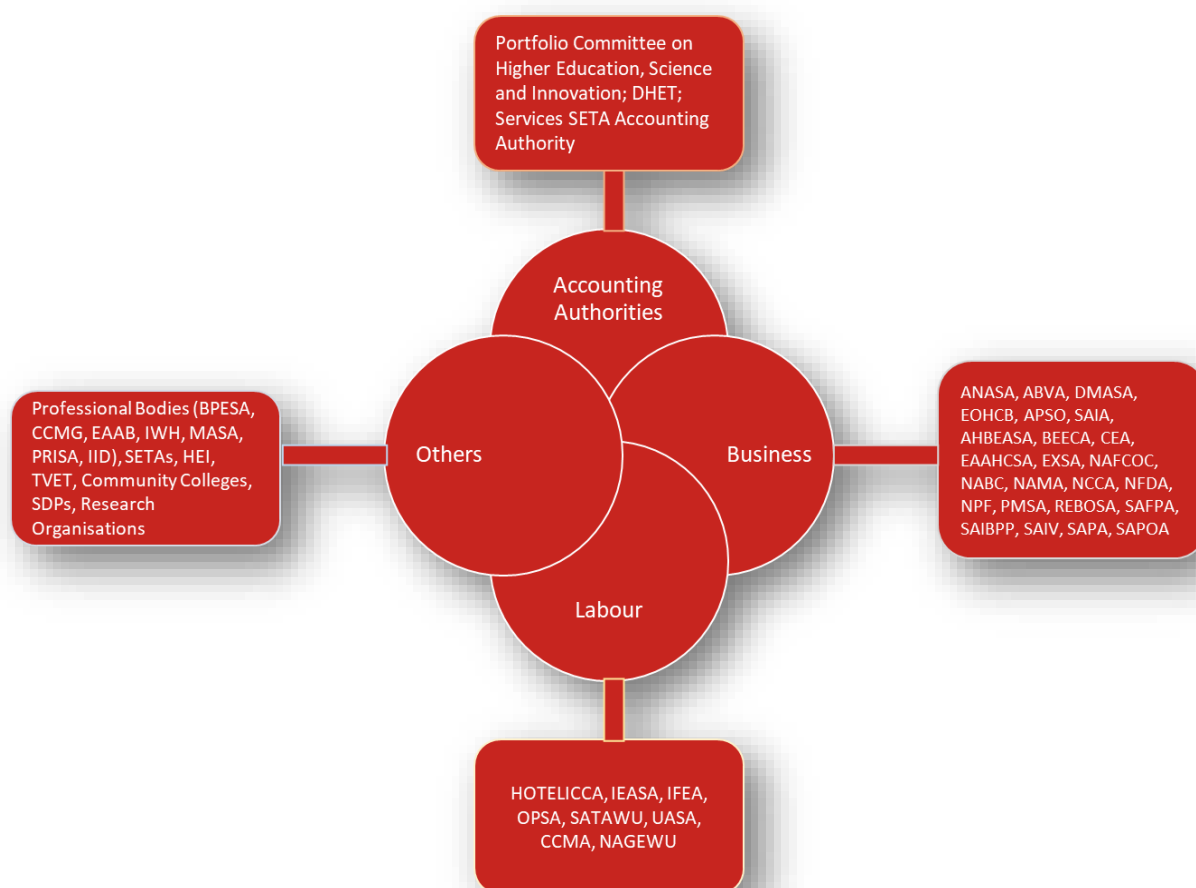
Table 1: Employment by Gender, Race and Age in the services sector

Gender	Services SETA	National (Stats SA)
	May 2018	Jan-Mar 2018
Male	216 930 (57%)	1495613 (44%)
Female	160 613 (43%)	1903507 (56%)
Race	Services SETA	National (Stats SA)
	May 2018	Jan-Mar 2018
Black African	263 320 (70%)	2 693 120 (79.2%)
Coloured	38 542 (10%)	286 500 (8.4%)
Indian/ Asian	14 354 (4%)	72 466 (2.1%)
White	60 302 (16%)	347 035 (10.2%)
Total	377,543	3 399 120
Age	Services SETA	National (Stats SA)
	May 2018	Jan-Mar 2018
>34yr	228,881 (61%)	1142249 (60%)
36-54yr	127,369 (34%)	1904096 (56%)
>55yr	21,293 (6%)	352 775 (10%)
Total	377,543 (100%)	3 399 120
Occupation	Services SETA	National (Stats SA)
	May 2018	Jan-Mar 2018
Manager	28 839 (7.6%)	185 969 (5.5%)
Professional	28 307 (7.5%)	137 392 (4.0%)
Technician	53 796 (14.2%)	161 510 (4.8%)
Clerk	62 715 (9.0%)	240 811 (7.1%)
Sales and services	33 962 (9.0%)	804 785 (23.7%)
Skilled agriculture	20 322 (5.4%)	0 (0.0%)
Craft and related trade	4 053 (1.1%)	78 084 (2.3%)
Plant and machine operator	47 174 (12.5%)	66 852 (2.0%)
Elementary	98 375 (26.1%)	1 723 716 (50.7%)
Total	377 543	3 399 120
Level of Education	Services SETA	National (Stats SA)
	May 2018	Jan-Mar 2018
No schooling	228 881 (61%)	83 603 (2.5%)
Less than primary completed	127 369 (34%)	319 845 (9.4%)
Primary completed	21 293 (6%)	156 652 (4.6%)
Secondary not completed		1 388 105 (40.8%)
Secondary completed		943 051 (27.7%)
Tertiary		454 326 (13.4%)
Other		53 538 (1.6%)
Total	377 543 (100%)	3 399 120

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

The key role-players in the services sector include the Accounting Authority, Chamber Committees, Employers, Trade Unions, Government Departments and Service Providers as illustrated in Figure 5.

Figure 5. Services SETA Key Role Players



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

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

Figure 6. The Roles Played by Key Role Players



In addition, in order to strengthen oversight, the AA has established Chamber Committees to oversee the six chambers detailed in Figure 2. Chamber Committees act in a stakeholder capacity as advisory bodies to assist the Services SETA Executive Management to carry out the mandate of the AA. These are thus, independent advisory bodies that make recommendations on matters relevant to the subsectors of the Chamber. The membership of the committees is not restricted to members of the AA only.

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

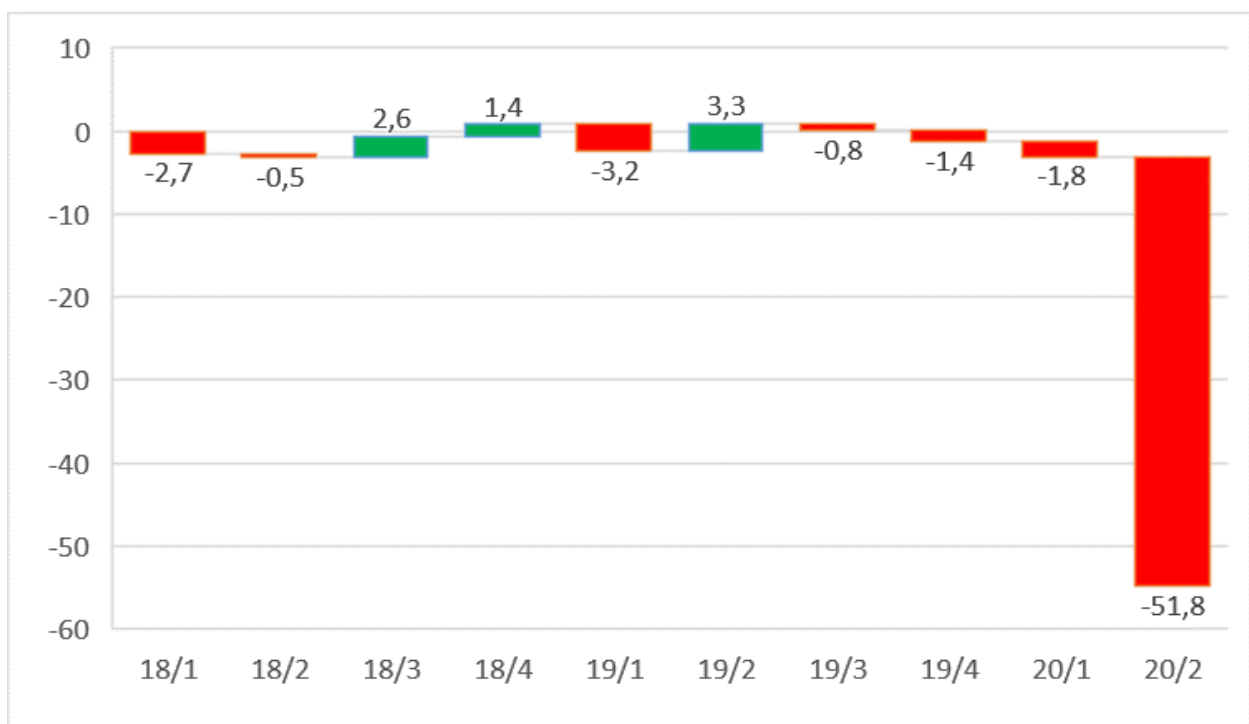
Professional bodies, universities, colleges of education, private training providers and research centres play a critical enabling role. They provide advices on skills needs analysis, design and development of qualifications to meet skills demanded by the sector in line with the NSDP 2030 and provide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



## (b) Economic contribution of the services sector

Along with major economies of the world, the South African economy is faced with a serious growth challenge. A negative GDP growth over two consecutive quarters implies the South African economy is full depression. From Q3 of 2019 to Q2 of 2020, the South African GDP registered a negative growth rate – see Figure 7. In Q2 of 2020, the GDP shrunk by more than half (51%). This fall in the GDP growth far exceeded the prediction by the World Trade Organisation (WTO) earlier in the year of a fall by between 13% and 32%.

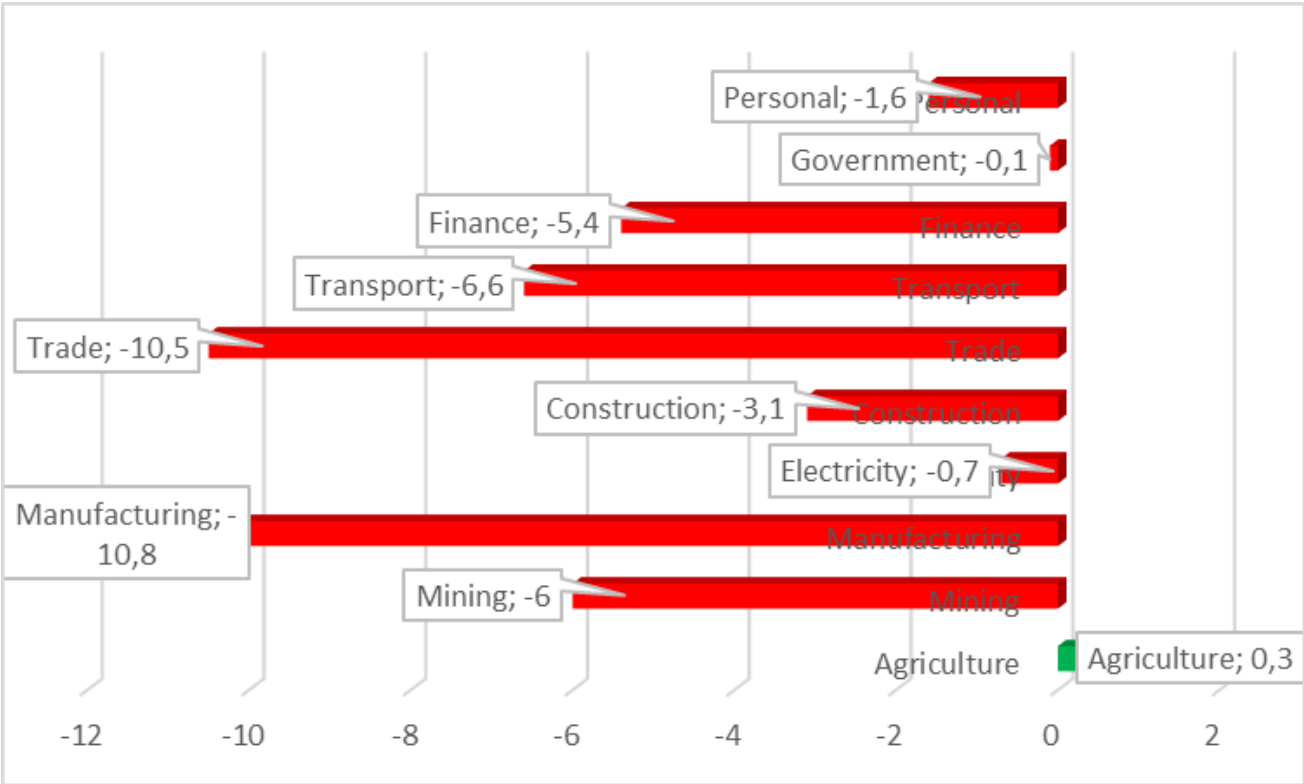
Figure 7. Growth in GDP (%), Q2 2020



Source: Stats SA (2020a)

Analysis of South Africa's Gross Domestic Product for Q2, 2020 by industry, as it pertains to the services sector, this indicates that the business sector (including, real estate, marketing, labour recruitment, consulting) was harshly affected registering nearly 6% negative growth rate – see Figure 8. Personal care services also registered a negative growth of 2%. These developments demonstrate the impact of COVID-19 on the services sector. The sector continues to collectively register positive net growth, notwithstanding a difficult economic climate.

Figure 8. Contributions to growth in GDP (% points), Q2 2020



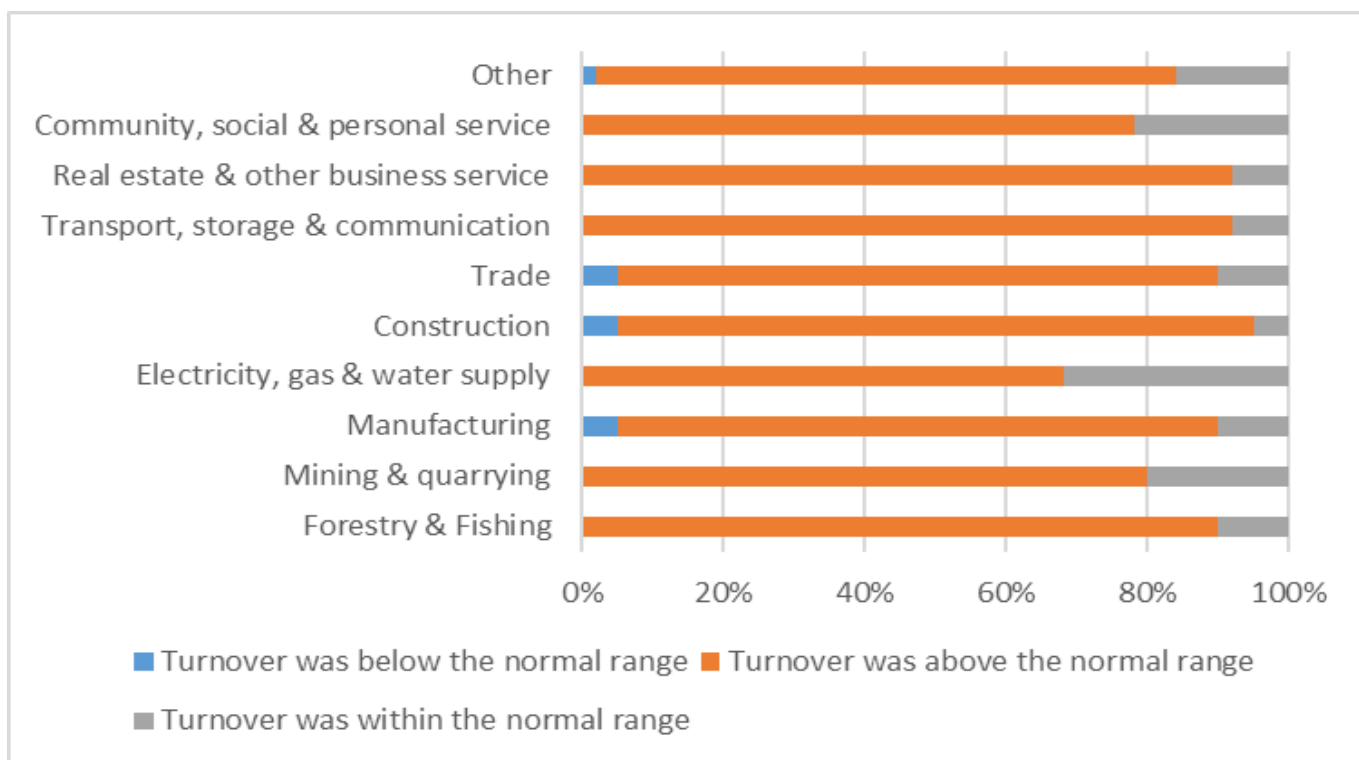
Source: Stats SA (2020a)

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

Regarding business turnover, study respondents representing the construction, real estate and other business services, and transport industries were the worse- affected by lower-than-expected turnover – see

Figure 9

Figure 9. Business turnover range by industry



Source: Stats SA (2020b)

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

Table 2.

Table 2: Impact of COVID-19 on the PSET

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

Source (Rasool, 2020: 15-16)

The impact of Covid-19 on Services SETA subsectors economy has also been no different as depicted above on national economic data. Firstly, the four-month payment holiday announced by the president

has had an impact on levies. The impact is anticipated to be felt post September 2020 due to reasons that some businesses have shutdown.

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

The section below will further consider the impact of COVID-19, and other related megatrends, on skills demand and supply for the services sector.

## 4.1.2. Skills demand analysis

### (a) Change drivers for skills demand

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

#### COVID-19

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

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

#### Information and Communication Technology

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

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

## Climate Change

As the International Labour Organisation (2018) notes, climate change and other forms of environmental degradation have already caused net negative impacts on jobs and work productivity. It is expected that these impacts are likely to become more pronounced in the coming decades (*Ibid*). Climate change may lead to job and work productivity losses because it increases the frequency of extreme weather events and, more generally, threatens the provision of ecosystem services. At the same time, it presents opportunities for new occupations for the services sector.

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

## (b) Skills demand for the services sector

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

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



### (c) Pipeline of skills supply

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

## 4.1.3. PESTEL and SWOT Analysis

In addition to considering major change drivers for skills demand and supply for the services sector, a detailed PESTEL and SWOT analyses was conducted. The exercise included inputs from all departments within the Services SETA. Based on the PESTEL and SWOT analysis above, the following priority interventions have been identified by implementation.

Politics	<ul style="list-style-type: none"><li>»Ongoing debates about the role and relevance of SETAs</li><li>»Stability in policy direction</li><li>»Stable and accountable political leadership</li></ul>
Economic	<ul style="list-style-type: none"><li>»Decline in GDP</li><li>»Increased borrowing by government to cover COVID-19 increasing debt-to-GDP ratio</li><li>»Increase in business rescue and failure</li><li>»Weak manufacturing base</li><li>»Demand for renewable energy – new business opportunities</li><li>»Poor credit rating by grading agencies</li><li>»Weak exchange rate</li><li>»Stronger economic integration/globalization</li><li>»Balance of payment - Export vs import</li></ul>
Social	<ul style="list-style-type: none"><li>»High level of unemployment</li><li>»High levels of poverty, crime, GBV, substance abuse</li><li>»The need for work-life balance</li><li>»High levels of community alertness and collective action</li><li>»Multiculturalism</li></ul>

Technology	<ul style="list-style-type: none"> <li>»Need to regularly update skills and re-train for the workforce replaced by technology</li> <li>»4IR presents opportunities for new businesses</li> <li>»Cyber security increase</li> <li>»Cost of data</li> <li>»More opportunities for new businesses</li> <li>»Disproportionate access (infrastructure, devices and data)</li> <li>»Low and variable speed/ bandwidth</li> <li>»Opportunity to create more equal society</li> </ul>
Environment	<ul style="list-style-type: none"> <li>»Climate change – impact on business operations – eco-friendly, adaptation environment legislation</li> <li>»COVID-19 and other pandemics</li> <li>»Green skills</li> <li>»Environmental preservation - reduce carbon emissions</li> <li>»Climate change creates opportunities for entrepreneurship and innovation</li> <li>»Electricity and water shortages</li> <li>»Waste management</li> </ul>
Legislation	<ul style="list-style-type: none"> <li>»Labour Relations Act – basic conditions of employment; Minimum Wage Act</li> <li>»COIDA</li> <li>»Protection of private information</li> <li>»B-BBEE</li> <li>»Amendment to the Skills Levies Act – stipend payment (i.e., learners as workers)</li> <li>»Sudden changes in legislation, e.g., declaration of the state of disaster</li> <li>»UIF</li> <li>»National Treasury Legislation and Regulations impede public-private partnerships</li> <li>»Bureaucratic red-tape add costs (time and money) to doing business, a particular burden to start-ups &amp; SME</li> </ul>

Table 3: SWOT Analysis

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

»Appetite to have online and automated systems	
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#### 4.1.4. Priority interventions for skills supply

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

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

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

The Programme of Action for the Institute comprises of nine interventions that will form part of the content, products and services for entrepreneurs both virtually and physically. They include research and dialogue; online ecosystem; business advisory services; monitoring and evaluation; societies; micro entrepreneurship programme; business growth programme; start-up enterprise villages and skills development.

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

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

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

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

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

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

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

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

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

## 4.2. Internal Environment Analysis

### 4.2.1. Services SETA Operating Model and Implications for Planning

An operating model describes how the organisation creates, delivers, and captures value for its intended beneficiaries in line with its value proposition. The model further informs the Services SETA strategy and operations.

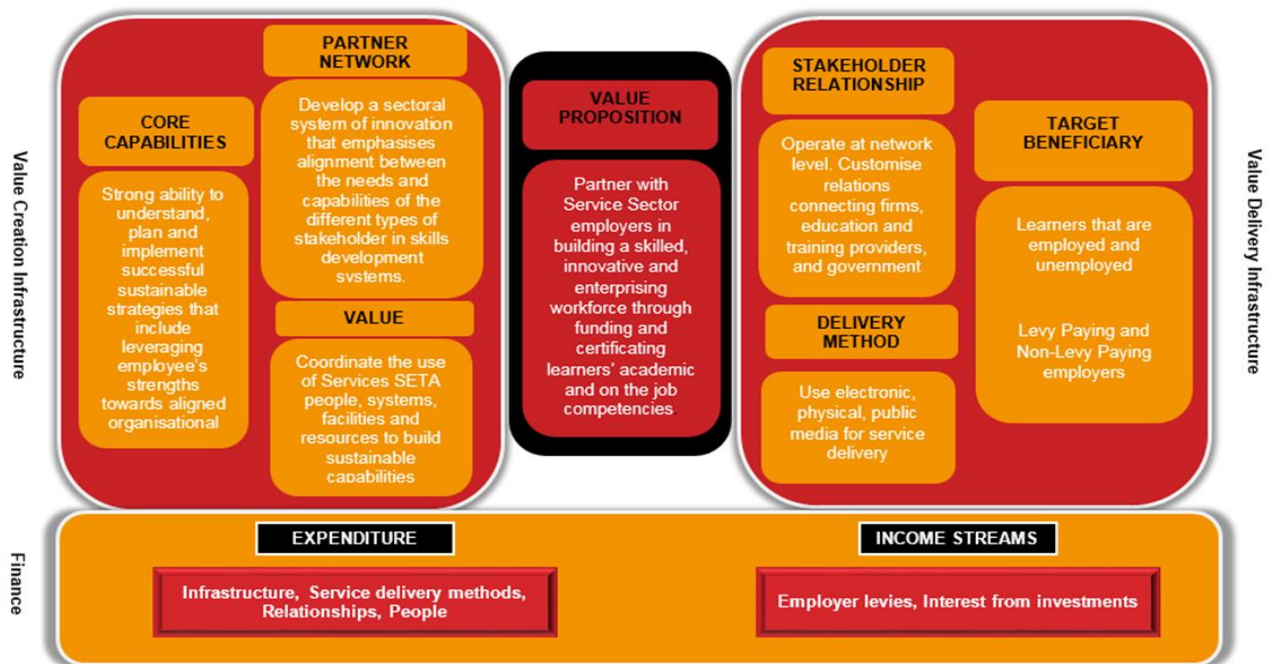
The Services SETA's value proposition articulates the net benefit a customer derives from using the organisation's service offerings. The Services SETA's value proposition is to partner with services sector employers in building a skilled, innovative, and enterprising workforce through funding and certificating learners' academic and on the job competencies. This is delivered in the form of a service offering made up of the following: Learnerships; Bursaries; Internships; Skills programmes; Recognition of Prior Learning; Candidacy; Artisans; and Advisory / Support / Information.

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

The capabilities are enabled through governance, planning, employees, culture, systems, and the different physical resources of the Services SETA. The Services SETA works with service delivery partners in creating and delivering value for its stakeholders. The value creation and delivery is funded through levies collected from employers and interest accrued from investments. The benefit of this value-add leads to the sustainable social impact of self-sustaining learners in the form of employment or entrepreneurship. The model is depicted in the diagram below:



Figure 10. Services SETA Operating Model



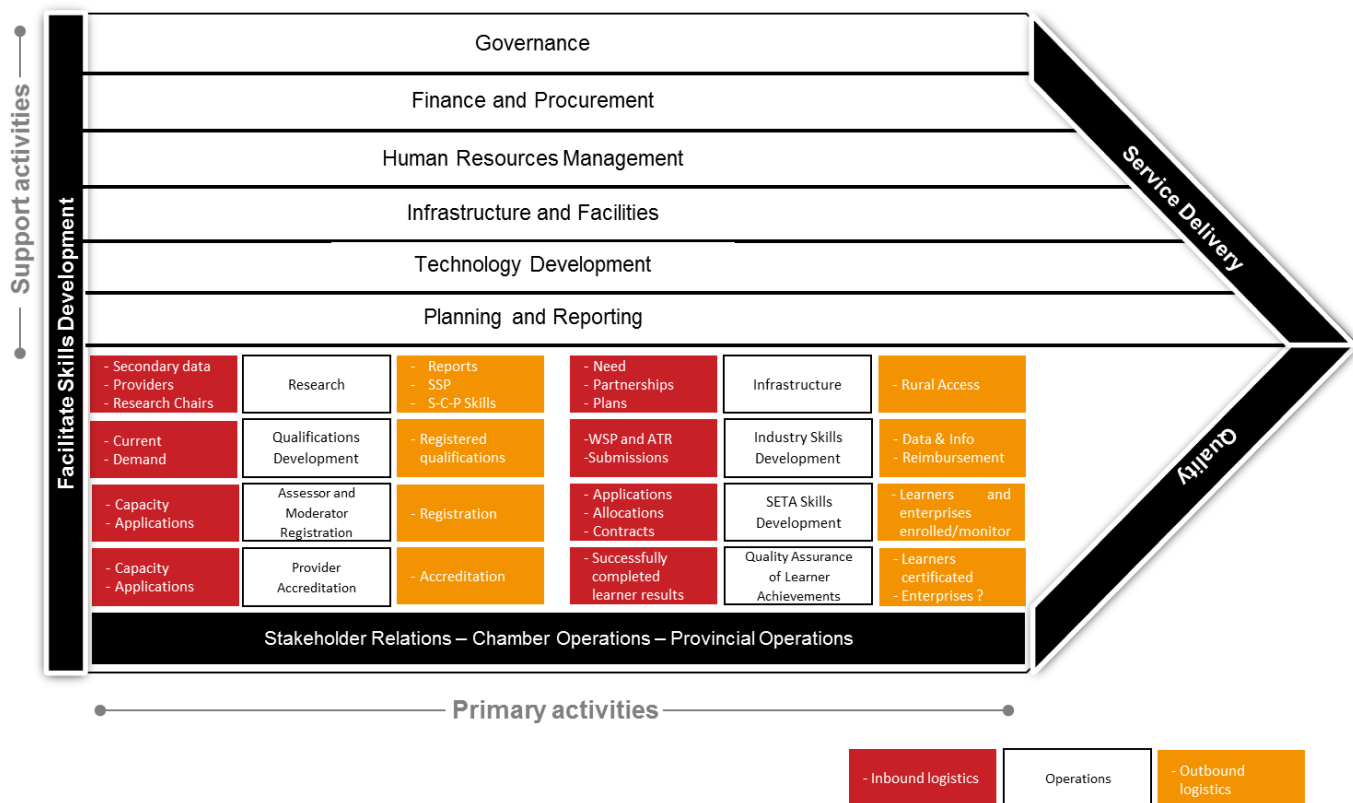
The operating model is intended to be realised through the effective implementation of the Services SETA's strategy as outlined in the subsequent sections. It can be further clarified through the Services SETA's value chain described below.

#### 4.2.2. The Services SETA Value Chain

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

The value chain clarifies the linkages between the different core Services SETA capabilities in realising its value proposition. Although it is not possible to attribute with a high level of certainty, the Services SETA's value chain reflects a logical model that embodies a plausible theory about the pathways through which the organisation's core functions produce the value envisaged for beneficiaries. The change is enabled by effectively implementing support systems such as, human resources, finance, and information technology.

Figure 11. Services SETA Value Chain



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

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

Figure 12. Skills Development Cycle



#### 4.2.3. Organisational Capabilities Underpinning Performance Improvements

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

The Services SETA recorded a positive performance in critical areas such as financial control and learner enrolments. Performance against predetermined objectives also showed notable improvement in usefulness and reliability. Learner enrolments are increasing accordingly. Last year the growth in enrolment figures grew massively. This correlates with a growth in expenditure by the SETA and points to an urgent need to build the organisational capacity to handle the increased learner numbers and increased stakeholder participation.

#### 4.2.4. The Services SETA Organisational Structure and Staffing

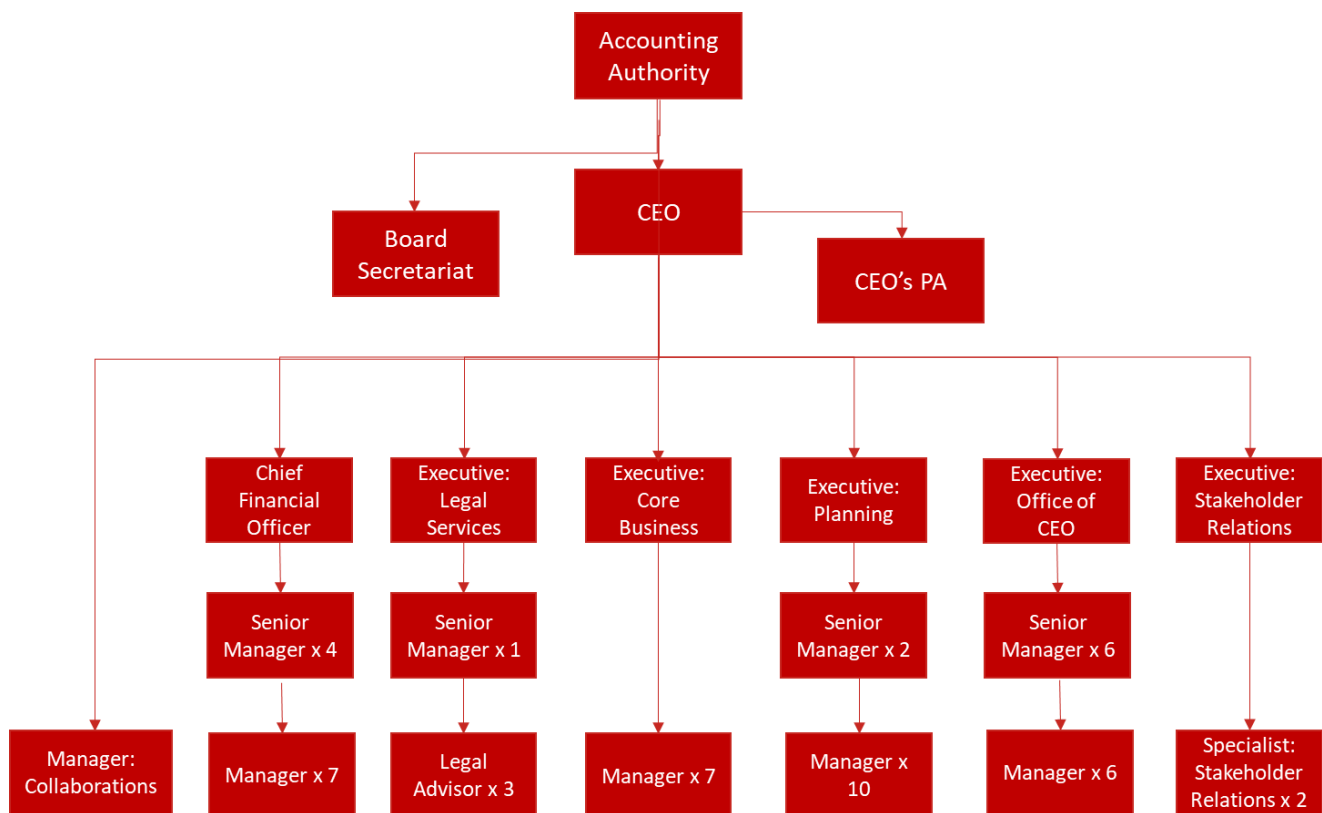
**Table 4. Services SETA Filled and Approved Posts**

Filled Posts per Job Level by Programme	Programme 1: Administration	Programme 2: Skills Planning	Programme 3: Learning Programmes	Programme 4: Quality Assurance	TOTALS
Executive Management	3	1	2	0	6
Senior Management	9	2	3	0	14
Management	21	12	19	3	54
Senior Officers	16	9	27	22	74
Officers	13	7	35	9	64
Administrators	19	11	18	6	54
General	0	0	20	0	20
TOTALS	81	42	124	40	286
Approved Posts per Job Level by Programme	Programme 1: Administration	Programme 2: Skills Planning	Programme 3: Learning Programmes	Programme 4: Quality Assurance	TOTALS
Executive Management	4	1	2	1	8
Senior Management	11	3	5	0	19
Management	34	10	23	4	71
Senior Officers	25	6	47	40	118
Officers	26	11	91	12	140
Administrators	22	10	29	18	79
General	1	0	35	0	36
TOTALS	123	41	232	75	471
% Occupancy per Job Level by Programme	Programme 1: Administration	Programme 2: Skills Planning	Programme 3: Learning Programmes	Programme 4: Quality Assurance	TOTALS

Executive Management	75%	100%	100%	0%	75%
Senior Management	82%	67%	60%	0%	74%
Management	62%	100%	83%	75%	76%
Senior Officers	64%	150%	57%	55%	63%
Officers	50%	64%	38%	75%	45%
Administrators	86%	70%	62%	33%	68%
General	0%	0%	57%	0%	56%
TOTALS	66%	100%	53%	53%	61%

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

Figure 13. Governance and Executive Structure



The Services SETA considers Broad Based Black Economic Empowerment (B-BBEE) and transformation vital in achieving our mission. The Services SETA is being measured on the Generic Specialised Scorecard as gazetted by the Department of Trade and Industry (Dti). The Services SETA is currently a Level 3 BEE contributor, with an enhanced procurement level of 110%. The BEE certificate expires on 30 October 2020. The organisation has also successfully submitted its B-BBEE Compliance Report to the BEE Commission.

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

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

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

# PART C: MEASURING OUR PERFORMANCE

## 5. INSTITUTIONAL PERFORMANCE INFORMATION

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

### 5.1. Measuring Impact

Impact statement

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

### 5.2. Measuring Outcomes

Alignment to SSP Priorities	<ul style="list-style-type: none"> <li>- Promote social and circular economy through entrepreneurship and cooperative development initiatives</li> <li>- Increase throughput rate of occupationally directed qualifications through mobilisation of key industry role players</li> <li>- Improve the pipeline of supply by ensuring relevance of qualifications and capacitation of training providers, including TVET Colleges</li> <li>- Expand access to skills development to employees and learners residing in rural and peri-urban areas of South Africa</li> </ul>		
Outcome	Outcome Indicator	Baseline	Five Year Target
1. Agile organisation with high levels of innovation, good governance and sound financial controls leveraging on ICT	1.1. Quality of financial statements and reliable performance information submitted	Unqualified Audit Outcome	Unqualified Audit Outcome
	1.2. Percentage of staff compliment maintained	85%	85% (Women, 70%, Youth, 40%, people with disability (2%))
	1.3. Percentage alignment between business and ICT strategies	80%	80%
	1.4. Approved and up-to-date legislative universe in place	Approved	Approved
	1.5. Approved risk management plan and quarterly progress reports	Approved	Approved
	1.6. Percentage AA functional structures	100%	100%

Alignment to SSP Priorities			
<ul style="list-style-type: none"> <li>- Improve the pipeline of supply by ensuring relevance of qualifications and capacitation of training providers, including TVET Colleges</li> <li>- Expand access to skills development to employees and learners residing in rural and peri-urban areas of South Africa</li> </ul>			
Outcome	Outcome Indicator	Baseline	Five Year Target
2. Strengthened stakeholder relationship management that facilitates skills development	2.1. Stakeholder satisfaction rating score	New Indicator	4/5
	2.2. Revised SSP, SP and APP	Approved	Approved
	2.3. Number of key partnerships	2	15

Alignment to SSP Priorities			
<ul style="list-style-type: none"> <li>- Promote social and circular economy through entrepreneurship and cooperative development initiatives</li> </ul>			
Outcome	Outcome Indicator	Baseline	Five Year Target
3. Capacitated entrepreneurial support ecosystem rendering relevant and innovative skills development and support to entrepreneurs	3.1. Percentage increase in the number of SMEs supported	300	5% (Women, 80%, Youth, 60%, people with disability (2%))

Alignment to SSP Priorities			
<ul style="list-style-type: none"> <li>- Increase throughput rate of occupationally directed qualifications through mobilisation of key industry role players</li> <li>- Expand access to skills development to employees and learners residing in rural and peri-urban areas of South Africa</li> </ul>			
Outcome	Outcome Indicator	Baseline	Five Year Target
4. Engaged sector employers that meaningfully invest in skills development and offer work-integrated learning opportunities	4.1. Percentage increase in WSP/ATR submissions	5 003	5%
	4.2. Identification of interventions required to improve enrolment and completion of priority occupations	New Indicator	50



Alignment to SSP Priorities	- Improve the pipeline of supply by ensuring relevance of qualifications and capacitation of training providers, including TVET Colleges		
Outcome	Outcome Indicator	Baseline	Five Year Target
5. Transition towards implementation of occupational qualifications aligned to QCTO standards and requirements	5.1. Percentage of external moderation visits conducted within specified time lines	80%	80%
	5.2. Percentage of qualifications aligned to priority skills	50%	60%

### 5.3. Key Risks

**Table 5. Key Risks**

Outcome	Risk	Mitigation
<b>1. Agile organisation with high levels of innovation, good governance and sound financial controls leveraging on ICT</b>	- Non-compliance with governance, legislative prescripts and lack of integrated systems.	- Approved and implemented governance, compliance, risk and ICT frameworks in place - Establish effective internal control processes. - Quarterly AFS prepared in line with year-end requirements
<b>2. Stakeholder relationship management that facilitates skills development strengthened</b>	- Damage to the Services SETA's Brand and image	- Corporate Brand Management manual. - Implemented Marketing strategy and plan - Established a digital platform for Services SETA - Process outlined for all service providers on the use of Service Seta corporate symbols. - Established link between Stakeholder Relations and Brand Management
<b>3. Capacitated entrepreneurial support ecosystem rendering relevant and innovative skills development and support to entrepreneurs</b>	- Not satisfying relevance and demand from entrepreneurs and SGBs (Small and Growing Businesses)	- Ensuring relevance of offerings through the Programme of Action adopted by Accounting Authority for ECDi
<b>4. Engaged sector employers that meaningfully invest in skills development and offer work-integrated learning opportunities</b>	- Non-completion of learning programmes, employers not interested to host learners. Insufficient number of approved work places especially in rural areas to accommodate the training of apprentices	- Ensure relevance of Services SETA offerings - Further strengthen integration and automate all manual processes that are still utilised. - Synchronise internal processes with requirements of QCTO and NAMB - Database of approved and available workplaces

	- Learners placed in workplaces that shut down as a result of lockdown	
<b>5. Transition towards implementation of occupational qualifications aligned to QCTO standards and requirements</b>	- Inability to speedily develop new occupational qualifications/ re-align legacy qualifications into occupational qualifications and piloting the new qualifications for rolling out	- Chambers regularly engage with stakeholders. Stakeholder relations management. - Awareness campaign of Services SETA qualifications. - Capacitation of quality assessment partners

#### 5.4. Planned Performance over Five-Year Planning Period

The Services SETA has over the last year recorded a performance of more 70%. The Management and Accounting Authority of the Services SETA plans to maintain this level of performance, even exceed it. Based on this level of performance, the organisation has been able to focus on critical areas that will strengthen internal operations. These include human resources, ICT and finance. Furthermore, given the maturity level of the organisation, there is a strong attempt to link the organisation's performance to the National Development Plan as well as the National Skills Development Plan. Chapter 9 of the NDP sets a range of numerical objectives to be met by 2030:

**Table 7. Alignment of NDP Targets to the Strategic Plan**

National Development Plan	Services SETA's planned intervention
<b>1. The recommended participation rate in the TVET college sector of 25 percent would accommodate about 1.25 million enrolments;</b>	The Services SETA plans to establish 7 partnerships with TVET Colleges to support skills development
<b>2. Provide 1 million learning opportunities through Community Education and Training Colleges;</b>	The Services SETA plans to establish 7 partnerships with CET Colleges to support skills development
<b>3. Improve the throughput rate to 80 percent by 2030;</b>	Working with employers and other key role players, the Services SETA aims to increase throughput rate to 80% by 2024/25
<b>4. Produce 30,000 artisans per year by 2030;</b>	The Services SETA is not strong on Artisans. However, as a contribution to national priority skills, the Services SETA aims to support 5000 artisan programmes by 2024/25 (Women, 80%, Youth, 60%, people with disability 2%)
<b>5. Increase enrolment at universities by at least 70 percent by 2030 so that enrolments increase to about 1,62 million from 950 000 in 2010;</b>	Services SETA plans to provide bursary opportunities to 6000 university students in the next five years (Women, 80%, Youth, 60%, people with disability 2%)

<b>6. Increase the number of students eligible to study towards maths and science based degrees to 450,000 by 2030;</b>	Services SETA plans to provide bursary opportunities to 6000 university students in the next five years (Women, 80%, Youth, 60%, people with disability 2%)
<b>7. Increase the percentage of PhD qualified staff in the higher education sector from the current 34 percent to over 75 percent by 2030;</b>	Services SETA plans to provide bursary opportunities to 6000 university students in the next five years this would cover post-graduate students as well (Women, 80%, Youth, 60%, people with disability 2%)
<b>8. Produce more than 100 doctoral graduates per million per year by 2030. This implies an increase from 1,420 in 2010 to well over 5,000 a year;</b>	Services SETA plans to provide bursary opportunities to 6000 university students in the next five years this would cover post-graduate students (Women, 80%, Youth, 60%, people with disability 2%)
<b>9. Expand science, technology and innovation outputs by increasing research and development spending by government and through encouraging industry to do so</b>	The Services SETA is working with industry to address the challenges of the Fourth Industrial Revolution through research

There are 5 outcomes aligned to four impact statements. In turn, there is strong alignment between the outcomes and NSDP outcomes. The table illustrates the alignment of impact statements and outcomes to NSDP outcomes.

**Table 7. Alignment of impact statements and outcomes to NSDP outcomes**

Outcome	NSDP Outcome
<b>1. Agile organisation with high levels of innovation, good governance and sound financial controls leveraging on ICT</b>	- This outcome supports all 8 outcomes of the NDSP
<b>2. Stakeholder relationship management that facilitates skills development strengthened</b>	<ul style="list-style-type: none"> <li>- Outcome 1: Identify and increase production of occupations in high demand</li> <li>- Outcome 3: Improving the level of skills in the South African workforce</li> <li>- Outcome 8: Support career development services</li> </ul>
<b>3. Capacitated entrepreneurial support ecosystem rendering relevant and innovative skills development and support to entrepreneurs</b>	<ul style="list-style-type: none"> <li>- Outcome 3: Improving the level of skills in the South African workforce</li> <li>- Outcome 6: Skills development support for entrepreneurship and cooperative development</li> </ul>
<b>4. Engaged sector employers that meaningfully invest in skills development and offer work-integrated learning opportunities</b>	<ul style="list-style-type: none"> <li>- Outcome 1: Identify and increase production of occupations in high demand</li> <li>- Outcome 2: Linking education and the workplace</li> <li>- Outcome 3: Improving the level of skills in the South African workforce</li> <li>- Outcome 4: Increase access to occupationally directed programmes</li> <li>- Outcome 7: Encourage and support worker initiated training</li> </ul>
<b>5. Transition towards implementation of occupational qualifications aligned to QCTO standards and requirements</b>	<ul style="list-style-type: none"> <li>- Outcome 1: Identify and increase production of occupations in high demand</li> <li>- Outcome 4: Increase access to occupationally directed programmes</li> </ul>

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

**Table 8. Services SETA and Transformation**

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

## 6. TECHNICAL INDICATOR DESCRIPTOR

Indicator Title	1.1. Quality of financial statements submitted
Definition	This indicator measures the Services SETA's compliance with its approved financial policies and practices; and its ability to continually improve and correct organisational implementation practices and reinforce compliance. This indicator refers to the SETA's statutory compliance, responsible management of public funds, sustainability and ability to achieve a clean audit.
Source of Data	Annual Financial Statements
Method of Calculation / Assessment	Approved Annual Financial Statements
Assumptions	There is a strong adherence to PFMA and financial regulations at the Services SETA
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annually
Desired Performance	Clean Audit
Indicator Responsibility	Chief Financial Officer

Indicator Title	1.2. Percentage of staff compliment maintained
Definition	<p>Percentage of funded vacancies in the organisation relative to the total number of approved funded positions on the organisational organogram</p> <p>The Services SETA uses the data from this indicator:</p> <ul style="list-style-type: none"> <li>to measure the level of vacant positions against the approved funded organogram;</li> <li>as an input to measure compliance with the relevant Services SETA policies;</li> <li>as an output measure in calculating the efficiency and effectiveness of the Services SETA</li> </ul>
Source of Data	<ul style="list-style-type: none"> <li>The Services SETA Organogram serves as a base source for all approved and funded positions</li> <li>Resignation letters received and approved are collected, recorded and filed</li> <li>VIP reports</li> </ul>
Method of Calculation / Assessment	Total Number of Vacant Funded Positions / Total Number of Funded Positions as per the Organogram; multiply by a hundred
Assumptions	<p>Unapproved organogram</p> <p>Lack of clarity regarding funded and unfunded positions on the organogram</p>
Disaggregation of Beneficiary (where applicable)	<ul style="list-style-type: none"> <li>Women - 70%,</li> <li>Youth - 40%,</li> <li>People with disability - 2%</li> </ul>
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> <li>Women - 70%,</li> <li>Youth - 40%,</li> <li>People with disability - 2%</li> </ul>
Reporting Cycle	Annually
Desired Performance	85%
Indicator Responsibility	Executive Manager: OCEO

Indicator Title	1.3. Approved and up-to-date Corporate Governance ICT Framework in place
Definition	<p>Corporate Governance ICT Framework is a Government-requirements ICT Framework under the auspices of the Department of Public Services and Administration. All Government departments and public entities are expected to comply with the Framework. As part of the audit process by the AGSA, each Government's department or entity's level of compliance is measured. The measurement is conducted by an independent service provider. There are three levels of implementation of Corporate Governance Information and Communication Technology Policy Framework:</p> <ol style="list-style-type: none"> <li>1. Creating awareness</li> <li>2. Developing the Governance Framework</li> <li>3. Implementation</li> </ol>
Source of Data	Assessment report by internal auditors who are knowledgeable with ITIL
Method of Calculation / Assessment	Assessment report by internal auditors will determine the level of maturity achieved
Assumptions	Non implementation of recommended projects
Disaggregation of Beneficiary (where applicable)	N/A

Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	100%
Indicator Responsibility	Executive Manager: OCEO

Indicator Title		1.4. Approved and up-to-date legislative universe in place
Definition	This indicator refers to the Services SETA legislative universe as approved by the Accounting Authority. The purpose of the legislative universe is to guide the SETA on the most relevant legislations to which compliance is required.	
Source of Data	A copy of the approved legislative universe	
Method of Calculation / Assessment	Approved legislative universe	
Assumptions	There is awareness among SETA employees of the need to comply with legislative imperatives	
Disaggregation of Beneficiary (where applicable)	N/A	
Spatial Transformation (where applicable)	N/A	
Reporting Cycle	Quarterly	
Desired Performance	Approved legislative universe	
Indicator Responsibility	Executive Manager: Legal Services	

Indicator Title		1.5. Approved risk management plan and quarterly progress reports
Definition	This indicator tests the ability of the Services SETA to proactively identify risks; develop and implement solutions to lessen the impact of these risks measured in percentage of the mitigation plans implemented	
Source of Data	<ul style="list-style-type: none"> <li>Register of Services SETA mitigation plans – the update of the tasks against the risk</li> </ul>	
Method of Calculation / Assessment	The performance score would be calculated by a simple count of the mitigation plans implemented; divided by the total full list of mitigation plans developed by the Services SETA and reviewed each quarter; multiplied by 100. This would provide the quarterly performance scores	
Assumptions	Human error in collecting the data	
Disaggregation of Beneficiary (where applicable)	N/A	
Spatial Transformation (where applicable)	N/A	
Reporting Cycle	Quarterly	
Desired Performance	100%	
Indicator Responsibility	Chief Financial Officer	

Indicator Title 1.6. Percentage of scheduled meeting held	
Definition	<p>The indicator refers to the percentage attendance of members of Accounting Authority subcommittees attending the scheduled subcommittees meetings</p> <p><b>Percentage attendance rate:</b></p> <ul style="list-style-type: none"> <li>The calculated percentage of the number of members who attend a particular meeting</li> </ul> <p><b>Scheduled meetings:</b> Meetings scheduled for the sub-committee in the calendar of meetings as outlined in the Services SETA's Constitution. The following are the Services SETA's AA Committees: Executive Committee; HR and Remuneration Committee; Finance Committee; Audit Committee; Governance, Risk and Strategy Committee; and the Board</p>
Source of Data	<ul style="list-style-type: none"> <li>Services SETA's approved Constitution</li> <li>Annual calendar</li> <li>Signed attendance registers</li> <li>Signed adopted minutes of meetings</li> </ul>
Method of Calculation / Assessment	Number of Accounting Authority members in attendance at a scheduled meeting of a Committee divided by the total number of Accounting Authority members comprising the Committee in question; multiplied by 100
Assumptions	Human error in collecting the data
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annually
Desired Performance	70%
Indicator Responsibility	Senior Manager: Board Secretariat

Indicator Title 2.1. Stakeholder satisfaction rating score	
Definition	<p>This indicator measures the number of stakeholder engagement sessions held by the Services SETA with Levy and non-levy paying employers within the services sector as registered with the South African Revenue Services falling within the Services SETA SIC codes</p>
Source of Data	<ul style="list-style-type: none"> <li>List of engagement meetings</li> <li>List of engaged partners</li> <li>Attendance registers</li> </ul>
Method of Calculation / Assessment	The number of stakeholder engagements minus the number of stakeholder engagements in the previous financial year; divide by the number of stakeholder engagements for the current year; multiply by one hundred
Assumptions	There is sufficient participation by employers in stakeholder engagements
Disaggregation of Beneficiary (where applicable)	<ul style="list-style-type: none"> <li>Levy-paying members</li> <li>Non-levy-paying members</li> </ul>
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annually
Desired Performance	5%
Indicator Responsibility	Executive Manager: Planning



Indicator Title <b>2.2. Revised SSP, SP and APP</b>	
Definition	The indicator refers to the process followed in developing the Sector Skills Plan, Strategic Plan and Annual Performance Plan at the Services SETA. For the process to be credible, it must be based on research findings, be participatory and consultative. Consultations should include Services SETA management and members of the Accounting Authority.
Source of Data	<ul style="list-style-type: none"> <li>• Research reports</li> <li>• Attendance register of Management and AA members to strategic planning sessions</li> <li>• SSP, SP and APP</li> </ul>
Method of Calculation / Assessment	Simple count of research reports, number of strategic planning sessions
Assumptions	The management encourages the culture of consultation and participatory planning
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annually
Desired Performance	Approved SSP, SP & APP
Indicator Responsibility	Executive Manager: Planning

Indicator Title <b>2.3. Number of Key Partnerships</b>	
Definition	The indicator refers to the total number of University and TVET College and CET partnerships established through formal agreements between Services SETA and the relevant colleges within a financial year
Source of Data	<ul style="list-style-type: none"> <li>• Signed Offer Letter of Intention to the intended partner</li> <li>• Signed MOUs between the Services SETA and the TVET College</li> </ul>
Method of Calculation / Assessment	<ul style="list-style-type: none"> <li>• Simple count of all signed Offer Letters or;</li> <li>• Memorandums of Understanding or Agreements between the Services SETA and institutions of higher learning</li> </ul>
Assumptions	Delays in processes (engagements, contracting, signing)
Disaggregation of Beneficiary (where applicable)	<ul style="list-style-type: none"> <li>• HEIs</li> <li>• TVET Colleges</li> <li>• CET</li> </ul>
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annually
Desired Performance	5%
Indicator Responsibility	Executive Manager: OCEO



Indicator Title		3.1. Percentage increase in the number of SMEs supported
Definition	The indicator refers to the rate of increase in the total number of small businesses supported by Services SETA, presented as a percentage. Support can be in the form of capacity building interventions based on their specific needs; ranging from Training in Business Management; Mentoring and Coaching; Technical training; and business advisory advice	
Source of Data	<ul style="list-style-type: none"> <li>Attendance registers;</li> <li>Database of small businesses supported</li> </ul>	
Method of Calculation / Assessment	Total number of SME supported in prior year – the number of SME supported in the current / total number of SME supported in prior year	
Assumptions	Delays in processes (engagements, contracting, signing)	
Disaggregation of Beneficiary (where applicable)	N/A	
Spatial Transformation (where applicable)	N/A	
Reporting Cycle	Annually	
Desired Performance	5%	
Indicator Responsibility	Executive Manager: EDCi	

Indicator Title		4.1. Percentage increase in WSP/ATR submissions
Definition	This indicator measures the rate of increase in the number of employers submitting WSP/ATR as a percentage	
Source of Data	The Services SETA has developed and implemented an online mandatory grant submission tool referred to as SDMS (skills development management System). Employers submit the required data online through the tool.	
Method of Calculation / Assessment	Number of employers who submitted WSP/ATR in the previous year minus the number of employers submitting WSP/ATR in the current; divide by the number of employers who submitted WSP/ATR in the previous year; multiply by one hundred	
Assumptions	Output and Efficiency	
Disaggregation of Beneficiary (where applicable)	N/A	
Spatial Transformation (where applicable)	N/A	
Reporting Cycle	Annually	
Desired Performance	5%	
Indicator Responsibility	EM: Core Business	

Indicator Title		4.2. Percentage of levy resources for high level skills	
Definition	This indicator measures the amount spent on elementary, intermediate and high-level skills during the implementation of learning interventions, expressed as a percentage		
Source of Data	Learner Registration Forms and relevant accompanying documents as per the application form: <div><div>Learner agreement Certified copy of learner ID Certified copy of highest qualification  Employment contract</div><div>LP04 Trade Test TT application Certified copy of learner ID Certified copy of highest qualification – minimum grade 9 Evidence of workplace experience or Statement of results from Trade Test Centre (ARPL)</div></div>		
Method of Calculation / Assessment	<ul style="list-style-type: none"><li>• Total spend on elementary skills level divide by the total spend on learning interventions; multiply by one hundred</li><li>• Total spend on intermediary skills level divide by the total spend on learning interventions; multiply by one hundred</li><li>• Total spend on high skills level divide by the total spend on learning interventions; multiply by one hundred</li></ul>		
Assumptions	There is sufficient qualifications at high level skills		
Disaggregation of Beneficiary (where applicable)	<ul style="list-style-type: none"><li>• Elementary level</li><li>• Intermediate level</li><li>• Higher skills level</li></ul>		
Spatial Transformation (where applicable)	N/A		
Reporting Cycle	Annually		
Desired Performance	<ul style="list-style-type: none"><li>• Elementary level – 30%</li><li>• Intermediate level – 40%</li><li>• Higher skills – 40%</li></ul>		
Indicator Responsibility	Executive Manager: Core Business		

Indicator Title <b>4.3. Percentage throughput rate</b>	
Definition	Throughput is the rate at which a system achieves its ultimate goal which in this instance is the stock of skills. It therefore is the rate at which learners enter and complete a learning programme. The throughput rate shows the average speed at which the Services SETA is producing qualified learners despite the variable durations of learning programmes ranging from 3 months to multiple years.
Source of Data	Audited SQMR reports listing funded learner completions across learning programmes. The start date and end date is captured for individual learners
Method of Calculation / Assessment	Number of funded learners that successfully completed learning interventions minus the total number of learners entered; divide by the number of learners who completed; multiply by one hundred
Assumptions	Accuracy and completeness in data capturing
Disaggregation of Beneficiary (where applicable)	<ul style="list-style-type: none"> <li>• Women - 65%,</li> <li>• Youth - 84%,</li> <li>• People with disability - 2%</li> </ul>
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> <li>• Women - 65%,</li> <li>• Youth - 84%,</li> <li>• People with</li> </ul>
Reporting Cycle	Annually
Desired Performance	50%
Indicator Responsibility	Executive Manager: Core Business

Indicator Title <b>5.1. Percentage of external moderation visits conducted within a specified time</b>	
Definition	The indicator refers to the efficiency of the process of learners' certification and the compliance of Services SETA with its own policies in regard to this. External moderations are conducted as and when requests are issued by providers. Certificates or Statement of Results can only be issued upon a recommendation of an external moderation visit
Source of Data	<ul style="list-style-type: none"> <li>• External moderation schedule lists</li> <li>• External moderation reports</li> </ul>
Method of Calculation / Assessment	The number of external moderations successfully complemented divide by the total number of external moderation request received; multiply by one hundred
Assumptions	There is sufficient personnel to carry out external moderation
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Quarterly
Desired Performance	80%
Indicator Responsibility	Executive Manager: Core Business

Indicator Title		5.2. Percentage of qualifications aligned to priority skills
Definition	Priority skills means the consolidated list of scarce, critical or pivotal skills identified in the applicable Sector Skills Plan for the implementation period. This indicator measures the number of qualifications aligned to priority skills as a percentage of the total suite of Services SETA qualifications	
Source of Data	A list qualifications requiring alignment	
Method of Calculation / Assessment	The number of qualifications aligned to priority skills divide by the total number of requests; multiply by one hundred	
Assumptions	There is sufficient participation from the industry	
Disaggregation of Beneficiary (where applicable)	N/A	
Spatial Transformation (where applicable)	N/A	
Reporting Cycle	Annually	
Desired Performance	60%	
Indicator Responsibility	Executive Manager: Core Business	

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