# STRATEGIC PLAN
## 2020/21 - 2024/25

higher education
& training

Department:
Higher Education and Training
**REPUBLIC OF SOUTH AFRICA**

SERVICES
SETA

# Official Sign-Off

It is hereby certified that this Strategic Plan:

- was developed by the management of the Services SETA in consultation with the Department of Higher Education and Training
- was informed by the revised Services SETA Sector Skills Plan submitted on 01 August 2019
- accurately reflects the impact statements and outcomes which the Services SETA will endeavour to achieve over the period of 2020/21 – 2024/25


Mr Sibusiso Dhladhla

Executive Manager: Planning

Signature: ...........................................................

Date: .........01/08/2019.................................


Mr Tsheola Matsebe

Chief Financial Officer

Signature: ...........................................................

Date: .........01/08/2019.................................


Ms Amanda Buzo-Gqoboka

Chief Executive Officer

Signature: ...........................................................

Date: .........01/08/2019.................................


Dr Maria Marinkie Madiope

Chairperson: Accounting Authority

Signature: ...........................................................

Date: .........01/08/2019.................................


For more information, please contact:

Services SETA

PO Box 3344

Houghton

2041

South Africa

Tel: +27 11 276 9600

*Email: customercare@serviceseta.org.za*

# FOREWORD BY THE CHAIRPERSON OF THE ACCOUNTING AUTHORITY



**DR MARINKIE MARIA MADIOPE**
**CHAIRPERSON OF THE ACCOUNTING AUTHORITY**

On 8 Mar 2019, the former Minister of Higher Education and Training, Dr Naledi Pandor, issued the National Skills Development Plan (NSDP), a 10-year strategy for skills development in the post-school education and training system. Central to its eight Outcomes, the NSDP places greater emphasis on work readiness of graduates through the post-school education and training system. To achieve this, the NSDP urges Sector Education and Training Authorities (SETA) to forge closer collaboration with employers to ensure sufficient workplace learning opportunities. As the Board of the Services SETA, we welcome these developments. They reinforce our long-held belief that SETAs should work more closely with employers in order to improve the prospects of employability of our graduates. We believe so because our aim is to train for employment and/or entrepreneurial development.

Subsequent to the publication of the NSDP, the Minister of Higher Education, Training, Science and Technology, Dr Bonginkosi Nzimande, gazetted a new landscape for SETAs on 22 July 2019. The new landscape is opportune in two ways. Firstly, it aligns with NSDP by re-licensing SETAs for a 10-year period. This licence period will allow SETAs to develop short, medium to long-term goals to realise genuine impact. The previous landscapes created a lot of uncertainty in terms of strategy planning, including financial and human resources. We are subsequently, in a better position to make long-term plans with real impact. The current Strategic Plan is by-and-large a forward-looking plan with medium- to long-term plans.

Secondly, the new landscape strengthens alignment between SETA Strategic Plans and Medium-Term Expenditure Framework as well as the electoral era. These developments will help us to align our plans to the government's planning framework and the budget cycle seamlessly. We are gradually strengthening these alignments through this iteration of the Strategic Plan. The second cycle of planning will witness improved alignment.

Additional improvement in our Strategic Plan is the introduction of the Results-Based Management Frameworks and theory of change. Applying this government's approach to planning, we introduced four impact statements, outcomes and outcome indicators, factoring key risks and mitigation strategies. This has largely been possible due to the revised guidelines for Strategic and Annual Performance Plans issued by the Department of Planning, Monitoring and Evaluation. This approach affords an opportunity to develop long-term plans and strategy with meaningful impact.

We are grateful to our stakeholders for making valuable inputs to the development of this Strategic Plan through stakeholder engagement forums, research, Sector Skills Plan and various interaction events over the last year. These inputs informed this Strategic Plan as well as the Sector Skills Plan to ensure alignment and that we meet the needs of our sector.

We are also thankful to the Services SETA management and staff for their valuable suggestions and inputs.

**DR MARINKIE MARIA MADIOPE**
**CHAIRPERSON OF THE ACCOUNTING AUTHORITY**

# OVERVIEW BY THE CHIEF EXECUTIVE OFFICER

**Ms AMANDA BUZO_GQOBOKA**
**CHIEF EXECUTIVE OFFICER**

It gives me great pleasure to present the Services SETA's Strategic Plan 2020/21-2024/25. What pleases me most is the participatory approach that was adopted in the preparation of this Strategic Plan. Participation was far-reaching and included external and internal stakeholders. For employers (both levy-paying and non-levy-paying), service providers and learners contributed immensely through their participation in the Sector Skills Plan research which informed this Strategic Plan. The management of the Services SETA held several workshops to ensure that this Strategic Plan is aligned to our mandate and the relevant frameworks, but also to provide appropriate insights to the Accounting Authority in the execution of its oversight role.

The most exciting part of this Strategic Plan is that it provides the Services SETA's Accounting Authority and Management with a golden opportunity to develop a plan for the next five years that will leave a lasting impact. To this effect, the Strategic Plan has drawn a lot of wisdom from the new SETA landscape in the form of the National Skills Development Plan: 2030, the Government's Medium-Term Strategic Framework, the National Development Plan and NDP 5-Year Implementation Plan.

The new planning framework, which places greater emphasis on the impact and outcomes, has provided further impetus to the development of the organisational vision and mission with clearly defined impact statements. The overarching aim is to bring about meaningful change in the broader Post-School Education and Training system in general, and services sector in particular. Pursuant to this vision, this Strategic Plan contains clear impact statements. For each impact statement, clear outcomes have been identified and appropriate measurements defined.

The Plan further explains the link between outcomes and impact statements and the contribution to key policy and legislative imperatives that define the mandate of the Services SETA. These outcomes will be tracked on an annual basis to monitor progress towards the achievement of the envisaged impact.

The underlying consideration, in pursuit of these outcomes, is transformation; entrepreneurial development and BBBEE.

To realise this objective, the Services SETA will leverage opportunities presented by the Information and Communication Technology to improve operational effectiveness and efficiency. In executing the Strategic Plan, the Services SETA will look at new ways of facilitating the delivery of training, including the use of the e-learning platform; enhance knowledge management and data integrity; financial controls; and internal and external communication, leveraging Information and Communication Technology.

The Services SETA will continue to invest in research and innovation to find new and better ways of delivering services to the sector in line with its mandate. Particular emphasis will be placed on strengthening supply with relevant qualifications that address skills requirements of current and future jobs.

**Ms AMANDA BUZO-GQOBOKA**
**CHIEF EXECUTIVE OFFICER**

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# GLOSSARY

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

| SDLA | Skills Development Levies Act |
|------|------------------------------|
| SETA | Sector Education and Training Authority |
| SIC | Standard Industrial Classification |
| SME | Small and Micro Enterprises |
| SMME | Small, Medium and Micro Enterprises |
| SSP | Sector Skills Plan |
| TVET | Technical and Vocational Education and Training |
| WPPSET | White Paper on Post-School Education and Training |
| WSP | Workplace Skills Plan |

# PART A: OUR MANDATE

This section discusses the mandate of the Services Sector Education and Training Authority (Services SETA) by, firstly, highlighting the Constitutional mandate of the Services SETA. It provides a brief overview of key legislation and policies that drive the mandate of the Services SETA. Lastly, it presents key Services SETA policies and strategies that enable the SETA to implement its mandate.

## 1. Constitutional mandate

The Bill of Rights as contained in the Constitution of the Republic of South Africa, 1996 (Act No.108 of 1996) Section 9 stipulates that everyone has the right:

- to a basic education, including adult basic education; and
- to further education, which the state, through reasonable measures, must make progressively available and accessible.

The Services SETA therefore exists to contribute to the vision of the Constitution of ensuring that employees and youth who are not in employment, education and training institutions, receive further training to enhance their prospects of getting employment or starting their own businesses.

## 2. Legislative and policy mandate

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

### 2.1 Legislative Mandate

#### 2.1.1 Skills Development Act

Section 9 (1) of the Skills Development Act (SDA) empowers "the Minister of Higher Education and Training to establish a Sector Education and Training Authorities for any national sector economy". In terms of the SDA, key functions of SETAs are to develop and implement sector skills plan within the framework of the national skills development strategy; and to promote and register learning programmes. Key programmes for SETAs comprise on-the-job training, learnerships, internships and bursaries, with a particular focus on the unemployed and youth. To strengthen accountability on the SETAs performance, the SDA mandates the national 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 APP 2020/21.

#### 2.1.2 Skills Development Levies Act

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 current 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. Currently, the Grant Regulations determine that: The skills levy is not the only source of funding for skills development in the sector. Many employers spend resources on training that they do not report; learners themselves often pay for their own studies; and public providers such as Technical

Vocational Education and Training (TVET) colleges and Higher Education Institutions receive funding independently. These resources do not fall under the managerial control of the Services SETA but are the basis for leveraging further investments in education and training, and partnerships. In addition, the Services SETA influences the expenditure of these resources through sector skills planning.

### 2.1.3 Public Finance Management Act

The Services SETA is a national public entity established in terms of Schedule 3 (Part A) of the Public Finance Management Act (PFMA) (Act 1 of 1991). Therefore, the Services SETA must conduct its financial affairs in line with the PFMA. The current audit findings by the Auditor-General of South Africa points towards sustained improvement in the way the Services SETA conducts its financial affairs. The reports note that there were no matters that indicate any material deficiencies in the system of internal controls or any deviations therefrom. Accordingly, we can report that the system of internal controls over financial reporting, for the period under review, was efficient and effective.

## 2.2 Policy Mandates

### 2.2.1 .National Skills Development Plan

The National Skills Development Plan (NSDP) is a 10-year plan that "seeks to ensure that South Africa has adequate, appropriate and high quality skills that contribute towards economic growth, employment creation and social development". The NSDP contains eight Outcomes that guide its implementation. In summary, the Outcomes place emphasis on developing both basic skills and technical skills, with a specific focus on historically disadvantaged individuals. It implores SETAs to aim to facilitate and co-finance training for approximately 10% of the workforce annually. Crucially, the NSDP urges SETAs to forge close collaboration with employers to strengthen work-place learning. This Strategic Plan ensures alignment between the NSDP Outcomes and the impact statements, outcomes as well as outputs. Targets set directly address the NSDP Outcomes as well as the NDP goals. There is also a strong emphasis on promoting workplace learning to promote quality throughput of graduates to support the sector. The Annual Performance Plan targets provide the clearest indication of the alignment of the SP's Outcomes to NSDP Outcomes.

### 2.2.2 White Paper on Post-School Education and Training

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

### 2.2.3 Human Resources Development Strategy

The Human Resource Development Council (HRDC) recently released a revised Human Resources Development Strategy (HRDS) in April 2017. The revisions identify and reinforce the relevance of skills development and the importance of human resource development to achieving our national objectives. The revisions also identify the key stakeholders and the importance of the workplace as the site of development. The Services SETA plays an intermediary role in facilitating the programmatic interventions of the strategy. The responsibility is to ensure a coordinated and continuous dialogue with stakeholders to lay the foundation for collaboration to address scarce, critical and priority skills needed for the services sector. More specifically, the Services SETA is busy developing new qualifications aligned to the objectives of the HRDC. The process of strengthening partnerships with TVET colleges and Higher Education and Training (HET) institutions is ongoing. The Services SETA is continuously researching the training needs of the services sector as presented in its SSP.

### 2.2.4 IPAP II: IPAP 2018/19 – 2020/21

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

### 2.2.5 National Accords

The Services SETA's contribution to the National Youth Accord is primarily through investment in artisanal training related to SIPs and additionally through the placement of TVET learners on work-integrated learning in the public and private sector; and the significant allocation of resources to artisan development.

## 3. Institutional Policies and Strategies over 5-Year Planning Period

### 3.1 Institutional Policies

The Services SETA through this Strategic Plan and Annual Performance Plan, aims to support the National Development Plan's outcomes, The National Development Plan's Five-Year Implementation Plan, the Medium-Term Strategic Framework and Provincial Priorities. The section below outlines the role of the Services SETA in supporting these policies.

### 3.1.1 The National Development Plan

This Strategic Plan (SP) and the Annual Performance Plan (APP) place emphasis on the priorities identified in the National Development Plan (NDP). In supporting the education agenda linked to this mandate the Services SETA supports DHET's skills development and capacity-building initiatives which prioritise Workplace Based Learning (WBL) through facilitating placement of TVET College graduates. Additionally, through the Skills Development Centres' initiative, the Services SETA aims to address artisanal skills shortages identified by Occupational Teams that have been established for the Strategic Infrastructure Projects (SIPs) being utilised for Operation Phakisa.

Overall, the Services SETA Sector Skills Plan has identified the following interventions to support the implementation of the NDP in the Services Sector:

• Unemployment – the Services SETA will provide workplace placement for unemployed graduates as well as internships for students
• Bursaries – the Services SETA will provide bursaries covering tuition, books, accommodation and living allowances to students from poor families – those within the pre-established income brackets
• Collaboration with TVET colleges and HETs – Services SETA has put in place initiatives to strengthen the capacity of TVET colleges to deliver Services Sector specific programmes
• Artisan development – the Services SETA has extensive initiatives to support artisan development through Centres of Specialisation

### 3.1.2 Medium-Term Strategic Framework

The Medium-Term Strategic Framework (2019-2024) identifies seven priorities to implement the National Development Plan. These include:

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

The Services SETA, with this Strategic Plan, will in the main contribute to Priority 2: Education, Skills and Health. The work of the Services SETA will also, indirectly, contribute to Priority 1: Economic Transformation and Job Creation, as well as Priority 6: A Capable, Ethical and Developmental State. Specific contribution will be outlined in Chapter 8: Measuring Our Impact.

### 3.1.3 NDP Five Year Implementation Plan

The Executive Authority (DHET), to which the Services SETA accounts, has developed a comprehensive NDP Five Year Implementation Plan, linked to the Medium-Term Strategic Framework. In summary, the Implementation Plan contains four outcomes which DHET will pursue over the MTSF period:

• Outcome 1: Expanded access to PSET opportunities
• Outcome 2: Improved success and efficiency of the PSET system
• Outcome 3: Improved quality of PSET provisioning
• Outcome 4: A responsive PSET system

Through this Strategic Plan, the Services SETA has identified clear impact statements, outcomes and outcome indicators discussed in Chapter 8, that are aligned to this Implementation Plan. The Annual Performance Plan will outline the outputs and output indicators linked to the outcomes and impact statements.

## 3.2 Institutional Strategies

### 3.2.1 Entrepreneurship and Co-operative Development Institute

The Services SETA aims to support the development and growth of entrepreneurship and co-operatives development to stimulate economic growth and create employment. The Entrepreneurship and Co-operative Development Institute is a deliberate strategy to realise this goal. The strategy is implemented through 9 programmes:

1. **Research and Dialogue:** Communities of Practice, comprising practitioners and policy makers, established as learning networks to exchange and shape best practice across various disciplines within the entrepreneurial ecosystem.

2. **Societies:** Online toolkits for establishing peer learning networks in schools, colleges, universities, workplaces and communities.

3. **Business Advisory Services:** A set of standardised business advisory services products that provide applied learning and support to emerging, small and growing businesses in the form of advising, consulting, mentoring and coaching.

4. **Online Ecosystem:** A single integrated and interactive online government portal for entrepreneurs and ecosystem practitioners that will enable automated matching of supply and demand.

5. **Business Incubation Villages:** Partnering with public entities and municipalities to establish business incubation sites.

6. **Micro Entrepreneurship Programme:** Viable business concepts for micro enterprises developed as businesses-in-a-box for easy and affordable implementation and replication in rural communities and townships.

7. **Business Development Services:** A set of standardised business development services products that provide a package of business services, over and above business advisory services, to high-growth and high-potential, small and growing business, in order to exponentially and rapidly increase their skills and business development, scale of production and revenue and job creation.

8. **Skills Development:** eTools and short-format modular eLearning content, aligned to the stages of a business' life cycle, specifically startup, growth and established, readily available on the online ecosystem.

9. **Monitoring and Evaluation:** A country-level scorecard and results framework that standardises and collects data and information at outcomes level. A programme-level scorecard and results framework that collects data and information at output level and integrates into the country-level scorecard. Routine measurement and monitoring is essential to enable continuous investment and improvement.

## 4. Relevant Court Rulings

Regulations on Monies received by SETAs and related matters were promulgated in July 2013. A court ruling that could have an impact on the implementation of this plan would be the BUSA versus DHET court case. 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. There is no clear indication whether DHET will appeal this ruling.

# PART B: OUR STRATEGIC FOCUS

## 5. Vision

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

## 6. Mission

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

## 7. Values

The following values guide Services SETA:

- Accountability
- Innovation
- Integrity
- Professionalism
- Responsiveness

## 8. Situational Analysis

### 8.1 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.

#### 8.1.1 Overview of the services sector

#### 8.1.1.1 Size of the services sector

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

**Table 1: Services SETA Scope of Coverage by Chamber, Subsector and SIC Code**

| Chamber 1: Cleaning and Hiring Services | | |
|---|---|---|
| **Sub-sector title** | **SIC code** | **Gazetted industry descriptor** |
| Hiring Services | 86025 | Office machinery, equipment and rental leasing |
| | 50500 | Renting of construction or demolition equipment with operators |
| | 85000 | Renting of machinery and equipment, without operator, and of personal and household |
| | 85200 | Renting of other machinery and equipment |
| | 85300 | Renting of personal and household goods n.e.c |
| | 99029 | Function and catering equipment hire |
| | 99035 | Miscellaneous item hire |
| | 99036 | Truck hire |
| | 99037 | Video hire |
| | 99052 | Truck and plant hire |
| Household Services | 99025 | Dry cleaning and laundering |
| | 99026 | Garden maintenance services |
| Domestic services | 99027 | Domestic services |
| Cleaning Services | 99002 | General cleaning |
| | 99018 | Cleaning of carpet and upholstery |
| | 99047 | Pet care |
| | 99019 | Cleaning equipment and consumable supply |
| **Chamber 2: Communications and Management Services** | | |
| Marketing and Communication | 9001 | Marketing services |
| | 9002 | Marketing communications (Inc. Public relations) |
| | 9008 | Direct Marketing |
| | 88130 | Market research and public opinion polling |
| | 99038 | Brand marketers |
| Contact Centres | 99055 | Contact centre management of people |
| Postal Services | 75110 | National postal activities |
| | 75111 | Banking via post office |
| | 75121 | Mail handling |

| Chamber 3: Labour and Collective Services | | |
|---|---|---|
| Labour Recruitment Services | 88918 | Permanent employment agencies |
| | 88910 | Labour recruitment and provision of staff |
| | 88916 | Private employment agencies and temporary employment services |
| | 99045 | Personnel services agencies |
| | 88917 | Temporary employment services |
| **Chamber 3: Labour and Collective Services** | | |
| Collective services | 95120 | Activities of professional organisations |
| | 95155 | Professional bodies |
| | 95991 | Bargaining councils and dispute resolution |
| | 95992 | Associations, federations and umbrella bodies |
| **Chamber 4: Management and Business Services** | | |
| Business Services | 61421 | Import and export of various metals |
| | 88000 | Other business activities |
| | 88141 | General consulting services |
| | 88900 | Business activities n.e.c. |
| | 96490 | Other recreational activities |
| | 99000 | Other service activities |
| | 99014 | Quality management and related services |
| | 99016 | NGO management and services |
| | 99015 | Non-financial business management and management consulting |
| | 99090 | Other service activities n.e.c |
| Project Management | 99039 | Generic project management |
| | 99056 | Event and conference management excluding the operation of convention centres |
| **Chamber 5: Personal Care Services** | | |
| Hair Care | 99022 | Ladies hair dressing |
| | 99023 | Men's and ladies hairdressing |
| Beauty Treatment | 99024 | Beauty treatment |
| | 99041 | Nail technology including nail technologist, nail technicians and distributors and agencies of nail products |
| | 99042 | Non-allied registered perfumery including aromatic oils and related products, perfumery consultants, sales people and agencies of nail products |
| | 99043 | Health and skin care incl. health and skin care therapists, stress therapists and cosmetologists, slimming salons and distributors of slimming products including slimming machines |
| | 99044 | Make-up artistry |

| Chamber 5: Personal Care Services | | |
|---|---|---|
| | 99050 | Distributors of slimming products including slimming machines |
| | 99051 | Distributors of makeup products and related merchandise |
| Funeral Services | 34260 | Cutting, shaping and finishing of stone |
| | 99030 | Funeral and related activities |
| | 99033 | Coffin-making by funeral enterprises |
| Fashion | 99046 | Modelling agencies |
| | 99054 | Fashion design not related to clothing |
| Chamber 6: Real Estate and Related Services | | |
| Real Estate Services | 50411 | Decorators/interior designers and decorators |
| | 84000 | Real estate activities |
| | 84100 | Real estate activities with own or leased properties |
| | 84200 | Real estate duties on a fee or contract basis |
| | 84201 | Real estate valuation services |
| | 84202 | Property management services |
| | 84203 | Estate agencies |
| | 99053 | Values, including auctioneers |

As of May 2019, there were approximately 180 306 employers who belong within the sector. The large majority of employers are medium to small (73%) in size, implying companies employing no more than 150 people. Employers in the services sector are concentrated in Gauteng, KwaZulu-Natal and the Western Cape provinces, please see Figure 1.

**Figure 1: Services SETA employers by provincial spread**
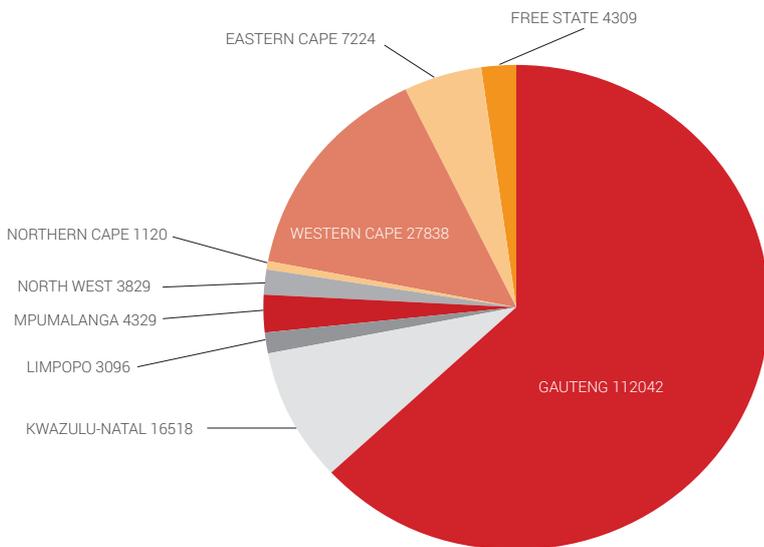


*Services SETA Database, May 2019*

Key role players and their influence on the services sector include the Accounting Authority, Chamber Committees, employers, employees and professional bodies. Over the many years, the Services SETA has established strong partnerships with the business and labour force to facilitate greater collaboration towards research on skills demand and identification of relevant supply interventions.

## 8.1.1.2 Economic contribution of the services sector

Research indicates that the services sector remains the largest economic sector in terms of size, employment and contribution to the economy. Data from Stats SA indicates that the sector contributes 22% to Growth Domestic Production. The services sector employs more than 3 million people. Figure 2 illustrates this observation.

**Figure 2. Employment in the services sector, 2019**
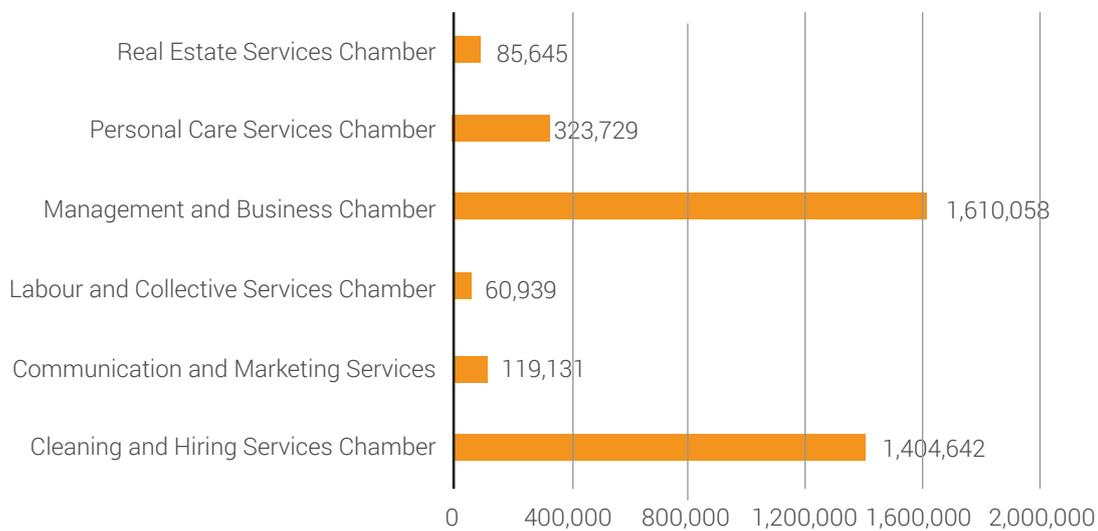


| Total Services SETA | 3 604 145 |
|---|---|
| Total South Africa | 16 291 436 |
| Percentage Share | 22% |

*Source: Statistics South Africa, 2019b, Services SETA Database, 2019, WSP, 2019*

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

## 8.1.2 Skills demand analysis

### 8.1.2.1 Change drivers for skills demand

The Sector Skills Plan 2020/21 identified ICT, globalisation, migration and policy on minimum wage as main drivers of skills demand in the services sector. Below we discuss each change driver and highlight implications for skills demand.

**Table 2: Change Drivers**

| Change Driver | Description | Implications for Skills Demand |
|---|---|---|
| ICT | Rapid change in technology due to high-paced innovation remains the biggest driver of change for the services sector economy. Industries mostly affected by technological change include marketing, real estate, postal services, contact centres and funeral services. | Implications are that the labour force needs to be constantly acquiring the requisite skills, while the education and training institutions ensure the relevance of qualifications on offer. Efforts are underway at the Services SETA to develop qualifications that address skills demand driven by technological change, especially management of big data. |
| Globalisation | Globalisation appears to play an important role in the services sector. On the one hand, the sector is gaining valuable expertise from multi-national companies, especially in the productive sectors of the industry. On the other hand, the inflow of semi-skilled migrants tends to push down wages in the fight for employment, thereby pushing vulnerable sections of the population into deeper levels of poverty. Informal trading becomes the sole survival strategy. | Basic entrepreneurial skills are imperative to help realise the goals of growing a small business. The Entrepreneurial and Co-operative Development Institute is one of the interventions by the Services SETA to achieve this objective. |
| Policy and legislative changes | There is a shared concern among business owners that the legislated minimum wage of R20/hour may have a negative impact on small businesses due to the escalation in operational costs. | The Services SETA will need to capacitate the small business legislative regime in South Africa to promote compliance in, and stimulate growth of, the sector. |

### 8.1.2.2 Skills demand for the services sector

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

A draft list of priority occupations (PIVOTAL list) emanating from the lists of hard-to-fill vacancies or skills gaps is enclosed in the SSP. The magnitude of demand will be determined, and the planned interventions identified before the final submission on 1 August 2019. Identified interventions will inform the updates of the Strategic and Annual Performance Plans 2020/31.

### 8.1.2.3 Pipeline of skills supply

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

### 8.1.3 PESTEL and SWOT Analysis

Given the contextual picture painted above, a brief Political, Economic, Social, Technological, Environmental and Legislative (PESTEL) analysis superimposed on Strength, Weakness, Opportunities and Threats (SWOT) is provided below to pull the discussions together in a summarised fashion.

**Table 3: PESTEL Analysis**

|  | Strength | Weakness | Opportunities | Threats |
|---|---|---|---|---|
| Political | - SETAs recognised as key players in skills development, therefore SETAs enjoy political support<br>- SETAs landscape has been extended by 10 years which allows for long-term planning | - SETAs are mired in controversy around mismanagement of funds, poor governance, quality of qualifications, which erodes confidence of key stakeholders | - Strong alignment with DHET mandate<br>- Alignment to Presidential priority skills such as artisan development | - Change of political mandate may render SETAs non-existent<br>- High targets from the Executive Authority placing pressure on SETA resources |
| Economic | - Services sector is one of the biggest sectors by GDP and employment<br>- Services SETA has the highest levy income | - Over-commitment of funds | - The services sector is the most resilient Inter-SETA collaboration to leverage resources | - Economic decline leading to many companies closing down with impact on levy income<br>- Employers requesting to transfer to other SETAs which affects the levy-income |
| Social | - The geographic reach of the Services SETA allows it to reach under-serviced areas | - Majority of Services Employers are informal traders who do not pay levy but requiring service | - The Services SETA covers a wider pool of industries – servicing marginalised employers – e.g., informal traders | - Majority of employees in the services sector are employed at the elementary level |
| Technological | - ICT Governance Framework is in place<br>- LMIS system fully deployed<br>- e-learning platform in place<br>- Accreditation process automated | -Some processes not yet automated – relying on manual processes with implications for data integrity | - Alignment with 4IR process from DHET and Presidency | - Cost of ICT may not be sustainable |
| Environmental | - Strong consciousness around green economy<br>- Continuous research on green economy | - Lack of supply capacity on green economy occupational qualifications | - Strong environmental activism in the sector | - Constantly changing legislation on environmental consideration |
| Legal | - Strong culture of compliance with regulations<br>- Stable Accounting Authority<br>- Qualified attorneys | - Legal matters against the Services SETA<br>- Amendment to labour laws | - The SETA system is highly regulated with clear legislation and policies such as SDA, SDL, NDP, NSDP, etc. | - Multiple mandates which lessen efficiency and impact |

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

## 8.1.4 Priority interventions for skills supply

Through the Sector Skills Plan, the Services SETA identified four critical areas for intervention to promote skills development in the sector in the short-to-medium term. These include:

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

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

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

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

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

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

replaced with the Workplace Based Learning Programme Agreement Regulations, 2018.

**d) Expand access to skills development to employees and learners residing in rural and peri-urban areas of South Africa**

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

## 8.2 Internal Environment Analysis

This section reflects on the Services SETA internal environment by discussing the performance environment, operating model, value chain and organisational capabilities.

### 8.2.1 Performance environment

### 8.2.1.1 The value chain

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

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

**Figure 3. Services SETA Value Chain**
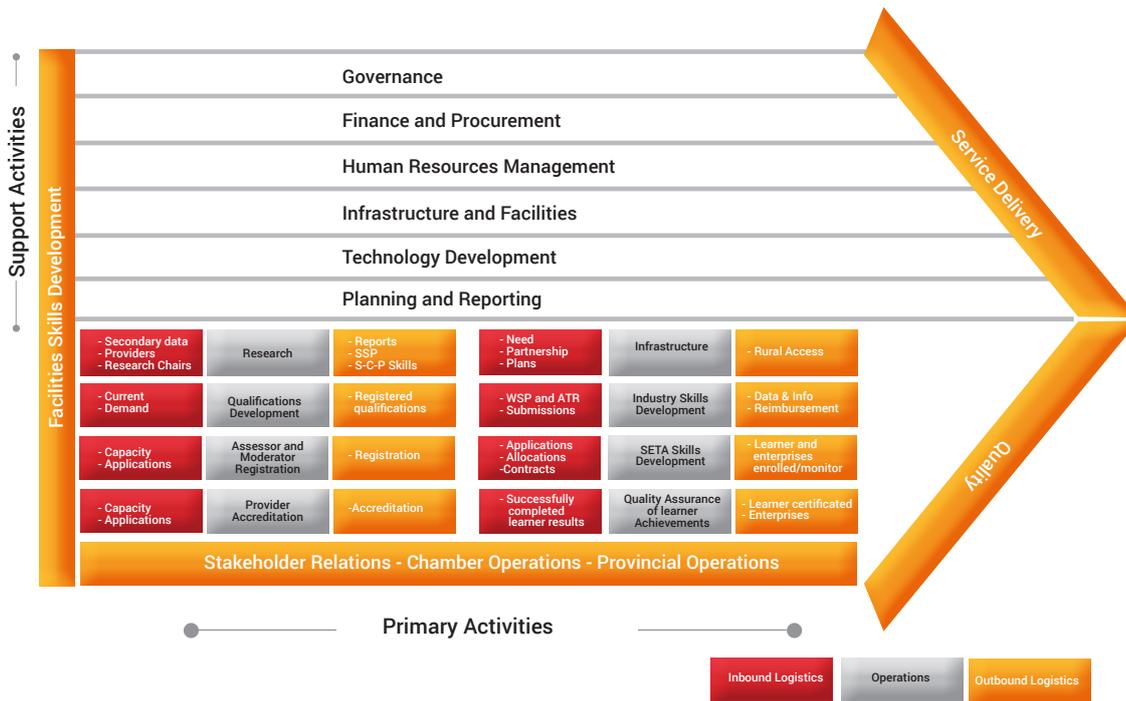


Throughout implementation and at closeout, quality assurance is carried out to ascertain value and guarantee that learners exit the system with qualifications. Throughout the process, stakeholder relations remain an anchor by ensuring the communication of key operational information, the data about these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

### 8.2.1.2 Services SETA performance

### (a)  *Skills Research and Planning*

Research plays a critical role in informing the strategy of the Services SETA. The last two years have witnessed an increased investment in research. Ground-breaking research include a study on the future of jobs and occupations, the development of SETA-wide M&E Framework and Online OFO Mapping tool, in addition to sector-specific research. Financial constraints made it impossible for the Services SETA to participate in a pilot project by DHET on tracer study. Future research will focus on the impact of the Fourth Industrial Revolution on the services sector, zooming in on specific sub-sectors that are mostly vulnerable to technology such as public relations, marketing, and contact centres among others. Focus will also be placed on the green economy in the services sector, assessing threats and opportunities.

### (b)  *Learning interventions*

The past five years have witnessed a steady improvement in the implementation of learning interventions. As the table below illustrates, organisational performance against predetermined objectives has surpassed 80% in the last two years.

**Table 4: Performance against organisational targets**

| % Improvement in Achievement Against APP Targets | 2018/19 | | 2017/18 | |
|---|---|---|---|---|
| | Performance against targets | Performance as a percentage | Performance against targets | Performance as a percentage |
| Performance Indicator Achieved | 34/35 | 97% | 47/58 | 81% |
| Performance Indicator Not Achieved | 1/35 | 3% | 11/58 | 19% |

Enrolment of learners into various learning programmes has increased accordingly. Over the NSDS III, close to 170 000 learners were enrolled into various learning programmes as illustrated below. The highest levels of enrolment have been in learnerships, followed by internships.

**Table 5: Learner enrolment over the NSDS III period**

| NSDS III | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | TOTAL |
|---|---|---|---|---|---|---|---|---|---|
| Financial and Reporting Years | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | |
| Learnerships enrolled | 1,276 | 314 | 5,682 | 3,693 | 20,029 | 14,542 | 23,227 | 14,389 | 83,152 |
| Employed | 491 | 297 | 2,595 | 1,335 | 1,871 | 2,272 | 3,576 | 1,029 | 13,466 |
| Unemployed | 785 | 17 | 3,087 | 2,358 | 18,158 | 12,27 | 19,651 | 13,36 | 69,686 |
| Bursaries enrolled | 128 | - | 744 | 3,671 | 1,409 | 3,283 | 4,017 | 4,143 | 17,395 |
| Employed | 128 | - | 646 | 1,424 | 478 | 312 | 1,302 | 711 | 5,001 |
| NSDS III | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | TOTAL |
| Financial and Reporting Years | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | |
| Skills Programmes enrolled | 493 | 200 | 1,032 | 789 | 3,871 | 1,68 | 5,945 | 3,216 | 17,226 |
| Employed | 237 | - | 1,002 | 789 | 914 | 1,455 | 5,086 | 2,195 | 11,678 |
| Unemployed | 256 | 200 | 30 | - | 2,957 | 225 | 859 | 1,021 | 5,548 |
| Internships enrolled | 615 | 1,026 | 1,172 | 3,599 | 3,087 | 9,212 | 9,114 | 4,51 | 32,335 |
| Artisans enrolled | 1,8 | - | 100 | 643 | 476 | 2,497 | 2,254 | 3,03 | 10,8 |
| RPL enrolled | - | - | 1,314 | - | 174 | 353 | 1,021 | 1,104 | 3,966 |
| AET enrolled | - | - | 578 | 85 | 1,734 | 309 | 1,064 | 644 | 4,414 |
| Candidacies | - | - | - | - | - | - | 50 | 190 | 240 |
| TOTALS | 4,312 | 1,54 | 10,622 | 12,48 | 30,78 | 31,876 | 46,692 | 31,226 | 169,528 |

## (c) *Transformation imperatives*

Enrolment of learners has been conducted with a clear agenda of transformation. The majority of training beneficiaries are Blacks, youth and women. Two percent of people with disability were reached by the Services SETA in the last financial year. Thirty-three percent of beneficiaries were learners residing in rural areas.

**Table 6: Learner enrolment against transformation imperatives, 2018/19**

| Learning Intervention | Enrolment 2018/19 | Employed | Unemployed | Female | Black | Disability | Youth | Rural |
|---|---|---|---|---|---|---|---|---|
| Adult Education and Training | 644 | | 644 (100%) | 496 (77%) | 629 (98%) | - (0%) | 208 (32%) | 405 (63%) |
| Artisans | 3,03 | 221 (7%) | 2,809 (93%) | 1,629 (54%) | 2,545 (84%) | 19 (1%) | 2,77 (91%) | 422 (14%) |
| Bursaries | 4,143 | 711 (17%) | 3,432 (83%) | 2,468 (60%) | 3,916 (95%) | 78 (2%) | 3,963 (96%) | 712 (17%) |
| Candidacy Programmes | 190 | 166 (87%) | 24 (13%) | 123 (65%) | 82 (43%) | 2 (1%) | 105 (55%) | 11 (6%) |
| HET Graduates | 1,82 | - (0%) | 1,82 (100%) | 1,216 (67%) | 1,784 (98%) | 13 (1%) | 1,751 (96%) | 578 (32%) |
| Internships | 2,028 | - (0%) | 2,028 (100%) | 1,494 (74%) | 2,003 (99%) | 12 (1%) | 1,975 (97%) | 1,05 (52%) |
| Learnerships | 14,389 | 1,029 (7%) | 13,36 (93%) | 10,119 (70%) | 13,147 (91%) | 442 (3%) | 12,849 (89%) | 6,61 (46%) |
| Recognition of Prior Learning | 1,104 | - (0%) | 1,104 (100%) | 833 (75%) | 941 (85%) | 10 (1%) | 655 (59%) | 228 (21%) |
| Skills Programmes | 3,216 | 2,195 (68%) | 1,021 (32%) | 2,279 (71%) | 2,886 (90%) | 18 (1%) | 2,296 (71%) | 804 (25%) |
| TVET Placements | 662 | - (0%) | 662 (100%) | 516 (78%) | 660 (100%) | 5 (1%) | 648 (98%) | 424 (64%) |
| **TOTAL** | **31,226** | **4,322 (14%)** | **26,904 (86%)** | **20,161 (65%)** | **27,304 (87%)** | **594 (2%)** | **26,364 (84%)** | **10,415 (33%)** |

Challenges around learning interventions include introduction and integration of ICT systems to support operations. A learner management information system is under construction. There have also been glitches with the management of learner stipends. The burden on the commitment register hampers efforts to accelerate the implementation of learning interventions as a result of the staggered approach adopted by the Services SETA to efficiently manage cash flow.

The Services SETA considers B-BBEE and transformation vital to achieving its mission and vision. It is regarded as the first SETA to comply with the Broad-Based Black Economic Empowerment Amendment Act. Services SETA is currently a Level-4 B-BBEE contributor, with its BEE certificate expiring on 27 September 2019. To further foster transformation, the Services SETA follows the preferential procurement process. The Services SETA has achieved the maximum score on procurement of goods and services from Exempted Micro Enterprises (enterprises that are 51% owned by black people and enterprises that are 30% owned by black women). In addition, it received bonus points for procuring from Designated Group Suppliers that are at least 51% Black-owned based on the B-BBEE Recognition Level. Furthermore, the Services SETA has invested in a Supplier Development Initiative aimed at assisting all SMME Discretionary grantees to successfully complete allocated projects. It entails a comprehensive project management offering that is administered by a reputable service provider. The project is intended to fill the gaps previously identified, where Small, Medium and Micro Enterprises (SMMEs) do not complete their projects due to document control issues, submission requirements and a pure lack of business skills.

The Enterprise Development strategy is intended to feed into the organisation's value chain and aims at assisting SMMEs with the entire Accreditation process. This intervention entails Accreditation Workshops, Skills Programmes in line with business support, and assisting SMMEs with uploading documents in the Learning Intervention and Monitoring system. The progress is so far stable and satisfactory, and the organisation is optimistic about the desired output. To date, a total of 560 skills development providers attended basic business development training, which comprises both credit-bearing and non-credit bearing courses.

## 8.2.2 Services SETA Operating Model and Implications for Planning

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

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

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

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

### Figure 4. Services SETA Operating Model
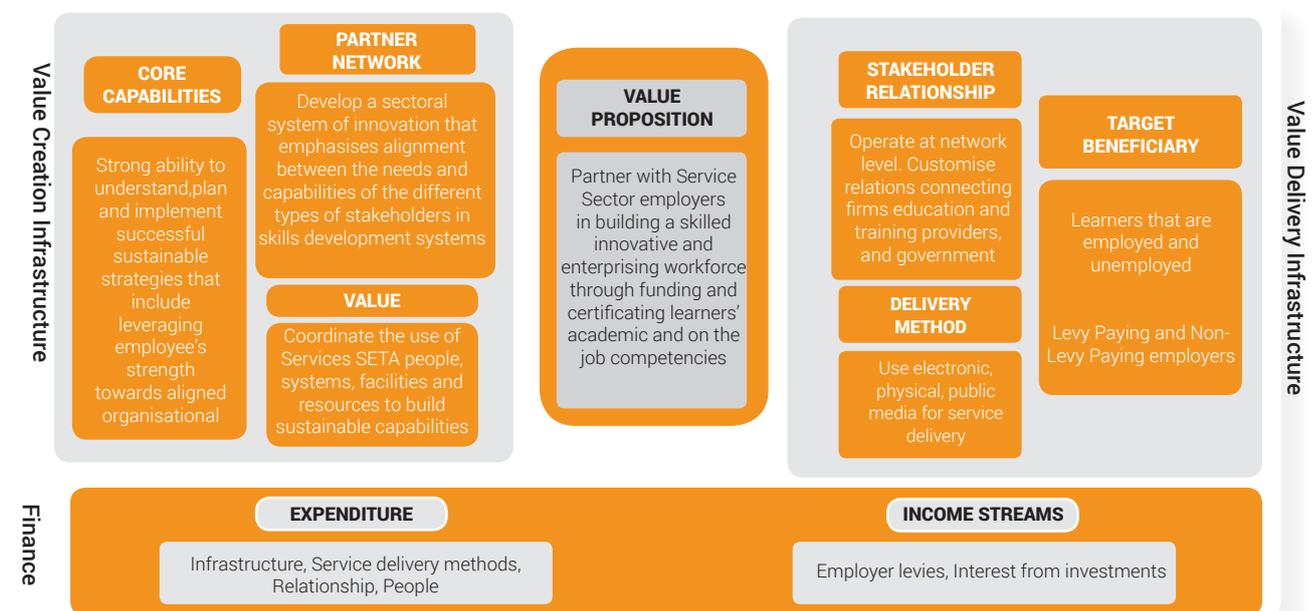
The operating model is intended to be realised through the effective implementation of the Services SETA's strategy as outlined in the subsequent sections. It can be further clarified through the Services SETA's value chain described below.

### 8.2.3 Organisational Capabilities Underpinning Performance Improvements

Since its establishment, the Accounting Authority has provided consistent oversight over the affairs of the Services SETA in addition to providing guidance on its strategic direction as highlighted above. The Board is fully functional as demonstrated by the frequency of the scheduled meetings, and the meeting attendance rate by members, 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.

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

### 8.2.4 The Services SETA Organisational Structure and Staffing

**Table 7. Services SETA Filled and Approved Posts**

| Filled Posts per Job Level by Programme | Programme 1: Administration | Programme 2: Skills Planning | Programme 3: Learning Programmes | Programme 4: Quality Assurance | TOTALS |
|---|---|---|---|---|---|
| Executive Management | 3 | 1 | 2 | 0 | 6 |
| Senior Management | 9 | 2 | 3 | 0 | 14 |
| Management | 21 | 12 | 19 | 3 | 54 |
| Senior Officers | 16 | 9 | 27 | 22 | 74 |
| Officers | 13 | 7 | 35 | 9 | 64 |
| Administrators | 19 | 11 | 18 | 6 | 54 |
| General | 0 | 0 | 20 | 0 | 20 |
| TOTALS | 81 | 42 | 124 | 40 | 286 |

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

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

**Figure 5. Governance and Executive Structure**
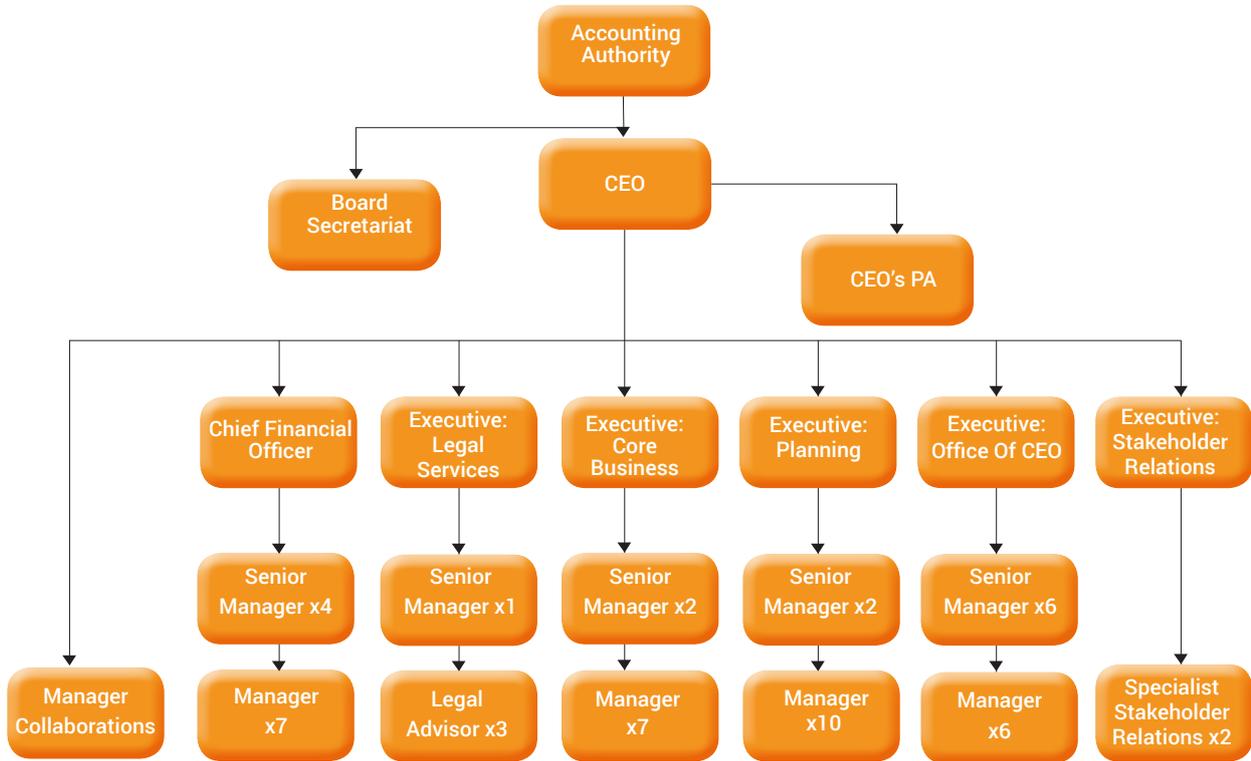


Analysis of the staff profile indicates that the Services SETA is fairly represented in terms of race and gender. The majority of staff is African, and women. There is 50% representation of women in top and senior management positions, and more than 50% in professional and skilled technical positions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

**Table 8. Profile of the Services SETA Staff**

| Occupational Level | Male | | | | Female | | | | Foreign Nationals | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | A | C | I | W | A | C | I | W | Male | Female | Total |
| Top Management | 1 | | | | 1 | | | | | | 2 |
| Senior Management | 9 | | | | 8 | | | 2 | 1 | | 20 |
| Professionally qualified and experienced specialists and mid-management | 19 | 1 | | 2 | 17 | 2 | 2 | 6 | 1 | | 50 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 33 | 5 | 3 | 2 | 83 | 6 | 4 | 3 | | | 141 |
| Semi-skilled and discretionary decision-making | 6 | 1 | | | 37 | 5 | | 2 | | 2 | 51 |
| Unskilled and defined decision-making | 5 | | | | 13 | 1 | | | | | 19 |
| Total | 73 | 7 | 3 | 4 | 159 | 14 | 6 | 13 | 2 | 2 | 283 |

# PART C: MEASURING OUR PERFOMANCE

## 9. Institutional Performance Information

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

### 9.1 Measuring Impact

The Services SETA wishes to pursue four impact statements:

**Table 9. Impact Statements**

| Impact statement | Goal Statement |
|---|---|
| 1. Strengthen the Services SETA's Capabilities | Optimise the Services SETA's service delivery through strengthening policies, processes, systems, knowledge and competencies |
| 2. Strengthen the Services Sector's Capabilities | Strengthen partnerships and collaboration with public and private intermediaries to harness sector capabilities and extend public value |
| 3. Improve the Stock of Skills | Increase transformation, level, and capacity of skills available within the services sector labour market through successful certification of learners in occupational qualifications by 2024/25 |
| 4. Improve the Flow of Skills | Improve access to and quality of relevant occupational qualifications through skills development infrastructure and capacitation of providers and workplaces as learning spaces by 2024/25 |

## 9.2 Measuring Outcomes

Outcomes for each impact statement and performance indicators have been identified and are outlined below.

### 9.2.1 Impact Statement 1: Strengthen the Services SETA's Capabilities

### 9.2.1.1 Outcomes and outcome indicators

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

**Table 10. Outcomes and outcome indicators**

| Outcome | Outcome Indicator | Baseline | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|---|---|---|---|---|---|---|
| 1.1 Effective and efficient financial and performance information management maintained | 1.1.1 Quality of financial statements and performance reports submitted | Clean Audit Outcome | Clean Audit Outcome | Clean Audit Outcome | Clean Audit Outcome | Clean Audit Outcome | Clean Audit Outcome |
| 1.2 Adequately and sufficiently skilled people retained, and alignment of ICT systems to business requirements enhanced with improved organisational performance | 1.2.1Percentage of staff compliment maintained | 85% | 85% | 85% | 85% | 85% | 85% |
| | 1.2.2 Percentage of alignment between business and ICT | 80% | 80% | 80% | 80% | 80% | 80% |
| 1.3 Accountable governance and oversight prompted through leadership focussed on high performance compliance, internal controls and enterprise-wide risk mitigation | 1.3.1 Approved and up-to-date legislative universe in place | Approved | Approved | Approved | Approved | Approved | Approved |
| | 1.3.2 Approved risk management plan and quarterly progress reports | 100% | 100% | 100% | 100% | 100% | 100% |
| | 1.3.3 Percentage of AA scheduled meeting held | 70% | 70% | 70% | 70% | 70% | 70% |

### 9.2.1.1 Key Risks

This programme has three key risks linked to the outcomes, outlined below along with mitigation strategies.

**Table 11. Key risks and mitigation strategies**

| Outcome | Key Risk | Risk Mitigation |
|---|---|---|
| 1.1 Effective and efficient financial and performance information management maintained | - Non-compliance with PFMA and other Relevant Regulations | - Establish effective internal control processes<br>- Use financial system to replace all manual schedules<br>- Monthly reconciliations are peer reviewed<br>- Quarterly AFS prepared in line with year-end requirements |
| 1.2 Adequately and sufficiently skilled people retained and alignment of ICT systems to business requirements enhanced with improved organisational performance | - Inability to attract and retain adequate and sufficiently skilled people<br>- Misalignment between business requirements and ICT | - Develop a Human Resource Development Plan<br>- Business plans developed and aligned to ICT |
| 1.3 Accountable governance and oversight prompted through leadership focussed on high performance compliance, internal controls and enterprise-wide risk mitigation | - Non-compliance with governance imperatives | - Approved and implemented governance frameworks in place |

### 9.2.2 Impact Statement 2: Strengthen the Services Sector's Capabilities

### 9.2.2.1 Outcomes and outcome indicators

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

**Table 12. Outcomes and outcome indicators**

| Outcome | Outcome Indicator | Baseline | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|---|---|---|---|---|---|---|
| 2.1 Enhanced organisational research, planning, performance monitoring and evaluation | 2.1.1 Credible strategic documents developed | Approved SSP, SP & APP | Approved SSP, SP & APP | Approved SSP, SP & APP | Approved SSP, SP & APP | Approved SSP, SP & APP | Approved SSP, SP & APP |
| | 2.1.2 Approved research agenda that incorporates SMEs | Approved | Approved | Approved | Approved | Approved | Approved |
| 2.2 Workplace-based learning in the services sector promoted and supported | 2.2.1 Percentage increase in WSP/ATR submissions | 4% | 5% | 5% | 5% | 5% | 5% |
| | 2.2.2 Percentage spent on worker initiated training | - | 3% | 3% | 3% | 3% | 3% |

| Outcome | Outcome Indicator | Baseline | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|---|---|---|---|---|---|---|
| 2.3 External stakeholders supported and capacitated to participate in Services SETA offerings | 2.3.1 Percentage increase Services SETA stakeholder engagements | - | 5% | 5% | 5% | 5% | 5% |

### 9.2.2.2 Key Risks

This programme has three key risks linked to the outcomes, outlined below along with mitigation strategies.

**Table 13. Key risks and mitigation strategies**

| Outcome | Key Risk | Risk Mitigation |
|---|---|---|
| 2.1 Enhanced organisational research, planning, performance monitoring and evaluation | - Insufficient consultations, research and reporting | - Approved and implemented planning programme in place |
| 2.2 Workplace-based learning in the services sector promoted and supported | - Lack of dissemination and usage of research findings to respond to the ever-changing skills needs | - Dissemination and usage of research findings to respond to the ever-changing skills needs |
| 2.3 External stakeholders supported and capacitated to participate in Services SETA offerings | - Failure of the Services SETA to honour commitments to stakeholders | - Keep records of commitments to stakeholder, implementation monitored regularly (Stakeholder Relations Management Strategy) |

### 9.2.3 Impact Statement 3: Improve the Stock of Skills

### 9.2.3.1 Outcomes and outcome indicators

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

**Table 14. Outcomes and outcome indicators**

| Outcome | Outcome Indicator | Baseline | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|---|---|---|---|---|---|---|
| 3.1 Supply-side partnership strengthened to promote the stock of skills into the services sector | 3.1.1 Number of supply-side partnerships | 30 | 34 | 40 | 45 | 50 | 55 |
| 3.2 Entrepreneurship and co-operative development for services sector supported | 3.2.1 Percentage increase in the number of SMEs supported | - | 5% | 5% | 5% | 5% | 5% |
| 3.3 Improved stock of skills into and within the services sector | 3.3.1 Percentage throughput rate | - | 50% | 60% | 60% | 60% | 60% |
| 3.4 Increased sector enrolment and resources ratios for high skills level | 3.4.1 Percentage of levy resources for high skills level | - | 40% | 40% | 40% | 40% | 40% |

### 9.2.3.2 Key Risks

This programme has four key risks linked to the outcomes, outlined below along with mitigation strategies.

**Table 15. Key risks and mitigation strategies**

| Outcome | Key Risk | Risk Mitigation |
|---------|----------|-----------------|
| 3.1 Supply-side partnership strengthened to promote the stock of skills into the services sector | - Insufficient and irrelevant qualifications offered<br>- Insufficiency of accredited providers on intermediate and high level skills | - Ensure sufficiency of relevant qualifications and accredited providers |
| 3.2 Entrepreneurship and co-operative development for services sector supported | - Lack of innovation, creativity and relevance in programme offering | - Support innovation of SMMEs-related programmes |
| 3.3 Improved stock of skills into and within the services sector | - Insufficient relevant qualifications and accredited providers at required levels | - Ensure sufficiency of relevant qualifications and accredited providers |
| 3.4 Increased sector enrolment and resources ratios for high skills level | - Misalignment between Services SETA offerings and industry needs | - Credible research mechanism to strengthen alignment |

### 9.2.4 Impact Statement 4: Improve the Flow of Skills

### 9.2.4.1 Outcomes and outcome indicators

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

**Table 16. Outcomes and outcome indicators**

| Outcome | Outcome Indicator | Baseline | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---------|-------------------|----------|---------|---------|---------|---------|---------|
| 4.1 Quality of learner throughput and offerings enhanced | 4.1.1 Percentage of external moderation conducted within specified time | 80% | 80% | 80% | 80% | 80% | 80% |
| | 4.1.2 Percentage of qualifications aligned to priority skills | - | 80% | 80% | 80% | 80% | 80% |

### 9.2.4.2 Key Risks

This programme has one key risk linked to the outcomes, outlined below along with mitigation strategies.

**Table 17. Key risks and mitigation strategies**

| Outcome | Key Risk | Risk Mitigation |
|---------|----------|-----------------|
| 4.1 Quality of learner throughput and offerings enhanced | - Lack of absorption of learners into the workplace<br>- Lack of update of Services SETA offerings | - Improve external moderation function<br>- Ensure relevance of Services SETA offerings |

## 9.3 Planned Performance over Five Year Planning Period

### 9.3.1 Contribution towards NDP 5-Year Implementation Plan

As pointed out above, this Strategic Plan is informed by the DHET's NDP Five Year Plan. The NDP Five Year Implementation Plan has identified four outcomes through which DHET will contribute towards the implementation of the NDP in the next five years. Through the eleven outcomes, the Services SETA aims to support DHET's efforts to implement its Plan. The alignment between the Services Strategic Plan and DHET's NDP Five Year Implementation Plan.

**Table 18. DHET's NDP Five-Year Implementation Plan Outcomes**

| NDP Five Year Outcomes | Services SETA Outcomes |
|---|---|
| 1. Expanded access to PSET opportunities | - Enhanced organisational research, planning, performance monitoring and evaluation<br>- Workplace-based learning in the services sector promoted and supported<br>- External stakeholders supported and capacitated to participate in Services SETA offerings<br>- Supply-side partnership strengthened to promote the stock of skills into the services sector<br>- Entrepreneurship and co-operative development for services sector supported |
| 2. Improved success and efficiency of the PSET system | - Enhanced organisational research, planning, performance monitoring and evaluation<br>- Supply-side partnership strengthened to promote the stock of skills into the services sector<br>- Improved stock of skills into and within the services sector<br>- Increased sector enrolment and resources ratios for high skills level |
| NDP Five Year Outcomes | Services SETA Outcomes |
| 3. Improved quality of PSET provisioning | - Enhanced organisational research, planning, performance monitoring and evaluation<br>- Supply-side partnership strengthened to promote the stock of skills into the services sector<br>- Improved stock of skills into and within the services sector<br>- Increased sector enrolment and resources ratios for high skills level<br>- Quality of learner throughput and offerings enhanced |
| 4. A responsive PSET system | - Enhanced organisational research, planning, performance monitoring and evaluation<br>- Supply-side partnership strengthened to promote the stock of skills into the services sector |

### 9.3.2 Relationship between Impact, Outcomes and indicators

The Strategic Plan has identified four impact statements. For each impact statement, outcomes and outcomes measures have been identified. Outcomes measures designed in such a way that they help the organisation to track levels of success. These relationships are demonstrated below.

**Table 19. The relationship between impact, outcomes and indicators**

| Impact statement | Outcomes | Outcome Indicators |
|---|---|---|
| **Strengthen the Services SETA's Capabilities** | - Effective and efficient financial and performance information management maintained | - Quality of financial statements submitted |
| | - Adequately and sufficiently skilled people retained and alignment of ICT systems to business requirements enhanced with improved organisational performance | - Percentage of staff compliment maintained<br>- Percentage alignment between business and ICT |
| | - Accountable governance and oversight prompted through leadership focussed on high performance compliance, internal controls and enterprise-wide risk mitigation | - Approved and up-to-date legislative universe in place Approved risk management plan and quarterly progress reports<br>- Percentage of scheduled meeting held |
| **Strengthen the Services Sector's Capabilities** | - Enhanced organisational research, planning, performance monitoring and evaluation | - Credible strategic documents developed<br>Approved research agenda that incorporates SMEs |
| **Improve the Stock of Skills** | - Supply-side partnership strengthened to promote the stock of skills into the services sector | - Number of supply-side partnerships |
| | - Entrepreneurship and co-operative development for services sector supported | - Percentage increase in the number of SMEs supported |
| | - Improved stock of skills into and within the services sector | - Percentage throughput rate |
| **Improve the Flow of Skills** | - Increased sector enrolment and resources ratios for high skills level | - Percentage of levy resources for high skills level |

The achievement of outcome indicators will contribute to the realisation of the outcomes, which in turn, will lead to the achievement of impacts.

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## Annexure A: Sector Skills Plan
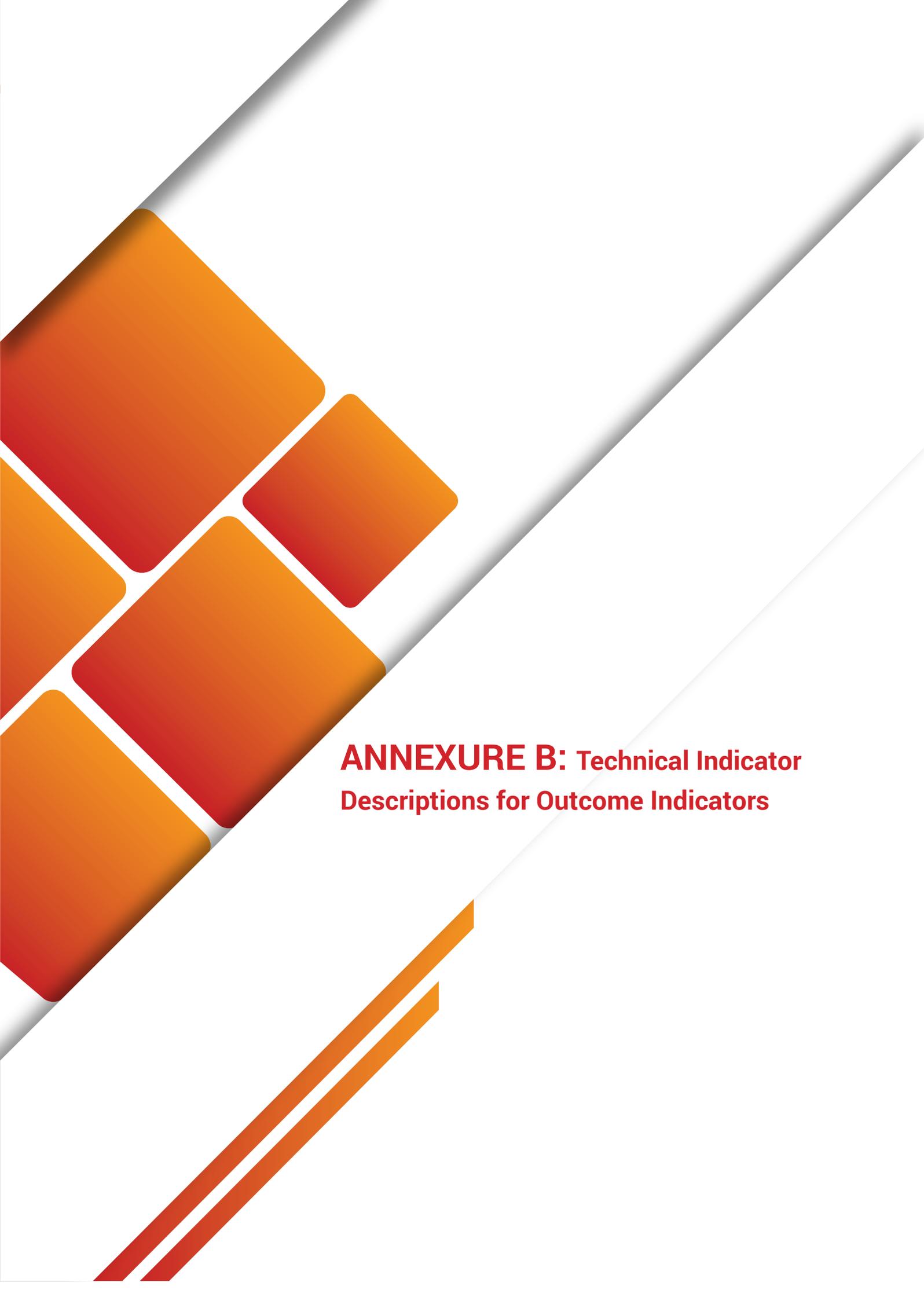
# ANNEXURE B: Technical Indicator Descriptions for Outcome Indicators

# Strategic Plan Outcome Indicators

## Impact Statement 1: Strengthen Services SETA Capability

### Outcome 1.1. Effective and efficient financial and performance information management maintained

| Indicator Title | 1.1.1. Quality of financial statements submitted |
|---|---|
| Definition | This indicator measures the Services SETA's compliance with its approved financial policies and practices; and its ability to continually improve and correct organisational implementation practices and reinforce compliance. This indicator refers to the SETA's statutory compliance, responsible management of public funds, sustainability and ability to achieve a clean audit. |
| Source of Data | Annual Financial Statements |
| Method of Calculation / Assessment | Approved Annual Financial Statements |
| Assumptions | There is a strong adherence to PFMA and financial regulations at the Services SETA |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Reporting Cycle | Annually |
| Desired Performance | Clean Audit |
| Indicator Responsibility | Chief Financial Officer |

**Outcome 1.2. Adequately and sufficiently skilled people retained and alignment of ICT systems to business requirements enhanced with improved organisational performance**

| Indicator Title | 1.2.1. Percentage of staff compliment maintained |
|---|---|
| Definition | Percentage of funded vacancies in the organisation relative to the total number of approved funded positions on the organisational organogram<br><br>The Services SETA uses the data from this indicator:<br>• to measure the level of vacant positions against the approved funded organogram;<br>• as an input to measure compliance with the relevant Services SETA policies;<br>• as an output measure in calculating the efficiency and effectiveness of the Services SETA |
| Source of Data | • The Services SETA Organogram serves as a base source for all approved and funded positions<br>• Resignation letters received and approved are collected, recorded and filed<br>• VIP reports |
| Method of Calculation / Assessment | Total Number of Vacant Funded Positions / Total Number of Funded Positions as per the Organogram; multiply by a hundred |
| Assumptions | Unapproved organogram<br>Lack of clarity regarding funded and unfunded positions on the organogram |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Reporting Cycle | Annually |
| Desired Performance | 85% |
| Indicator Responsibility | Executive Manager: OCEO |

| Indicator Title | 1.2.2. Approved and up-to-date Corporate Governance ICT Framework in place |
|---|---|
| Definition | Corporate Governance ICT Framework is a Government-requirements ICT Framework under the auspices of the Department of Public Services and Administration. All Government departments and public entities are expected to comply with the Framework. As part of the audit process by the AGSA, each Government's department or entity's level of compliance is measured. The measurement is conducted by an independent service provider. There are three levels of implementation of Corporate Governance Information and Communication Technology Policy Framework:<br><br>1. Creating awareness<br>2. Developing the Governance Framework<br>2. Implementation |
| Source of Data | Assessment report by internal auditors who are knowledgeable with ITIL |
| Method of Calculation / Assessment | Assessment report by internal auditors will determine the level of maturity achieved |
| Assumptions | Non implementation of recommended projects |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Reporting Cycle | Quarterly |
| Desired Performance | 100% |
| Indicator Responsibility | Executive Manager: OCEO |

**Outcome 1.3. Accountable governance and oversight prompted through leadership focused on high performance compliance, internal controls and enterprise-wide risk mitigation**

| Indicator Title | 1.3.1. Approved and up-to-date legislative universe in place |
|---|---|
| Definition | This indicator refers to the Services SETA legislative universe as approved by the Accounting Authority. The purpose of the legislative universe is to guide the SETA on the most relevant legislations to which compliance is required. |
| Source of Data | A copy of the approved legislative universe |
| Method of Calculation / Assessment | Approved legislative universe |
| Assumptions | There is awareness among SETA employees of the need to comply with legislative imperatives |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Reporting Cycle | Quarterly |
| Desired Performance | Approved legislative universe |
| Indicator Responsibility | Executive Manager: Legal Services |

| Indicator Title | 1.3.2. Approved risk management plan and quarterly progress reports |
|---|---|
| Definition | This indicator tests the ability of the Services SETA to proactively identify risks; develop and implement solutions to lessen the impact of these risks measured in percentage of the mitigation plans implemented |
| Source of Data | • Register of Services SETA mitigation plans – the update of the tasks against the risk |
| Method of Calculation / Assessment | The performance score would be calculated by a simple count of the mitigation plans implemented; divided by the total full list of mitigation plans developed by the Services SETA and reviewed each quarter; multiplied by 100.  This would provide the quarterly performance score |
| Assumptions | Human error in collecting the data |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Reporting Cycle | Quarterly |
| Desired Performance | 100% |
| Indicator Responsibility | Chief Financial Officer |

| Indicator Title | 1.3.3. Percentage of scheduled meeting held |
|---|---|
| Definition | The indicator refers to the percentage attendance of members of Accounting Authority sub-committees attending the scheduled sub-committees meetings<br><br>**Percentage attendance rate:**<br>• The calculated percentage of the number of members who attend a particular meeting<br><br>**Scheduled meetings:** Meetings scheduled for the sub-committee in the calendar of meetings as outlined in the Services SETA's Constitution. The following are the Services SETA's AA Committees:<br>Executive Committee; HR and Remuneration Committee; Finance Committee; Audit Committee; Governance, Risk and Strategy Committee; and the Board |
| Source of Data | • Services SETA's approved Constitution<br>• Annual calendar<br>• Signed attendance registers<br>• Signed adopted minutes of meetings |
| Method of Calculation / Assessment | Number of Accounting Authority members in attendance at a scheduled meeting of a Committee divided by the total number of Accounting Authority members comprising the Committee in question; multiplied by 100 |
| Assumptions | Human error in collecting the data |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Reporting Cycle | Annually |
| Desired Performance | 70% |
| Indicator Responsibility | Senior Manager: Board Secretariat |

## Impact Statement 2: Strengthen the services sector capacity

### Outcome 2.1. Enhanced organisational research, planning, performance monitoring and evaluation

| Indicator Title | 2.1.1. Credible strategic documents developed |
|---|---|
| Definition | The indicator refers to the process followed in developing the Sector Skills Plan, Strategic Plan and Annual Performance Plan at the Services SETA. For the process to be credible, it must be based on research findings, be participatory and consultative. Consultations should include Services SETA management and members of the Accounting Authority. |
| Source of Data | • Research reports<br>• Attendance register of Management and AA members to strategic planning sessions<br>• SSP, SP and APP |
| Method of Calculation / Assessment | Simple count of research reports, number of strategic planning sessions |
| Assumptions | The management encourages the culture of consultation and participatory planning |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Reporting Cycle | Annually |
| Desired Performance | Approved SSP, SP & APP |
| Indicator Responsibility | Executive Manager: Planning |

| Indicator Title | 2.1.2. Approved research agenda that incorporates SMEs |
|---|---|
| Definition | This indicator measures the Services SETA's ability to conduct research informed by key stakeholders and approved by relevant authorities, that is, the Governance, Risk and Strategy Committee |
| Source of Data | Approved research agenda |
| Method of Calculation / Assessment | Signed Approved Research Agenda by GRSC |
| Assumptions | Timeliness, accuracy and completeness of information, and data received dependent on various divisions |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Reporting Cycle | Annually |
| Desired Performance | Approved Research Agenda |
| Indicator Responsibility | Executive Manager: Planning |

## Outcome 2.2. Workplace-based learning in the services sector promoted and supported

| Indicator Title | 2.2.1. Percentage increase in WSP/ATR submissions |
|---|---|
| Definition | This indicator measures the rate of increase in the number of employers submitting WSP/ATR as a percentage |
| Source of Data | The Services SETA has developed and implemented an online mandatory grant submission tool referred to as SDMS (skills development management System). Employers submit the required data online through the tool. |
| Method of Calculation / Assessment | Number of employers who submitted WSP/ATR in the previous year minus the number of employers submitting WSP/ATR in the current; divide by the number of employers who submitted WSP/ATR in the previous year; multiply by one hundred |
| Assumptions | Output and Efficiency |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Reporting Cycle | Annually |
| Desired Performance | 5% |
| Indicator Responsibility | Executive Manager: Core Business |

| Indicator Title | 2.2.2. Percentage spent on worker initiated training |
|---|---|
| Definition | This indicator measures the total spend on worker initiated training as a percentage of the total spend on learning interventions. Worker initiated training is aimed at trade unions and union federations |
| Source of Data | MOA between Services SETA and trade unions/federations Offer letter |
| Method of Calculation / Assessment | Total spend on worker initiated training divide by the total spend on learning interventions; multiply by one hundred |
| Assumptions | There is sufficient participation by trade unions and federations in the activities of the Services SETA |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Reporting Cycle | Annually |
| Desired Performance | 1% |
| Indicator Responsibility | Executive Manager: Core Business |

**Outcome 2.3. External stakeholders supported and capacitated to participate in Services SETA offerings**

| Indicator Title | 2.3.1. Percentage increase of Services SETA stakeholder engagements |
|---|---|
| Definition | This indicator measures the number of stakeholder engagement sessions held by the Services SETA with Levy and non-levy paying employers within the services sector as registered with the South African Revenue Services falling within the Services SETA SIC codes |
| Source of Data | • List of engagement meetings<br>• List of engaged partners<br>• Attendance register |
| Method of Calculation / Assessment | The number of stakeholder engagements minus the number of stakeholder engagements in the previous financial year; divide by the number of stakeholder engagements for the current year; multiply by one hundred |
| Assumptions | There is sufficient participation by employers in stakeholder engagements |
| Disaggregation of Beneficiary (where applicable) | • Levy-paying members<br>• Non-levy-paying members |
| Spatial Transformation (where applicable) | N/A |
| Reporting Cycle | Annually |
| Desired Performance | 5% |
| Indicator Responsibility | Executive Manager: Planning |

## Impact Statement 3: Improve the Stock of Skills

**Outcome 3.1. Supply-side partnership strengthened to promote the stock of skills into the services sector**

| Indicator Title | 3.1.1. Number of supply-side partnerships |
|---|---|
| Definition | The indicator refers to the total number of University and TVET College and CET partnerships established through formal agreements between Services SETA and the relevant colleges within a financial year |
| Source of Data | • Signed Offer Letter of Intention to the intended partner<br>• Signed MOUs between the Services SETA and the TVET College |
| Method of Calculation / Assessment | • Simple count of all signed Offer Letters or;<br>• Memorandums of Understanding or Agreements between the Services SETA and institutions of higher learning |
| Assumptions | Delays in processes (engagements, contracting, signing) |
| Disaggregation of Beneficiary (where applicable) | • HEIs<br>• TVET Colleges<br>• CET |
| Spatial Transformation (where applicable) | N/A |
| Reporting Cycle | Annually |
| Desired Performance | 5% |
| Indicator Responsibility | Executive Manager: OCEO |

**Outcome 3.2. Entrepreneurship and co-operative development for services sector supported**

| Indicator Title | 3.2.1. Percentage increase in the number of SMEs supported |
|---|---|
| Definition | The indicator refers to the rate of increase in the total number of small businesses supported by Services SETA, presented as a percentage. Supported can be in the form of capacity building interventions based on their specific needs; ranging from Training in Business Management; Mentoring and Coaching; Technical training; and business advisory advice |
| Source of Data | • Attendance registers; <br> • Database of small businesses supported |
| Method of Calculation / Assessment | Total number of SME supported in prior year – the number of SME supported in the current / total number of SME supported in prior year |
| Assumptions | Delays in processes (engagements, contracting, signing) |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Reporting Cycle | Annually |
| Desired Performance | 5% |
| Indicator Responsibility | Executive Manager: EDCi |

## Outcome 3.3. Improved stock of skills into and within the services sector

| Indicator Title | 3.3.1. Percentage throughput rate |
|---|---|
| Definition | Throughput is the rate at which a system achieves its ultimate goal which in this instance is the stock of skills. It therefore is the rate at which learners enter and complete a learning programme. The throughput rate shows the average speed at which the Services SETA is producing qualified learners despite the variable durations of learning programmes ranging from 3 months to multiple years. |
| Source of Data | Audited SQMR reports listing funded learner completions across learning programmes. The start date and end date is captured for individual learners |
| Method of Calculation / Assessment | Number of funded learners that successfully completed learning interventions minus the total number of learners entered; divide by the number of learners who completed; multiply by one hundred |
| Assumptions | Accuracy and completeness in data capturing |
| Disaggregation of Beneficiary (where applicable) | • Employed<br>• Unemployed<br>• Women<br>• Youth |
| Spatial Transformation (where applicable) | N/A |
| Reporting Cycle | Annually |
| Desired Performance | 50% |
| Indicator Responsibility | Executive Manager: Core Business |

**Outcome 3.4. Increased sector enrolment and resources ratios for high skills level**

| Indicator Title | 3.4.1. Percentage of levy resources for high level skills |
|---|---|
| Definition | This indicator measures the amount spent on elementary, intermediate and high level skills during the implementation of learning interventions, expressed as a percentage |
| Source of Data | Learner Registration Forms and relevant accompanying documents as per the application form: |
| | |
| | LP04 Trade Test |
| | Learner agreement — TT application |
| | Certified copy of learner ID — Certified copy of learner ID |
| | Certified copy of highest qualification — Certified copy of highest qualification – minimum grade 9 |
| | Employment contract — Evidence of workplace experience or Statement of results from Trade Test Centre (ARPL) |
| Method of Calculation / Assessment | • Total spend on elementary skills level divide by the total spend on learning interventions; multiply by one hundred<br>• Total spend on intermediary skills level divide by the total spend on learning interventions; multiply by one hundred<br>• Total spend on high skills level divide by the total spend on learning interventions; multiply by one hundred |
| Assumptions | There is sufficient qualifications at high level skills |
| Disaggregation of Beneficiary (where applicable) | • Elementary level<br>• Intermediate level<br>• Higher skills level |
| Spatial Transformation (where applicable) | N/A |
| Reporting Cycle | Annually |
| Desired Performance | • Elementary level – 30%<br>• Intermediate level – 40%<br>• Higher skills – 40% |
| Indicator Responsibility | Executive Manager: Core Business |

## Impact Statement 4: Improve the Flow of Skills

### Outcome 4.1. Quality of learner throughput and offerings enhanced

| Indicator Title | 4.1.1. Percentage of external moderation visits conducted within a specified time |
|---|---|
| Definition | The indicator refers to the efficiency of the process of learners' certification and the compliance of Services SETA with its own policies in regard to this. External moderations are conducted as and when requests are issued by providers. Certificates or Statement of Results can only be issued upon a recommendation of an external moderation visit |
| Source of Data | • External moderation schedule lists<br>• External moderation reports |
| Method of Calculation / Assessment | The number of external moderations successfully complemented divide by the total number of external moderation request received; multiply by one hundred |
| Assumptions | There is sufficient personnel to carry out external moderation |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Reporting Cycle | Quarterly |
| Desired Performance | 80% |
| Indicator Responsibility | Executive Manager: Core Business |

| Indicator Title | 4.2.1. Percentage of qualifications aligned to priority skills |
|---|---|
| Definition | Priority skills means the consolidated list of scarce, critical or pivotal skills identified in the applicable Sector Skills Plan for the implementation period. This indicator measures the number of qualifications aligned to priority skills as a percentage of the total suite of Services SETA qualifications |
| Source of Data | A list of qualifications requiring alignment |
| Method of Calculation / Assessment | The number of qualifications aligned to priority skills divide by the total number of requests; multiply by one hundred |
| Assumptions | There is sufficient participation from the industry |
| Disaggregation of Beneficiary (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Reporting Cycle | Annually |
| Desired Performance | 60% |
| Indicator Responsibility | Executive Manager: Core Business |