

ANNUAL PERFORMANCE PLAN 2022 | 23



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



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Accounting Authority Statement



On behalf of the Services SETA Accounting Authority, it gives me great pleasure to present the Services Sector Education and Training Authority (Services SETA) Annual Performance Plan 2022/23. The Services SETA was established through the Skills Development Act of 1998 to facilitate and supply skills to the sector. The Annual Performance Plan (APP) is an implementation plan of the Services SETA Strategic Plan for the financial year 2022-23. Whilst the Strategic Plan provides a broad outline of the impact statement of the Services SETA for the Medium-Term Strategic Framework (2020/21-2024/25), as well the associated outcomes, the Annual Performance Plan presents the detailed outputs associated with the outcomes as well outputs' of performance indicators.

As with the Strategic Plan 2020/21-2024/25, the Annual Performance Plan 2022/23 is developed against several challenges facing the sector and the South African economy broadly. These include the persisting low to negative economic growth, the Covid-19 pandemic, and the declining levels of employment within the sector and the economy at large. Collectively, these challenges negatively affect the sustainability of employers within the sector and reduce the resources available for skills development.

Given the above challenges, the APP emphasises the imperative of prudent management of the financial resources to ensure continued investment in skills development and increasing investment in information and communication technologies (ICT) to broaden access to our services and optimise operations. Moreover, the APP aims to embed the business processes optimisation and streamlining operations to achieve much-needed efficiencies.

Considering the challenges mentioned above, the Services SETA's Annual Performance Plan 2022/23 considers the policy and regulatory imperatives that have implications for the forthcoming year. These include the Employment Tax Incentive, commonly known as the youth wage subsidy, the New National Youth Policy, the amended BBBEE scorecard, gazetted in October 2013 and came into effect in 2015, and the Strategic Integrated Projects (SIPs) that are key to the New Growth Path, the President's Economic Reconstruction and Recovery Plan as well as the Economic Recovery and Reconstruction Skills Strategy adopted by DHET. The APP aims to continue supporting these policy initiatives.

Moreover, the APP aims to strengthen the Services SETA's support for enhancing the National Skills Development Plan 2030 by focusing on Work-Integrated Learning and Workplace-Based Learning. This will be achieved by strengthening partnerships with employers and other stakeholders to expand access to workplaces for learning.

The Annual Performance Plan (APP) places additional emphasis on the priorities identified in the National Development Plan (NDP), such as the community and youth development programmes, expanded access to PSET opportunities, improved success, and efficiency of the PSET system, improved quality of PSET provisioning, as well as a responsive PSET system, and improved employability of youth through skills training. The APP outlines how the Services SETA will implement these in the immediate future.

Additionally, the APP articulates how the SSP and SP's emphasis on labour market research to strengthen the Services SETA skills surveillance and support evidence-based

decision-making will be achieved. To this end, the plan aims to strengthen the supply-side of skills demand through relevant and current qualifications and appropriately accredited service providers. Likewise, the APP reflects the importance of expanding stakeholder engagements and participation at national, provincial, and sub-sector levels in a drive aimed at regionalising and localising skills development interventions.

On behalf of the Accounting Authority, I extend our thanks to stakeholders for their continued support in implementing this Annual Performance Plan and their constant feedback. I also wish to applaud the Services SETA management and staff for their steadfastness and resolve to help the Services SETA deliver on its mandate in these trying times.



MR STEPHEN DE VRIES

Chairperson: Accounting Authority



Chief Executive Officer Statement



The update of this Annual Performance Plan 2022/23 occurs at the most difficult time for the South African economy due to slow GDP growth and the current challenge posed by the COVID-19 pandemic. The latter has exacerbated the already dire economic environment driving many companies into foreclosure.

These developments have a significant impact on the Post-School Education and Training system in general, but the SETA landscape in particular. Both the economy and COVID-19 are critical change drivers for skills demand and supply. The current unfavourable economic climate means a reduction in skills levies, and possible job losses while the pandemic interrupts training interventions, in addition to forcing many companies to close. Combined, these factors suggest limited training budgets and limited workplace learning opportunities. At the Services SETA, like in most SETAs, we were confronted with this reality head-on. As the Annual Report 2020/21 illustrates, organisational performance has been at its lowest in the last five years. This is largely due to widespread postponement, even cancellation of many of our training interventions due to COVID-19. This situation has had a profound impact on our learner enrolment and completion targets.

Even more complicated has been the financial and ICT infrastructure issues we have encountered in the last three years. We have had to tread carefully to strike a balance between servicing a historical debt and opening new Discretionary Grants advertisements. As a result, training interventions were delayed, which adversely affected our performance. Change-over of ICT services to a new provider hampered our ability to upload learner, employers, and training provider details, further slowing down enrolment of new learners.

Having reflected on these changes, we have been able to devise a turn-around strategy for the organisation to enable us to deliver effectively on our mandate in the three remaining years of the MTSF period, and towards the NSDP 2030 mid-term. Key focus areas of the strategy include financial viability,

ICT system upgrades and integration, business operations optimisation, our people and sound governance. Details of this strategies are provided herein, Section 4.2.1.

As programme 1 illustrates, there is a strong focus on improving financial controls to return the Services SETA to financial viability. We are steadily working towards achieving a clean audit by 2023/24.. There is also a strong focus on ICT as a key enabler. In the past five years, the Services SETA has invested heavily in ICT infrastructure, resulting in multiple applications that do not talk to each other. This is the opportune time to leverage on this infrastructure and ensure integration of applications.

Additionally, key to our turn-around strategy is strengthening collaboration and partnerships across the PSET system. Our current financial position requires of us to be strategic in implementation of our learning interventions. This will be achieved through collaboration and partnerships with employers, industry bodies, training providers and Inter-SETA collaboration. Programme 2 of this APP places greater emphasis on this strategy. Our strategy is built around effective stakeholder relationship management, which includes accountability and responsiveness, as enjoined by the NSDP 2030 principles..

We wish to thank all our stakeholders for their collaboration with us throughout the past year, along with the management and staff of the Services SETA. We look forward to your continued support in implementing this APP. We would also like to thank the Accounting Authority for its guidance and support through these difficult times. We are confident of and look forward to its continued support.

MR MENZI FAKUDE

Chief Executive Officer

Official Sign-Off

It is hereby certified that this Annual Performance Plan:

- was developed by the management of the Services SETA in consultation with the Department of Higher Education and Training
- was informed by the Services SETA Strategic Plan for the period 2020/21-2024/25, as per National Skills Development Plan
- accurately reflects the performance targets which the Services SETA will endeavour to achieve within available funding for the 2022/23 financial year

MS MAMABELE MOTLA

Executive Manager: Strategy & Planning

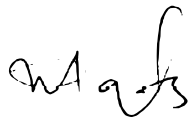


Signature

Date: 30.11.2021

MR TSHEOLA MATSEBE

Chief Financial Officer



Signature

Date: 30.11.2021

MR MENZI FAKUDE

Chief Executive Officer



Signature

Date: 30.11.2021

MR STEPHEN DE VRIES

Chairperson: Accounting Authority



Signature

Date: 30.11.2021



Table Of Contents

ACCOUNTING AUTHORITY STATEMENT	iii
CHIEF EXECUTIVE OFFICER STATEMENT	v
OFFICIAL SIGN-OFF	vi
TABLE OF CONTENTS	vii
LIST OF TABLES	ix
LIST OF FIGURES	ix
LIST OF ACRONYMS	x

PART A

OUR MANDATE 1

1. UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES	2
1.1 Legislation, Regulations and Policies Constituting the National Development Framework	2
1.1.1. Skills Development Act	2
1.1.2. Skills Development Levies Act	3
1.1.3. Public Finance Management Act	3
1.1.4. Broad-Based Black Economic Empowerment Amendment Act	3
1.2 Skills Development Legislation and Policy	3
1.2.1. National Skills Development Plan	3
1.2.2. National Development Plan	4
1.2.3. Human Resources Development Strategy for South Africa	4
1.2.4. Economic Reconstruction and Recovery Plan	4
1.2.5. Other initiatives	4
1.3 Other Laws and Regulations	4
2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES	4
2.1 Institutional Policies	4
2.2 Institutional Strategies	5
2.2.1. Funding Strategy	5
2.2.2. Key Interventions	5
2.2.3. Sector Skills Priorities	5
3. UPDATES TO RELEVANT COURT RULINGS	5

PART B

OUR STRATEGIC FOCUS 6

4. UPDATED SITUATIONAL ANALYSIS	7
4.1 External Environment Analysis	7
4.1.1. Overview of the services sector	7
4.1.2. Skills demand analysis	12
4.1.3. PESTEL and SWOT Analysis	14
4.1.4. Priority interventions for skills supply	15
4.2 Internal Environment Analysis	16
4.2.1. Organisational Capabilities Underpinning Performance Improvements	16
4.2.2. The Services SETA Organisational Structure and Staffing	17

PART C

MEASURING OUR PERFORMANCE 21

5. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION	22
5.1. Programme 1: Administration	22
5.1.1. Purpose	22
5.1.2. Description of the Programme	22
5.1.3. Outcomes and Outcome Indicators	22
5.2. Programme 2: Skills Planning	25
5.2.1. Purpose	25
5.2.2. Description of the Programme	25
5.2.3. Outcomes, Outputs and Output Indicators	25
5.3. Programme 3: Learning Programmes	28
5.3.1. Purpose	28
5.3.2. Description of the Programme	28
5.3.3. Outcomes, Outputs and Output Indicators	28
5.4. Programme 4: Quality Assurance	34
5.4.1. Purpose	34
5.4.2. Description of the Programme	34
5.4.3. Outcomes Outputs and Output Indicators	34
6. EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD	35

7. PROGRAMMES RESOURCES CONSIDERATION	35	8. KEY RISKS	47
7.1. The 2021/22 Budget Revision And 2022/23 Budget	35		
7.1.1. Overview	35	REFERENCES	48
7.1.2. Revised budget versus original budget for 2021/22	36	ANNEXURE A: TECHNICAL INDICATOR DESCRIPTOR	49
7.1.3. 2021/22 Revised budget versus original budget for 2022/23	39	ANNEXURE B: SERVICE LEVEL AGREEMENT	81
7.1.3.8. Conclusion	42	ANNEXURE C: MATERIALITY AND SIGNIFICANCE FRAMEWORK	88
7.2. Budget Outline	42		

List of Tables

Table 1:	Outcomes and Outcome Indicators	2
Table 2:	Employment by Gender, Race and Age	8
Table 3:	Services Sector GDP Contribution by Chamber	10
Table 4:	COVID-19 Skills Implications for the Services Sector	12
Table 5:	Skills Implications of ICT on the Services Sector	12
Table 6:	Skills Implications of Globalisation	13
Table 7:	Skills Implications of Climate Change	13
Table 8:	Economic Implications on Skills	14
Table 9:	PESTEL Analysis	14
Table 10:	SWOT Analysis	15
Table 11:	Services SETA Filled and Approved Posts	17
Table 12:	Profile of the Services SETA Staff	19
Table 13:	Services SETA and Transformation	19
Table 14:	Services SETA Medium-Term Expenditure Framework	42
Table 15:	Key Risks and Mitigation Strategies	47

List of Figures

Figure 1:	Service SETA Chambers and Sub-sectors	7
Figure 2:	Service SETA employers by provincial spread	7
Figure 3:	Unemployment rates by gender (Q1,2021)	8
Figure 4:	Services SETA Key Role Players	8
Figure 5:	The Roles Played by Key Role Players	9
Figure 6:	GDP Growth (%), 2019-21	9
Figure 7:	COVID-19 Impact on turnover of services sector employers	11
Figure 8:	COVID-19 Impact on labour force of services sector employers	11
Figure 9:	COVID-19 Impact on training interventions by services sector employers	11
Figure 10:	Governance and Executive Structure	17

List of Acronyms

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



PART A: OUR MANDATE

ANNUAL PERFORMANCE PLAN

2022 | 23



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

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

Table 1: Outcomes and Outcome Indicators

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	
Outcome	Outcome Indicator	
1. Enhanced organisational capabilities to deliver the strategy (NSDP)	1.1. Quality of financial statements and reliable performance information submitted	1.2. Staff complement maintained
	1.3. Alignment between business needs and ICT implementation plan in place	1.4. Stakeholder satisfaction
	1.5. Effective governance and assurance monitoring system	
2. Enhanced mechanism for effective skills planning through collaborative research and partnerships	2.1. Credible strategic plans developed	2.2. Number of partnerships to broaden access to development opportunities
	2.3. Percentage increase in submissions of WSPs	
3. Promote access to technical and professional skills for employment and entrepreneurship across the service sector	3.1. Number of entrepreneurship and cooperatives supported	3.2. Number of interventions embarked upon with employers to improve enrolment in and completion of priority occupations
4. Enhanced Quality Assurance efficiencies to execute QCTO delegated functions	4.1. Percentage of external moderation and evaluation conducted within specified timelines	4.2. Percentage of developed occupationally directed qualifications aligned to priority skills

1. UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES

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

1.1. LEGISLATION, REGULATIONS AND POLICIES CONSTITUTING THE NATIONAL DEVELOPMENT FRAMEWORK

1.1.1. Skills Development Act

Skills Development Act (Act 97 of 1998 as amended) defines roles of SETAs as being to: (i) Develop and implement its Sector Skills Plan; (ii) Promote occupation-based learning programmes that include work experience; (iii) Register agreements for learning programmes; (iv) Support and form partnerships with other agencies on matters related to skills development, and (v) Collect and disburse the skills development levies, allocated to it in terms of sections 8 and 9 of the Skills Development Levies Act, in the Education, Training and Development (ETD) Sector

Key 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 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.

1.1.2. Skills Development Levies Act

The Skills Development Levies Act (Act No. 9 of 1999) as amended makes provision for the funding of SETAs through levies collected from employers. In terms of the Skills Development Levies Act (SDLA), employers are required to pay 1% of the payroll cost to the National Treasury through the South African Revenue Services (SARS). SETAs receive 80% of the funds to facilitate training of employees and prospective employees and a further 20% is allocated to National Skills Fund which provides funds to support projects that are national priorities in the National Skills Development Plan.

SETAs distribute a portion of the funds back to employers upon receipt of workplace training plans and reports (WSP/ATR) – the maximum amount reimbursable is 20%. The levy system creates an incentive for employers to train employees and to support training to drive the skills development programme of the government. SETAs are allocated 10,5% of the budget to cover administration costs. The remaining 49,5% is reserved for discretionary grants – 80% of which should address PIVOTAL skills with remainder reserved for other skills development interventions.

The Services SETA will continue to work with other role players in the PSET ecosystem, recognising the critical role played by each partner.

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 No. 1 of 1991). Therefore, the Services SETA must conduct its financial affairs in line with the PFMA. PFMA regulates financial management in the national government, provincial governments, and SOEs to ensure that all their revenue, expenditure, assets, and liabilities are managed efficiently and effectively. Provides for the responsibilities of persons entrusted with financial management of those entities.

1.1.4. Broad-Based Black Economic Empowerment Amendment Act

The Broad-Based Black Economic Empowerment Amendment Act 2003 (Act No. 53 of 2003) as amended by Act 46 of 2013, is a

form of economic empowerment initiated by the South African government with the goal to distribute wealth across to as broad a spectrum of black South African society as possible. It is measured through the B-BBEE Scorecard, a system made up by seven elements, each with a certain weighting (points) attached to it. There are three priority elements on the BEE scorecard which companies must comply with for verification. These elements are:

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

The Services SETA is committed to contributing towards B-BBEE through its supply chain management processes and enhancing access for blacks but also supporting employers to gain efficiencies from investing in skilling interventions. The current B-BBEE Level is 6 and the aim is to reach Level 5 by 2022.

1.2. SKILLS DEVELOPMENT LEGISLATION AND POLICY

1.2.1. National Skills Development Plan

The National Skills Development Plan (NSDP) makes provision for SETAs to exist for the next 10 years. This provision allows the Services SETA sufficient time to plan and execute skills development programmes that meet the needs of the sector in the short- medium- to long-term. Furthermore, the Skills Development Levies Act (SDLA) (1999) makes provision for the funding of SETAs through levies collected from employers. In terms of the SDLA, employers are required to pay 1% of the payroll cost to the National Treasury through the South African Revenue Services (SARS). SETAs receive 80% of the funds to facilitate training of employees and prospective employees. SETAs distribute a portion of the funds back to employers upon receipt of workplace training plans and reports. The levy system creates an incentive for employers to train employees and to support training to drive the skills development programme of the government.

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

1.2.2. National Development Plan

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

1.2.3. Human Resources Development Strategy for South Africa

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

1.2.4. Economic Reconstruction and Recovery Plan

In response to the continued decline in the GDP growth, and debilitating impact of COVID-19 on the economy, the government of South Africa Economic Reconstruction and Recovery Plan. The plan aims to foster an economic rebound from the pandemic and to build the economy of the future. The plan has identified key economic sectors that are likely to drive recovery faster. To support this initiative, the Department of Higher Education, Science, and Innovation has developed a skills development strategy. The Services SETA has identified scarce, and critical skills prioritised by the Department for inclusion in this SSP update. These include Call or Contact Centre Manager; Data Scientist; Contact Centre Resource Planner; Contact Centre Forecast Analyst; Call or Contact Centre Manager; Inbound Contact Centre Consultant; Outbound Contact Centre Consultant; Contact Centre Real Time Advisor; Call or Contact Centre Agent.

1.2.5. Other initiatives

The SSP, SP and APP make a strong emphasis on labour market research to strengthen the Services SETA skills

surveillance and support evidence-based decision-making. In response to research findings, the Services SETA will continue to work with the QCTO to strengthen the supply-side of skills demand through relevant and current qualifications and appropriately accredited service providers.

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

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

1.3. OTHER LAWS AND REGULATIONS

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

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

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

2.1. INSTITUTIONAL POLICIES

The Services SETA has two broad types of policy approaches: (1) governance and (2) operational. The Accounting Authority is responsible for governance policies that cover the governing body's vision and mission of the SETA, their accountabilities, attendance, codes of conduct, commitments, conflict of interest, decision-making, financial prudence, governance, values, leadership, ethics, roles and responsibilities, and a range of

related cultural matters. The policies also include policies on the governance body's delegations to the top management and staff, as well as interactions with the broader community and stakeholders.

Operational policies are delegated to the executive management. These policies cover all aspects of Discretionary Grants, Supply Chain Management, Human Resources, and Governance, such as Organisational Compliance and Enterprise Risk Management. Management develops and oversees these policies; with the governing body reviewing and finally approving them.

2.2. INSTITUTIONAL STRATEGIES

2.2.1. Funding Strategy

The Services SETA is committed to implementing NSDP 2030 and support to priority programmes of the government whilst maintaining financial viability. Due to a decline in revenue because of the impact of COVID-19 on levy-paying employers, and the legacy of commitments exceeding annual revenue and available reserves, the management of the Services SETA has developed a turnaround funding strategy which includes a review of the delivery model and Discretionary Grant policy. The goal is to ensure successful implementation of the NSDP by supporting priority programmes whilst maintaining financial viability.

2.2.2. Key Interventions

Services SETA has invested in available resources to improve service delivery offerings and has embarked on the following projects:

- a. The realignment of historical qualifications to occupational qualifications in line with the QCTO programme, including prioritised occupations and short-skills interventions to address national priorities
- b. Implementing skills development initiatives in line with the sector skills needs and Economic Reconstruction and Recovery Plan with a specific bias to digital and contact centre skills
- c. A focus on work-integrated learning and workplace-based learning interventions in close collaboration with industry role players to make "workplaces training places"
- d. Integration of application systems and business process optimisation to support the implementation of learning

interventions, including project monitoring, external moderation, and certification

- e. Strengthen collaboration across the PSET ecosystems, including Inter-SETA partnerships to ensure an effective response to priority interventions aligned to the ERRP

2.2.3. Sector Skills Priorities

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

- a. Foster Inter-SETA collaboration and industry partnership to promote growth in the services sector including SMMEs
- b. Secure workplace training opportunities working in collaboration with the industry, employers, and SETAs
- c. Work with QCTO and industry role players to complete and implement registered occupationally directed qualifications
- d. Strengthen alignment between industry needs and Services SETA supply through planning, implementation, and structured M&E
- e. Development of organisational-wide M&E Framework to improve performance management

3. UPDATES TO RELEVANT COURT RULINGS

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

Should DHET instruct SETAs to implement the court ruling above, DG amount available will be R837,5m and this outcome will have a severe impact on the Services SETA ability to execute its mandate in line with the Strategic Plan 2020/21-2024/25 and Annual Performance Plan 2022/23 predetermined objectives.



PART B: OUR STRATEGIC FOCUS

ANNUAL PERFORMANCE PLAN

2022 | 23



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4. UPDATED SITUATIONAL ANALYSIS

4.1. EXTERNAL ENVIRONMENT ANALYSIS

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

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 six chambers and 16 subsectors for operational purposes, please see Figure 1.

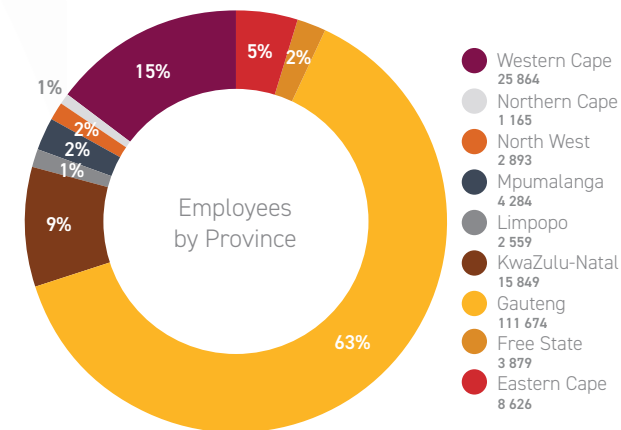
Figure 1: Service SETA Chambers and Sub-sectors



The Services SETA is one of the largest SETAs in terms of the number of employers falling within its scope. There are approximately 184 937 employers within its demarcation (as of February 2021). About 38 586 (21%) of the 184 937 employers pay skills levies to the SETA. In terms of geographical

spread, employers of the services sector are found in all nine provinces of South Africa, but with high concentration in the three developed and industrialised regions of Gauteng, Western Cape, and KwaZulu-Natal. According to Figure 2, most employers are located in Johannesburg, Cape Town, and Durban. The current situation highlights the need to expand training opportunities in rural provinces such as Limpopo, Eastern Cape, Mpumalanga, Northern Cape, Free State, North West, and most parts of KwaZulu-Natal in order to promote equity.

Figure 2: Service SETA employers by provincial spread



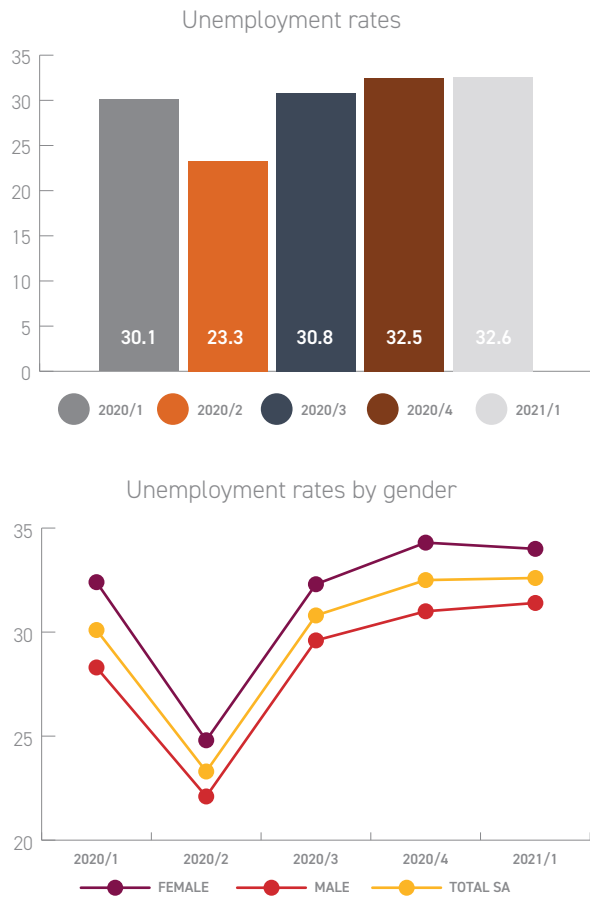
Services SETA Database, May 2021

Proportionally, most employers are in the Management and Business Services Chamber with 149 145 (80,6%) employers, followed by Real Estate and Related Services Chamber with 14 284 (7,7%) employers; with the lowest numbers recorded in the Marketing and Communication Services Chamber.

Analysis of employer Workplace Skills Plans (WSP) and Annual Training Reports (ATR), submitted in April 2021, indicates a high volume of employer investment in the Cleaning and Hiring Services and Related Estate Services Chambers. About 3 398 (1,8%) employers submitted WSP/ATRs for 2021. Sixty-seven percent of these were small employers, employing less than 50 employees. Therefore, Services SETA Strategic Plan (SP) and Annual Performance Plan (APP), have foregrounded these developments in planning training intervention priorities for the sector.

Persistent decline in economic growth has had correlating impact on jobs and employment levels. As Figure 3 illustrates, the levels of unemployment have witnessed an upward movement in the last five quarters. Unemployment levels among women remained constantly high relative to the total South African average and men, respectively. For the same period, 43,6% of youth aged 15-34 years were not in employment, education, or training.

Figure 3: Unemployment rates by gender (Q1,2021)



Source: Statistics South Africa, 2021b

As previously mentioned, GDP data indicates that the services sector is the largest industry in the South African economy and as a result also the largest employer. The highest employment numbers proportionately were recorded in the Community and Social Services industry (3,785 million people), followed by Trade (3,276 million people), and Finance and Other Business Services (2,402 million people) (Table 2).

Employment in the services sector labour force is mainly in the low-level, low-paying occupational categories, namely: clerical, elementary and domestic, and is dominated by women. The implication for skills development is that the sector should strike a proper balance between training for productive industries, which are in the manager occupational category, professional and technical occupation, to support economic growth and the non-productive sector to promote transformation and equity, by training the low-level labour force.

Table 2: Employment by Gender, Race and Age

GENDER	Services SETA ¹	National (Stats SA) ²
Male	215 759 (57%)	1 487 986 (44%)
Female	159 736 (43%)	1 893 800 (56%)
Total	375 495 (100%)	3 381 786 (100%)
RACE		
Black African	261 898 (70%)	2 679 386 (79%)
Coloured	38 334 (10%)	285 039 (9%)
Indian / Asian	14 276 (4%)	72 097 (2%)
White	59 976 (16%)	345 265 (10%)
Total	375 495 (100%)	3 381 786 (100%)
AGE		
> 34 yr	227 646 (60%)	1 136 424 (34%)
36-54 yr	126 681 (34%)	1 894 387 (56%)
> 55 yr	21 179 (6%)	350 976 (10%)
Total	375 495 (100%)	3 381 786 (100%)

Source: Services SETA Mandatory Grant Data, May 2021, Statistics South Africa, 2021b

As table 1 illustrates, majority of the labour force, nationally (Stats SA) is women. The labour force is also relative youthful, with more than a third comprising of individuals below the age of 35 – an official definition of youth in South Africa. Africans constitute nearly 80% of the labour force in this sector.

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

Figure 4: Services SETA Key Role Players⁴



The relationships among these role players are 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

1 At Stats SA's 3-digit level
 2 At Stats SA's 3-digit level
 3 Profile of the Labour Force of Services SETA Levy-Paying Employers
 4 Please see list of Acronyms for all abbreviations mentioned herein in Annexure B.

Innovation, and Department of Higher Education and Training 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 six sub-committees, namely:

1. Executive Committee;
2. Governance, Risk and Strategy Committee;
3. Human Resources and Remuneration Committee;
4. Finance Committee
5. Transformation Committee, and
6. Audit Committee.

These committees are mechanisms to assist AA in giving detailed attention to specific key areas of its duties and responsibilities.

Figure 5. The Roles Played by Key Role Players



In addition, with the goal of strengthening 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 support the Executive Management of the SETA in carrying out the mandate of the AA. In essence, these bodies are independent advisory bodies that make recommendations on skills development matters relevant to the Chamber's subsectors. Membership of these committees is through nomination from industry and labour bodies representing the sub-sectors constituting a Chamber. Furthermore, SETAs are founded on a tripartite relationship between government, business, and labour. Whilst the government provides legislative guidance and a monitoring function, business represents a vested interest through payment of skills levies and actively participating in discretionary funded training interventions by opening-up workspaces for learning on experiential learning programmes. Labour, as a representative of the workforce, advocates for

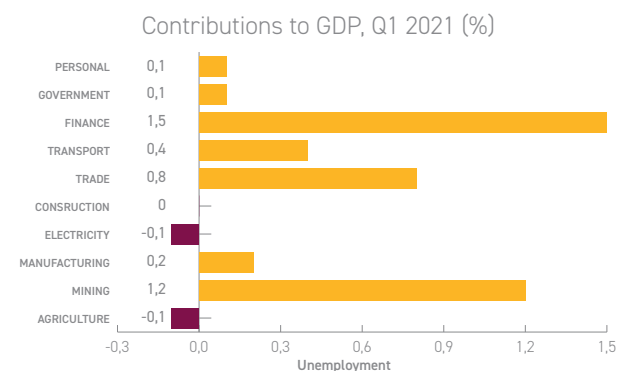
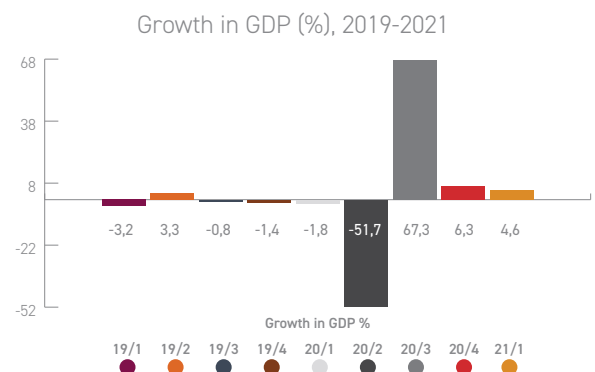
the rights of employees' access to relevant training. These partners are critical in informing the Services SETA's skill development planning process, including identification and development of relevant qualifications, and the placement of learners into learning programmes.

Professional bodies, universities, colleges of education, private training providers and research centres play a critical enabling role. They provide advice on skills needs analysis, design, and development of qualifications to meet skills demand 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. As pointed out earlier, the Services SETA's scope of coverage overlaps with several industries as defined by the WTO and Stats SA. Analysis of the service industries that falls under the Services SETA purview include Finance, Real Estate, Business Services and Personal Services. Figure 6 reflects on the GDP growth trends and industry contributions.

Figure 6: GDP Growth (%), 2019-21



Source: Stats SA (2021a)

As Figure 6 illustrates, the South African economy has been in a difficult situation even before the onset of the COVID-19 pandemic. Around Q2 2019, the economy witnessed annualised negative growth of -0,8 and -1,4 for Q3 & Q4, respectively. This trend continued to Q1 & 2 of 2020, with a record-breaking -52,7% annualised growth in the latter quarter. The situation was justifiably attributed to the impact of the onset of COVID-19 which led to a total shutdown of the economic activities in South Africa. The easing of COVID-19 lockdown restrictions saw a big jump of 67% and 6% in Q3, Q4 2020, respectively and

decline of 4,6% in Q1 2021.

Regarding subsector contribution, Table 3 indicates that, firstly, the services sector is showing a decline in growth, from R912 billion in 2019 to R905 billion in 2020. This decline took place across the six chambers, with cleaning and hiring services being disproportionately affected. Secondly, real estate is the biggest contributor the GDP followed by management and business services.

Table 3: Services Sector GDP Contribution by Chamber⁵

Chamber	2015 (Rb)	2016 (Rb)	2017 (Rb)	2018 (Rb)	2019 (Rb)	2020 (Rb)
Cleaning and Hiring Services Chamber	33 881	35 880	38 890	40 260	42 110	39 970
Communication and Marketing Services Chamber	47 868	51 025	54 825	56 273	58 694	57 072
Labour and Collective Services Chamber	4 884	5 226	5 617	5 957	6 376	6 326
Management and Business Services Chamber	199 906	212 294	226 529	232 856	243 951	242 657
Personal Care Services Chamber	92 517	98 663	104 738	108 072	112 649	112 435
Real Estate Services Chamber	370 426	390 559	418 269	429 189	448 647	446 540
Total	749 481	793 646	848 868	872 608	912 427	905 000

Source: Quantec (June, 2021a)

The above observation is expected given that, along with major economies of the world, the South African economy is faced with a serious growth challenge. Following a negative decline over two consecutive quarters, the economy is technically in recession. Quarters 3 & 4 of 2019 recorded negative growth – Figure 6. This position is expected to worsen in the aftermath of the COVID-19 pandemic. In 2020, world output shrank by 4.3 per cent, over three times more than during the global financial crisis of 2009. The modest recovery of 4.7 per cent, which is expected in 2021, would barely offset the losses sustained in 2020 (UN, 2021). The South African economy will equally be affected by these developments.

THE IMPACT OF COVID-19

Analysis of South Africa's Gross Domestic Product for Q1, 2021 by industry, indicates that finance sector is slowly recovering from the impact of COVID-19. The finance sector recorded the highest growth rate of 1,5% followed by mining and trade at 1,2% and 0,8%, respectively. Recovery of personal sector appears to be slow along with other industries.

The above developments are significantly worrying given the services sector's position as the mainstay of the South African economy. This implies that this sector is still suffering from the effects of the COVID-19 pandemic. Survey by Stats SA (Stats SA, 2020) and Services SETA aimed at providing an early indicator of the business impact resulting from COVID-19, illustrates that most businesses (85%) expected their turnover

to decline. Many businesses (60%) anticipated that the effect will be substantially worse than the 2008/2009 global financial crisis (Stats SA, 2020).

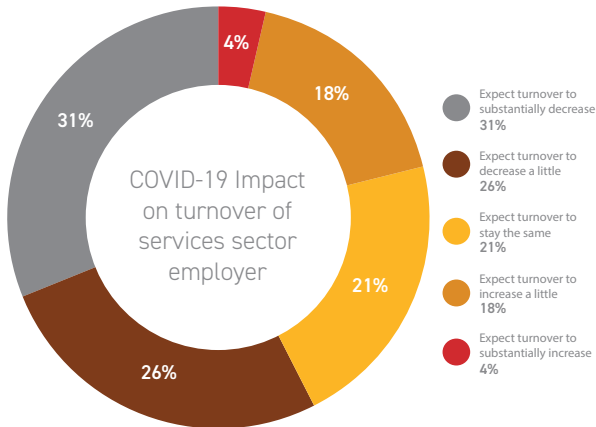
In this survey, a battery of economic indicators was used to assess the impact of COVID-19 on the South African economy, such as business turnover, trading status, and labour turnover, among others. The Stat SA study further revealed that the proportion of businesses trading at full capacity ranged from zero in construction to 30,0% in forestry and fishing, and the total was 12,3%. Almost half (46,4%) reported to have 'temporarily closed or paused trading'. Regarding business turnover, study respondents representing the construction, real estate and other business services, and transport industries were the worst- affected by lower-than-expected turnover.

A study conducted by the Services SETA during the onset of the hard lockdown (June 2020) indicated that majority of industry stakeholders were ill-prepared for such an unforeseen event. More than half of the respondents indicated that they did not have business continuity plans for such an unforeseen event It is not surprising that majority of businesses had to completely shut down during the lockdown.

A follow up study conducted between July and August 2021 reveals that there is no improvement in the economic position facing many entities in the services sector. Majority (57%) of companies recorded a huge decline in revenue with subsequent job losses.

⁵ This data is extracted from Quantec (June 2021) which is calculated from the Stats SA annualized GDP. Stats SA's withholding of GDP data at 4-digit level has made estimates less accurate. This information should therefore be understood in this context – it is closest economic data available.

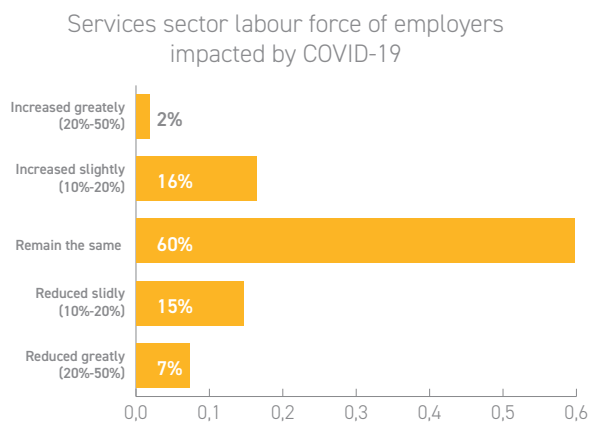
Figure 7: COVID-19 Impact on turnover of services sector employers



Source: Services SETA Impact Assessment (2021)

The loss of revenue has had a negative impact on training budget as many companies indicated a decrease in spending on training and upskilling their labour force – see Figure 8.

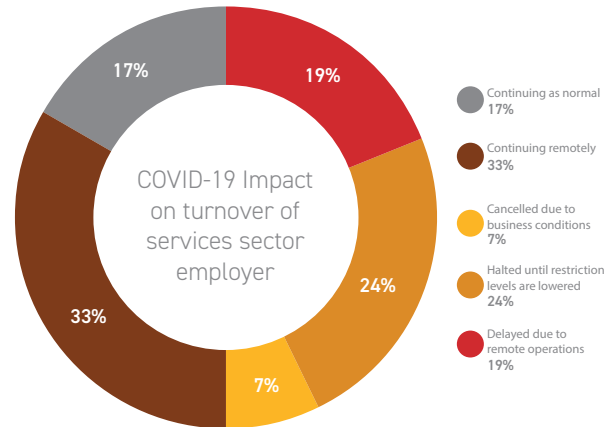
Figure 8: COVID-19 Impact on labour force of services sector employers



Approximately, 7% of companies foresee jobs cuts by at least 50%. To date these companies have let go of 105 employees collectively. Fifteen percent of companies foresee job cuts by at least 10%. To date these companies have let go of 350 employees collectively.

The impact of COVID-19 is also felt on training interventions by employers. Figure 9 indicates 7% of employers had to completely cancel training due to working conditions, with a further 24% halting training temporarily. Only a third of employers were able to conduct training remotely. These findings accentuate the need to implement a mix of online and face-to-face training by employers and training service providers, including HEIs.

Figure 9: COVID-19 Impact on training interventions by services sector employers



The situation is expected to deteriorate in the near future. The National Treasury (2020) and the South African Revenue Services (SARS) have estimated GDP contraction (6.6% lower), unemployment growth, tax shortfalls and productivity declines. The National Treasury (2020) furthermore, cites two possible risks for South Africa's economic growth. Firstly, South Africa's sovereign credit rating was downgraded to junk status by all rating agencies at the end of March 2020. The rating agency, Moody's, cut South Africa's rating to sub-investment grade, meaning the country now has a junk rating from all three major international rating agencies. This implies that the country will exit from the World Government Bond Index, thus raising the cost of borrowing. Secondly, COVID-19 is expected to add to the economic woes discussed above.

IMPLICATIONS FOR SKILLS DEVELOPMENT

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. This 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 and private investment in skills development.

In brief, the PSET system is affected by cuts in the public budget, reduced skills levy incomes because of payment holidays and interruptions to actual class and workplace learning. Employers and employees will be faced with reduced staff training budgets with possible decline in workplace activities. Training providers will increasingly shift to online and blended learning which may require adjustments on curriculum design, and investment in tools. Learners will increasingly face limited funding opportunities for their studies and limited workplace learning opportunities.

4.1.2. Skills demand analysis

a. Change drivers for skills demand

COVID-19

As discussed above, the impact of COVID-19 on companies is likely to be severe. Rasool (2020b) argues that companies will surgically cut costs with the collapse of business activity during the lockdown. We can expect management to assess every aspect of the internal value chain of the organisation.

Table 4: COVID-19 Skills Implications for the Services Sector

Subsector Impact	Nature of impact	Occupations affected
Personal Care Services	Ability to operate safely	Hairdresser; Beautician; Barber
Labour Recruitment Services	Retrenchments due to company closures	Recruitment manager
Funeral Services	Demand for green funeral Compliance with legislation	Mortician; Funeral Director; Embalmer; Coffin Maker
Cleaning Services	New cleaning techniques	Cleaner; Cleaning supervisor

The implication of this key skills change driver is primarily on how work is performed (remote working) and the pressure brought on companies to forcefully diversify or downscale and embrace technology for conventional work practices.

INFORMATION AND COMMUNICATION TECHNOLOGY

The impact of ICT on the services sector transcends all industries in varying degrees. At the core of this impact is the need to do business differently, leveraging on opportunities

The pandemic has enabled companies to experiment with new organisational architectures during the lockdown. It is no longer necessary for every employee to report to the workplace daily (working remotely). In the aftermath, we can expect organisational structures to change in varying degrees, depending on the nature of business activities. Subsectors impacted and implications for skills development are outlined in Table 4. Skills development interventions will be prioritised to respond accordingly.

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.

Table 5: Skills Implications of ICT on the Services Sector

Subsector Impact	Nature of impact	Occupations affected
Business Services	Ability to access and use big data	Quality Manager; Business Advisor / Consultant
Cleaning Services	Robotics are likely to perform cleaning chores	Cleaner
Contact Centre	Automation of certain functions	Contact Centre Call Agent
Labour Recruitment	Online recruitment	Recruitment officer
Postal Services	Digitised mail	Delivery driver; mail clerk
Real Estate	Online marketing and contracting	Sale Agent; Property Agent

Technology has had an impact on the design, form, and nature of interaction between sellers and buyers. This impact traverse sub-sectors such as real estate, business management, contact centres, recruitment, and collective bargaining. Subsectors impacted and implications for skills development are outlined in Table 5.

GLOBALISATION

As higher levels of integration due to globalisation continue, business in most sectors is experiencing higher levels of competition. In addition, emerging and developing economies are seen as new engines of growth as companies continue to look for new locations for business investment. It is further expected that the global Services Sector will continue to drive

global trade (World Bank Group, 2016) where contact centres play a significant role in supporting business operations through global process outsourcing. Furthermore, the African Continental Free Trade Area (AfCFTA) agreement (AfCFTA) which unites 54 of the 55 members of the African Union, entered into force on May 30, 2019, creating the largest trade bloc in the world uniting 1.3 billion people in a \$3.4 trillion economic bloc. The AfCFTA is an effort to boost intra-African trade by promoting services penetration among others, it is one clear example of the commitment to globalisation as an evolving means to improve competitiveness and access to new markets.

Table 6: Skills Implications of Globalisation

Subsector Impact	Nature of impact	Occupations affected
Business Services	Business Process Outsourcing (BPO) and increases the demand for skills within the global business environment	Contact Centre Manager, Workforce Planning, Enterprise Resources Planning etc
Personal Care Services	The sector is highly informal and entry into the business is not controlled	Hair dressing; Beautician; Barber
Funeral Services	Having to adhere to other countries' laws on handling and dressing bodies.	Mortician; Funeral Director; Embalmer; Coffin Maker

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

CLIMATE CHANGE AND GREEN ECONOMY

As the International Labour Organisation (2018) notes, climate change and other forms of environmental degradation have already caused net negative impacts on jobs and work productivity. It is expected that these impacts are likely to become more pronounced in the coming decades (Ibid). Climate change may lead to job and work productivity losses because it increases the frequency of extreme weather events and, more generally, threatens the provision of ecosystem services. At the same time, it presents opportunities for new occupations for the services sector. Several disruptive technologies affect the sector profoundly. Reduced need for washing textiles, biotechnological innovations leading to improved cleaning performance and higher concentrations of environmentally friendly cleaning formulas affect the cleaning sector.

Table 7: Skills Implications of Climate Change

Subsector Impact	Nature of impact	Occupations affected
Cleaning Services	Environmentally friendly products	Commercial cleaner
Personal Care Services	Environmentally friendly products	Hairdresser; Beautician; Barber
Funeral Services	New burial practices	Mortician; Funeral Director; Embalmer; Coffin Maker
Real Estate Services	Green office; eco-friendly building; land development	Property developer; Real Estate Agent

Pressures around protecting the environment, the preservation of natural resources, energy conservation affect the personal care and real estate sectors. Green funerals are becoming the choice for most consumers (Lukstins, 2015)⁶. Local cemetery green burial policies are introducing local burial restrictions to citizens. The hair industry is under increasing pressure to use chemicals that are not harmful to the environment and users.

ECONOMY

As pointed out in chapter 1, the South African economy experienced a serious contraction last year. The COVID-19 pandemic exacerbated an already worse situation. The Services Sector, the backbone of the South Africa's economy, was disproportionately affected by the pandemic. This sector has not fully recovered from these setbacks as demonstrated by the GDP figures of Q1 2021. The decline in the economic growth has had a knock-on effect on the employment situation as many companies closed or were forced to lay off staff to reduce expenditure. The current situation will require innovation to keep businesses afloat and grow the economy. Table 8 illustrates the impact of the economy on the services sector.

⁶ Green practices include offering alternatives to chemical embalming, local green burial options, eco-friendly products, such as biodegradable caskets and urns, and other services and products that appeal to the environmentally conscious consumer.

Table 8: Economic Implications on Skills

Subsector Impact	Nature of impact	Occupations affected
Business Services	The need to upskill business advisors and consultants, including e-commerce	Contact Centre Manager, Quality Manager; Business Consultant/Advisor
Marketing Services	Changing landscape of the marketing industry	Sales Manager; Sales Representative
Labour recruitment Services	Changing landscape of the labour recruitment industry	Recruitment manager, Recruitment officer
Real Estate	Changing landscape of the real estate industry, including high reliance on ICT	Sale Agent; Property Agent; Property developer; Real Estate Agent

The Economic Reconstruction and Recovery Plan discussed below provides a helpful strategy to drive growth in this sector. The Reconstruction and Recovery Skills Strategy provides further clarity for alignment with skills planning initiatives of the Services SETA.

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.

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.

d. ERRP Skills Needs Alignment

The Services SETA is committed to supporting the Presidency's ERRP and DHET's ERRS. The Priority Occupation list (Top 10) of the SSP contains five occupations that addresses hard-to-fill vacancies and skills gaps aligned to the ERRP and ERRSS. These are: Call Centre Agent; Multimedia Designer; Electrician; Data Scientist and Software Developer.

In addition to these occupations, the Services SETA will prioritise other occupations identifications in the skills strategy such as Contact Centre Real Time Advisors; Inbound Contact Centre Consultants; Outbound Contact Centre Consultants and Electrical Equipment Mechanics in fighting unemployment, inequality and poverty. These efforts are geared towards finding employment opportunities for TVET College and University graduates, and additional support to artisan development.

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. These trends have informed the development of strategic goals and objectives to steer the Services SETA on its path to deliver on its mandate.

Noteworthy PESTEL, Table 9, analysis above is the dire economic environment and its impact on skills development budgets. This will have a significant impact on the labour market as funding is reprioritised. This challenge is only partly mitigated by the confluence between decreased costs and increased accessibility associated with technology, the ever-increasing competency of Services SETA human resources and more flexible commuting and working practices which are increasingly possible in a 'connected' world. The rapidly changing technology landscape, fuelled by the advances of 4IR will mean an increasing urgency for the Services SETA to work pro-actively.

Table 9: PESTEL Analysis

Politics	Economic
<ul style="list-style-type: none"> Legislative mandate – Skills Development Act, Skills Development Levies Act, the Constitution Policy mandate – MTSF (2019-2024), NDP, NSDP, White Paper on Post-School Education and Training 	<ul style="list-style-type: none"> Decline in GDP impacting on skills levies revenue Impact of COVID-19 on companies' abilities to train the workforce Increase in business rescue and international benchmark/standards Green economy – relevant training interventions to meet skills demand
Social	Technology
<ul style="list-style-type: none"> High level of unemployment Ailing education and health systems High levels of social problems i.e., poverty, crime, GBV, substance abuse, teenage pregnancy Impact of COVID-19 on health and wellbeing of the workforce 	<ul style="list-style-type: none"> Need to regularly update skills and re-train for the workforce replaced by technology 4IR presents opportunities for new businesses Cyber security and related digital skills Disproportionate access (infrastructure, devices, and data) Low and variable speed/ bandwidth Opportunity to create more equal society Online and open education
Environment	Legislation
<ul style="list-style-type: none"> Climate change – impact on business operations – eco-friendly, adaptation environment legislation Impact of COVID-19 and other pandemics Environmental preservation - reduce carbon emissions – appropriate skills Climate change creates opportunities for entrepreneurship and innovation Environmental, Social, and (Corporate) Governance 	<ul style="list-style-type: none"> Labour Relations Act – basic conditions of employment; Minimum Wage Act COIDA Protection of private information B-BBEE National Treasury Legislation and Regulations impede public-private partnerships

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

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

Table 10: SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> Stable leadership and Governance Research capacity to guide towards relevance Strong brand – highly regarded by key stakeholders Enjoy legislative mandate to implement skills development 	<ul style="list-style-type: none"> Weak integration of systems and processes Weak delivery model – resulting in slow implementation of learning interventions Centralisation of services and operations Poor management of public relations/customer service Inconsistent organisational performance Poor integration of monitoring of resolutions, commitments implementation and targets High level of aging commitments with no implementation Expired historical qualifications and transition to occupational qualification Over-reliance on consultants for critical functions
Opportunities	Threats
<ul style="list-style-type: none"> Committed stakeholders and employees Improvement in automation of core business and support processes through system development, with partial deployment Broaden access to eLearning platform Strong focus and presence in entrepreneurship development Improvement in system integration requiring deployment, training and skills transfer to embed usage Increased demand for skills development due to economic decline and increased unemployment Adequate ICT infrastructure Decentralisation of services to reach remote areas Business optimisation through functional reviews 	<ul style="list-style-type: none"> Adverse audit outcomes BUSA court judgement – impact on available discretionary grants Decline in revenue due poor economic performance and the impact COVID-19 High number of small and informal sector – resulting in low revenue Employee Relief Scheme (TERS) – expected to support Relevance of SETA products and the changing needs of industries as they diversify. Unrealistic planning within budget Practice of crisis management which limits innovation and planning for the future Cyber Security

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

4.1.4. Priority interventions for skills supply

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

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

The South African Government's Economic Reconstruction and Recovery 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." The Services SETA aims to work collaboratively with MICTSETA, FoodBev SETA, FP&SETA, CETA, WRSETA and CATHSSETA to support development and growth and SMMEs. MOUs have been concluded and the relevant SETAs are working concept papers for implementation.

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

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

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

Several Services SETA qualifications are either outdated, have expired, or are not aligned to QCTOs occupationally directed qualifications framework. Working with the industry and QCTO, the Services SETA will continue to update these qualifications and ensure alignment with the prescribed framework. For the 2021/22 financial year, eight qualifications have been earmarked for either update, alignment, or outright development.

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

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

of learning interventions and timely monitoring and evaluation of impact.

5. Development of organisational-wide M&E Framework to improve performance management

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

4.2. INTERNAL ENVIRONMENT ANALYSIS

4.2.1. Organisational Capabilities Underpinning Performance Improvements

- a. Governance and oversight

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

- b. Organisational performance

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

Equally, the Services SETA is working hard to revise the decline in enrolment number of learners. Financial challenges faced last year (2020/21) resulted in reduced training budgets with a knock-on effect on enrolment figures. At the same time, the Services SETA is mindful of the negative impact of COVID-19 on the revenue and training interventions. On the one hand,

expected decline in revenue is likely to affect training budgets. On the other hand, cessation of businesses operations (including training providers) due to the lockdown measures put in place to reduce the spread of the virus has affected enrolment processes and training of learners. This state of affairs is likely to have a negative impact on the Services SETA's performance against pre-determined targets generally, but particularly learner enrolments and certification.

c. The impact of COVID-19

As both the PESTEL and SWOT analysis point out, the pandemic affected the Services SETA internally in a significant way. The Services SETA's revenue was negatively impacted by the four-months levy payment holiday granted to companies by DHET. Closure of many companies due to lockdown measures described above, further affected the Services SETA's revenue stream.

Organisational performance was also negatively affected. Remote working interrupted operations of the Services SETA with knock-on effect on overall performance. Learning interventions were halted and no new allocations could be made. This affected the Services SETA's performance against its enrolments and completion targets, as well as other key performance areas critical to the mandate of the SETA.

d. Responsive Strategy

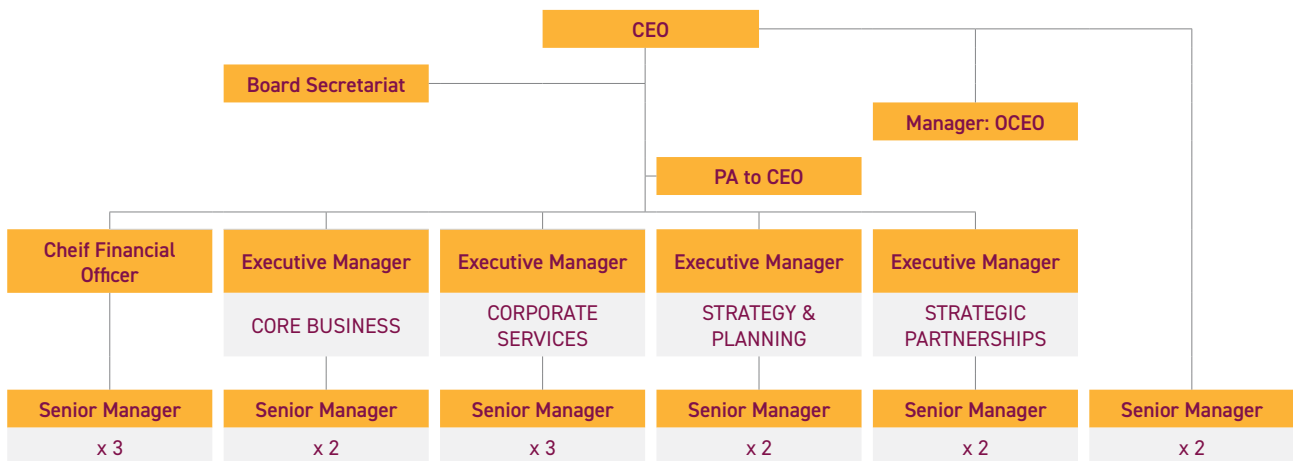
A thorough reflection of the organisational performance and the set goals triggered a need for a focussed strategy to drive performance. The strategy addresses operational, and skills related challenges that hampers performance. Internal considerations include finance, systems, performance, people, stakeholder relationships and governance. The strategy is provided below.

4.2.2. The Services SETA Organisational Structure and Staffing

a. Staffing

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

Figure 10. Governance and Executive Structure



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

Table 11. Services SETA Filled and Approved Posts

Filled Posts per Job	Programme 1:	Program 2:	Programme 3:	Programme 4:	TOTALS
LEVEL BY PROGRAMME	ADMINISTRATION	SKILLS PLANNING	LEARNING PROGRAMMES	QUALITY ASSURANCE	
Executive Management	3	2	2	2	9
Senior Management	7	2	4	1	14
Management	15	16	11	1	43
Senior Officers	18	4	47	9	78
Officers	13	7	42	9	71
Administrators	18	5	26	4	53
General	20	-	-	-	20
TOTALS	94	36	132	26	288

Approved Posts per Job Level by Programme	Programme 1: Administration	Program 2: Skills Planning	Programme 3: Learning Programmes	Programme 4: Quality Assurance	TOTALS
Executive Management	3	2	2	2	9
Senior Management	10	2	4	1	17
Management	34	19	13	2	68
Senior Officers	22	8	76	10	116
Officers	38	14	90	10	152
Administrators	27	9	38	6	80
General	22	-	-	-	22
TOTALS	156	54	223	31	464

% Occupancy per Job Level by Programme	Programme 1: Administration	Program 2: Skills Planning	Programme 3: Learning Programmes	Programme 4: Quality Assurance	TOTALS
Executive Management	100%	100%	100%	100%	100%
Senior Management	70%	100%	100%	100%	82%
Management	44%	84%	85%	50%	63%
Senior Officers	82%	50%	62%	90%	67%
Officers	34%	50%	47%	90%	47%
Administrators	67%	56%	68%	67%	66%
General	91%	-	-	-	91%
TOTALS	60%	67%	59%	84%	62%

Like many organisations, the Services SETA staff were significantly affected by COVID-19. Staff had to adjust to working remotely requiring them to acquire new skills function optimally. Some were also affected at personal level either through being infected with the virus or someone close to them being infected. Some or their relatives sadly succumbed to the disease.

Considering these developments, the Services SETA had to act proactively to ensure staff physical, emotional, and psychological needs are taken care of. A COVID-19 Task Team was established to ensure proper observance of COVID-19 management protocols. ICT department ensured that all staff have sufficient tools of trade such as laptops and 3G cards to access internet.

The Human Resources Development and Management

department initiated regular communication with staff providing guidance on management of the disease providing EAP and facilitating access to medical cover. Key issues raised by staff include:

- Inadequate access to information
- Shortfalls in medical cover
- Employees continue to attend gatherings
- General concerns around job security and ability to provide for families
- Strong support from management
- Positive rating of the organisation's response measures
- Significant preference for continued remote working
- Some willingness to forego salary increases or bonus payments to ensure job security

- Need to strengthen remote working tools
- There is continued concerns regarding return to work

Findings of this survey are being used to inform future interventions by the organisation.

b. Employment equity

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

Table 12. Profile of the Services SETA Staff

Occupational Level	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	2										2
Senior Management	8				7			2			17
Professionally qualified and experienced Specialists and Mid-Management	17	1		2	17	2	2	3	1		46
Skilled Technical and academically qualified Workers, Junior Management, Supervisors, Foremen and Superintendents	32	4	3	2	75	6	4	3		1	130
Semi-skilled and discretionary decision-making	9	1			38	5		2			55
Unskilled and defined decision-making	3				13	1					17
Total	72	6	3	4	150	14	6	10	1	1	267

In the last two financial years, the Services SETA's performance against predetermined organisational targets has declined with weakened performance management and financial management controls. The current leadership has embarked on a business operations optimisation process to address the challenges.

The Services SETA's contribution to transformational imperatives has been in line with the government's targets. As the table below illustrates, the majority of beneficiaries of Services SETA's training interventions is youth, women, people in rural areas and people living with disabilities.

c. Contribution to B-BBEE

The Services SETA is one of the few public entities that implements enterprise supplier development programmes to promote the B-BBEE goal of the government. The Services SETA is currently a Level 6 BEE contributor, with an enhanced procurement level of 110%. The BEE certificate expires on 21 November 2021. 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 outcomes.

Table 13. Services SETA and Transformation

Learning Intervention	Enrolment 2019/20	Employed	Unemployed	Female	Black	Disability	Youth	Rural
Adult Education and Training	151	0 (0%)	151 (100%)	119 (79%)	151 (100%)	0 (0%)	105 (70%)	12 (8%)
Artisans	689	0	689 (100%)	445 (56%)	519 (75%)	0 (0%)	652 (95%)	0 (0%)
Bursaries	1237	139 (11%)	1098 (89%)	713 (58%)	1155 (93%)	0 (0%)	1149 (93%)	0 (0%)
Candidacy Programmes	113	69 (61%)	44 (39%)	90 (80%)	39 (35%)	0 (0%)	62 (55%)	0 (0%)
HET Graduates	548	0 (0%)	548 (100%)	386 (70%)	524 (96%)	0 (0%)	529 (97%)	0 (0%)
Internships	1983	0 (0%)	1983 (100%)	1492 (75%)	1945 (98%)	0 (0%)	1902 (96%)	0 (0%)
Learnerships	5265	205 (4%)	5060 (96%)	3824 (73%)	4908 (93%)	0 (0%)	4740 (90%)	0 (0%)
Recognition of Prior Learning	382	382 (100)	0 (0%)	211 (55%)	348 (91%)	0 (0%)	293 (77%)	0 (0%)
Skills Programmes	6425	1839 (29%)	4586 (71%)	5242 (82%)	6010 (94%)	0 (0%)	5257 (82%)	304 (5%)
TVET Placements	967	0 (0%)	967 (100%)	787 (81%)	945 (98%)	0 (0%)	924 (96%)	0 (0%)
TOTAL	17760	2634 (15%)	15126 (85%)	13309 (75%)	16544 (93%)	0 (0%)	15613 (88%)	316 (2%)

Source: Services SETA Annual Report, 2020

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

To build the capacity of the sector to participate in learning programmes, the Services SETA is collaborating with employers, government departments, local government, SOEs and institutions of higher learning. To this effect, the Services SETA holds regular engagements with employers

to understand their needs. In addition, the Services SETA works with over 15 local governments to promote access to skills development through skills development centres. Plans are afoot to support more municipalities in the near future. Furthermore, the Services SETA collaborates with more than 20 TVET and Community Education Colleges with particular emphasis on rural areas.

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



PART C: MEASURING OUR PERFORMANCE

ANNUAL PERFORMANCE PLAN

2022 | 23



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5. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

5.1. PROGRAMME 1: ADMINISTRATION

5.1.1. Purpose

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

5.1.2. Description of the Programme

The programme comprises the following sub-programmes:

1. Finance
2. Human Resources Management and Development
3. Marketing and Communications
4. Information and Communication Technology
5. Organisational Compliance
6. Enterprise-Wide Risk Management, and
7. Board Secretariat

5.1.3. Outcomes and Outcome Indicators

This programme primarily supports Outcome 1: Enhanced organisational capabilities to deliver the strategy (NSDP), but it also supports the implementation of other four outcomes, as a support programme. Outputs and indicators which support the realisation of the outcomes are outlined below.

Sub-Programme 1.1: Finance

OUTCOME

Output

Output Indicator

1. Enhanced organisational capabilities to deliver the strategy (NSDP)
1.1. Error Free Financial Statements and reliable performance information report

Audited /Actual Performance	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Unqualified	Unqualified	Qualified	Qualified	Qualified	Unqualified	Unqualified	Clean Audit

1.1.1. No material findings on financial statements and performance information

Output Indicator (Quarterly Targets 2022/(23)

Annual Target	Indicator Status	Indicator Type	Reporting Period	Q1	Q2	Q3	Q4
Unqualified	Continued	Non-Cumulative	Annually	-	Unqualified	-	-

Sub-Programme 1.2: Human Resources Management and Development

OUTCOME

Output

Output Indicator

1. Enhanced organisational capabilities to deliver the strategy (NSDP)
1.2. Human resources capacitation

Audited /Actual Performance	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
-	-	65%	70%	70%	70%	70%	70%

1.2.1. Percentage occupancy maintained

Output Indicator (Quarterly Targets 2022/(23)

Annual Target	Indicator Status	Indicator Type	Reporting Period	Q1	Q2	Q3	Q4
70%	Continued	Cumulative	Quarterly	60%	65%	65%	70%

1.2.1. Percentage occupancy maintained

Sub-Programme 1.3: Information and Communication Technology

OUTCOME

Output

Output Indicator

1. Enhanced organisational capabilities to deliver the strategy (NSDP)
1.3. ICT infrastructure and systems plans to support Services SETA

Audited /Actual Performance	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
-	-	63%	100%	100%	70%	75%	80%

1.3.1. Percentage achievement against prioritised ICT implementation plan

Output Indicator (Quarterly Targets 2022/(23)

Annual Target	Indicator Status	Indicator Type	Reporting Period	Q1	Q2	Q3	Q4
70%	Continued	Cumulative	Quarterly	60%	65%	70%	70%

1.3.1. Percentage achievement against prioritised ICT implementation plan

Sub-Programme 1.4: Marketing & Communications

OUTCOME	1. Enhanced organisational capabilities to deliver the strategy (NSDP)							
	1.4. Effective stakeholder management							
Output Indicator	Audited /Actual Performance		Estimated performance		MTEF Period			
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	
1.4.1. Stakeholder satisfaction rating score	-	-	-	-	65%	70%	75%	
Output Indicator (Quarterly Targets 2022/23)	Annual Target	Indicator Status	Indicator Type	Reporting Period	Q1	Q2	Q3	Q4
1.4.1. Stakeholder satisfaction rating score	65%	New	Non-Cumulative	Annually	-	-	-	65%

Sub-Programme 1.5: Organisational Compliance

OUTCOME	1. Enhanced organisational capabilities to deliver the strategy (NSDP)							
	1.5. Enterprise-wide integrated compliance							
Output Indicator	Audited /Actual Performance		Estimated performance		MTEF Period			
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	
1.5.1. Percentage of audit and compliance action plans actioned	-	100%	100%	100%	100%	100%	100%	
Output Indicator (Quarterly Targets 2022/23)	Annual Target	Indicator Status	Indicator Type	Reporting Period	Q1	Q2	Q3	Q4
1.5.1. Percentage of audit and compliance action plans actioned	100%	Continued	Cumulative	Quarterly	100%	100%	100%	100%

Sub-Programme 1.6: Enterprise-Wide Risk Management

OUTCOME	1. Enhanced organisational capabilities to deliver the strategy (NSDP)							
	1.6. Enterprise-wide integrated risk management							
Output Indicator	Audited /Actual Performance		Estimated performance		MTEF Period			
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	
1.6.1. Percentage of risk action plans actioned	-	100%	100%	100%	100%	100%	100%	
Output Indicator (Quarterly Targets 2022/23)	Annual Target	Indicator Status	Indicator Type	Reporting Period	Q1	Q2	Q3	Q4
1.6.1. Percentage of risk action plans actioned	100%	Continued	Cumulative	Quarterly	100%	100%	100%	100%

Sub-Programme 1.7: Board Secretariat

OUTCOME

Output

Output Indicator

1. Enhanced organisational capabilities to deliver the strategy (NSDP)
- 1.7. Effective governance oversight

		Audited /Actual Performance				Estimated performance				MTEF Period			
		2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025					
1.7.1. Quarterly Good Governance report	Annual Target	-	-	4	4	4	4	4					
	Indicator Status	Continued	Cumulative	Quarterly	1	1	1	1					
	Indicator Type												
	Reporting Period			Quarterly	Q1	Q2	Q3	Q4					

1.7.1. Quarterly Good Governance report

Output Indicator (Quarterly Targets 2022/23)

1.7.1. Quarterly Good Governance report

5.2. PROGRAMME 2: SKILLS PLANNING

5.2.1. Purpose

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

evaluations to strengthen programme improvement in executing its mandate.

3. Strategic Partnerships

5.2.2. Description of the Programme

This programme consists of the following sub-programmes:

1. Planning, monitoring & reporting, and Research & impact evaluation
2. Mandatory Grants

5.2.3. Outcomes, Outputs and Output Indicators

This programme contributes to Outcome 2: "Enhanced mechanism for effective skills planning through collaborative research and partnerships". The outcome has three outcome indicator(s) and a five-year target. Alignment of outcomes to the outputs is demonstrated below.

Sub-Programme 2.1: Planning, monitoring and reporting

OUTCOME

Output

Output Indicator

2. Enhanced mechanism for effective skills planning through collaborative research and partnerships
- 2.1. Revised SSP, SP and APP

		Audited /Actual Performance				Estimated performance				MTEF Period			
		2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025					
2.1.1. Evidence-based SSP, SP and APP	Annual Target	Approved	Approved	Approved	Approved	Approved	Approved	Approved					
	Indicator Status	Continued	Non-Cumulative	Annually	-	-	-	-					
	Indicator Type												
	Reporting Period			Annually	Q1	Q2	Q3	Q4					

2.1.1. Evidence-based SSP, SP and APP

Output Indicator (Quarterly Targets 2022/23)

2.1.1. Evidence-based SSP, SP and APP

Sub-Programme 2.2: Research and impact evaluation

OUTCOME

Output

Output Indicator

2. Enhanced mechanism for effective skills planning through collaborative research and partnerships
2.2. Skills planning research conducted

Output Indicator	Audited /Actual Performance		Estimated performance		MTEF Period			
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	
2.2.1. Number of sector research agreements signed for TVET growth occupationally directed programmes	-	-	2	2	2	2	2	
2.2.2. Number of learners who completed workplace-based learning programmes absorbed into employment or self-employment	-	-	25 799	2 000	2 000	2 500	3 000	
2.2.3. Percentage of discretionary grants allocated at different skills levels	-	-	100%	100%	100%	100%	100%	
High level skills	-	-	30%	30%	30%	30%	30%	
Intermediate level skills	-	-	30%	30%	30%	30%	30%	
Elementary level skills	-	-	40%	40%	40%	40%	40%	

Output Indicator (Quarterly Targets 2022/(23)

Output Indicator	Annual Target	Indicator Status	Indicator Type	Reporting Period	Q1	Q2	Q3	Q4
2.2.1. Number of sector research agreements signed for TVET growth occupationally directed programmes	2	Continued	Cumulative	Quarterly	-	1	-	1
2.2.2. Number of learners who completed workplace-based learning programmes absorbed into employment or self-employment	2000	Continued	Non-Cumulative	Annually	-	-	2000	-
2.2.3. Percentage of discretionary grants allocated at different skills levels	100%	Continued	Non-Cumulative	Annually	-	-	-	100%
High level skills	30%	Continued	Non-Cumulative	Annually	-	-	--	30%
Intermediate level skills	30%	Continued	Non-Cumulative	Annually	-	-	-	30%
Elementary level skills	40%	Continued	Non-Cumulative	Annually	-	-	-	40%

Sub-programme 2.3: Mandatory Grant

OUTCOME

Output

Output Indicator

2. Enhanced mechanism for effective skills planning through collaborative research and partnerships
2.3. Increased number of employers participating in SETA programmes

	Audited / Actual Performance		Estimated performance		MTEF Period		
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
2.3.1. Number of WSPs and ATRs approved	3 613	3 773	3 925	3 723	3 852	4 044	4 245
Number of WSPs and ATRs approved for small firms	2 276	2 458	2 606	2 488	2 513	2 638	2 770
Number of WSPs and ATRs approved for medium firms	789	742	772	723	776	815	855
Number of WSPs and ATRs approved for large firms	548	573	547	512	563	591	620
2.3.2. Number of SETA-Employer partnerships established	-	-	-	-	50	50	50

Output Indicator (Quarterly Targets 2022/23)

	Annual Target	Indicator Status	Indicator Type	Reporting Period	Q1	Q2	Q3	Q4
2.3.1. Number of WSPs and ATRs approved	3 852	Continued	Non-Cumulative	Annually	-	3 852	-	-
Number of WSPs and ATRs approved for small firms	2 513	Continued	Non-Cumulative	Annually	-	2 513	-	-
Number of WSPs and ATRs approved for medium firms	776	Continued	Non-Cumulative	Annually	-	776	-	-
Number of WSPs and ATRs approved for large firms	563	Continued	Non-Cumulative	Annually	-	563	-	-
2.3.2. Number of SETA-Employer partnerships established	550	Continued	Cumulative	Quarterly	5	15	20	10

Sub-Programme 2.4: Strategic Partnerships

OUTCOME

Output

Output Indicator

2. Enhanced mechanism for effective skills planning through collaborative research and partnerships
2.4. Promote access to skills development opportunities, including rural areas

	Audited / Actual Performance		Estimated performance		MTEF Period		
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
2.4.1. Number of Career Development Practitioners trained	-	-	20	40	40	40	40
2.4.2. Number of career exhibitions	18	18	19	18	18	18	20
Urban	18	18	9	8	8	8	8
Rural	-	-	10	10	10	10	12
2.4.3. Number of capacity building workshops on Career Development Services initiated	-	-	-	18	18	18	18
2.4.4. Number of partnerships HEIs	-	-	8	8	15	9	9
TVET	-	-	2	4	7	5	5

OUTCOME

2. Enhanced mechanism for effective skills planning through collaborative research and partnerships

2.4. Promote access to skills development opportunities, including rural areas

Output Indicator	Audited /Actual Performance					Estimated performance				
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025			
HEI	-	-	3	2	4	2	2			
CET	-	-	3	2	4	2	2			
2.4.5. Number of trade unions/federations supported	4	4	9	7	5	5	5			
Trade Unions	4	4	7	5	4	4	4			
Federations	-	-	2	2	1	1	1			

Output Indicator (Quarterly Targets 2022/23)	Annual Target	Indicator Status	Indicator Type	Reporting Period	Q1	Q2	Q3	Q4
2.4.1. Number of Career Development Practitioners trained	40	Continued	Cumulative	Quarterly	5	15	15	5
2.4.2. Number of career exhibitions	18	Continued	Cumulative	Quarterly	4	4	4	4
Urban	8	Continued	Cumulative	Quarterly	2	2	2	2
Rural	10	Continued	Cumulative	Quarterly	2	2	2	4
2.4.3. Number of capacity building workshops on Career Development Services initiated	18	New	Cumulative	Quarterly	-	5	8	5
2.4.4. Number of partnerships HEIs	15	Continued	Cumulative	Quarterly	3	4	5	3
TVET	7	Continued	Cumulative	Quarterly	1	2	3	1
HEI	4	Continued	Cumulative	Quarterly	1	1	1	1
CET	4	Continued	Cumulative	Quarterly	1	1	1	1
2.4.5. Number of trade unions/federations supported	5	Continued	Cumulative	Quarterly	1	1	2	1
Trade Unions	4	Continued	Cumulative	Quarterly	1	1	1	1
Federations	1	Continued	Cumulative	Quarterly	-	-	1	-

5.3. PROGRAMME 3: LEARNING PROGRAMMES

5.3.1. Purpose

The purpose of the skills development programme is to deliver the Services SETA service offerings to the target stakeholders to achieve the mandate. The programme is responsible for disbursement of Services SETA discretionary grants through special and regular projects for infrastructure

development, to expand access to skills development in rural and underserved areas, and pivotal learning interventions.

5.3.2. Description of the Programme

This programme consists of four sub-programmes as outlined:

1. Entrepreneurship and Corporate Development
2. Mandatory grant
3. Learning Interventions

5.3.3. Outcomes, Outputs and Output Indicators

This programme contributes to: Outcomes 3: "Promote access to technical and professional skills across the services sector". The outcome has three outcome indicator(s) and a five-year target. Alignment of outcomes to the outputs is demonstrated below.

Sub-Programme 3.1: ECD

OUTCOME

Output

Output Indicator

3. Promote access to technical and professional skills across the services sector
3.1. Increased participation by entrepreneurs in SETA offerings

Output Indicator	Audited /Actual Performance		Estimated performance		MTEF Period		
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
3.1.1. Number of enterprises funded for skills that enhance their growth/development/sustainability of their organisations.	962	737	84	436	700	700	700
Cooperatives	862	279	0	300	300	300	300
SMMES		357	84	36	300	300	300
CBOs/ NGOs/ NPOs	100	101	0	100	100	100	100
3.1.2. Number of enterprises trained on sector and national priority occupations or skills.	-	-	-	0	60	60	60
Established or emergent cooperatives	-	-	-	0	30	30	30
Small and emerging enterprises	-	-	-	-	30	30	30
3.1.3. Number of people trained on entrepreneurship supported to start their business.	-	-	-	100	200	200	200

Output Indicator (Quarterly Targets 2022/23)

Output Indicator (Quarterly Targets 2022/23)	Annual Target	Indicator Status	Indicator Type	Reporting Period	Q1	Q2	Q3	Q4
3.1.1. Number of enterprises funded for skills that enhance their growth/development/sustainability of their organisations	700	Continued	Cumulative	Quarterly	-	330	250	120
Cooperatives	300	Continued	Cumulative	Quarterly	-	150	100	50
SMMES	300	Continued	Cumulative	Quarterly	-	150	100	50
CBOs/ NGOs/ NPOs	100	Continued	Cumulative	Quarterly	-	30	50	20
3.1.2. Number of enterprises trained on sector and national priority occupations or skills.	60	Continued	Cumulative	Quarterly	-	10	30	20
Established or emergent cooperatives	30	Continued	Cumulative	Quarterly	-	5	15	10
Small and emerging enterprises	30	Continued	Cumulative	Quarterly	-	5	15	10
3.1.3. Number of people trained on entrepreneurship supported to start their business.	200	Continued	Cumulative	Quarterly	-	60	100	40

Sub-Programme 3.2: Strategic Partnerships

OUTCOME

Output

Output Indicator

3. Promote access to technical and professional skills across the services sector
3.2. Partnerships established to promote access to skills development opportunities, including rural areas

Output Indicator	Audited / Actual Performance		Estimated performance				MTEF Period			
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025			
3.2.1. Number of Centres of Specialisation supported	-	-	0	2	4	4	4			
3.2.2. Number of TVET Lecturers exposed to the industry through Skills Programmes	-	-	40	10	40	50	50			
3.2.3. Number of Managers receiving training on curriculum related studies - TVET	-	-	5	2	5	5	5			
3.2.4. Number of TVET colleges Lecturers awarded Bursaries	-	-	-	13	70	50	50			
3.2.5. TVET colleges infrastructure development (equipment/workshops)	-	-	-	3	2	2	2			
3.2.6. Number of CET colleges lecturers awarded skills development programmes	-	-	-	10	10	20	20			
3.2.7. CET colleges infrastructure development support (equipment/ workshops/ Connectivity/ ICT)	-	-	-	4	1	1	1			
3.2.8. Number of Managers receiving training on curriculum related studies - CET	-	-	-	2	5	5	5			
3.2.9. Number of CET learners accessing AET programmes	-	-	-	20	20	20	20			
3.2.10. Number of Rural Development Projects initiated	7	11	5	1	5	10	10			

Output Indicator (Quarterly Targets 2022/23)

Output Indicator	Annual Target	Indicator Status	Indicator Type	Reporting Period	Q1	Q2	Q3	Q4
3.2.1. Number of Centres of Specialisation supported	4	Continued	Cumulative	Quarterly	1	1	1	1
3.2.2. Number of TVET Lecturers exposed to the industry through Skills Programmes	40	Continued	Cumulative	Quarterly	10	10	10	10
3.2.3. Number of Managers receiving training on curriculum related studies - TVET	5	Continued	Cumulative	Quarterly	1	1	2	1
3.2.4. Number of TVET colleges Lecturers awarded Bursaries	70	Continued	Cumulative	Quarterly	15	20	20	15
3.2.5. TVET colleges infrastructure development (equipment/workshops)	2	Continued	Cumulative	Quarterly	-	1	1	-
3.2.6. Number of CET colleges lecturers awarded skills development programmes	10	Continued	Cumulative	Quarterly	-	5	-	5
3.2.7. CET colleges infrastructure development support (equipment/ workshops/ Connectivity/ ICT)	1	Continued	Cumulative	Quarterly	-	-	1	-
3.2.8. Number of Managers receiving training on curriculum related studies - CET	5	Continued	Cumulative	Quarterly	1	1	2	1
3.2.9. Number of CET learners accessing AET programmes	20	Continued	Cumulative	Quarterly	-	5	-	5
3.2.10. Number of Rural Development Projects initiated	5	Continued	Cumulative	Quarterly	-	5	-	-

Sub-programme 3.3: Learning Programmes

OUTCOME

Output

Output Indicator

3. Promote access to technical and professional skills across the services sector
3.3. Increased access and throughput of learners to support the flow of skills to the sector

Output Indicator	Audited /Actual Performance				Estimated performance			MTEF Period	
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025		
3.3.1. Number of industry learners entered	500	500	899	550	610	650	650		
3.3.2. Number of learners enrolled learnership programmes	14 389	5 265	0	4 480	8 000	10 810	12 432		
Unemployed	13 360	5 060	0	3 780	7 000	9 200	10 580		
Worker	1 029	205	0	700	1 000	1 610	1 852		
3.3.3. Number of learners completed learnerships programmes	12 495	10 363	763	100	2 051	4 770	6 026		
Unemployed	11 780	9 623	743	100	1 701	4 000	5 060		
Worker	715	740	20	0	350	770	966		
3.3.4. Number of learners granted bursaries	4 143	1 237	237	1 210	1 420	1 662	1 828		
Unemployed learners (new enrolments)	3 361	1 098	87	700	800	880	968		
Unemployed learners (continuing)			0	150	200	320	352		
Workers (new entries)	782	139	150	150	420	462	508		
Workers (continuing)			0	210	0	0	0		
3.3.5. Number of learners granted Bursaries completed their studies	1333	2152	243	550	652	757	833		
Unemployed	1086	1318	228	340	400	480	528		
Worker	247	834	15	210	252	277	305		
3.3.6. Number of Internships Entered	4638	3498	0	1 120	2 000	1430	1573		
Unemployed learners	2028	1983	0	420	500	550	605		
TVET students	662	967	0	350	1 000	440	484		
Universities students	1948	548	0	350	500	440	484		
3.3.7. Number of Internships Completed	2575	4436	502	50	505	650	787		
Unemployed learners	1550	2122	253	50	189	250	303		
TVET students	407	1497	201	0	158	200	242		
Universities students	618	817	48	0	158	200	242		
3.3.8. Number of learners enrolled Skills Programmes	3 216	6 425	0	5 600	6 500	7 475	8 596		
Unemployed	1 021	4 586	0	2 450	2 500	2 875	3 306		
Workers	2 195	1 839	0	3 150	4 000	4 600	5 290		
3.3.9. Number of learners completed Skills Programmes	2 038	2 470	761	2 120	2 958	3 775	4 715		
Unemployed	814	1 470	242	1 237	1 225	1 375	1 725		

3. Promote access to technical and professional skills across the services sector

3.3. Increased access and throughput of learners to support the flow of skills to the sector

Output Indicator	Audited /Actual Performance			Estimated performance			MTEF Period		
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025		
Worker	1 224	1 000	519	883	1 733	2 400	2 990		
3.3.10. Number of unemployed learners enrolled for Candidacy programmes	210	113	0	105	120	126	132		
3.3.11. Number of unemployed learners completed Candidacy programmes	20	51	0	0	42	54	63		
3.3.12. Number of artisan learners enrolled	3 030	689	0	350	1 000	550	605		
3.3.13. Number of artisan learners completed	579	253	390	100	1 000	250	303		
3.3.14. Number of learners enrolled RPL/ARPL	896	382	0	140	150	158	165		
3.3.15. Number of learners completed RPL/ARPL	208	340	0	0	56	68	79		
3.3.16. Number of workers enrolled AET programmes	644	151	0	350	500	525	551		
3.3.17. Number of workers completed AET programmes	903	297	4	0	140	225	263		

OUTPUT INDICATOR (QUARTERLY TARGETS 2022/23)	ANNUAL TARGET	INDICATOR STATUS	INDICATOR TYPE	REPORTING PERIOD	Q1	Q2	Q3	Q4
3.3.1. Number of industry learners entered	610	Continued	Cumulative	Quarterly	150	200	200	60
3.3.2. Number of learners enrolled learnership programmes	8 000	Continued	Cumulative	Quarterly	800	2 800	3 200	1 200
Unemployed	7 000	Continued	Cumulative	Quarterly	700	2 250	2 400	1 650
Worker	1 000	Continued	Cumulative	Quarterly	100	350	300	250
3.3.3. Number of learners completed learnerships programmes	2 051	Continued	Cumulative	Quarterly	205	718	820	308
Unemployed	1 701	Continued	Cumulative	Quarterly	170	595	680	255
Worker	350	Continued	Cumulative	Quarterly	35	123	140	53
3.3.4. Number of bursaries entered	1420	Continued	Cumulative	Quarterly	142	497	568	213
Unemployed learners (new enrolments)	800	Continued	Cumulative	Quarterly	80	280	320	120
Unemployed learners (continuing)	200	Continued	Cumulative	Quarterly	20	70	80	30
Workers (new entries)	420	Continued	Cumulative	Quarterly	42	147	168	63
Workers (continuing)	0	Continued	Cumulative	Quarterly	0	0	0	0
3.3.5. Number of learners granted Bursaries completed their studies	652	Continued	Cumulative	Quarterly	65	228	261	98
Unemployed	400	Continued	Cumulative	Quarterly	40	140	160	60
Workers	252	Continued	Cumulative	Quarterly	25	88	101	38
3.3.6. Number of Internships Entered	2 000	Continued	Cumulative	Quarterly	200	700	800	300
Unemployed	500	Continued	Cumulative	Quarterly	40	140	150	170

OUTPUT INDICATOR (QUARTERLY TARGETS 2022/23)							Q1	Q2	Q3	Q4
ANNUAL TARGET	INDICATOR STATUS	INDICATOR TYPE	REPORTING PERIOD	Q1	Q2	Q3	Q4			
TVET students	Continued	Cumulative	Quarterly	100	350	300	250			
Universities students	Continued	Cumulative	Quarterly	60	140	150	150			
3.3.7. Number of Internships Completed	Continued	Cumulative	Quarterly	51	176	202	76			
Unemployed	Continued	Cumulative	Quarterly	19	66	76	28			
TVET students	Continued	Cumulative	Quarterly	16	55	63	24			
University students	Continued	Cumulative	Quarterly	16	55	63	24			
3.3.8. Number of learners enrolled Skills Programmes	Continued	Cumulative	Quarterly	650	2 275	2 600	975			
Unemployed	Continued	Cumulative	Quarterly	250	875	1 000	375			
Worker	Continued	Cumulative	Quarterly	400	1 400	1 600	600			
3.3.9. Number of learners completed Skills Programmes	Continued	Cumulative	Quarterly	296	1 035	1 183	444			
Unemployed	Continued	Cumulative	Quarterly	123	429	490	184			
Employed	Continued	Cumulative	Quarterly	173	606	693	260			
3.3.10. Number of unemployed learners enrolled for Candidacy programmes	Continued	Cumulative	Quarterly	12	42	48	18			
3.3.11. Number of unemployed learners completed Candidacy programmes	Continued	Cumulative	Quarterly	4	15	17	6			
3.3.12. Number of artisan learners enrolled	Continued	Cumulative	Quarterly	100	350	400	150			
3.3.13. Number of artisan learners completed	Continued	Cumulative	Quarterly	200	300	300	200			
3.3.14. Number of learners enrolled RPL/ARPL	Continued	Cumulative	Quarterly	15	53	60	23			
3.3.15. Number of learners completed RPL/ARPL	Continued	Cumulative	Quarterly	6	20	22	8			
3.3.16. Number of workers enrolled AET programmes	Continued	Cumulative	Quarterly	50	175	200	75			
3.3.17. Number of workers completed AET programmes	Continued	Cumulative	Quarterly	14	49	56	21			

5.4. PROGRAMME 4: QUALITY ASSURANCE

5.4.1. Purpose

This programme contributes to Outcome 5: "Enhanced Quality Assurance efficiencies to execute QCTO delegated functions". The purpose of this sub-programme is to accredit skills development providers and fulfil the QCTO delegated quality assurance of learner achievement's function.

5.4.2. Description of the Programme

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

1. External Moderation and Certification
2. Qualifications Development

5.4.3. Outcomes Outputs and Output Indicators

This programme consists of two sub-programmes:

Sub-programme 4.1: Certifications

Sub-programme 4.2: Qualification's development

It contributes to Outcome 4: Strengthened quality partners to improve supply-side. The outcome has an outcome indicator(s) and a five-year target. Alignment of outcomes to the impact statement is as demonstrated below.

Sub-Programme 4.1: Certifications

OUTCOME

Output

Output Indicator

4.1.1. Percentage of learners receiving certificates/SOR

4. Enhanced Quality Assurance efficiencies to execute QCTO delegated functions
4.1. Improve learner throughput

Audited /Actual Performance	Estimated performance	MTEF Period				
2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
-	-	87%	80%	80%	85%	85%

Output Indicator (Quarterly Targets 2022/23)

4.1.1. Percentage of learners receiving certificates/SOR

Annual Target	Indicator Status	Indicator Type	Reporting Period	Q1	Q2	Q3	Q4
80%	Continued	Cumulative	Quarterly	70%	75%	80%	80%

Sub-Programme 4.2: Qualifications Development

OUTCOME

Output

Output Indicator

4.2.1. Number of qualifications developed or aligned to the priority skills

4. Enhanced Quality Assurance efficiencies to execute QCTO delegated functions
4.2. Strengthen development and alignment of SETA qualifications to occupational qualifications

Audited /Actual Performance	Estimated performance	MTEF Period				
2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
-	-	5	5	10	10	15

Output Indicator (Quarterly Targets 2022/23)

4.2.1. Number of qualifications developed or aligned to the priority skills

Annual Target	Indicator Status	Indicator Type	Reporting Period	Q1	Q2	Q3	Q4
10	Continued	Cumulative	Quarterly	-	2	4	4

6. EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

The Services SETA has identified four impact statements linked to eleven outcomes which are in turn linked to outputs and output indicators. Output indicators are directly linked to outcomes indicators. This approach allows the Services SETA to track progress against each outcome indicator and the outcome. Performance against the outcome assists the Services SETA to realise the envisaged impacts. The impacts are directly linked to the National Skills Development Plan outcomes and the NDP Five Year Implementation Plan. The NDP Five Year Implementation Plan is linked to the Medium-Term Strategic Framework as explained in the Strategic Plan.

The Services SETA, on an annual basis, tracks progress against transformational imperatives. The special focus is on unemployed youth, women, people with disabilities and learners from rural areas. To this effect, the Annual Performance Plan contains specific output indicators that measure the organisational performance against these goals.

The section below highlights resources consideration for all outputs. The outputs, outcomes and impact statements are aligned to four programmes in line with the DHET guidelines, namely, Administration, Skills Development and Planning, Learning Programmes and Quality Assurance. The resources sections cover the allocation of resources per programme and outputs.

7. PROGRAMMES RESOURCES CONSIDERATION

7.1. THE 2021/22 BUDGET REVISION AND 2022/23 BUDGET

7.1.1. Overview

The Services SETA primary function is to facilitate skills development by establishing learning programmes such as learnerships, skills programmes, internships, and other strategic learning initiatives. This is done through the disbursement of grants to employers and training providers. We are also tasked with monitoring the quality of occupation-based training within the services sector scope as delegated by the Quality Council for Trades and Occupations (QCTO).

The fall in COVID-19 cases across much of the world over the past few months signals a new dawn in the fight against the disease. Vaccines are proving effective and rapidly scaling, bending the curve in many geographies. This is a fragile dawn, however, with transmission and deaths still high, unequal

access to vaccines, and variants of concern threatening to undo progress to date.

The Services SETA conducted a COVID-19 impact survey within the services sector, targeting all chambers that fall within the sector. Responses were received from 300 employers and had the below matters as significant indicators of the impact COVID was having on businesses:

- While there is clear indication that the pandemic has had significant adverse effects on business operations of the services sector employers, with 49% indicating profoundly serious/significant impact, leading to financial losses and business closure, there is also a significant amount of these employers indicating the pandemic has not been as severe on their business operations.
- A significant portion of respondents, 45%, indicated that the pandemic has had minor impact, with some difficulties but overall stability in business operations. In fact, 5% indicated positive impact, with the pandemic providing new opportunities for development
- The majority of those reporting significant impact, are largely concentrated within the Business and Management Services Chamber, followed by the Labour and Collective Services and Real Estate and Related Services Sector, respectively.
- Most respondents, (57%), are indicating that they have experienced or are expecting a decline in turnover as a result of the pandemic; 31% indicating a substantial decrease and 26% a moderate decline. A majority of those indicating a decrease are medium and small sized
- 50% respondents indicated a reduction in the number of employees, 40% of respondents indicated that their workforce remained the same; these were largely medium sized and small companies, with 10% of respondents increasing the workforce (these largely were small and medium sized firms).

The findings indicate a large portion of participants to be experiencing negative impact from COVID are mainly linked to small companies that may not be large contributors of levies to the sector or contributing anything. However, a prudent approach to expected decline in levies over time was taken.

The possible going concern risk in relation to the MG refund percentage to levy paying companies remains, however the budget is prepared in line with current effective Grant regulations.

The Estimates of National Expenditure Budget, which forms an integral part of the Annual Performance Plan, after approval by the Accounting Authority is then submitted to the Executive Authority, which is the Minister of Higher Education, Science, and Innovation.

In terms of the Grant Regulations, the following table provides a summary of the breakdown of the skills development levy collected by SARS from levy paying employers and then transferred to the Sector Education and Training Authorities (SETAs). It also indicates the expenditure streams limits. It is important to note that there are continuous engagements between business and government regarding the applicability of some parts of grant regulations which came into effect on 01 April 2013.

LEVY INCOME / EXPENDITURE	GRANT REGULATIONS LIMITS(Current)	CONTINGENT GRANT REGULATIONS LIMITS
Administration	10.5%	10.5%
Mandatory	20%	50%
Discretionary	49.5%	19.5%
Allocation to SETAs	80%	80%
National Skills Funds	20%	20%
Total	100%	100%

7.1.2. Revised budget versus original budget for 2021/22

7.1.2.1. Levies

At the time of the preparation of the original budget for FY2021/22 the approach for a conservative budget was followed, this was heavily driven by the unknown impact COVID-19 would have on the economy and SDL to be received by SETAs. The year-to-date actual levies received till 30 September 2021 was used to determine expected levies for FY2021/22. On average the Services SETA received R137 million per month.

Item	Original budget 2022	Actual YTD September 2021	Revised budget 2022	Rand movement
Administration income	174,037,500	108,122,262	211,809,762	37,772,262
Mandatory Grants income	331,500,000	205,947,166	403,447,166	71,947,166
Discretionary Grants income	820,462,500	509,719,236	998,531,736	178,069,236
Total Skills Levies	1,326,000,000	823,788,664	1,613,788,664	287,788,664

7.1.2.2. Other income

During FY2021 there was no commencements on majority of the learner targets, which now drives cash being placed on short term deposits with various banks for longer periods. The actual income received from investment by 30 September 2021 was R11 million thus the annual expected investment income was revised from R15 million to R22 million resulting in a 46% increase.

7.1.2.3. Mandatory Grant expenditure

In terms of the Grant Regulations, 20% of grants allocated to SETAs may be disbursed to companies that comply with certain conditions, including submission of WSPs and ATRs by the deadline. The actual claim rate for the first 6 months of FY2022 amounted to 51% and this is anticipated to remain stable for the rest of the year as submissions will not change.

It is therefore anticipated that the mandatory grants disbursements for the year will amount to R210 million for

the year compared to the original budget of R166 million. The steep increase (27%) is driven by the actual levies received being 22% higher than the original budget.

7.1.2.4. Administrative expenditure

Skills Development Grant Regulations limit the administration costs of SETAs to 10.5% of levies received. The administration costs of the Services SETA are therefore limited to the budgeted levy income of the year.

The overall consideration on expenditure was to reprioritise costs within the original approved total budget of R1.288 billion

The table below depicts the change in the 10.5% limit test from exceeding the limit by R18 million to breaking even. The contrast movement is due to the increase in revised revenue based on actual levies received as at 30 September 2021. The Services SETA will continue to monitor spend against budget and reassess projections, if need be, apply to the department.

ADMIN INCOME VERSUS ADMIN EXPENDITURE (10.5% LIMIT) TEST

	BUDGET	ACTUAL @ 30 Sep 2021	REVISED BUDGET
	FY21/22	FY21/22	FY21/22
REVENUE:			
Admin Levy Income	174,037,500	108,122,262	211,809,762
Adjusted Administrative expenditure	(192,357,927)	(74,865,713)	(211,809,762)
Administrative Expenditure	(192,357,927)	(82,968,335)	(211,309,762)
Add back Depreciation	19,000,000	8,120,780	18,000,000
Add Additions	(19,000,000)	(18,158)	(18,500,000)
ADJUSTED NET SURPLUS/(DEFICIT)	- 18,320,426.73	33,256,549.60	0.00

The Adjusted Net Surplus/(Deficit) calculation indicates that the SETA will not exceed the 10.5% administration costs limitation for FY2021/22

Below are items with a change above 10%:

A: OVERALL REDUCTIONS IN BUDGET

The decrease of R5,7 million on areas such as bank charges, governance fees, catering, depreciation, insurance charge, internal audit fees, legal fees, printing, leases, recruitment expenses was purely due to current spend patterns indicating that annual costs will be far below current budget level. Specific elements to note are:

- Catering and refreshments (-26%) – continuous restrictions on movement and gatherings due to COVID leading to staff working from home and majority of meetings happening virtually
- Insurance charge (-22%) – no new significant asset acquisitions during the year and rates were remained same as FY2020
- Internal audit (28%) – the costs was aligned to the current internal audit plan with room for commitments audit catered for.
- Legal fees (-14%) – litigation matters related to staff members have declined
- Printing and stationery (-20%) – staff adjusted to online storage and sharing of information, thus limited use of printers and office stationery
- Rentals (-20%) – Reduction in number of printers on contract renewal.
- Recruitment expenses (-58%) – as the entity reengineers its processes, functions and duties are assessed prior to vacancies being filled.

B: PROFESSIONAL FEES & CONSULTANCY (R1.5 MILLION INCREASE - 9%)

The costs increase linked to professional fees and consultancy is driven by HRM&D request for conclusion of change management project, job evaluation and reviews.

C: EXTERNAL AUDIT FEES (R662K INCREASE - 11%)

The increase is due the audit of 3 years of commitment balances during interim audit and is final for FY2021 audit cycle. The additional costs are to cater for the planning and interim audit for the FY2022 audit cycle.

D: IT EXPENSES (R1.4 MILLION INCREASE - 13%)

The Microsoft licences costs were higher than expected due to the volatile exchange rates. This then affected the funds available for all the ICT environment requirements, also there are critical cloud-based requirements that need to effect by end of FY2022.

E: OFFICE TOOLS (R10K INCREASE - 100%)

This is an additional cost brought in as computer equipment ages. Needs for small tools to support users such as laptop chargers.

F: STAFF WELFARE (R1.1 MILLION INCREASE - 230%)

The increase was based on the need for COVID screening that happens on daily basis at all premises and increased requirements to support staff through wellness programs.

G: SUBSCRIPTION AND MEMBERSHIP FEES (R400K INCREASE - 100%)

Increase is attributable to membership costs for the Accounting Authority members at the Institute of Directors and subscription costs by Planning unit for research tools that provides statistical data of the country.

H: FRUITLESS AND WASTEFUL EXPENDITURE (R300K INCREASE - 100%)

The PFMA does not allow for entities to budget for fruitless and wasteful expenditure, however as the costs are incurred funds are reallocated from other savings to cover the expenditure. The cost incurred relates to the court settlement of an ICT project.

O: STAFF COSTS (NO CHANGE OVERALL)

The Services SETA had a work force of 259 permanent employees and eight contract employees as at 30 September 2021. There are currently vacancies that are being filled such as Senior Manager: Project Accounting and Senior Manager: ICT,

these are positions that were filled and are budgeted for. Each vacancy is assessed in line with operational requirements. As functions are being realigned the split between admin and dg salary costs is being reviewed. The movement between admin and DG was catered for the realignment of functions.

Staff Costs Breakdown			
Revised Budget	Actual YTD September 2021	Projection for FY2022	Variance
216,159,000.00	94,789,343.99	189,578,687.98	26,580,312.02

The variance will be used to cater for strategic assignments in relation to organisation design, and the optimisation of organisational structures and performance.

7.1.2.5. Discretionary Grant

In terms of the Grant Regulations, 49.5% of levy income allocated to SETAs, any unclaimed mandatory grants, administration surplus and investment income must be allocated to fund discretionary grants. The revised budget for total discretionary grant expenditure has a slightly reduced from R930 million to R886 million to cater for the steep increase (27%) in Mandatory grant claims resulting from increased revenue. This is regarded to be sufficient to cover all costs associated with the targeted APP achievements for the current year.

7.1.2.6. DG support (R56 million decrease – 21%)

The Services SETA has a misalignment in terms of 7.5% of total Discretionary grant costs being used for administration of projects. This is driven by the current structure of the organisation. One of the initiatives taken towards addressing the irregular expenditure incurred due to exceeding the 7.5% threshold was to assess elements of costs that are normally accounted for as DG support costs and identify whether they are supporting the project or actual projects linked to APP targets. The below projects were identified to meet such criteria and thus moved from DG support to DG direct:

- Research conducted
- Qualification developed for the sector
- ECD projects

The costs for the projects had previously formed part of DG professional and consultancy fees. All other reductions in other areas are due to spend patterns indicating that by March 2022 the total spend would be below budget.

DG ADMIN EXPENDITURE (7.5% LIMIT) TEST			
	BUDGET	ACTUAL @ 30 Sep 2021	REVISED BUDGET
	FY21/22	FY21/22	FY21/22
EXPENDITURE			
Total DG expenditure	929,978,384	187,464,460	863,924,775
Less: Depreciation	(25,000,000)	(9,160,792)	(22,000,000)
Adjusted Total DG expenditure	904,978,384	178,303,668	841,924,775
Calculation of 7.5% limit	67,873,379	13,372,775	63,144,358
Adjusted DG support costs			
Adjusted DG support costs	238,604,384	82,819,073	185,824,775
DG support costs	263,604,384	91,979,865	207,824,775
Less: Depreciation	(25,000,000)	(9,160,792)	(22,000,000)
IRREGULAR EXPENDITURE	170,731,005.51	69,446,297.69	122,680,417.23

The above calculation considerations are provisional, DHET to still provide guidance on consistent calculation elements for all SETAs

7.1.2.7. DG direct (R10.2 million decrease)

The movements between line items was to align with current actual spend, projected spend for the rest of the year and expected implementation of planned commencements. The overall reduction was to cater for the steep increase in Mandatory Grant expenditure.

7.1.2.8. CAPEX

The reduction in software is as a result of prioritisation of projects within the ICT environment aligned with the approved ICT strategy.

CAPITAL EXPENDITURE	Original Budget	Revised Budget	Actual	% Change		
				Year to Sep 21	Rand Value	
		Total Cost	Note		Rand Value	%
Building (incl improvements)	5,000,000	5,000,000	Server room cooling system	-	-	0%
Building Machinery - Cost	500,000	500,000	Irrigation system and generators for provincial offices	-	-	0%
Office Furniture - Cost	1,000,000	500,000	Replacement of furniture	-	(500,000)	-
Computer Equipment - Cost	5,500,000	5,500,000	Electronic equipment upgrades such as UPS, switches, laptops and other hardware requirements	18,158	-	0%
Computer Software - Cost	7,000,000	7,000,000	AX and IMS upgrades	-	-	0%
DG-Software's-Cost	30,000,000	15,000,000	Data Migration projects, Systems integration projects and LIMS enhancement	-	(15,000,000)	0%
Capital Expenditure	49,000,000	33,500,000		18,158	(15,500,000)	-32%

7.1.3. 2021/22 Revised budget versus original budget for 2022/23

7.1.3.1. Levies

The Services SETA considered that the outlook for FY2022/23 to be influenced by business closures from the pandemic and the predicted minimal economic growth in 2022. With such conditions the assumptions of a 5% reduction on revenue compared to the 2021/22 financial as employers' restriction their offering.

REVENUE	Revised Budget		BUDGET	Revised VS Budget	%
	FY21/22		FY22/23	Rand	Increase - (Decrease)
				Increase - (Decrease)	
Administration income	211,809,762	200,228,162		-11,581,600	-5%
Mandatory grants income (WSP/ATR)	403,447,166	381,386,975		-22,060,191	-5%
Discretionary grants income incl interest & penalties	998,531,736	943,932,763		-54,598,974	-5%
Total Skills Levies	1,613,788,664	1,525,547,899		-88,240,765	-5%

7.1.3.2. Administrative expenditure

The overall increase from FY2021/22 to FY2022/23 was 4% to cater to inflation. The overall expenditure increased from R192 million to R200 million.

In terms of the Grant Regulations the test for compliance with the 10.5% limitation of administration expenditure should be determined as follows:

ADMIN INCOME VERSUS ADMIN EXPENDITURE (10.5% LIMIT) TEST

	REVISED BUDGET	ORIGINAL BUDGET
	FY21/22	FY22/23
REVENUE:		
Admin Levy Income	211,809,762	200,228,162
Adjusted Administrative expenditure	(211,809,762)	(200,227,989)
Administrative Expenditure	(211,309,762)	(202,427,989)
Add back Depreciation	18,000,000	18,000,000
Add Additions	(18,500,000)	(15,800,000)
ADJUSTED NET SURPLUS/(DEFICIT)	0	173

Items with changes above 10% are below:

A: EXTERNAL AUDIT FEES (R1.5 MILLION DECREASE - 23%)

There is expectation that as audit of qualification areas reduces during the FY2022 audit cycle, there will be a decline in audit fees for the future audit cycle.

B: INSURANCE CHARGE (R500K INCREASE - 14%)

The increase is due to expected acquisition of electronic hardware required by ICT for the implementation of its strategy and BCP.

C: PRINTING AND STATIONERY (R2.4 MILLION INCREASE - 117%)

The records management project in the digitisation of all manual records of the Services SETA.

D: RENTAL EXPENSES (R600K DECREASE - 38%)

Services SETA to move into its Nelspruit offices and new Printing National Treasury transversal contract has significant savings as compared to prior contract.

E: SECURITY AND STORAGE COSTS (R1.1 MILLION INCREASE - 17%)

The records management project in the digitisation of all

manual records of the Services SETA.

F: TRAINING AND DEVELOPMENT (R1.3 MILLION INCREASE - 59%)

The current submissions for bursaries and training needs indicated a need for additional funds in order for the organisational to adequately support its staff complement.

G: TRAVEL AND ACCOMMODATION (R353K INCREASE -32%)

The increase is to cater for expected movement by staff members in the support of organisational activities.

H: QCTO (R2.4 MILLION INCREASE - 31%)

The amount provided by the department for the 2022/23 financial had taken the return to align to COVID effects on revenue.

I: STAFF COSTS (REDUCTION IN REVENUE EFFECT)

It is anticipated that the current budget amounts for FY2021/22 will cater for all the needs of the organisation in FY2022/23 such as annual salary increases, thus no increase was affected. The functions allocation will be evaluated on an annual basis as vacancies are filled. The strategic assignments in relation to organisation design, and the optimisation of organisational structures and performance will continue into 2023.

STAFF COSTS BREAKDOWN

Revised Budget	Original Budget	Variance	Comment
FY2021/22	FY2022/23		
216,159,000.00	204,529,252.00	- 11,629,748.00	Reduction is due to the projected reduction in admin revenue for FY2022/23

7.1.3.3. Discretionary Grant

In terms of the Grant Regulations, 49.5% of levy income allocated to SETAs, any unclaimed mandatory grants, administration surplus and investment income must be allocated to fund discretionary grants. The budget for total discretionary grant expenditure amounts to R1.1 billion with

a 32% increase from FY2021/22 based on expectation of a full year of operation and expenditure on projects that will overlap from FY2021/22. This comprises of Direct Discretionary grants of R931 million and DG support amounting to R205 million.

7.1.3.4. Discretionary grant support expenditure

Overall, a 1% decrease was applied on costs in comparison to revised 2021/22 budget, which is mainly attributable to deduction in professional and consultancy costs and

reallocation from DG support the admin of the digitisation of the manual records of Services SETA. The reductions in DG support costs will also assist in reducing irregular expenditure costs linked to the 7.5% limit on DG support costs, depicted below.

DG ADMIN EXPENDITURE (7.5% LIMIT) TEST			
	REVISED BUDGET	ORIGINAL BUDGET	
	FY21/22	FY22/23	
EXPENDITURE			
Total DG expenditure	863,924,775	1,133,209,146	
Less: depreciation	(22,000,000)	(23,000,000)	
Adjusted Total DG expenditure	841,924,775	1,110,209,146	
Calculation of 7.5% limit	63,144,358	83,265,686	
IRREGULAR EXPENDITURE			
Adjusted DG support costs	185,824,775	181,770,000	
DG support costs	207,824,775	204,770,000	
Less: depreciation	(22,000,000)	(23,000,000)	
	122,680,417	98,504,314	

The above calculation considerations are provisional, DHET to still provide guidance on consistent calculation elements for all SETAs

These will be covered by the approved retention of FY2020/21 surpluses (R382 million) and expected FY2021/22 surpluses (R354 million).

7.1.3.5. Discretionary Grant direct

The targets that have been set in the APP have driven the costing for projects. A DG deficit of R169 million is projected and an overall breakeven performance for the organisation.

7.1.3.6. Mandatory Grants

The budget for mandatory grants disbursements has remained constant at R210 million for FY2022/23. The base on the projected revenue and expected claim rate of 55%.

7.1.3.7. CAPEX

CAPITAL EXPENDITURE			
	REVISED BUDGET	ORIGINAL BUDGET	Comment
	FY21/22		
Building (incl improvements)	5,000,000	-	Server room air-conditions and fire system deployment
Vehicles	-	-	
Building Machinery - Cost	500,000	800,000	Irrigation system and generators for provincial offices
Office Furniture - Cost	500,000	-	Replacement of all old furniture and fittings
Office Equipment - Cost	-	-	
Computer Equipment - Cost	5,500,000	3,000,000	Laptops, Hpe Data Center & Network Equipment Replacement, UPS, Trend Micro Enterprise Information Security Hardware
Computer Software - Cost	7,000,000	12,000,000	AX upgrade, IMS enhancements, Visitors Management System, Microsoft CRM Implementation
Computer Networks - Cost	-	-	
DG- Computer equipment - Cost	-	10,000,000	Transformation: Digital Services Hub for Provincial Offices
DG-Software's-Cost	15,000,000	25,000,000	Migration of legacy data and enhancement of LIMS, Integration IMS, Performance management system
	33,500,000	50,800,000	

7.1.3.8. Conclusion

With the many uncertainties that are taken into consideration of the FY2021/22 revision and FY2022/23 budget, the Services SETA will continue to monitor spend against budget and should a need arise for amendments this will be timeously communicated to the department.

7.2. BUDGET OUTLINE

Table 14. Services SETA Medium-Term Expenditure Framework

INCOME AND EXPENDITURE ESTIMATES FOR THE PERIOD 2021/22 - 2026/27									
Income by economic classification	Income outcome			Budget (Original)		Adjusted Appropriation		Medium-term income estimate	
	2018/19	2019/20	2020/21	2021/22	2021/22	2021/22	2022/23	2023/24	2024/25
R'000									
Levies Received	R1 601 845	R1 643 547	R1 010 643	R1 326 000	R1 613 789	R1 571 314	R1 525 548	R1 571 314	R1 571 314
Levies Received: Administration 10.5%	R209 986	R216 021	R132 628	R174 038	R211 810	R206 235	R200 228	R206 235	R206 235
Levies Received: Employer Grants 20%	R397 523	R411 200	R253 986	R331 500	R403 447	R392 829	R381 387	R392 829	R392 829
Levies Received: Discretionary Grants 49.5%	R994 337	R1 016 327	R624 029	R820 462	R998 532	R972 251	R943 933	R972 251	R972 251
Other Income	R143 547	R102 973	R77 943	R15 087	R22 058	R18 000	R19 852	R18 000	R18 000
Penalties and Interest on Levies	R47 442	R45 594	R44 491	-	-	-	-	-	-
Investment Income	R52 438	R20 680	R13 788	R15 087	R22 058	R18 000	R19 852	R18 000	R18 000
Other Income	R43 667	R36 698	R19 664	R0	R0	R0	R0	R0	R0
TOTAL INCOME	R1 745 392	R1 746 520	R1 088 586	R1 341 087	R1 635 847	R1 589 314	R1 545 400	R1 589 314	R1 589 314

All programmes by economic classification	Expenditure outcome				Budget (Original)			Adjusted Appropriation			Medium-term expenditure estimate		
	2018/19	2019/20	2020/21	2021/22	2021/22	2021/22	2021/22	2022/23	2023/24	2024/25			
R'000	R247 516	R215 487	R144 114	R192 358	R211 310	R200 228	R205 379	R206 130					
Administrative expenses													
Compensation of employees	R54 618	R65 307	R60 423	R69 657	R88 661	R77 029	R80 000	R80 000					
Goods and services of which:	R192 898	R150 180	R83 691	R122 701	R122 649	R123 199	R125 379	R126 130					
Advertising	R20 300	R2 460	R1 943	R3 000	R3 000	R3 000	R3 000	R3 000					
Audit Fees	R6 809	R6 011	R4 507	R9 992	R9 500	R8 000	R7 000	R7 000					
Communication	R2 725	R4 698	R8 591	R9 500	R9 500	R9 500	R9 500	R9 500					
Computer services	R10 104	R9 338	R7 816	R10 600	R12 000	R12 500	R12 000	R12 000					
Consultants, contractors, and special services	R56 154	R29 356	R17 140	R21 570	R22 920	R21 875	R22 000	R22 000					
Governance Fees	R7 195	R10 349	R8 843	R9 000	R9 000	R9 000	R9 000	R9 000					
Maintenance repair and running cost	R18 734	R23 320	R16 804	R25 443	R23 272	R25 893	R26 929	R27 922					
Depreciation & Impairment	R16 119	R27 313	R33 502	R19 000	R18 000	R18 000	R18 000	R18 000					
Less: Depreciation & Impairment	-R16 119	-R27 313	-R33 502	-R19 000	-R18 000	-R18 000	-R18 000	-R18 000					
Less Capital Expenditure	R46 158	R43 434	R3 602	R19 000	R18 500	R15 800	R17 000	R16 000					
Travel and subsistence and venue hire	R4 869	R3 475	R219	R1 947	R1 628	R1 650	R1 716	R1 785					
Staff training, recruitment, assistance and welfare	R5 441	R3 662	R2 062	R2 820	R3 900	R4 750	R4 940	R5 138					
QCTO	R10 590	R10 964	R11 446	R7 829	R7 829	R10 231	R11 254	R11 704					
Rental	R3 819	R3 113	R718	R2 000	R1 600	R1 000	R1 040	R1 082					
Mandatory Grants - Transfers and subsidies to:	R192 649	R211 914	R132 342	R165 750	R209 793	R209 763	R216 056	R216 056					
Provinces													
Agencies and accounts													
Universities and Technikons													
Public corporations and private enterprises	R192 649	R211 914	R132 342	R165 750	R209 793	R209 763	R216 056	R216 056					
Foreign governments and international organisations	-	-	-	-	-	-	-	-					
Non-profit institutions	-	-	-	-	-	-	-	-					
Households	-	-	-	-	-	-	-	-					
Discretionary Grants - Transfers and subsidies to:	R2 073 462	R1 283 981	R475 345	R929 978	R863 924	R1 133 209	R1 166 880	R1 167 129					
Provinces	-	-	-	-	-	-	-	-					
Agencies and accounts	-	-	-	-	-	-	-	-					
Universities and Technikons	-	-	-	-	-	-	-	-					

All programmes by economic classification	Expenditure outcome		Budget (Original)		Adjusted Appropriation		Medium-term expenditure estimate		
	2018/19	2019/20	2020/21	2021/22	2021/22	2021/22	2022/23	2023/24	2024/25
R'000									
Public corporations and private enterprises	R2 073 462	R1 283 981	R475 345	R929 978	R863 924	R1 133 209	R1 166 880	R1 167 129	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Total expenditure (Excluding CAPEX)	R2 513 627	R1 711 383	R751 801	R1 288 086	R1 285 027	R1 543 200	R1 588 315	R1 589 315	
Adjusted Net surplus (deficit) - Cash Basis	-R768 235	R35 138	R336 785	R53 001	R350 820	R2 200	R1 000	R0	
Adjusted Net surplus (deficit) - Accrual	-R738 196	R51 259	R306 885	R53 001	R350 820	R0	R0	R2 000	

Note 1 National Treasury approved the Services SETA application to accumulate surpluses. The deficit arises as a result of disbursements of prior year's commitments to utilise the accumulated surpluses

Payments for capital assets: R'000	2018/19		2019/20		2020/21		2021/22		2021/22		2022/23		2023/24		2024/25	
	Buildings and other fixed structures	R 64 127	R 8 976	R 671	R 5 000	R 5 000	R 5 000	R 5 000	R 5 000	R 5 000	R 5 000	R 0	R 1 500	R 1 500	R 500	R 500
Machinery and equipment	R 11 913	R 2 597	-	R 1 500	R 1 500	R 1 000	R 1 000	R 1 000	R 1 000	R 1 000	R 800	R 500	R 500	R 3 000	R 3 000	
Computer equipment	R 8 854	R 2 695	R 280	R 5 500	R 5 500	R 5 500	R 5 500	R 5 500	R 5 500	R 5 500	R 3 000	R 3 000	R 3 000	R 12 000	R 12 000	
Software and other intangible assets	R 31 826	R 29 168	R 2 651	R 7 000	R 7 000	R 7 000	R 7 000	R 7 000	R 7 000	R 7 000	R 12 000	R 12 000	R 12 000	R 25 000	R 25 000	
DG software	-	-	R 681	R 30 000	R 30 000	R 15 000	R 15 000	R 15 000	R 15 000	R 15 000	-	-	-	-	-	
Motor vehicle	R 6 977	R 0	R 0	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL CAPITAL EXPENDITURE	R 123 697	R 43 437	R 4 283	R 49 000	R 49 000	R 33 500	R 33 500	R 33 500	R 33 500	R 33 500	R 50 800	R 42 000	R 42 000	R 16 000	R 16 000	

Note: Services SETA applies the accrual basis of accounting and assets are written off through depreciation which is a budgeted expense

Expenditure by Programmes	Expenditure outcome		Budget (Original)		Adjusted Appropriation		Medium-term expenditure estimate		
	2018/19	2019/20	2020/21	2021/22	2021/22	2021/22	2022/23	2023/24	2024/25
R'000									
1. Administration	R 217 477	R 199 366	R 174 014	R 192,358	R 211,309	R 200,228	R 205,379	R 206,130	
2. Skills Planning	R 256 179	R 77 419	R 46 474	R 100,835	R 112,035	R 126,100	R 107,500	R 107,500	
3. Learning Programmes	R 2 009 932	R 1 416 500	R 559 376	R 988,913	R 955,772	R 1,200,302	R 1,258,236	R 1,258,592	
4. Quality Management	R 0	R 1 976	R 1 975	R 5,980	R 5,910	R 16,570	R 17,200	R 17,093	
TOTAL	R 2 454 803	R 1 667 584	R 778 317	R 1,288,086	R 1,285,026	R 1 543 200	R 1 588 314	R 1 589 314	

Programme 1: Administration, Budget

Expenditure by Programmes	Actual Expenditure			Budget (previous)		Adjusted Appropriation		Medium-term expenditure estimate		
	2018/19	2019/20	2020/21	2021/22	2021/22	2021/22	2021/22	2022/23	2023/24	2024/25
Board Secretariat Services	R 8 821	R 11 897	R 9 001	R 9 915	R 9 770	R 9 665	R 9 800	R 9 800	R 9 800	R 9 800
CEO	R 9 17	R 4 92	R 73	R 1 130	R 5 075	R 4 555	R 4 737	R 4 927	R 4 737	R 4 927
Communication Marketing	R 22 538	R 2 630	R 1 943	R 3 030	R 3 005	R 3 005	R 3 000	R 3 000	R 3 000	R 3 000
Compliance	R 592	R 2	R 0	R 3 505	R 5	R 5	R 5	R 5	R 5	R 5
Legal	R 24 409	R 11 030	R 3 078	R 3 525	R 3 305	R 3 000	R 3 000	R 3 000	R 3 000	R 3 000
Finance	R 40 524	R 48 792	R 54 973	R 40 092	R 37 284	R 35 946	R 38 223	R 38 079	R 38 223	R 38 079
Human Resources	R 65 067	R 72 610	R 62 361	R 73 169	R 94 285	R 83 322	R 84 655	R 88 041	R 84 655	R 88 041
Information Technology	R 34 478	R 27 748	R 27 935	R 33 245	R 34 328	R 34 710	R 36 098	R 34 542	R 36 098	R 34 542
Facilities Management	R 16 968	R 20 125	R 13 406	R 17 720	R 17 705	R 17 325	R 18 018	R 17 739	R 17 325	R 17 739
Internal Audit	R 2 773	R 2 053	R 387	R 4 159	R 3 000	R 3 000	R 3 120	R 3 245	R 3 000	R 3 245
WSP Unit	R 0	R 0	R 0	R 5	R 5	R 5	R 5	R 5	R 5	R 5
Core Business - EM Office	R 9	R 3	R 0	R 3	R 2	R 0	R 0	R 0	R 0	R 0
Transformation	-	-	-	-	R 255	R 305	R 317	R 330	R 305	R 317
ERIM	-	-	-	-	R 375	R 80	R 83	R 87	R 80	R 87
Planning	R 381	R 417	-	R 10	R 300	R 305	R 317	R 330	R 305	R 317
Records Management	R 0	R 1 567	R 857	R 2 850	R 2 610	R 5 000	R 4 000	R 3 000	R 5 000	R 4 000
TOTAL	R 217 477	R 199 366	R 74 014	R 192 358	R 211 309	R 200 228	R 205 379	R 206 130	R 205 379	R 206 130

Programme 2: Skills Planning, Budget

Expenditure by Programmes	Actual Expenditure	2018/19	2019/20	2020/21	2021/22	Budget (previous)	Adjusted Appropriation	2022/23	2023/24	2024/25	Medium-term expenditure estimate
R thousand											
Research studies	R 6 419	R 10 220	R 952	R 3 800	R 5 000	R 5,948.8					
Infrastructure development	R 98 551	R 60 613	R 9 109	R 40 000	R 50 000	R 50 000					
Strategic Partnerships	R 133 336	R 1 185	R 34 123	R 50 000	R 50 000	R 50 000					
Personnel costs	R 17 873	R 5 401	R 3 242	R 5 500	R 5 500	R 6,200					
Other DG Support costs				R 1,535	R 1,535	R 1,300					
TOTAL	R 256 179	R 77 419	R 46 474	R 100 835	R 112 875	R 107 500	R 126 100	R 107 500	R 107 500	R 107 500	R 107 500

Programme 3: Learning Programmes, Budget

Expenditure by Programmes	Actual Expenditure	2018/19	2019/20	2020/21	2021/22	Budget (previous)	Adjusted Appropriation	2022/23	2023/24	2024/25	Medium-term expenditure estimate
R thousand											
Enterprise development	R 0	R 0	R 0	R 10 601	R 5 500	R 7 500					
Learning Intervention	R 1 071 965	R 650 936	R 137 720	R 336 374	R 301 100	R 565 560					
Artisan Development	R 189 081	R 238 344	R 125 808	R 160 000	R 160 000	R 230 000					
Mandatory Grants	R 192 649	R 211 914	R 132 342	R 165 750	R 209 793	R 216 056					
Bursary Management	R 90 215	R 75 566	R 0	R 80 000	R 80 000	R 80 000					
Personnel costs				R 90,615	R 90,615	R 92,000					
Other DG support costs	R 466 022	R 239 740	R 163 506	R 145,573	R 108,764	R 57,476					
TOTAL	R 2 009 932	R 1 416 500	R 559 376	R 988,913	R 955,772	R 1,258,592	R 1,200,302	R 1,258,236	R 1,258,592	R 1,258,592	R 1,258,592

Programme 4: Quality Management, Budget

Expenditure by Programmes	Actual Expenditure	2018/19	2019/20	2020/21	2021/22	Budget (previous)	Adjusted Appropriation	2022/23	2023/24	2024/25	Medium-term expenditure estimate
R thousand											
Qualification development	R 0	R 1 838	R 1 837	R 4 500	R 4 500	R 15 413					
Personnel costs	-	-	-	R 1,360	R 1,360	R 1,600					
Other DG support costs	R 0	R 138	R 138	R 120	R 50	R 100					
TOTAL	R 0	R 1 976	R 1 975	R 5,980	R 5,910	R 17,093	R 16,570	R 17,200	R 17,093	R 17,093	R 17,093

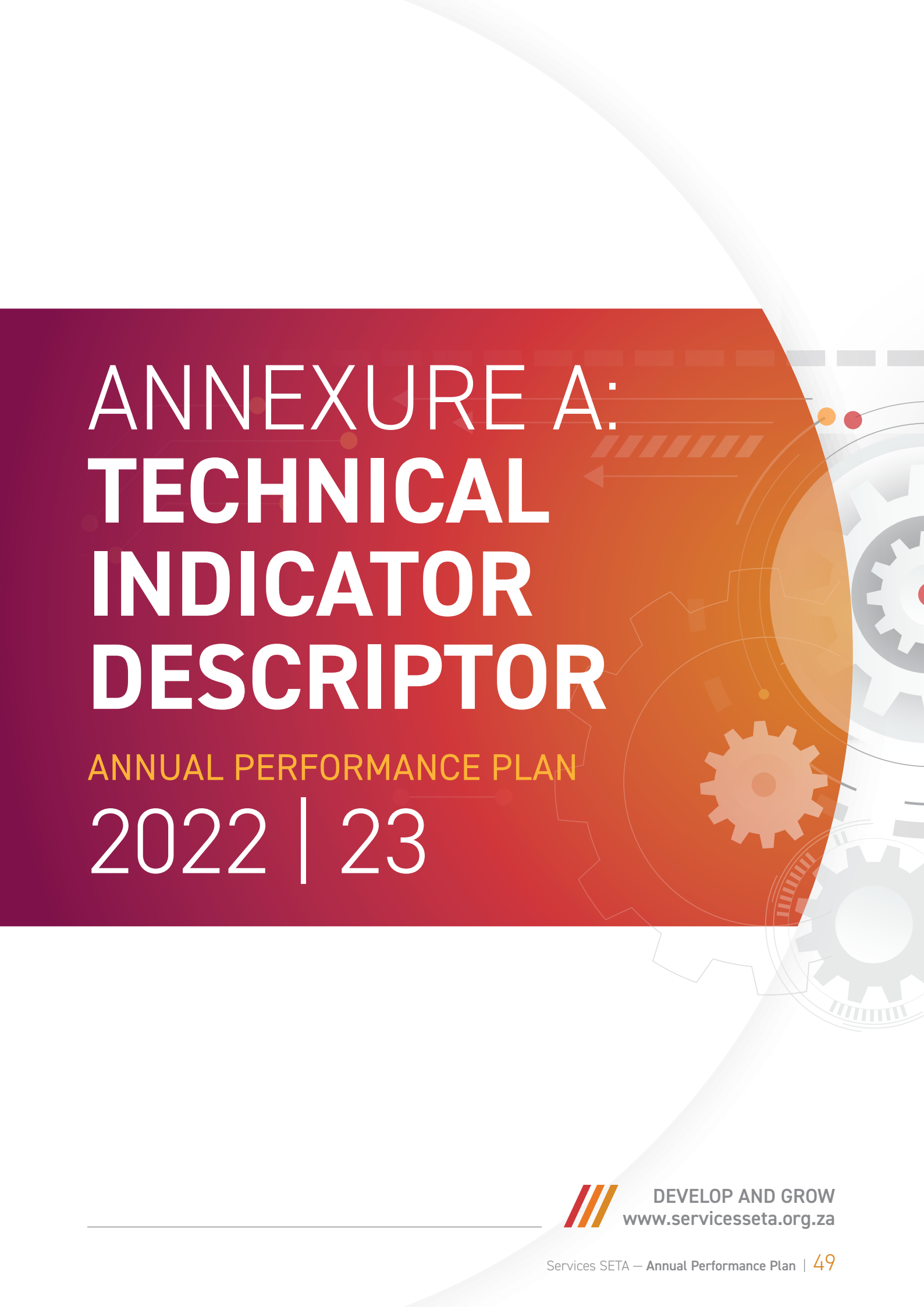
8. KEY RISKS

Table 15. Key Risks and Mitigation Strategies

Outcome	Risk	Mitigation
1. <i>Enhanced organisational capabilities to deliver the strategy (NSDP)</i>	<ul style="list-style-type: none"> Miss statement of financials leading to unfavourable audit outcome. Inability to accurately upload learner and performance data, leading to rejections from the NLRD (SAQA) BUSA judgement requiring SETAs to reimburse employers 50% in levies payment after successful submission of WSP/ATR Threats emerging from potential cyber security breaches that may lead Services Seta compromising its data and information assets Systems design does not support business requirements 	<ul style="list-style-type: none"> Establish effective internal control processes. Quarterly AFS prepared in line with year-end requirements Establish task team to clean up and assist with the data migration from Oracle to LMIS. Budget aligned with the increase of the liability of the MG grants from 20% to 50% Cyber security awareness campaigns Restricted use of removable media devices- Encryption of end points External and internal firewalls Anti-virus with complete protection features Devices and network monitoring tools Vulnerability assessments and penetration test tools Daily incremental and weekly full backups Effective monitoring of the ICT implementation plan by both ICT Management and Exco
2. <i>Enhanced mechanism for effective skills planning through collaborative research and partnerships</i>	<ul style="list-style-type: none"> Inability to meet key Stakeholders needs and implementation of our Discretionary Grants commitments Lack of structured and timely communication to influence public opinion. 	<ul style="list-style-type: none"> Analysis of priorities for commencing implementation of DG grant windows Alignment in place with ERRP and scarce and hard to fill skills Stakeholder communication system Functional Stakeholder Relationship Management system
3. <i>Promote access to technical and professional skills for employment and entrepreneurship across the service sector</i>	<ul style="list-style-type: none"> Non-completion of learners in the learning programmes 	<ul style="list-style-type: none"> Simplification of the process Verified learner registration documentation Decentralisation to provincial offices
4. <i>Enhanced Quality Assurance efficiencies to execute QCTO delegated functions</i>	<ul style="list-style-type: none"> Inability to speedily develop new occupational qualifications/ re-align legacy qualifications into occupational qualifications 	<ul style="list-style-type: none"> Engage regularly with stakeholders Awareness campaign of Services SETA qualifications. Capacitation of quality assessment partners

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ANNEXURE A: TECHNICAL INDICATOR DESCRIPTOR

ANNUAL PERFORMANCE PLAN

2022 | 23



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PROGRAMME: ADMINISTRATION

OUTPUT 1: ENHANCED ORGANISATIONAL CAPABILITIES TO DELIVER THE STRATEGY (NSDP)

SUB-PROGRAMME: FINANCE

COMPONENTS	DESCRIPTIONS
Indicator title	1.1.1 No material findings on financial statements and performance information
Definition	<p>This indicator refers to the Services SETA's compliance with its approved financial policies and practices including applicable legislations; its ability to continually improve and reinforce compliance and its ability to plan and report performance that is measurable and reliable. Outcome of the indicator to be measured in line with the outcome of the audit on the quality of Annual Financial Statements and Annual Performance Report.</p> <p>"Outcome of audit" refers to the Auditor General South Africa (AGSA) concluding that the Services SETA's financial statements and annual performance report are free from material misstatements (in other words, a clean audit opinion) and comply with applicable legislation.</p> <p>"Misstatements" refer to incorrect or omitted information in the financial statements and annual performance report.</p> <p>"Performance Information" refers to information relating to organisational targets for a given year as contained in the Annual Performance Plan</p> <p>"Performance Information" refers to information relating to organisational targets for a given year as contained in the Annual Performance Plan</p>
Source of data	AGSA audit report supported by Services SETA's Annual Financial Statements and Annual Performance Report
Method of calculation/ Assessment	Outcome of the audit
Means of verification	Audit Report by AGSA
Assumptions	<ul style="list-style-type: none"> • There is a strong adherence to PFMA and financial regulations at the Services SETA. • There is adherence to National Treasury and DPME reporting requirements for performance information
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Non-Cumulative
Reporting cycle	Annually
Desired performance	Unqualified
Indicator responsibility	Chief Financial Officer Executive Manager: Strategy & Planning

SUB-PROGRAMME: HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

COMPONENTS	DESCRIPTIONS
Indicator title	1.2.1. Percentage occupancy maintained
Definition	Percentage of filled positions in the organisation relative to the total number of approved funded positions on the organisational organogram The Services SETA uses the data from this indicator: <ul style="list-style-type: none"> to measure the level of filled positions against the approved funded organogram; as an output measure in calculating the efficiency and effectiveness of the Services SETA
Source of data	<ul style="list-style-type: none"> The Services SETA Organogram serves as a base source for all approved and funded positions. Placement report for filled positions
Method of calculation	Total Number of Filled Funded Positions / Total Number of Funded Positions as per the Organogram; multiply by a hundred
Means of verification/ Assessment	<ul style="list-style-type: none"> Approved organogram Approved recruitment plan HR report on the implementation of the recruitment plan
Assumptions	Unapproved organogram Lack of clarity regarding funded and unfunded positions on the organogram
Disaggregation of beneficiaries	<ul style="list-style-type: none"> Women – 70% People with disability – 2%
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	70%
Indicator responsibility	Executive Manager: Corporate Services

SUB-PROGRAMME: INFORMATION AND COMMUNICATION TECHNOLOGY

COMPONENTS	DESCRIPTIONS
Indicator title	1.3.1. Percentage achievement against prioritised ICT implementation plan
Definition	This indicator tests the Services SETA's ability to strengthen the Services SETA capability to provide ICT services in an integrated, efficient and innovative enabling environment leading to improved organisational efficiency and performance. <p>"Business Plans" refers to ICT strategy implementation plan as approved by ICT Steering Committee. "Achievement against plans" refers to successful implementation of the ICT projects that supports business performance</p>
Source of data	List of approved plans/projects from Information and Communication Technology Department
Method of calculation	Number of implemented approved departmental plans / total number of approved departmental plans * 100
Means of verification/ Assessment	<ul style="list-style-type: none"> Approved implementation plans Reports on ICT plans/projects implemented
Assumptions	ICT strategy implementation plan not aligned with Services SETA business needs to achieve strategic objectives
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	70%
Indicator Responsibility	Executive Manager: Corporate Services

SUB-PROGRAMME: MARKETING AND COMMUNICATIONS

COMPONENTS	DESCRIPTIONS
Indicator title	1.4.1. Stakeholder satisfaction rating score
Definition	<p>This indicator measures the quality of support provided to key subsector stakeholders through capacity development; information sharing; customer service and technical support. The indicator also measures consultation with stakeholders on any policy and process development that will improve the SETA's service delivery to its subsector stakeholders. The outcome of the engagement contributes towards addressing key material issues that have a direct or indirect impact on the Services SETA's ability to create, preserve economic, social or environmental value for itself and its stakeholders.</p> <p>"Stakeholders" refers to levy paying and non-levy paying employers that do business within the scope of the Services SETA; training providers doing business in the services sector; government departments within the scope of the Services SETA; Associations, Professional Bodies, Community of Expert Practitioners; as well as Trade Unions, CBOs and NGO's that are active in the services sector, and others. A stakeholder is any individual or group that affects or is affected by the activities of the organisation. The Services SETA will prioritise and invest time in stakeholders identified as part of key material issues.</p> <p>"Satisfaction rating score" refers to score as per survey report. Survey to be conducted considering research methodologies aligned with stakeholder relationship management strategy/framework objectives.</p>
Source of data	<ul style="list-style-type: none"> Stakeholder relationship management strategy/framework Stakeholder relationship management survey report
Method of calculation	Stakeholder relationship management survey report outcome: ratingscore
Means of verification/ Assessment	Stakeholder relationship management survey report
Assumptions	There is sufficient participation by Services SETA stakeholders and key partners
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-Cumulative
Reporting cycle	Annually
Desired performance	Satisfaction rating score 65%
Indicator responsibility	Executive Manager: Corporate Services

SUB-PROGRAMME: ORGANISATIONAL COMPLIANCE

COMPONENTS	DESCRIPTIONS
Indicator title	1.5.1. Percentage of audit and compliance action plans actioned
Definition	<p>This indicator refers to the extent to which the Services SETA complies with both the audit and compliance action plans to ensure good governance, and clean audit ultimately.</p> <p>"Percentage of audit and compliance action plans": refers to the proportion of the number of audit and compliance action plans implemented by the Services SETA in line with the audit reports and applicable laws and regulations.</p> <p>"Audit Action plans": refers to remedial actions plans developed by management to systematically address findings by internal and or external auditors. Responsible managers must demonstrate that actions have been taken towards resolving audit findings identified.</p> <p>"Status of Action": based on the activities that have been put in place to mitigate the audit findings and the progress thereof</p>
Source of data	Audit and compliance action plans
Method of calculation	Number of audit action plans actioned / total number of compliance action plans developed * 100
Means of verification/ Assessment	<ul style="list-style-type: none"> Services SETA organizational compliance monitoring framework Audit tracker
Assumptions	There is a strong culture of compliance within the organisation
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	100%
Indicator Responsibility	Office of the CEO

SUB-PROGRAMME: ENTERPRISE-WIDE RISK MANAGEMENT

COMPONENTS	DESCRIPTIONS
Indicator title	1.6.1. Percentage of risk action plans actioned
Definition	<p>This indicator tests the ability of the Services SETA to proactively identify risks, develop and implement solutions to mitigate the impact of these risks.</p> <p>“Risk action plans” refers to the Services SETA mitigation plan developed and interacted to manage risks.</p> <p>“Action plans actioned”: the process of executing risk mitigation actions as outlined in the action plans. Risk mitigation progress monitors the continuous process of tracking all identified risks, identifying new risks, and evaluating risk process effectiveness throughout the organisation’s programmes</p>
Source data	List of risk action plans
Method of Calculation	Number of risk action plans actioned / total number of risk action plans developed * 100
Means of verification/ Assessment	Register of Services SETA action plans – the update of the tasks against the risk
Assumptions	Approved risk register is in place and is monitored quarterly
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	100%
Indicator responsibility	Office of the CEO

SUB-PROGRAMME: BOARD SECRETARIAT

COMPONENTS	DESCRIPTIONS
Indicator title	1.7.1. Quarterly Good Governance report
Definition	<p>This indicator refers to a quarterly report prepared by the Board Secretariat on the activities of the Board to promote good governance as defined in King IV.</p> <p>“Good governance report” refers to a quarterly report issued by the Board Secretariat and submitted to DHET</p>
Data source	Reports from the Board Secretariat
Method of Calculation	As simple count of the number of reports submitted quarterly
Means of verification/ Assessment	SETA Good Governance report
Assumptions	The Services SETA Accounting Authority meets as per calendar schedule
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	4 reports
Indicator responsibility	Board Secretariat Office of the CEO

PROGRAMME: SKILLS PLANNING

OUTCOME 2: ENHANCED MECHANISM FOR EFFECTIVE SKILLS PLANNING THROUGH COLLABORATIVE RESEARCH AND PARTNERSHIPS

SUB-PROGRAMME: PLANNING

COMPONENTS	DESCRIPTIONS
Indicator title	2.1.1. Evidence-based SSP, SP and APP
Definition	<p>This indicator measures the Services SETA's ability continuously monitor and conduct outcome/impact evaluations of its learning interventions, and forward recommendations to decisions-makers for quality improvements.</p> <p>"SSP": refers to a comprehensive document that outlines the skills demand and supply factors resulting in the skills gaps that exist in a sector.</p> <p>"SP": refers to a legislated document used to communicate the organisation's goals, over a 5-year period, and the actions needed to achieve those goals.</p> <p>"APP": refers to a legislated document that outlines the performance indicators and targets that the institution will seek to achieve within a financial year.</p> <p>"Evidence based": refers to approved planning documents – by the Executive Authority – that are based on consultation with the Services SETA management and Accounting Authority and are informed by research.</p>
Data source	Letter of approval for SSP, SP and APP from DHET
Method of Calculation	Approved SSP, SP and APP
Means of verification/ Assessment	<ul style="list-style-type: none"> • Consultation registers for management and board • Workshop invites, agenda and presentation • Research reports • Letter of approval from DHET
Assumptions	Management and the Accounting Authority members are able to attend planning sessions
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired Performance	Approved SSP, SP and APP
Indicator Responsibility	Executive Manager: Strategy & Planning

COMPONENTS	DESCRIPTIONS
Indicator title	2.2.1. Number of sector research agreements signed for TVET growth occupationally directed programmes
Definition	<p>Research agreements refers to an agreement between the Services SETA and a TVET College to jointly conduct a research study to inform occupationally directed programmes.</p> <p>"Occupationally directed programmes" are learning programmes or qualifications that consists of three learning elements: (i) theory, (ii) practical and (iii) workplace learning, and are offered at TVET Colleges</p>
Data source	Signed MOU with the TVET
Method of Calculation	A research report on occupationally directed programmes conducted by Services SETA and a TVET Colleges
Means of verification/Assessment	<ul style="list-style-type: none"> • Research report • MOA between the Services SETA and a TVET College

COMPONENTS	DESCRIPTIONS
Assumptions	TVET Colleges have the capacity and interest to embark on research in occupationally directed qualifications
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired Performance	2
Indicator Responsibility	Executive Manager: Strategy & Planning

COMPONENTS	DESCRIPTIONS
Indicator title	2.2.2. Number of learners in employment (Internships, Skills programmes, Bursaries, Learnerships completed)
Definition	This indicator refers to the number of unemployed learners who found employment after completing a learning intervention at the Services SETA within one year. These include: <ul style="list-style-type: none"> • Internships, • Skill Programme, • Bursaries, • Learnerships • Artisan
Data source	A tracer study report/s
Method of calculation	A sample-based calculation, used as the methodology of the Learner Tracer study, identifying the number of unemployed learners who found employment upon completing a learning intervention funded by the Services SETA
Means of verification/ Assessment	<ul style="list-style-type: none"> • Number of employed learners as contained in the tracer study report • Tracer study report
Assumptions	The prevailing economic conditions make it difficult for new entrants to enter the labour market as evidenced by the high graduate unemployment rate.
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	2 000
Indicator Responsibility	Executive Manager: Strategy & Planning

COMPONENTS	DESCRIPTIONS
Indicator title	2.2.3. Percentage of discretionary grants allocated at different skills levels
Definition	This indicator measures the extent to which the Services SETA allocates funding for elementary, intermediate and higher levels. The NSDP places a greater emphasis on higher levels of training to promote transformation and stimulate economic growth "Elementary skills level" refers to NQF levels 1-3 as defined by SAQA "Intermediate skills level" refers to NQF levels 4-6 as defined by SAQA "Higher skills level" refers to NQF level 7-10 as defined by SAQA
Data source	Database generated by LIPC Department
Method of Calculation	Total amount of spend on learning interventions divided by the amount spend on higher level of training multiply by one hundred
Means of verification/ Assessment	<ul style="list-style-type: none"> • Commitment schedule • Learner contracts • Letters of award
Assumptions	The Services SETA has sufficient qualifications at higher level and accredited training providers to train at higher level
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired Performance	Higher level – 30% Intermediate level – 30% Elementary – 40%
Indicator Responsibility	Executive Manager: Core Business Executive Manager: Strategy & Planning

SUB-PROGRAMME 2.3: MANDATORY GRANT

COMPONENTS	DESCRIPTIONS
Indicator title	2.3.1. Number of WSPs and ATRs approved
Definition	<p>This indicator refers to the total number of employers that submitted a Workplace Skills Plan (WSP) and Annual Training Report (ATR).</p> <p>“Employers” includes levy paying and non-levy paying employers</p> <p>“Levy paying employers”: Employers with SIC code demarcated under the scope of the Services SETA paying the 1% skills levy legislated by the SDLA to the Services SETA through SARS</p> <p>“Non-Levy paying employers”: employers exempted to contribute SDL as per the SDA and SDLA.</p> <p>Classification of disaggregation</p> <p>“Small employer”: Employers with 0 to 49 employees</p> <p>“Medium employer”: Employers with 50 to 249 employees</p> <p>“Large employer”: Employers with 250 employees and above</p> <p>“Submitting”: refers to applications delivered by hand or registered post or transmitted communication by electronic mechanism of which the recipient can print the communication. Employers are required to submit applications on or before the 30 April as per SETA Grant Regulations published 2 December 2012, regulations further provide for an extension of up to a maximum of one month from the due date subject to written request and Accounting Authority approval. For first year submissions employers are to submit the WSP thereafter all subsequent years the submission of both a WSP and ATR are required for compliance, only the later meet the requirements for reimbursement.</p> <p>“Workplace Skills Plan (WSP)”: is a legislated template in terms of the SDA regulation allowing employers to provide statistical data on the range of skills development interventions planned to address those needs</p> <p>“Annual Training Report (ATR)”: is a legislated template in terms of the SDA regulation allowing employers to provide statistical data on the range of skills development interventions implemented in the current skills year.</p> <p>“Approved”: The submission meets the requirements set out in the Mandatory Grant policy for reimbursement in line with the Grants Regulations.</p>
Data source	Compiled list of employers that have submitted WSP/ATRs
Method of calculation	The sum of employers that have submitted within the reporting period
Means of verification/ Assessment	<ul style="list-style-type: none"> • A list of employers that submitted WSP/ATRs • The applications submitted by the employer (WSP/ATR)
Assumptions	The act provides incentive for employers to invest in skills development. Employers submit their application in aim of recovering funds invested in skills development. Their eligibility to claim will thus incentivise their submission. The more complex the requirement the lower the likelihood that small employers would submit.
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	<ul style="list-style-type: none"> • Small – 2 513 • Medium – 776 • Large – 563
Indicator responsibility	Executive Manager: Core Business

COMPONENTS	DESCRIPTIONS
Indicator title	2.3.2. Number of SETA-Employer partnerships established
Definition	<p>This indicator refers to employers who have entered into partnerships with the Services SETA for the purpose of skills development.</p> <p>“Partnerships” refers to a formal agreement between the Services SETA and one or more entities</p> <p>Partnership can take the form grants award or placement of learners</p>
Data source	List of SETA-employer partnerships
Method of calculation	A simple count of employers that have formed partnership with the Services SETA
Means of verification/ Assessment	Memorandum of agreement Letter of award/Offer Letter
Assumptions	Employers are willing and able to form partnership with the Services SETA
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	50
Indicator responsibility	Executive Manager: Strategic Partnerships and Collaboration

SUB-PROGRAMME 2.4: STRATEGIC PARTNERSHIPS

COMPONENTS	DESCRIPTIONS
Indicator title	2.4.1. Number of Career Development Practitioners trained
Definition	<p>This indicator refers to the number of career development practitioners in schools, TVET Colleges and CET Colleges and/or any civil based organisations who are trained by the Services SETA-funded interventions on career development. The qualification obtained by the practitioner will either be credit bearing or non-credit bearing short course.</p> <p>“Career Development Practitioners” refers to those practitioners who provide services that help people manage their careers, make occupational and study decisions, plan career transitions and find career information.</p> <p>“Credit bearing short course” is a type of short learning programme for which credits, in relation to the course’s contribution to a unit standard and/or part qualification, are awarded</p> <p>“Non-credit bearing short course” is a type of short learning programme for which no credits are awarded in relation to unit standards or qualifications depending on the purpose and or assessments of the programme.</p>
Data source	List generated from career development sessions
Method of calculation	A simple count of the number of career practitioners trained as a result of Services SETA intervention
Means of verification/ Assessment	<p>Credit Bearing Course Enrolment</p> <ul style="list-style-type: none"> • Learner enrolment form/ Learner Agreement • Certified ID copy • Practitioner’s Proof of employment • Proof of address • Signed POPI declaration • Certificates/ Statement of Results <p>Non-Credit Bearing Course Enrolment</p> <ul style="list-style-type: none"> • Learner enrolments form/ Learner Agreement • Certified ID copy • Practitioner’s Proof of employment
Assumptions	Participants are willing to participate in the programme
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired Performance	40
Indicator Responsibility	Executive Manager: Strategic Partnership and Collaboration

COMPONENTS	DESCRIPTIONS
Indicator title	2.4.2. Number of career exhibitions
Definition	<p>This indicator measures the number of career guidance events supported/initiated by the Services SETA provincial offices, in urban and rural areas, in pursuit of promoting sector qualifications and provide career and vocational guidance.</p> <p>“Number of career guidance events”: the number career guidance expos or exhibitions or any structured sessions where information on career and vocational guidance is shared with learners, educators, parents and or other role-players who may assist in transmitting same to learners. Career guidance events can either be initiated/supported by Services SETA.</p> <p>“Career guidance” refers to information about careers and vocations in the services sector, training opportunities and minimum requirements in the form of qualifications, subjects studied or any form of support about jobs and learning programmes in the sector.</p>
Data source	Data generated through the sessions held
Method of calculation	A simple count of the number of career guidance events hosted/supported in urban and rural areas
Means of verification/ Assessment	<ul style="list-style-type: none"> • List of career guidance events hosted/supported • Attendance records (manually/electronically produced) • Event reports – hosted/initiated events
Assumptions	<ul style="list-style-type: none"> • There is sufficient money in the Services SETA to cover costs related to career exhibitions • The Services SETA will receive invites to support other exhibitors during their career exhibition sessions
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	<ul style="list-style-type: none"> • Urban – 8 • Rural – 10
Indicator Responsibility	Executive Manager: Corporate Services

COMPONENTS	DESCRIPTIONS
Indicator title	2.4.3. Number of capacity building workshops on Career Development Services initiated
Definition	<p>This indicator refers to workshops conducted to raise awareness on career development services offered at the Service SETA and throughout the Post Education and Training System</p> <p>“Career Development Services” are programs and services that are intended to help individuals to explore and sort out questions related to employability, direction, skills development, personal development, progression, and making a difference. Such services are provided in many different settings.</p> <p>“Capacity Building Workshops” refer to training workshops to equip career development practitioners with the necessary skills</p>
Data source	Information generated from these workshops
Method of Calculation	A simple count of the number of workshops conducted
Means of verification/ Assessment	<ul style="list-style-type: none"> • Invite to workshops • Attendance records (manually/electronically processed)
Assumptions	Participants are willing to attend career development workshops
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	18
Indicator responsibility	Executive Manager: Strategic Partnership and Collaboration

COMPONENTS	DESCRIPTIONS
Indicator title	2.4.4. Number of partnerships HEIs
Definition	<p>The indicator refers to the total number of University, TVET College and CET partnerships established through formal agreements between Services SETA and the relevant colleges within a financial year</p> <p>“Partnerships” are regarded as formal written agreement between the Services SETA and institution of higher learning to share and contribute financial and/or non-financial resources, including grant funding in order to facilitate post-school education and training intervention</p> <p>“TVET” means public Technical, Vocational, Education and Training colleges – previously referred to as public institutions of Further Education and Training (FET)</p> <p>“CET” means community education and training colleges</p>
Data source	List of partnerships
Method of Calculation	A simple count of the number of partnerships established with Universities, TVET Colleges and CET
Means of verification/ Assessment	<ul style="list-style-type: none"> • Memorandum of Agreement/Understanding • Commencement letter
Assumptions	Universities, TVET Colleges and CETs are willing to partner with the Services SETA and there are enough funds to support such partnerships.
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	<ul style="list-style-type: none"> • TVET Colleges – 7 • Universities – 4 • CETs – 4
Indicator responsibility	Executive Manager: Strategic Partnership and Collaboration

COMPONENTS	DESCRIPTIONS
Indicator title	2.4.5. Number of trade unions and federations supported
Definition	<p>This indicator refers to the number of trade unions and federations supported by the Services SETA, as prescribed by the DHET SLA requirements</p> <p>“Trade unions” refers to an organized association of workers in trade, group of trades, profession, or specific sectors formed to protect and further their rights and interests. The agreement with these trade unions were entered into in the previous years and will therefore be part of the previous year’s allocation.</p> <p>“Federation” refers to an umbrella body of national trade unions organising in specific industry sectors or occupational groups. The agreement with these federations were entered into in the previous years and will therefore be part of the previous year’s allocation.</p> <p>“Supported” means: Provided with capacity building interventions based on their specific needs, ranging from training in Business Management, Mentoring and Coaching, and technical training, to DG support.</p> <p>“Quality of Support” refers to the sustainable support provided that has an impact on that enterprises developmental needs and would allow increased participation in SETA programmes</p>
Data source	List of trade unions and federations supported
Method of calculation	A simple count of the number of trade unions and federations supported
Means of verification/ Assessment	<ul style="list-style-type: none"> • List of trade unions and federations supported • MOU between SSETA and the trade union/federation • Commencement Letter
Assumptions	Trade unions are willing to participate in Services SETA programmes
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	<ul style="list-style-type: none"> • Trade unions – 4 • Federations – 1
Indicator responsibility	Executive Manager: Strategic Partnership and Collaboration

OUTPUT 3: PROMOTE ACCESS TO TECHNICAL AND PROFESSIONAL SKILLS FOR EMPLOYMENT AND ENTREPRENEURSHIP ACROSS THE SERVICE SECTOR

SUB-PROGRAMME 3.1: ECD

COMPONENTS	DESCRIPTIONS
Performance Indicator	3.1.1. Number of enterprises funded for skills that enhance their growth/development/sustainability of their organisations
Indicator title	Cooperatives trained
Definition	<p>The indicator refers to the total number of cooperatives supported by Services SETA, as prescribed by the DHET SLA requirements.</p> <p>“Cooperatives” as defined in the Cooperatives Act, 2005 as amended in 2013, means an autonomous association of persons united voluntarily to meet their common economic, social or cultural needs and aspirations through a jointly owned and democratically controlled enterprise, organised and operated on cooperative principles.</p> <p>“Cooperatives” further means entities registered in terms of the above-mentioned Act and includes any form (primary, secondary, tertiary, national apex) or kind (economic sector or activity). In this instance, members and or employees of Cooperatives qualify for training. Members include natural persons and or juristic persons (legal entities) registered as members of the Cooperative. Employees includes any person, excluding an independent contractor, who works for the Cooperative or members of the Cooperative.</p> <p>“Training” means the process of learning and acquiring skills or behaviours to do a particular task or activity. It does not require formal assessment and therefore does not result in a certificate of competence for a qualification or part thereof. Training can be delivered through workshops, eLearning courses and other forms of applied one-on-one or group learning.</p> <p>“Supported” means beneficiaries participate in the learning opportunity, and complete one or more units of learning aligned to one or more skills or behaviours as learning outcomes.</p> <p>“Quality of Support”: refer to the sustainable support provided that has an impact on the organisation for the foreseeable future, based on that enterprises developmental needs and would allow increased participation in SETA programmes</p>
Data source	Cooperatives and that register and attend a training workshop or applied one-on-one/ group learning opportunity hosted by the Services SETA.
Method of calculation	Simple count of the number of Cooperatives supported with training. Despite multiple members and or employees from the same Cooperative receiving training, the Cooperative can only be counted once in a financial year.
Means of verification/ Assessment	<ul style="list-style-type: none"> • CIPC (Companies and Intellectual Property Commission) Certificate of Registration of Cooperative and or verification via the CIPS CIPC eServices Enterprise Search Tool – Biz Portal • Proof of membership or employment • Register of attendance • Certified ID copy
Assumptions	Cooperatives require training and have the means to be able to access opportunities offered by the Services SETA.
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	<ul style="list-style-type: none"> • Cooperatives – 300 • SMMEs – 300 • CBOs/ NGOs/ NPOs – 100
Indicator responsibility	Executive Manager: Strategic Partnership and Collaboration

COMPONENTS	DESCRIPTIONS
Indicator title	3.1.2. Number of enterprises trained on sector and national priority occupations or skills.
Definition	<p>This indicator refers to the number of priority skills needs for established and emergent cooperatives and small and emerging cooperatives identified by the Services SETA through research studies.</p> <p>“Emergent cooperatives” – means cooperatives that are still at the start up stage and therefore require assistance.</p> <p>“Small Enterprise” refers to enterprises or companies that employ less 50 people.</p> <p>“Emerging Enterprise” refers to enterprises or companies that are still at startup stage and therefore requires assistance.</p> <p>“Priority skills” refers to top 10 skills identified by small and emerging enterprises through research.</p>
Data source	<p>Learners that register and attend a training workshop or applied one-on-one/group learning opportunity hosted by the Services SETA.</p> <p>Learners that register and complete eLearning Courses offered on the Services SETA eLearning Platform Synrgise.</p>
Method of calculation	List of cooperatives trained on sector and national priority occupations or skills
Means of verification/ Assessment	List of cooperatives Proof of enrolment
Assumptions	There is budget to train cooperatives
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired Performance	<p>Established or emergent cooperatives – 30</p> <p>Small and emerging enterprises - 30</p>
Indicator Responsibility	Executive Manager: Strategic Partnership and Collaboration

COMPONENTS	DESCRIPTIONS
Performance indicator	3.1.3. Number of people trained on entrepreneurship supported to start their business
Indicator title	Entrepreneurial skills
Definition	<p>Entrepreneurial skills combine a range of technical, managerial and personal skills. As such, there is no established, simple definition of the entrepreneurial skillset.</p> <ul style="list-style-type: none"> • Technical skills include communication, environment monitoring, problem solving, technology implementation and use, interpersonal, organisational skills • Managerial skills include planning and goal setting, decision making, human resources management, marketing, finance, accounting, customer relations, quality control, negotiation, business launch, growth management, compliance with regulations • Personal skills include self-control and discipline, risk management, innovation, persistence, leadership, change management, network building, and strategic thinking. <p>Entrepreneurship is an individual’s ability to turn ideas into action. It includes creativity, innovation and risk-taking, as well as the ability to plan and manage projects in order to achieve objectives. Entrepreneurship is vital to promoting innovation, competitiveness and economic growth. Fostering entrepreneurial spirit supports the creation of new businesses and business growth. However, entrepreneurial skills also provide benefits regardless of whether a person intends to start a business. Entrepreneurial skills are applicable to a person’s personal and working life as it encompasses creativity, initiative, tenacity, teamwork, understanding of risk, and a sense of responsibility. Entrepreneurial skills are not related to a specific occupation, discipline or qualification.¹</p> <p>To further explain entrepreneurial skills, the World Economic Forum shared an article which identifies seven core entrepreneurial skills:</p> <ol style="list-style-type: none"> 1. Agency: closely linked to self-efficacy; tendency to take action, initiate and execute. 2. Awareness: the ability to spot opportunities worth pursuing, with a capacity to focus and eliminate the noise from the signal. 3. Communication: the ability to get ideas out of one’s mind and into the minds of others with as little loss as possible. 4. Networking: the ability to build and maintain authentic, mutually enabling relationships. 5. Problem-solving: application of creative and analytical skills to address complex, multifaceted problems. 6. Resilience: the ability to delink rejection with failure. 7. Resourcefulness: the capacity to breed imaginative solutions in an environment infused with constraints.²

	<p>In view of the above and in this instance, people include employed or unemployed individuals whether they intend to or do not intend to start a business.</p> <p>Trained means the process of learning and acquiring skills or behaviours to do a particular task or activity. It does not require formal assessment and</p> <p>therefore does not result in a certificate of competence for a qualification or part thereof. Training can be delivered through workshops, eLearning courses and other forms of applied one-on-one or group learning.</p>
Data source	<p>Learners that register and attend a training workshop or applied one-on-one/ group learning opportunity hosted by the Services SETA.</p> <p>Learners that register and complete eLearning Courses offered on the Services SETA eLearning Platform Synrgise.</p>
Method of calculation	A simple count of the number of people trained. Beneficiaries that complete more than one unit of learning in a financial year, aligned to more than one entrepreneurial skill or behaviour as learning outcomes, can only be counted once in that financial year.
Means of verification/ Assessment	<ul style="list-style-type: none"> • Attendance Register • Certified ID copy
Assumptions	People require training and have the means to be able to access opportunities offered by the Services SETA.
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	200
Indicator responsibility	Executive Manager: Strategic Partnership and Collaboration

1 EU Skills Panorama (2014) Entrepreneurial Skills Analytical Highlight prepared by ICF and Cedefop for the European Commission

2 Vitanova, B (2020) The Entrepreneurial Muscle: Why business pioneers start young published on 19 January 2020 retrieved on 21 September 2020 from <https://www.weforum.org/agenda/2020/01/entrepreneurial-muscle-childhood-teenage-entrepreneurs/>

SUB-PROGRAMME 3.2: STRATEGIC PARTNERSHIP

COMPONENTS	DESCRIPTIONS
Indicator title	3.2.1. Number of Centres of Specialisation supported
Definition	<p>This indicator refers to projects aimed strengthening higher education infrastructure in order to enhance access to skills development. This will be achieved by supporting new or existing centres of specialisation</p> <p>“Centres of Specialisation” (CoS) programme is a pilot project initiated by the Department of Higher Education and Training supported by SETAs. The pilot aims to: Address shortages in the trades and skills areas identified as priorities for national development.</p> <p>“Supported” refers any assistance provided to CoS by the Services SETA in the form of infrastructure development or workshops.</p> <p>“Infrastructure Development” refers to the support given to TVET Colleges by the Services SETA in the form of equipment or training workshops</p> <p>“Workshop” can be defined a space/room at TVET designated for learners to practice their technical modules.</p>
Data source	List of skills development centres supported
Method of calculation	A simple count of skills development centres
Means of verification/ Assessment	<ul style="list-style-type: none"> • MoA/General funding agreement between the Services SETA and Skills Development Centres' representatives • Infrastructure project plan with implementation phases • Project progress report/supporting document in line with the implemented phase
Assumptions	Services SETA has sufficient funds to support skills development Centres
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	4
Indicator responsibility	Executive Manager: Strategic Partnership and Collaboration

COMPONENTS	DESCRIPTIONS
Indicator title	3.2.2. Number of TVET Lecturers exposed to the industry through Skills Programmes
Definition	<p>This indicator refers to the number of TVET lecturers who, never had exposure to the industry, that have been exposed to the services industry, either by organised short visits or placement in the industry for a specified time</p> <p>“Exposure to industry” refers to organized visits for TVET college lecturers to specific industries or secondment to an industry for the purpose of learning about the industry in which they lecture</p> <p>“Credit bearing short course” is a type of short learning programme for which credits, in relation to the course’s contribution to a unit standard and/or part qualification, are awarded</p> <p>“Non-credit bearing short course” is a type of short learning programme for which no credits are awarded in relation to unit standards or qualifications depending on the purpose and or assessments of the programme.</p>
Data source	List of lectures supported
Method of calculation	A simple count of TVET lecturers exposed to the industry
Means of verification/Assessment	<p>Credit Bearing Course Enrolment</p> <ul style="list-style-type: none"> • Learner enrolments form/ Learner Agreement • Certified ID copy • Proof of employment by TVET • Proof of address • Signed POPI declaration • Certificates/ Statement of Results <p>Non-Credit Bearing Course Enrolment</p> <ul style="list-style-type: none"> • Learner enrolments form/ Learner Agreement • Certified ID copy Proof of employment by TVET
Assumptions	<ul style="list-style-type: none"> • TVET lecturers are able to take time off their normal duties in order to be exposed to the industry and industry employers cooperate • fully with the Services SETA and TVET Colleges’ management
Disaggregation of beneficiaries	• N/A
Spatial Transformation	• N/A
Calculation Type	• Cumulative
Reporting cycle	• Quarterly
Desired performance	• 40
Indicator responsibility	• Executive Manager: Strategic Partnership and Collaboration

COMPONENTS	DESCRIPTIONS
Indicator title	3.2.3. Number of Managers receiving training on curriculum related studies - TVET
Definition	<p>This indicator refers to the TVET College Managers’ who have been trained on the development of the curriculum, especially for occupationally directed programmes</p> <p>“Training in curriculum related studies” refers to TVET College Managers undergoing training on how to develop curriculum.</p> <p>“Credit bearing short course” is a type of short learning programme for which credits, in relation to the course’s contribution to a unit standard and/or part qualification, are awarded</p> <p>“Non-credit bearing short course” is a type of short learning programme for which no credits are awarded in relation to unit standards or qualifications depending on the purpose and or assessments of the programme.</p>
Data source	List of TVET College Managers that were trained
Method of calculation	A simple count of TVET Managers who have received training

COMPONENTS	DESCRIPTIONS
Means of verification/Assessment	<p>Credit Bearing Course Enrolment</p> <ul style="list-style-type: none"> • Learner enrolments form/ Learner Agreement • Certified ID copy • Proof of employment by TVET • Proof of address • Signed POPI declaration • Certificates/ Statement of Results <p>Non-Credit Bearing Course Enrolment</p> <ul style="list-style-type: none"> • Learner enrolments form/ Learner Agreement • Certified ID copy • Proof of employment by TVET • Certificate of attendance
Assumptions	The Services SETA has a curriculum development programme and is able to implement this training
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	5
Indicator responsibility	Executive Manager: Strategic Partnership and Collaboration

COMPONENTS	DESCRIPTIONS
Indicator title	3.2.4. Number of TVET colleges Lecturers awarded Bursaries
Definition	<p>This indicator refers to bursaries awarded to TVET College lecturers to further their studies in occupationally directed qualifications within a financial year</p> <p>“Bursary Programmes” refers to a grant awarded to employed learners entered for part qualifications or full qualifications registered on the NQF</p>
Data source	List of TVET colleges lectures awarded bursaries
Method of calculation	A simple count of TVET lecturers awarded bursaries by the Services SETA
Means of verification/ Assessment	<ul style="list-style-type: none"> • Bursary Agreement Form; • Proof of registration; • Certified ID copy; • Proof of employment by TVET college • Signed POPI declaration
Assumptions	TVET lecturers are interested in pursuing further studies
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	70
Indicator responsibility	Executive Manager: Strategic Partnership and Collaboration

COMPONENTS	DESCRIPTIONS
Indicator title	3.2.5. TVET colleges infrastructure development (equipment/workshops)
Definition	<p>This indicator refers to the support provided to TVET Colleges in the form of providing equipment/ renovation of buildings or workshops as agreed to between the Services SETA and a concerned college</p> <p>“Infrastructure Development” refers to the support given to TVET Colleges by the Services SETA in the form of equipment or training workshops</p> <p>“Workshop” can be defined a space/room at TVET designated for learners to practice their technical modules.</p>
Data source	List of TVET colleges that were supported with infrastructure
Method of calculation	A simple count of colleges supported with equipment/ renovation or Workshops
Means of verification/ Assessment	<ul style="list-style-type: none"> • Memorandum of Agreement / Offer Letter • Delivery Note
Assumptions	The Services SETA has sufficient funds to support TVET Colleges with equipment/ renovations or workshops

COMPONENTS	DESCRIPTIONS
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	2
Indicator responsibility	Executive Manager: Strategic Partnership and Collaboration

COMPONENTS	DESCRIPTIONS
Indicator title	3.2.6. Number of CET Lecturers awarded skills development Programmes
Definition	<p>This indicator refers to skills development funding awarded to CET College lecturers to further their studies in occupationally directed qualifications within a financial year</p> <p>“Skills Development Programmes” can be defined as programmes that are conducted to improve productivity in the workplace and competitiveness of CETs</p> <p>“Credit bearing short course” is a type of short learning programme for which credits, in relation to the course’s contribution to a unit standard and/or part qualification, are awarded</p> <p>“Non-credit bearing short course” is a type of short learning programme for which no credits are awarded in relation to unit standards or qualifications depending on the purpose and or assessments of the programme.</p>
Data source	List of CET colleges lectures awarded the skills development programme
Method of calculation	A simple count of CET lecturers who participated in skills development programmes awarded bursaries by the Services SETA
Means of verification/ Assessment	<p>Credit Bearing Course Enrollment</p> <ul style="list-style-type: none"> • Learner enrollment form/ Learner Agreement • Certified ID copy • Proof of employment • Signed POPI declaration • Certificates/ Statement of Results <p>Non-Credit Bearing Course Enrollment</p> <ul style="list-style-type: none"> • Learner enrollment form/ Learner Agreement • Certified ID copy • Proof of employment by CET • Attendance Register
Assumptions	CET lecturers are willing, and able, to participate in skills programmes
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	10
Indicator responsibility	Executive Manager: Strategic Partnership and Collaboration

COMPONENTS	DESCRIPTIONS
Indicator title	3.2.7. CET colleges infrastructure development support (equipment/workshops/ Connectivity/ ICT)
Definition	<p>This indicator refers to the support provided to CETs in the form of providing equipment/ workshops/ connectivity/ ICT as agreed to between the Services SETA and a concerned college</p> <p>“Infrastructure Support” refers to equipment or connectivity or ICT or workshops provided to CET colleges by the Services SETA</p> <p>“Workshop” can be defined a space/room at TVET designated for learners to practice their technical modules.</p>
Data source	List of CET Colleges supported with infrastructure generated by IDFM
Method of calculation	A simple count of CET colleges supported with the equipment/workshops/ connectivity/ ICT
Means of verification/ Assessment	<ul style="list-style-type: none"> • Memorandum of Agreement/ Offer Letter • Close Out report
Assumptions	The Services SETA has sufficient funds to support CETs with equipment/ renovations or workshops
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A

COMPONENTS	DESCRIPTIONS
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	1
Indicator responsibility	Executive Manager: Strategic Partnership and Collaboration

COMPONENTS	DESCRIPTIONS
Indicator title	3.2.8. Number of CET college Managers receiving training on curriculum related studies
Definition	<p>This indicator refers to managers of CET Colleges who have received training on curriculum development facilitated or funded by the Services SETA within a financial year</p> <p>“Credit bearing short course” is a type of short learning programme for which credits, in relation to the course’s contribution to a unit standard and/or part qualification, are awarded</p> <p>“Non-credit bearing short course” is a type of short learning programme for which no credits are awarded in relation to unit standards or qualifications depending on the purpose and or assessments of the programme.</p> <p>“Training in curriculum related studies” refers to CET Managers undergoing training on how to develop a curriculum</p>
Data source	List of CET Colleges managers that were trained
Method of calculation	A simple count of CET College managers who have received training on curriculum development within a financial year
Means of verification/ Assessment	<p>Credit Bearing Course Enrollment</p> <ul style="list-style-type: none"> • Learner enrollment form/ Learner Agreement • Certified ID copy • Proof of employment • Signed POPI declaration • Certificates/ Statement of Results <p>Non-Credit Bearing Course Enrollment</p> <ul style="list-style-type: none"> • Learner enrollment form/ Learner Agreement • Certified ID copy • Proof of employment by CET • Attendance Register
Assumptions	CET College managers are interested in participating in this training and the Services SETA has sufficient funds
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	5
Indicator responsibility	Executive Manager: Strategic Partnership and Collaboration

COMPONENTS	DESCRIPTIONS
Indicator title	3.2.9. Number of CET learners accessing AET programmes
Definition	<p>The indicator refers to the total number of learners based at CETs entered on Services SETA-funded AET programmes within the financial year</p> <p>“AET programmes” refers to formal learning and training undertaken by adults for the improvement of their knowledge and skills for personal development, further learning and/or employment. This learning must result in a numeracy and literacy General Education and Training Certificate.</p> <p>“Entered” refers to learners captured and verified by the Services SETA on the learner registration template, post verification processes.</p> <p>“SETA-funded programmes” refers to learning interventions funded by the Services SETA through the Discretionary Grants Funds.</p>
Data source	List of CET learners that were entered
Method of calculation	Simple count of learners that entered AET learning interventions, as reported on SETMIS
Means of verification/ Assessment	<ul style="list-style-type: none"> • Completed Learner Agreement Forms. • Certified ID copies. • Signed POPI Declaration • Proof of registration to the CET

COMPONENTS	DESCRIPTIONS
Assumptions	There is sufficient funding to award study grants for AET learners based atCETs
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	20
Indicator responsibility	Executive Manager: Strategic Partnership and Collaboration

COMPONENTS	DESCRIPTIONS
Indicator title	3.2.10. Number of rural development projects initiated
Definition	<p>This indicator refers to projects aimed at addressing the backlog of services to remote areas of South Africa in order to meet the transformation imperatives of Government.</p> <p>“Development projects” these are various training interventions that are carried out at the discretion of the Accounting Authority of the Services SETA to address identified needs in specific provinces.</p> <p>“Rural” Stats SA in its definition as in Census 1996 definitions defines ‘rural’ as: “Village/settlement without local authority and which is not situated within a tribal area and with formal and semi-formal dwellings such as houses, huts, rondavels.”; or “semi-town”</p>
Data source	List of rural projects that were activated
Method of calculation	The performance score would be calculated by a simple count of the number of signed development plans
Means of verification/Assessment	<ul style="list-style-type: none"> List of Rural Development Commencement Letter / confirmation letter of the implementationof the initiative in the financial year
Assumptions	Services SETA has sufficient funds to implement rural development Projects
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	5
Indicator responsibility	Executive Manager: Strategic Partnership and Collaboration

SUB-PROGRAMME 3.3: LEARNING PROGRAMMES

COMPONENTS	DESCRIPTIONS
Indicator title	3.3.1. Number of employer-funded learners Entered
Definition	<p>The indicator refers to learners entered on learning programmes that are funded by the employer</p> <p>“Employer-Funded” Employers with SIC code demarcated under the scopeof the Services SETA, who fund Workplace based learning programmes.</p> <p>“Learners” refers to the learner party to a Workplace Based Learning Agreement</p> <p>“Entered” refers to an employer-funded application to enrol learners on a learning programme post the verification of submitted learner documentation</p> <p>“Workplace Based Learning Programme”: refers to a learnership, an apprenticeship, and any other prescribed learning programme which includes a structured work experience component.</p> <p>“Learnerships” refers to a learning programme which consist of a structuredtheoretical component and practical workplace experiential learning of a specific nature over a duration of 12 months and leads to an occupationally related qualification registered on the NQF</p> <p>“Universities Student Placements” refers to students who graduated froma Higher Education and Training Institution, to attain work experience component of learning for a period of 12 months.</p> <p>“Entered (workplace experience)” refers to 18 months workplace experience programme designed for candidates who have already completed the N6 National certificate and require the work experience component of learning to achieve N6 National Diploma</p> <p>“TVET Student Placements” refers to students who graduated from a Technical and Vocational Education Training college, to attain the work experience component of learning for a period of 12 months.</p>

	<p>“Candidacy programmes” refers to compulsory learning and training undertaken by graduates to achieve professional designation by a professional council or body through structured workplace experience. The candidate must be a full time or contract employee or an employer who is member of a professional council or body.</p> <p>“Apprenticeship” refers to a structured artisan learning program in terms of occupations listed as a trade in Gazette 35625.</p>
Data source	Compiled list of employer-funded learners entered
Method of calculation	The sum of employer-funded learners entered within the applicable reporting period
Means of verification/ Assessment	<ul style="list-style-type: none"> • Workplace Based Learner Agreement • Certified ID copies of learners • Certified copies of highest qualification • Proof of employment • Proof of residence • Signed POPI declaration • Proof of Disability (where applicable)
Assumptions	The Tax Rebates provides an adequate incentive for employers to fund and recovery cost for skills development. Employers score points on their BBBEE scorecard for the enrolment of learners on registered learning programmes, further incentivising to fund skills development. Youth Employment Incentive Scheme.
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	610
Indicator responsibility	Executive Manager: Core Business

COMPONENTS	DESCRIPTIONS
Indicator title	3.3.2. Number of learners enrolled learnership programmes
Definition	<p>The indicator refers to employed and unemployed learners entered on a learnership funded by the Services SETA through a Discretionary Grants.</p> <p>“Employed learners” Refers to a learner who works for an employer and receives or is entitled to receive remuneration for conducting the business of that employer, at the time of concluding the Workplace based learning agreement.</p> <p>“Unemployed learners” Refers to a learner who was not in the employment of the employer at the time of concluding the Workplace based learning agreement.</p> <p>“Learnerships”: refers to a learning programme which consist of a structured theoretical component and practical workplace experiential learning of a specific nature over a duration of 12 months and leads to an occupationally related qualification registered on the NQF</p> <p>“Entered” refers to the enrolment of learners on a learning programme post the verification of requisite employer and learner documentation, as per the official Commencement Letter issued by the Services SETA permitting a discretionary grant recipient to start implementation</p>
Data source	Compiled list of employed and unemployed learnerships entered funded by Services SETA in accordance with The Sector Education and Training Management Information System (SETMIS) requirements
Method of calculation	<ul style="list-style-type: none"> • The sum of employed Services SETA funded learners entered within the applicable reporting period • The sum of unemployed Services SETA funded learners entered within the applicable reporting period
Means of verification/ Assessment	<ul style="list-style-type: none"> • Workplace Based Learning Agreement • Certified ID copies of learners • Certified copies of highest qualification • Proof of employment (employed learners) • Learner employment contract (unemployed) • Signed POPI Declaration • Proof of residence • Proof of Disability (if applicable) • Commencement Letter
Assumptions	Services SETA receives adequate applications in response to Discretionary Grant advertisements and applicants have the necessary capacity to recruit and implement the learning programmes.
Disaggregation of beneficiaries	<ul style="list-style-type: none"> • Women, 60% • Youth, 80% • People with disability, 3% • Rural, 20%
Spatial Transformation	N/A
Calculation Type	Cumulative

Reporting cycle	Quarterly
Desired performance	<ul style="list-style-type: none"> • Unemployed – 8 000 • Workers – 1 400
Indicator responsibility	Executive Manager: Core Business

COMPONENTS	DESCRIPTIONS
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Indicator title	3.3.3. Number of learners completed learnerships programmes
Definition	<p>The indicator refers to employed and unemployed learners successfully completing a learnership funded by the Services SETA through the Discretionary Grants.</p> <p>“Employed learners” Refers to a learner who works for an employer and receives or is entitled to receive remuneration for conducting the business of that employer, at the time of concluding the Workplace based learning agreement.</p> <p>“Unemployed learners” Refers to a Learner who was not in the employment of the employer party prior to the Workplace Based Learning Agreement being concluded</p> <p>“Learnerships”: refers to a learning programme which consist of a structured theoretical component and practical workplace experiential learning of a specific nature over a duration of 12 months and leads to an occupationally related qualification registered on the NQF</p> <p>“Completed” refers to learners that have successfully completed all required outcomes of the qualification that is deemed competent through external moderation and certificated, as per the verified Project Closure Report within 12 months from the last day of learning.</p>
Data source	Compiled list of employed and unemployed learnership completions fundedby Services SETA in accordance with The Sector Education and Training Management Information System (SETMIS) requirements
Method of calculation	<ul style="list-style-type: none"> • The sum of employed Services SETA funded learner completions within the applicable reporting period • The sum of unemployed Services SETA funded learner completions within the applicable reporting period
Means of verification/ Assessment	<ul style="list-style-type: none"> • Certificates and/or • Statements of results • ID Copy
Assumptions	<p>For employed learners 10% of Services SETA funded learners entered will terminate during the course and scope of implementation and 65% will successfully complete.</p> <p>For unemployed learners 25% of Services SETA funded learners entered will terminate during the course and scope of implementation and 60% will successfully complete.</p>
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	<ul style="list-style-type: none"> • Unemployed – 1 701 • Worker – 350
Indicator responsibility	Executive Manager: Core Business

COMPONENTS	DESCRIPTIONS
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Indicator title	3.3.4. Number of learner granted bursaries
Definition	<p>The indicator refers to the total number of employed and unemployed learners entered on Services SETA-funded bursary programmes within the financial year</p> <p>“Employed learners” refers to learners who are employed at the time of contracting with the employer.</p> <p>“Unemployed learners” refers to learners who are not in employment at the time of contracting.</p> <p>“Bursaries” This is a grant awarded to learners enrolled for part qualifications or full qualifications registered on the NQF. “Entered” refers to learners captured and verified by the Services SETA on the learner registration template, post verification processes.</p>
Data source	List of learners that were supported with bursaries by Bursaries Department
Method of calculation	<ul style="list-style-type: none"> • Simple count of employed learners entered in the Services SETA-funded learning intervention as a bursary recipient, as reported on SETMIS • Simple count of unemployed learners entered in the Services SETA-funded learning intervention as a bursary recipient, as reported on SETMIS

COMPONENTS	DESCRIPTIONS
Means of verification/ Assessment	<p>New entered: Employed</p> <ul style="list-style-type: none"> • Bursary Agreement Form; • Proof of registration; • ID Copy • Proof of employment; <p>New entered: Unemployed</p> <ul style="list-style-type: none"> • Bursary Agreement Form; • Proof of registration; • ID copy • Affidavit <p>Continuing: Employed and Unemployed</p> <ul style="list-style-type: none"> • Prior academic year results • Proof of registration • ID copy • Confirmation letter from Services SETA listing the approved learners to the institutions confirming funding
Assumptions	There is sufficient number of learners in services sector related qualifications seeking funding at TVET, Colleges and Universities
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	<ul style="list-style-type: none"> • Unemployed New – 800 • Unemployed Continuing – 200 • Worker New – 420 • Worker Continuing – 0
Indicator responsibility	Executive Manager: Strategic Partnership and Collaboration
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	<ul style="list-style-type: none"> • Unemployed New – 800 • Unemployed Continuing – 200 • Worker New – 420 • Worker Continuing – 0
Indicator responsibility	Executive Manager: Strategic Partnership and Collaboration
COMPONENTS	DESCRIPTIONS
Indicator title	3.3.5. Number of learners granted Bursaries completed their studies
	The indicator refers to the total number of employed and unemployed learners completing the learning intervention at the end of Services SETA-funded programmes within the financial year
Definition	<p>“Bursary programmes” refers to a grant awarded to employed learners entered for part qualifications or full qualifications registered on the NQF</p> <p>“Employed learners” refers to learners who are employed at the time of contracting with the employee.</p> <p>“Unemployed learners” refers to learners who are not in employment at the time of contracting.</p> <p>“Completed” refers to learners that have completed respective level of study</p>
Data source	List of learners that were supported with bursary funding generated by Bursaries Department
Method of calculation	Count of total number of employed learners who have completed their bursary funded learning programmes, as reported on SETMIS Count of total number of unemployed learners who have completed their bursary funded learning programmes, as reported on SETMIS
Means of verification/ Assessment	<ul style="list-style-type: none"> • Certificates and/or • Statements of results • ID copy
Assumptions	Learners pass their respective years of study
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A

COMPONENTS	DESCRIPTIONS
Calculation Type	Cumulative
Reporting cycle	Quarter
Desired performance	<ul style="list-style-type: none"> Unemployed – 400 Worker – 252
Indicator responsibility	Executive Manager: Strategic Partnership and Collaboration

COMPONENTS	DESCRIPTIONS
Indicator title	3.3.6. Number of Internships Entered
Definition	<p>The indicator refers to unemployed learners entered on an internship funded by the Service SETA through Discretionary Grants</p> <p>“Unemployed learners” Refers to a Learner who was not in the employment of the employer prior to the Workplace Based Learning Agreement being concluded</p> <p>“Internship placement” refers to a learning programme which consist of a structured work experience component of learning of a specific nature over a specified duration</p> <p>“Universities Student Placements”: refers to students who graduated from a Higher Education and Training Institution, to attain work experience component of learning for a period of 12 months.</p> <p>“Entered (workplace experience)” refers to 18 months workplace experience programme designed for candidates who have already completed the N6 National certificate and require the work experience component of learning to achieve National Diploma</p> <p>“TVET Student Placements”: refers to students who graduated from a Technical and Vocational Education Training college, to attain the work experience component of learning for a period of 12 months.</p> <p>“Entered” refers to the enrolment of learners on a learning programme post the verification of requisite employer and learner documentation, asper the official Commencement Letter issued by the Services SETA permitting a discretionary grant recipient to start implementation.</p>
Data source	Compiled list of internships entered funded by Services SETA in accordance with The Sector Education and Training Management Information System (SETMIS) requirements
Method of calculation	The list of Services SETA funded internships entered within the applicable reporting period
Means of verification/ Assessment	<ul style="list-style-type: none"> Workplace Based Learning Agreement Certified ID copies of learners Certified copies of highest qualifications attained Learner employment contract Signed POPI declaration Proof of residence Proof of Disability (if applicable) Commencement Letter
Assumptions	Services SETA receives adequate applications in response to Discretionary Grant advertisements and applicants have the necessary capacity to recruit and implement the learning programmes.
Disaggregation of beneficiaries	<ul style="list-style-type: none"> Women, 60% Youth, 80% Rural, 20% People with disability, 1%
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	<ul style="list-style-type: none"> Unemployed – 500 TVET placement – 400 HEIs placement – 400
Indicator responsibility	Executive Manager: Core Business

COMPONENTS	DESCRIPTIONS
Indicator title	3.3.7. Number of Internships Completed
Definition	<p>The indicator refers to unemployed learners who successfully complete an internship funded by the Service SETA through the Discretionary Grants</p> <p>"Unemployed learners" Refers to a learner who was not in the employment of the employer prior to the Workplace Based Learning Agreement being concluded</p> <p>"Internship placement" refers to a learning programme which consists of a structured work experience component of learning of a specific nature over a specified duration</p> <p>"Universities Student Placements": refers to students who graduated from a Higher Education and Training Institution, to attain work experience component of learning for a period of 12 months.</p> <p>"Entered (workplace experience)" refers to 18 months workplace experience programme designed for candidates who have already completed the N6 National certificate and require the work experience component of learning to achieve National N Diploma</p> <p>"TVET Student Placements": refers to students who graduated from a Technical and Vocational Education Training college, to attain the work experience component of learning for a period of 12 months.</p> <p>"Completed" refers to learners that have successfully completed the work experience component of learning relevant to their qualification, as per the verified Project Closure Report within 6 months from the last day of learning.</p>
Data source	Compiled list of internship completions funded by Services SETA in accordance with The Sector Education and Training Management Information System (SETMIS) requirements
Method of calculation	<ul style="list-style-type: none"> The sum of Services SETA funded Universities Student Placement completions within the applicable reporting period The sum of Services SETA funded Entered (workplace experience) completions within the applicable reporting period The sum of Services SETA funded TVET Student Placements completions within the applicable reporting period
Means of verification/ Assessment	<ul style="list-style-type: none"> Verified Project Closure Report with a list of learners Certified ID copy
Assumptions	<p>For Universities Student Placement 25% of Services SETA funded learners entered will terminate during the course and scope of implementation</p> <p>For Entered (workplace experience) 30% of Services SETA funded learners entered will terminate during the course and scope of implementation</p> <p>For TVET Student Placements 25% of Services SETA funded learners entered will terminate during the course and scope of implementation.</p>
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	<ul style="list-style-type: none"> Unemployed – 189 TVET placement – 158 HEIs placement – 158
Indicator responsibility	Executive Manager: Core Business

COMPONENTS	DESCRIPTIONS
Indicator title	3.3.8. Number of learners enrolled Skills Programmes
Definition	<p>The indicator refers to employed and unemployed learners entered for skills programmes funded by the Services SETA through the Discretionary Grants.</p> <p>"Employed learners" Refers to a learner who works for an employer and receives or is entitled to receive remuneration for conducting the business of that employer, at the time of concluding the Workplace based learning agreement.</p> <p>"Unemployed learners" Refers to a Learner who was not in the employment of the employer party prior to the Workplace Based Learning Agreement being concluded</p>

COMPONENTS	DESCRIPTIONS
	<p>“Skills programmes” refer to an occupationally based, short term learning programme. When successfully completed, it constitutes credit towards a qualification registered on the NQF. The Skills Programme comprises of a cluster of unit standards where the total number of credits, can range between 25 and 60.</p> <p>“Entered” refers to the enrolment of learners on a learning programme post the verification of requisite employer and learner documentation, as per the official Commencement Letter issued by the Services SETA permitting a discretionary grant recipient to start implementation</p>
Data source	Compiled list of employed and unemployed skills programmes entered, funded by Services SETA in accordance with The Sector Education and Training Management Information System (SETMIS) requirements
Method of calculation	<ul style="list-style-type: none"> The sum of employed Services SETA funded skills programme entered within the applicable reporting period The sum of unemployed Services SETA funded skills programme entered within the applicable reporting period
Means of verification/ Assessment	<ul style="list-style-type: none"> Workplace Based Learning Agreement Learner Registration Forms/ Agreement Forms Certified ID copies of all learners Proof of employment – Employed Affidavit - Unemployed Signed POPI declaration Commencement Letter
Assumptions	Services SETA receives adequate applications in response to Discretionary Grant advertisements and applicants have the necessary capacity to recruit and implement the learning programmes.
Disaggregation of beneficiaries	Women, 70% Youth, 60%
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	<ul style="list-style-type: none"> Unemployed – 2 500 Worker – 4 000
Indicator responsibility	Executive Manager: Core Business Executive Manager: Strategy & Planning

COMPONENTS	DESCRIPTIONS
Indicator title	3.3.9. Number of learners completed Skills Programmes
Definition	<p>The indicator refers to employed and unemployed learners successfully completing a skills programmes funded by the Services SETA through the Discretionary Grants</p> <p>“Employed learners” Refers to a learner who works for an employer and receives or is entitled to receive remuneration for conducting the business of that employer, at the time of concluding the Workplace based learning agreement.</p> <p>“Unemployed learners” Refers to a Learner who was not in the employment of the employer party prior to the Workplace Based Learning Agreement being concluded.</p> <p>“Skills programmes” refer to an occupationally based, short term learning programme. When successfully completed, it constitutes credit towards a qualification registered on the NQF. The Skills Programme comprises of a cluster of unit standards where the total number of credits, can range between 25 and 60.</p> <p>“Completed” refers to learners that have successfully completed all required outcomes of the Learning programme that is deemed competent through external moderation and Statement of results are printed, as per the verified Project Closure Report within 12 months from the last day of learning.</p>
Data source	Compiled list of skills programme completions funded by Services SETA in accordance with The Sector Education and Training Management Information System (SETMIS) requirements
Method of calculation	<ul style="list-style-type: none"> The sum of employed Services SETA funded skills programme completions within the applicable reporting period The sum of unemployed Services SETA funded skills programme completions within the applicable reporting period
Means of verification/ Assessment	<ul style="list-style-type: none"> Certificates or Statement of results ID copy

Assumptions	<ul style="list-style-type: none"> For employed learners 10% of Services SETA funded learners entered will terminate during the course and scope of implementation and 75% will successfully complete. For unemployed learners 20% of Services SETA funded learners entered will terminate during the course and scope of implementation and 65% will successfully complete.
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	<ul style="list-style-type: none"> Unemployed – 1 225 Worker – 1 733
Indicator responsibility	Executive Manager: Core Business Executive Manager: Strategy & Planning

COMPONENTS	DESCRIPTIONS
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Indicator title	3.3.10. Number of unemployed learners enrolled for Candidacy programmes
Definition	<p>The indicator refers to learners entered on a Candidacy programme funded by the Services SETA through the Discretionary Grants.</p> <p>“Candidacy programmes” refers to compulsory learning and training undertaken by graduates through structured workplace training which culminates in professional designation with a professional council or body. The candidate must be a full time or contract employee, whose company is a member of, or who is an individual member of a professional council/body</p> <p>“Entered” refers to the enrolment of learners on a learning programme post the verification of requisite employer and learner documentation, as per the official Commencement Letter issued by the Services SETA permitting a discretionary grant recipient to start implementation</p>
Data source	Compiled list of Candidacy funded by Services SETA in accordance centered with The Sector Education and Training Management Information System (SETMIS) requirements
Method of calculation	The sum of Services SETA funded Candidacy learner completions within the applicable reporting period
Means of verification/ Assessment	<ul style="list-style-type: none"> Workplace Based Learning Agreement Certified ID copy Certified copies of highest qualifications attained Proof of employment Signed POPI declaration Commencement letters
Assumptions	Services SETA receives adequate applications in response to Discretionary Grant advertisements and applicants have the necessary capacity to recruit and implement the learning programmes.
Disaggregation of beneficiaries	<ul style="list-style-type: none"> Women, 70% Youth, 50% Rural, 1% People with disability, 4%
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	120
Indicator responsibility	Executive Manager: Core Business Executive Manager: Strategy & Planning

COMPONENTS	DESCRIPTIONS
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Indicator title	3.3.11. Number of unemployed learners completed Candidacy programmes
Definition	<p>The indicator refers to learners successfully completing a Candidacy programme funded by the Services SETA through the Discretionary Grants.</p> <p>“Candidacy programmes” refers to compulsory learning and training undertaken by graduates through structured workplace training which culminates in professional designation with a professional council or body. The candidate must be a full time or contract employee, whose company is a member of, or who is an individual member of a professional council/body in real estate.</p> <p>“Completed” refers to learners that have successfully completed all required outcomes of the qualification that is deemed competent through external moderation and certificated, as per the verified Project closure report within 12 months from the last day of learning.</p>

COMPONENTS	DESCRIPTIONS
Data source	Compiled list of candidacy completions funded by Services SETA in accordance with The Sector Education and Training Management Information System (SETMIS) requirements
Method of calculation	The sum of employed Services SETA funded Candidacy completions within the applicable reporting period
Means of verification/ Assessment	<ul style="list-style-type: none"> • Certificates or • Statements of results • Certified ID Copy
Assumptions	For Candidacy 10% of Services SETA funded learners entered will terminate during the course and scope of implementation and 75% will successfully complete.
Disaggregation of beneficiaries	<ul style="list-style-type: none"> • Women, 70% • Youth, 53% • People with disability, 4%
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	42
Indicator responsibility	Executive Manager: Core Business Executive Manager: Strategy & Planning

COMPONENTS	DESCRIPTIONS		
Indicator title	3.3.12. Number of artisan learners enrolled		
Definition	<p>The indicator refers to candidates who are enrolled on a related artisan learning programme and do not have a qualification as per the listed trade, who have been registered with the Services SETA for the purpose of obtaining a trade test certificate</p> <p>“Artisan” refers to a person certified as competent, via a trade test, to undertake a listed trade in accordance with relevant legislation</p> <p>“Apprenticeship entered”: refers to a learner who have entered a structured artisan learning program in terms of occupations listed as a trade in Gazette 35625.</p> <p>“Trade test” refers to a final integrated summative assessment for an artisan qualification for a listed trade that is conducted at an accredited trade test centre by moderator and assessor registered with NAMB</p> <p>“Entered” refers to the enrolment of learners on a learning programme post the verification of requisite employer and learner documentation, as per the official Commencement Letter issued by the Services SETA permitting a discretionary grant recipient to start implementation</p>		
Data source	Compiled list of artisans entered funded by Services SETA in accordance with The Sector Education and Training Management Information System (SETMIS) requirements		
Method of calculation	The sum of Services SETA funded Artisan entered within the applicable reporting period		
Means of verification/ Assessment	<table border="0"> <tr> <td>LP03 Apprenticeship Learner agreement Certified copy of learner ID Certified copy of highest qualification – minimum grade 9 Employment contract Proof of address Signed POPI declaration</td> <td>LP04 Trade Test Trade Test application Certified copy of learner ID Certified copy of highest qualification Proof of address Signed POPI declaration Evidence of workplace experience and Statement of results from Trade Test Centre (ARPL)</td> </tr> </table>	LP03 Apprenticeship Learner agreement Certified copy of learner ID Certified copy of highest qualification – minimum grade 9 Employment contract Proof of address Signed POPI declaration	LP04 Trade Test Trade Test application Certified copy of learner ID Certified copy of highest qualification Proof of address Signed POPI declaration Evidence of workplace experience and Statement of results from Trade Test Centre (ARPL)
LP03 Apprenticeship Learner agreement Certified copy of learner ID Certified copy of highest qualification – minimum grade 9 Employment contract Proof of address Signed POPI declaration	LP04 Trade Test Trade Test application Certified copy of learner ID Certified copy of highest qualification Proof of address Signed POPI declaration Evidence of workplace experience and Statement of results from Trade Test Centre (ARPL)		
Assumptions	Services SETA receives adequate applications in response to Discretionary Grant advertisements and applicants have the necessary capacity to recruit and implement the learning programmes.		
Disaggregation of beneficiaries	<ul style="list-style-type: none"> • Women, 40% • Youth, 80% • Rural, 6% 		
Spatial Transformation	N/A		
Calculation Type	Cumulative		
Reporting cycle	Quarterly		
Desired performance	500		
Indicator responsibility	Executive Manager: Core Business		

COMPONENTS	DESCRIPTIONS
Indicator title	3.3.13. Number of artisan learners completed
Definition	<p>The indicator refers to learners who have completed the trade test / integrated summative assessment funded by the Services SETA through a Discretionary Grants</p> <p>"Artisan": A person certified as competent, via a trade test, to undertake a listed trade in accordance with relevant legislation</p> <p>"Trade Test": trade test" means a final integrated summative assessment for artisan qualification on a listed trade that is conducted at accredited Trade Test Centre by an assessor registered with NAMB</p> <p>"Completed": person shall be considered as "complete" as an artisan learner on a related artisan learning programme on the date that the person has successfully undertaken a summative assessment or trade test and a certificate is issued by the relevant quality assurance body.</p> <p>"Apprenticeship completed": a learner who have successfully completed an external integrated summative assessment (Trade Test) in terms of an occupation listed as a trade in Gazette 35625</p>
Data source	Compiled list of artisan completions funded by Services SETA in accordance with The Sector Education and Training Management Information System (SETMIS) requirements
Method of calculation	The sum of Services SETA funded artisan learners who have successfully completed an external integrated summative assessment (Trade Test) within the applicable reporting period
Means of verification/ Assessment	<ul style="list-style-type: none"> • LP 03: Trade test results and Logbook • LP 04: Trade test results • QCTO Certificate • ID Copy
Assumptions	<p>For Artisan learners 25% of Services SETA funded learners entered will terminate during the course and scope of implementation and 55% will successfully complete</p> <p>For Trade Test learners 10% of Services SETA funded learners entered will terminate during the course and scope of implementation and 65% will successfully complete</p>
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	158
Indicator responsibility	Executive Manager: Operations/Core Business

COMPONENTS	DESCRIPTIONS
Indicator title	3.3.14. Number of learners enrolled RPL/ARPL
Definition	<p>The indicator refers to employed learners entered on a Recognition of Prior Learning programme funded by the Services SETA through the Discretionary Grants</p> <p>"RPL" Refers to the principles and processes through which the prior knowledge and skills acquired by a person is identified, mediated, and assessed for purposes of admission to a formal course of study, or recognition and certification to a formal qualification</p> <p>"Entered" refers to the enrolment of learners on a learning programme post the verification of requisite employer and learner documentation, as per the official Commencement Letter issued by the Services SETA permitting a discretionary grant recipient to start implementation</p>
Data source	Compiled list of RPL entered funded by Services SETA in accordance with The Sector Education and Training Management Information System (SETMIS) requirements
Method of calculation	The sum of employed Services SETA funded Recognition of Prior Learning learners entered within the applicable reporting period
Means of verification/ Assessment	<ul style="list-style-type: none"> • Workplace Based Learning Agreement • Certified ID copy • Certified copies of highest qualifications attained • Employment letter • Signed POPI Declaration • Commencement Letter

COMPONENTS	DESCRIPTIONS
Assumptions	Services SETA receives adequate applications in response to Discretionary Grant advertisements and applicants have the necessary capacity to recruit and implement the learning programmes.
Disaggregation of beneficiaries	<ul style="list-style-type: none"> • Women, 60% • Youth, 50%
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	150
Indicator responsibility	Executive Manager: Core Business

COMPONENTS	DESCRIPTIONS
Indicator title	3.3.15. Number of learners completed RPL/ARPL
Definition	<p>The total number of learners who are certificated on Services SETA-funded processes for the Recognition of Prior Learning</p> <p>“RPL” Refers to the principles and processes through which the prior knowledge and skills acquired by a person are identified, mediated and assessed for purposes admission to a formal course of study, or recognition and certification to a formal qualification</p> <p>“Employed learners” refers to learners who are employed at the time of contracting with the employer.</p> <p>“Completed” refers to learners who are issued with a formal outcome by the relevant Quality Assurance Body in recognition of their achievement of the learning outcomes, after the prescribed processes of assessment and moderation.</p> <p>“SETA-funded programmes” refers to learning interventions funded by the Services SETA through the Discretionary Grants Funds</p>
Data source	List of learners supported
Method of calculation	Simple count of learners who have been assessed and issued with an RPL certificate, as reported on SETMIS
Means of verification/ Assessment	Certificates and/or Statements of results and/or Trade test results ID copy
Assumptions	Learners complete their RPL programmes
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	56
Indicator responsibility	Executive Manager: Core Business

COMPONENTS	DESCRIPTIONS
Indicator title	3.3.16. Number of workers enrolled AET programmes
Definition	<p>The indicator refers to learners entered on a AET programme funded by the Services SETA through the Discretionary Grants.</p> <p>“AET programmes” refers to formal learning and training undertaken by adults for the improvement of their knowledge and skills for personal development, further learning and/or employment. This learning must result in a numeracy and literacy General Education and Training Certificate.</p> <p>“Entered” refers to the enrolment of learners on a learning programme post the verification of requisite employer and learner documentation, as per the official Commencement Letter issued by the Services SETA permitting a discretionary grant recipient to start implementation</p>
Data source	Compiled list of AET entered funded by Services SETA in accordance with The Sector Education and Training Management Information System (SETMIS) requirements
Method of calculation	The sum of Services SETA funded AET learners entered within the applicable reporting period

COMPONENTS	DESCRIPTIONS
Means of verification/ Assessment	<ul style="list-style-type: none"> • Workplace Based Learning Agreement • Certified ID copy • Signed POPI Declaration
Assumptions	Services SETA receives adequate applications in response to Discretionary Grant advertisements and applicants have the necessary capacity to recruit and implement the learning programmes.
Disaggregation of beneficiaries	<ul style="list-style-type: none"> • Women, 70% • Youth, 50% • Rural, 30%
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	500
Indicator responsibility	Executive Manager: Core Business

COMPONENTS	DESCRIPTIONS
Indicator title	3.3.17. Number of workers completed AET programmes
Definition	<p>The indicator refers to the total number of AET learners who completed Services SETA-funded AET programmes within the financial year</p> <p>“AET programmes” refers to formal learning and training undertaken by adults for the improvement of their knowledge and skills for personal development, further learning and/or employment. This learning must result in a numeracy and literacy General Education and Training Certificate.</p> <p>“Completed” refers to learners who have been assessed as competent after the completion of their AET programme and have been awarded a formal statement of results or certificate by the relevant quality assurance authority, as per the verified Project closure report within 12 months from the last day of learning.</p>
Data source	Compiled list of AET completions funded by Services SETA in accordance with The Sector Education and Training Management Information System (SETMIS) requirements
Method of calculation	The sum of Services SETA funded AET learner completions within the applicable reporting period
Means of verification/ Assessment	<ul style="list-style-type: none"> • Certificates or • Statements of results • Certified ID copy
Assumptions	For AET 30% of Services SETA funded learners entered will terminate during the course and scope of implementation and 60% will successfully complete.
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	140
Indicator responsibility	Executive Manager: Operations/Core Business

PROGRAMME: QUALITY ASSURANCE

OUTPUT 4: ENHANCED QUALITY ASSURANCE EFFICIENCIES TO EXECUTE QCTO DELEGATED FUNCTIONS

SUB-PROGRAMME: CERTIFICATION

COMPONENTS	DESCRIPTIONS
Indicator title	4.1.1. Percentage of learners receiving certificates/SOR
Definition	<p>This indicator refers to the number of certificate or statements of results printed by the Services SETA.</p> <p>"Learner" refers to learners registered for a qualification or Skills programme</p> <p>"Certificated" refers to the printing of certificates or statement of results for learners that have successfully completed all required outcomes of the qualification that is deemed competent through external moderation.</p> <p>The current indicator is not compliant with SMART principles and cannot be calculated, it is hereby substituted with the percentage of learners certificated.</p>
Data source	Compiled list of certificates and statements printed
Method of calculation	<ul style="list-style-type: none"> • Number of certificates or statement of results printed / total number of certificates or statement of results due for printing • Output data refers to Printed certificate or SOR within the reporting period / Input data refers to the acceptance of the approved external • moderation report by the Skills Development Provider
Means of verification/ Assessment	Certificates and/or Statement of results
Assumptions	Services providers provide supporting documentation in good time
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	80%
Indicator responsibility	Executive Manager: Core Business

SUB-PROGRAMME: QUALIFICATIONS DEVELOPMENT

COMPONENTS	DESCRIPTIONS
Indicator title	4.2.1. Number of qualifications developed or aligned to the priority skills
Definition	<p>This indicator refers to the services sector related qualifications that have been developed in line with, or aligned to, the QCTO occupational qualifications framework</p> <p>“Priority skills” refer to the list of Hard-to-Fill Vacancies and Skills gaps as contained in the Sector Skills Plan 2020/21</p>
Data source	List generated by Qualifications Development
Method of calculation	<p>A simple count of qualifications that have been aligned to QCTO occupational framework</p> <p>A simple count of qualifications that have been developed in line with QCTO occupational framework</p>
Means of verification/ Assessment	<p>A list of:</p> <p>Qualifications that have been aligned to QCTO occupational framework</p> <p>Qualifications that have been developed in line with QCTO occupational framework</p> <p>Proof of receipt / acknowledgement letter/s from QCTO</p> <p>QCTO/ Services SETA SLA</p>
Assumptions	<p>There is sufficient capacity within the services sector to develop or align qualifications in line with QCTO occupational qualifications Framework</p>
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	10
Indicator responsibility	Executive Manager: Strategy & Planning

ANNEXURE B



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

SERVICE LEVEL AGREEMENT

entered into by and between

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

(hereinafter referred to as the "DHET" represented by

DR NKOSINATHI SISHI,

duly authorised thereto by virtue of his capacity as the Director-General),

and

SETA NAME: SERVICES SETA

(hereinafter referred to as "SETA" represented by

MR STEPHEN DE VRIES

duly authorised thereto in his/her capacity as Accounting Authority (Chairperson)



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



S

Chairperson Initials

DG Initials

Services SETA – Annual Performance Plan | 81

1. PURPOSE OF THE SERVICE LEVEL AGREEMENT

This Service Level Agreement (SLA) is entered into between the above mentioned parties to agree on the targets required by the SETA in performing its statutory functions, meeting the National Skills Development Plan (NSDP) principles, outcomes and indicators in implementing its Strategic Plan (SP) and Annual Performance Plan (APP).

2. DURATION OF THE SERVICE LEVEL AGREEMENT

The SLA is entered into for the period of **01 April 2022 to 31 March 2023**.

3. OBLIGATIONS OF THE SETA

3.1. THE SETA UNDERTAKES TO:

- 3.1.1. perform its functions as required by the Skills Development Act No. 97 of 1998 as amended (SDA), Skills Development Levy Act No. 9 of 1999 (SDL), Public Finance Management Act No. 1 of 1999 (PFMA), and all Related Regulations (RR), notices and guidelines promulgated currently and in the future and other related legislation;
- 3.1.2. implement the approved SP, APP, and budget;
- 3.1.3. provide adhoc reports that may from time to time be required by the Minister, Cabinet and Parliament within specified timelines;
- 3.1.4. address all findings raised by the Auditor-General South Africa (AGSA) in the previous financial year;
- 3.1.5. achieve all NSDP SLA targets, as failure to do so may result in the Department of Higher Education and Training (DHET) recommending to the Minister, implementation section 14 of the SDA, subsequently section 15;
- 3.1.6. advance economic growth, job creation and labour market development drivers through skills in current and future skills needed for development in technological advancement and digitalisation (4th Industrial Revolution);
- 3.1.7. submit Quarterly Skills Education and Training Management Information System (SETMIS) Reports and Annual Reports (AR) in accordance with National Treasury (NT), Department of Planning, Monitoring and Evaluation (DPME) and DHET requirements, including reporting on Sector funded interventions;
- 3.1.8. establish policies, processes and systems for credible research, monitoring, reporting and evaluation to support evidence based planning decisions (including the development of Sector Skills Plan (SSP), SP, APP) and operational decisions;
- 3.1.9. conduct tracer and impact evaluation studies inclusive of but not limited to determining employment (including self-employment) absorption rates of unemployed learners completing the SETA's priority occupations;
- 3.1.10. integrate in its interventions targets for women, differently-abled persons, youth, rural and other economically excluded beneficiaries;
- 3.1.11. establish a functional operational structure and staff establishment appropriate to the size of the sector, levy income and the administration budget limit thereof;
- 3.1.12. establish collaborations to implement the approved SP and APP including but not limited to partnerships with departments and public entities at all three spheres of government, inter SETA partnerships, public – private partnerships, and other organisations as permitted by the SDL Acts, RRs and the SETA Grants Policy;
- 3.1.13. support the imperatives contained within Job Summit Agreements and the temporary employee and employer relief scheme through delivery of flexible programmes that ensure that young people are suitably prepared and skilled to fill every entry level roles, particularly where companies need to scale their operations, these may include inter alia work readiness programme, short courses (accredited or no-accredited) that allow candidates to respond to changing economy;
- 3.1.14. support the collaboration in the establishment of public college Centres of Specialisation in partnership with employers and labour organisation.
- 3.1.15. ring-fence grants annually and allocate as employers become available to take apprentices for Centres of Specialisation (CoS);
- 3.1.16. prioritise the allocation of grants and report to DHET on the results annually;
- 3.1.17. support the implementation of rural development programmes for women, youth and people with disability;
- 3.1.18. support the revitalisation of rural and townships to uplift local economy through skills development;
- 3.1.19. provide financial support to World Skills South Africa;

3.2. ACHIEVE ALL TARGETS FOR THE PLANNING PERIOD AS REFLECTED IN THE TABLE BELOW:

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE 2021/22	SETA FUNDED TARGETS	SECTOR FUNDED
1. Identify and increase production of occupations in high demand	1.1 National enrolment and resource ratios for the high, intermediate and elementary skills level.	• Percentage of discretionary grant budget allocated at developing high level skills	30%	30%	
		• Percentage of discretionary grant budget allocated at developing intermediate skills	30%	30%	
		• Percentage of discretionary grant budget allocated at developing elementary skills	40%	40%	
	1.4 Identification of interventions required to improve enrolment and completion of priority occupations:	• Number of WSPs and ATRs approved for Small firms	2 488	2 513	
		• Number of WSPs and ATRs approved for Medium firms	723	776	
		• Number of WSPs and ATRs approved for Large firms	512	563	
		• Number of sector research agreements signed for TVET growth occupationally directed programmes	2	2	
		• Number of learners who completed workplace-based learning programmes absorbed into employment or self-employment	2 000	2 000	
		• Number of established or emergent cooperatives trained on sector and national priority occupations or skills.	0	30	
		• Number of small and emerging enterprises trained on sector and national identified priority occupations or skills.	10	30	
		• Number of people trained on entrepreneurship supported to start their business.	100	200	
		• Number of TVET students requiring Work Integrated Learning to complete their qualifications placed in workplaces	350	1 000	
		• Number of TVET students completed their work integrated learning placements	0	158	
		• Number of university students requiring work integrated learning to complete their qualifications placed in workplaces	350	500	
• Number of university students completed their Work Integrated Learning placements	0	158			
2. Linking education and the workplace	2.1: Opening of workplace based learning opportunities increased	• Number of unemployed learners enrolled Internships	420	500	
		• Number of unemployed learners completed Internship	50	189	
		• Number of unemployed learners enrolled Skills programmes	2 450	2 500	
		• Number of unemployed learners completed Skills programmes	1 237	1 225	
		• Number of unemployed learners enrolled Learnerships programmes	3 780	7 000	
		• Number of unemployed learners completed Learnerships programmes	100	1 701	
		• Number of unemployed learners enrolled for Candidacy programmes	105	120	
		• Number of unemployed learners completed Candidacy programmes	0	42	

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE 2021/22	SETA FUNDED TARGETS	SECTOR FUNDED
3. Improving the level of skills in the South African workforce	3.1: To increase workers participating in various learning programmes to a minimum of 80% by 2030, to address, critical skills required by various sectors of the economy, to transform workplaces, improve productivity and to improve economic growth prospects in various sectors of the economy.	• Number of workers enrolled in Learnerships programmes	700	1 000	
		• Number of workers completed Learnerships programmes	0	350	
		• Number of workers granted Bursaries (new entries)	150	420	
		• Number of workers granted Bursaries (continuing)	210	0	
		• Number of workers granted Bursaries completed their studies	210	252	
		• Number of workers enrolled Skills programmes	3 150	4 000	
		• Number of workers completed Skills programmes	883	1 733	
		• Number of workers enrolled AET programmes	350	500	
		• Number of workers completed AET programmes	0	140	
		4. Increase access to occupationally directed programmes	4.2: Increase access for Intermediate and high level skills	• Number of artisan learners enrolled	350
• Number of artisan learners completed	100			1 000	
• Number of unemployed learners granted Bursaries (new enrollments)	700			800	
• Number of unemployed learners granted Bursaries (continuing)	150			200	
• Number of unemployed learners granted Bursaries completed their studies	340			400	
• Number of learners enrolled RPL/ARPL	140			150	
• Number of learners completed RPL/ARPL	0			56	
• Number of TVET partnerships established	4			7	
• Number of HEI partnerships established	2			4	
• Number of CET partnerships established	2			4	
• Number of SETA-Employer partnerships established	500			50	
5. Support the growth of the public college system	5.1: Support the TVET Colleges			• Number of SETA offices established and maintained in TVET colleges	0
		• Number of Centres of Specialisation supported	1	4	
		• Number of TVET Lecturers exposed to the industry through Skills Programmes	10	40	
		• Number of Managers receiving training on curriculum related studies	2	5	
		• Number of TVET colleges Lecturers awarded Bursaries	13	70	
		• TVET colleges infrastructure development (equipment/workshops)	3	2	
	5.2 Support the CET Colleges	• Number of CET colleges lecturers awarded skills development programmes	10	10	
		• CET colleges infrastructure development support (equipment/ workshops/ Connectivity/ ICT)	1	1	
		• Number of Managers receiving training on curriculum related studies	2	5	
		• Number of CET learners accessing AET programmes	20	20	

NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE 2021/22	SETA	SECTOR FUNDED
				FUNDED TARGETS	
6. Skills development support for entrepreneurship and cooperative development	6.1: To increase skills development support for entrepreneurial activities and the establishment of new enterprises and cooperatives	• Number of cooperatives funded for skills that enhance enterprise growth and development	300	300	
		• Number of small businesses funded for skills that enhance growth and development	100	300	
		• Number of CBOs/ NGOs/ NPOs funded for skills that enhance the development and sustainability of their organisation activities.	100	100	
7. Encourage and support worker initiated training		• Number of Federations /Trade Unions supported through the relevant skills training interventions	6	5	
8. Support career development services		• Number of Career Development Events in urban areas on occupations in high demand	8	8	
		• Number of Career Development Events in rural areas on occupations in high demand	10	10	
		• Number of Career Development Practitioners trained	40	40	
		• Number of capacity building workshops on Career Development Services initiated	18	18	
9. Governance		• Quarterly SETA Good Governance report	4	4	
10. Rural Development		• Number of Rural Development Projects initiated	5	5	

4. OBLIGATIONS OF DEPARTMENT OF HIGHER EDUCATION AND TRAINING

4.1. THE DEPARTMENT UNDERTAKES TO:

- 4.1.1. consult the SETA on policy and strategic matters that may affect the functioning of the SETA;
- 4.1.2. specify timelines for the submission of adhoc reports;
- 4.1.3. continuously and timeously inform the SETA of any changes to legislation, regulations, policies and strategies that impact on the strategy and functions of the SETA and provide guidance for implementation;
- 4.1.4. provide the SETA with guidance on strategic planning documents and any matter that maybe requested by the SETA in relation to its functions;
- 4.1.5. provide support to SETA where applicable in performing its functions and responsibilities;
- 4.1.6. validate and verify the accuracy of reports submitted by SETA and provide feedback quarterly.

5. GENERAL

In-year amendments to the approved Service Level Agreement are not encouraged.

SIGNED AT CAPE TOWN ON THIS 30 DAY OF NOVEMBER 2021



CHAIRPERSON

(Represented by **Mr Stephen de Vries** who warrants that he/she is duly authorised to this agreement)

SIGNED AT PRETORIA ON THIS 30 DAY OF MARCH 2022



DIRECTOR-GENERAL

(Represented by **Dr Nkosinathi Sishi** duly authorised thereto)

Acronyms and Abbreviations

AE	Adult Education Training
AGSA	Auditor-General South Africa
APP	Annual Performance Plans
ARPL	Artisan Recognition of Prior Learning
ATRs	Annual Training Reports
CBO	Community Based Organisations
CE	Community Education and Training Colleges
CoS	Centres of Specialisation
DG	Director General of Higher Education and Training
DHET	Department of Higher Education and Training
DPME	Department of Planning, Monitoring and Evaluation
IC	Information Communication Technology
INDLELA	National Development of Learnerships, Employment Skills and Labour Assessment
IR	4 th Industrial Revolution
M&R	Sub-directorate: Monitoring and Reporting of the (SETA Performance Management)
Minister	Minister of the Department of Higher Education and Training
NC (V)	National Certificate (Vocational)
NGO	Non-Government Organisation
NPO	Non-Profit Organisation
NSDP	National Skills Development Plan
N	National Treasury
PFMA	Public Finance Management Act No. 1 of 1999
RPL	Recognition of Prior Learning
RR	Related Regulations
SDA	Skills Development Act No. 97 of 1998 and Skills Development Levy Act No.9 of 1999
SDLA	Skills Development Levy Act No.9 of 1999
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SP	Strategic Plans
SPM	SETA Performance Management of the DHET
SSP	Sector Skills Plans
TR	Treasury Regulations
TVET	Technical and Vocational Education and Training (formerly FET)
WBLPAR	Workplace Based Learning Programme Agreement Regulation
WIL	Work Integrated Learning
WSPs	Workplace Skills Plans

Annexure C: Materiality and Significance Framework

TREASURY REGULATION 28.1.5 states that:

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

Below is an outline of specific regulation articles to which the Services SETA should comply (We have provided an explanation of how each prescript has been addressed):

Section 50(1)	<p>(1) The Accounting Authority for a public entity must -</p> <p>(a) Exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity;</p> <p>b) Act with fidelity, honesty, integrity and in the best interest of the public entity in managing the financial affairs of the public entity;</p> <p>(c) On request disclose to the executive authority responsible for that public entity, or the legislature to which the public entity is accountable, all material facts (including those reasonably found) which in any way influences the decision or actions of the executive authority or that legislature; and</p> <p>(d) Seek within the sphere of influence of that accounting authority to prevent any prejudice to the financial interests of the state.</p>	<p>The Accounting Authority must implement effective and efficient internal controls for governance and risk management processes through its committees and as a collective.</p> <p>Key policies and procedures have been approved.</p> <p>Good governance, professional conduct and ethical behaviour is encouraged across all organisational levels.</p> <p>Through frequent engagements with stakeholders (internally and externally), important and relevant information is shared, and transparency is achieved.</p> <p>Services SETA implements an on-going risk management assessment and review processes to mitigate and prevent any prejudice to the financial interest of Services SETA.</p>
Section 55(2)	<p>(2) The annual report and financial statements referred to by PFMA Subsection 55 (1)(d) must -</p> <p>(a) Fairly present the state of affairs of the public entity, its business, its financial results, its performance against pre-determined objectives, and its financial position as at the end of the financial year;</p> <p>(b) include particulars of -</p> <p>(i) Any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;</p> <p>(ii) Any criminal or disciplinary steps taken as consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;</p> <p>(iii) Any losses recovered or written off;</p> <p>(iv) Any financial assistance received from the state and commitments made by the state on its behalf; and</p> <p>(v) Any other matters that may be prescribed; and</p> <p>(c) Include the financial statements of any subsidiaries.</p>	<p>As a collective, the Accounting Authority with its committees and management, are involved in the compilation and review processes of the Annual Financials.</p> <p>Statements and the Annual Report need to present and disclose results of the Services SETA.</p> <p>All losses are disclosed in the AFS.</p> <p>All activities are disclosed in the AFS.</p> <p>All losses recovered or written off are disclosed in the AFS.</p> <p>All financial assistance received or committed is disclosed.</p> <p>Services SETA will apply any other matters that become prescriptive.</p> <p>Not applicable.</p>

Section 54 (2)	(1) Before a public entity concludes any of the following transactions, the Accounting Authority for the public entity must promptly, and in writing, inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction.	Not applicable.
	Establishment or participation in the establishment of a company;	Not applicable.
	Participation in a significant partnership trust, unincorporated joint venture, or similar arrangement.	Not applicable.
	Acquisition or disposal of a significant shareholding in a company.	Not applicable to this reporting period.
	Acquisition or disposal of a significant asset.	Not applicable.
	Commencement or cessation of a significant business activity; and	Not applicable.
	A significant change in the nature or extent of its interest in a significant partnership trust, unincorporated joint venture, or similar arrangement.	The level of material loss is assessed at 0.5% of gross revenue and limited to R3.6 million.
Section 61 (1) (c)	The report of an auditor appointed in terms of section 58(1)	Revenue includes levy income interest and penalties and any other income.
	(b) must be addressed to the executive authority responsible for the public entity concerned, and must state separately in respect of each of the following matters whether in the auditor's opinion –	
	(c) The transactions that had come to the auditor's attention during auditing were in all material respects in accordance with the mandatory functions of the public entity determined by law or otherwise.	
	(1) An institution to which this Act applies may not borrow money or issue a guarantee, indemnity, or security, or enter into any other transaction that binds or may bind that institution or the Revenue Fund to any future financial commitment, unless such borrowing guarantees, indemnity, security, or other transaction –	Services SETA operates within the ambit as set by this clause and its related Acts.
	(a) Is authorised by this Act; and	
	(b) In the case of public entities, is also authorised by other legislation not in conflict with this Act; and	
	(c) In the case of loans by a province or a provincial government business enterprise, under the ownership control of a provincial executive, is within the limits as set in terms of the Borrowing Powers of Provincial Governments Act 1996 (Act No. 48 of 1996).	



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