



Annual Performance Plan 2018/19

Official sign-off

It is hereby certified that this Annual Performance Plan:

- was developed by the management of the Services SETA in consultation with the Department of Higher Education and Training
- was informed by the Services SETA Strategic Plan for the period 2015/16-2019/20, extended as per NSDS III extension
- accurately reflects the performance targets which the Services SETA will endeavour to achieve within available funding for the 2018/19 financial year

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Foreword

This Annual Performance Plan is aligned to the updated Services SETAs Strategic Plan submitted for 2018/19 which as per the extension of NSDS III was updated to five years from 2015/16 to 2019/20. This update has restructured the four programmes in accordance with the standardised programme structure proposed by the Department of Higher Education and Training. There are now 12 final Strategic Objectives. A zero-based strategic risk approach was adopted, and a rigorous risk assessment for the 2018/19 financial year foregrounds these strategic objectives.

Management has concluded the development of a Monitoring and Evaluation Framework for the organisation's performance dimensions; aimed at improving alignment between inputs, activities, outputs, outcomes and impact measures. Consultation across functions and levels was taken as a necessity in order to enhance support and ownership in implementation. Additionally, the framework has been used to inform the prioritisation and reduction of performance indicators. It should be noted that the Department of Higher Education and Training's Service Level Agreement performance indicators form the majority of indicators contained in the APP and largely comprise quantitative process and output measures.

The Services SETA obtained an unqualified audit opinion with material findings on performance information for the 2016/17 financial year. This indicates the need to revisit control on reporting of performance information and preparation of supporting documents.

This Annual Performance Plan, in line with the identified strategic goals, strives to strengthen the Services SETA capability through policies, processes, systems and competencies; improve the services sector capability through partnerships and collaboration; improve the flow of skills through provider and workplace capacity and to improve the stock of skills within the services sector through enrolling, training and certificating learners. These goals contribute directly to Government's Strategic Outcome 5: a skilled and capable workforce to support inclusive growth; and Outcome 12: an efficient, effective and development oriented public service, and an empowered, fair and inclusive citizenship.

ANDILE NONGOGO

CHIEF EXECUTIVE OFFICER

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LIST OF ACRONYMS

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

Part A: Strategic Overview

1. UPDATED SITUATIONAL ANALYSIS

1.1 Performance delivery environment

According to the 2018/19 Sector Skills Plan (SSP), nearly 164,000 employers are classified under the Services Sector; with 138,939 actively trading. About 93% of these employers are small and micro sized – that is, they employ less than 50 employees. A total of 27% are levy paying employers. The 70 standard industrial classification codes (SIC Codes) falling within the scope of the Services Sector, as per the Ministerial demarcation, are clustered into 16 sub-sectors and further into 6 chambers. As reflected in the table below, a majority of employers fall under the Management and Business Services chamber. Sector employers are concentrated in three provinces as follows: 65% in Gauteng, 14% in Western Cape and 9% in KwaZulu-Natal. The balance of 12% is spread across the other six provinces.

| Proportion of employers by chamber | Total | LPE | NLPE |
|--------------------------------------|-------|-----|------|
| Cleaning and Hiring Services | 2% | 2% | 2% |
| Communication and Marketing Services | 2% | 2% | 2% |
| Labour and Collective Services | 2% | 3% | 2% |
| Management and Business Services | 83% | 84% | 81% |
| Personal Care Services | 5% | 2% | 6% |
| Real Estate and Related Services | 7% | 6% | 7% |

Data from Stats SA and Quantec indicates that the sector contributes 22% of the GDP and employs more than 3 million people. Analysis of labour market activities, indicates that there were 3,278,941 people employed in the services sector in 2016, Q4. The greater majority of the labour force is black (80%), women (57%), and relatively young (15-34 years, 37%). The Cleaning and Hiring Services and Business and Management Services Chambers employ close to 2 million people between them, making them the largest employers. A high number of employees are found in the clerical, elementary and domestic occupational categories. The implications for skills development are that the sector should strike a proper balance between training for productive industries in order to support economic growth and non-productive sectors to promote transformation and equity.

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

- Promoting access to skills development
- Entrepreneurship and enterprise development
- Aligning Services SETA qualifications
- Promoting workplace learning

In addition, the SSP research identified and prioritised 10 scarce skills for which degrees, diplomas and skills programmes are most applicable, as such, 10 PIVOTAL programmes have been identified as a vehicle for addressing scarce skills.

This Annual Performance Plan (APP) provides for learner enrolment targets across all learning interventions. The prioritisation and representivity of service delivery should consider the performance delivery environment. The criteria for awarding Services SETA funded discretionary grants (DG) to employers considers alignment to identified scarce skills.

1.2 Organisational environment

The 2016/17 financial year was characterised by strong financial management and improvement in performance against set targets. Continuity in the Accounting Authority and management team provided the necessary synergy and stability to further improve on business processes and manage skills transfer.

In order to strengthen provider capacity as envisaged in the SSP 2018/19, a realignment of processes in the Quality Management Division was initiated, the intention being to improve specialist capacity and processes to speed-up the finalisation of pending and new applications for registration and accreditation. In addition, the Services SETA has also embarked on a process to establish an Enterprise Development Institute that is currently being conceptualised with the assistance of ecosystem experts, post-school education and training stakeholders, government departments and public entities.

Investment in overall Human Resources Development include an arrangement with the Central University of Technology, Free State, to provide training in BTec: Project Management and BTech: Business Administration to a total of 93 Services SETA staff.

The development and launch of Learner Management Information System will contribute to the enhancement of learner data reliability and quality. This will assist the planning, implementation, monitoring and evaluation of learning interventions. This intervention will further assist with internal and external audit processes by presenting reliable data in good time.

2. REVISIONS TO LEGISLATIVE AND OTHER MANDATES

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

The SP divides the regulatory and policy frameworks into 3 sets:

2.1 Legislation, regulations and policies constituting the national development framework

Here, the National Development Plan and associated strategies define the “impact” level of measurement for skills development. Recent changes here include:

- The effect of the Employment Tax Incentive, commonly known as the youth wage subsidy, has been higher than projected, with time running out if the incentive is to continue in 2017. The Act reduces the cost to employers of hiring young people

through a reduction in the pay-as-you-earn employee tax, and aims to give youth crucial work experience, to try alleviate high unemployment rates. Given that employers could also claim a tax allowance for workers who are trained through a recognised learnership or apprenticeship programme, the expiration of this scheme may discentivise industry uptake of SETA learnerships and apprenticeships. The government has proposed the continuation of this incentive, but limited to a cap of R 20 million on the value which an employer can claim.

- The New National Youth Policy was published in April 2015. This makes a specific commitment to youth development, and is reflected in the youth development priorities and targets in the APP.
- The amended BBBEE scorecard, gazetted in October 2013, came into effect in 2015. This affects all companies who are being measured and verified based on financial periods ending after 30 April 2015. Skills development is now a priority element, with a subminimum achievement of 40% required. The spend target has doubled to 6% of salary/wages bill and can include people other than employees. Training of black employees and learners on priority skill identified by SETAs could effectively result in a boost for discretionary grant applications made by industry.
- There has been substantial progress in planning the Strategic Integrated Projects (SIPs) key to the New Growth Path. Services SETA supports this presidential initiative and the APP continues to make provision for measuring funded learners enrolled in SIPs aligned scarce occupations.

2.2 Skills development legislation and policy

The National Skills Development Strategy III was extended by a further two-year period ending 31 March 2020. This has been done to firstly allow time for further consultations on the SETA landscape and, secondly, to align the NSDS III to the Medium-Term-Strategic Framework.

NSDS III proposed “a credible institutional mechanism for skills planning”. The Labour Market Intelligence Program has effectively centralised many aspects of skills planning. This APP reflects skills planning interventions that collaborate with national skills planning.

The review of the SETA system under the Human Resources Development Council has also proposed a regionalisation of skills planning and a localisation of skills development. This APP reflects the importance of expanding stakeholder engagement and participation at national, provincial and sub-sector levels. Many of the skills development interventions are implemented in a way that promotes localisation.

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

A centralisation of the quality assurance system under the QCTO has been underway for some time. The Services SETA Quality Management Division has been restructured to reflect the delegation of functions by the QCTO.

2.3 Other laws and regulations

These are laws and regulations affecting the state more widely (including SETAs), such as the PFMA, PAIA and PAJA. These fall within organisational compliance and legal services and as such measure are provided for in the APP.

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

3. OVERVIEW OF THE 2018/19 BUDGET AND MTEF ESTIMATES

3.1 Legislative Mandate

The Service SETA is a statutory body established in terms of the Skills Development Act of 1998 (as amended) with the aim of enabling its stakeholders to advance skills levels in the sector in accordance with government's growth initiatives. The Services SETA initiates skills development projects and learning interventions aimed at the improvement and development of South African human resources. The Services SETA has an obligation to its stakeholders in ensuring that skills in the Services Sector are developed.

As per Government Gazette number 39260 which was published on 6 October 2015, the Minister of Higher Education and Training extended the SETAs licence period for an additional two years until 31 March 2018. Subsequently, the Honourable Minister extended the lifespan of SETAs by a further two years to 31 March 2020, in terms of Government Gazette number 40505, issued on 15 December 2016.

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

3.2 FY2017/18-FY2020/21 MTEF budget overview

In terms of the Grant Regulations, the following table provides a summary of the skills development levy collected by SARS from levy paying employers and then transferred to the Sector Education and Training Authorities (SETAs). It also indicates the intended expenditure stream limit:

| LEVY INCOME/EXPENDITURE | GRANT REGULATIONS LIMITS |
|----------------------------|--------------------------|
| Administration | 10.5% |
| Mandatory | 20% |
| Discretionary | 49.5% |
| <i>Allocation to SETAs</i> | <u>80%</u> |
| National Skills Funds | 20% |
| <u>Total</u> | <u>100%</u> |

3.3.1 Levies

Budget Revision FY2017/18

The South African economy is experiencing very low economic growth lately, as evidenced by the 0.3% growth in 2016. It is projected that there will be a slight improvement in economic expansion of just 0.6% in 2017. In addition, salary increases in the next financial year are expected to be relatively modest. Given the foregoing projections is anticipated that the Levy Income for the FY17/18 will amount to R1.553 billion, resulting in an adverse variance of R7.210 million relative to the original budget.

Budget FY2018/19

The levy income for FY2018/19 is expected to increase to R1.684 billion which represent a 7% (R14 million) increase when compared to the revised budget for FY2017/18. The increase of 7% is based on the expectation that the South African economy will grow by atleast 2% per annum in 2018.

3.3.2 Investment Income

Budget revision FY2017/18

Currently the SETA's cash and cash equivalents amount to R1.719 billion which is invested with the major financial institutions of the country. Active management of cash and cash equivalents is expected to result in an increase in Investment Income of 33% (R41.151 million) to R165.344 million. The higher level of disbursements are expected to happen in the last months of the financial year.

Budget FY2018/19

The investment income for 2018/19 is estimated to decrease by 30% (R49.603 million) as a result of anticipated higher rate of spending mainly due to various projects of the Services SETA; which include the construction of skills development centres, community development centres, refurbishment of SETA occupied colleges as well as the construction of An Entrepreneurship Development Institute.

3.3.3 Administration Expenditure

Revised Administration Budget (FY2017/18)

Skills Development Grant Regulations limit the administration costs of SETAs to 10.5% of levies actually received. The administration costs of the Services SETA are therefore limited to the projected levy income of R203.921 million for FY2017/18. The projected admin expenditure is estimated to be R226.459 million, resulting in administration deficit of R22.538 million. The administration deficit of R22.538 million is mainly due to the recessionary state of the economy leading to lower levy income, higher ICT, advertising, promotional costs, depreciation and recruitment costs.

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

The request to exceed the 10.5% limitation as per the Grant Regulations will be submitted to the Minister of Higher Education and Training with this budget and the Annual Performance Plan on 15 November 2017.

Revised Administration Budget (FY2017/18)

In aggregate, there has been a 5% (R12.7 million) decrease in the revised administration budget for FY2017/18 compared to the original budget. This is on accrual basis (depreciation)

Revised Administration Budget (FY2018/19)

In aggregate, there has been a 21% (R47 million) decrease in the revised administration budget for FY2018/19 compared to the revised budget. This is on accrual basis (depreciation)

3.3 Mandatory Grants

3.3.1 Revised budget 2017/18 vs Original Budget 2017/18

In terms of the Grant Regulations, 20% of grants allocated to SETAs may be disbursed to companies that comply with certain conditions, including submission of WSPs and ATRs by the deadline. There were 3,959 companies that submitted WSPs for the 2018 scheme year compared to 3997 in the prior year. The actual claim rate for the first six months of the FY2017/18 amounted to 31% and this is anticipated to improve in the second half of the financial year as submitted WSPs and ATRs are finalised. Although the number of companies that submitted has slightly decreased by 1%, increased, the revised budget for mandatory grants is reduced by R25.5 million to R134.5 million which is in line with the lower claim rate of 31% achieved in the first six months of the year. There is still an ongoing legal case between the Department and the skills development versinity.

3.3.2 Budget FY2018/19 vs Revised budget FY2016/17

The budget for mandatory grants disbursements has increased by R12.7 million to R147.1 million. The increase is based on the annual salary increases guidelines provided by National Treasury. The claim rate has been kept at the revised average budget level of 35%.

3.4 Discretionary Grants

The discretionary grants is classified in to three elements, direct cost, and infrastructure and support costs. Direct cost are for learning interventions, infrastructure vary relate to skills development centres, community college etc and support cost contains the following;

- Legal fees for matters relating to discretionary grants
- Independ evaluation and allocation of discretionary grants
- Labour costs for employees dealing directly with discretionary grants
- Re-branded promotional materials in line with new corporate identity
- Subsistence and travelling cost to support the projects
- Development of 10 occupational qualifications
- Research studies

- In-house professionals to support Services SETA in the construction matters
- Enterprise Development- BBBBEE score card
- SMME and cooperatives Support
- Venue Hire and catering for DG events, launches and general DG core activities

3.4.1 Revised budget 2017/18 vs Original Budget 2017/18

The Services SETA committed R2.811 billion as at 31 March 2017. During the current financial year it is projected that direct discretionary grant expenditure will amount to R2.4 billion, of this R2.4 billion, an additional R266 million is estimated to be expended on infrastructure development.

Budget 2018/19 vs Revised budget 2017/18

In terms of the Grant Regulations, 49.5% of levy income allocated to SETAs plus any unclaimed mandatory grants, maybe disbursed as discretionary grants. The budget for discretionary grants is expected to decrease by 18% to R1.9 billion, of the 1.9 billion R468 million will be expended on the infrastructure development which includes construction of the Entrepreneurship and Cooperatives Development Institute.

3.5 Capital Expenditure Budget

Capital expenditure for 2017/2018 amounts to R130 million and R84 million for 2018/2019.

3.6 Conclusion

We look forward for the approval of the budget which will enable us to fulfil our mandate of skilling and up-skilling the services sector.

3.7 Income and Expenditure estimates

Services SETA

| Income by economic classification | Income outcome | | Budget (Original) | Adjusted Appropriation | Medium-term income estimate | | |
|---|------------------|------------------|-------------------|------------------------|-----------------------------|------------------|------------------|
| R thousand | 2015/16 | 2016/17 | 2017/18 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| Levies Received | 1 410 589 | 1 438 528 | 1 560 899 | 1 553 689 | 1 684 820 | 1 770 772 | 1 868 165 |
| Levies Received: Administration 10.5% | 184 789 | 188 724 | 204 868 | 203 922 | 221 133 | 254 317 | 268 305 |
| Levies Received: Employer Grants 20% | 367 484 | 359 047 | 390 225 | 388 422 | 421 205 | 436 390 | 460 391 |
| Levies Received: Discretionary Grants 49.5% | 858 316 | 890 757 | 965 806 | 961 345 | 1 042 482 | 1 080 065 | 1 139 469 |
| Other Income | 173 857 | 337 715 | 124 192 | 165 344 | 148 809 | 141 369 | 134 300 |
| Penalties and Interest on Levies | 49 153 | 48 419 | - | - | - | - | - |
| Investment Income | 124 397 | 165 088 | 124 192 | 165 344 | 148 809 | 141 369 | 134 300 |
| Other Income | 307 | 124 208 | - | - | - | - | - |
| TOTAL INCOME | 1 584 446 | 1 776 243 | 1 685 091 | 1 719 032 | 1 833 629 | 1 912 141 | 2 002 465 |

| All programmes by economic classification | Expenditure outcome | | Budget (Original) | Adjusted Appropriation | Medium-term expenditure estimate | | |
|---|---------------------|---------|-------------------|------------------------|----------------------------------|---------|---------|
| R thousand | 2015/16 | 2016/17 | 2017/18 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| Administrative expenses | 195 280 | 274 289 | 308 633 | 227 460 | 273 384 | 284 966 | 300 639 |
| Compensation of employees | 19 191 | 43 590 | 43 317 | 57 651 | 75 408 | 79 631 | 84 011 |
| Goods and services of which: | 176 089 | 230 699 | 265 316 | 169 809 | 197 976 | 205 335 | 216 629 |
| Advertising | 6 611 | 45 482 | 5 571 | 25 827 | 27 905 | 29 467 | 31 088 |
| Audit Fees | 5 507 | 4 247 | 6 397 | 6 900 | 7 495 | 7 914 | 8 350 |
| Communication | 2 005 | 2 614 | 2 614 | 1 963 | 1 731 | 1 828 | 1 928 |
| Computer services | 8 546 | 8 773 | 9 056 | 17 086 | 16 695 | 17 630 | 18 600 |
| Consultants, contractors and special services | 50 992 | 85 723 | 90 916 | 53 021 | 57 619 | 60 846 | 64 193 |
| Governance Fees | 7 778 | 4 827 | 8 054 | 11 301 | 11 922 | 12 590 | 13 282 |

| | | | | | | | |
|---|----------------|------------------|------------------|--------------------|------------------|------------------|------------------|
| Maintenance repair and running cost | 16 227 | 12 292 | 32 907 | 17 031 | 24 022 | 25 864 | 27 287 |
| Depreciation & Impairment | 16 490 | 12 664 | 5 322 | 11 201 | 15 854 | 12 518 | 13 206 |
| Travel and subsistence | - 16 490 | - 12 664 | - 5 322 | - | - | - | - |
| Staff training, recruitment, assistance and welfare | 53 752 | 39 116 | 74 732 | - | - | - | - |
| Capital expenditure | 5 361 | 5 732 | 4 438 | 5 520 | 6 277 | 6 629 | 6 993 |
| QCTO | 7 481 | 10 064 | 20 192 | 8 679 | 14 561 | 15 376 | 16 222 |
| Office Accommodation | 5 119 | 5 119 | 8 150 | 8 149 | 10 590 | 11 183 | 11 798 |
| Mandatory Grants - Transfers and subsidies to: | 6 710 | 6 710 | 2 289 | 132 | 3 304 | 3 489 | 3 681 |
| Provinces | - | - | - | - | - | - | - |
| Agencies and accounts | - | - | - | - | - | - | - |
| Universities and technikons | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 150 724 | 185 685 | 159 992 | 134 491 | 142 205 | 150 168 | 158 427 |
| Foreign governments and international organisations | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - |
| Discretionary Grants - Transfers and subsidies to: | 714 337 | 1 502 342 | 1 285 876 | 2 434 984 | 2 006 761 | 1 477 006 | 1 543 397 |
| Provinces | - | - | - | - | - | - | - |
| Agencies and accounts | - | - | - | - | - | - | - |
| Universities and technikons | - | - | - | - | - | - | - |
| Public corporations and private enterprises | 714 337 | 1 502 342 | 1 285 876 | 2 434 984 | 2 006 761 | 1 477 006 | 1 543 397 |
| Foreign governments and international organisations | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - |
| Households | - | - | - | - | - | - | - |
| Capital expenditure | 1 060 341 | 1 962 316 | 1 754 501 | 2 796 935 | 2 422 350 | 1 912 141 | R 2 002 464 |
| Total expenditure including capital expenditure | 524 105 | - 186 073 | - 69 410 | - 1 077 902 | - 588 721 | 1 | 1 |
| Net surplus (deficit) | 561 367 | - 159 621 | 0 | - 1 089 103 | - 604 575 | - 12 517 | - 13 205 |

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

| Payments for capital assets: | Expenditure outcome | | Budget (Original) | Adjusted Appropriation | Medium-term expenditure estimate | | |
|--------------------------------------|---------------------|---------------|-------------------|------------------------|----------------------------------|--------------|--------------|
| R thousand | 2015/16 | 2016/17 | 2017/18 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| Payments for capital assets: | | | | | | | |
| Buildings and other fixed structures | 6 009 | 17 418 | 86 078 | 30 000 | 25 000 | 110 | - |
| Machinery and equipment | - | 812 | 10 950 | 14 300 | 14 300 | 1 000 | 1 000 |
| Computer equipment | 19 122 | 4 443 | 9 958 | 20 208 | 57 666 | 1 000 | 1 000 |
| Software and other intangible assets | 23 685 | 16 443 | 9 958 | 20 208 | 12 750 | 2 000 | 2 000 |
| Motor vehicle | 4 936 | - | 13 300 | - | 5 000 | 5 000 | - |
| Total Capital expenditure | 53 752 | 39 116 | 130 244 | 84 716 | 29 160 | 5 160 | 4 000 |

Note 2: Services SETA applies the accrual basis of accounting and assets are written off through depreciation which is a budgeted expense.

| Expenditure by Programmes | Expenditure outcome | | Budget (Original) | Adjusted Appropriation | Medium-term expenditure estimate | | |
|---------------------------|---------------------|------------------|-------------------|------------------------|----------------------------------|------------------|------------------|
| R thousand | 2015/16 | 2016/17 | 2017/18 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| 1. Administration | 128 486 | 464 828 | 200 411 | 582 206 | 517 966 | 479 930 | 478 341 |
| 2. Planning | 211 115 | 922 306 | 266 614 | 1 119 729 | 1 262 499 | 798 009 | 892 187 |
| 3. Skills Development | 682 533 | 546 841 | 1 217 644 | 1 170 452 | 657 259 | 632 955 | 630 862 |
| 4. Quality Management | 945 | 1 889 | 421 | 4 094 | 1 294 | 1 247 | 1 074 |
| TOTAL | 1 023 079 | 1 935 864 | 1 685 091 | 2 876 481 | 2 439 018 | 1 912 141 | 2 002 464 |

Part B: Programmes

The Services SETA has 4 programmes each comprising strategic objectives, programme performance indicators and corresponding targets. The table below shows the alignment between the strategic goals and strategic objectives.

| Programme | Strategic Objective Title | Strategic Objective Statement | Related Strategic Goal Titles | Links to SSP Priorities (Critical Areas of intervention) | Link to NSDS III |
|--------------------|--|---|---|--|---|
| 1:Administration | 1.1.1 Maintain sound reporting | Financial and performance reporting of the Services SETA are managed in a transparent, efficient and effective manner to maintain clean audit | Goal 4: Strengthen the Services SETA capabilities | Promoting access to skills development | 4.1 Establishing a credible institutional mechanism for skills planning |
| 1:Administration | 1.1.2 Strengthen Human Resources | People competencies retained to enable operational efficiency | Goal 4: Strengthen the Services SETA capabilities | Promoting access to skills development | 4.1 Establishing a credible institutional mechanism for skills planning |
| 1:Administration | 1.1.3 Ensure Accountable governance | Accountable governance and oversight leadership focussed on high performance, compliance, internal controls and enterprise-wide risk mitigation | Goal 4: Strengthen the Services SETA capabilities | Promoting access to skills development | 4.1 Establishing a credible institutional mechanism for skills planning |
| 2: Skills Planning | 2.1.1 Conduct credible research to inform planning | Expand research capabilities and credibility to inform relevant and evidence-based planning | Goal 4. Strengthen the Services SETA's capabilities | Alignment of Services SETA qualifications | 4.1 Establishing a credible institutional mechanism for skills planning |

| Programme | Strategic Objective Title | Strategic Objective Statement | Related Strategic Goal Titles | Links to SSP Priorities (Critical Areas of intervention) | Link to NSDS III |
|------------------------|---|--|---|---|--|
| 2: Skills Planning | 2.1.2 Promote industry investment and strengthen workplace mentorship | Promote industry investment in workplace skills development and occupational qualifications strengthening work-integrated learning | Goal 1: Improve the stock of skills Goal 2: Improve the flow of skills | Work-based training and mentorship Promote work-based training and mentorship | 4.1 Establishing a credible institutional mechanism for skills planning 4.2 Increasing access to occupationally-directed programmes 4.5 Encouraging better use of workplace-based skills development |
| 3: Learning Programmes | 3.1.1 Promote transformation through partnerships | National priorities promoted through supply- and demand-side partnership development | Goal 1: Improve the stock of skills Goal 2: Improve the flow of skills Goal 3: Improve the Services Sector capabilities | Promoting access to skills development | 4.1 – 4.8 |
| 3: Learning Programmes | 3.1.2 Promote supply and demand partnerships | Identify infrastructure requirements and facilitate partnerships to expand access to skills development in rural areas | Goal 1: Improve the stock of skills Goal 2: Improve the flow of skills | Promoting access to skills development Alignment of Services SETA qualifications Work-based training and mentorship Promote work-based training and mentorship | 4.4 Addressing the low level of youth and adult language and numeracy skills to enable additional training 4.5 Encouraging better use of workplace-based skills development |
| 3: Learning Programmes | 3.1.3 Promote enterprise development | Transformation and sustainability promoted through targeted enterprise development | Goal 3: Improve the Services Sector capabilities | Promoting access to skills development Promote work-based training and mentorship | 4.3 Promoting the growth of a public FET college system that is responsive to sector, local, regional and national skills needs and priorities 4.6 Encouraging and supporting cooperatives, |

| Programme | Strategic Objective Title | Strategic Objective Statement | Related Strategic Goal Titles | Links to SSP Priorities (Critical Areas of intervention) | Link to NSDS III |
|------------------------|---|--|--|--|--|
| | | | | | small enterprises, worker-initiated, NGO and community training initiatives 4.7 Increasing public sector capacity for improved service delivery and supporting the building of a developmental state 4.8 Building career and vocational guidance |
| | 3.1.4 Prioritise Services SETA investment | Enrol funded learners to achieve targets, strengthening alignment to scarce and critical demand, and priority skills | Goal 1: Improve the stock of skills | Promoting access to skills development | 4.1 – 4.8 |
| 3: Learning Programmes | 3.1.5 Improve skills development throughput | Improve monitoring and coordination of SETA-funded skills development to facilitate timely completion | Goal 1: Improve the stock of skills | Promoting access to skills development | 4.1 – 4.8 |
| 3: Learning Programmes | 3.1.6 Promote partnership and engagement | Promote stakeholder participation and information exchange to strengthen relevance and access to services | Goal 3: Improve the Services Sector capabilities | Promoting access to skills development Promote work-based training and mentorship | 4.3 Promoting the growth of a public FET college system that is responsive to sector, local, regional and national skills needs and priorities 4.6 Encouraging and supporting cooperatives, small enterprises, worker-initiated, NGO and community training initiatives |

| Programme | Strategic Objective Title | Strategic Objective Statement | Related Strategic Goal Titles | Links to SSP Priorities (Critical Areas of intervention) | Link to NSDS III |
|----------------------|---|--|-------------------------------------|--|---|
| | | | | | 4.7 Increasing public sector capacity for improved service delivery and supporting the building of a developmental state 4.8 Building career and vocational guidance |
| 4: Quality Assurance | 4.1.1 Improve efficiency in certification | Capacitate and support skills development providers to strengthen relevant skills supply | Goal 2: Improve the flow of skills | Promoting access to skills development | 4.1 – 4.8 |
| 4: Quality Assurance | 4.1.2 Strengthen and assure quality of supply | Improve efficiency in quality assurance of learner achievement for certification | Goal 1: Improve the stock of skills | Promoting access to skills development | 4.1 – 4.8 |

4. PROGRAMME 1: ADMINISTRATION

4.1 Purpose

The purpose of the administration programme is to enable the delivery of the Services SETA Mandate through the delivery of support services. This programme is aligned to Strategic Goals 4: Strengthen the Services SETA capability to lead the sector through policies, processes, systems and competencies.

4.2 Description of the programme

The programme comprises of the following functions: Finance, Human Resources, Information Communication and Technology and Organisational Governance.

4.3 Strategic Objectives

| # | Strategic Objective Title | Strategic Objective Statement |
|-----|-------------------------------|---|
| 1.1 | Maintain sound reporting | Financial and performance reporting of the Services SETA are managed in a transparent, efficient and effective manner to maintain clean audit |
| 1.2 | Strengthen Human Resources | People competencies retained to enable operational efficiency |
| 1.3 | Ensure Accountable governance | Accountable governance and leadership oversight focussed on high performance, compliance, internal controls and enterprise-wide risk mitigation |

4.4 Programme performance indicators and annual targets for 2018/19

| STRATEGIC OBJECTIVE TITLE | # | Maintain sound reporting | | | | | | | |
|---|------------------------|---|--------------------|-------------|-------------------|-----------|---------------------|-------------|---------|
| STRATEGIC OBJECTIVE STATEMENT | 1.1 | Financial and performance reporting of the Services SETA are managed in a transparent, efficient and effective manner to maintain clean audit | | | | | | | |
| DESCRIPTION | | To ensure that all accounting processes align to the requirements of the PFMA, that the organisation meets all Treasury requirements for cost saving, that there is no wasteful and irregular expenditure and that the organisation is fully compliant with treasury and accounting practices and principles. | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | ACTUAL PERFORMANCE | | | ESTIMATED | TARGETS | MEDIUM TERM | |
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2019/21 |
| Improve management of the Services SETA financial affairs | 1.1.1 | Outcome of Annual Audit | Clean Audit | Clean Audit | Unqualified Audit | Clean | Clean | Clean | Clean |
| STRATEGIC OBJECTIVE TITLE | # | Strengthen Human Resources and systems adequacy | | | | | | | |
| STRATEGIC OBJECTIVE STATEMENT | 1.2 | People competencies retained and systems developed to leverage technology enabling operational efficiency | | | | | | | |
| DESCRIPTION | | To ensure that the organisation has the appropriate human resources skill to deliver on the activities required to achieve its mandate. | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | ACTUAL PERFORMANCE | | | ESTIMATED | TARGETS | MEDIUM TERM | |
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2019/21 |
| Human resources effectively managed to ensure adequate and sufficiently skilled people retained and performance monitored | 1.2.1 | Percentage of staff complement maintained | 64% | 72% | 86% | 75% | 85% | 85% | 85% |
| STRATEGIC OBJECTIVE TITLE | # | Ensure Accountable Governance | | | | | | | |
| STRATEGIC OBJECTIVE STATEMENT | 1.3 | Accountable governance and leadership oversight focussed on high performance, compliance, internal controls and enterprise-wide risk mitigation | | | | | | | |
| DESCRIPTION | | To ensure that the organisation complies with all regulatory and governance requirements as laid down by the various authorities. To ensure that the organisation aligns its governance protocols to statutory regulations | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | ACTUAL PERFORMANCE | | | ESTIMATED | MEDIUM TERM TARGETS | | |
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2019/21 |
| Facilitate compliance and strengthen internal control through assessment, development and monitoring action plans | 1.3.1 | Percentage of audit action plans actioned | - | 62% | 100% | 100% | 80% | 80% | 80% |
| Mitigate the negative impact of identified strategic risks | 1.3.2 | Percentage of risk action plans actioned | - | 83% | 100% | 100% | 100% | 100% | 100% |

4.5 Programme performance indicators and quarterly targets for 2018/19

| STRATEGIC OBJECTIVE TITLE | # | Maintain sound financial management | | | | | | | | | |
|---|------------------------|--|------------------|----------------|------------------|---------------|-------------------|-------|-----|-----|-------------------|
| STRATEGIC OBJECTIVE STATEMENT | 1.1 | Financial affairs of the Services SETA are managed in a transparent, efficient and effective manner to maintain clean audit | | | | | | | | | |
| DESCRIPTION | | To ensure that all accounting processes align to the requirements of the PFMA, that the organisation meets all Treasury requirements for cost saving, that there is no wasteful and irregular expenditure and that the organisation is fully compliant with treasury and accounting practices and principles | | | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | INDICATOR STATUS | INDICATOR TYPE | REPORTING PERIOD | ANNUAL TARGET | QUARTERLY TARGETS | | | | BUDGET R thousand |
| | | | | | | 2018/19 | Q1 | Q2 | Q3 | Q4 | |
| Improve management of the Services SETA financial affairs | 1.1.1 | Outcome of Annual Audit | Continued | Non-Cumulative | Annually | Clean | - | Clean | - | - | 22 328 |
| STRATEGIC OBJECTIVE TITLE | # | Strengthen Human Resources and systems adequacy | | | | | | | | | |
| STRATEGIC OBJECTIVE STATEMENT | 1.2 | People competencies retained and systems developed to leverage technology enabling operational efficiency | | | | | | | | | |
| DESCRIPTION | | To ensure that the organisation has the appropriate human resources skill to deliver on the activities required to achieve its mandate. | | | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | INDICATOR STATUS | INDICATOR TYPE | REPORTING PERIOD | ANNUAL TARGET | QUARTERLY TARGETS | | | | BUDGET R thousand |
| | | | | | | 2018/19 | Q1 | Q2 | Q3 | Q4 | |
| Human resources effectively managed to ensure adequate and sufficiently skilled people retained and performance monitored | 1.2.1 | Percentage of staff complement maintained | Modified | Non-Cumulative | Quarterly | 80% | 80% | 80% | 80% | 80% | 279 245 |

| STRATEGIC OBJECTIVE TITLE | # | Ensure Accountable governance | | | | | | | | | |
|---|------------------------|--|------------------|----------------|------------------|---------------|-------------------|------|------|------|-------------------|
| STRATEGIC OBJECTIVE STATEMENT | 1.3 | Accountable governance and leadership oversight focussed on high performance, compliance, internal controls and enterprise-wide risk mitigation | | | | | | | | | |
| DESCRIPTION | | To ensure that the organisation complies with all regulatory and governance requirements as laid down by the various authorities. To ensure that the organisation aligns its governance protocols to statutory regulations | | | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | INDICATOR STATUS | INDICATOR TYPE | REPORTING PERIOD | ANNUAL TARGET | QUARTERLY TARGETS | | | | BUDGET R thousand |
| | | | | | | 2018/19 | Q1 | Q2 | Q3 | Q4 | |
| Facilitate compliance and strengthen internal control through assessment, development and monitoring action plans | 1.3.1 | Percentage of audit action plans actioned | Continued | Non-Cumulative | Quarterly | 100% | 100% | 100% | 100% | 100% | 545 |
| Mitigate the negative impact of identified strategic risks | 1.3.2 | Percentage of risk action plans actioned | Continued | Non-Cumulative | Quarterly | 100% | 100% | 100% | 100% | 100% | 2 691 |

4.6 Reconciling performance targets with the Budget and MTEF

Administration

| Expenditure by Programmes | Income outcome | | Budget (Original) | Adjusted Appropriation | Medium-term expenditure estimate | | |
|----------------------------|----------------|----------------|----------------------|---------------------------|----------------------------------|----------------|----------------|
| | 2015/16 | 2016/17 | 2017/18 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| R thousand | | | | | | | |
| Communication Marketing | 9 514 | 91 475 | 12 570 | 93 049 | 53 816 | 51 827 | 51 655 |
| Finance | 24 655 | 15 353 | 23 994 | 29 097 | 22 328 | 22 252 | 25 893 |
| Information Technology | 35 271 | 20 434 | 26 796 | 37 381 | 22 703 | 20 486 | 16 703 |
| Board Secretariat Services | 9 205 | 5 854 | 8 821 | 12 957 | 9 064 | 8 729 | 8 700 |
| Compliance | - | 1 027 | 3 128 | 4 211 | 545 | 525 | 524 |
| CEO | 626 | 132 933 | 42 939 | 156 520 | 104 262 | 82 151 | 81 879 |
| Legal Service | 6 912 | 35 325 | 9 552 | 36 252 | 20 524 | 19 765 | 19 700 |
| Risk Management | 737 | 24 | 3 874 | 982 | 2 691 | 2 591 | 2 583 |
| Transformation | - | - | - | 4 100 | 2 787 | 2 684 | 2 675 |
| Human Resources | 41 566 | 162 403 | 68 738 | 207 657 | 279 245 | 268 920 | 268 030 |
| TOTAL | 128 486 | 464 828 | 200 411 | 582 206 | 517 966 | 479 930 | 478 341 |

5. PROGRAMME 2: SKILLS PLANNING

5.1 Purpose

To enable the Services SETA and Services Sector to target relevant skills development. It is responsible for researching skills needs within the Services Sector, issuing the Sector Skills Plan, developing strategic and annual performance plans for the Services SETA, monitoring and evaluating organisational performance and conducting targeted evaluations to strengthen programme improvement in executing its mandate. This programme is aligned to all of the Strategic Goals in that it informs the Services SETA and Sector Priorities and capabilities and directs needs and supply in terms of the flow and stock of skills within the Services Sector.

5.2 Description of the programme

Functions of this programme encompass research and planning, performance information monitoring and reporting, and evaluations, including impact assessments.

5.3 Strategic Objectives

| # | Strategic Objective Title | Strategic Objective Statement |
|-----|---|--|
| 2.1 | Conduct credible research to inform planning | Expand research capabilities and credibility to inform relevant and evidence-based planning |
| 2.2 | Promote industry investment and strengthen workplace mentorship | Promote industry investment in workplace skills development and occupational qualifications strengthening work-integrated learning |

5.4 Programme performance indicators and annual targets for 2018/19

| STRATEGIC OBJECTIVE TITLE | # | Conduct credible research to inform planning | | | | | | | |
|---|------------------------|---|--------------------|---------|---------|-----------|---------|-------------|---------|
| STRATEGIC OBJECTIVE STATEMENT | 2.1 | Expand research capabilities to inform relevant and evidence-based planning | | | | | | | |
| DESCRIPTION | | This programme aims to ensure that credible research and research findings are used to develop the SSP, SP and APP | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | ACTUAL PERFORMANCE | | | ESTIMATED | TARGET | MEDIUM TERM | |
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2019/21 |
| Improve the research capabilities of the Services SETA | 2.1.1 | Number of research studies conducted | 0 | 0 | 2 | 2 | 5 | 5 | 5 |
| STRATEGIC OBJECTIVE TITLE | # | Promote industry investment and strengthen workplace mentorship | | | | | | | |
| STRATEGIC OBJECTIVE STATEMENT | 2.2 | Promote industry investment in workplace skills development and occupational qualifications strengthening work-integrated learning | | | | | | | |
| DESCRIPTION | | This programmes aims to promote participation of employers in skills development by through technical support and training innitiatives | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | ACTUAL PERFORMANCE | | | ESTIMATED | TARGET | MEDIUM TERM | |
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| Provide technical assistance and support to employers to submit WSP/ATR | 2.2.1 | Number of employers provided with technical assistance support to submit WSP/ATR | - | - | - | - | 500 | 500 | 500 |

5.5 Programme performance indicators and quarterly targets for 2018/19

| STRATEGIC OBJECTIVE TITLE | # | Conduct credible research to inform planning | | | | | | | | | |
|---|------------------------|---|------------------|----------------|------------------|---------------|-------------------|----|----|-----|-------------------|
| STRATEGIC OBJECTIVE STATEMENT | 2.1 | Expand research capabilities and credibility to inform relevant and evidence-based planning | | | | | | | | | |
| DESCRIPTION | | This programme aims to ensure development of the SSP SP and APP of high quality with strong alignment | | | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | INDICATOR STATUS | INDICATOR TYPE | REPORTING PERIOD | ANNUAL TARGET | QUARTERLY TARGETS | | | | BUDGET R thousand |
| | | | | | | 2018/19 | Q1 | Q2 | Q3 | Q4 | |
| Improve the research capabilities of the Services SETA | 2.1.1 | Number of research studies conducted | New | Cumulative | Quarterly | 5 | - | 2 | 3 | 5 | 18 655 |
| STRATEGIC OBJECTIVE TITLE | # | Promote industry investment and strengthen workplace mentorship | | | | | | | | | |
| STRATEGIC OBJECTIVE STATEMENT | 2.2 | Promote industry investment in workplace skills development and occupational qualifications strengthening work-integrated learning | | | | | | | | | |
| DESCRIPTION | | This programmes aims to promote participation of employers in skills development by through technical support and training innitiatives | | | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | INDICATOR STATUS | INDICATOR TYPE | REPORTING PERIOD | ANNUAL TARGET | QUARTERLY TARGETS | | | | BUDGET R thousand |
| | | | | | | 2018/19 | Q1 | Q2 | Q3 | Q4 | |
| Provide technical assistance and support to employers to submit WSP/ATR | 2.2.1 | Number of employers provided with technical assistance support to submit WSP/ATR | Continued | Non-cumulative | Annually | 500 | - | - | - | 500 | 142 205 |

5.6 Reconciling performance targets with the Budget and MTEF

Planning

| Expenditure by Programmes | Income outcome | | Budget (Original) | Adjusted Appropriation | Medium-term expenditure estimate | | |
|---------------------------|----------------|----------------|----------------------|---------------------------|----------------------------------|----------------|----------------|
| R thousand | 2015/16 | 2016/17 | 2017/18 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| Mandatory Grants | 151 134 | 185 685 | 159 992 | 134 491 | 142 205 | 136 947 | 132 740 |
| Enterprise development | - | - | - | 341 636 | 581 061 | 141 767 | 281 436 |
| Special Projects | 55 860 | 715 453 | 300 191 | 635 849 | 520 579 | 501 331 | 460 598 |
| Planning | 4 121 | 21 168 | 6 482 | 7 754 | 18 655 | 17 965 | 17 413 |
| TOTAL | 211 115 | 922 306 | 466 666 | 1 119 730 | 1 262 500 | 798 010 | 892 188 |

6. PROGRAMME 3: LEARNING PROGRAMMES

6.1 Purpose

The purpose of this programme is to disburse SETA discretionary grants through special and regular projects for infrastructure development to expand access to skills development in rural and underserved areas and pivotal learning interventions. Special projects are targeted interventions that meet national and transformational imperatives whereas regular projects are granted on application in response to advertised opportunities.

6.2 Description of the programme

This programme consists of four primary functions namely: Special Projects Learning Intervention Facilitation; Chambers Operations and Provincial Operations.

This programme is aligned to Strategic Goal 1: Improve the stock of skills through the coordination of learner enrolment training and certification and Strategic Goal 3: Improve the Services Sector capabilities through partnerships and collaboration.

It is through the seven learning interventions targeted in this programme namely Learnerships, Bursaries, Skills Programmes, Internships, Apprenticeships, RPL and AET that scarce and critical skills will be addressed. The Services SETA, in its Sector Skills Plan for 2017/18 submitted on 01 August 2016, identified a list of 63 scarce skills and 51 critical skills. Further in-depth analysis, and the mandate to balance supply across high, intermediary and entry level qualifications, resulted in the pivotal list comprising a total of 28 occupations which includes 10 scarce skills 6 critical skills and 12 trades. A higher correlation between enrolments and the pivotal list can be expected as opposed to scarce and critical skills lists.

6.3 Strategic Objectives

| # | Strategic Objective Title | Strategic Objective Statement |
|-----|---|--|
| 3.1 | Grow infrastructure and rural development | Expand infrastructure for skills and enterprise development and target rural development |
| 3.2 | Promote supply and demand partnerships | National priorities promoted through supply- and demand-side partnership development |
| 3.3 | Promote enterprise development | Transformation and sustainability promoted through targeted enterprise development |
| 3.4 | Prioritise Services SETA investment | Enrol funded learners to achieve targets strengthening alignment to scarce and critical demand and priority skills |
| 3.5 | Improve skills development throughput | Improve monitoring and coordination of SETA-funded skills development to facilitate timely completion |
| 3.6 | Promote stakeholder participation | Promote stakeholder participation and information exchange to strengthen relevance and access to services |

6.4 Programme performance indicators and annual targets for 2017/18

| STRATEGIC OBJECTIVE TITLE | # | Grow infrastructure and rural development | | | | | | | |
|---|------------------------|---|--------------------|---------|---------|-----------|---------|-------------|---------|
| STRATEGIC OBJECTIVE STATEMENT | 3.1 | Expand infrastructure for skills and enterprise development and target rural development | | | | | | | |
| DESCRIPTION | | The aim is to support 5 projects in rural areas and develop 15 infrastructure projects aligned to skills and enterprise development | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | ACTUAL PERFORMANCE | | | ESTIMATED | TARGETS | MEDIUM TERM | |
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| Special Projects Implemented to support transformation agenda | 3.1.1 | Number of active rural development projects | - | - | - | 3 | 5 | 5 | 5 |
| | 3.1.2 | Number of active infrastructure development projects | - | - | 11 | 15 | 15 | 12 | 10 |
| STRATEGIC OBJECTIVE TITLE | # | Promote supply and demand partnerships | | | | | | | |
| STRATEGIC OBJECTIVE STATEMENT | 3.2 | National priorities promoted through supply- and demand-side partnership development | | | | | | | |
| DESCRIPTION | | The aim is to increase access to skills development opportunities by partnering with 5 TVET Colleges 3 Universities and 500 public and private partnerships to promote workplace-based learning | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | ACTUAL PERFORMANCE | | | ESTIMATED | TARGETS | MEDIUM TERM | |
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| Special Projects Implemented to support transformation agenda | 3.2.1 | Number of new partnerships with institutions of higher learning | 40 | - | 26 | 8 | 8 | 8 | 8 |
| | 3.2.2 | Number of partnerships developed with public and private entities | - | - | - | - | 500 | 500 | 500 |

| STRATEGIC OBJECTIVE TITLE | # | Promote enterprise development | | | | | | | |
|---|------------------------|---|--------------------|---------|---------|-----------|---------------------|-------------|---------|
| STRATEGIC OBJECTIVE STATEMENT | 3.3 | Transformation and sustainability promoted through targeted enterprise development | | | | | | | |
| DESCRIPTION | | The aim is ensure growth of local economies through business support targeting 300 co-operatives, 300 SMEs, 100 NGOs and 4 trade unions | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | ACTUAL PERFORMANCE | | | ESTIMATED | MEDIUM TERM TARGETS | | |
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| | 3.3.1 | Number of small businesses supported | 333 | 220 | 415 | 600 | 600 | 600 | 900 |
| | 3.3.2 | Number of non-governmental and community-based organisations supported | 336 | 70 | 124 | 100 | 100 | 100 | 100 |
| | 3.3.3 | Number of Trade Unions supported | - | - | 6 | 8 | 4 | 4 | 4 |
| STRATEGIC OBJECTIVE TITLE | # | Prioritise services sector investment | | | | | | | |
| STRATEGIC OBJECTIVE STATEMENT | 3.4 | Enrol unfunded learners to enhance industry's investment in skills development | | | | | | | |
| DESCRIPTION | | The aim is to enrol 500 unemployed unfunded learners, through sector funded learnerships | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | ACTUAL PERFORMANCE | | | ESTIMATED | TARGETS | MEDIUM TERM | |
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| Process learner enrolments in accordance with commitments | 3.4.1 | Number of Unfunded Learners entered | - | - | - | - | 500 | 600 | 700 |

| | | | | | | | | | |
|---|------------------------|---|--------------------|---------|---------|-----------|---------|-------------|---------|
| STRATEGIC OBJECTIVE TITLE | # | Prioritise Services SETA investment | | | | | | | |
| STRATEGIC OBJECTIVE STATEMENT | 3.4 | Enrol funded learners to achieve targets, strengthening alignment to scarce and critical demand, and priority skills | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | ACTUAL PERFORMANCE | | | ESTIMATED | TARGETS | MEDIUM TERM | |
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| DESCRIPTION | | The aim is to enrol 1 500 employed and 12 000 unemployed learners and certify 1 163 employed and 10 306 unemployed funded learners | | | | | | | |
| | 3.4.2 | Number of Learnerships Entered | 3 693 | 20 029 | 14 542 | 9 697 | 13 500 | 16 086 | 16 917 |
| | 3.4.3 | Number of Learnerships Completed | 9 110 | 2 751 | 1 732 | 6 074 | 11 469 | 12 042 | 12 644 |
| DESCRIPTION | | The aim is to enrol 500 employed and 3 000 unemployed bursaries and certify 270 employed and 763 unemployed unfunded learners | | | | | | | |
| | 3.4.4 | Number of Bursaries Entered | 3 671 | 1 409 | 3 283 | 3 533 | 3 500 | 5 739 | 6 026 |
| | 3.4.5 | Number of Bursaries Completed | 2 134 | 455 | 671 | 960 | 1 033 | 1 084 | 1 138 |
| STRATEGIC OBJECTIVE TITLE | # | Prioritise Services SETA investment | | | | | | | |
| STRATEGIC OBJECTIVE STATEMENT | 3.4 | Enrol funded learners to achieve targets, strengthening alignment to scarce and critical demand, and priority skills | | | | | | | |
| DESCRIPTION | | The aim is to enrol 2 500 employed and 400 unemployed learners and certify 603 employed and 1 501 unemployed funded learners in skills programmes | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | ACTUAL PERFORMANCE | | | ESTIMATED | TARGETS | MEDIUM TERM | |
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| Process learner enrolments in accordance with commitments | 3.4.6 | Number of Skills Programmes Entered | 789 | 3 871 | 1 680 | 3 950 | 2 900 | 3 045 | 3 200 |
| | 3.4.7 | Number of Skills Programmes Completed | 95 | - | 2 858 | 1 541 | 2 104 | 2 209 | 2 320 |

| STRATEGIC OBJECTIVE TITLE | # | Prioritise Services SETA investment | | | | | | | |
|--|------------------------|--|--------------------|---------|---------|-----------|---------|-------------|---------|
| STRATEGIC OBJECTIVE STATEMENT | 3.4 | Enrol funded learners to achieve targets, strengthening alignment to scarce and critical demand, and priority skills | | | | | | | |
| DESCRIPTION | | The aim is to enrol 3 000 unemployed interns, 1 100 TVET student interns and 500 university student interns and complete 1 725 interns 370 complete TVET students and 370 university students | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | ACTUAL PERFORMANCE | | | ESTIMATED | TARGETS | MEDIUM TERM | |
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| | 3.4.8 | Number of Internships Entered | 3 599 | 2 815 | 9 212 | 9 109 | 4 600 | 4 830 | 5 071 |
| | 3.4.9 | Number of Internships Completed | - | 166 | 2 009 | 1 886 | 2 465 | 2 587 | 2 715 |
| DESCRIPTION | | The aim is to enrol 2 000 Artisans candidates, 500 trade tests and complete 488 Artisans | | | | | | | |
| | 3.4.10 | Number of Artisans Entered | 643 | 476 | 2 497 | 2 100 | 2 500 | 3 473 | 3 647 |
| | 3.4.11 | Number of Artisans Completed | 88 | 89 | 326 | 840 | 488 | 512 | 538 |
| DESCRIPTION | | The aim is to enrol 500 RPL and 500 AET and complete 122 RPL and 898 AET | | | | | | | |
| | 3.4.12 | Number of Recognition of Prior Learning Learners Entered | 0 | 174 | 353 | 1 000 | 500 | 1 210 | 1 271 |
| | 3.4.13 | Number of Recognition of Prior Learning Learners Completed | 299 | 46 | - | 346 | 122 | 128 | 134 |
| | 3.4.14 | Number of AET Learners Entered | 85 | 1 279 | 309 | 1 000 | 500 | 1 654 | 1 737 |
| | 3.4.15 | Number of AET Learners Completed | 236 | 19 | 518 | 1 133 | 898 | 943 | 990 |
| DESCRIPTION | | The aim is to enrol 50 candidates and exit 20 candidates | | | | | | | |
| | 3.4.16 | Number of Candidacies Entered | - | - | - | 50 | 150 | 50 | 50 |
| | 3.4.17 | Number of Candidacies Completed | - | - | - | - | 20 | 20 | 20 |
| STRATEGIC OBJECTIVE TITLE | # | Promote Stakeholder Participation | | | | | | | |
| STRATEGIC OBJECTIVE STATEMENT | 3.5 | Promote stakeholder participation and information exchange to strengthen relevance and access to services | | | | | | | |
| DESCRIPTION | | The aim is to conduct 120 structured subsector stakeholder engagements, 120 structured provincial stakeholder engagements, 10 Accounting Authority Stakeholder Engagements and host 9 career guidance events | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | ACTUAL PERFORMANCE | | | ESTIMATED | TARGETS | MEDIUM TERM | |
| | | | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| Ensure functional chambers supporting sub-sector growth and capability | 3.5.1 | Number of structured stakeholders engagement conducted | - | 10 | 190 | 210 | 250 | 250 | 250 |
| | 3.5.2 | Number of career guidance events hosted | - | - | 33 | 10 | 18 | 18 | 18 |

6.5 Programme performance indicators and quarterly targets for 2018/19

| STRATEGIC OBJECTIVE TITLE | # | Grow infrastructure and rural development | | | | | | | | | |
|---|------------------------|---|------------------|----------------|------------------|---------------|-------------------|-----|-----|-----|------------|
| STRATEGIC OBJECTIVE STATEMENT | 3.1 | Expand infrastructure for skills and enterprise development and target rural development | | | | | | | | | |
| DESCRIPTION | | The aim is to support 5 projects in rural areas and develop 15 infrastructure projects aligned to skills and enterprise development | | | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | INDICATOR STATUS | INDICATOR TYPE | REPORTING PERIOD | ANNUAL TARGET | QUARTERLY TARGETS | | | | BUDGET |
| | | | | | | 2018/19 | Q1 | Q2 | Q3 | Q4 | R thousand |
| Special Projects Implemented to support transformation agenda | 3.1.1 | Number of active rural development projects | Continued | Cumulative | Quarterly | 5 | - | 3 | 4 | 5 | 520 579 |
| | 3.1.2 | Number of active infrastructure development projects | Continued | Cumulative | Quarterly | 15 | - | 10 | - | 15 | |
| STRATEGIC OBJECTIVE TITLE | # | Promote supply and demand partnerships | | | | | | | | | |
| STRATEGIC OBJECTIVE STATEMENT | 3.2 | National priorities promoted through supply- and demand-side partnership development | | | | | | | | | |
| DESCRIPTION | | The aim is to increase access to skills development opportunities by partnering with 5 TVET Colleges 3 Universities and 500 public and private partnerships to promote workplace-based learning | | | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | INDICATOR STATUS | INDICATOR TYPE | REPORTING PERIOD | ANNUAL TARGET | QUARTERLY TARGETS | | | | BUDGET |
| | | | | | | 2018/19 | Q1 | Q2 | Q3 | Q4 | R thousand |
| Special Projects Implemented to support transformation agenda | 3.2.1 | Number of partnerships with institutions of higher learning | Modified | Cumulative | Quarterly | 8 | - | - | 5 | 8 | See 3.1.1 |
| | 3.2.2 | Number of partnerships developed with public and private entities | New | Cumulative | Quarterly | 500 | - | 100 | 300 | 500 | |

| STRATEGIC OBJECTIVE TITLE | # | Promote enterprise development | | | | | | | | | |
|---|------------------------|--|------------------|----------------|------------------|---------------|-------------------|-----|-----|-----|------------|
| STRATEGIC OBJECTIVE STATEMENT | 3.3 | Transformation and sustainability promoted through targeted enterprise development | | | | | | | | | |
| DESCRIPTION | | The aim is ensure growth of local economies through business support targeting 300 co-operatives 300 SME and 100 NGOs and 4 trade unions | | | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | INDICATOR STATUS | INDICATOR TYPE | REPORTING PERIOD | ANNUAL TARGET | QUARTERLY TARGETS | | | | BUDGET |
| | | | | | | 2018/19 | Q1 | Q2 | Q3 | Q4 | R thousand |
| | 3.3.1 | Number of small businesses supported | Modified | Cumulative | Quarterly | 600 | 100 | 400 | 500 | 600 | See 3.1.1 |
| | 3.3.2 | Number of non-governmental and community-based organisations supported | Modified | Cumulative | Quarterly | 100 | - | 50 | 80 | 20 | |
| | 3.3.3 | Number of Trade Unions supported | Continued | Cumulative | Quarterly | 4 | - | 2 | 4 | - | |
| STRATEGIC OBJECTIVE TITLE | # | Prioritise Services SETA investment | | | | | | | | | |
| STRATEGIC OBJECTIVE STATEMENT | 3.4 | Enrol funded learners to achieve targets, strengthening alignment to scarce and critical demand, and priority skills | | | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | INDICATOR STATUS | INDICATOR TYPE | REPORTING PERIOD | ANNUAL TARGET | QUARTERLY TARGETS | | | | BUDGET |
| | | | | | | 2018/19 | Q1 | Q2 | Q3 | Q4 | R thousand |
| DESCRIPTION | | The aim is to enrol The aim is to enrol 500 unemployed unfunded learners, through sector funded learnerships | | | | | | | | | |
| Process learner enrolments in accordance with commitments | 3.4.1 | Number of Unfunded Learners entered | New | Cumulative | Quarterly | 500 | 100 | 300 | 400 | 500 | 0 |

| STRATEGIC OBJECTIVE TITLE | # | Prioritise Services SETA investment | | | | | | | | | | |
|-------------------------------|------------------------|--|----------------|------------------|---------------|-------------------|-------|-------|--------|------------|---------|--|
| STRATEGIC OBJECTIVE STATEMENT | 3.4 | Enrol funded learners to achieve targets, strengthening alignment to scarce and critical demand, and priority skills | | | | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | INDICATOR STATUS | INDICATOR TYPE | REPORTING PERIOD | ANNUAL TARGET | QUARTERLY TARGETS | | | | BUDGET | | |
| | | | | | 2018/19 | Q1 | Q2 | Q3 | Q4 | R thousand | | |
| DESCRIPTION | | The aim is to enrol 1 500 employed and 12 000 unemployed learners and certify 1 163 employed and 10 306 unemployed funded learners | | | | | | | | | | |
| | 3.4.2 | Number of Learnerships Entered | Modified | Cumulative | Quarterly | 13 500 | 2 500 | 8 000 | 11 000 | 13 500 | 448 793 | |
| | 3.4.3 | Number of Learnerships Completed | Modified | Cumulative | Quarterly | 11 469 | 1 000 | 3 300 | 4 500 | 11 469 | | |
| DESCRIPTION | | The aim is to enrol 500 employed and 3 000 unemployed bursaries and certify 270 employed and 763 unemployed unfunded learners | | | | | | | | | | |
| | 3.4.4 | Number of Bursaries Entered | Modified | Non-Cumulative | Annually | 3 500 | - | - | 2 500 | 3 500 | | |
| | 3.4.5 | Number of Bursaries Completed | Modified | Non-Cumulative | Annually | 1 033 | - | - | - | 1 033 | | |
| DESCRIPTION | | The aim is to enrol 2 500 employed and 400 unemployed learners and certify 603 employed and 1 501 unemployed funded learners in skills programmes | | | | | | | | | | |
| | 3.4.6 | Number of Skills Programmes Entered | Modified | Cumulative | Quarterly | 2 900 | 500 | 1 500 | 2 000 | 2 900 | | |
| | 3.4.7 | Number of Skills Programmes Completed | Modified | Cumulative | Quarterly | 2 104 | - | 600 | 1 050 | 2 104 | | |
| DESCRIPTION | | The aim is to enrol 3 000 unemployed interns,1 100 TVET student interns and 500 university student interns and complete 1 725 interns 370 complete TVET students and 370 university students | | | | | | | | | | |
| | 3.4.8 | Number of Internships Entered | Modified | Cumulative | Quarterly | 4 600 | 1 500 | 2 000 | 3 000 | 4 600 | | |
| | 3.4.9 | Number of Internships Completed | Modified | Cumulative | Quarterly | 2 465 | - | - | - | 2 465 | | |
| DESCRIPTION | | The aim is to enrol 2 000 Artisans candidates, 500 trade tests and complete 488 Artisans | | | | | | | | | | |
| | 3.4.10 | Number of Artisans Entered | Continued | Cumulative | Quarterly | 2 500 | 500 | 1 000 | 1 500 | 2 500 | | |
| | 3.4.11 | Number of Artisans Completed | Continued | Cumulative | Quarterly | 488 | - | - | - | 488 | | |

| DESCRIPTION | | The aim is to enrol 500 RPL and 500 AET and complete 122 RPL and 898 AET | | | | | | | | | |
|--|--|---|------------------|----------------|------------------|---------------|-------------------|-----|-----|-----|------------|
| | 3.4.12 | Number of Recognition of Prior Learning Learners Entered | Modified | Cumulative | Quarterly | 500 | - | 50 | 250 | 500 | See 3.4.2 |
| | 3.4.13 | Number of Recognition of Prior Learning Learners Completed | Modified | Cumulative | Quarterly | 122 | - | - | - | 122 | |
| | 3.4.14 | Number of AET Learners Entered | Continued | Cumulative | Quarterly | 500 | - | 300 | 400 | 500 | |
| | 3.4.15 | Number of AET Learners Completed | Continued | Cumulative | Quarterly | 898 | - | - | - | 898 | |
| DESCRIPTION | The aim is to enrol 50 candidates and exit 20 candidates | | | | | | | | | | |
| | 3.4.16 | Number of Candidacies Entered | Continued | Cumulative | Quarterly | 150 | - | - | 30 | 50 | See 3.4.2 |
| | 3.4.17 | Number of Candidacies Completed | Continued | Cumulative | Quarterly | 20 | - | - | - | 20 | |
| STRATEGIC OBJECTIVE TITLE | # | Promote Stakeholder Participation | | | | | | | | | |
| STRATEGIC OBJECTIVE STATEMENT | 3.5 | Promote stakeholder participation and information exchange to strengthen relevance and access to services | | | | | | | | | |
| DESCRIPTION | | The aim is to conduct 120 structured subsector stakeholder engagements, 120 structured provincial stakeholder engagements, 10 organisational stakeholder engagements and host 18 career guidance events | | | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | INDICATOR STATUS | INDICATOR TYPE | REPORTING PERIOD | ANNUAL TARGET | QUARTERLY TARGETS | | | | BUDGET |
| | | | | | | 2018/19 | Q1 | Q2 | Q3 | Q4 | R thousand |
| Render quality support service to key stakeholders | 3.5.1 | Number of structured stakeholders engagement conducted | Continued | Cumulative | Quarterly | 250 | 55 | 110 | 165 | 250 | 25 609 |
| Building Career and Vocational Guidance | 3.5.2 | Number of career guidance events hosted | Continued | Non-Cumulative | Quarterly | 18 | - | 9 | - | 18 | |

6.6 Reconciling performance targets with the Budget and MTEF

Skills Development

| Expenditure by Programmes | Income outcome | | Budget (Original) | Adjusted Appropriation | Medium-term expenditure estimate | | |
|--|----------------|----------------|----------------------|---------------------------|----------------------------------|----------------|----------------|
| R thousand | 2015/16 | 2016/17 | 2017/18 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| Provinces | 2 233 | 1 306 | 1 386 | 7 327 | 11 172 | 11 786 | 12 435 |
| Infrastructure Development & Facilities Management | 13 338 | 31 473 | 29 348 | 461 666 | 166 189 | 184 122 | 194 249 |
| Chambers | 253 | 5 737 | 230 | 30 751 | 13 563 | 14 309 | 15 096 |
| Stakeholder Relations | - | 15 | 708 | 891 | 874 | 922 | 973 |
| Learning Intervention | 666 708 | 506 264 | 985 812 | 555 911 | 447 862 | 420 834 | 407 074 |
| Artisan Development | - | 33 | - | - | - | - | - |
| Joint Project Management Team | - | - | - | 33 663 | - | - | - |
| Learning Intervention Project Coordination | - | 2 013 | 108 | 696 | 931 | 982 | 1 036 |
| TOTAL | 682 533 | 546 841 | 1 017 593 | 1 090 906 | 640 591 | 632 955 | 630 862 |

7. PROGRAMME 4: QUALITY ASSURANCE

7.1 Purpose

The purpose of this programme is to accredit skills development providers and fulfil the QCTO delegated quality assurance of learner achievements function.

7.2 Description of the programme

Registered moderators and assessors is a requirement for skills development provider accreditation. Processing applications for accreditation is a primary function falling under this programme. Adequacy of supply in terms of constituent qualifications and spatial demand sometimes requires strategic intervention. Once a need is determined this is often referred and addressed through a special project the output of which is embedded in learning intervention targets and results. This function monitors quality of provisioning through external moderation of learner achievements for all Services SETA qualifications not limited to that funded by the Services SETA. Learners entering on a full qualification may exit on the full or part qualification depending on outcomes of success.

7.3 Strategic Objectives

This programme is aligned to Strategic Goal 1: Improve stock of skills through certification and Strategic Goal 2: Improve the flow of skills through provider capacity.

| # | Strategic Objective Title | Strategic Objective Statement |
|-----|---|--|
| 4.1 | Strengthen and assure quality of supply | Capacitate and support skills development providers to strengthen relevant skills supply |
| 4.2 | Improve efficiency in certification | Improve efficiency in quality assurance of learner achievement for certification |

7.4 Programme performance indicators and annual targets for 2018/19

| STRATEGIC OBJECTIVE TITLE | # | Strengthen and assure quality of supply | | | | | | | | |
|--|------------------------|---|--------------------|---------|---------|---------|-----------|---------|-------------|---------|
| STRATEGIC OBJECTIVE STATEMENT | 4.1 | Capacitate and support skills development providers to strengthen relevant skills supply | | | | | | | | |
| DESCRIPTION | | The aim is to increase the pool of accredited service providers to improve the stock of skills | | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | ACTUAL PERFORMANCE | | | | ESTIMATED | TARGET | MEDIUM TERM | |
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| Facilitate growth and adequacy of provisioning | 4.1.1 | Percentage of SDP applications accredited | - | - | - | - | - | 80% | 80% | 80% |
| | 4.1.2 | Percentage of unsuccessful SDP accreditation remediated | - | - | - | - | 20% | 40% | 40% | 40% |
| STRATEGIC OBJECTIVE TITLE | # | Improve efficiency in certification | | | | | | | | |
| STRATEGIC OBJECTIVE STATEMENT | 4.2 | Improve efficiency in quality assurance of learner achievement for certification | | | | | | | | |
| DESCRIPTION | | The aim is improve the capacity of the Services SETA to certify learners to improve the stock of skills | | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | ACTUAL PERFORMANCE | | | | ESTIMATED | TARGET | MEDIUM TERM | |
| | | | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| Facilitate growth and adequacy of provisioning | 4.2.1 | Percentage of external moderations successfully conducted | - | - | - | - | - | 80% | 80% | 80% |

7.5 Programme performance indicators and quarterly targets for 2018/19

| STRATEGIC OBJECTIVE TITLE | # | Strengthen and assure quality of supply | | | | | | | | | |
|--|------------------------|---|------------------|----------------|------------------|---------------|-------------------|-----|-----|-----|-------------------|
| STRATEGIC OBJECTIVE STATEMENT | 4.1 | Capacitate and support skills development providers to strengthen relevant skills supply | | | | | | | | | |
| DESCRIPTION | | The aim is to increase the pool of accredited service providers to improve the stock of skills | | | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | INDICATOR STATUS | INDICATOR TYPE | REPORTING PERIOD | ANNUAL TARGET | QUARTERLY TARGETS | | | | BUDGET R thousand |
| | | | | | | 2018/19 | Q1 | Q2 | Q3 | Q4 | |
| Facilitate growth and adequacy of provisioning | 4.1.1 | Percentage of SDP applications accredited | Modified | Non-cumulative | Quarterly | 80% | 80% | 80% | 80% | 80% | 1 294 |
| | 4.1.2 | Percentage of unsuccessful SDP accreditation remediated | Modified | Non-cumulative | Quarterly | 40% | 40% | 40% | 40% | 40% | |
| STRATEGIC OBJECTIVE TITLE | # | Improve efficiency in certification | | | | | | | | | |
| STRATEGIC OBJECTIVE STATEMENT | 4.2 | Improve efficiency in quality assurance of learner achievement for certification | | | | | | | | | |
| DESCRIPTION | | The aim is improve the capacity of the Services SETA to certify learners to improve the stock of skills | | | | | | | | | |
| STRATEGIC ACTIVITY | PERFORMANCE INDICATORS | | INDICATOR STATUS | INDICATOR TYPE | REPORTING PERIOD | ANNUAL TARGET | QUARTERLY TARGETS | | | | BUDGET R thousand |
| | | | | | | 2018/19 | Q1 | Q2 | Q3 | Q4 | |
| Quality assessment of provisioning and learner achievement | 4.2.1 | Percentage of external moderations successfully conducted | New | Non-cumulative | Quarterly | 80% | 80% | 80% | 80% | 80% | See 4.11 |

7.6 Reconciling performance targets with the Budget and MTEF

Quality Management

| Expenditure by Programmes | Income outcome | | Budget (Original) | Adjusted Appropriation | Medium-term expenditure estimate | | |
|---------------------------|----------------|--------------|----------------------|---------------------------|----------------------------------|--------------|--------------|
| R thousand | 2015/16 | 2016/17 | 2017/18 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
| Quality Management | 945 | 1 889 | 421 | 4 094 | 1 294 | 1 247 | 1 075 |
| TOTAL | 945 | 1 889 | 421 | 4 094 | 1 294 | 1 247 | 1 075 |

ANNEXURE A: MATERIALITY AND SIGNIFICANCE FRAMEWORK

TREASURY REGULATION 28.1.5 states that:

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

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

| | | |
|---------------|--|---|
| Section 50(1) | <p>(1) The accounting authority for a public entity must -</p> <p>(a) Exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity;</p> <p>b) Act with fidelity honesty integrity and(in the best interest of the public entity in managing the financial affairs of the public entity;</p> <p>(c) On request disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable all material facts including those reasonably discoverable which in any way influence the decision or actions of the executive authority or that legislature; and</p> <p>(d) Seek within the sphere of influence of that accounting authority to prevent any prejudice to the financial interests of the state.</p> | <p>The Accounting Authority implement effective and efficient internal controls governance and risk management processes through its committees and as a collective. Key policies and procedures have been approved.</p> <p>Good governance professional conduct and ethical behaviour is encouraged across all organisational levels.</p> <p>Through frequent engagements with stakeholders (internal and external) important and relevant information is shared and transparency is achieved.</p> <p>Services SETA implements an on-going risk management assessment and review processes to mitigate and prevent any prejudice to the financial interest of Services SETA.</p> |
| Section 55(2) | <p>(2) The annual report and financial statements referred to by PFMA Subsection 55 (1)(d) must –</p> <p>(a) Fairly present the state of affairs of the public entity its business its financial results its performance against pre-</p> | <p>As a collective the Accounting Authority its committees and management are involved into the compilation and review processes of the Annual Financial</p> <p>Statements and the Annual Report to ensure that they fairly present and disclose results of the Services SETA.</p> |

| | | |
|----------------|--|---|
| Section 54 (2) | <p>determined objectives and its financial position as at the end of the financial year concerned;</p> <p>(b) include particulars of –</p> <p>(i) Any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;</p> <p>(ii) Any criminal or disciplinary steps taken as consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;</p> <p>(iii) Any losses recovered or written off;</p> <p>(iv) Any financial assistance received from the state and commitments made by the state on its behalf; and</p> <p>(v) Any other matters that may be prescribed; and</p> <p>(c) Include the financial statements of any subsidiaries.</p> <p>(1) Before a public entity concludes any of the following transactions the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the Transaction.</p> <p>Establishment or participation in the establishment of a company;</p> <p>Participation in a significant partnership trust unincorporated joint venture or similar arrangement.</p> <p>Acquisition of disposal of a significant shareholding in a company.</p> <p>Acquisition or disposal of a significant asset.</p> | <p>All losses are disclosed in the AFS.</p> <p>All activities are disclosed in the AFS.</p> <p>All losses recovered or written off are disclosed in the AFS.</p> <p>All financial assistance received or committed is disclosed.</p> <p>Services SETA will apply any other matters that become prescriptive.</p> <p>Not applicable.</p> <p>Not applicable.</p> <p>Not applicable.</p> <p>Not applicable.</p> <p>Not applicable to this reporting period</p> |
|----------------|--|---|

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

ANNEXURE B: SERVICE LEVEL AGREEMENT

ANNEXURE C: SUMMARY OF SETA FUNDED PIVOTAL LEARNING INTERVENTIONS

The table below presents a summary of the projected income and budget categories. Investment income and penalties projected unclaimed Mandatory Grants and estimated contract cancellations were added to the projected income for Discretionary Grants to calculate funding available for discretionary grants. Less support costs this is split into the 80% for pivotal learning interventions and 20% enabling. The latter is used for qualifications development infrastructure development non-pivotal training needs and other special projects aimed at enabling and enhancing opportunities for pivotal learning.

Table 1: Available funding for SETA Funded Pivotal Learning Interventions

| Income Category | 2018/19 |
|---|------------------------|
| TOTAL Income | R 1 833 629 000 |
| NSF (20%) | R |
| Services SETA Skills Levy Income (80%) | R 1 684 820 000 |
| Mandatory Grant (20%) | R 421 205 000 |
| Administration (10.5%) | R 221 133 000 |
| Discretionary Grant (49.5%) | R 1 042 482 000 |
| Investment income | R 148 809 000 |
| Services SETA TOTAL Revenue | R 1 833 629 000 |

| | |
|---|------------------------|
| Discretionary Grant Income | R 1 042 482 000 |
| Investment income and penalties | R 148 809 000 |
| Mandatory Grant 2018/19 projected sweeping | R 278 999 000 |
| Estimated contract cancellations | R 37 322 400 |
| Discretionary Grant Budget | R 1 507 612 000 |
| Support Costs | R 316 038 449 |
| Discretionary Grant Budget less support costs | R 1 191 574 000 |
| Pivotal Learning Interventions (80%) | R 1 191 574 000 |

Learning interventions have different unit costs for employed and unemployed learners. It is noted that a process is underway to standardised units costs across SETAs. Adjustments to unit costs will be effected following resulting recommendations. In setting calculating the targets in the table below consideration was given to the performance results against targets for 2017/18 and national requirements. The proposed targets for 2018/19 are presented in Table 2.

Table 2: Summary of 2018/19 Services SETA funded learner targets

| Enrolment Targets and budget by leaning intervention | 2018/19:2ND Submission | | |
|--|------------------------|---------------|----------------------|
| | Unit Costs | # of learners | Budget |
| Learnership | | 13 500 | 531 000 000 |
| Employed | 18 000 | 1 500 | 27 000 000 |
| Unemployed | 42 000 | 12 000 | 504 000 000 |
| Bursaries | | 3 500 | 283 750 000 |
| Employed | 50 000 | 500 | 25 000 000 |
| Unemployed | 86 250 | 3 000 | 258 750 000 |
| Candidacies | 60 000 | 150 | 9 000 000 |
| Skills programmes | | 2 900 | 23 490 000 |
| Employed | 8 100 | 2 500 | 20 250 000 |
| Unemployed | 8 100 | 400 | 3 240 000 |
| Internships | | 4 600 | 219 000 000 |
| Unemployed entering internships | 42 000 | 3 000 | 126 000 000 |
| TVET Student Placement | 60 000 | 1 100 | 66 000 000 |
| University Student Placement | 54 000 | 500 | 27 000 000 |
| Artisans | | 2 500 | 112 250 000 |
| Apprenticeship and trade test | 55 000 | 2 000 | 110 000 000 |
| Assessment and trade test | 4 500 | 500 | 2 250 000 |
| RPL | 6 500 | 500 | 3 250 000 |
| AET | 6 500 | 500 | 3 250 000 |
| TOTAL | | 28 150 | 1 184 990 000 |
| Disability Allowance budget | | | 4 351 200 |
| Rural Allowance budget | | | 1 852 158 |
| TOTALS | | 28 150 | 1 191 193 358 |
| Discretionary Funds Available | | | 1 191 574 000 |
| Surplus/(Deficit) Funds Available for Grants | | | 380 642 |

Explanatory notes:

1. Bursaries and apprenticeships are most often multi-year interventions unless learners are funded from their final year. The learner targets include successful learners that are re-enrolled for the consecutive year of study
2. Rounding errors have been adjusted in the calculations based on formulas as necessary
3. Disability and Rural Allowance budgets have been provided for in accordance with the Services SETA Discretionary Grant Policy

ANNEXURE D: APP TECHNICAL INDICATOR DESCRIPTIONS