STRATEGIC PLAN
2015/16-2019/20

higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

**SERVICES
SETA**

OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- was developed by the management of the Services SETA in consultation with the Department of Higher Education and Training

- was informed by the revised Services SETA Sector Skills Plan submitted on 01 August 2018

- accurately reflects the strategic outcome-oriented goals and strategic objectives which the Services SETA will endeavour to achieve over the period of 2015/16 – 2019/20

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FOREWORD

The Minister of Higher Education and Training, following consultation with the National Skills Authority, on 15 December 2016 extended the National Skills Development Strategy (NSDS) III and re-established the Sector Education and Training Authority (SETA) landscape until 31 March 2020. In 2015, the Minister published the proposal for "The New National Skills Development Strategy (NSDS) and Sector Education and Training Authorities (SETAs) Landscape within the Context of an Integrated and Differentiated Post School Education and Training System" in the Government Gazette No. 39386 calling for public comment. The review process has been concluded. The Department of Higher Education and Training (DHET) is expected to adopt a phased approach in implementing the new landscape beyond 2020.

Notwithstanding some uncertainty due to the above, continuity of the Services SETA leadership in the form of the Accounting Authority provides the necessary stability to ensure continued improvement in service delivery. It is expected that all vacant positions in the Accounting Authority will be filled soon to ensure optimal oversight.

Upon recommendation from the DHET, this Strategic Plan has been re-aligned to the current electoral term and therefore covers the period 2015/16 to 2019/20. This Strategic Plan update was also informed by the Sector Skills Plan 2019/20 (submitted on 01 August 2018), including the revised Pivotal list which was submitted indicating planning priorities for the forthcoming financial year 2019/20. Furthermore, this update has been made in line with the National Treasury's Framework for Strategic Plans and Annual Performance Plans (2011).

The Services SETA has also adopted the DHET's recommended Annual Performance Plan programme structure.

A monitoring and evaluation framework for the organisational performance has been improved to enhance the alignment between inputs, activities, outputs, outcomes and impact, and enabling relevant filtering and sorting. This will result in an improved results-based management practice at the Services SETA.

The Services SETA continues to strive to improve access to skills development and training through sustained investments in skills development infrastructure, and more targeted efforts in rural development and entrepreneurship and cooperatives development will further support developmental and transformation imperatives.

Ms AMANDA BUZO-GQOBOKA

ACTING CHIEF EXECUTIVE OFFICER

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LIST OF ACRONYMS

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

SME	Small and Micro Enterprises
SMME	Small, Medium and Micro Enterprises
SSP	Sector Skills Plan
TVET	Technical and Vocational Education and Training
WPPSET	White Paper on Post-School Education and Training
WSP	Workplace Skills Plan

PART A: STRATEGIC OVERVIEW

1. VISION

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

2. MISSION

Facilitation of quality skills development for employment and entrepreneurship in the services sector for national economic growth.

3. VALUES

The Services SETA will be guided by the following values:

- Accountability

- Innovation

- Integrity

- Professionalism

- Responsiveness.

4. LEGISLATIVE AND OTHER MANDATES

4.1. Constitutional Mandate

The Constitution of the Republic of South Africa, 1996 (Act No.108 of 1996) stipulates that public administration should adhere to a number of principles, including that:

- a high standard of professional ethics be promoted and maintained;

- services be provided impartially, fairly, equitably and without bias;

- resources be utilised efficiently, economically and effectively;

- peoples' needs be responded to;

- the public be encouraged to participate in policy-making; and

- it be accountable, transparent and development-oriented.

Government officials must follow the "Batho Pele" principles which require public servants to be polite, open and transparent and to deliver good service to the public. Eight Batho Pele principles were developed to serve as an acceptable policy and legislative framework regarding service delivery in public service.

Batho Pele Principles

Principle	Interpretation
Consultation	Citizens should be consulted about the level and quality of the public services they receive and, wherever possible, should be given a choice about the services that are offered
Service Standards	Citizens should be told what level and quality of public service they will receive so that they are aware of what to expect
Access	All citizens should have equal access to the services to which they are entitled
Courtesy	Citizens should be treated with courtesy and consideration
Information	Citizens should be given full accurate information about the public services they are entitled to receive
Openness and Transparency	Citizens should be told how national and provincial departments are run; how much they cost and who is in charge
Redress	If the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made, citizens should receive a sympathetic, positive response
Value for Money	Public services should be provided economically and efficiently in order to give citizens the best possible value for money

The aim is to progressively raise standards of service, especially for those whose access to public services have been limited in the past and whose needs are greatest.

4.2.   Legislative Mandates

Skills Development Act	Section 9 (1) of the Skills Development Act (SDA) empowers "the Minister of Higher Education and Training to establish a Sector Education and Training Authorities for any national sector economy". In the terms of the SDA, key functions of SETAs are: to develop and implement sector skills plan within the framework of the national skills development strategy; and to promote and register learning programmes. Key programmes for SETAs comprise: on the job-training, learnerships, internships and bursaries, with a particular focus on the unemployed and youth.
	To strengthen accountability on the SETAs performance the SDA mandates the national Department of Higher Education and Training (DHET) to enter into a Service Level Agreement (SLA) with all SETAs. The copy of the Service Level Agreement between Services SETA and the Ministry for Higher Education and Training is attached in Annexure B of the APP 2019/20.

Skills Development Levies Act	The Skills Development Levies Act (1999) makes provision for the funding of SETAs through levies collected from employers. In terms of the Act, employers are required to pay 1% of the payroll cost to the National Treasury through the South African Revenue Services (SARS). SETAs receive 80% of the funds to facilitate training of employees and prospective employees. SETAs distribute a portion of the funds back to employers upon receipt of workplace training plans and reports. The levy system was intended to create an incentive for employers to train employees, and to support training to drive the skills development programme of the government. Currently, the Grant Regulations determine that: The skills levy is not the only source of funding for skills development in the sector. Many employers spend resources on training that they do not report; learners themselves often pay for their own studies; and public providers such as TVET colleges and Higher Education Institutions are funded 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. Also, the Services SETA influences the expenditure of these resources through sector skills planning.
Public Finance Management Act	The Services SETA is established as a national public entity in terms of Schedule 3 (Part A) of the Public Finance Management Act (PFMA) (Act 1 of 1991). Therefore, the Services SETA must conduct its financial affairs in line with the PFMA. The current audit findings by the Auditor-General of South Africa points towards sustained improvement in the way the Services SETA conducts its financial affairs. The reports note that no matters were reported that indicate any material deficiencies in the system of internal controls or any deviations therefrom. Accordingly, we can report that the system of internal controls over financial reporting, for the period under review, was efficient and effective.

4.3. Policy Mandates

The National Development Plan	This Strategic Plan and the Annual Performance Plan place emphasis on the priorities identified in the NDP. In the immediate, there is need to support Operation Phakisa which seeks to fast track the delivery of priorities outlined in the NDP regarding the oceans economy. In supporting the education agenda linked to this mandate the Services SETA supports DHET's skills development and capacity-building initiatives which prioritise Workplace Based Learning (WBL) through facilitating placement of TVET College graduates. Additionally, through the Skills Development Centres' initiative, the Services SETA aims to address artisanal skills shortages identified by Occupational Teams that have been established for the Strategic Infrastructure Projects (SIPs) being utilised for Operation Phakisa.
	Overall, the Services SETA Sector Skills Plan has identified the following interventions to support the implementation of the NDP in the Services Sector:
	• Unemployment – the Services SETA will provide workplace placement for unemployed graduates as well as internships for students
	• Bursaries – the Services SETA will provide full bursaries covering tuition, books, accommodation and living allowances to students from poor families
	• Collaboration with TVET colleges and HETs – Services SETA has put in place initiatives to strengthen the capacity of TVET colleges to deliver Services Sector specific programmes
	• Artisan development – the Services SETA has extensive initiatives to support artisan development
Medium-Term Strategic Framework	The Medium-Term Strategic Framework (MTSF) (2014 – 2019) has been extensively used to guide the formulation of the Services SETA's strategic outcome-oriented goals discussed in Part B of this plan. Focus areas of relevance to the Strategic Plan as informed by the MTSF include:
	• Strengthening competitiveness and promotion of SMEs and co-operatives;
	• Developing rural TVET Colleges;
	• Ensuring that training and skills development initiatives in the country respond to the requirements of the economy, rural development challenges and social integration; and
	• Identifying knowledge-intensive activities that build South Africa's strengths as the basis for long-run prosperity.
Human Resources Development Strategy	The Human Resource Development Council (HRDC) recently released a revised Human Resources Development Strategy (HRDS) in April 2017. The revisions identity and reinforce the relevance of skills development and the importance of human resource development to achieving our national objectives. The revisions also identify the key stakeholders and the importance of the workplace as the site of development.

	The Services SETA plays an intermediary role in facilitating the programmatic interventions of the strategy. The responsibility is to ensure a coordinated and continuous dialogue with stakeholders to lay the foundation for collaboration to address scarce, critical and priority skills needed for the services sector. More specifically, the Services SETA is busy developing new qualifications aligned to the objectives of the HRD-SA. The process of strengthening partnerships with Technical and Vocational Education and Training (TVET) Colleges and Higher Education and Training (HET) institutions is ongoing. The Services SETA is continuously researching the training needs of the services sector as presented in its SSP.
National Skills Development Strategy III	The National Skills Development Strategy III (NSDS III) directly drives the skills development agenda of South Africa which aims to realise equitable economic growth that promotes employment and eradicates poverty. SETAs are the primary vehicles through which the NSDS III goals and objectives are being implemented. Through its programmatic interventions – informed by the SSP – the Services SETA will continue to balance both PIVOTAL programmes and entry level skills for which there is social demand within the services sector. Efforts are currently in place to ensure that Discretionary Grant Funding addresses at least 80% of the scarce and critical skills within the services sector.
National Accords	The Services SETA's contribution to the National Youth Accord is primarily through investment in artisanal training related to SIPS and additionally through the placement of TVET learners on work-integrated learning in the public and private sector; and the significant allocation of resources to artisan development.
White Paper on Post-School Education and Training	The White Paper focuses on improving the quality of the TVET colleges which entails the development of appropriate programmes; upgrading of lecturer qualifications; capacity building for management and governance; improved learner support; utilising appropriate information technology systems for learning and management; and building strong partnerships between colleges and employers in the public and private sectors. The Services SETA has established strategic partnerships with TVET Colleges and Universities aimed at ensuring improved access to quality learning programmes, increased relevance of skills development interventions and building strong partnerships between stakeholders and social partners. The focus is on TVET colleges based in rural areas.
New Growth Path	The New Growth Path (NGP) sets out the overarching government strategy for achieving inclusive growth through large-scale employment creation. The policy's principal target is to create five million jobs over the next 10 years. The Strategic Integrated Projects (SIPs) are the primary vehicles for achieving the NGP. The NGP envisions what the SETAs should identify in each industry, where employment creation is possible, including along the value chains in the services sector. In particular, it requires the identification of small business expansion, and rural development opportunities. The Services SETA participates actively in SIPs forums and assumed the role of coordinator for the service and clerical workers. The priorities agreed through the national SIPs skills planning processes have been factored into the strategic thrust of the Services SETA's Strategic Plan and Annual Performance Plan.

IPAP II: IPAP 2018/19 – 2020/21	The current version of IPAP relates to the services sector in three main focus areas. First, the targeted growth in manufacturing aims also to have a downstream impact on growth in the services provided to manufacturing. Second, the restructuring of public procurement has major implications – the services sector is a major supplier to government. Third, Special Economic Zones and Cluster Programmes aim to create integrated value chains across sectors – the services sector is thus becoming a core support node, and the labour market on which the sector draws needs to be understood in this context. The Services SETA will continue to align training programmes to these initiatives through on-going research and partnerships with other state entities, including SETAs and institutions of higher learning.
Rural Development and Land Reform Strategy	As part of the rural development strategy, the Services SETA has entered into strategic partnerships with various Municipalities and TVETs in line with the NSDS III principle of supporting economic growth for employment creation and poverty eradication. These are elaborated in the APP. The role of the Services SETA in rural development is through a multi-faceted strategy providing opportunities for the support and development of SME and Cooperatives whose scope falls within the services sector, the development and empowerment of persons with disabilities, youth and women empowerment, as well as driving the strategy of engagements and building capacity within local public TVETs.

4.4. Relevant Rulings

In the matter between Business Unity South Africa v Minister of Higher Education and Training and Others (JR 1110/13) [2015] ZALCJHB 285 (7 August 2015):

The Court declared Regulations 3(11) and 4(4) of the 2012 Grant Regulations to be invalid, and it set them aside. However, it suspended the effect of that order until 31 March 2016. Regulations 3(12) and 4(4) of the 'SETAs Grant Regulations Regarding Monies Received by a SETA and Related Matters' promulgated in terms of section 36 of the Skills Development Act 97 of 1998 in Government Notice R.990 of 3 December 2012 were declared invalid and set aside. The order was suspended until 31 March 2016.

Leave to appeal was granted on 15 September 2015. Subsequently DHET launched an appeal which was dismissed on 7 November 2017. The matter has been referred to an arbitrator appointed by the Labour Relations Court. The outcome is outstanding. However, based on the department's directive, the SETA's continue to disclose their uncommitted surpluses transferrable to the NSF as a contingent liability at the end of each financial year.

5. SITUATIONAL ANALYSIS

5.1. The Performance Environment

5.1.1. Sector Overview

The Services SETA is established in terms of Section 9(1) of the Skills Development Act of 1998 (as amended). It is one of 21 SETAs re-licensed by the Minister of Higher Education and Training in 2010 for the period 2011 to 2016. The license period has since been extended to 31 March 2020. The Services SETA is responsible for skills development in the services sector. The scope of the Services SETA consists of 70 SIC codes, which have been grouped into six chambers and 16 sub-sectors (See the Sector Skills Plan (2019/20) for details).

Data from Statistics South Africa indicate that the Services SETA-related sectors combined contributed approximately 17.9% to the economy of South Africa in 2017, as measured by gross value add (GVA) (Stats SA, 2018a). Of these sectors, the Professional Business Services sector contributed more than two thirds to the GVA generated in the three Service SETA related sectors, with the Business Activities and Other Community, Social and Personal Services sectors contributing 15% and 17% respectively. The situation remained pretty much the same in the preceding year, that is, 2016.

The Services SETA has the largest SETA's number of employers falling within its scope. Approximately 176 793 employers fall within its demarcation, as of May 2018 (Services SETA, 2018[1]). About 131 105, or 13%, employers were actively trading around the same time.

Proportionally, most employers are in the Management and Business Services Chamber with 143 856 (81%) employers, followed by Real Estate and Related Services Chamber with 13 167 (7%) employers; with the lowest numbers recorded in the Marketing and Communication Services Chamber. Analysis of employer Workplace Skills Plans (WSP) and Annual Training Reports (ATR), submitted in April 2018, indicates a high volume of employer investment in the Cleaning and Hiring Services and Related Estate Services Chambers. Therefore, Services SETA Strategic Plan (SP) and Annual Performance Plan (APP), will consider these developments in informing training intervention priorities for the sector. Similar observations can be made regarding the levy payment.

The highest employment numbers proportionately were recorded in the Community and Social Services industry (3,785 million people), followed by Trade (3,276 million people), and Finance and Other Business Services (2,402 million people). Data further indicates that the services sector has been resilient over the last two years, with the related industries registering growth in employment rate; the Community and Social Services, and Finance and Other Businesses sector creating 216,000 and 24,000 jobs, respectively, year-to-year. On the other hand, industries such as Construction, Mining, Private Households and Agriculture registered a negative employment growth for the same period.

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[1]These figures are based on the Employer Database generated by the Department of Higher Education and Training that covers April 2018.

A comparative analysis of the national and services sector reveals that of the 3 million plus people employed in this sector, this accounts for almost 28% of the total labour force of the country, the majority are employed in Community, Social and Personal Services (47%). QLFS (Stats SA, 2018b) indicates that 56% of labour force in the services sector is comprised of men. Regarding racial composition of the services sector workforce, almost 80% comprises of African, followed by Whites and Coloured at 10% and 8%, respectively. Most employees in the services sector (34%) are aged between 35-44 years. Data further indicates that most of the workforce in this sector was employed at the level of domestic workers (29.2%), followed by sales persons (23.7%).

5.1.2. Sector Skills Plan Priorities and Implications for Planning

Planning skills is also influenced by predominant drivers of change. The Sector Skills Plan (2019/20) identified five key drivers of change:

a) Migration

Migration has a dual influence on the services sector. On the one hand, it brings with a set of new skills which the expatriates bring to the country in support of economic growth. On the other hand, it has the potential of exacerbating competition for limited employment opportunities and promoting informal training. Research reveals that medium businesses have far more chances of creating job opportunities compared to large corporations. The proliferation of small, unregulated businesses has the potential to undermine this effort. This state of affairs requires the provision of appropriate skills specifically related to business management – whether start-up, or emerging businesses. The Services SETA has established an Entrepreneurship and Cooperative Development Institute to support emerging and small businesses. The Institute plans to provide responsive and accessible services to entrepreneurs and to promote the creation, growth and sustainability of micro, small and medium sized enterprises through business development services.

b) Information and Communications Technology

Technological innovation continues to be the driver of economic growth and development in the services sector. The influence of technology cuts across all the subsectors. To address the impact of technology on the services sector, the Services SETA has commissioned a two-year project to look at future job opportunities with a focus on technology, among others, to inform programme offerings for the sector. The project is expected to be completed by October 2018. In addition, plans are underway to implement learning interventions with a specific focus on cyber security.

c) Globalisation and Economic Integration

Technology is considered the primary agent of globalisation (Haroon, et al., 2016). Firstly, technology has removed the need to supply services, in person, by enabling tradability of certain services across borders. Secondly, transportability means that services are no longer restricted by time or proximity. Finally, most services are delivered electronically, and therefore do not face the same trade barriers such as tariffs and

customs that are placed on goods. Higher levels of economic integration do bring about globalisation and higher levels of competition as well.

The implications of these dynamics for skills planning is that there is a growing demand for qualified hair-stylists in the Afro-hair industry (Services SETA, 2017a). Information and Technology skills are imperative given the centrality of technology in globalisation. The envisaged intervention on Information Technology is poised to address this skills gap.

d) Policy and Legislative Changes

Legislation and policy changes in South Africa have a bearing on the country as an investment destination. The Labour and Collective Services subsector is particularly vulnerable to these changes. A major factor affecting the labour recruitment services industry is the recent court ruling on labour brokers. The ruling compels companies to permanently hire any employee who is on a temporary employment for more than 3 months. The proposed legislative changes have the potential to increase the administration cost for compliance, making smaller businesses difficult to sustain. In addition, the recently legislated minimum wage of R20/hour has been cited as the big concern among employers, especially small business owners. The concern is around affordability of the minimum wage by small employers.

e) Green Skills

South Africa is making efforts to control the effects of climate change by creating environmental awareness and promoting sustainable development through the green economy in support of the NDP vision (NDP, 2012). Through the green economy, South Africa can benefit from the opportunities opened by global and local green economic activity, eco-innovations and green jobs. The transition towards a low-carbon economy ('green economy') for most of the services sector will be significant and will bring about challenges as well as opportunities. Challenges for the sector include the need to absorb the initially higher costs of doing business meeting the regulatory requirements and aligning practices to the needs and expectations of customers and clients towards going green.

The Services SETA is working with the industry to develop qualifications and accredited Skills Development Providers (SDPs) to improve the pipeline of skills supply. In addition, the Services SETA will embark upon a programme of mainstreaming green skills across the services sector value chain and developing appropriate qualifications to meet the demands. In this regard, the Services SETA is in the process of launching a Research Chair on green skills with the University of Mpumalanga.

5.1.3. Skills Priorities

The Sector Skills Plan 2019/20 identified four critical areas of interventions to promote skills development in the sector in the short-to-medium term. These include:

- Alignment and review of the Services SETA qualifications

- Promoting access to skills development

- Entrepreneurship and cooperative development
- Mobilisation of the industry to participate in work-based learning programmes

5.1.4. Services SETA PIVOTAL List

The NSDS III puts great emphasis on professional, vocational, technical and academic learning (PIVOTAL) programmes. PIVOTAL programmes are programmes that provide full occupationally-directed qualifications. PIVOTAL courses would require practical learning in the workplace as part of their requirements. The NSDS III notes that fundamental to the successful implementation of PIVOTAL programmes will be the model of a cooperation between SETA, a higher education and training institution, and an employer to ensure responsive curricula and courses. The Services SETA has identified the following PIVOTAL programmes for implementation for the 2019/20 financial year – see Table 2.

Table 1. Services SETA PIVOTAL Skills List

OCCUPATION CODE	OCCUPATION	CHAMBER	INTERVENTION PLANNED BY THE SETA	NQF LEVEL
2017-811201	Commercial Cleaner	Cleaning and Hiring Services Chamber	National Certificate: Specialist Hygiene and Cleaning Services - Bursary	5
			National Certificate: Hygiene and Cleaning Supervision - Learnership	5
			General Education and Training Certificate: Hygiene and Cleaning - Learnership	5
			General Education and Training Certificate: Hygiene and Cleaning - Learnership	1
2017-333402	Real Estate Agent	Real Estate Services Chamber	National Certificate: Real Estate - Bursary	6
			National Certificate: Real Estate, Further Education and Training - Bursary	5
			Certificate: Real Estate, National Certificate: Real Estate - Learnership	4
			National Certificate: Generic Management: Real Estate - Bursary	5
2017-411101	General Clerk	Business and Management Services Chamber	Further Education and Training Certificate: Payroll Administration Services - Learnership	4
			General Education and Training Certificate: Business Practice - Learnership	1

OCCUPATION CODE	OCCUPATION	CHAMBER	INTERVENTION PLANNED BY THE SETA	NQF LEVEL
			National Certificate: Business Administration Services - Learnership	2
2017-422206	Call or Contact Centre Agent	Communication and Marketing Services Chamber	National Diploma: Contact Centre Management - Bursary	5
			National Certificate: Contact Centre Support - Learnership	2
			Further Education and Training Certificate: Real Estate - Learnership	4
2017-333401	Property Manager	Real Estate Services Chamber	Certificate: Real Estate, National Certificate: Real Estate - Learnership	4
			National Certificate: Generic Management: Real Estate - Bursary	5
2017-332203	Sales Representative	Communication and Marketing Services Chamber	Further Education and Training Certificate: Marketing - Bursary	4
			Ladies Hairdresser - Hairdressing - Learnership	Trade
			Gentlemen's' Hairdresser - Hairdressing - Learnership	Trade
2017-514101	Hairdresser	Personal Care Services Chamber	Further Education and Training Certificate: Hairdressing - Learnership	4
			National Certificate: Hairdressing - Learnership	3
			National Certificate: Hairdressing - Learnership	2
2017-431101	Accounts Clerk	Business and Management Services Chamber	Further Education and Training Certificate: Payroll Administration Services - Learnership	4
			General Education and Training Certificate: Business Practice - Learnership	1

OCCUPATION CODE	OCCUPATION	CHAMBER	INTERVENTION PLANNED BY THE SETA	NQF LEVEL
2017-242101	Management Consultant	Business and Management Services Chamber	Further Education and Training Certificate: Generic Management - Learnership	4
			Further Education and Training Certificate: Business Administration Services - Learnership	4
			National Certificate: Generic Management - Bursary	5
2017-516301	Funeral Director	Personal Care Services Chamber	Further Education and Training Certificate: Generic Management - Learnership	4
			Further Education and Training Certificate: Business Administration Services - Learnership	4
			National Certificate: Generic Management - Bursary	5

5.2. Organisational Environment

5.2.1. Services SETA operating model and Implications for planning

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

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

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

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

The model is depicted in the diagram below:

Figure 1. Services SETA Operating Model
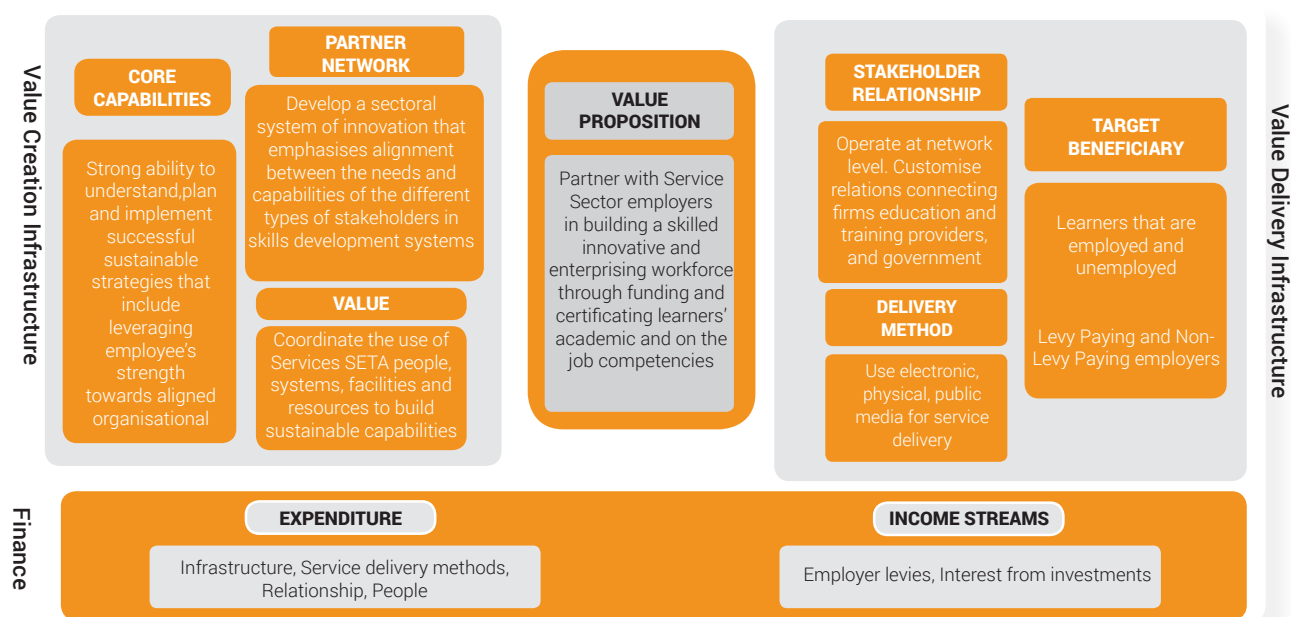
The operating model is intended to be realised through the effective implementation of the Services SETA's strategy as outlined in the subsequent sections. It can be further clarified through the Services SETA's value chain described below.

5.2.2. The Services SETA Value Chain

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

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

The diagram below depicts the different components of the Services SETA's value chain. 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 qualification design and learning interventions to address sectoral scarce and critical skills. Through the accreditation and quality assurance of service delivery providers, capacity is built to ensure that delivery of training. Thereafter the Discretionary Grant Funding process enables the facilitation of these learning interventions by ensuring the adequate financial and human resources.

Figure 2. Services SETA Value Chain
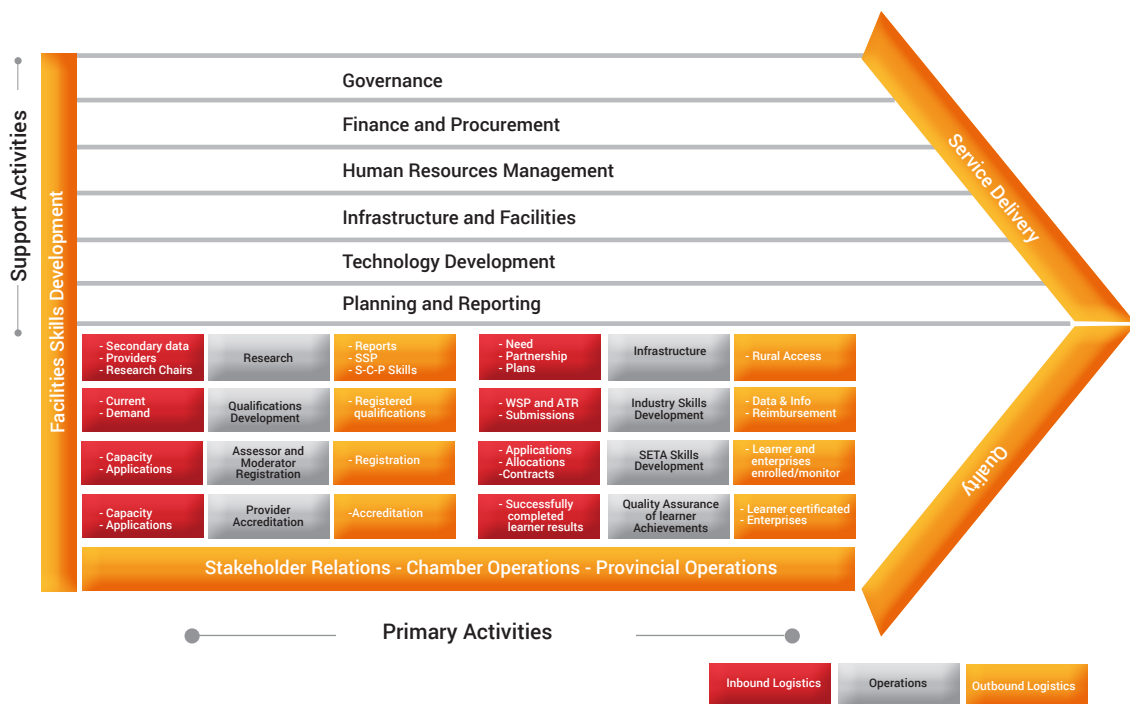
Throughout implementation and at closeout, quality assurance is carried out to ascertain value and guarantee that learners exit the system with qualifications. Throughout the process, stakeholder relations remain an anchor by ensuring the communication of key operational information, the data about these activities, and the understanding and revelation of it, is equally important to the activities themselves. The Services SETA acknowledges that the activities in the value chain merge and shape, through integration and association, the organisation's operating model.

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

Figure 3. Skills Development Cycle
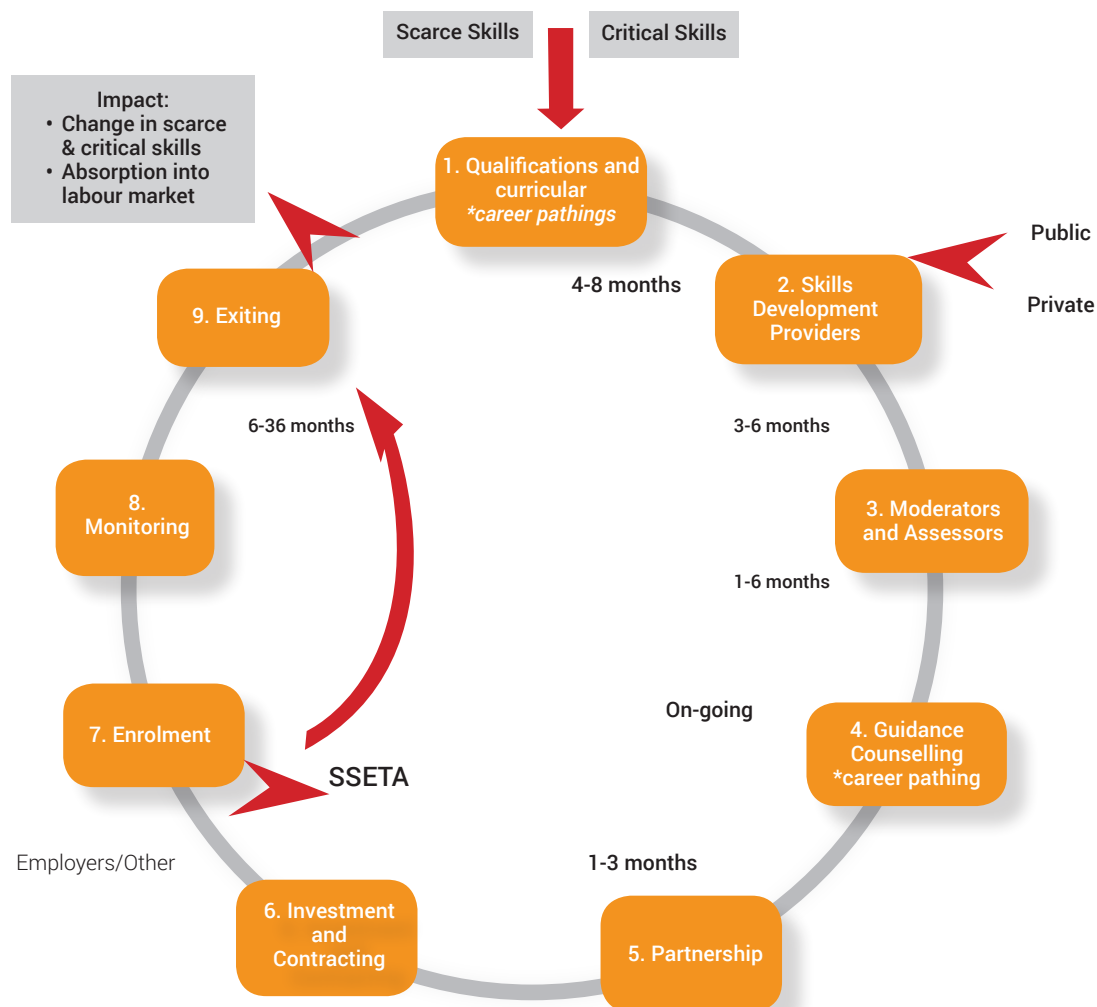
5.2.3. Organisational capabilities underpinning performance improvements

Since its establishment, the Accounting Authority has provided consistent oversight over the affairs of the Services SETA, in addition to providing guidance on its strategic direction as highlighted above. The Board is fully functional, as demonstrated by the frequency of the scheduled meetings, and the meeting attendance rate by members, 100% and more than 70%, respectively.

Six sub-committees have been duly established to compliment the work of the board: Audit Committee; Finance Committee; Governance, Risk and Strategy Committee; Human Resources and Remuneration Committee, Transformation Committee and Executive Committee (Accounting Authority). In addition, six chamber committees have been established. Similarly, functionality of these committees is very good as illustrated by frequency of meetings and attendance rates.

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

5.2.4. The Services SETA Organisational Structure and Staffing

Table 2. Services SETA Filled and Approved posts

Filled Posts per Job Level by Programme	Programme 1: Administration	Programme 2: Skills Planning	Programme 3: Learning Programmes	Programme 4: Quality Assurance	TOTALS
Executive Management	3	1	2	1	7
Senior Management	8	2	4	0	14
Management	17	10	14	3	44
Senior Officers	18	5	30	22	75
Officers	11	3	36	9	59
Administrators	15	7	17	7	46
General	1	0	19	0	20
TOTALS	73	28	122	42	265
Approved Posts per Job Level by Programme	Programme 1: Administration	Programme 2: Skills Planning	Programme 3: Learning Programmes	Programme 4: Quality Assurance	TOTALS
Executive Management	4	1	2	1	8
Senior Management	11	3	5	0	19

Approved Posts per Job Level by Programme	Programme 1: Administration	Programme 2: Skills Planning	Programme 3: Learning Programmes	Programme 4: Quality Assurance	TOTALS
Management	34	10	23	4	71
Senior Officers	25	6	47	40	118
Officers	26	11	91	12	140
Administrators	22	10	29	18	79
General	1	0	35	0	36
TOTALS	**123**	**41**	**232**	**75**	**471**
% Occupancy per Job Level by Programme	**Programme 1: Administration**	**Programme 2: Skills Planning**	**Programme 3: Learning Programmes**	**Programme 4: Quality Assurance**	**TOTALS**
Executive Management	75%	100%	100%	100%	88%
Senior Management	73%	67%	80%	0%	74%
Management	50%	100%	61%	75%	62%
Senior Officers	72%	83%	64%	55%	64%
Officers	42%	27%	40%	75%	42%
Administrators	68%	70%	59%	39%	58%
General	100%	0%	54%	0%	56%
TOTALS	**59%**	**68%**	**53%**	**56%**	**56%**

The Organogram below reflects the Governance Structures and Management Committee which comprises of Executive and Senior Management. Management is well constituted with only four current vacancies. Senior Management positions across core business functions are fully occupied. There are two vacancies at Senior Management level, one in the Office of the CEO, and one in Supply Chain Management.

Figure 4. Governance and Executive Structure
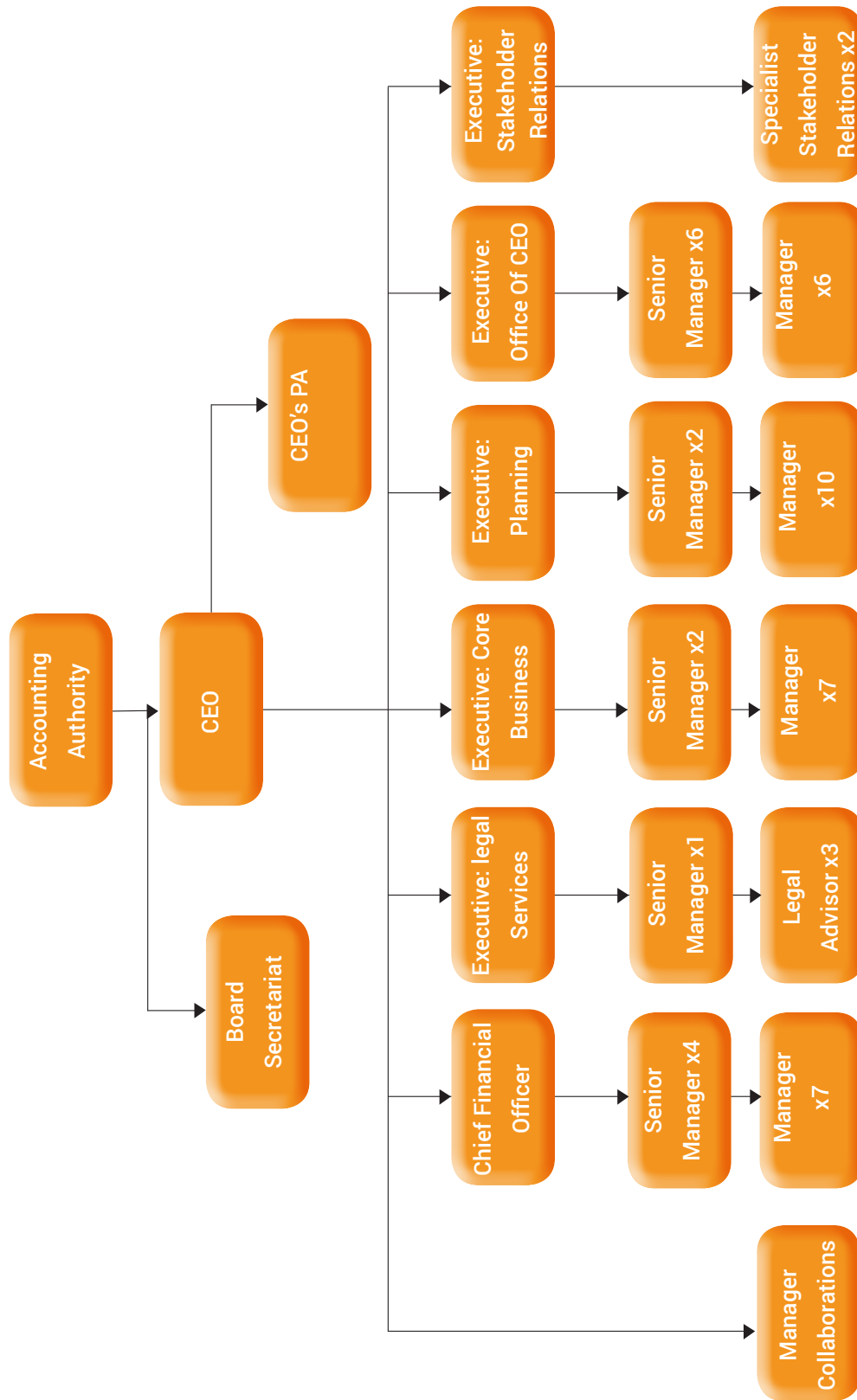
5.3. Strategic Planning Process

The process of compiling the Services SETA Strategic Plan 2019/20 update has been thoroughly participatory. All key internal and external stakeholders were consulted, and their inputs considered during the compilation of the plan.

The table below indicates the dates of consultations and type of stakeholder:

Meeting type	Purpose	Date
DHET feedback on SP/APP 2018/19	To review progress against the previous year's SP and APP and proposal for the forthcoming financial year, including learning pathways targets	1 August 2018
Management Workshop	To review strategic objectives and performance indicators	7 August 2018
Accounting Authority Workshop	To review strategic objectives, risks, performance indicators and targets	15 August 2018
Accounting Authority Workshop	To finalise performance indicators and targets	29 August 2018
DHET feedback on SP/APP 2019/20	To review and receive feedback on the 1st draft 2019/20 APP and SP	16 October 2018
Executive Managers Forum	To finalise performance indicators and targets post consultation with DHET	25 October 2018
Joint Finance Committee and Governance, Risk and Strategy Committee	To finalise performance indicators and targets post consultation with DHET	01 November 2018
Audit Committee	For noting of updates made to the 2019/20 APP and SP	08 November 2018

6. STRATEGIC OUTCOME ORIENTED GOALS

Strategic outcome-oriented goals identify areas of performance that are critical to achieving the Services SETA's mission statement. The key impacts contained in the mission statement include employment, entrepreneurship and economic growth. These impacts are to be achieved and enabled through quality skills development. As such, the outcome statements, indicators and targets address the intention of performance achievement towards these ends. Considerable work has been done to strengthen alignment between the vision, mission, values, outcomes and outputs. The Strategic Objectives and Outputs were mapped to each Strategic Goal and Outcome. These were further mapped to the priorities identified in the Sector Skills Plan, enabling gap closure through the identification of new services and outputs. Technical Indicators Descriptions for each of the outcome indicators further enhance compliance with SMART principles. Where outcome indicators could not be monitored directly, relevant proxy measures have been determined.

6.1. Performance Dimensions and the Performance Cube

The strategy mapping process referred to above has been instrumental in developing a performance information framework also informed by the Services SETA's operating model and value chain. The performance dimensions of the Performance Cube were mapped at a programme level, enabling sorting and filtering. As far as possible process or activity measures were eliminated from the output level. Certain qualitative efficiency measures were retained. The Performance Cube was amended to illustrate the alignment between performance, structure and strategic goals instead of organisational values. The latter underlines the behaviour which the organisation wants to influence in everything that it does and seeks to achieve. It is understood that one output indicator can satisfy multiple goals, however, in the mapping process these were linked to predominant goals and outcomes (Figure 5).

Figure 5. Services SETA Performance Dimension
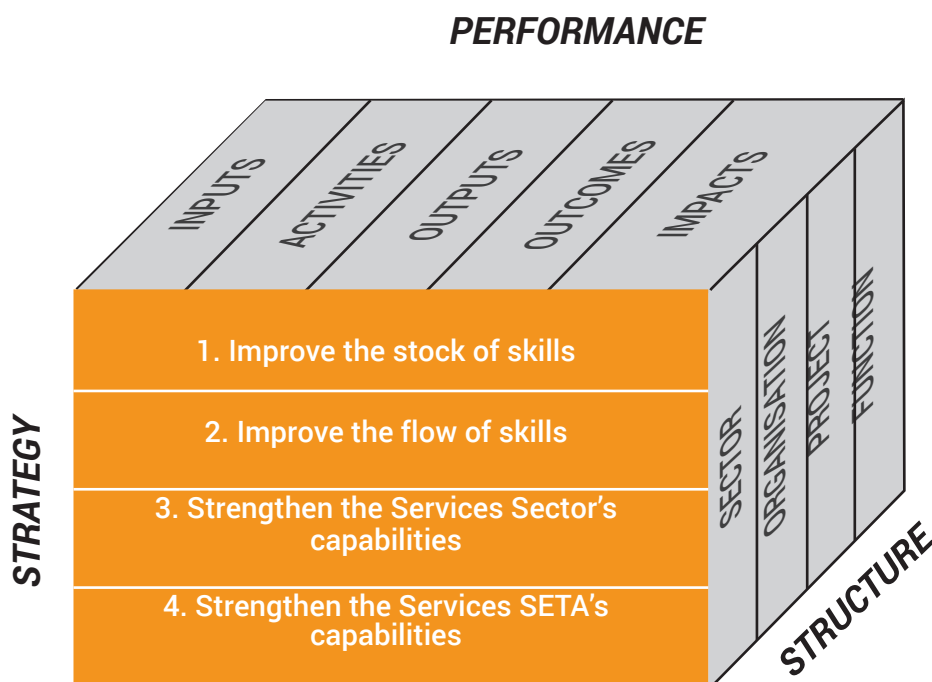
6.2. Services SETA's strategic outcome oriented goals

In a nutshell, the Services SETA has four strategic goals which collectively seek to impact employment, entrepreneurship and economic growth.

Goal 1	Improve the Stock of Skills
Goal Statement	Increase transformation, level and capacity of skills available within the services sector labour market through successful certification of learners in occupational qualifications by 2019/20
Goal 2	Improve the Flow of Skills
Goal Statement	Improve access to and quality of relevant occupational qualifications through skills development infrastructure and capacitation of providers and workplaces as learning spaces by 2019/20
Goal 3	Strengthen the Services Sector's Capabilities
Goal Statement	Strengthen partnerships and collaboration with public and private intermediaries to harness sector capabilities and extend public value
Goal 4	Strengthen the Services SETA's Capabilities
Goal Statement	Optimise the Services SETA's service delivery through strengthening policies, processes, systems, knowledge and competencies

The logical sequencing can be applied bottom-up in that none of these goals would be achievable without the Services SETA having the necessary capabilities to support the sector's capabilities. In turn, these internal and external stakeholders improve provisioning of skills development which in turn generates the available skills within the labour market and economy needed for growth.

Table 3 provides outcome indicators for each strategic goal and targets over the five-year period. In summary, there are 14 outcome indicators. The actual achievement for 2016/17 and 2017/18 serve as a baseline for subsequent years. Technical Indicator Descriptions have been completed for each of the 14 outcome indicators to strengthen measurability and consistency in application (Annexure B).

Table 3. Services SETA Strategic Outcome Oriented Goals, Outcome Indicators and Targets

STRATEGIC OUTCOME ORIENTED GOALS	#	OUTCOME INDICATOR	PERFORMANCE TARGETS				
			ACTUAL		ESTIMATED	PLANNED	
			YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
			2016/17	2017/18	2018/19	2019/20	2020/21
Improve the stock of skills	1.1	Percentage increase in unemployed learners successfully completing learning programmes per annum	1950%	40%	40%	40%	40%
	1.2	Percentage increase in employed learners successfully completing learning programmes per annum	290%	62%	20%	20%	20%
	1.3	Weighted average throughput rate of learning programmes per annum	300%	35%	200%	150%	100%
	1.4	Average achievement of transformational imperatives per annum	60%	250%	65%	65%	70%
Improve the flow of skills	2.1	Percentage correlation between learner enrolments and priority skills per annum	86%	65%	70%	75%	80%
	2.2	Percentage priority skills with accredited skills development providers per annum	100%	65%	98%	98%	98%
	2.3	Percentage increase in employers mentoring learners in the workplace	391%	98%	30%	40%	40%
	2.4	Percentage investment in skills development infrastructure per annum	10%	20%	15%	15%	15%
Improve the Services Sector's capabilities	3.1	Number of entities supported with entrepreneurial education or enterprise development per annum	584	678	850	900	1200
	3.2	Number of private intermediaries engaged per annum	3	798	30	35	30
	3.3	Number of public intermediaries engaged per annum	4	25	40	50	35
Strengthen the Services SETA's capabilities	4.1	Percentage improvement in economy of service delivery per annum	-100%	10%	15%	20%	20%
	4.2	Percentage improvement in efficiency of service delivery per annum	14%	15%	20%	25%	25%
	4.3	Percentage improvement in effectiveness of service delivery per annum	27%	5%	5%	5%	5%

PART B: STRATEGIC OBJECTIVES

7. PROGRAMMES

The Annual Performance Plan progammes have been restructured in accordance with the four programmes proposed by the Department of Higher Education and Training. There are a total of 12 strategic objectives and 37 performance outputs that are structured across the four programmes. The sections below are structure by programme and provide a purpose, strategic objective, resource consideration and risk management. There are a total of 11 strategic risks that have been identified by the Accounting Authority. These risks are mapped to relevant strategic objectives, some of which fall into more than one. Operational risks are not presented herein. Section 7.5 below shows the alignment between the strategic outcome oriented goals contained in this Strategic Plan and the Programmes and Strategic Objectives further detailed in the Annual Performance Plan. A narrative explanation is also provided linking the Sector Skills Plan priorities.

7.1. Programme 1: Administration

7.1.1. Purpose

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

7.1.2. Strategic Objectives

1.1. Strategic Objective Title	Maintain Sound Reporting
Strategic Objective Statement	Financial affairs of the Services SETA are managed in a transparent, efficient and effective manner to maintain a clean audit
Baseline	Clean Audit (2017/18)
Justification	As public entity, the Services SETA should handle public funds in line with the PFMA and related regulations
Links to NSDS III	4.1. Establishing a credible institutional mechanism for skills planning
Link to Strategic Goal	Goal 4: Strengthen the Services SETA's capabilities
1.2 Strategic Objective Title	Strengthen Human Resources
Strategic Objective Statement	People competencies retained and systems developed to leverage technology enabling operational efficiency
Baseline	Percentage of staff complement maintained = 85% (2017/18)
Justification	Improved capabilities for enhanced performance and improved efficiency for faster service delivery and data management
Links to NSDS III	4.1. Establishing a credible institutional mechanism for skills planning
Link to Strategic Goal	Goal 4: Strengthen the Services SETA's capabilities
1.3 Strategic Objective Title	Promote Accountable Governance
Strategic Objective Statement	Accountable governance and leadership oversight focussed on high performance, compliance, internal controls and enterprise-wide risk mitigation

Baseline	Percentage of audit action plans actioned = Baseline (2017/18) Percentage of risk action plans actioned = 100% (2017/18)
Justification	Organisational compliance and performance for service delivery with accountable leadership
Links to NSDS III	4.1. Establishing a credible institutional mechanism for skills planning
Link to Strategic Goal	Goal 4: Strengthen the Services SETA's capabilities

7.1.3. Resource Considerations

a) Human Resources

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

All functions report to the CEO through an Executive or Senior Manager. Special Projects, Enterprise Development, the Bursary Unit and Events Management report the Executive Manager: OCEO. Vacancies in Finance are being prioritised for recruitment. External capacity in Human Resources and Information Communication and Technology is being utilised to establish systems and review policies.

Table 4. Programme 1: Administration – Filled and Approved posts

Filled Posts per Job Level by Department or Function	OCEO	Organisational Branding and Knowledge Management	Internal Audit	Information Communication and Technology	Finance	Legal Services and Organisational Compliance	Human Resources Management and Development	Governance	TOTALS
Executive Management	1	0	0	0	1	1	0	0	3
Senior Management	0	1	0	0	4	1	1	1	8
Management	0	0	3	1	8	3	2	0	17
Senior Officers	3	1	0	2	9	2	1	0	18
Officers	2	0	0	0	7	0	1	1	11
Administrators	1	7	0	0	4	2	0	1	15
General staff	0	0	0	0	0	0	0	1	1
TOTALS	**7**	**9**	**3**	**3**	**33**	**9**	**5**	**4**	**73**

Approved Posts per Job Level by Department or Function	OCEO	Organisational Branding and Knowledge Management	Internal Audit	Information Communication and Technology	Finance	Legal Services and Organisational Compliance	Human Resources Management and Development	Governance	TOTALS
Executive Management	2	0	0	0	1	1	0	0	4
Senior Management	0	2	1	1	4	1	1	1	11
Management	1	3	4	10	9	4	2	1	34

% Occupancy per Job Level by Department or Function	OCEO	Organisational Branding and Knowledge Management	Internal Audit	Information Communication and Technology	Finance	Legal Services and Organisational Compliance	Human Resources Management and Development	Governance	TOTALS
Senior Officers	3	5	0	4	10	2	1	0	25
Officers	4	1	0	0	16	0	3	2	26
Administrators	1	12	0	0	5	2	1	1	22
General staff	0	0	0	0	0	0	0	1	1
TOTALS	**11**	**23**	**5**	**15**	**45**	**10**	**8**	**6**	**123**
Executive Management	50%	0%	0%	0%	100%	100%	0%	0%	75%
Senior Management	0%	50%	0%	0%	100%	0%	100%	100%	73%
Management	0%	0%	75%	10%	89%	75%	100%	0%	50%
Senior Officers	100%	20%	0%	50%	90%	100%	100%	0%	72%
Officers	50%	0%	0%	0%	44%	0%	33%	50%	42%
Administrators	100%	58%	0%	0%	80%	100%	0%	100%	68%
General staff	0%	0%	0%	0%	0%	0%	0%	100%	100%
TOTALS	**64%**	**39%**	**60%**	**20%**	**73%**	**90%**	**63%**	**67%**	**59%**

b) Financial Resources

The increase in the administration programme is mainly due to the 40% increase in the cost of human resources due to the employment of additional staff in the admin programme, the promotion of a healthy living lifestyle, and the acquisition of new provincial offices which will require extensive set-up and connectivity costs

Table 5. Expenditure for Programme 1: Administration

Expenditure by Programmes	Income outcome			Budget (Original)	Adjusted Appropriation	Medium-term expenditure estimate		
R thousand	2015/16	2016/17	2017/18	2018/19	2018/19	2019/20	2020/21	2021/22
Communication Marketing	9,514	91,475	97,294	53,816	149,342	92,471	95,522.56	98,675
Finance	24,655	15,353	105,191	25,115	68,661	45,963	47,480	49,046
Information Technology	35,271	20,434	32,428	22,703	23,835	39,328	40,626	41,966
Board Secretariat Services	9,205	5,854	6,049	9,064	10,885	12,537	12,951	13,378
Compliance	-	1,027	2,556	545	838	11	11	11
CEO	626	132,933	240,526	104,262	202,484	147,424	152,289	157,315
Legal Service	6,912	35,325	42,191	20,524	39,831	35,646	36,823	38,038
Risk Management	737	24	61	2,691	73	86	89	92
Internal Audit	-	-	-	-	3,905	4,134	4,270	4,411
Human Resources	41,566	162,403	55,910	279,245	208,011	203,177	209,882	216,808
TOTAL	**128,486**	**464,828**	**582,206**	**517,966**	**707,865**	**580,777**	**599,942**	**619,741**

7.1.4. Risk Mitigation

Strategic Objective Title	Strategic Objective Statement	Strategic Risk Description	Mitigation
1.3. Ensure accountable governance	Accountable governance and leadership oversight focussed on high performance, compliance, internal controls and enterprise-wide risk mitigation.	Change of leadership	Stakeholder engagement.
1.3. Ensure accountable governance	Accountable governance and leadership oversight focussed on high performance, compliance, internal controls and enterprise-wide risk mitigation.	Lack of integration between business and ICT	Approved ICT Governance framework and policies. Project scoped for development and integration of IT systems, kicked-off an integration project to address the risk. There is a project plan in place and a project charter to monitor the progress of the project.
1.3. Promote accountable governance	Accountable governance and leadership oversight focussed on high performance, compliance, internal controls and enterprise-wide risk mitigation.	Cyber attacks	Firewall is managed by a service provider

7.2. Programme 2: Skills Planning

7.2.1. Purpose

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

7.2.2. Strategic Objectives

2.1. Strategic Objective Title	Conduct credible research to inform planning
Strategic Objective Statement	Expand research capabilities and credibility to inform relevant and evidence-based planning
Baseline	Research chairs established: 3 (2017/18)
Justification	Proper research on the demand and planned supply of skills development (PSET aligned) will ensure greater impact
Links to NSDS III	4.1. Establishing a credible institutional mechanism for skills planning
Links to Strategic Goals	Goal 4: Strengthen the Services SETA's capabilities
2.2. Strategic Objective Title	Promote industry investment and strengthen workplace mentorship
Strategic Objective Statement	Promote industry investment in workplace skills development and occupational qualifications strengthening work-integrated learning
Baseline	Mandatory Grant submissions: Large: 137; Medium: 200; Small: 3 621 (2017/18)
Justification	Increase participation by employers to promote better use of workplace-based skills development
Links to NSDS III	4.1 Establishing a credible institutional mechanism for skills planning 4.2 Increasing access to occupationally-directed programmes 4.5 Encouraging better use of workplace-based skills development
Links to Strategic Goals	Goal 1. Improve stock of skills Goal 2. Improve of skills

7.2.3. Resource Considerations

a) Human Resources

The Mandatory Grants function reports to the Senior Manager: Learning Interventions. This unit is responsible for checking compliance of Mandatory Grant submissions and providing technical assistance and systems training. Finance processes reimbursements for complaint Mandatory Grant submissions. Revised programmatic approaches may not require as many positions in this unit, in future, as some services may be rendered through other units or departments. The Planning Department is reasonably well represented. Critical needs have been identified and prioritised.

Table 6. Programme 2: Skills Planning – Filled and Approved posts

Filled Posts per Job Level by Department or Function	Planning	Chamber Operations	Mandatory Grant	TOTALS
Executive Management	1	0	0	1
Senior Management	0	1	1	2
Management	3	5	2	10
Senior Officers	3	0	2	5
Officers	0	3	0	3
Administrators	1	2	4	7
General staff	0	0	0	0
TOTALS	**8**	**11**	**9**	**28**
Approved Posts per Job Level by Department or Function	Planning	Chamber Operations	Mandatory Grant	TOTALS
Executive Management	1	0	0	1
Senior Management	1	1	1	3
Management	3	6	1	10
Senior Officers	4	0	2	6
Officers	1	6	4	11
Administrators	2	3	5	10
General staff			0	0
TOTALS	**12**	**16**	**13**	**41**

% Occupancy per Job Level by Department or Function	Sector Skills and Strategic Planning	Mandatory Grants	Monitoring and Reporting and Impact Evaluations	TOTALS
Executive Management	100%	0%	0%	100%
Senior Management	0%	100%	100%	67%
Management	100%	83%	200%	100%
Senior Officers	75%	0%	100%	83%
Officers	0%	50%	0%	27%
Administrators	50%	67%	80%	70%
General staff	0%	0%	0%	0%
TOTALS	**67%**	**69%**	**69%**	**68%**

b) Financial Resources

The increase in Skills Planning is due to the increase in research projects commissioned by the planning department enhancing the SETA's understanding of its sector's needs and capabilities, which will be used to prioritise programmes for skills development and further provide a better yield on the SETA's investment in skills development.

Table 7. Expenditure for Programme 2: Skills Planning

Expenditure by Programmes	Actual Expenditure			Budget (previous)	Adjusted Appropriation	Medium-term expenditure estimate		
R thousand	2015/16	2016/17	2017/18	2018/19	2018/19	2019/20	2020/21	2021/22
Mandatory Grants	151,134	185,685	166,653	142,205	166,116	173,032	178,742	184,640
Planning	4,121	21,168	9,510	18,655	18,226	16,681	17,231	17,800
TOTAL	155,255	206,853	176,163	160,860	184,342	189,713	195,973	202,440

7.2.4. Risk Management

Strategic Objective Title	Strategic Objective Statement	Strategic Risk Description	Mitigation
2.1. Conduct credible research to inform planning	Expand research capabilities and credibility to inform relevant and evidence-based planning.	Research not aligned to strategic goals and objectives. Research not conducted in an ethical manner.	A structured Research Framework and Agenda is adhered to. Technical working group to oversee the quality of work. Steering Committee to manage the project daily. Project Milestones: Measured by the Steering Committee and presented to the Working Group for input.
2.2. Promote industry investment and strengthen workplace mentorship	Promote industry investment in workplace skills development and occupational qualifications, strengthening work-integrated learning.	Poor data integrity	Performance information policy reviewed. Monitoring and reporting plan including TIDs and data management practices reviewed. Remedial action plans developed quarterly to address targets not achieved. Inter-departmental coordination and capacitation to improve reporting implemented. Reporting tools developed. Central coordination of reporting on cross-departmental results. Audit readiness checks conducted. Implementation of data management processes Verification, storage and retrieval of portfolios of evidence for organisational performance information and results reported.

7.3. Programme 3: Learning Programmes

7.3.1. Purpose

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

This programme consists of four primary functions namely: Special Projects, Learning Intervention Project Coordination, Chambers Operations and Provincial Operations.

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

It is through the seven learning interventions targeted in this programme, namely: Learnerships; Bursaries; Skills Programmes; Internships; Apprenticeships; RPL and AET; that scarce and critical skills will be addressed. The Services SETA in its Sector Skills Plan for 2018/19 submitted on 01 August 2018, identified a list of 49 hard-to-fill vacancies and 23 skills gaps. Further in-depth analysis and the mandate to balance supply across high, intermediary and entry level qualifications resulted in the POVITAL list comprising of 10 priority skills.

7.3.2. Strategic Objectives

3.1 Strategic Objective Title	Grow Infrastructure and Rural Development
Strategic Objective Statement	Expand infrastructure for skills and enterprise development and target rural development.
Baseline	Active Skills Development Centres: 15 (2017/18)
Justification	Both the NSDS III and MTSF address the objective of equitable development. Special Projects enables targeted investment in support of national and sectoral transformation imperatives.
Links to NSDS III	NSDS III Strategic Goals 4.1 to 4.8
Links to Strategic Goals	Goal 1. Improve stock of skills Goal 2. Improve of skills
3.2 Strategic Objective Title	Promote Supply and Demand Partnerships
Strategic Objective Statement	National priorities promoted through supply- and demand-side partnership development

Baseline	Number of TVET college partnerships: 12 (2017/18)
	Number of University partnerships: 4 (2017/18)
	Number of employer partnerships: 192 (2017/18)
	Number of cooperatives supported: 333 (2017/18)
	Number of SMEs supported: 351 (2017/18)
	Number of non-governmental and community-based organisations supported: 104 (2017/18)
	Number of non-levy paying employers supported: 902 (2017/18)
	Number of Trade Unions supported: 11 (2017/18)
	Number of rural development projects: 5 (2017/18)
Justification	Both the NSDS III and MTSF address the objective of equitable development. Special Projects enables targeted investment in support of national and sectoral transformation imperatives.
Links to NSDS III	NSDS III Strategic Goals 4.1 to 4.8
Links to Strategic Goals	Goal 1. Improve stock of skills Goal 2. Improve skills Goal 3. Strengthen the services sector's capabilities
3.3 Strategic Objective Title	**Promote Enterprise Development**
Strategic Objective Statement	Transformation and sustainability promoted through targeted enterprise development.
Baseline	Number of Skills Development Centres established: 15 (2017/18)
Justification	Both the NSDS III and MTSF address the objective of equitable development. Special Projects enables targeted investment in support of national and sectoral transformation imperatives.
Links to NSDS III	NSDS III Strategic Goals 4.1 to 4.8
	Goal 1. Improve stock of skills Goal 2. Improve skills Goal 3. Strengthen the services sector's capabilities
3.4 Strategic Objective Title	**Prioritise Services SETA Investment**
Strategic Objective Statement	Enrol funded learners to achieve targets, strengthening alignment to hard-to-fill vacancies, skills gaps, PIVOTAL and Priority Skills.
Baseline	Total learner enrolments: 46 692 (2017/18)
Justification	Ensure proper tracking and monitoring of projects to enable timely redirection of funds enhance organisational performance against targets.
Links to NSDS III	4.4. Addressing the low level of youth and adult language and numeracy skills to enable additional training 4.5. Encouraging better use of workplace-based skills development

Links to Strategic Goal	Goal 1. Improve stock of skills
	Goal 2. Improve flow of skills
3.5 Strategic Objective Title	**Promote stakeholder participation**
Strategic Objective Statement	Promote stakeholder participation and information exchange to strengthen relevance and access to services.
Baseline	Number of career events: 12 (2017/18)
	Number of functional chamber committees: 6 (2017/18)
	Number of stakeholder engagements: 282 (2017/18)
	Number of functional provincial stakeholder forums: 9 (2017/18)
Justification	Service delivery on demand as opposed to outreach based and structured.
Links to NSDS III	4.3. Promoting the growth of a public FET college system that is responsive to sector, local, regional and national skills need and priorities.
	4.6. Encouraging and supporting cooperatives, small enterprises, worker-initiated, NGO and community training initiatives.
	4.7. Increasing public sector capacity for improved service delivery and supporting the building of a developmental state.
	4.8. Building career and vocational guidance.
Links to Strategic Goal	Goal 3: Strengthen services sector's capabilities

7.3.3. Resource Considerations

a) Human Resources

The two functions with the lowest level of representation reflect recent changes and additions to the organisational structure. These include Special Projects and the Bursary Unit currently reporting to the OCEO and Stakeholder Relations Management. These functional requirements are being prioritised accordingly. All chambers and provinces are reasonably well capacitated. The total number of filled and or funded and posts per division is presented below.

Table 8. Programme 3: Learning Programmes – Filled and Approved posts

Filled Posts per Job Level by Department or Function	Infrastructure Development and Facilities Management	Special Projects, Enterprise Development and Bursary Unit	Joint Operations Management	Learning Interventions	Provincial Operations	Stakeholder Relations Management	TOTALS
Executive Management	0	1	0	0	0	1	2
Senior Management	1	1	1	0	1	0	4
Management	1	3	1	1	6	2	14
Senior Officers	1	2	2	10	15	0	30
Officers	1	3	8	2	22	0	36
Administrators	2	3	0	1	11	0	17
General staff	19	0	0	0	0	0	19
TOTALS	**25**	**13**	**12**	**14**	**55**	**3**	**122**

Approved Posts per Job Level by Department or Function	Infrastructure Development and Facilities Management	Special Projects, Enterprise Development and Bursary Unit	Operations Management	Learning Interventions	Provincial Operations	Stakeholder Relations Management	TOTALS
Executive Management	0	1	0	0	0	1	2
Senior Management	1	2	1	0	1	0	5
Management	3	6	1	1	10	2	23
Senior Officers	3	6	2	11	25	0	47
Officers	2	9	9	21	48	2	91
Administrators	3	7	0	2	16	1	29
General staff	35	0	0	0	0	0	35
TOTALS	**47**	**31**	**13**	**35**	**100**	**6**	**232**

% Occupancy per Job Level by Department or Function	Infrastructure Development and Facilities Management	Special Projects, Enterprise Development and Bursary Unit	Operations Management	Learning Interventions	Provincial Operations	Stakeholder Relations Management	TOTALS
Executive Management	0%	100%	0%	0%	0%	100%	100%
Senior Management	100%	50%	100%	0%	100%	0%	80%
Management	33%	50%	100%	100%	60%	100%	61%
Senior Officers	33%	33%	100%	91%	60%	0%	64%
Officers	50%	33%	89%	10%	46%	0%	40%
Administrators	67%	43%	0%	50%	69%	0%	59%
General staff	54%	0%	0%	0%	0%	0%	54%
TOTALS	**53%**	**42%**	**92%**	**40%**	**55%**	**50%**	**53%**

b) Financial Resources

The skills development programme focusses on learning interventions which also includes infrastructure development. The latter includes skills development centers, community colleges, learning institutes, artisan development academies, entrepreneurship centres and the refurbishment of the Services SETA's occupied colleges. This reflects the Services SETA's commitment to long-term investment in providing a skills development infrastructure to increase access to learning interventions to the public.

Table 9. Expenditure for Programme 3: Learning Programmes

Expenditure by Programmes	Income outcome			Budget (Original)	Adjusted Appropriation	Medium-term expenditure estimate		
R thousand	2015/16	2016/17	2017/18	2018/19	2018/19	2019/20	2020/21	2021/22
Enterprise development	-	-	1,316	581,061	8,328	10,491	10,837	11,195
Special Projects	55,860	715,453	293,477	520,579	129,862	129,175	133,437	137,841
Provinces	2,233	1,306	4,527	11,172	5,049	3,201	3,307	3,416
Infrastructure Development & Facilities Management	13,338	31,473	384,324	166,189	191,064	151,714	156,720	161,892
Chambers	253	5,737	2,355	13,563	14,609	8,388	8,665	8,951
Stakeholder Relations	-	15	1,569	874	1,783	532	549	567
Learning Intervention	666,708	506,264	1,063,150	464,530	665,307	614,416	527,186	571,082
Artisan Development	-	33	3,640	-	122,544	96,119	99,291	102,568
Joint Project Management Team	-	-	-	-	579	382	394	407
Bursary Management	-	-	-	-	261,336	196,014	202,482	209,164
Core Operations	-	-	-	-	159	177	182	188
Learning Intervention Project Coordination	-	2,013	2,603	931	583	653	674	696
TOTAL	**738,393**	**1,262,294**	**1,756,961**	**1,758,899**	**1,401,203**	**1,211,261**	**1,143,727**	**1,207,969**

7.3.4. Risk Management

Strategic Objective Title	Strategic Objective Statement	Strategic Risk Description	Mitigation
3.2. Promote supply and demand partnerships	National priorities promoted through supply- and demand-side partnership development.	Delay in rolling out training in some of the sectors	Stakeholder engagement to strengthen capacity for supply. Targeted approach per specific sub-sector. Qualifications development. Training and accreditation of SDP's assessors and moderators. Dedicated Discretionary Grant window.
		Non-Completion of learnerships	Contractual stipulation to provide work places. Percentage of construction value through skills development centre projects is set aside for skills development. Implemented stakeholder engagement. Plan by EM SRM supported by Provincial Offices. Onsite verifications, issuing commencements.
3.3. Promote enterprise development	Transformation and sustainability promoted through targeted enterprise development.	Shortage of black training providers	BB-BEE strategy approved.
3.4. Prioritise Services SETA investment	Enrol funded learners to achieve targets, strengthening alignment to scarce and critical demand, and priority skills.	Misalignment of Services SETA offerings to scarce, critical and pivotal skills.	Functional Core Business Committee. Targeted approach and advertising of SSETA offerings. Gathering intelligence through structured stakeholder engagements and functional chamber committees. Planning is represented at all chamber committees.

Strategic Objective Title	Strategic Objective Statement	Strategic Risk Description	Mitigation
3.5. Promote stakeholder participation	Promote stakeholder participation and information exchange to strengthen relevance and access to services.	Poor stakeholder relationships	Annual awareness workshops conducted for submission of WSPs and ATRS. Special targeted and joined projects that also focus on infrastructure development and rural development. Primary research was conducted and informed the 2017/18 Sector Skills Plan (SSP). WSP and ATR data were analysed more comprehensively and supplemented with an employer survey. Structured stakeholder engagements, chamber committee meetings are supposed to close the gaps. Provincial stakeholder forums convene on a quarterly basis. Stakeholder Relations Department has a list of top levy companies that Stakeholder Relations have plans to meet annually. A list of InterSeta transfers is with the legal department. Non-approval of the list: Understand the reasons for movement. Stakeholder relations policy is currently under review. Stakeholder Management Framework under review. Non-Levy are taken care of through provincial forums. Provincial offices are catered for with the provincial stakeholder engagements. Top levy forums: The list is supplied from Finance. Chambers are responsible for the levy paying stakeholders. Provincial forum intents to convene members in a consultative process, sharing information and resolving issues.

7.4. Programme 4: Quality Assurance

7.4.1. Purpose

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

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

7.4.2. Strategic Objectives

4.1 Strategic Objective Title	Strengthen and Assure Quality of Supply
Strategic Objective Statement	Capacitate and support skills development providers to strengthen relevant skills supply.
Baseline	Percentage of SDP applications accredited = baseline (2017/18) Percentage of unsuccessful SDP accreditation remediated = 67% (2017/18) Number of qualifications reviewed and realigned to occupational qualifications = baseline
Justification	Ensure increase in accredited SDPs and registered moderators and assessors to build supply-side capacity. Certification and work experience are regarded as a currency in the labour market in terms of access to employment, promotion and income generation.
Links to the NSDS III	NSDS III Goal 4.1 to 4.8
Links to Strategic Goal	Goal 2: Improve flow of skills
4.2 Strategic Objective Title	Improve Efficiency in Certification
Strategic Objective Statement	Improve efficiency in quality assurance of learner achievements for certification.
Baseline	Percentage of external moderations successfully conducted = baseline (2017/18)
Justification	Improve stock of skills
Links to the NSDS III	4.1 to 4.8
Links to Strategic Goal	Goal 1: Improve stock of skills

7.4.3. Resource Considerations

a) Human Resources

Quality Management has the highest occupancy rate and reflects the critical importance of accrediting service providers and certificating competent learners. The majority of vacancies are at an officer level. External expertise has been contracted to assist in critical areas for development. The total number of filled and/or funded posts per Division is presented below.

Table 10:. Programme 4: Quality Assurance – Filled and Approved posts

Filled Posts per Job Level by Department or Function	Quality Management	Programme Development and Accreditation	Quality Assurance of Learner Achievements	TOTALS
Executive Management	0	0	0	0
Senior Management	0	0	0	0
Management	1	1	0	2
Senior Officers	11	9	1	21
Officers	3	3	0	6
Administrators	8	5	1	14
General staff	0	0	0	0
TOTALS	**23**	**18**	**2**	**43**
Approved Posts per Job Level by Department or Function	**Quality Management**	**Programme Development and Accreditation**	**Quality Assurance of Learner Achievements**	**TOTALS**
Executive Management	0	0	0	0
Senior Management	0	1	0	1
Management	1	2	1	4
Senior Officers	25	13	1	39
Officers	4	6	1	11
Administrators	12	5	2	19
General staff	0	0	0	0
TOTALS	**42**	**27**	**5**	**74**

% Occupancy per Job Level by Department or Function	Quality Management	Programme Development and Accreditation	Quality Assurance of Learner Achievements	TOTALS
Executive Management	0%	0%	0%	0%
Senior Management	0%	0%	0%	0%
Management	100%	50%	0%	50%
Senior Officers	44%	69%	100%	54%
Officers	75%	50%	0%	55%
Administrators	67%	100%	50%	74%
General staff	0%	0%	0%	0%
TOTALS	**55%**	**67%**	**40%**	**58%**

b) Financial Resources

The quality management programme of the SETA focuses on the SETA's investment in the flow of skills by ensuring that there are enough accredited skills development providers to enhance the quality of the SETA's offering. The programme is also aimed at improving the time taken to issuing certificates and statement of results to deserving and competent learners.

Table 11. Expenditure for Programme 4: Quality Assurance

Expenditure by Programmes	Actual Expenditure				Budget (previous)	Adjusted Appropriation	Medium-term expenditure estimate		
R thousand	2015/16	2016/17	2017/18		2018/19	2018/19	2019/20	2020/21	2021/22
Quality Management	945	1,889	2,217		1,294	5,128	4,513	4,661	4,815
TOTAL	**945**	**1,889**	**2,217**		**1,294**	**5,128**	**4,513**	**4,661**	**4,815**

7.4.4. Risk Management

Strategic Objective Title	Strategic Objective Statement	Strategic Risk Description	Mitigation
4.1. Strengthen and assure quality of supply	Capacitate and support skills development providers to strengthen relevant skills supply.	Low uptake of Services SETA offerings	Development of relevant occupational qualifications and review and realign current qualifications. Researched SSP in place. Gathering intelligence through structured stakeholder engagements - Chamber Committees meet quarterly.
4.2. Improve efficiency in certification	Improve efficiency in quality assurance of learner achievement for certification.	Inability to exit learners (low certification rate and throughput) due to poor strategic planning and analysis around enrolments (misalignment input vs output). Leading to unemployable learners and a shortage of skills in the industry.	Stakeholder engagement to strengthen capacity for supply. Specific approach (Special Projects) per sub-sector such as Beauty, Funeral and Hairdressing.

7.5. Alignment between Goals, Programmes and Strategic Objectives

The table below illustrates the alignment between the strategic outcomes-oriented goals contained in the Strategic Plan and the Programmes and Strategic Objectives detailed in the Annual Performance Plan.

Table 12. Alignment between Goals, Programmes and Strategic Objectives

GOAL	GOAL STATEMENT	PROGRAMME	STRATEGIC OBJECTIVE	STRATEGIC OBJECTIVE STATEMENT
Strengthen the Services Sector's capabilities	Increase transformation, level and capacity of skills available within the Services Sector labour market through successful certification of learners in occupational qualifications by 2019/20.	4. Quality Assurance	4.1.2. Improve efficiency in certification	Improve efficiency in quality assurance of learner achievement for certification.
Improve the flow of skills	Improve access to and quality of relevant occupational qualifications through skills development infrastructure and capacitation of providers and workplaces as learning spaces by 2019/20.	2. Skills Planning	2.1.2. Promote industry investment and strengthen workplace mentorship	Promote industry investment in workplace skills development and occupational qualifications strengthening work-integrated learning.
		3. Learning Programmes	3.1.1. Grow infrastructure and rural development	Expand infrastructure for skills and enterprise development and target rural development.
		3. Learning Programmes	3.1.4. Prioritise Services SETA investment	Enrol funded learners to achieve targets, strengthening alignment to scarce and critical demand, and priority skills.
		4. Quality Assurance	4.1.1. Strengthen and assure quality of supply	Capacitate and support skills development providers to strengthen relevant skills supply.
Strengthen the Services Sector's capabilities	Strengthen partnerships and collaboration with public and private intermediaries to harness sector capabilities and extend public value.	3. Learning Programmes	3.1.2. Promote supply and demand partnerships	National priorities promoted through supply- and demand-side partnership development.
		3. Learning Programmes	3.1.3. Promote enterprise development	Transformation and sustainability promoted through targeted enterprise development.
		3. Learning Programmes	3.1.5. Promote stakeholder participation	Promote stakeholder participation and information exchange to strengthen relevance and access to services.

GOAL	GOAL STATEMENT	PROGRAMME	STRATEGIC OBJECTIVE	STRATEGIC OBJECTIVE STATEMENT
Strengthen the Services SETA's capabilities	Optimise the Services SETA's service delivery through strengthening policies, processes, systems, knowledge and competencies.	1. Administration	1.1.1. Maintain sound reporting	Financial affairs of the Services SETA are managed in a transparent, efficient and effective manner to maintain clean audit.
		1. Administration	1.1.2. Strengthen Human Resources and systems adequacy	People competencies retained, and systems developed to leverage technology enabling operational efficiency.
		1. Administration	1.1.3. Ensure accountable governance	Accountable governance and leadership oversight focussed on high performance, compliance, internal controls and enterprise-wide risk mitigation.
		2. Skills Planning	2.1.1. Conduct credible research to inform planning	Expand research capabilities and credibility to inform relevant and evidence-based planning.
		2. Skills Planning	2.1.3. Improve organisational performance	Measurable planning and accurate reporting of organisational performance, and utilisation of evaluation findings to inform services delivery.

The sector skills plan priorities predominantly fall in the following goals, programmes and strategic objectives:

- Promoting access to skills development: Goal 2, Programme 3, Strategic Objective 3.1.1. Grow infrastructure and rural development. This needs to be addresses as a priority, notwithstanding, several other strategic objectives promote access, including industry funding, discretionary grant funding, existence of qualifications and providers.

- Provider expansion and capacitation: Goal 2, Programme 4, Strategic Objective 4.1.1. Strengthen and assure quality of supply (Address this priority directly).

- Improving relevance of qualifications: Goal 4, Programme 2, Strategic Objective 2.1.1. Conduct credible research to inform planning. This would inform relevance and identify gaps to be supported through Programme 4, Strategic Objective 4.1.1. Strengthen and assure quality of supply.

- Focus on vocational training: Goal 2, Programme 2, Strategic Objective 3.1.4. Prioritise Services SETA investment involves the enrolment of funded learners across all occupational qualifications and learning interventions.

- Work-based training and mentorship: Goal 2, Programme 2, Strategic Objective 2.1.2. Promote industry investment and strengthen workplace mentorship. This directly addresses the need to expand workplaces as training spaces, with qualified mentors able to support the monitoring and achievement of learning outcomes.

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Annexure A: Sector Skills Plan

Annexure B:
Technical Indicator Descriptions
for Outcome Indicators

Components	Descriptions
Indicator Title	Unemployed successful completions
Performance Indicator	1.1. Percentage increase in unemployed learners successfully completing learning programmes per annum.
Short definition	**Learners:** Those unemployed and funded by the Services SETA through Discretionary Grant funding across all learning programmes. **Successfully Completing:** Meaning the learners have reached the end of the learning programme and where assessment is applicable, competent learner results have been externally moderated and confirmed through the issuing of a statement of results or certificate. **Annum:** The financial year, commencing 01 April and ending on 31 March.
Purpose or Importance	This is significant in that it shows the growth in skills available and ready for employment or entrepreneurship. The structured workplace experience component of several occupational learning programmes enhances employability and opportunities for learners, and unemployed learners, to establish professional networks as entrepreneurs or prepares them for employment.
Source or Collection of Data	Audited SQMR reports listing unemployed learners that have successfully completed funded learning programmes and the published Annual Report.
Method of Calculation	((Prior year unemployed successful completions − Current year unemployed successful completions) /Prior year unemployed successful completions))*100
Data Limitations	The increase in completions presupposes continued or increased levels of enrolment, a reduction in terminations and an increase in success or pass rates.
Type of Indicator	Outcome
Calculation Type	Non-cumulative
Reporting Cycle	Annual
New Indicator	New
Desired Performance	Maintained or higher; or, Increased not decreased
Indicator Responsibility	Executive Manager: Planning

Components	Descriptions
Indicator Title	Employed successful completions
Performance Indicator	1.2. Percent increase in employed learners successfully completing learning programmes per annum.
Short definition	**Learners:** Those employed and funded by the Services SETA through Discretionary Grant Funding across all learning programmes. **Successfully Completing:** Meaning the learners have reached the end of the learning programme and where assessment is applicable, competent learner results have been externally moderated and confirmed through the issuing of a statement of results or certificate. **Annum:** The financial year, commencing 01 April and ending on 31 March.
Purpose or Importance	This is significant in that it shows the growth in skills and competencies enabling upward mobility and career progression. This creates downstream opportunities for less experienced employees and new labour market entrants in lower job categories.
Source or Collection of Data	Audited SQMR reports listing employed learners that have successfully completed funded learning programmes and the published Annual Report.
Method of Calculation	((Prior year employed successful completions – Current year employed successful completions) / Prior year employed successful completions))*100
Data Limitations	The increase in completions presupposes continued or increased levels of enrolment, a reduction in terminations and an increase in success or pass rates. Data on industry funded.
Type of Indicator	Outcome
Calculation Type	Non-cumulative
Reporting Cycle	Annual
New Indicator	New
Desired Performance	Maintained or higher; or, Increased not decreased
Indicator Responsibility	Executive Manager: Planning

Components	Descriptions
Indicator Title	Throughput rate
Performance Indicator	1.3. Weighted average throughput rate of learning programmes per annum
Short Definition	**Average:** Refers to "regular" meaning "average" calculated by adding a set of values together and then dividing the total by the number of values in the set. **Throughput:** The rate at which a system achieves its ultimate goal, which in this instance is the stock of skills. It therefore is the rate at which learners enter and complete a learning programme. The following formula is applied R = I/T where: *R* is the rate at which the process is delivering throughput *I* is the number of learners that successfully complete *T* is the time it took for the learner to successfully complete **Annum:** The financial year, commencing 01 April and ending on 31 March.
Purpose or Importance	The throughput rate shows the average speed at which the Services SETA is producing qualified learners, despite the variable durations of learning programmes ranging from 3 months to multiple years.
Source or Collection of Data	Audited SQMR reports listing funded learner completions across learning programmes. The start date and end date are captured for individual learners.
Method of Calculation	((Funded learners that successfully completed learnerships / (End data – Start date in months))*100)). Repeated for bursaries, skills programmes, internships, artisans, AET, averaged across these categories. *Weighted in subsequent years*
Data Limitations	Accuracy and completeness in data capturing.
Type of Indicator	Outcome
Calculation Type	Non-cumulative
Reporting Cycle	Annual
New Indicator	New
Desired Performance	Maintained or higher; or, Increased not decreased
Indicator Responsibility	Executive Manager: Planning

Components	Descriptions
Indicator Title	Transformational imperatives
Performance Indicator	1.4. Average achievement of transformational imperatives per annum
Short definition	**Average:** Refers to "regular" meaning "average" calculated by adding a set of values together and then dividing the total by the number of values in the set.

Transformational Imperatives: Informed by the NSDS III which identifies (7) key developmental and transformation imperatives namely race, class, gender, geography, age, disability, HIV and AIDS. The Services SETA has translated these into the following categories black, unemployed, women, rural, youth and disabled.

Achievement: The Services SETA funded learners enrolled, measured against each category.

Annum: The financial year, commencing 01 April and ending on 31 March. |
Purpose or Importance	Shows the average achievement of learners enrolled above the minimum developmental and transformation targets.
Source or Collection of Data	Audited SQMR reports listing funded learner enrolments across learning programmes. Each of the developmental and transformation categories is captured for individual learners.
Method of Calculation	((Black funded learners enrolled / Total funded learners enrolled)*100)) Repeated for unemployed, women, rural, youth and disabled funded learners averaged across these categories.
Data Limitations	Accuracy and completeness in data capturing. Limitations reduced through ID verification and auditing.
Type of Indicator	Outcome
Calculation Type	Non-cumulative
Reporting Cycle	Annual
New Indicator	New
Desired Performance	Positive average shows exceeding targets
Indicator Responsibility	Executive Manager: Planning

Components	Descriptions
Indicator Title	Priority skills correlation
Performance Indicator	2.1. Percentage correlation between learner enrolments and priority skills per annum
Short Definition	**Correlation:** A mutual relationship or connection between two or more things. **Learner enrolments:** Referring to the Services SETA funded enrolments across all learning programmes. **Priority skills:** The consolidated list of scarce, critical or pivotal skills identified in the applicable Sector Skills Plan for the implementation period. **Annum:** The financial year, commencing 01 April and ending on 31 March.
Purpose or importance	The higher the correlation, the higher the relevance of the skills being produced and the greater the likelihood of absorption into the labour market. Scarce and critical skills are informed by researched demand. The pivotal skills list seeks to balance scarcity and social demand.
Source or Collection of Data	Applicable Sector Skills Plan and Audited SQMR reports listing funded learner enrolments across learning programmes. The qualification, including field of study and planned occupation, in the form of an OFO code is captured for individual learners.
Method of Calculation	(current year funded learners enrolled in scarce, critical or pivotal skills qualifications / current year funded learners enrolled)*100
Data Limitations	Accuracy and completeness in data capturing. The planned occupation cannot always be deduced from the qualification or field of study. Only learners can identify their planned occupation at any given time. Grant recipient capacitation and support required to enhance data accuracy and completeness from the source.
Type of Indicator	Outcome
Calculation Type	Non-cumulative
Reporting Cycle	Annual
New Indicator	New
Desired Performance	Improvement year-on-year up to 80%
Indicator Responsibility	Executive Manager: Planning

Components	Descriptions
Indicator Title	Providers for priority skills
Performance Indicator	2.2. Percentage priority skills with accredited skills development providers per annum
Short Definition	**Priority Skills:** The consolidated list of scarce, critical or pivotal skills identified in the applicable Sector Skills Plan for the implementation period.

Accredited Skills Development Providers: The skills development providers with valid Services SETA accreditation for any of the priority skills as at the end of the annum. Providers will only be counted once, despite accreditation spanning multiple qualifications and unit standards.

Annum: The financial year, commencing 01 April and ending on 31 March. |
Purpose or importance	Shows the alignment between supply and demand. The higher the percentage the greater the relevance and alignment. Adequacy of supply would require more in-depth analysis at the level of occupations and qualifications.
Source or Collection of Data	Applicable Sector Skills Plan and list of accredited providers against qualifications and unit standards.
Method of Calculation	(consolidated number of scarce, critical and pivotal skills with accredited skills development providers / consolidated number of scarce, critical and pivotal skills)*100
Data Limitations	Valid accreditation status does not confirm level of activity in supply. Mapping accreditation to pivotal skills is conducted through coding which may result in a margin of error.
Type of Indicator	Outcome
Calculation Type	Non-cumulative
Reporting Cycle	Annual
New Indicator	New
Desired Performance	Above 90%
Indicator Responsibility	Executive Manager: Planning

Components	Descriptions
Indicator Title	Workplaces mentoring learners
Performance Indicator	2.3. Percentage increase in employers mentoring learners in the workplace
Short Definition	**Employers:** An entity that hosts learners through Learnerships, Internships and Apprenticeships funded by the Services SETA. It is these learning programmes that provide for structured workplace-based learning that requires structured mentorship. **Mentoring:** Involves structured supervising and coaching of learners to gain relevant practical workplace experience in a particular field, or area of work, either as part of or post a qualification.
Purpose or importance	Employers are encouraged to create workplace training spaces giving pre- and post-graduates practical experience, thus strengthening work readiness and employability. Measuring growth will demonstrate the commitment of employers to this priority.
Source or Collection of Data	Audited SQMR reports listing the employers of funded learners enrolled across learnerships, internships and apprenticeships.
Method of Calculation	(Number of current year host employers mentoring learners in learnerships, internships and apprenticeships / Number of prior year host employers mentoring learners in learnerships, internships and apprenticeships)*100
Data Limitations	Recording, capturing and reporting of host employers that is part of the actual entity hosting the learners in the workplace, together with their registration number and SDL number if applicable. Currently only lead employers, that is the recipient of the Discretionary Grant funding, is captured, despite applications and due diligence requiring information on host employers. This limitation will be addressed to enable reporting.
Type of Indicator	Outcome
Calculation Type	Non-cumulative
Reporting Cycle	Annual
New Indicator	New
Desired Performance	Minimum of 10% improvement year-on-year
Indicator Responsibility	Executive Manager: Planning

Components	Descriptions
Indicator Title	Infrastructure investment
Performance Indicator	2.4. Percentage investment in skills development infrastructure per annum
Short definition	**Investment:** A resolution of the Accounting Authority to invest discretionary grant funding. **Skills development infrastructure:** Any facility established, built, renovated or bought as a Skills Development Centre, Community College, Learning Institute, Artisan Academy, Trade Test Centre, Entrepreneurship Centre, for teaching, training, testing and supporting learners in post school education and training. **Annum:** The financial year, commencing 01 April and ending on 31 March.
Purpose or importance	Shows the Services SETA's contribution to expanding access through infrastructure development in partnership with public institutions and municipalities. These investments promote a multidimensional and integrated PSET system that incorporates occupational and vocational learning and can become instrumental in strengthening alignment between education and the workplace.
Source or collection of data	Accounting Authority resolutions captured in minutes or extracts thereof, signed contracts and the commitment schedule.
Method of calculation	(current year rands committed for skills development infrastructure / current year discretionary grant budget)*100
Data limitations	Investments can span several financial years and budgets and as such need to be reflected in the correct year. Other income and reserve funds may be used to supplement these investments.
Type of indicator	Outcome
Calculation type	Non-cumulative
Reporting cycle	Annual
New indicator	New
Desired performance	Not more than 20% of the Discretionary Grant budget less project administration. 80% must be allocated to PIVOTAL learning programmes. 20% is available for non-pivotal programmes.
Indicator Responsibility	Executive Manager: Planning

Components	Descriptions
Indicator Title	Entrepreneurial education and enterprise development
Performance Indicator	3.1. Number of entities supported with entrepreneurial education or enterprise development per annum
Short Definition	**Entrepreneurial education:** Part or full qualifications that seek to provide learners with the knowledge, skills and motivation to start, grow and sustain their own business. It promotes innovation, self-employment and new venture creation. **Enterprise development:** The act of investing time and capital in helping people establish, expand or improve their businesses for growth, independence and sustainability. Activities can include financial investment, facilitating access to markets, building competencies for performance through training and or mentorship. In the context of broad-based black economic empowerment, enterprise development is investing in black business. Targeted interventions may include skills programmes in Marketing, IT, Accounting, Legal and Compliance, and BBBEE as predictors of entity performance subject to needs assessment.
Purpose or importance	Entrepreneurship and enterprise development are a key driver of socio-economic transformation and aims to create sustainable businesses which grow and lead to job creation, decent work, sustainable livelihoods which in turn contributes to economic growth.
Source or Collection of Data	Audited SQMR reports listing funded learner enrolments across learning programmes, filtered for entrepreneurial education (commonly termed new venture creation) and related qualifications by entity, and listings of enterprises directly targeted with enterprise development support.
Method of Calculation	Simple count of the number of entities that received entrepreneurial education and enterprise development support in the current year.
Data Limitations	Funded learners' enrolments for entrepreneurial education may not always accurate. Stating the names, registration number and/or SDL number of the entity may result in a margin of error.
Type of Indicator	Outcome
Calculation Type	Non-cumulative
Reporting Cycle	Annual
New Indicator	New
Desired Performance	Improvement year-on-year
Indicator Responsibility	Executive Manager: Planning

Components	Descriptions
Indicator Title	Private intermediaries engaged
Performance Indicator	3.2. Number of private intermediaries engaged per annum
Short Definition	**Private intermediaries:** entities that facilitate interaction, translate and facilitate information flows and offer services that tend to focus more on industry- or firm-specific interests and issues and include industry associations, professional bodies, employer associations, labour federations, trade unions and research institutes. **Engaged:** structured one-on-one interactions for a specific purpose related to the Services SETA's primary business activities with documented evidence maintained through the OCEO, Stakeholder Relations, Chamber Operations, Provincial Operations or another designated function/s. **Annum:** The financial year, commencing 01 April and ending on 31 March.
Purpose or importance	Private intermediaries represent a broader interest and can influence stakeholders that they represent or service. Conveying accurate and reliable information can strengthen collective credibility and leverage participation and support amongst their constituencies. Structured engagements build relationships and enable partnerships and collaborations.
Source or Collection of Data	Consolidated and verified lists of stakeholder engagements from the OCEO, Stakeholder Relations, Chamber Operations, Provincial Operations or other designated functions providing the entity names, representatives, purpose and other relevant information required.
Method of Calculation	Simple count of the number of private industry associations, professional bodies, employer associations, labour federations, trade unions, research institutes directly consulted in the current year.
Data Limitations	Double counting. Entities should only be counted once during the period despite multiple engagements. Entities with national and provincial levels can be counted separately.
Type of Indicator	Outcome
Calculation Type	Non-cumulative
Reporting Cycle	Annual
New Indicator	New
Desired Performance	No less than 20
Indicator Responsibility	Executive Manager: Planning

Components	Descriptions
Indicator Title	Public intermediaries engaged
Performance Indicator	3.3. Number of public intermediaries engaged per annum
Short Definition	**Private intermediaries:** entities that facilitate interaction, translate and facilitate information flows and offer services that that tend to focus on public-good objectives, especially those related to policy and include government departments, metropolitan municipalities, district municipalities, local municipalities, public entities, state owned entities and government agencies. **Engaged:** structured one-on-one interactions for a specific purpose related to the Services SETA's primary business activities with documented evidence maintained through the OCEO, Stakeholder Relations, Chamber Operations, Provincial Operations or another designated function/s. **Annum:** The financial year, commencing 01 April and ending on 31 March.
Purpose or importance	Public intermediaries direct the strategy and mandate of stakeholders falling under their jurisdiction. Conveying accurate and reliable information can strengthen collective credibility and leverage participation and support amongst their constituencies. Structured engagements build relationships and enable partnerships and collaborations.
Source or Collection of Data	Consolidated and verified lists of stakeholder engagements from the OCEO, Stakeholder Relations, Chamber Operations, Provincial Operations or other designated functions providing the entity names, representatives, purpose and other relevant information required.
Method of Calculation	Simple count of the number of government departments, metropolitan municipalities, district municipalities, local municipalities, public entities including other SETAs and government agencies directly consulted in the current year.
Data Limitations	Double counting. Entities should only be counted once during the period despite multiple engagements. Entities with national and provincial levels can be counted separately.
Type of Indicator	Outcome
Calculation Type	Non-cumulative
Reporting Cycle	Annual
New Indicator	New
Desired Performance	No less than 20
Indicator Responsibility	Executive Manager: Planning

Components	Descriptions
Indicator Title	Economy of service delivery
Performance Indicator	4.1. Percentage improvement in economy of service delivery per annum
Short Definition	**Economy:** explores whether the method of producing the requisite outputs is economical and therefore seeks to monitor revenue against primary outputs. In this instance revenue is limited to the organisation's administration budget which is 10.5% of revenue. Inflation is not adjusted, for the unit cost should increase over time. **Service delivery:** limited in this instance to the total number of funded unique learners whether enrolled/completed/certificated. **Annum:** The financial year, commencing 01 April and ending on 31 March.
Purpose or importance	As business processes and skills development become more efficient using technology, the economy is expected to grow. Showing that public funds are reaching more learners over time builds confidence in the organisation and government.
Source or Collection of Data	Audited financial statements and audited SQMR reports filtered for unique learners by ID number.
Method of Calculation	((prior year administration expenditure / total number of prior year funded unique learners) − (current year administration expenditure / total number of current year funded unique learners)) / (prior year administration expenditure / total number of prior years funded unique learners)
Data Limitations	Margin of error on ID numbers proven to be less than 5%. Mitigation strategies are being implemented to reduce this margin of error even further. Administration is not only expenditure as there is also a Discretionary Grant Project Administration budget, and funded unique learners are not the only output measure from core business but does cut across learning programmes and quality management.
Type of Indicator	Outcome
Calculation Type	Non-cumulative
Reporting Cycle	Annual
New Indicator	New
Desired Performance	Maintained or higher; or, increased not decreased
Indicator Responsibility	Executive Manager: Planning

Components	Descriptions
Indicator Title	Efficiency of service delivery
Performance Indicator	4.2. Percentage improvement in efficiency of service delivery per annum
Short Definition	**Efficiency:** explores how productively inputs are converted to outputs. An efficient operation maximises the level of output for a given set of inputs, or it minimises the inputs required to produce a given level of output. In this instance, efficiency is the level of achievement across core business processes with set turnaround times as opposed to cost, recognising the human resource inputs required to render services. **Service delivery:** The primary business activities with set turnaround times as follows: • Unfunded learning programme applications processed within 60 days • Moderator and assessor applications processed within 90 days • SDP accreditation applications processed within 90 days • Certificates and Statements of Results issued within 90 days As new turnaround times are established for primary business activities these may be included in the above-mentioned list and calculation. **Annum:** The financial year, commencing 01 April and ending on 31 March.
Purpose or importance	This seeks to evaluate the timeliness of service delivery as a proxy measure for efficiency. Stakeholders are primarily concerned on having an indication of the timeframe, to manage expectations and enable their own planning.
Source or Collection of Data	Audited annual performance reports available from the Planning Department for processes measured in the Annual Performance Plan. Alternatively obtain and verify results with process owner.
Method of Calculation	((prior year average % achievement of core business processes within specified timeframes) – (current year average % achievement of core business processes within specified timeframes)) / prior year average % achievement of core business processes within specified timeframes
Data Limitations	Several primary business activities are no longer being monitored according to set turnaround times and can therefore not be included in the calculation. These include processing of reimbursements for mandatory grants, processing of InterSETA Transfer applications and the processing of discretionary grant applications. Once internal procedures have been reviewed, efficiency targets should be considered and tracked at an operational level to strengthen the value of this measure.
Type of Indicator	Outcome
Calculation Type	Non-cumulative
Reporting Cycle	Annual
New Indicator	New
Desired Performance	Higher, that is increased not decreased
Indicator Responsibility	Executive Manager: Planning

Components	Descriptions
Indicator Title	Effectiveness of service delivery
Performance Indicator	4.3. Percentage improvement in effectiveness of service delivery per annum
Short Definition	**Effectiveness:** The degree to which the organisation is achieving its predetermined objectives and associated output targets without reference to cost. Effectiveness can extend to the conversion of outputs to outcomes, but in this instance, it is limited to what the organisation has direct control over, which is outputs. **Service delivery:** The support activities and primary business activities depicted in the Services SETA's value chain, whether rendered to internal or external stakeholders in pursuit of the organisations predetermined objectives. **Annum:** The financial year, commencing 01 April and ending on 31 March.
Purpose or importance	If the predetermined objectives are found to be useful, then monitoring changes in organisational performance from year to year is a good measure of success.
Source or Collection of Data	Audited annual performance reports available from the Planning Department.
Method of Calculation	(prior year % achievement of organisational targets – current year % achievement of organisational targets) / prior year % achievement of organisational targets
Data Limitations	In-year changes to strategic priorities affect the overall achievement of predetermined objectives.
Type of Indicator	Outcome
Calculation Type	Non-cumulative
Reporting Cycle	Annual
New Indicator	New
Desired Performance	Maintained or higher; or, increased not decreased
Indicator Responsibility	Executive Manager: Planning