



Strategic Plan 2020/21 – 2024/25



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FOREWORD BY THE MINISTER



The mandate of the Sector Education and Training Authorities is derived, in the main from the Skills Development Act 97 of 1998 as amended, which amongst others, directs SETAs to develop Sector Skills plans (SSPs). In their Sector Skills Plans, SETAs must reflect and incorporate government priorities, especially those that address our priority developmental goals, that of tackling the triple challenges of poverty, unemployment, and inequalities. The SSPs are intended to ensure that skills are not a constraint to the economic development of our country.

The mandate of the SETAs must be understood within our vision of the post-school education and training system of having an integrated, coordinated, and articulated PSET system for improved economic participation and the social development of youth and adults. Critical to this vision is our challenge of addressing the plight of the youth that are Not in Education, Employment, or Training (NEET), which is standing at over 3.3 million in the third quarter of 2023.

The launch of the National Plan for Post-School Education and Training on 7 September 2023, signaled our government's commitment towards achieving an improved, transformed, expanded, responsive, and articulated Post-School Education and Training (PSET). Our National Plan for Post-School Education and Training (NPPSET) is our roadmap for implementing the vision of the White Paper for Post-School Education and Training (WP-PSET). It will continue to guide our SETA system strategy and planning instruments as it is framed within the broader goals and priorities of the National Development Plan (NDP), which foregrounds the national efforts to address the triple challenges of unemployment, inequality, and poverty. Important, to note, is that it remains our overarching policy instrument and a blueprint for guiding planning in our post-school system. It will be proper for everyone to have access to the National Plan for Post-School Education and Training. It aligns and integrates the work that is already underway and provides a policy framework for major transformative changes the government wants to bring about, across the post-school system and its nexus with society and the economy.

The White Paper for Post-School Education and Training (WPPSET) envisages the post-school education and training system as an important institutional mechanism that must be responsive to the needs of society. Critical to this, are our transformational and developmental imperatives which include amongst others: class, gender, race, geography, and youth, which must be reflected at all material times in our SETA interventions. The Ministry of Higher Education, Science, and Innovation is among the leading ministries for the 2019–2024 Medium Term Strategic Framework (MTSF) Priority 3: Education, Skills, and Health, and the following medium-term outcomes have been identified:

- An integrated and coordinated PSET system.
- Expanded access to PSET opportunities.
- Improved success and efficiency of the PSET system.
- Improved quality of PSET provisioning.
- A responsive PSET system

The President launched the Economic Reconstruction and Recovery Plan (ERRP) in October 2020 pointing out to skills development, science, and innovation as enablers in driving South Africa's economic reconstruction and recovery, but also key in sustaining it. In support of this initiative, the Department working with social partners at the National Economic Development and Labour Council (NEDLAC) & the National Skills Authority, in the main developed the Skills Strategy to support the government's efforts to mitigate the impact of COVID-19 global health pandemic and the initiatives towards economic and social recovery.

The Economic Reconstruction and Recovery Plan Skills Strategy (ERRP SS) aims to support the Economic Reconstruction and Recovery Plan (ERRP), ensuring that it is not compromised by skills shortages. It is born out of the urgency for a well-coordinated strategy of skills development to support both the management of the COVID-19 global health pandemic and economic and social recovery. President Ramaphosa captured our determination to reset the South African economy when he said: "We are determined not merely to return our economy to where it was before the coronavirus, but to forge a new economy in a new global reality." As stated in the ERRP, South Africa is now on the threshold of an important opportunity to imaginatively, and with a unity of purpose, reshape its economic landscape.

The ERRP SS is located within the broader skills planning arsenal of the Post-School Education and Training (PSET) system, which promotes the use of labour market intelligence (including future work scenarios) to inform PSET provisioning. The Department of Higher Education and Training has identified skills needs in the form of the List of Occupations in High Demand, the Priority Skills List, and the Critical Skills List (which it prepared on behalf of the Department of Home Affairs). The SETAs will continue to play a critical role in the implementation of the Skills Strategy to support the Economic Reconstruction and Recovery Plan.

The National Skills Development Plan (NSDP) 2030 remains at the centre in directing how the skills development levy will be disbursed up to 31 March 2030. For this reason, the Sector Education and Training Authorities (SETAs) have been re-established until 2030, in alignment with the National Development Plan to ensure that the SETAs focus on skills required for our socio-economic development. For the financial year, we aim to expand the participation of young people in skills development programs as well as workplace-based learning opportunities. We have surpassed the State of the Nation Address (SoNA) 10,000 Technical and Vocational Education and Training (TVET) target placements in 2022 leading to setting a target for 2023 of 20,000 TVET placements.

For the 2024/25 financial year, the entire SETA system has set itself the following targets, as part of expanding post-school opportunities:

- 190 000 workplace-based learning (WBL) opportunities;
- 150 000 learners registered in skills development programs;
- 36 375 learners entering artisanal programs;
- 26 500 learners passing artisanal trades;
- 53 000 learners completing learnerships;
- 11 000 learners completing internships; and
- 128 000 learners completing skills programs.

The SETA will enter into the Service Level Agreement with the Director-General of the Department and commit that 25% of all targets be achieved on a quarterly basis, with 100% achievement in the last quarter of the financial year. Whilst the TVET placement must be achieved at 100% by the end of December 2024.

The SETA Annual Performance Plan (APP) provides a clear commitment to the delivery of our skills development priorities and targets for implementation during the 2024/25 financial year.

Dr. BE Nzimande, MP

Executive Authority of Higher Education, Science, and Innovation

ACCOUNTING AUTHORITY STATEMENT

On behalf of the Services SETA Accounting Authority, I present to you the update of the Services SETA Strategic Plan (SP) 2020/21-2024/25 update that will be implemented in 2024/25 financial year. This iteration of the SP is foregrounded by a number of critical milestones for the country and the SETA landscape, and global events that have far-reaching socio-economic and political implications.

The update coincides with the final year of the Government's Medium-Term Strategic Framework (MTSF) (2019-2024) – of the Sixth Administration. It also marks a countdown towards the final five-year period of the implementation of the National Development Plan 2030 (NDP), as well as the mid-term period of the National Skills Development Plan 2030.

Policy and strategy initiatives such as the Presidential Youth Employment Initiative, Artisan Development Programmes, Fourth Industrial Revolution Strategy and the Economic Reconstruction and Recovery Plan, among others, were instrumental in driving the implementation of the MTSF, NDP and NSDP. The Services SETA SPs sought to address these intersecting and, often, overlapping strategy initiatives with its strategic outcomes.

It is worth underlining that the implementation of this SP occurred at a very difficult time for the country; overshadowed by national and global events. At the national level, the COVID-19, inclement weather (including floods), political unrest wreaked havoc on the social, economic and political fibre of the country, driving many companies into foreclosures resulting in historic levels of unemployed and increased poverty and inequality. Global war, energy shortage resulting in sharp costs increases, and runaway inflation across the world, dealt lasting devastation to the South Africa's economy and its growth prospects.

In light of these developments, it is critical for the Services SETA to deeply reflect on the successes and challenges in relation to the implementation of the Services SETA five-year plan (SP) and the contribution of this plan to the services sector with regard to supporting growth of the sector, creating employment and self-employment (entrepreneurship) opportunities as well as the supply of a *“skilled and competent workforce”*.

The year 2022/23 ended with positive indicators. By the end of the year the COVID-19 pandemic has subsided to levels that allowed full operation of the economic activities. This resulted in modest recovery of the economy as measured by GDP. By Q4, 2022, the economy had grown by 2,2% y/y compared to 0,9% y/y in 2019. At the same time, unemployment decreased from 35,3% in Q4, 2021 to 32,9% in Q4, 2022. These trends signal an economy that is on recovery mode. Our annual learner tracer studies indicate that more than 30% graduates, on average, who completed our learning interventions either found employment or started their own businesses.

Regarding review of overall organisational performance review, internal and external reviews and analyses reflect that the Services SETA is performing relatively well in relation to two outcomes (1 & 4) while struggling with the other two (2 & 3). The first outcome deals with

internal efficiencies to ensure that the Services SETA is well positioned to execute its mandate. Indicators for this outcome include finance, overall performance, people issues, ICT infrastructure and systems and governance.

The Services SETA has registered good progress in many of these indicators except for finance and ICT. Overall organisational performance increased consistently from 40% to 80% and 84% in 2020/21, 2021/22 and 2022/23, respectively. This has been possible due to improved internal systems and controls measures as well as stable governance structures, management leadership and labour relations. A serious blot on this performance is the qualified audit outcome over this period. ICT interface between the Services SETA and the industry remain unstable, indirectly contributing to a qualified audit opinion.

Our quality assurance systems and measures (Outcome 4) are catching up with national developments in light of a strong drive towards transitioning from legacy to occupational qualifications. After a long period of pause, the Services SETA is catching up with the development of occupational qualifications in line with QCTO policy, with more 78 occupational qualifications developed and 38 learnerships registered with QCTO. To speed up with the supply of skilled and capable workforce for the services sector, we have improved our turnaround time of supply certificates for competent learner with up 90% of certificates or statement of results printed in prescribed time.

Problematic programme areas include Skills Planning (Outcome 2) and Learning Programmes (Outcome 3). These programmes are involved with the actual preparation and implementation of learning programmes, and therefore, constitute a core function of the Services SETA's operations. Reasonable progress has been made in building institutional mechanism for skills supply with solid partnership between the Services SETA and the public colleges (20), Artisan Development Programme's Centres of Specialisation (16) and university systems (9) as well inter-SETA partnerships and partnerships with other government departments and entities.

We have also made good progress on our target of enrolling 65 000 learners over the MTSF period by enrolling 33 618 learners. Regarding our target of providing entrepreneurship training opportunities to 3 500 SMMEs, we reached 2 135 entrepreneurs. We have managed to restore our relationships with industry employers by increasing their participation in Workplace Skills Plan and Annual Training Reports submission by 3% y/y with 1 423 partnerships established with employers.

Business processes and human resources relations' stability are critical for a well-functioning organisation. We have managed to bring about a lot of stability in the operations of the Services SETA. We drastically improved human relations to a point of zero industrial action over this period and addressed a high rate of staff attrition. We also managed to stabilize finances of the Services SETA and meet our commitment obligations. We are working hard on improving internal financial controls and data integrity to avoid addressed adverse audit outcome.

The remaining MTSF year will be devoted to deepening impact of learning interventions on our beneficiaries through effective project monitoring and impact assessment and enhancing quality assurance processes. Particular attention will be given to supporting government

initiatives to absorb university and TVET colleges graduates to address high levels of youth unemployment. Entrepreneurship development remains one of the critical tasks of the Services SETA given high prevalence of informal and precarious industries in this sector. We will further continue to drive transformation in the services sector focusing on the five transformational imperatives: gender, age, rural, disability and HIV.

We thank our services sector partners for their undying support of this period and look forward to a continued support in this critical planning period.



Mr Stephen De Vries
Chairperson: Accounting Authority

CHIEF EXECUTIVE OFFICER

This Strategic Plan (SP) 2020/21-2024/25 update is developed in line with the frameworks and guidelines issued by the Department of Planning, Monitoring and Evaluation (DPME), a custodian of the government's planning policies and practices. It has also been aligned with the National Development Plan (NDP), the Medium-Term Strategic Framework (MTSF) and the National Skills Development Plan 2030 (NSDP) as well as national strategies and initiatives such as the 4IR National Strategy, Economic Reconstruction and Recovery Plan (ERRP) and the Presidential Youth Employment Initiative.

Most importantly, this update marks the final year of the mid-term period for the implementation of the NSDP2030, final year of MTSF (2020/24) and final five-year period for the implementation of the NDP2030. As we mark these important milestones, we take pride as the Services SETA management in many of the key achievements were realised over this period and remain humbled by shortcomings we experienced.

Key achievements include the stability we brought about at the Services SETA in relation to performance and financial stability of the organisation. We managed to improve organisational efficiencies and effectiveness through a rapid business optimisation process we undertook early on to position the organisation in a right footing to perform optimally. This intervention resulted in incremental improvement in overall performance over the past three years, culminating in overall performance of 84% against predetermined objectives. This process is being strengthened by the organisational design process underway to ensure a proper alignment of the organisational structure with the overall strategy as informed by the new SETA landscape, NSDP2030.

We are particularly motivated by the progress we made in relation to the quality assurance function within the organisation. We managed to address the backlog of the development of new occupational qualifications and alignment of key legacy qualifications with the new occupational qualifications' framework and review of occupational qualifications that were about to expire. More than 78 occupational qualifications and 38 learnerships have been registered with SAQA and QCTO, respectively. Turnaround time of printing of certificates and/or statement of results has improved to more than 90%. These achievements place the Services SETA in a better position to fulfil its mandate.

We have stabilised organisational finances by maintaining a positive bank balance and significantly reducing commitments through interventions such as rationalisation of Discretionary Grants allocations and awards and cleaning up with the commitment register. We have also restored our relationships with our key stakeholders such as employers, labour, learners and service providers. More than 70% of stakeholders surveyed expressed satisfaction with our services, a huge improvement from the low 32% five years ago.

These achievements notwithstanding, we are still worried about the adverse audit findings by the AGSA for the past three years. These emanate largely from the commitment register (financial statements) and data integrity (performance information). Working with AGSA and internal partners, we resolved to realise a clean audit by 2024/25. We also remain concerned

about the low throughput rate of our enrolled learners, averaging 60%. Some contributory factors are outside of our control, but we believe that we can influence the outcome. In this endeavour, we are working hard to find and accredit workplaces for learners to find workplace learning opportunities that will facilitate their successful completions.

We will devote the remaining one-and-a-half years of the NSDP 2030 to deepen impact. Alongside reaching out to many beneficiaries through skills development interventions, we want to ensure that our interventions transform the lives of the beneficiaries. We will strongly support entrepreneurship development to promote sustainable livelihoods, with a bias towards women, youth, people living with disability and rural areas. This would require a strong alignment with the government's District Delivery Model.

I wish to thank the DHET, National Skills Authority, and the Services SETA Accounting Authority for their guidance and oversight, as well as labour and business for their active participation in our learning interventions and strategic engagements, which shaped this SP update. I also want to thank the Services SETA staff for their devotion to its vision and mandate.

A handwritten signature in black ink, appearing to be 'A. Sipengane', written over a horizontal line.

Mr. Andile Sipengane
Acting Chief Executive Officer

OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Services SETA under the guidance of Mr. Stephen De Vries the Chairperson of the Services SETA Accounting Authority.
- Takes into account all relevant policies, legislation and other mandates for which the Services SETA is responsible.
- Accurately reflects the impact and strategic outcomes which the Services SETA will endeavour to achieve over the period of 2020/21 – 2024/25.

Mr. Andile Sipengane



Executive Manager: Strategic
Partnership and Collaboration

Ms. Liesel Köstlich



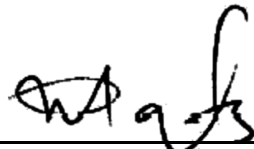
Executive Manager: Core Business

Mr. Sibusiso Dhladhla



Executive Manager: Corporate Services

Mr. Tsheola Matsebe



Chief Financial Officer

Ms. Mamabele Motla



Executive Manager: Strategy & Planning

Mr. Andile Sipengane



Acting Chief Executive Officer

Approved by:

Mr. Stephen De Vries



Chairperson: Accounting Authority

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GLOSSARY

AET	Adult Education and Training
AGSA	Auditor General South Africa
APP	Annual Performance Plan
ATR	Annual Training Report
B-BBEE	Broad Based Black Economic Empowerment
BPO	Business Process Outsourcing
BUSA	Business Unity South Africa
CET	Community Education and Training
COIDA	Compensation for Occupational Injuries and Diseases Act
COVID-19	Coronavirus disease
DHET	Department of Higher Education and Training
DTI	Department of Trade and Industry
ERRP	Economic Reconstruction and Recovery Plan
ERRSS	Economic Reconstruction and Recovery Skills Strategy
GDP	Gross Domestic Product
HEI	Higher Education Institution
HET	Higher Education and Training
HRD	Human Resources Development
HRDS	Human Resources Development Strategy
ICT	Information and Communication Technology
IT	Information Technology
LRA	Labour Relation Act
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
NQF	National Qualifications Framework
NSA	National Skills Authority
NSDP	National Skills Development Plan
NSF	National Skills Fund
PESTEL	Political Economic Social Technological Legal and Environmental
PFMA	Public Finance Management Act
PIVOTAL	Professional Vocational Technical and Academic Learning
PSET	Post School Education and Training
QCTO	Quality Council for Trades and Occupations
SARS	South African Revenue Services
SCM	Supply Chain Management
SDA	Skills Development Act
SDLA	Skills Development Levies Act
SDMS	Skills Development Management System
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SIP	Strategic Infrastructure Projects
SLA	Service Level Agreement

SME	Small and Micro Enterprises
SMME	Small, Medium and Micro Enterprises
SOE	State Owned Enterprise
SP	Strategic Plan
SSP	Sector Skills Plan
STATS SA	Statistics South Africa
SWOT	Strength Weaknesses Opportunities and Threats
TERS	Employee Relief Scheme
TVET	Technical and Vocational Education and Training
WBL	Workplace Based Learning
WIL	Work Integrated Learning
WPPSET	White Paper on Post-School Education and Training
WSP	Workplace Skills Plan

PART A: OUR MANDATE

1. CONSTITUTIONAL MANDATE

Section 29 of the Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996) provides all South Africans with the right - (a) to a basic education, including adult basic education; and (b) to further education, which the state, through reasonable measures, must make progressively available and accessible. To contribute towards the achievement of Section 29, the Services SETA, accordingly, provides access to education for all South Africans through programmes such as Artisans, Learnerships and Adult Education & Training (AET).

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

2. LEGISLATIVE AND POLICY MANDATE

2.1. Legislative Mandate

2.1.1. Skills Development Act

Section 9 (1) of the Skills Development Act (Act No. 97 of 1998 as amended) empowers “*the Minister of Higher Education and Training to establish Sector Education and Training Authorities (SETAs) for any national sector economy*”. The Skills Development Act mandates SETAs to:

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

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

2.1.2. Skills Development Levies Act

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

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

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

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

2.1.4. Broad-Based Black Economic Empowerment Amendment Act

The Broad Based Black Economic Empowerment Act 53 of 2003 (B-BBEE Act) as amended by B-BBEE Act 46 of 2013 and Government's Amended Black Economic Empowerment Codes of Good Practice, aims to address inequities resulting from the systematic exclusion of black people from meaningful participation in the economy.

The Broad-Based Black Economic Empowerment Amendment Act 2003 (Act No. 53 of 2003) as amended by Act 46 of 2013, is a form of economic empowerment initiated by the South African government is a policy and legislative framework with the goal to distribute wealth across to as broad a spectrum of the black South African society as possible.

Broad-based black economic empowerment (B-BBEE) is a policy and legislative framework which seeks to redress the historic economic inequalities created primarily as a result of the implementation of apartheid in South Africa.

The principal law governing B-BBEE in South Africa is the Broad-Based Black Economic Empowerment Act, No 53 of 2003 as amended by Act 46 of 2013.

The B-BBEE Codes contain five elements against which the B-BBEE status of an entity will be measured (using the generic scorecard below), resulting in a B-BBEE score ranging from the lowest level being "Noncompliant" to the highest level, being "Level One".

Entities get measured through the B-BBEE Scorecard, a system made up of seven five elements, each with a certain weighting (points) attached to it. The elements are Ownership, Management Control, Employment Equity, Skills Development, Preferential Procurement, Enterprise and Supplier Development and Social-Economic Development. Development.

There are three priority elements on the B-BBEE scorecard which companies must comply with for verification. However, the Services SETA is exempted from the Ownership element. These elements are:

- i. Ownership,
- ii. Skills Development and
- iii. Enterprise Development
- iv. Preferential Procurement
- v. Enterprise Development
- vi. Supplier Development

Skills development as a priority element of the B-BBEE scorecard measures the extent to which companies carry out initiatives designed to develop the competencies of black people internally and externally. The sub-minimum requirement for skills development is 40% of the total weighting points for skills development which, on the generic scorecard, is 20 points. It is further required that black women should form between 40% and 50% of the beneficiaries of the relevant elements of the B-BBEE scorecard, and that black people with disabilities, black youth, black people living in rural areas, and black unemployed people also form part of the beneficiaries.

The Services SETA is recognised as a Specialised Entity in the Codes, and therefore exempt from measurement on Ownership.

The BEE Act has made it compulsory for certain entities to report their BEE status to the BEE Commission. And the Sectorial Training Authorities (SETAs) SETAs must submit Form B-BBEE 2, detailing compliance around skills spend and other criteria, within 90 days of the end of the financial year. If the SETA has included this report in their AFS and annual report, this may be submitted to the commission within 30 days of the approval of the AFS and annual report.

The Services SETA is committed to contributing towards B-BBEE through its supply chain management processes and enhancing access for black peoples but also supporting employers levy and non-levy payers to gain efficiencies from investing in skilling interventions.

Socio-economic transformation is one of the key strategic focuses of the Services SETA. A dedicated Unit has been established to monitor transformation within the organisation.

2.1.5. Other Key Legislations

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

2.2. Policy Mandate

1.2.1. The National Development Plan

The National Development Plan (NDP) aims to eliminate poverty and reduce inequality by 2030. The NDP has identified the following 9 key areas to achieve a developmental approach that is sustainable and inclusive: Creating jobs and livelihoods; Expanding infrastructure; Improving education and training; Transforming urban and rural spaces; Transitioning to low-carbon economy; Fighting corruption and enhancing accountability and facilitate rural and urban development projects that foster social cohesion.

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

1.2.2. Medium-Term Strategic Framework

The MTSF 2019-2024 is the planned manifestation of the NDP and the Electoral Mandate of the governing party. It provides the framework for the implementation of the Seven Apex Priorities announced by the President in the State of the Nation Address (SONA) in June 2019. These apex priorities, which will be achieved through the joint efforts of all government institutions, are as follows:

- **Priority 1:** A capable, ethical and developmental state
- **Priority 2:** Economic transformation and job creation
- **Priority 3:** Education, skills and health
- **Priority 4:** Consolidating the social wage through reliable and quality basic services.
- **Priority 5:** Spatial integration, human settlements and local government
- **Priority 6:** Social cohesion and safe communities
- **Priority 7:** A better Africa and world

The DHET, and by extension SETAs, contribute to Priority 3. “Education, skills and health”. This is implemented mainly through learnerships, internships, bursaries, skills programmes, artisanship, candidacy and adult education and training.

Due to the focussed attention on youth unemployment, especially, the NEET (Youth Not in Employment, Education or Training) through Presidential Youth Employment Initiative, the Services SETA has put measures in place to support this initiative with progress monitored through the APP. The APP 2024/25 updates highlights achievements in this regard.

Additionally, to Youth Employment Initiative, the SSP and SP has identified the 4IR is a major driver of change for skills demand and supply. Implementation of learning interventions, monitored through APP, are aligned with the 4IR imperatives.

1.2.3. Human Resources Development Strategy

Human Resource Development Strategy for South Africa (HRD-SA) 2010 –2030 has three clear goals to: (i) reduce levels of poverty and unemployment in South Africa; (ii) promote justice and social cohesion through improved equity in the provision and outcomes of education and skills development programmes, and (iii) improve national economic growth and development through improved competitiveness of the South African economy.

1.2.4. White Paper on Post-School Education and Training

The Services SETA plays an intermediary role in facilitating the programmatic interventions of the strategy over the long, medium and short-term. The aim 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. Through the Entrepreneurship and Cooperative Development Initiative, the Services SETA aims to support the growth and development of emerging and growing SMMEs and cooperatives with a specific focus on women, youth and people with disabilities.

The White Paper on Post-School Education and Training (WP-PSET) focuses on improving the quality of 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 and collaborations with TVET colleges, CET 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.

1.2.5. National Skills Development Plan

The National Skills Development Plan (NSDP: 2030) is a 10-year plan that “*seeks to ensure that South Africa has adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development*”. The NSDP time frames are aligned to the NDP’s targets for 2030 and straddles two MTSF periods (2020/21-2024/25 and 2025/26-2029/2030). The NSDP contains eight outcomes that guide its implementation. In

summary, the outcomes place emphasis on developing both basic skills and technical skills, with a specific focus on historically disadvantaged individuals.

The NSDP 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 workplace learning. This Strategic Plan ensures alignment between the NSDP outcomes and the impact statement, outcomes as well as outputs. Targets set directly address the NSDP Outcomes as well as the NDP goals and is aligned to the five-year MTSF of the government. There is also a strong emphasis on promoting workplace learning to promote quality throughput of graduates to support the sector. The Annual Performance Plan (APP) targets provide the clearest indication of the alignment of the SP's outcomes to NSDP outcomes.

1.2.6. NDP Five Year Implementation Plan

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

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

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

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

The Services SETA's impact statement and outcomes are closely aligned to this Implementation Plan as will be illustrated in the ensuing section of this Strategic Plan, with clear annual targets as expressed in the Annual Performance Plan attached herein.

1.2.7. New Growth Path

New Growth Path (NGP). The New Growth Path identifies 5 job drivers: Infrastructure for employment and development; Seizing the potential of new economies; Improving job creation in employment; Investing in social capital and Spatial development.

Services SETA's response to NGP is to identify skills development to support infrastructure for employment and development needs that provide opportunities for sector role-players including learners, employment creation, small business expansion and rural development. The current focus of the Services SETA is entrepreneurship and cooperatives' development. This is largely because research indicates that the services sector is dominated by small enterprises and the informal sector. It is important to assist these enterprises to grow sustainably. A further intervention is the development of a suit of occupational qualifications to meet current industry needs to enable the services sector entrepreneurs to thrive.

1.2.8. National Skills Accord

The National Skills Accord is an outcome of a dialogue between the government, labour and business to support the New Growth Path to speed up the process of creating new jobs annually. The parties have identified eight commitments they each can make on training and skills development. All eight commitments speak directly to the mandate of SETAs and form the key foundation of the Services SETA strategic intent, pursuant to the implementation of the NSDP2030.

The Services SETA's contribution to the National Skills Accord is primarily through investment in artisanal training related interventions including funding provided to Centres of Specialisation 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.

1.2.9. Economic Reconstruction and Recovery Plan

In response to the continued decline in the GDP growth, and debilitating impact of COVID-19 on the economy, the government of South Africa instituted the *Economic Reconstruction and Recovery Plan* (ERRP). The plan aims to foster an economic rebound from the pandemic and to build the economy of the future. The plan has identified key economic sectors that are likely to drive recovery faster. To support this initiative, the Department of Higher Education, Science and Innovation has developed an *Economic Reconstruction and Recovery Skills Strategy* (ERRSS). The Services SETA has identified scarce, and critical skills prioritised by the DHET through the ERRSS for inclusion in the Sector Skills Plan 2024/25 and with targets set out in the Annual Performance Plan 2024/25 and the Service Level Agreement signed between the Services SETA's Accounting Authority and the Minister of Higher Education, Science and Innovation.

3. INSTITUTIONAL POLICIES AND STRATEGIES OVER THE FIVE-YEAR PLANNING PERIOD

3.1. Institutional Policies

The Services SETA has two broad types of policy approaches: (1) governance and (2) operational. The Accounting Authority is responsible for governance policies that cover the governing body's vision and mission of the SETA, their accountabilities, attendance, codes of conduct, commitments, conflict of interest, decision-making, financial prudence, governance values, leadership, ethics, roles and responsibilities, and a range of related cultural matters. They also include policies on the governing body's delegations to top management and staff, and interactions with the broader community and stakeholder base. Operational policies are delegated to the executive management. These include policies on:

- Discretionary Grants
- Delegation of Authority and Approval Framework
- Supply Chain Management
- Human Resource Management; and
- Organisational Compliance and Enterprise Risk Management

Management initially develops and oversees these policies; with the *Governance, Risk and Compliance Committee* reviewing and the *Accounting Authority* finally approving them.

3.2. Institutional Strategies

3.2.1. Funding Strategy

The Services SETA is committed to implementing NSDP 2030 and to support priority programmes of the government whilst maintaining financial viability. There has been promising progress regarding the revenue and reserves status of the Services SETA enabling the SETA to address the legacy of commitments. This is largely due to the turnaround funding strategy which include a review of the delivery model including Discretionary Grant policy and Business process optimisation adopted by the management of the Services SETA with the support of the AA. The goal is to ensure successful implementation of the NSDP by supporting priority programmes whilst maintaining financial viability.

3.2.2. A Responsive Strategy Implementation Plan

To adequately align the Services SETA's SP to its vision and mandate, the management, with the guidance of the Accounting Authority, developed a responsive strategy implementation plan with a clear focus on organisational performance, finance, systems and business processes, people, stakeholder relations and governance. Summarised below are each focus areas of the strategy and their description.

Table 1: Responsive Strategy

Focus Area	Description
Organisational Performance	Drive organisational performance to deliver effectively on NSDP2030 mandate and ensuring responsiveness to sector skills needs as informed by ongoing labour market research, sector skills plan, strategic plan and annual performance plan.
Finance	Strive for effective use of resources to ensure financial sustainability to meet the mandate through improvement of financial controls and effective implementation and monitoring of commitments.
Business Processes including systems	Improve and align business processes to ensure efficiencies in delivering the Services SETA strategic goals and Enhancements of ICT infrastructure and system, including integration of systems and platforms to optimise operational efficiencies.
People	Our people are central to achieving desired performance. The Services SETA aims to invest in capabilities of employees to drive a culture of continuous personal development and high performance.
Stakeholder Relationship	A healthy working relationship is critical to the success of the Services SETA. The Services SETA will continue to build, strengthen and maintain a good relationship with its internal and external stakeholders.
Governance	Risk management and organisational compliance are a critical governance function. The Services SETA strives to promote good governance by early detection of strategic risks and mitigation thereof. Improved organisational compliance will ensure adherence to critical legislative prescripts.

3.2.3. Sector Skills Priorities

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

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

The South African Government's ERRP and NDP places a strong emphasis on developing small and medium enterprises. Point four of the Nine-Point Plan aims to “[unlock] the potential of small, medium and micro enterprises, cooperatives and township enterprises”. The Services SETA aims to work collaboratively with MICT SETA, FoodBev SETA, FP&M SETA, CETA, W&R SETA and CATHSSETA to support development and growth and SMMEs. MOUs have been concluded and the relevant SETAs are working on a concept paper for implementation.

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

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

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

A number of Services SETA qualifications are either outdated, have expired or are not aligned to QCTOs occupationally directed qualifications framework. Working with the industry and QCTO, the Services SETA will continue to update these qualifications and ensure alignment with the prescribed framework.

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

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

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

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

4. RELEVANT COURT RULINGS

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

PART B: OUR STRATEGIC FOCUS

1. VISION

A flourishing services sector that creates economic growth and inclusive opportunities for all South Africans.

2. MISSION

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

3. VALUES

- Accountability
- Innovation
- Integrity
- Professionalism
- Responsiveness

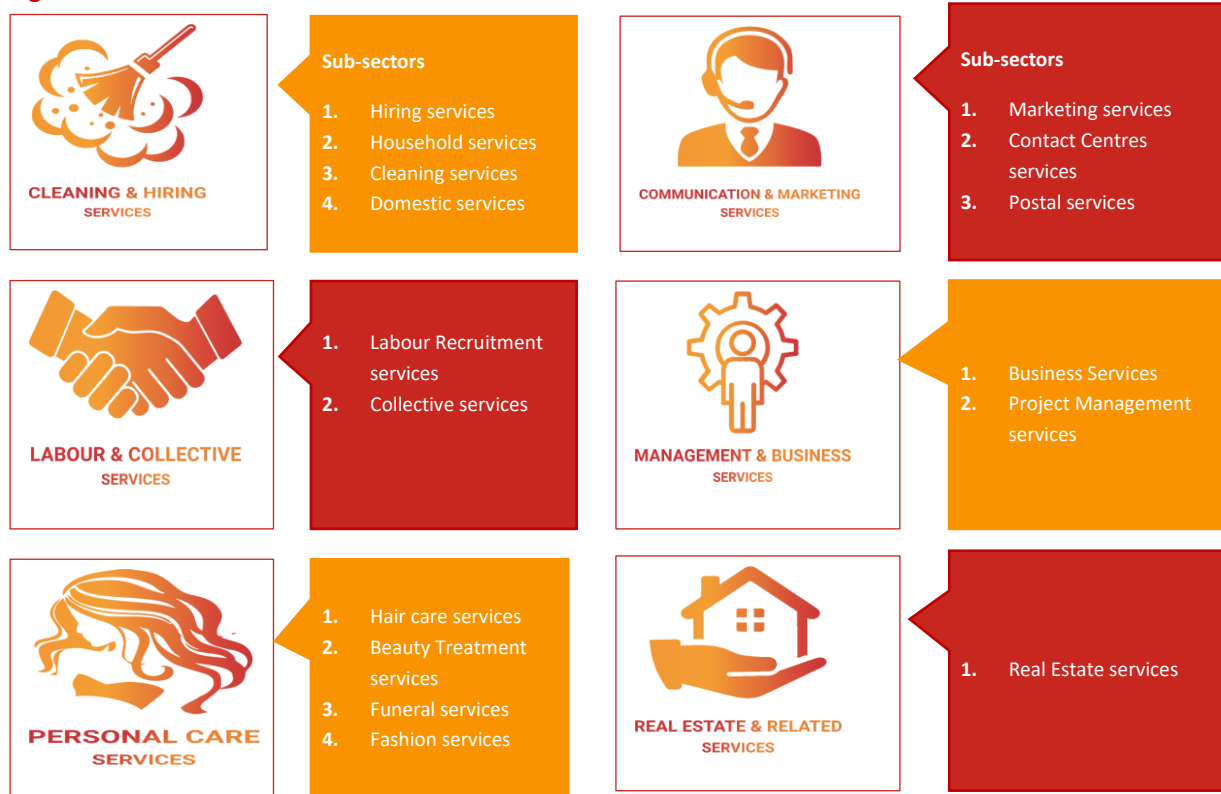
4. SITUATIONAL ANALYSIS

4.1. External Environment Analysis

4.1.1. Overview of the services sector

The services sector, as demarcated by the Department of Higher Education and Training, refers to the 68 Standard Industrial Classification (SIC) Codes. The 68 industries have been divided into six chambers and 16 subsectors for operational purposes.

Figure 1. Services SETA Chambers and Sub-sectors



The services sector is one of the leading sectors in South Africa in terms of GDP growth and employment. There are about 191,170 employers belonging under the Services SETA services sector. The majority of employers are found in Management and Business Services Chamber, followed by Real Estate and Related Services Chamber.

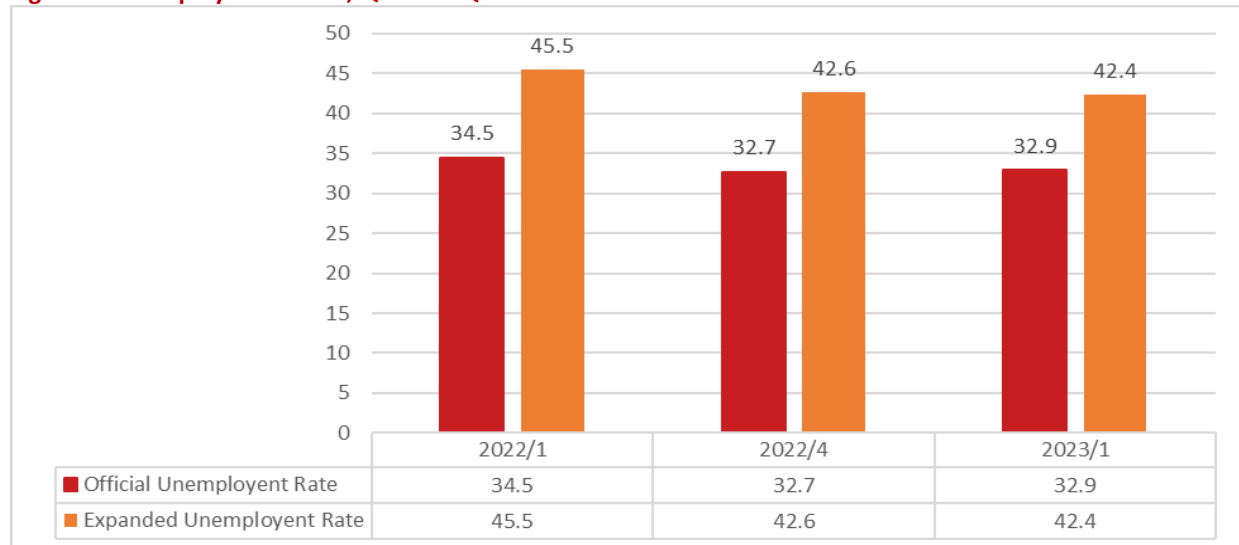
In terms of geographic spread, employers of the services sector are found in all nine provinces of South Africa, but with high concentration in three developed and industrialised regions of Gauteng, Western Cape and KwaZulu-Natal. Services SETA employers are based in Gauteng Province with 117 362 employers stating that they are based in this province, followed by Western Cape and KwaZulu-Natal with 29 734 and 17 086, respectively. Persistent decline in economic growth has had correlating impact on jobs and employment levels.

The South African economy has not fully recovered from the effects of the COVID-19 pandemic. Despite the promising signs of recovery with the easing of lockdown regulations, economic growth as measured in GDP terms has not fully recovered. The South African economy grew by 0.4% in Quarter 1 of 2023, following a decline of -1.1% in Quarter 4, 2022. Recent global events such as high inflation rates and widespread increases in interest rates are the clearest indicator that the economy is in for a long ride, from the recovery perspective.

In line with the falling economic growth, unemployment levels have persistently increased in the last two years. As illustrated in figure 2, the expanded unemployment rate is higher than the official unemployment rate. The official unemployment rate increased by 0.2% to 32.9% in the first quarter of 2023 compared to quarter four of 2022. The expanded unemployment rate decreased by 0.2% in the first quarter of 2023 compared to quarter four of 2022. This trend contributes significantly to poverty and inequality. As Figure 2, illustrates, the levels of unemployment have witnessed an upward movement in the last five quarters. Unemployment

levels among women remained constantly high relative to the total South African average and men, respectively.

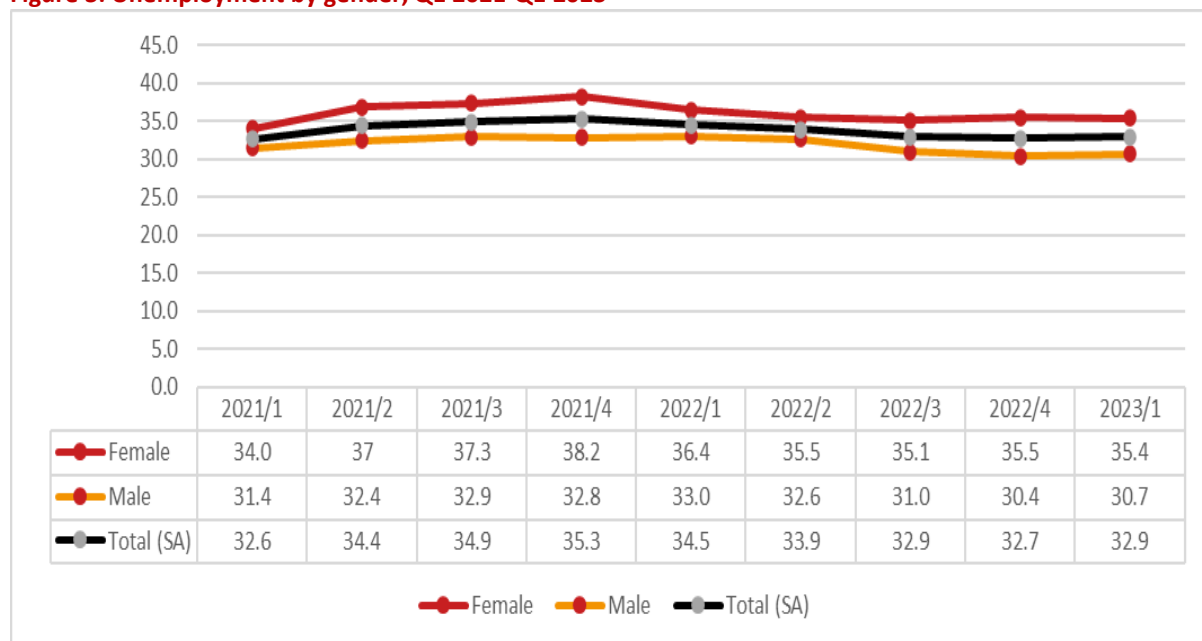
Figure 2: Unemployment rates, Q1 2022-Q1 2023



Source: Statistics South Africa (2023b)

As previously mentioned, GDP data indicates that the services sector is the largest industry in the South African economy and as a result also the largest employer. Employment in the services sector labour force is mainly in the low-level, low-paying occupational categories, namely: clerical, elementary and domestic, and is dominated by women. The implication for skills development is that the sector should strike a proper balance between training for productive industries, which are in the manager occupational category, professional and technical occupation to support economic growth and the non-productive sector to promote transformation and equity, by training the low-level labour force.

Figure 3: Unemployment by gender, Q1 2021-Q1 2023



Source: Statistics South Africa (2023b)

The Quarterly Labour Force Survey (Stats SA, 2020a) indicates that 56% of the labour force in the services sector is comprised of men. The labour force is also relatively youthful, with more than a third comprising of individuals below the age of 35 – an official definition of youth in South Africa. According to Stats SA data, most employees in the services sector (57%) are aged between 35-54 years. Africans constitute nearly 76% of the labour force in this sector. The key role-players in the services sector include the Services SETA Accounting Authority, Employers, Trade Unions, Government Departments, Industry bodies and associations, TVET Colleges, CET Colleges and Universities and Service Providers.

Along with major economies of the world, the South African economy is faced with a serious growth challenge. As pointed out earlier, the Services SETA's scope of coverage overlaps with several industries as defined by the World Trade Organisation and Stats SA. Analysis of the service industries that falls under the Services SETA purview includes Finance, Real Estate, Business Services and Personal Services.

Regarding the industry's performance, the manufacturing and finance sectors performed better, followed by trade, transport and personal. The largest decline was in agriculture sector.

Regarding subsector contribution, services sector contribution to the GDP by chambers shows a growth, from R1,129,555 million in 2021 to R1,303,306 million in 2022.

4.1.2. Skills demand analysis

Drawn from the Sector Skills Plan's research, this section reflects briefly on change drivers for skills demand in the services sector, skills scarcity and plans to address the skills demand and supply mismatch.

Information and Communication Technology

The impact of Information and Communication Technology (ICT) on the services sector transcends all industries in varying degrees. At the core of this impact is the need to do business differently, leveraging on opportunities presented by the technology. For employers, this means the possibility of reduction in the cost of doing business and creating value for customers. For the workforce, this implies changes in occupations, jobs and tasks. Some jobs may become obsolete and can be replaced with new ones. This will require retraining of the workforce to avoid possible job losses. The digital communication platforms, the growth of e-commerce, and global industry and customer access are some of the main trends that are driving the services sector. Technology has had an impact on the design, form, and nature of interaction between sellers and buyers. This impact traverse sub-sectors such as real estate services, business services, contact centre services, recruitment services, and postal services. In the main, companies are required to invest in ICT training for staff to avoid layoffs and improve operational and cost efficiencies.

Globalisation

As higher levels of integration due to globalisation continue, business in most sectors is experiencing higher levels of competition. In addition, emerging and developing economies are seen as new engines of growth as companies continue to look for new locations for business investment. It is further expected that the global Services Sector will continue to drive global trade (World Bank Group, 2016) where contact centres play a significant role in supporting business operations through global process outsourcing.

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

Climate Change

Climate change may lead to job and work productivity losses because it increases the frequency of extreme weather events and, more generally, threatens the provision of ecosystem services. At the same time, it presents opportunities for new occupations in the services sector. Several electricity disruptions have affected the sector profoundly as it makes the cost of running a business to be slightly high as the sector seeks alternative power supply. The services sector has also been affected by the increase in fuel prices. As the International Labour Organisation (2018) notes, climate change and other forms of environmental degradation have already caused net negative impacts on jobs and work productivity. It is expected that these impacts are likely to become more pronounced in the coming decades (Ibid).

Pressures around protecting the environment, the preservation of natural resources, energy conservation affect the personal care and real estate sectors. Green funerals are becoming the choice for most consumers (Lukstins, 2015)¹. Local cemetery green burial policies are introducing local burial restrictions to citizens. The hair industry is under increasing pressure to use chemicals that are not harmful to the environment and users.

Economy

The COVID-19 pandemic exacerbated an already worse situation. The Services Sector, the backbone of the South Africa's economy, was disproportionately affected by the pandemic. This sector has not fully recovered from these setbacks as demonstrated by the GDP figures of Q1 2022. The decline in the economic growth has had a knock-on effect on the employment situation as many companies closed or were forced to lay off staff to reduce expenditure. The current situation will require innovation to keep businesses afloat and grow the economy.

The Economic Reconstruction and Recovery Skills Strategy provides further clarity for alignment with skills planning initiatives of the Services SETA. Due job losses during covid-19; there is a need to develop other business streams not depended on face-to face events, making room for innovative ideas to take form. This will require retraining and/or upskilling of staff. With the country facing an intense energy crisis, the services sector has been impacted hard as alternative sources of acquiring energy had to be utilised to mitigate against business interruptions. Solar installing skill sudden becomes a critical skill to be learnt.

4.2. Internal Environment Analysis

4.2.1. PESTEL and SWOT Analysis

In addition to considering major change drivers for skills demand and supply for the services sector, a detailed PESTEL and SWOT analyses was conducted. These trends have informed the development of strategic goals and objectives to steer the Services SETA on its path to deliver on its mandate. Noteworthy PESTEL, Table 2, analysis points to a dire economic environment and its impact on skills development budgets. This will have a significant impact on the labour market as funding is reprioritised. This challenge is only partly mitigated by the confluence between decreased costs and increased accessibility associated with technology, the ever-increasing competency of Services SETA human resources and more flexible commuting and working practices which are increasingly possible in a ‘connected’ world. The rapidly changing technology landscape, fuelled by the advances of 4IR will mean an increasing urgency for the Services SETA to work pro-actively.

Table 2: PESTEL Analysis

Politics	Economic
<ul style="list-style-type: none"> Legislative mandate – Skills Development Act, Skills Development Levies Act, the Constitution Policy mandate – MTSF (2019-2024), NDP, NSDP 2030, White Paper on Post-School Education and Training Transition from historical to occupational qualifications Increased role of CET, TVET, and HEI in skills development provisioning 	<ul style="list-style-type: none"> Increase in costs of living and high inflation Low growth of GDP impacting on skills levies revenue Increase in business rescue and international benchmark/standards. Alignment of skills development interventions to support Economic Reconstruction and Recovery Plan (ERRP) Green economy – relevant training interventions to meet skills demand
Social	Technology
<ul style="list-style-type: none"> High level of unemployment at the national level. Cumulative decline in employment rates in the services sector in the last two years. Access to Work-Integrated Learning (WIL) for TVET graduates. Ailing education and health systems High levels of social problems i.e., poverty, crime, GBV, substance abuse, teenage pregnancy. Disproportionate access to learning: infrastructure and geographical spread. Collaboration and Partnerships with other public entities may broaden access. 	<ul style="list-style-type: none"> Need to regularly update skills and re-train for the workforce replaced by technology. 4IR presents opportunities for new businesses. Cyber security and related digital skills. Disproportionate access to learning: devices and data. Low and variable speed/ bandwidth. Opportunity to create more equal society. Online and open education opportunities created.
Environment	Legislation
<ul style="list-style-type: none"> Climate change – impact on business operations – eco-friendly, adaptation environment legislation. Environmental preservation - reduce carbon emissions – appropriate skills. Climate change creates opportunities for entrepreneurship and innovation. Environmental, Social, and (Corporate) Governance. 	<ul style="list-style-type: none"> Labour Relations Act – basic conditions of employment; National Minimum Wage Act. COIDA. Protection of Private Information. B-BBEE. National Treasury Legislation and Regulations impede public-private partnerships.

The Services SETA's internal strengths and weaknesses, together with the external opportunities and threats referenced earlier, were evaluated to provide a basis for re-aligning, re-prioritising and refining the NSDS's outcomes. The purpose of the analysis is for the Service SETA to optimise identified strengths, harness opportunities, offset identified weaknesses and mitigate threats. The findings of the SWOT analysis have been integrated into the Services SETA's strategic responses and are also addressed in more detail in our Annual Performance Plan. There is a strong correlation between the SWOT analysis and our internal environment analysis.

Table 3: SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Stable leadership and Governance. • Committed stakeholders and employees. • Research capacity to guide towards relevance. • Investment in research to improve evidence-based planning with industry. • Strong brand – highly regarded by key stakeholders. • Enjoy legislative mandate to implement skills development; and • Regular performance monitoring and evaluation of impact to ensure alignment with the mandate. 	<ul style="list-style-type: none"> • Integration of systems and business processes. • Inadequate delivery model – resulting in the slow implementation of learning interventions. • Centralisation of services and operations. • Ageing commitments with multi-year implementation. • Expired historical qualifications and transition to occupational qualifications, identification, and capacity to supply; and • Funding and implementation of occupational qualifications may result in a reduction in the number of learners enrolled.
Opportunities	Threats
<ul style="list-style-type: none"> • Organisational Design to ensure alignment of organisational structure, skills, and business processes with strategic objectives NSDP 2030 policy. • Improvement in automation of core business and support processes through system development, with partial deployment. • Improvement in system functionality and integration requiring deployment, training and skills transfer to embed usage. • Strong focus and presence in entrepreneurship and co-operatives development. • Alignment of services sector skills in demand/ needs with the implementation of the annual performance plan to ensure supply of critical, prioritised, and hard-to-fill vacancies; and decentralisation of services to reach remote areas. 	<ul style="list-style-type: none"> • Negative audit outcomes. • BUSA court judgement – impact on available discretionary grants. • The high number of small and informal sectors – resulting in low revenue and participation in skills development. • Employers and Public Higher Institutions lack support to implement occupational qualifications. • Low rate of participation by employers in workplace training through WSP/ATR; and • The decline in employment rates in the services sector in the last two years. • Increase in costs of living and high inflation • Persistent Load shedding

4.2.2. Compliance with B-BBEE

The Services SETA considers Broad Based Black Economic Empowerment (B-BBEE) and transformation vital in achieving its mission. The Services SETA is being measured on the Generic Specialised Scorecard as gazetted by the Department of Trade and Industry (Dti). One of the critical avenues through which B-BBEE is pursued is through preferential

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

Services SETA has invested in a Supplier Development initiative aimed at assisting all SMME Discretionary grantees to successfully complete allocated projects. The programme has gained traction, and ongoing as in when there is a new allocation. The initiative entails a comprehensive project management offering administered by a reputable service provider. Enterprise Development approach is intended to feed into the value chain.

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

4.2.3. Transformation imperatives

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

Table 4. Services SETA and Transformation

Learning Intervention	Enrolment 2022/23	Employed	Unemployed	Female	Black	Youth	Rural
Adult Education & Training	450 (100%)	450 (100%)	0 (0%)	279 (62%)	420 (93%)	219 (49%)	30 (7%)
Artisans	1036 (100%)	0 (0%)	1036 (100%)	522 (50%)	937 (90%)	1009 (97%)	0 (100%)
Bursaries	1808 (100%)	354 (20%)	1454 (80%)	1282 (71%)	1632 (90%)	1568 (87%)	707 (39%)
Candidacy	157 (100%)	0 (0%)	157 (100%)	102 (65%)	147 (94%)	99 (63%)	17 (11%)
Learnership	6736 (100%)	1019 (15%)	5717 (85%)	4738 (70%)	6274 (93%)	5918 (88%)	1087 (16%)
Recognition of Prior Learning	190 (100%)	0 (0%)	190 (100%)	114 (60%)	188 (99%)	101 (53%)	0 (0%)
Skills Programme	6656 (100%)	4025 (60%)	2631 (40%)	4529 (68%)	6117 (92%)	4185 (63%)	568 (9%)
TVET Placement (NATED)	1016 (100%)	0 (0%)	1016 (100%)	797 (78%)	1014 (100%)	980 (96%)	0 (0%)
Unemployed Internships [NC(V)]	503 (100%)	0 (0%)	503 (100%)	454 (90%)	503 (100%)	474 (94%)	0 (0%)
University Placement	560 (100%)	0 (0%)	560 (100%)	379 (68%)	515 (92%)	491 (88%)	0 (0%)
TOTAL	19112	5848 (31%)	13264 (69%)	13196 (69%)	17747 (93%)	15044 (79%)	2409 (13%)

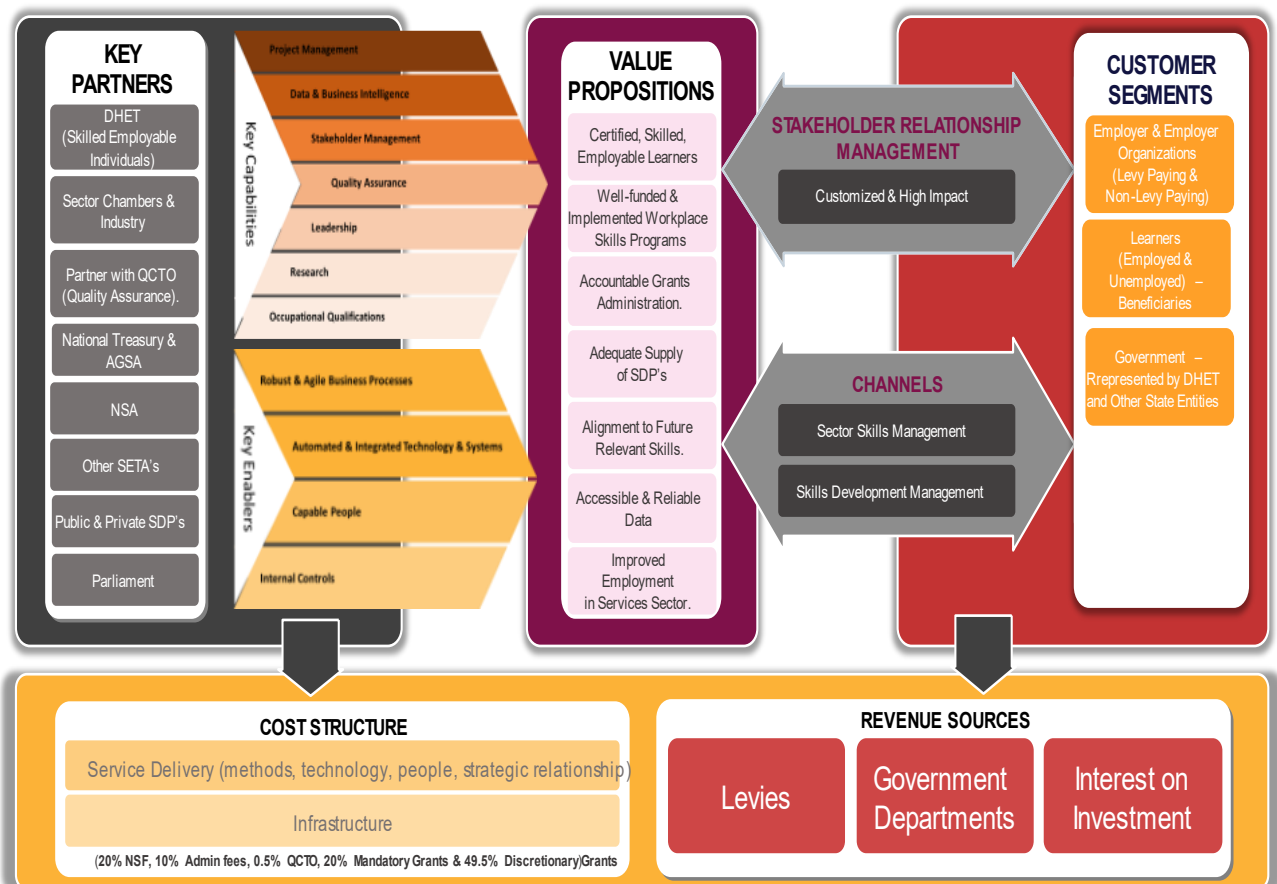
Source: Services SETA Annual Report, 2022/23

As illustrated above, Services SETA’s learning interventions enrolled increased from 14,269 in 2021/22 to 19 112 in 2022/23, recording more than 30% increase. The majority of beneficiaries are unemployed learners, black, female and youth. This provides a healthy pipeline to supply a capable service sector workforce. More work needs to be done to expand access to education and training for people living with disabilities and those residing in rural areas. Skills development centres are primarily aimed at addressing these shortcomings. To date, seven skills development centres have been constructed in rural municipalities. An implementation strategy is being rolled out that will see the Services SETA collaborating with other SETAs to utilise these centres to address skills needs in rural areas. Regarding equity, 69% and 93% of beneficiaries are women and black, respectively.

4.2.4. 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. Through an organisational design project underway, the Services SETA revisited its operating model to ensure alignment with the new SETA landscape and the NSDP2030 mandate as illustrated below.

Figure 4. Services SETA Operating Model



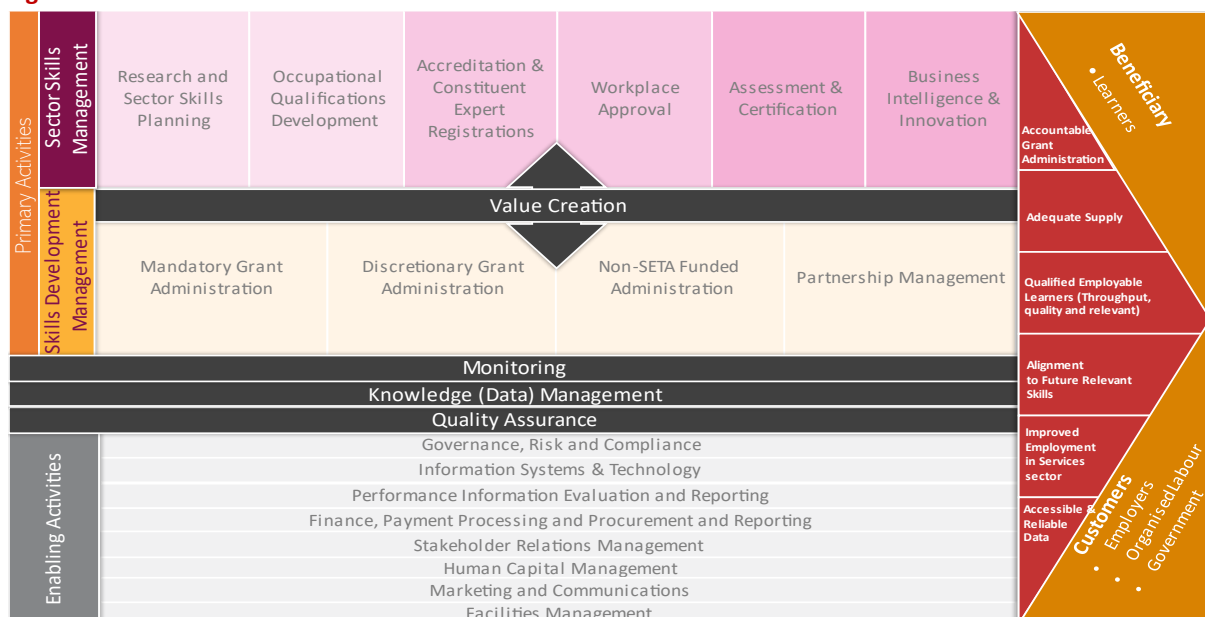
The operating model appreciates the fact that the Services SETA plays an intermediary role in skills development, including: (1) Connecting firms, education and training providers, government and other stakeholders; (2) Facilitating information flows among stakeholders; and (3) Offering essential services 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 leads to the sustainable social impact of self-sustaining learners in the form of employment or entrepreneurship. The operating model is intended to be realised through the effective implementation of the Services SETA’s strategy as outlined in the subsequent sections. It can be further clarified through the Services SETA’s value chain described below.

4.2.5. The Services SETA Value Chain

Implicit to the value chain rationale, is the recognition that organisations are best served by operating in sectors where they have a relative efficiency advantage. Given the Services SETA’s regulatory foundations, this efficiency can be presumed. The value chain depicts the process through which the Services SETA creates and delivers a value-add to its stakeholders. The value chain clarifies the linkages between the different core Services SETA capabilities in realising its value proposition. Although it is not possible to establish a direct link with a high level of certainty, the Services SETA’s value chain reflects a logical model that embodies a plausible theory about the pathways through which the organisation’s core functions produce the value envisaged for beneficiaries. The change is enabled by effectively implementing support systems such as, human resources, finance, and information technology.

Figure 5. Services SETA Value Chain

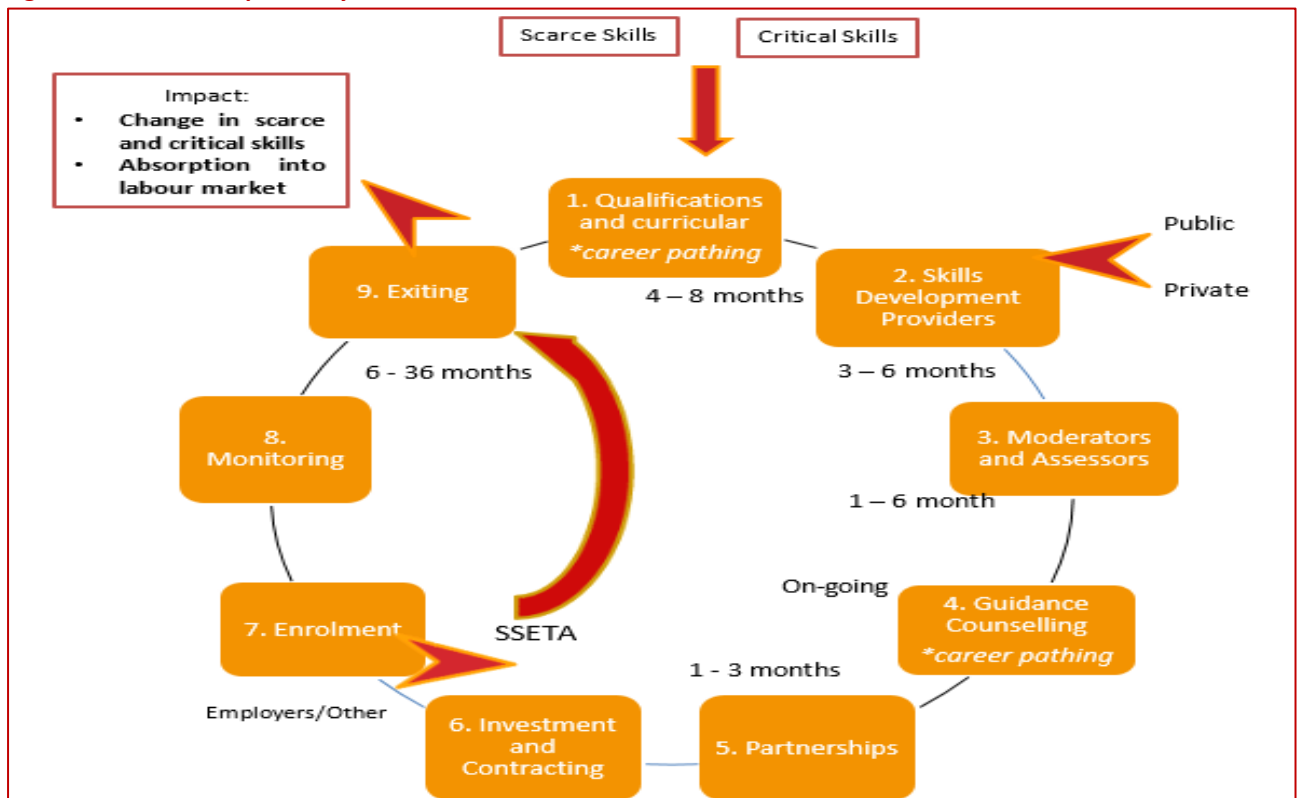


The diagram depicts the different components of the Services SETA's value chain, based on input from the organisational design project. The value chain is adapted to the programmatic structure recommended by DHET. The value chain is premised on a strong instructional foundation that informs the Sector Skills, Strategic and Annual Performance Plans. The imperatives resulting from this planning process are subsequently translated through qualifications' 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 the delivery of training. Thereafter the Discretionary Grant Funding process enables the facilitation of these learning interventions by ensuring the adequate financial and human resources.

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 take shape, through integration and association with the organisation's operating model.

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

Figure 6. Skills Development Cycle



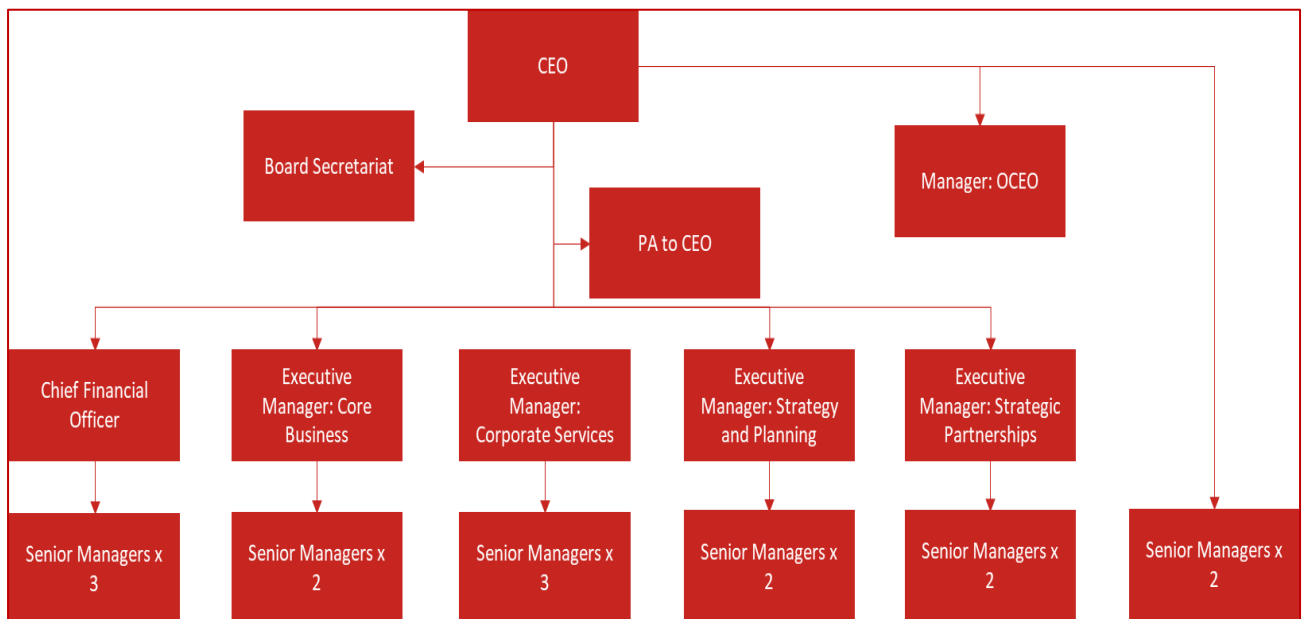
4.2.6. Organisational Capabilities Underpinning Performance Improvements

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

4.2.7. The Services SETA Organisational Structure and Staffing

The Services SETA organisational structure has not been reviewed to accommodate the new landscape. For this reason, the entity has embarked on an extensive organisational design exercise to ensure alignment with the new PSET landscape and financial sustainability. The current structure is outlined below.

Figure 7. Governance and Executive Structure²



As part of the turnaround strategy, the Services SETA aims to invest in its human capital. The strategy includes reviewing the work environment, employee assistance programme, human resources development, and investment in mentoring and coaching and leadership development.

² This organogram will be updated post OD process currently underway.

PART C: MEASURING OUR PERFORMANCE

1. INSTITUTIONAL PERFORMANCE INFORMATION

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

1.1. Impact Statements

Impact statement	A skilled, competitive and entrepreneurial workforce that drives economic growth of the services sector and contributes to improved quality of life and eradication of poverty
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1.2. Measuring Outcomes

MTSF Priority	Priority 3: Education, skills and health.		
Outcome 1	Outcome Indicator	Baseline 2019/20	5-Year (2024/25)
Enhanced organisational capabilities to deliver the strategy (NSDP)	1.1. Quality of financial statements and reliable performance information submitted	Qualified	Clean Audit Outcome
	1.2. Staff complement maintained	70%	70%
	1.3. Alignment between business needs and ICT implementation plan in place	60%	80%
	1.4. Stakeholder satisfaction rating score	0%	75%
	1.5. Effective governance and assurance monitoring system	Governance report	Governance report
Outcome 2	Outcome Indicator	Baseline 2019/20	5-Year
Enhanced mechanism for effective skills planning through collaborative research and partnerships	2.1. Credible and integrated strategic plans developed	Approved SSP, SP and APP	Approved SSP, SP and APP
	2.2. Number of partnerships to broaden access to skills development opportunities	5	80
	2.3. Percentage increase in submissions of WSPs	(-3%)	5%
Outcome 3	Outcome Indicator	Baseline 2019/20	5-Year
Promote access to technical and professional skills for employment and entrepreneurship across the service sector	3.1. Number of learners enrolled in priority occupations	158 334	65 000
	3.2. Number of entrepreneurs and cooperatives supported	-	3 500
	3.3. Number of interventions embarked upon with employers to improve enrolment in and completion of priority occupations	-	150

MTSF Priority	Priority 3: Education, skills and health.		
Outcome 4	Outcome Indicator	Baseline 2019/20	5-Year
Enhanced Quality Assurance efficiencies to execute QCTO delegated functions	4.1. Percentage of external moderation and evaluation conducted within a reporting period	80%	85%
	4.2. Percentage of occupational qualifications aligned to priority skills	50%	60%

1.3. Explanation of planned performance over the five-year planning period

Considerable progress has made in realising the outcome indicators.

- Outcome 1:** *Enhanced organisational capabilities to deliver the strategy (NSDP)*, the Services SETA has performed well against outcome indicators related to this outcome, except for Clean Audit. The Services SETA received a qualified audit outcome for financial year 2022/23. The basis for the audit finding is the commitment register and misstatement of performance for some of programme 3: learning programmes. The management of the Services SETA, working with the AGSA has developed an audit action plan that will be monitored monthly by EXCO and quarterly by various subcommittees of the Accounting Authority and Audit Committee. In addition, the management held an audit reflection session with their entire leadership to (i) sensitise the management about the factors contributing to an adverse audit outcome and (ii) come with clear action plan. The action plan coming from this meeting is being developed and will incorporate elements of the plan agreed to with AGSA.
- Outcome 2:** *Enhanced mechanism for effective skills planning through collaborative research and partnerships*, the Services SETA is doing well in relation to this outcome. A special focus is on increasing employer participation in WSP/ATR submissions to expand access to skills development using the workplace as a training place.
- Outcome 3:** *Promote access to technical and professional skills for employment and entrepreneurship across the service sector*, there has been a concerted effort to promote the growth and sustainability of SMEs, and to promote participation of employers in Services SETA learning interventions. Including increased collaboration with TVET/CET college systems.
- The Services SETA is doing well in relation to **Outcome 4:** *Enhanced Quality Assurance efficiencies to execute QCTO delegated functions*, due to improvements in internal processes, the turnaround time for issuing of certificates has drastically improved as demonstrated above. There is an increasing progress with regard to occupational qualifications development, but performance is still below expectations. It is for this reason that this indicator has been elevated to a strategic risk status, that requires urgent attention.

1.4. Planned Performance over Five-Year Planning Period

The Services SETA has over the last year, 2022/23 recorded a performance achievement of 84%. A key strategic focus will be to align the organisation's performance to the **National Skills Development Plan and ultimately the National Development Plan**. In the immediate, the focus will be to support **Economic Reconstruction and Recovery Plan** which aims to boost economic growth following the long spell of negative growth, exacerbated by COVID-19. The Services SETA has identified scarce, and critical skills prioritised by the Department for inclusion in its skills development strategy over the next years. These include Call or Contact Centre Manager; Quality Manager; Contact Centre Resource Planner; Contact Centre Forecast Analyst; Call or Contact Centre Manager; Inbound Contact Centre Consultant; Outbound Contact Centre Consultant; Contact Centre Real Time Advisor and Call or Contact Centre Agent. These lists of scarce and critical skills have been incorporated into the lists of hard to fill vacancies, skills gaps, and priority lists for implementation in the Annual Performance Plan (APP).

The NDP 2030 forms the basis of all national policies and strategies. Education, training and innovation are key priorities to be supported by the PSET ecosystem. The Services SETA has therefore deliberately, aligned its **MTSF strategic interventions** to aid this goal. Table 5 below provides a breakdown of the tangibles to be delivered against the NDP 2030 deliverables.

Table 5: Alignment to the NDP Deliverables

National Development Plan	Services SETA's planned intervention
1. The recommended participation rate in the TVET college sector of 25 percent would accommodate about 1.25 million enrolments.	The Services SETA plans to establish 23 partnerships with TVET Colleges to support skills development.
2. Provide 1 million learning opportunities through Community Education and Training Colleges.	The Services SETA plans to establish 13 partnerships with CET Colleges to support skills development.
3. Improve the throughput rate to 80 percent by 2030.	Working with employers and other key role players, the Services SETA aims to increase throughput rate to 85% by 2024/25.
4. Produce 30,000 artisans per year by 2030.	The Services SETA aims to support 2000 artisan programmes by 2024/25 (Women, 40%, Youth, 80%, people with disability 1% and Rural 6%).
5. Increase enrolment at higher education institute by at least 70 percent by 2030 so that enrolments increase to about 1,62 million from 950 000 in 2010.	Services SETA plans to provide bursary opportunities to 6000 university students in the next five years (Women, 50% and Youth, 70%).
6. Expand science, technology and innovation outputs by increasing research and development spending by government and through encouraging industry to do so.	The Services SETA is working with industry to address the challenges of the Fourth Industrial Revolution through research.

As a skills development agency, the Services SETA's delivery is skilled is informed the Sector Skills Plan which is informed the sector needs, and response from training service providers. As such the delivery model is demand driven. To ensure alignment with skills development players in each district, the Services SETA interacts with **Provincial Skills Development Forums (PSDFs)**. Provincial Skills Development Forums were established in 2008 by the National Skills Authority, through the Skills Development Act of 2008, to address specific provincial skills requirements and bridge the National Skills Authority (NSA) and the provinces.

The above objective is achieved by bring various role players together, focusing on economic, social, environmental, infrastructural and other service delivery areas. In a similar vein, the **District Development Model (DDM)**, first proposed by the President in 2019, is a district-wide approach towards the effective coordination of ‘all-of-government’ programmes and projects.

The implementation of the District Development Model (DDM) will be done through a deliberate process of spatialisation of development priorities and objectives, followed by a review and reprioritisation of plans, budgets, and programmes across various spheres, sector departments, and state entities (RSA 2020a). This process of review and reprioritisation will evolve incrementally as the DDM becomes fully institutionalised, culminating in the formulation and adoption of the One Plan.

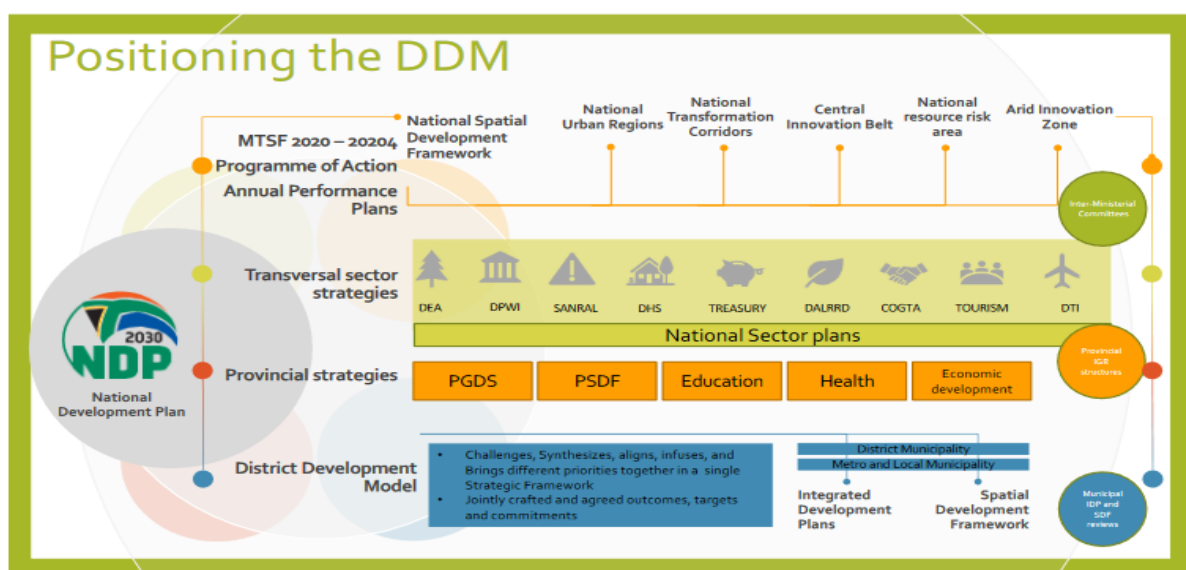
The 52 district or metro spaces have developed One Plans that guiding investment, service delivery, and development in each district and metropolitan area. Cabinet have approved all the first round of One Plans. The One Plan details relevant activities, roles, responsibilities, ownership, and timelines that must take place during each stage.

The Services SETA has an office in each province – two offices in the Eastern Cape province. This national footprint allows the Services SETA to effectively coordinate with Provincial Skills Development Forums.

By their very nature, skills development interventions change on a yearly basis, sometimes, twice or thrice within a year depending on the number of DG windows opened for employers and skills development training providers as informed by sector needs. This information is updated regularly and passed on to Provincial Skills Development Forums who feeds into District Development Model for consolidation with various other interventions taking place or planned for each district.

The SETA will be supporting this model through our strategic projects’ initiatives. Figure 8 below depicts the DDM linkages with other plans. Table 6 further indicates districts envisaged to be supported.

Figure 8 DDM Relationship with other plans



Source: COGTA

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Table 6 indicates current and planned interventions at districts for 2024/25 financial years. This information is updated on an ongoing basis and shared with relevant stakeholders as outlined above.

Table 6. District Development Model

Areas of intervention	Project description	District Municipality	Location: GPS coordinates	Project leader	Social partners
Skills Development	Various learning interventions	Amathole District Municipality - EC	32.5842° S, 27.3616° E	Multiple	Multiples
Skills Development	Various learning interventions	Buffalo City Metropolitan Municipality - EC	32.9344° S, 27.6435° E	Multiple	Multiples
Skills Development	Various learning interventions	Chris Hani District Municipality - EC	31.8743° S, 26.7968° E	Multiple	Multiples
Skills Development	Various learning interventions	OR Tambo District Municipality - EC	31.4632° S, 29.2321° E	Multiple	Multiples
Skills Development	Various learning interventions	Lejweleputswa District Municipality - FS	28.3991° S, 26.2305° E	Multiple	Multiples
Skills Development	Various learning interventions	Mangaung Metropolitan Municipality - FS	29.1303° S, 26.2358° E	Multiple	Multiples
Skills Development	Various learning interventions	Thabo Mofutsanyana District Municipality - FS	28.1270° S, 28.2994° E	Multiple	Multiples
Skills Development	Various learning interventions	City of Johannesburg Metropolitan Municipality - GP	26.1704° S, 27.9718° E	Multiple	Multiples
Skills Development	Various learning interventions	City of Ekurhuleni Metropolitan Municipality - GP	26.1777° S, 28.3462° E	Multiple	Multiples

Areas of intervention	Project description	District Municipality	Location: GPS coordinates	Project leader	Social partners
Skills Development	Various learning interventions	City of Tshwane Metropolitan Municipality - GP	25.6051° S, 28.3929° E	Multiple	Multiples
Skills Development	Various learning interventions	Sedibeng District Municipality - GP	26.6833° S, 28.2059° E	Multiple	Multiples
Skills Development	Various learning interventions	Amajuba District Municipality - GP	27.8036° S, 30.0665° E	Multiple	Multiples
Skills Development	Various learning interventions	eThekweni Metropolitan Municipality - KZN	29.8120° S, 30.8039° E	Multiple	Multiples
Skills Development	Various learning interventions	iLembe District Municipality - KZN	29.3830° S, 31.1710° E	Multiple	Multiples
Skills Development	Various learning interventions	King Cetshwayo District Municipality	28.6192° S, 31.5370° E	Multiple	Multiples
Skills Development	Various learning interventions	Ugu District Municipality - KZN	30.6218° S, 30.2513° E	Multiple	Multiples
Skills Development	Various learning interventions	uMgungundlovu District Municipality - KZN	29.5101° S, 30.3436° E	Multiple	Multiples
Skills Development	Various learning interventions	uMzinyathi District Municipality - KZN	28.5152° S, 30.6200° E	Multiple	Multiples
Skills Development	Various learning interventions	uThukela District Municipality - KZN	28.6783° S, 29.6035° E	Multiple	Multiples
Skills Development	Various learning interventions	Zululand District Municipality - KZN	27.8872° S, 31.4456° E	Multiple	Multiples
Skills Development	Various learning interventions	Capricorn District Municipality - LP	23.6123° S, 29.2321° E	Multiple	Multiples
Skills Development	Various learning interventions	Mopani District Municipality - LP	23.3089° S, 30.7160° E	Multiple	Multiples
Skills Development	Various learning interventions	Vhembe District Municipality - LP	22.7696° S, 29.9741° E	Multiple	Multiples
Skills Development	Various learning interventions	Waterberg District Municipality - LP	23.9748° S, 28.2994° E	Multiple	Multiples
Skills Development	Various learning interventions	Ehlanzeni District Municipality - MP	25.3946° S, 31.2626° E	Multiple	Multiples
Skills Development	Various learning interventions	Gert Sibande District Municipality - MP	26.5471° S, 29.9741° E	Multiple	Multiples
Skills Development	Various learning interventions	Nkangala District Municipality - MP	25.9460° S, 29.6035° E	Multiple	Multiples
Skills Development	Various learning interventions	Sedibeng District Municipality - MP	26.6833° S, 28.2059° E	Multiple	Multiples
Skills Development	Various learning interventions	Dr Kenneth Kaunda District Municipality - NW	26.8618° S, 26.5138° E	Multiple	Multiples
Skills Development	Various learning interventions	Frances Baard District Municipality - NC	28.4251° S, 24.3341° E	Multiple	Multiples
Skills Development	Various learning interventions	Cape Winelands District Municipality - WC	33.4221° S, 19.7592° E	Multiple	Multiples
Skills Development	Various learning interventions	City of Cape Town Metropolitan Municipality - WC	33.9143° S, 18.5701° E	Multiple	Multiples
Skills Development	Various learning interventions	Garden Route District Municipality - WC	33.7042° S, 22.0476° E	Multiple	Multiples

1.5. Key Risks and Mitigations

Table 7. Key Risks and Mitigation

Outcome	Key Risks	Risk Mitigations
<p>Enhanced Quality Assurance efficiencies to execute QCTO delegated functions</p>	<ul style="list-style-type: none"> All qualifications expire 2023, no extension granted by QCTO. 	<ul style="list-style-type: none"> Skills Development needs and gaps are identified through research, WSP submission data, and stakeholder engagements.
	<ul style="list-style-type: none"> Limited budget and capacity which enables development of few qualifications at a time. 	<ul style="list-style-type: none"> Qualifications to be prioritised for development or realignment are identified and aligned to the PIVOTAL and Hard-to-Fill skills list.
	<ul style="list-style-type: none"> Current Systems (LMIS) not compatible with new occupational qualifications. 	<ul style="list-style-type: none"> Occupational Qualification Development is a focus. To promote efficient effective processes within the organisation, established Qualification Task Team, consisting of Strategy and Planning; Planning as DQP, Core Business as AQP, Corporate Services for support role: ICT, Communication, HRM&D and Assurance partners for on-going monitoring. Skills Development needs and gaps are identified through research, WSP submission data, and stakeholder engagements. Qualifications to be prioritised for development or realignment are identified and aligned to the Pivotal and Hard-to-Fill skills list. Occupational Qualification Development are a focus and prioritized as acritical area in Planning. Resources are employed for the following: To promote efficient and effective process within the organisation, established for a standard operating procedure for Stakeholders.; * Established Qualification Task Team, consisting of Strategic Planning as DQP, Core Business as AQP, Corporate Services for support role: ICT, Communication; HRM&D and Assurance partners for on-going monitor. Processes are approved by AA. A manual process is in place to help with the accreditations. Two stage funding model is in place. Evaluations committee will be appointed. LMIS: The project scope has been concluded; the project charter is in place. ICT assisting with folders and email addresses. DG policy to be reviewed in the current quarter. Change Management workstream implemented.
	<ul style="list-style-type: none"> Lack of control over accreditation of SDPs for new occupational qualifications - QCTO function. 	
	<ul style="list-style-type: none"> Delays in setting-up of the Assessment Quality Partner to develop a bank of assessment tools due to budget constraints, already developed qualifications. 	
<ul style="list-style-type: none"> Lack of focus on qualifications to respond to a pandemic. 		

Outcome	Key Risks	Risk Mitigations
Enhanced organisational capabilities to deliver the strategy (NSDP)	<ul style="list-style-type: none"> Inconsistent and Inadequate Information Security Awareness Campaigns. 	<ul style="list-style-type: none"> Include current ethics process as current control. Investigate all data breach incidents. Quarterly campaigns to communicate policies in the support divisions. Privacy policy and Records Management policy approved. Quarterly training sessions to create awareness of all support division policies and procedures. Trend management implemented for movement of documents. Endpoint encryption in place Continuous awareness and training on Whistle blower facility Critical data identified by business and dealt with through the information management strategy. Closely monitor traffic on all networks. Utilise encryption. Lock down the network. Endpoint security. Protect hard copies of packs at meetings. Investigate all incidents. M365 Encryption protocols embedded for emails. Monthly reports from service provider on vulnerabilities and threats.
	<ul style="list-style-type: none"> Lack of classification of documents 	<ul style="list-style-type: none"> Physical network encryption that is currently in place is the MPLS encryption control provided by Vodacom. Investigate all data breach incidents; * Quarterly campaigns to communicate policies in the support divisions. Privacy policy and Records Management policy approved. Quarterly training sessions to create awareness of all support division policies and procedures; * Trend management implemented for movement of documents. Endpoint encryption in place. Continuous awareness and training on Whistle blower facility Critical data identified by business and dealt with through the information management strategy. Closely monitor traffic on all networks. Utilize encryption. Lock down the network. Endpoint security. Protect hard copies of packs at meetings. Investigate all incidents; * M365 Encryption protocols embedded for emails. Physical network encryption that is currently in place is the MPLS encryption control provided by Vodacom. Cybersecurity awareness training started on the 06.02.23. M365 Encryption protocols embedded for emails.

Outcome	Key Risks	Risk Mitigations
		<ul style="list-style-type: none"> Physical network encryption that is currently in place is the MPLS encryption control provided by Vodacom. Multi-factor authentication for strengthening security measures. Cyber security insurance plan will manage the risk.
<p>Enhanced mechanism for effective skills planning through collaborative research and partnerships</p> <p style="text-align: center;">and</p> <p>Promote access to technical and professional skills for employment and entrepreneurship across the service sector</p>	<ul style="list-style-type: none"> Prolonged BUSA case, set aside of the grant's regulation 	<ul style="list-style-type: none"> Prioritising expenditure critically needed expenditure. Cash in the bank is optimised. Monthly and bi-monthly pay runs. MG refunds quarterly. Prioritising of expenditure only addressing critical and needed expenditure. Cash in the bank is optimised by being left to accrue interest. Monthly and bi-monthly pay runs. MG refunds quarterly (Money earns interest in the bank when process in place). Incurring expenditure that is critical and important. Working group is initiated to ensure that there is integration. Reserves have improved from previous financial year. A new regulation has been issued for public comment. Continuous engagement with DHET on the BUSA case.
<p>Promote access to technical and professional skills for employment and entrepreneurship across the service sector</p>	<ul style="list-style-type: none"> DG policy is too generic. Our allocation process is flawed, non-levy payers get large allocations opposed to levy payers having workplaces getting smaller allocations. Our practices and business processes should be aligned, stakeholders loose trust in us. 	<ul style="list-style-type: none"> Focus on top 20 levy paying members and form strategic partnerships and alignment. Mapping of commitments, budgets and APP targets and alignment to the current skills needs of the sector. Adjustment period locked in, for allowable corrections on allocations to entities, to free up funds quickly. Balance implementation of pre-enrolments and creating opportunities for new DG allocations. Alignment in place with ERRP and scarce and hard to fill skills. Adjustment period locked in, for allowable corrections on allocations to entities, to free up funds quickly. Balance implementation of pre-enrolments and creating opportunities for new DG allocations. Alignment in place with ERRP and scarce and hard to fill skills. Approval to support the levy paying to submit the WSP. Stakeholders to open participation of stakeholders with internships, Supported with the WSP.

PART D: TECHNICAL INDICATOR DESCRIPTORS

Indicator Title	1.1. Quality of financial statements and reliable performance information submitted
Definition	<p>This indicator refers the Services SETA’s compliance with its approved financial policies and practices including applicable legislations; its ability to continually improve and reinforce compliance and its ability to plan and report performance that is measurable and reliable. The Services SETA aims to achieve clean audit opinion.</p> <p>“Clean audit opinion” refers to the Auditor General South Africa (AGSA) concluding that the Services SETA’s financial statements are transparent and compliant with generally accepted accounting principles (GAAP) and annual performance report are free from material misstatements and comply with applicable legislation.</p> <p>“Misstatements” refer to incorrect or omitted information in the financial statements and annual performance report.</p> <p>“Financial Statements” refers to information relating to the organisational financial performance.</p> <p>“Performance Information” refers to information relating to organisational targets for a given year as contained in the Annual Performance Plan and Performance report.</p> <p>“Submitted” submitted to AGSA, DPME and National Treasury.</p>
Source of Data	AGSA audit report supported by Services SETA’s Annual Financial Statements and Annual Performance Report.
Method of Calculation / Assessment	Outcome of the audit for financial year 2024/25
Assumptions	<ul style="list-style-type: none"> • There is a strong adherence to PFMA and accounting standards and principles at the Services SETA. • There is adherence to National Treasury and DPME reporting requirements for performance information.
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired Performance	Clean audit
Indicator Responsibility	<ul style="list-style-type: none"> • Chief Financial Officer • Executive Manager: Strategy & Planning

Indicator Title	1.2. Staff compliment maintained
Definition	<p>Measures the percentage of filled positions in the organisation relative to the total number of approved funded positions on the organisational organogram.</p> <p>The Services SETA uses the data from this indicator:</p> <ul style="list-style-type: none"> • to measure the level of filled positions against the approved funded organogram; • as an output measure in calculating the efficiency and effectiveness of the Services SETA.
Source of Data	<ul style="list-style-type: none"> • The Services SETA Organogram serves as a base source for all approved and funded positions. • Placement report for filled positions.
Method of Calculation / Assessment	<p>Total Number of Filled Funded Positions / Total Number of Funded Positions as per the Organogram multiply by a hundred (averaged over the MTSF period)</p>
Assumptions	<p>There are no budget constraints.</p>
Disaggregation of Beneficiary (where applicable)	<ul style="list-style-type: none"> • Women – 70% • People with disability – 3%
Spatial Transformation (where applicable)	<p>N/A</p>
Desired Performance	<p>70% (MTSF period)</p>
Indicator Responsibility	<p>Executive Manager: Corporate Services</p>

Indicator Title	1.3. Alignment between business needs and ICT implementation plan in place
Definition	<p>Corporate Governance ICT Framework is a government-requirements ICT Framework under the auspices of the Department of Public Services and Administration.</p> <p>The Corporate Governance of ICT is an integral part of the governance system at the Services SETA. The Corporate Governance of ICT involves evaluating, directing and monitoring the alignment of the ICT strategy with the SSETA Business Strategy and related strategies. Also involves the monitoring of ICT service delivery to ensure a culture of continuous ICT service improvements exist in the SSETA.</p> <p>ICT develop strategy and implementation plan which are approved by ICT Steering Committee to respond to business strategic needs ensuring delivery of the strategic goals.</p>
Source of Data	<ul style="list-style-type: none"> • Services SETA Strategic Plan and Annual Performance Plan • ICT Strategy and Implementation plan with a list of approved plans/projects/programmes
Method of Calculation / Assessment	<ul style="list-style-type: none"> • Assess ICT strategy implementation plan against business strategic needs. • Number of implemented ICT plans/ total number of approved ICT implementation plans aligned with business needs multiply by one hundred (averaged over the MTSF period)
Assumptions	<p>ICT strategy implementation plan aligned with Services SETA business needs to achieve strategic objectives.</p>
Disaggregation of Beneficiary (where applicable)	<p>N/A</p>
Spatial Transformation (where applicable)	<p>N/A</p>
Desired Performance	<p>80% (MTSF period)</p>
Indicator Responsibility	<p>Executive Manager: Corporate Services</p>

Indicator Title	1.4. Stakeholder satisfaction rating score
Definition	<p>This indicator measures the quality of support provided to key subsector stakeholders through capacity development; information sharing; customer service and technical support. The indicator also measures consultation with stakeholders on any policy and process development that will improve the SETA's service delivery to its subsector stakeholders. The outcome of the engagement contributes towards addressing key material issues that have a direct or indirect impact on the Services SETA's ability to create, preserve economic, social or environmental value for itself and its stakeholders.</p> <p>“Stakeholders” refers levy paying and non-levy paying employers that do business within the scope of the Services SETA; training providers doing business in the services sector; government departments within the scope of the Services SETA; Associations, Professional Bodies, Community of Expert Practitioners; as well as Trade Unions, CBOs and NGO's that are active in the services sector, and others. A stakeholder is any individual or group that affects or is affected by the activities of the organisation. The Services SETA will prioritise and invest time in stakeholders identified as part of key material issues.</p> <p>“Satisfaction rating score” refers to score as per survey report. Survey to be conducted considering research methodologies.</p>
Source of Data	Stakeholder relationship management survey report.
Method of Calculation / Assessment	Stakeholder relationship management survey report outcome (rating score over the MTSF period).
Assumptions	There is sufficient participation by Services SETA stakeholders and key partners.
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired Performance	Satisfaction rating score 75% (MTSF period)
Indicator Responsibility	Executive Manager: Corporate Services

Indicator Title	1.5. Effective governance and assurance monitoring system
<p>Definition</p>	<p>The indicator refers to good governance at the Services SETA organisational compliance, enterprise-wide risk management and sound/effective governance:</p> <p>“Organisational Compliance” refers to compliance with Services SETA legislative universe and policies. This is monitored through percentage actions plans implemented on a quarterly basis which refers to the proportion of the number of audit and compliance action plans implemented by the Services SETA in line with the audit reports and applicable laws and regulations.</p> <p>“Enterprise-Wide Risk Management” refers to effective identification and mitigation of organisational risks. This is monitored through percentage of risk action plans actioned which refers to the process of executing risk mitigation actions as outlined in the action plans on a quarterly basis. Risk mitigation progress monitors the continuous process of tracking all identified risks, identifying new risks, and evaluating risk process effectiveness throughout the organisation’s programmes.</p> <p>“Governance” refers to a governance report compiled and submitted by the board secretariat on performance of the Accounting Authority and its Committees in carrying out its fiduciary duties and assessing effective oversight in line with KPAs as contained in its Terms of Reference. In additional, refers to governance report compiled by organisational compliance and submitted to DHET.</p>
<p>Source of Data</p>	<ul style="list-style-type: none"> • Annual legislative universe & compliance remedial action plans report • Annual audit action plans report • Annual combined risk register • Governance reports
<p>Method of Calculation / Assessment</p>	<p>Assess reports below to determine effective governance and assurance provided as at 2024/25 financial year:</p> <ul style="list-style-type: none"> • Quarterly Compliance remedial action report • Quarterly Audit action plan reports • Quarterly Combined risk register • Quarterly Governance reports submitted to DHET • Annual Governance reports measuring performance against Terms of reference of the Accounting Authority and its committees.
<p>Assumptions</p>	<p>Good governance will be maintained throughout the MTSF period.</p>
<p>Disaggregation of Beneficiary (where applicable)</p>	<p>N/A</p>
<p>Spatial Transformation (where applicable)</p>	<p>N/A</p>
<p>Desired Performance</p>	<p>Good governance report (MTSF period)</p>
<p>Indicator Responsibility</p>	<p>Office of the Chief Executive Officer</p>

Indicator Title	2.1 Credible and Integrated strategic plans developed
Definition	<p>The indicator measures the process followed in developing the strategic plans which are; Sector Skills Plan, Strategic Plan and Annual Performance Plan. For the process to be credible, it must be evidence based on research studies conducted and findings, be participatory and consultative. Services SETA employers/industry role players, management and members of the Accounting Authority consultations ensures integrated approach. In which the outcome will be the approval of the strategic plans by Executive Authority.</p> <p>“Research Studies” refers to deliberate research that assesses the processes and consequences of innovations and social policy programmes linked to skills development and entrepreneurship”.</p> <p>“Evidence based”: refers to approved strategic planning documents that are based on consultation with the Services SETA management and Accounting Authority and are informed by research.</p>
Source of Data	<ul style="list-style-type: none"> • Research agenda and reports • Sector Skills Plan (SSP), Strategic Plan (SP) and Annual Performance Plan (APP)
Method of Calculation / Assessment	<p>Letter of approval for SSP, SP and APP from DHET over the MTSF period</p>
Assumptions	<p>Letter of approval from DHET received by 31 March (year-end).</p>
Disaggregation of Beneficiary (where applicable)	<p>N/A</p>
Spatial Transformation (where applicable)	<p>N/A</p>
Desired Performance	<p>Approved SSP, SP & APP (MTSF period)</p>
Indicator Responsibility	<p>Executive Manager: Strategy and Planning</p>

Indicator Title	2.2 Number of partnerships to broaden access to skills development opportunities
Definition	<p>The indicator refers to the total number of Higher Education Institutions partnerships established through formal agreements with the Services SETA.</p> <p>The outcome indicator measures various outputs fostering collaboration and partnership with Post School Education and Training (PSET) system role players to promote growth and strengthened alignment.</p> <p>“Partnerships” are regarded as formal written agreement between the Services SETA and institution of higher learning/labour to share and contribute financial and/or non-financial resources, including grant funding in order to facilitate post-school education and training intervention.</p>
Source of Data	<ul style="list-style-type: none"> • Signed Offer Letter of Intention to the intended partner; and/or • Signed MOUs between the Services SETA and the institution
Method of Calculation / Assessment	<p>Simple count of the following over the MTSF period;</p> <ul style="list-style-type: none"> • Signed Offer Letters; and/or • Memorandums of Understanding or Agreements between the Services SETA and institutions of higher learning
Assumptions	<p>There will be no delays in the processes (engagements, contracting and signing).</p>
Disaggregation of Beneficiary (where applicable)	<p>N/A</p>
Spatial Transformation (where applicable)	<p>N/A</p>
Desired Performance	<p>80 (MTSF period)</p>
Indicator Responsibility	<p>Executive Manager: Strategic Partnerships</p>

Indicator Title	2.3 Percentage increase in submissions of WSP/ATR
Definition	This indicator measures the rate of increase in the number of companies submitting WSP/ATR which was informed by a low rate of submission by Services SETA employers.
Source of Data	LMIS module for WSP/ATR that has been successfully submitted.
Method of Calculation / Assessment	Number of companies who submitted WSP/ATR in the period (minus) the number of companies submitting WSP/ATR in the period; (divided) by the number of companies who submitted WSP/ATR in the previous period; multiply by one hundred. (Cumulative over the MTSF period)
Assumptions	Increase participation by member companies in submitting WSP/ATR.
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired Performance	5% (Cumulative over the MTSF period)
Indicator Responsibility	Executive Manager: Core Business

Indicator Title	3.1. Number of learners enrolled in priority occupation
Definition	The indicator refers to the total number of learners benefitting from Services SETA-funded learning interventions. Learners can benefit through learnerships, internships, skills programmes, Adult Education Training, bursaries, trades, candidacy and/or Recognition of Prior Learning/Artisanal Recognition of Prior Learning.
Source of Data	SETMIS and Survey hub listings supporting Annual Performance Report.
Method of Calculation / Assessment	Simple count of learners benefitting from Services SETA-funded learning interventions over a period of five year. (Cumulative)
Assumptions	Learners enrolled and reported on SETMIS and Survey Hub.
Disaggregation of Beneficiary (where applicable)	<ul style="list-style-type: none"> • Women – 60% • Youth – 80% • People with disability – 3% • Rural – 20%
Spatial Transformation (where applicable)	N/A
Desired Performance	65 000 (Cumulative over the MTSF period)
Indicator Responsibility	Executive Manager: Core Business

Indicator Title	3.2. Number of entrepreneurs and cooperatives supported
Definition	<p>The indicator refers to the total number of entrepreneurs and cooperatives supported by Services SETA. Support can be in the form of capacity building interventions based on their specific needs; ranging from various SETA training interventions.</p> <p>“Supported” means beneficiaries participate in the learning opportunity, and complete one or more units of learning aligned to one or more skills or behaviours as learning outcomes.</p>
Source of Data	Survey hub listing of entrepreneurs and cooperatives supported
Method of Calculation / Assessment	Simple count of total number of Entrepreneurs and Cooperatives supported over the MTSF period.
Assumptions	Available database of entrepreneurs and cooperatives supported.
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired Performance	3 500 (Cumulative over the MTSF period)
Indicator Responsibility	Executive Manager: Strategic Partnerships

Indicator Title	3.3. Number of interventions embarked upon with employers to improve enrolment in and completion of priority occupations
Definition	This indicator measures the of employer training interventions to host and/or fund through collaborations learners on Services SETA learning interventions of prioritised occupations.
Source of Data	Listing of employers who implemented self-funded and /funded interventions.
Method of Calculation / Assessment	Total number of interventions supported by employers.
Assumptions	Employers provides funding and participate in skills development interventions.
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired Performance	150 (Cumulative over the MTSF period)
Indicator Responsibility	<ul style="list-style-type: none"> • Executive Manager: Strategy and Planning • Executive Manager: Core Business

Indicator Title	4.1. Percentage of external moderation and evaluation conducted within the reporting period
Definition	The indicator refers to the external moderations conducted as requested by Skills Development Providers/Employers.
Source of Data	<ul style="list-style-type: none"> • External moderation schedule lists • External moderation reports
Method of Calculation / Assessment	The number of external moderations successfully completed divided by the total number of external moderation request received; multiply by one hundred. (Averaged over the MTSF period)
Assumptions	There are sufficient personnel to carry out external moderation
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired Performance	85% (Averaged over the MTSF period)
Indicator Responsibility	Executive Manager: Core Business

Indicator Title	4.2. Percentage of occupational qualifications aligned to priority skills
Definition	<p>This indicator measures the percentage of legacy qualifications aligned and/ reviewed to occupational qualifications.</p> <p>Legacy qualifications requiring alignment are those qualifications identified through research, WSP submissions, Government and Chamber/industry engagements to build capacity of supply for occupational programmes.</p> <p>“Priority skills” means the consolidated list of scarce, critical or pivotal skills or priority skills.</p>
Source of Data	<ul style="list-style-type: none"> • A list of legacy qualifications requiring alignment • A list of occupational qualifications reviewed/aligned/developed.
Method of Calculation / Assessment	<p>The number of legacy qualifications requiring aligned/ Total number of occupational qualifications reviewed/aligned/developed; multiply by one hundred. (Cumulative over MTSF period)</p>
Assumptions	<ul style="list-style-type: none"> • There is sufficient participation from the industry. • Industry qualifications in need of development are aligned to priority skills.
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired Performance	60% (Cumulative over MTSF period)
Indicator Responsibility	Executive Manager: Strategy & Planning

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