



STRATEGIC PLAN
2015/16 - 2019/20

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 01 August 2016
- accurately reflects the strategic outcome-oriented goals and strategic objectives which the Services SETA will endeavour to achieve over the period 2015/16 – 2019/20

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Date: ...15 November 2016...

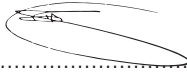
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Foreword

The Minister of Higher Education and Training, following consultation with the National Skills Authority, promulgated and extended the National Skills Development Strategy (NSDS) III for a period of two years, which notice was published in Government Gazette No. 39263 on 6 October 2015. The Minister further re-established the existing twenty-one SETAs for the same two-year period ending 31 March 2018, which notice was published in Government Gazette No. 39260 on the same day. On 10 November 2015, the Minister published the proposal for “The New National Skills Development Strategy and Sector Education and Training Authorities (SETAs) Landscape within the Context of an Integrated and Differentiated Post School Education and Training System” in Government Gazette No. 39386, calling for public comment by 20 January 2016. The Department of Higher Education and Training (DHET) has indicated that a review process is underway, the outcomes of which are expected to be communicated during the current financial year.

Notwithstanding some uncertainty due to the above, continuity of the Services SETA leadership in the form of the Accounting Authority has provided the necessary stability to ensure continued improvement in service delivery. On recommendation from the DHET, this Strategic Plan (SP) has been re-aligned to the current electoral term and therefore covers the period 2015/16 to 2019/20. NDSD III remains the overarching national strategy. This SP update was also informed by the Sector Skills Plan (SSP) 2017/18 submitted on 01 August 2016, which includes the revised Professional Vocational Technical and Academic Learning (PIVOTAL) List indicating planning priorities for the forthcoming financial year, that is, 2017/18. Endeavours were made to further strengthen compliance with the National Treasury’s Framework for Strategic Plans and Annual Performance Plans (2011) and to address the Ministerial review panel’s feedback. The Services SETA has also adopted the Annual Performance Plan (APP) programme structure recommended by the DHET.

A Monitoring and Evaluation Framework for the organisational performance dimensions was developed to improve the alignment between inputs, activities, outputs, outcomes and impact and enabling relevant filtering and sorting. The framework facilitated a reduction in the number of performance indicators contained in the APP 2017/18 from 76 to 59.

Continued investments in skills development infrastructure and more targeted efforts in rural development and enterprise development will further support developmental and transformation imperatives.



ANDILE NONGOGO
CHIEF EXECUTIVE OFFICER

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List Acronyms

| | |
|----------------|---|
| AET | Adult Education and Training |
| AGSA | Auditor-General of South Africa |
| AIDS | Acquired Immune Deficiency Syndrome |
| ASGISA | Accelerated Shared Growth Initiative of South Africa |
| ATR | Annual Training Report |
| BEE | Black Economic Empowerment |
| 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 |
| GDP | Gross Domestic Product |
| GRAP | Generally Recognised Accounting Practice |
| HEI | Higher Education Institutions |
| HET | Higher Education and Training |
| HIV | Human Immunodeficiency Virus |
| HR | Human Resources |
| 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 |
| OCEO | Office of the Chief Executive Officer |
| NT | National Treasury |
| 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 |
| SAQA | South African Qualifications Authority |

| | |
|-----------------|---|
| SARS | South African Revenue Service |
| SCM | Supply Chain Management |
| SDA | Skills Development Act |
| SDLA | Skills Development Levies Act |
| SDP | Skills Development Provider |
| SETA | Sector Education and Training Authority |
| SIC | Standard Industrial Classification |
| SIP | Strategic Infrastructure Project |
| SLA | Service Level Agreement |
| SME | Small and Micro Enterprises |
| SMME | Small, Medium and Micro Enterprises |
| SQMR | Seta Quarterly Monitoring Report |
| SSP | Sector Skills Plan |
| Stats SA | Statistics South Africa |
| TID | Technical Indicator Descriptions |
| TVET | Technical and Vocational Education and Training |
| WBL | Workplace Based Learning |
| 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 sections within the Constitution of the Republic of South Africa, 1996 (Act No.108 of 1996) that guide the operations of the Services SETA include the following:

- Promoting and maintaining high standards of ethics
- Providing service impartially, fairly, equitably and without bias
- Utilising resources efficiently and effectively
- Responding to people's needs; the citizens are encouraged to participate in policy-making
- Rendering an accountable, transparent and development-oriented administration.

4.2. Legislative Mandates

4.2.1. Skills Development Act

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

To strengthen the accountability of the SETAs the SDA mandates the national 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 2017/18.

4.2.2. Skills Development Levies Act

The Skills Development Levies Act (SDLA) (1999) makes provision for the funding of SETAs through levies collected from employers. In terms of the Act, employers are required to pay 1% of 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 in order 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 on, learners themselves often pay for their own studies and public providers such as Technical and Vocational Education and Training (TVET) Colleges and Higher Education Institutions (HEIs) are funded independently. These resources do not fall under the managerial control of 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.

4.2.3. 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 (AGSA) point towards sustained improvement in the manner in which the Services SETA conducts its financial affairs. The Services SETA received a clean audit on financial performance, and its performance information was found to be free of material findings of usefulness and reliability. The Services SETA will maintain and further strengthen financial controls in the organisation and continue to improve on performance information planning and reporting.

4.3. Policy Mandates

4.3.1. The National Development Plan

The National Development Plan (NDP) offers a long-term blueprint to eliminate poverty and reduce inequality by 2030. It defines a desired destination and identifies the role different sectors of society need to play in reaching that destination. According to the plan, South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society.

There are 14 national outcomes in the plan, which various cabinet ministers are accountable for delivering. One of the outcomes relates directly to skills development while the remaining outcomes are about the socio-economic development projects which skills development serves.

The macro-development priorities defined in the NDP have a contributor relationship with skills development. In other words, it is to the extent that skills development supports the achievement of the NDP outcomes that the NDP will be a success. The NDP however also deals independently with

skills development. It supports the White Paper on Post-School Education and Training (WPPSET) of the DHET. Thus the NDP advocates for a post-school system that provides quality learning opportunities to young people, adults who want to change careers or upgrade skills, people who have left school before completing their secondary education and unemployed people who wish to start a career.

This SP and the APP have therefore placed emphasis on the priorities identified in the NDP. In the immediate there is need to support - if not align to - Operation Phakisa which seeks to fast track the delivery of priorities outlined in the NDP with regard to 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 the placement of TVET College graduates. Additionally, through the Skills Training Centres initiative, the Services SETA aims to address artisanal skills shortages identified in Strategic Infrastructure Projects (SIPs) and Operation Phakisa.

Overall, the Services SETA SSP 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
- Rural Development – funding will be made available for programmes that will contribute to rural development
- Small Medium and Micro Enterprises (SMME) support – programmes are in place to support the development of SMMEs
- Career guidance – career guidance in schools will continue to be supported upon request
- 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 HEIs – 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.



4.3.2. Medium-Term Strategic Framework

The Medium Term Strategic Framework (MTSF) (2014 – 2019) represents the national policy instrument for achieving the NDP. It 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.

4.3.3. Human Resources Development Strategy II

The second comprehensive Human Resources Development Strategy for South Africa (HRD-SA) adopted by the Cabinet was launched in 2011 with the main aim to address the shortcomings of the previous strategy and to optimise the efficacy and outcomes of HRD in respect of South Africa's development agenda. The revised version prioritises the effective, efficient, economic and sustainable implementation of the revised HRDSA commitments, strategic priorities, strategic objectives, programmes and projects to improve social and economic growth.

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 TVET Colleges and HEIs is ongoing. The Services SETA is continuously researching the training needs of the services sector as presented in its SSP.

4.3.4. 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.

The NSDS III places great emphasis on relevance, quality and sustainability of skills training programmes, to accelerate placement for workplace learning and development and implementation of PIVOTAL qualifications at NQF level 4 and above. Funding allocation for training within the Services SETA has been aligned to this expressed intent of the NSDS III. As identified below, in Part B, there is express alignment between the SETA's goals and strategic objectives and the NSDS III. 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.

4.3.5. National Accords

The Services SETA has also endeavoured to leverage the National Skills Accord, which is a partnership between labour, business, community and the government to drive skills development. Its aim is to strengthen more effective co-ordination and articulation across the entire education and skills development pipeline, with key commitments by Government, business and labour. A key element of cooperation is the agreement to increase artisan training, on a ratio that each artisan should take on an average of two learners. The Services SETA's contribution to this Accord is through the placement of TVET learners in work-integrated learning contexts in the public and private sectors and the significant allocation of resources to artisan development. This commitment also recognises the need to respond to the Youth Accord which places youth as a target beneficiary across all programmes. In particular, this Accord aims to provide unemployed youth with access to work experience opportunities. The Services SETA addresses this aspect through internships.

4.3.6. White Paper on Post-School Education and Training

The implementation of the NSDS III goals was given impetus by the publications of the Post-School Education and Training Green Paper in April 2012 and the White Paper in November 2013 by DHET. The White Paper focuses on improving the quality of provision at 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 forged 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. Particular focus is on TVET Colleges based in rural areas.

4.3.7. 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 SIPs are the primary vehicles for achieving the NGP. The NGP envisages that SETAs should identify employment creation is possible in each industry along the value chains in the services sector. In particular, it requires the identification of small business expansion and rural development opportunities. Services SETA participates actively in SIPs forums, and has 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 SP and APP. The Services SETA has identified small business expansion and rural development opportunities as areas where the Services Sector can contribute.



4.3.8. Industrial Policy Action Plan II: IPAP 2016/17 – 2017/18

Driven by the Department of Trade and Industry (DTI), the National Industrial Policy Framework is being implemented currently through the eighth iteration of the Industrial Policy Action Plan (IPAP) (2016/17–2017/18). The IPAP 2016/17 is informed by the vision set out for South Africa's development provided by the NDP. The IPAP is a key pillar of the President's Nine-Point Plan.

The current version of IPAP relates to the Services Sector in three main focus areas. First, the targeted growth in manufacturing aims 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 seek to align training programmes to these initiatives through on-going research and partnership with other state entities, including SETAs and institutions of higher learning.

4.3.9. Rural Development and Land Reform Strategy

The Rural Development Framework is a strategic policy document of the Department of Rural Development and Land Reform that aims to bring fundamental changes in the implementation of land reform and to transform rural communities into vibrant, equitable and sustainable ones.

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 on in the APP.

The role of Services SETA in rural development is through a multi-faceted strategy providing opportunities for (a) the support and development of SMEs and cooperatives whose scope falls within the services sector (b) the development and empowerment of women, youth and persons with disabilities, and (c) driving the strategy of engagements and building capacity within local public TVETs.

4.4. Relevant Court 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.

The DHET by way of an application sent a communiqué to the Services SETA in the form of a Circular under the sub-heading and title “Skills Development Circular 11/2016” saying that the Minister has re-promulgated Regulation 4(4) of the 2012 Grant Regulations. The same notice spoke of a review process of Regulation 3(12) which, if unsuccessful, would mean that the mandatory grant to be claimed from the SETA’s will be 50% instead of the current 20%, as provided by the Regulation 4(4) of the 2012 Regulations. This will have significant budgetary implications on the SETA’s. 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

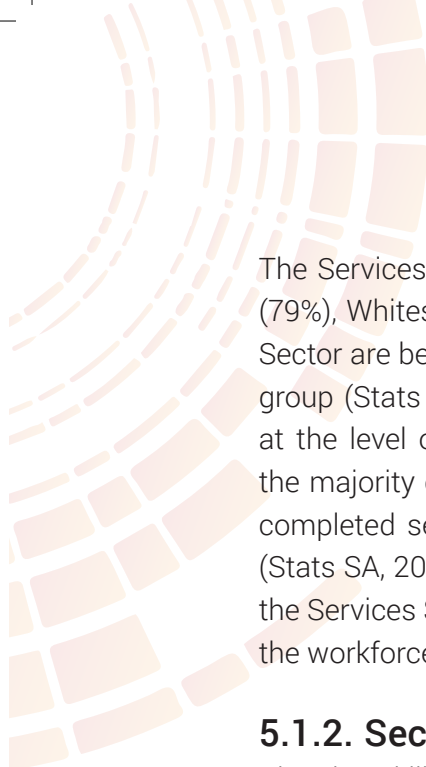
5.1.1. Sector Overview

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 2018. 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 SSP for details).

The Services SETA is one of the biggest SETAs in terms of scope and coverage with nearly 164,000 employers (SARS database March 2016). Of these 138,939 employers were actively trading while almost 24,500 were no longer trading as at March 2016. Of the 138,939 employers, 35,594 were paying the skills development levy as at March 2016. In terms of geographic spread, employers are found in all nine provinces of South Africa but with a high concentration in the three developed and industrialised regions of Gauteng, KwaZulu-Natal and the Western Cape.

Proportionately, the majority of employers were in the Management and Business Services Chamber with 133,500 employers followed by Real Estate and Related Services Chamber with 11,652 employers. The lowest numbers were recorded in the Marketing and Communication Services Chamber, with 3,115. As the largest sector by membership size, the services sector is also the biggest industry in terms of size of employers, jobs and contribution to Growth Domestic Product (GDP). Based on Stats SA’s SIC codes, finance, real estate and business services contributed about 22% to GDP in the fourth quarter of 2015 (Stats SA, 2016a). Together with personal care, the Services Sector constitutes more than a third of South Africa’s GDP (28%). During this period, the finance, real estate and business services sectors were the highest contributors to GDP followed by the Government Services Sector and wholesale, retail, the motor trade; catering and accommodation at 17% each.

According to the results for Q4: 2015, the largest employer by industry is community and social services, with 3.64 million people employed. Finance and other business services, and private households employ 3.56 million. After government, the services sector is the largest employer.



The Services Sector labour force is predominantly female (56% versus 44% of males), and Black (79%), Whites (11%), Coloureds (8%) and Indians (2%). The majority of employees in the Services Sector are between the ages of 35 and 44, with the 25-34 age cohort being the second largest age group (Stats SA, 2016b). Furthermore, the majority of the workforce in this sector are employed at the level of domestic worker (31.2%) followed by sales persons (23.1%). On the other hand, the majority of the workforce has not completed secondary education (41.4%) with some having completed secondary education (27.0%). Only 12% of the workforce has had tertiary education (Stats SA, 2016b). This state of affairs has implications for skills development. There is a need for the Services SETA to maintain a proper balance between developing the skills of the lower levels of the workforce, who are in majority, and up-skilling those who are at managerial levels.

5.1.2. Sector Skills Plan Priorities and Implications for Planning

Planning skills are also influenced by predominant drivers of change. The SSP (2017/18) identified five key drivers of change:

Technology

The rate of technological change has profound impact on the Services Sector. The rate of use of technology in the Services Sector suggests the constant need to upgrade the skills of the labour force. In the cleaning industry, an emerging trend is the use of machines and robotics. In the real estate industry, technology has had an impact on the design, form and nature of interaction between sellers and buyers of property and/or between rental agent and lessor. More people turn to various websites and applications (apps) to access, compare and utilise information. Equally, marketing services have increasingly adopted social media and multi-channel solutions for customer service and getting closer to consumers (Buchner, 2013). This entails a shift to digital marketing with increased use and integration of social media into traditional marketing activities. Consulting services benefit from advancements in technology in two ways, firstly, increased flexibility for work to continue outside of the traditional work station and, secondly, work outputs are increasingly computer-generated.

Changing consumer preferences have brought about a demand for e-services in postal services around the world. Postal services will benefit from being able to connect users to broadband services and thereby encourage adoption of digitised mail. The contact centre industry is likely to see higher levels of automation of certain tasks, with customers becoming more technologically savvy.

Population growth and urbanisation

South Africa's population continues to grow with the figure rising from about 51.8m in 2011 to about 55.7m in 2016 (Stats SA, 2016c) and is expected to exceed 80 million by the year 2035 (Blom, 2013). While urbanisation brings with it some challenges such as pressure on resources, infrastructure, unemployment; it also has the potential to create a new source of demand and new opportunities for innovation to meet the needs and expectations of the population for a better quality of life in various service-related industries. The hiring services industry has the potential to record employment growth through the government's SIPs, and the continued implementation of the Human Settlement Development Plan, thus meeting the job demands of the rising urban populations. A further implication is that technological advancement would soon result in demand for new skills and qualifications by employees.

Globalisation

As higher levels of integration due to globalisation continue businesses in the most sectors are experiencing higher levels of competition. Emerging and developing economies are seen as new engines of growth as international companies continue to look for new locations for business investment. South Africa remains a competitive destination for business process services. The call centres industry in particular, could provide an invaluable opportunity for the youth to become economically active. Importantly, the South African contact centre industry typically recruits first-time agents from the matriculant and non-degree sections of the labour force (Hall, 2016). However, for the sector to remain competitive the local contact centre industry would need to deliver more efficient, cost-effective services through the use of technology as well as invest in the development of multi-lingual contact centre call agents. This suggests the need to ensure skills development in these two areas.

Policy and Legislation

While South Africa is regarded as a strong emerging market with growth in some industries, legislation and policy aimed at addressing the legacy of apartheid is considered a hindrance to foreign investment, especially the Black Economic Empowerment (BEE) policy. Uncertainty around labour recruitment services due to challenges by the largest labour federation, the Congress of South African Trade Unions (COSATU), is also a worrying factor for the sector. These uncertainties affect both the growth of the sector and planning for skills development. Alternatively, these developments may force employers to develop new ways of doing business, which reduce reliance on labour force. As more industries move towards technological substitutes, loss of jobs could result, but this also presents the opportunity for the development of higher skilled workers to meet the new demand.



Responsible resource use

The move in South Africa towards green economy will have far-reaching implications as well opportunities for most of the Services Sector industries. Challenges for the sector include the need to absorb the initially higher costs of doing business to meet regulatory requirements and aligning practices to meet the needs of customers and clients' expectations. However, opportunities to develop products and services that cater for environmentally sensitive users is steadily increasing. As more people become environmentally conscious, their consumption patterns change as they look to contribute to a more sustainable world. Affected industries include the beauty treatment, hairdressing, funeral services, fashion, and the cleaning industries.

The laundry industry is a large consumer of "laundry liquids, powders, emulsifiers, starches, boosters, bleaches, dry cleaning detergents, wet cleaning chemicals, spotters, sanitizers" and other products (Laundry-ME, 2015). The implications for skills planning are significant for the cleaning industry and other services industries in that the need to develop appropriate green skills education and training programmes for employees has become a fundamental business imperative to build sustainable enterprises in a highly competitive business environment.

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

- Provider capitation
- Improving relevance of qualifications
- Enhancing vocational training
- Streamlining work-based training and mentorship
- Promoting access to skills development and training in remote areas.

5.1.3. Services SETA PIVOTAL List

The NSDS III puts a great emphasis on PIVOTAL programmes which 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 cooperation between SETA, a higher education and training institution and an employer in order to ensure responsive curricula and courses. The Services SETA has identified the following PIVOTAL programmes for implementation for the 2017/18 financial year – see Table 1.

Table 1 Services SETA PIVOTAL Skills List

| # | Short-Medium-Long-Term | Period | Occupation Code | Occupation | Specialisation / Alternative Title | Intervention Planned by the SETA | NQF Level | NQF Aligned | Quantity Needed | Quantity to be Supported by SETA | Comments |
|---|------------------------|---------|-----------------|-----------------------------|------------------------------------|---|-----------|-------------|-----------------|--|---|
| 1 | Medium | 2017/18 | 2015-121905 | Programme or Project Manger | Project Director | Further Education and Training Certificate: Project Management, National Certificate: Project Management, National Diploma: Project Management, National Certificate: Project Support Service, Further Education and Training Certificate (FETC): Trade Exhibitions | 3/4/5 | Yes | No projection | Part of 2017/18 APP funded Learnership / Bursary targets | Scarce Skill; Services SETA Pipeline Analysis; Public Sector Skills needs |



| # | Short-Medium-Long-Term | Period | Occupation Code | Occupation | Specialisation / Alternative Title | Intervention Planned by the SETA | NQF Level | NQF Aligned | Quantity Needed | Quantity to be Supported by SETA | Comments |
|---|------------------------|---------|-----------------|-------------------------|---|--|-----------|-------------|-----------------|--|---|
| 2 | Medium | 2017/18 | 2015-121908 | Quality Systems Manager | Quality Controller, Quality Systems Coordinator, Quality Auditor, Quality Certification Manager, Quality Control Manager, Management System Auditor, Quality Manager, Quality Assurance / Systems Auditor | National Certificate: Quality Management Systems | 5 | Yes | No projection | Part of 2017/18 APP funded Learnership / Bursary targets | Scarce Skill; Services SETA Pipeline Analysis; Public Sector Skills needs |

| # | Short-Medium-Long-Term | Period | Occupation Code | Occupation | Specialisation / Alternative Title | Intervention Planned by the SETA | NQF Level | NQF Aligned | Quantity Needed | Quantity to be Supported by SETA | Comments |
|---|------------------------|---------|-----------------|------------------------|---|--|-----------|-------------|-----------------|---|--|
| 3 | Medium | 2017/18 | 2015-134903 | Small Business Manager | Entrepreneurial Business Manager, Owner Manager | National Certificate: New Venture Creation (SMME), Further Education and Training Certificate: New Venture Creation, National Certificate: Generic Management: Franchising | 2/4/5 | Yes | No projection | Part of 2017/18 APP funded Learnership / Bursary / Skills Programme / RPL targets | National Imperative; Services SETA Pipeline Analysis; Public Sector Skills needs |



| # | Short-Medium-Long-Term | Period | Occupation Code | Occupation | Specialisation / Alternative Title | Intervention Planned by the SETA | NQF Level | NQF Aligned | Quantity Needed | Quantity to be Supported by SETA | Comments |
|---|------------------------|---------|-----------------|-------------------|---|--|-----------|-------------|-----------------|---|---|
| 4 | Medium | 2017/18 | 2015-333402 | Real Estate Agent | Real Estate Consultant, Leasing Consultant, Real Estate Referral Coordinator, Rental Agent, Leasing Agent (Buildings), Rental Property Consultant, Property Analyst / Consultant / Dealer / Developer / Planner | National Certificate: Real Estate, Further Education and Training Certificate: Real Estate, National Certificate: Real Estate, National Certificate: Generic Management: Real Estate | 4/5/6 | Yes | No projection | Part of 2017/18 APP funded Learnership / Bursary / Internship / Candidacies targets | Scarce Skill; Services SETA Pipeline Analysis; Public Sector Skills needs |

| # | Short-Medium-Long-Term | Period | Occupation Code | Occupation | Specialisation / Alternative Title | Intervention Planned by the SETA | NQF Level | NQF Aligned | Quantity Needed | Quantity to be Supported by SETA | Comments |
|---|------------------------|---------|-----------------|------------|------------------------------------|--|-----------|-------------|-----------------|---|---|
| 5 | Medium | 2017/18 | 2015-333901 | Auctioneer | None | National Certificate: Auctioneering Practices (Real Estate), National Certificate: Auctioneering Practices (Movable Assets), Further Education and Training Support: Auctioneering Support Services (Real Estate), Further Education and Training Support: Auctioneering Support Services (Movable Assets) | 4/5 | Yes | No projection | Part of 2017/18 APP funded Learnership / Bursary / Internship / Candidacies targets | Scarce Skill; Services SETA Pipeline Analysis; Public Sector Skills needs |



| # | Short-Medium-Long-Term | Period | Occupation Code | Occupation | Specialisation / Alternative Title | Intervention Planned by the SETA | NQF Level | NQF Aligned | Quantity Needed | Quantity to be Supported by SETA | Comments |
|---|------------------------|---------|-----------------|---------------|---|--|-----------|-------------|-----------------|--|---|
| 6 | Medium | 2017/18 | 2015-411101 | General Clerk | Advisory Officer Clerical, Survey Information Officer, Administration Clerk / Officer, Client Services Administrator, Operation Services / Support Officer, Tender Evaluation Coordinator, Planning Support Officer, Administrative Assistant, Office / Field Assistant, Clerical Assistant / Officer, Buying Clerk | National Certificate: Business Administration Services | 2/3/4 | Yes | No projection | Part of 2017/18 APP funded Learnership / Bursary / Skills Programme / Internship / RPL targets | Scarce Skill; Services SETA Pipeline Analysis; Public Sector Skills needs |

| # | Short-Medium-Long-Term | Period | Occupation Code | Occupation | Specialisation / Alternative Title | Intervention Planned by the SETA | NQF Level | NQF Aligned | Quantity Needed | Quantity to be Supported by SETA | Comments |
|---|------------------------|---------|-----------------|------------------|--|--|-----------|-------------|-----------------|---|---|
| 7 | Medium | 2017/18 | 2015-514101 | Hairdresser | Afro Hairdresser, Hair Stylist, Barber, Hair Dressing Technician | National Certificate: Hairdressing, Further Education and Training Certificate: Generic Management: Salon Management, National Certificate: Generic Management: Salon Management, Further Education and Training Certificate: Hairdressing | 2/3/4/5 | Yes | No projection | Part of 2017/18 APP funded Learnership / Apprenticeship / RPL targets | Scarce Skill; Services SETA Pipeline Analysis; Public Sector Skills needs |
| 8 | Medium | 2017/18 | 2015-516301 | Funeral Director | Undertaker, Funeral Practitioner | National Certificate: Funeral Services Practice | 3/4/5 | Yes | No projection | Qualifications under developments | Scarce Skill; Services SETA Pipeline Analysis; Public Sector Skills needs |

| # | Short-Medium-Long-Term | Period | Occupation Code | Occupation | Specialisation / Alternative Title | Intervention Planned by the SETA | NQF Level | NQF Aligned | Quantity Needed | Quantity to be Supported by SETA | Comments |
|----|------------------------|---------|-----------------|--------------------|---|---|-----------|-------------|-----------------|---|---|
| 9 | Medium | 2017/18 | 2015-811201 | Commercial Cleaner | Hotel / Motel Cleaner, Building Exterior / Interior Cleaner | National Certificate: Specialist Hygiene and Cleaning Services, National Certificate: Hygiene and Cleaning Supervision, General Education and Training Certificate: Hygiene and Cleaning, US: Perform a limited range of rope access tasks and rescues; US: Explain and perform fall arrest techniques when working at height | 1/2/3 | Yes | No projection | Part of 2017/18 APP funded Learnership / Skills Programme targets | Scarce Skill; Services SETA Pipeline Analysis; Public Sector Skills needs |
| 10 | Medium | 2017/18 | 2015-811202 | Healthcare Cleaner | Low Risk Area Cleaner, Medium Risk Area Cleaner, High Risk Area Cleaner, Ward Cleaner | National Certificate: Specialist Hygiene and Cleaning Services, National Certificate: Hygiene and Cleaning Supervision, General Education and Training Certificate: Hygiene and Cleaning | 1/2/3 | Yes | No projection | Part of 2017/18 APP funded Learnership / Skills Programme targets | Scarce Skill; Services SETA Pipeline Analysis; Public Sector Skills needs |

5.2. Organisational Environment

5.2.1. Services SETA operating model and Implications for planning

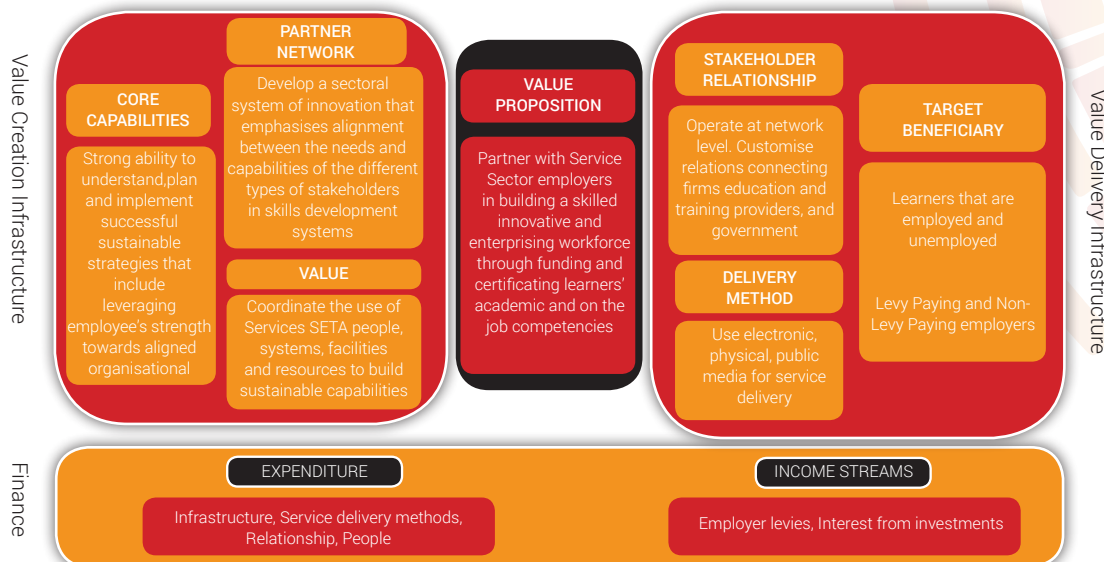
An operating model describes how the organisation creates, delivers, and captures value for its intended beneficiaries in line with its value proposition. The model further informs the Services SETA's strategy and operations.

The Services SETA's value proposition articulates the net benefit a customer derives from using the organisation's service offerings. The value proposition is to partner with the Services Sector's 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 skills development, including (a) connecting firms, education and training providers, government and other stakeholders (b) facilitating information flows among stakeholders; and (c) 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, that is, learners, employers, and service delivery providers (SDPs).

The capabilities are enabled through governance, planning, employees, culture, systems, and the different physical resources of Services SETA. The Services SETA works with service delivery partners in creating and delivering value for its stakeholders. The value creation and delivery is funded through levies collected from employers and interest accrued from investments. 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 subsequent sections. It can be further clarified through the Services SETA's value chain described below.

5.2.2. The Services SETA's Value Chain

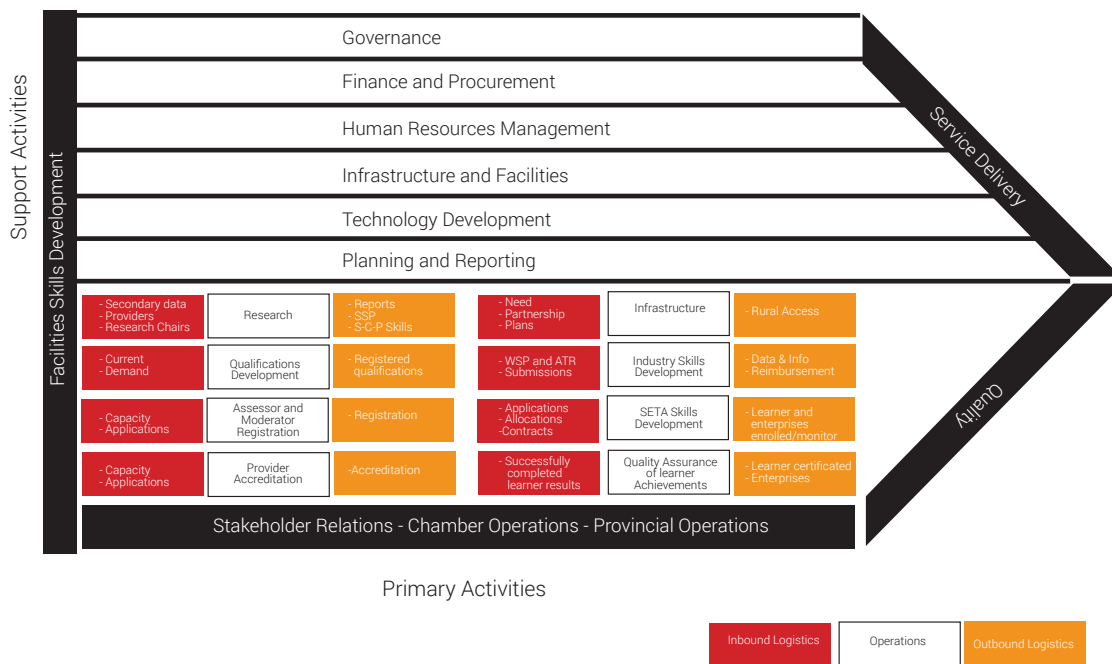
Implicit to the value chain rationale is the recognition that organisations are best served by operating in sectors where they have a relative efficiency advantage. Given the Services SETA's regulatory foundations, this efficiency can be presumed. The value chain depicts the process through which the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

The value chain clarifies the linkages between the different core capabilities of the Services SETA in realising its value proposition. The Services SETA's value chain reflects a logic model that embodies a plausible theory about the pathways through which the organisation's core functions to 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 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 SSP, SP and APP. 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 SDPs, capacity is built to ensure delivery of training. Thereafter the Discretionary Grant funding process enables the facilitation of these learning interventions by ensuring financial and human resources adequacy.

Figure 2. Services SETA Value Chain



Throughout implementation and at close-out, 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 transmission of key operational information, as information about these activities and the understanding that this knowledge creates are equally important as the activities themselves. This chain acknowledges that the activities in the value chain blend into the organisation's operating model through various forms of integration or association.

The associated skills development cycle mapped below depicts systematised processes 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 and 5 years. The significance of the cycle timeframe is that the achievements of many targets cannot occur 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 (100%) and the members' attendance rates at these meetings (70%).

Six sub-committees have been duly established to compliment the work of the Board. They are the Audit Committee; Financial Committee; Strategy and Governance Committee; Human Resources and Remuneration Committee, Transformation Committee and Accounting Authority Executive Committee. In addition, six chamber committees have been established. Similarly, the 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. The Services SETA received a clean audit opinion for its financial performance from the AGSA consistently from 2013/14 to 2015/16 and an unqualified audit opinion on non-financial performance, resulting in an unqualified audit report overall. Performance against predetermined objectives also showed notable improvement in usefulness and reliability. Learner enrolments are increasing accordingly. The growth in enrolment figures last year was massive. This is correlated with a growth in expenditure by the SETA, and pointed to an urgent need to build organisational capacity to handle both the increased learner numbers and increased stakeholder participation.

5.2.4. The Services SETA Organisational Structure and Staffing

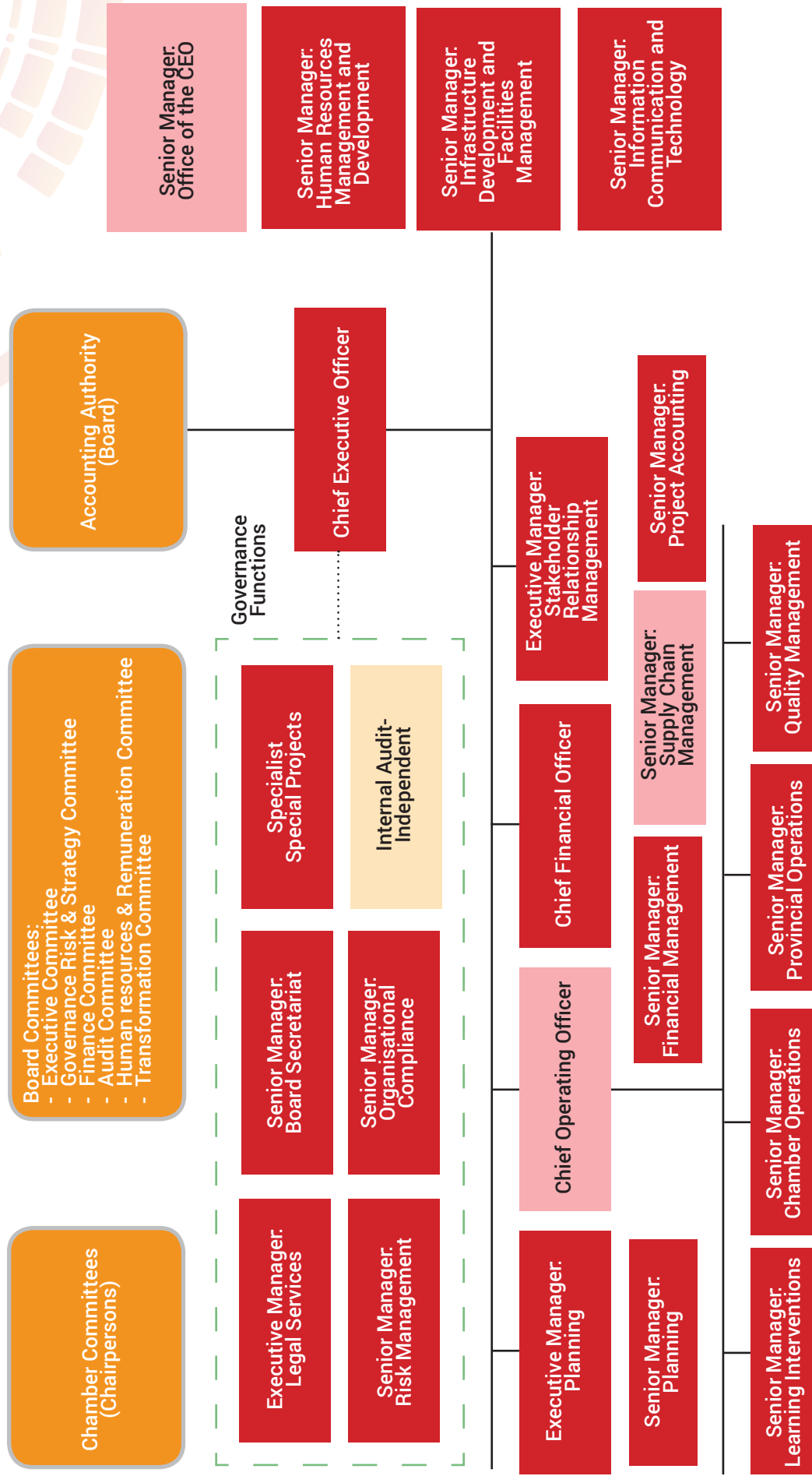
Table 2. Services SETA Filled and Approved posts

| Filled posts per Job level by Department or Function | Programme 1: Administration | Programme 2: Skills Planning | Programme 3: Learning Programmes | Programme 4: Quality Assurance | TOTALS |
|--|-----------------------------|------------------------------|----------------------------------|--------------------------------|------------|
| Executive Management | 2 | 1 | 1 | 0 | 4 |
| Senior Management | 6 | 1 | 4 | 1 | 12 |
| Management | 10 | 2 | 20 | 2 | 34 |
| Senior Officers | 7 | 2 | 30 | 26 | 65 |
| Officers | 15 | 1 | 38 | 7 | 61 |
| Administrators | 8 | 2 | 26 | 14 | 50 |
| General | 0 | 0 | 20 | 0 | 20 |
| TOTALS | 48 | 9 | 139 | 50 | 246 |

| Approved posts per Job level by Department or Function | Programme 1: Administration | Programme 2: Skills Planning | Programme 3: Learning Programmes | Programme 4: Quality Assurance | TOTALS |
|--|-----------------------------|------------------------------|----------------------------------|--------------------------------|------------|
| Executive Management | 3 | 1 | 2 | 0 | 6 |
| Senior Management | 9 | 1 | 4 | 1 | 15 |
| Management | 14 | 4 | 25 | 3 | 46 |
| Senior Officers | 17 | 3 | 36 | 30 | 86 |
| Officers | 24 | 4 | 59 | 12 | 99 |
| Administrators | 16 | 4 | 36 | 15 | 71 |
| General | 1 | 0 | 21 | 0 | 22 |
| TOTALS | 84 | 17 | 183 | 61 | 345 |
| % Occupancy per Job level by Department or Function | Programme 1: Administration | Programme 2: Skills Planning | Programme 3: Learning Programmes | Programme 4: Quality Assurance | TOTALS |
| Executive Management | 67% | 100% | 50% | N/A | 67% |
| Senior Management | 67% | 100% | 100% | 100% | 80% |
| Management | 71% | 50% | 80% | 67% | 74% |
| Senior Officers | 41% | 67% | 83% | 87% | 76% |
| Officers | 63% | 25% | 64% | 58% | 62% |
| Administrators | 50% | 50% | 72% | 93% | 70% |
| General | 0% | N/A | 95% | N/A | 91% |
| TOTALS | 57% | 53% | 76% | 82% | 71% |

The organogram below reflects the Governance Structures and Management Committee which comprises of Executive and Senior Management. Management is well-constituted, with only five current vacancies. As far as the two vacancies at Executive Management level are concerned, one of them is 'covered'. The Senior Manager: Financial Management is currently Acting Chief Financial Officer (CFO). The other vacancy is that of the Chief Operations Officer. Senior Management positions across core business functions are fully-occupied. There are three vacancies at a Senior Management level, one in the Office of the CEO, one in Supply Chain Management and the third is in Human Resources Management and Development.

Figure 4. Governance and Executive Structure



- Senior Manager: Office of the CEO
- Senior Manager: Human Resources Management and Development
- Senior Manager: Infrastructure Development and Facilities Management
- Senior Manager: Information and Technology

5.3 Strategic Planning Process

The process of compiling the Services SETA's Strategic Plan 2017/18 update has been thoroughly participatory. All key internal and external stakeholders were consulted and their inputs taken into consideration during the compilation of the Plan. The table below indicate the dates of the consultations and type of stakeholder.

| Date | Type of Stakeholder |
|-------------------|---|
| 04 August 2016 | DHET feedback on 2017/18 SLA Targets and Review Panel findings on 2016/17 APP |
| 08 August 2016 | Accounting Authority and Management Workshop on audit findings and debriefing session |
| 16-22 August 2016 | Consultations with internal departments |
| 20 August 2016 | Accounting Authority Workshop on AG's audit findings |
| 25 August 2016 | Management Risk Assessment Workshop |
| 12 October 2016 | Services SETA-DHET SP and APP 2017/18 one-on-one feedback |
| 24 October 2016 | DHET - Workshop on Feedback on 2017/18 SETA SP and APP |
| 27 October 2016 | Management Workshop on the final SP and APP for 2017/18 |
| 01 November 2016 | Management Workshop on the final SP and APP for 2017/18 |
| 03 November 2016 | Presentation to the AGM and broad acceptance |
| 08 November 2016 | Accounting Authority Workshop |
| 09 November 2016 | Audit Committee Meeting |
| 11 November 2016 | Joint Governance Risk and Strategy Committee and Financial Committee Meeting |

6. Strategic Outcome Oriented Goals

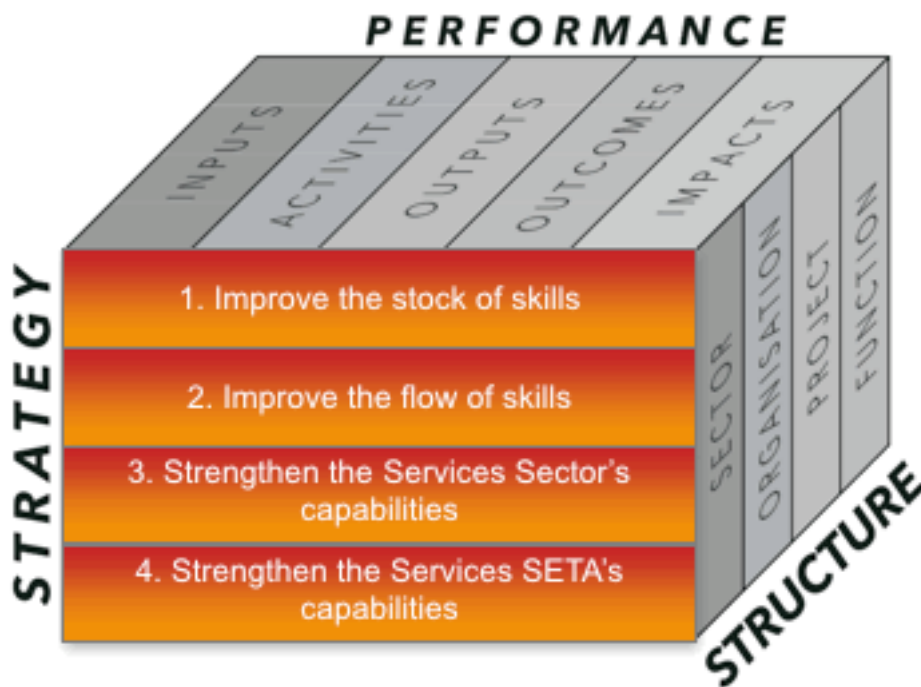
Strategic outcome-oriented goals identify areas of performance that are critical to achieving the Services SETA's mission statement. The key impacts contained in the mission statement include employment, entrepreneurship and economic growth. These impacts are to be achieved and enabled through quality skills development. As such the outcome statements, indicators and targets address the 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 SSP, enabling gap closure through the identification of new services and outputs. Technical Indicators Descriptions (TIDs) for each of the outcome indicators further enhance compliance with specific, measurable, agreed upon, realistic and time-based (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 underpins the behaviour that the organisation is seeking to influence everything that it does and seeks to achieve. While it is understood that one output indicator can satisfy multiple goals, in the mapping process, however, these were linked to predominant goals and outcomes (see Figure 5).

Figure 5. Services SETA Performance Dimensions



6.2. Services SETA's strategic outcome oriented goals

In summary, 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 requisite abilities to support the Sector's capabilities. In turn, internal and external stakeholders improve provisioning of skills development which in turn generates the available skills needed for growth within the labour market and economy.

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 2015/16 serves as a baseline for subsequent years. TIDs have been completed for each of the 14 outcome indicators to strengthen measurability and consistency in application (see Annexure B).

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

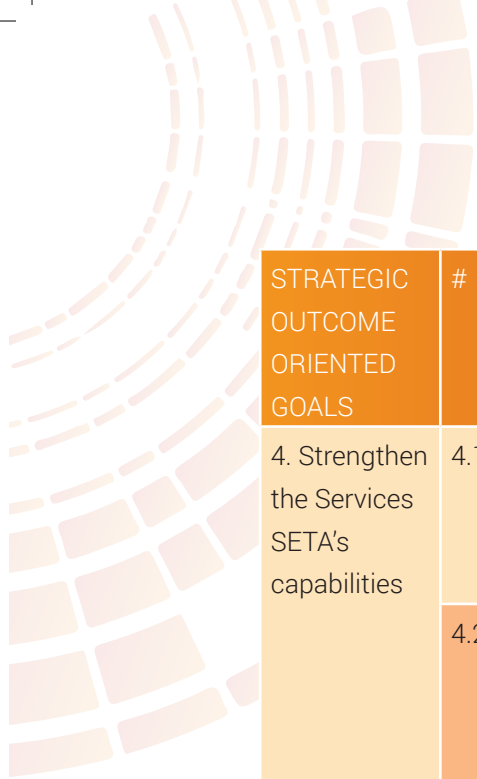
| STRATEGIC OUTCOME ORIENTED GOALS | # | OUTCOME INDICATOR | PERFORMANCE TARGET | | | | |
|---|-----|--|--------------------|-----------|---------|---------|---------|
| | | | ACTUAL | ESTIMATED | PLANNED | | |
| | | | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
| | | | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| 1. Improve the stock of skills | 1.1 | Percentage increase in unemployed learners successfully completing learning programmes per annum | - 88% ¹ | 942% | 62% | 40% | 40% |
| | 1.2 | Percentage increase in employed learners successfully completing learning programmes per annum | - 96% ² | 2 806% | 35% | 20% | 20% |
| | 1.3 | Weighted average throughput rate of learning programmes per annum | 343% | 300% | 250% | 200% | 150% |
| | 1.4 | Average achievement of transformational imperatives per annum | 64% | 65% | 65% | 65% | 65% |

¹In 2014/15 2,909 unemployed learners successfully completed compared to 360 in 2015/16

²In 2014/15 5,158 employed learners successfully completed compared to 188 in 2015/16

| STRATEGIC OUTCOME ORIENTED GOALS | # | OUTCOME INDICATOR | PERFORMANCE TARGET | | | | |
|---|-----|---|--------------------------|----------|-----|-----|-----|
| | | | | | | | |
| 2. Improve the flow of skills | 2.1 | Percentage correlation between learner enrolments and priority skills per annum | 41% | 60% | 65% | 70% | 75% |
| | 2.2 | Percentage priority skills with accredited skills development providers per annum | 98% | 98% | 98% | 98% | 98% |
| | 2.3 | Percentage increase in employers mentoring learners in the workplace | No Baseline ³ | Baseline | 20% | 30% | 40% |
| | 2.4 | Percentage investment in skills development infrastructure per annum | 16% | 15% | 15% | 15% | 15% |
| 3. Improve the Services Sector's capabilities | 3.1 | Number of entities supported with entrepreneurial education or enterprise development per annum | No Baseline | 376 | 798 | 850 | 900 |
| | 3.2 | Number of private intermediaries engaged per annum | No Baseline | 20 | 25 | 30 | 35 |
| | 3.3 | Number of public intermediaries engaged per annum | No Baseline | 20 | 30 | 40 | 50 |

³Currently only lead employers are recorded. In 2014/15 113 lead employers were recorded compared to 226 in 2015/16 representing an increase of 70%



| STRATEGIC OUTCOME ORIENTED GOALS | # | OUTCOME INDICATOR | PERFORMANCE TARGET | | | | |
|--|-----|---|--------------------|-----|-----|-----|-----|
| | | | | | | | |
| 4. Strengthen the Services SETA's capabilities | 4.1 | Percentage improvement in economy of service delivery per annum | - 62% | 5% | 10% | 15% | 20% |
| | 4.2 | Percentage improvement in efficiency of service delivery per annum | -5% | 10% | 15% | 20% | 25% |
| | 4.3 | Percentage improvement in effectiveness of service delivery per annum | 18% | 25% | 5% | 5% | 5% |

The alignment between the Strategic Outcome-Oriented Goals and the Strategic Objectives by Programme is illustrated in Table 12 in Part B. This is followed by a narrative description on how the SSP priorities are addressed.

PART B: STRATEGIC OBJECTIVES

7. Programmes

The APP programmes have been restructured in accordance with the four programmes proposed by the DHET. There are a total of 14 strategic objectives and 59 performance outputs that are structured across the four programmes. The sections below are structured by programme and provide information on purpose, strategic objectives, resource considerations and risk mitigation. There are a total of 9 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 strategic objective. Operational risks are not presented herein. Section 7.5 below shows the alignment between the strategic outcome-oriented goals contained in this SP and the Programmes and Strategic Objectives further detailed in the APP. A narrative explanation is also provided, linking the SSP 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's mandate through the delivery of support services. This programme is aligned to Strategic Goals 4: Strengthen the Services SETA capability to lead the sector through policies, processes, systems and competencies.

7.1.2. Strategic Objectives

| | |
|--|---|
| 1.1.1. Strategic Objective Title | Maintain sound financial management |
| 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 for 2014/15 and 2015/16 |
| 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 |
| 1.1.2 Strategic Objective Title | Strengthen Human Resources and System Adequacy |
| Strategic Objective Statement | People competencies retained and systems developed to leverage technology enabling operational efficiency |
| Baseline | Vacancy rate: 28% 2015/16 |
| ICT Governance Framework Maturity: Level 2, 2015/16 | |

| | |
|--|---|
| 1.1.2 Strategic Objective Title | Strengthen Human Resources and System Adequacy |
| 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 |
| 1.1.3 Strategic Objective Title | Ensure Accountable Governance |
| Strategic Objective Statement | Accountable governance and leadership oversight focussed on high performance, compliance, internal controls and enterprise-wide risk mitigation |
| Baseline | Rate of attendance to scheduled AA meetings: 70%, 2015/16 |
| Justification | Organisational compliance and performance for services 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

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. In addition, Special Projects, Enterprise Development, the Bursary Unit and Events Management also report directly to the CEO. The Office of the CEO comprises customer care and related functions. 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. Most of the governance vacancies fall within the Board Secretariat.

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

| Filled posts per Job level by Department or Function | OCEO | Finance | Human Resources Management & Development | Information Communication and Technology | Governance | TOTALS |
|--|-----------|-----------|--|--|------------|-----------|
| Executive Management | 1 | 0 | 0 | 0 | 1 | 2 |
| Senior Management | 0 | 2 | 0 | 1 | 3 | 6 |
| Management | 1 | 6 | 1 | 0 | 2 | 10 |
| Senior Officers | 2 | 4 | 0 | 0 | 1 | 7 |
| Officers | 0 | 11 | 2 | 1 | 1 | 15 |
| Administrators | 4 | 3 | 1 | 0 | 0 | 8 |
| General | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTALS | 8 | 26 | 4 | 2 | 8 | 48 |
| Approved posts per Job level by Department or Function | OCEO | Finance | Human Resources Management & Development | Information Communication and Technology | Governance | TOTALS |
| Executive Management | 1 | 1 | 0 | 0 | 1 | 3 |
| Senior Management | 1 | 3 | 1 | 1 | 3 | 9 |
| Management | 1 | 7 | 2 | 0 | 4 | 14 |
| Senior Officers | 4 | 9 | 1 | 0 | 3 | 17 |
| Officers | 4 | 15 | 2 | 1 | 2 | 24 |
| Administrators | 6 | 6 | 1 | 0 | 3 | 16 |
| General | 0 | 0 | 0 | 0 | 1 | 1 |
| TOTALS | 17 | 41 | 7 | 2 | 17 | 84 |
| % Occupancy per Job level by Department or Function | OCEO | Finance | Human Resources Management & Development | Information Communication and Technology | Governance | TOTALS |
| Executive Management | 100 % | 0% | N/A | N/A | 100% | 67% |
| Senior Management | 0% | 67% | 0% | 100% | 100% | 67% |
| Management | 100% | 86% | 50% | N/A | 50% | 71% |
| Senior Officers | 50% | 44% | 0% | N/A | 33% | 41% |

| % Occupancy per Job level by Department or Function | OCEO | Finance | Human Resources Management & Development | Information Communication and Technology | Governance | TOTALS |
|---|------------|------------|--|--|------------|------------|
| Officers | 0% | 73% | 100% | 100% | 50% | 63% |
| Administrators | 67% | 50% | 100% | N/A | 0% | 50% |
| General | N/A | N/A | N/A | N/A | 0% | 0% |
| TOTALS | 47% | 63% | 57% | 100% | 47% | 57% |

Financial Resources

The increase in the administration programme is mainly due to the 40% increase in the cost of human resources resulting from the employment of additional staff in the administration 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 | Expenditure Actuals | | Budget (Original) | Adjusted Appropriation | | Medium-term expenditure estimate | |
|----------------------------|---------------------|------------------|-------------------|------------------------|------------------|----------------------------------|------------------|
| | 2014/15 | 2015/16 | 2016/17 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Communication Marketing | R 2,486 | R 10,483 | R 2,290 | R 39,623 | R 12,570 | R 13,312 | R 14,057 |
| Finance | R 20,917 | R 24,655 | R 25,635 | R 17,612 | R 23,994 | R 25,409 | R 26,832 |
| Customer Care | - | - | R 87 | - | - | - | - |
| Information Technology | R 13,829 | R 35,271 | R 15,429 | R 22,437 | R 26,796 | R 28,377 | R 29,966 |
| Stakeholder Relations | - | - | R 5,018 | - | | | |
| Board Secretariat Services | R 1,118 | R 9,205 | R 5,881 | R 6,645 | R 8,821 | R 9,341 | R 9,864 |
| Compliance | R 8 | - | R 219 | R 8,766 | R 3,128 | R 3,312 | R 3,498 |
| CEO | R 28,609 | R 626 | R 2,341 | R 28,413 | R 42,939 | R 45,472 | R 48,019 |
| Legal Service | R 5,649 | R 6,912 | R 14,914 | R 14,914 | R 9,552 | R 10,115 | R 10,682 |
| Risk Management | R 13 | R 737 | R 170 | R 1,296 | R 3,874 | R 4,102 | R 4,332 |
| Human Resources | R 73,822 | R 41,567 | R 46,775 | R 48,798 | R 68,738 | R 72,794 | R 76,871 |
| TOTAL | R 146,449 | R 129,455 | R 118,759 | R 188,505 | R 200,411 | R 212,235 | R 224,120 |

7.1.4. Risk Mitigation

| Strategic Objective Title | Strategic Objective Statement | Strategic Risk Description | Mitigation |
|---|---|---|---|
| 1.1.1 Maintain sound financial management | Financial affairs of the Services SETA are managed in a transparent, efficient and effective manner to maintain clean audit | Non-compliance with governance imperatives. Due to difference of interpretation versus implementation of legislative requirement and Inadequate implementation of policies and procedure. Leading to non-achievement of a clean administration audit | Monthly reporting to the EXCO and quarterly to Board oversight committees. Combined assurance plan in place |
| 1.1.2 Strengthen Human Resources and systems adequacy | People competencies retained and systems developed to leverage technology enabling operational efficiency | Non-compliance with governance imperatives. Due to inadequate implementation of policies and procedure. Lack of knowledge and understanding of the applicable legislation and or legislative requirements. Leading to non-achievement of a clean administration audit | Monthly reporting to the EXCO and quarterly to Board oversight committees. Combined assurance plan in place |
| 1.1.3 Ensure accountable governance | Accountable governance and leadership oversight focussed on high performance, compliance, internal controls and enterprise-wide risk mitigation | Non-compliance with governance imperatives. Due to difference of interpretation versus implementation of legislative Inadequate implementation of policies and procedure. Leading to penalties and fines, litigation, negative financial impact. reputational damage | Legislative universe, Compliance Framework and plan and a Compliance function in place. Monthly reporting to the EXCO and quarterly to Board oversight committees. Combined assurance plan in place |

7.2. Programme 2: Skills Planning

7.2.1. Purpose

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

7.2.2. Strategic Objectives

| | |
|---|--|
| 2.1.1. 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 | SSP, SP and APP submitted on time: 100% Research chairs established: no baseline |
| Justification | Well research demand and planned supply ensures skills development and PSET aligned to achieve 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 |
| 2.1.2. Strategic Objective Title | Promote industry investment and strengthen workplace mentorship |
| Strategic Objective Statement | Promote industry investment in workplace skills development and occupational qualifications and strengthening work-integrated learning |
| Baseline | Mandatory Grant submissions: large: 591, Medium: 735, Small: 2156 |
| 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 flow of skills |
| 2.1.3. Strategic Objective Title | Improve Organisational Performance |
| Strategic Objective Statement | Measurable planning and accurate reporting of organisational performance, and utilisation of evaluation findings to inform services delivery |
| Baseline | Number of impact assessment studies |
| Justification | Achievement of clean administration |
| 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 |

7.2.3. Resource Considerations

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 compliant 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. The 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 | Sector Skills and Strategic Planning | Mandatory Grants | Monitoring and Reporting and Impact Evaluations | TOTALS |
|--|--------------------------------------|------------------|---|-----------|
| Executive Management | 1 | 0 | 0 | 1 |
| Senior Management | 0 | 0 | 1 | 1 |
| Management | 1 | 0 | 1 | 2 |
| Senior Officers | 1 | 0 | 1 | 2 |
| Officers | 0 | 0 | 1 | 1 |
| Administrators | 0 | 2 | 0 | 2 |
| General | 0 | 0 | 0 | 0 |
| TOTALS | 3 | 2 | 4 | 9 |
| Approved posts per Job level by Department or Function | Sector Skills and Strategic Planning | Mandatory Grants | Monitoring and Reporting and Impact Evaluations | TOTALS |
| Executive Management | 1 | 0 | 0 | 1 |
| Senior Management | 0 | 0 | 1 | 1 |
| Management | 2 | 0 | 2 | 4 |
| Senior Officers | 1 | 1 | 1 | 3 |
| Officers | 0 | 3 | 1 | 4 |
| Administrators | 1 | 3 | 0 | 4 |
| General | 0 | 0 | 0 | 0 |
| TOTALS | 5 | 7 | 5 | 17 |

| % 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% | N/A | N/A | 100% |
| Senior Management | N/A | N/A | 100% | 100% |
| Management | 50% | N/A | 50% | 50% |
| Senior Officers | 100% | 0% | 100% | 67% |
| Officers | N/A | 0% | 100% | 25% |
| Administrators | 0% | 67% | N/A | 50% |
| General | N/A | N/A | N/A | N/A |
| TOTALS | 60% | 29% | 80% | 53% |

Financial Resources

The increase in Skills Planning is due to the increase in research projects commissioned by the planning department to enhance the SETA's understanding of its sector's needs and capabilities. The projects 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 R thousand | Expenditure Actuals | | Budget (Original) | Adjusted Appropriation | Medium-term expenditure estimate | | |
|---|---------------------|------------------|-------------------|------------------------|----------------------------------|------------------|------------------|
| | 2014/15 | 2015/16 | 2016/17 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Planning | R 38 | R 151,161 | R231,443 | R 148,198 | R 159,992 | R 169,432 | R 178,920 |
| Mandatory Grants | R 9 | R 55,833 | R26,113 | R 37,101 | R 100,140 | R 35,350 | R 12,443 |
| Special Projects | R 571 | R 4,121 | R9,100 | R 5,020 | R 6,482 | R 6,865 | R 7,249 |
| TOTAL | R 618 | R 211,115 | R 266,656 | R 190,319 | R 266,614 | R 211,646 | R 198,612 |

7.2.4. Risk Mitigation

| Strategic Objective Title | Strategic Objective Statement | Strategic Risk Description | Mitigation |
|---|---|---|--|
| 2.1.1 Conduct credible research to inform planning | Expand research capabilities and credibility to inform relevant and evidence-based planning | Inadequate and/or misaligned qualifications to meet the skills needs of the sector. Due to Inadequate participation by industry (Community of Expert Practitioners), public and private training institutions. Inadequate understanding of scarce and critical PIVOTAL skills. Inadequate/insufficient industry intelligence. Leading to workforce with irrelevant and/or inadequate skills. No uptake on qualifications. Services SETA becoming irrelevant to its mandate. Disjuncture between the economy and what the Services SETA has to offer | Development of new occupational qualifications. Replace outdated qualifications. Researched SSP in place. Quarterly Chamber committee meetings. SSP development supported by relevant research and information obtained through engagement with industry. Chambers involvement and, direct interaction with key stakeholders |
| 2.1.2 Promote industry investment and strengthen workplace mentorship | Promote industry investment in workplace skills development and occupational qualifications strengthening work-integrated learning | Inability to service some of the top levy paying companies with operations falling outside Services SETA scope. Due to inadequate industry intelligence and/or scattered information from industry. Inadequate targeted research other than WSPs. Leading to no empirical data obtained from analysis of the WSPs due to low submission of WSP and ATRs Leading to Increase in the number of employers applying for training in qualifications that are outside the Services SETA scope | Establishment of a stakeholder relations department to address the needs of top levy paying companies. Collaboration between relevant departments (MANCO and Core Business Committee in place) Engagements with companies that want to transfer |
| 2.1.3 Improve organisational performance | Measurable planning and accurate reporting of organisational performance, and utilisation of evaluation findings to inform service delivery | No alignment to a specific strategic risk | Performance information reported quarterly is subject to pre-audit and remedial action plans formulated to cover the gaps |

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, the expansion of access to skills development in rural and underserved areas and PIVOTAL learning interventions. Special projects are targeted interventions that meet national and transformational imperatives whereas regular projects are granted on application in response to advertised opportunities.

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's 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 SSP for 2017/18 submitted on 01 August 2016 identified a list of 63 scarce skills and 51 critical skills. Further in-depth analysis and the mandate to balance supply across high, intermediary and entry-level qualifications resulted in the PIVOTAL list comprising a total of 28 occupations which includes 10 scarce skills, 6 critical skills and 12 trades. A higher correlation between enrolments and the PIVOTAL list can be expected as opposed to scarce and critical skills lists.

7.3.2. Strategic Objectives

| | |
|---------------------------------|---|
| 3.1.1 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: 4 |
| Justification | Both the NSDS III and MTSF address the objective of equitable development. Special Projects enable 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 flow of skills |

| | |
|----------------------------------|---|
| 3.1.2 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: baseline |
| | Number of university partnerships: baseline |
| | Number of employer partnerships: baseline |
| | Number of cooperatives supported: 181 |
| | Number of SMEs supported: 139 |
| | Number of non-governmental and community-based organisations supported: 70 |
| | Number of non-levy paying employers supported: baseline |
| | Number of Trade Unions supported: baseline |
| | Number of rural development projects: 4 |
| Justification | Both the NSDS III and MTSF address the objective of equitable development. Special Projects enable 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 Goal 3. Strengthen the services sector's capabilities |
| 3.1.3 Strategic Objective Title | Promote enterprise development |
| Strategic Objective Statement | Transformation and sustainability promoted through targeted enterprise development |
| Baseline | Number of Skills Development Centres (SDCs) established: 8 (2015/16) |
| Justification | Both the NSDS III and MTSF address the objective of equitable development. Special Projects enable 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 flow of skills |
| 3.1.4. Strategic Objective Title | Prioritise Services SETA investment |
| Strategic Objective Statement | Enrol funded learners to achieve targets, strengthening alignment to scarce, critical and priority skills |
| Baseline | Total learner enrolments: 30 780 (2015/16) |
| Justification | Ensure proper tracking and monitoring of projects to enable timely redirection of funds enhance organisational performance against targets |

| | |
|----------------------------------|---|
| 3.1.4. Strategic Objective Title | Prioritise Services SETA investment |
| 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 |
| 3.1.5. Strategic Objective Title | Improve skills development throughput |
| Strategic Objective Statement | Improve monitoring and coordination of SETA-funded skills development to facilitate timely completion |
| Baseline | Total learner completions: 548 (2015/16) |
| 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 |
| 3.1.6. 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: Number of functional chamber committees: 6 Number of stakeholder engagements: 21 Number of functional provincial stakeholder forums: 6 |
| 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 needs 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

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 Enterprise Development and the Bursary Unit, currently reporting to the CEO and Stakeholder Relations Management. These functional requirements are being prioritised accordingly. All chambers and all provinces are reasonably well-capacitated. The total number of filled and or funded 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 | Operations Management | Learning Interventions | Chamber Operations | Provincial Operations | Stakeholder Relations Management | TOTALS |
|--|--|---|-----------------------|------------------------|--------------------|-----------------------|----------------------------------|------------|
| Executive Management | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Senior Management | 1 | 0 | 0 | 1 | 1 | 1 | 0 | 4 |
| Management | 1 | 2 | 0 | 5 | 6 | 6 | 0 | 20 |
| Senior Officers | 0 | 0 | 0 | 16 | 0 | 13 | 0 | 30 |
| Officers | 0 | 1 | 0 | 19 | 2 | 16 | 0 | 38 |
| Administrators | 2 | 2 | 0 | 7 | 3 | 12 | 0 | 26 |
| General | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 20 |
| TOTALS | 25 | 5 | 0 | 48 | 12 | 48 | 1 | 139 |
| 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 | Chamber Operations | Provincial Operations | Stakeholder Relations Management | TOTALS |
| Executive Management | 0 | 0 | 1 | 0 | 0 | 0 | 1 | 2 |
| Senior Management | 1 | 0 | 0 | 1 | 1 | 1 | 0 | 4 |
| Management | 1 | 3 | 0 | 5 | 6 | 8 | 2 | 25 |
| Senior Officers | 1 | 2 | 0 | 17 | 0 | 16 | 0 | 36 |
| Officers | 0 | 5 | 0 | 23 | 6 | 25 | 0 | 59 |
| Administrators | 3 | 5 | 1 | 8 | 3 | 16 | 0 | 36 |
| General | 21 | 0 | 0 | 0 | 0 | 0 | 0 | 21 |
| TOTALS | 27 | 15 | 2 | 54 | 16 | 66 | 3 | 183 |

| % Occupancy per Job level by Department or Function | Infrastructure Development and Facilities Management | Special Projects, Enterprise Development and Bursary Unit | Operations Management | Learning Interventions | Chamber Operations | Provincial Operations | Stakeholder Relations Management | TOTALS |
|---|--|---|-----------------------|------------------------|--------------------|-----------------------|----------------------------------|------------|
| Executive Management | N/A | N/A | 0% | N/A | N/A | N/A | 100% | 50% |
| Senior Management | 100% | N/A | N/A | 100% | 100% | 100% | N/A | 100% |
| Management | 100% | 67% | N/A | 100% | 100% | 75% | 0% | 80% |
| Senior Officers | 100% | 0% | N/A | 94% | N/A | 81% | N/A | 83% |
| Officers | N/A | 20% | N/A | 83% | 33% | 64% | N/A | 64% |
| Administrators | 67% | 40% | 0% | 88% | 100% | 75% | N/A | 72% |
| General | 95% | N/A | N/A | N/A | N/A | N/A | N/A | 95% |
| TOTALS | 93% | 33% | 0% | 89% | 75% | 73% | 33% | 76% |



Financial Resources

The skills development programme focuses on learning interventions which also include infrastructure development. The latter includes skills development centres, community colleges, learning institutes, artisan development academies, entrepreneurship centres and the refurbishment of colleges occupied by the Services SETA. All this is a reflection of the Services SETA's commitment to long-term investment in providing skills development infrastructure to increase access to learning interventions.

Table 9. Expenditure for Programme 3: Learning Programmes SkillsDevelopment

| Expenditure by Programmes R thousand | Expenditure Actuals | | Budget (Original) | Adjusted Appropriation | Medium-term expenditure estimate | | |
|--|---------------------|-----------------|-------------------|------------------------|----------------------------------|-------------------|-------------------|
| | 2014/15 | 2015/16 | 2016/17 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Provinces | R 2,233 | R 1,451 | R 1,827 | R 1,059 | R 1,386 | R 1,468 | R 1,550 |
| Chambers | R 13,338 | R 20,554 | R 18,703 | R 27,304 | R 29,348 | R 31,080 | R 32,820 |
| Facilities Management | R 253 | R 381 | R 3,688 | R 510 | R 230 | R 244 | R 258 |
| Stakeholder Relations | - | - | - | R 195 | R 708 | R 750 | R 792 |
| Special Projects | R 18 | R 111,666 | R 52,225 | R 73,973 | R 200,051 | R 141,236 | R 99,430 |
| Learning Intervention | R 409,854 | R 522,473 | R 934,540 | R 1,262,125 | R 985,812 | R 1,171,755 | R 1 299,469 |
| Artisan Development | - | R 2,696 | R 60 | - | - | - | - |
| Learning Intervention Project Coordination | - | R 522 | R 130 | R 80 | R 108 | R 114 | R 121 |
| TOTAL | R425,697 | R659,743 | R1,011,173 | R1,365,246 | R1,217,644 | R1,346,648 | R1,434,441 |

7.3.4. Risk Mitigation

| Strategic Objective Title | Strategic Objective Statement | Strategic Risk Description | Mitigation |
|---|---|--|--|
| 3.1.1 Grow infrastructure and rural development | Expand infrastructure for skills and enterprise development and target rural development | No alignment to a specific strategic risk | Targeted approach through special projects |
| 3.1.2 Promote supply and demand partnerships | National priorities promoted through supply- and demand-side partnership development | Lack of significant statistical data gathered through research to properly inform skills planning. Caused by apathy of stakeholders to submit WSPs and ATRs. Low level of submissions of WSPs and ATRs against total number of employers mandated to submit. Targeted services for different levy payers. Lack of regulation of the informal sector. Leading to sector skills needs that are not serviced, lack of representative data for the full population, poor skills provisioning, entities will not play a direct role/part in the mainstream economy. | Annual awareness workshops special targeted projects |
| 3.1.3 Promote enterprise development | Transformation and sustainability promoted through targeted enterprise development | No alignment to a specific strategic risk | Targeted approach through special projects |
| 3.1.4 Prioritise Services SETA investment | Enrol funded learners to achieve targets, strengthen alignment to scarce and critical demand, and priority skills | Misalignment of Services SETA offerings to scarce, critical and PIVOTAL skills due to inadequate research (industry not actively informing SETA about their needs). Targeted beneficiaries not meeting the requirements of identified scarce and critical skills. Leading to insufficient skilled labour force for the sector. Structural unemployment. (mismatch between the demand and supply) | Development of new qualifications to replace outdated ones. Researched SSP in place. Stakeholder engagement plans in place. Established chamber committees to engage with industry |

| Strategic Objective Title | Strategic Objective Statement | Strategic Risk Description | Mitigation |
|---|---|--|--|
| 3.1.5 Improve skills development throughput | Improve monitoring and coordination of SETA-funded skills development to facilitate timely completion | Inability to exit learners (low certification rate and throughput) due to poor strategic planning for and analysis of enrolments (misalignment input v/s output). Insufficient relevant workplaces to place learners (occupational qualifications) leading to unemployable learners and a shortage of skills in the industry | Appoint entities with adequate resources and facilities and monitoring of workplace learning |
| 3.1.6 Promote stakeholder participation | Promote stakeholder participation and information exchange to strengthen relevance and access to services | Misalignment of Services SETA offerings to scarce, critical and PIVOTAL skills caused by inadequate research (Industry not actively informing SETA about their needs). Leading to Insufficient skilled labour force for the sector. Structural unemployment (mismatch between the demand and supply | Development of new occupational qualifications to replaces outdated ones. Researched SSP in place. Stakeholder engagement plans in place. Established chamber committees |

7.4. Programme 4: Quality Assurance

7.4.1. Purpose

The purpose of this programme is to accredit SDPs and fulfil the QCTO-delegated quality assurance functions regarding learner achievements.

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

7.4.2. Strategic Objectives

| | |
|----------------------------------|--|
| 4.1.1. Strategic Objective Title | Strengthen and assure quality of supply |
| Strategic Objective Statement | Capacitate and support SDPs to strengthen relevant skills supply |
| Baseline | Percentage of SDP applications processed within 90 days: 92% Percentage of learners issued with certificates or statement of results within 90 days: Certificates: 65% |
| Justification | Ensure increase in accredited SDPs and registered moderators and assessors to build supply-side capacity. Certification and work experience is 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 |
| 4.1.2. Strategic Objective Title | Improve efficiency in certification |
| Strategic Objective Statement | Improve efficiency in quality assurance of learner achievement for certification |
| Baseline | Number of SDFs trained: no baseline Percentage of processed SDP applications that have been remediated: no baseline |
| 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

Human Resources

Quality Management has the highest occupancy rate and reflects the critical importance of accrediting service providers and the certification of 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 | 1 | 0 | 0 | 1 |
| Management | 0 | 1 | 1 | 2 |
| Senior Officers | 0 | 22 | 4 | 26 |
| Officers | 0 | 5 | 2 | 7 |
| Administrators | 3 | 5 | 6 | 14 |
| General | 0 | 0 | 0 | 0 |
| TOTALS | 4 | 33 | 13 | 50 |
| 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 | 1 | 0 | 0 | 1 |
| Management | 0 | 2 | 1 | 3 |
| Senior Officers | 0 | 25 | 5 | 30 |
| Officers | 0 | 8 | 4 | 12 |
| Administrators | 3 | 5 | 7 | 15 |
| General | 0 | 0 | 0 | 0 |
| TOTALS | 4 | 40 | 17 | 61 |
| % Occupancy per Job level by Department or Function | Quality Management | Programme Development and Accreditation | Quality Assurance of Learner Achievements | TOTALS |
| Executive Management | N/A | N/A | N/A | N/A |
| Senior Management | 100% | N/A | N/A | 100% |
| Management | N/A | 50% | 100% | 67% |
| Senior Officers | N/A | 88% | 80% | 87% |
| Officers | N/A | 63% | 50% | 58% |
| Administrators | 100% | 100% | 86% | 93% |
| General | N/A | N/A | N/A | N/A |
| TOTALS | 100% | 83% | 76% | 82% |

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 SDPs to enhance the quality of the SETA's offering. The programme is also aimed at improving the time taken to issue certificates and statements of results to deserving and competent learners.

Table 11. Expenditure for Programme 4: Quality Assurance Quality Management

| Expenditure by Programmes R thousand | Expenditure Actuals | | Budget (Original) | Adjusted Appropriation | Medium-term expenditure estimate | | |
|---|---------------------|-----------------|-------------------|------------------------|----------------------------------|--------------|--------------|
| | 2014/15 | 2015/16 | 2016/17 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Quality Management | R 631 | R 21,717 | R 268 | R 762 | R 421 | R 446 | R 471 |
| TOTAL | R 631 | R 21,717 | R 268 | R 762 | R 421 | R 446 | R 471 |

7.4.4. Risk Mitigation

| Strategic Objective Title | Strategic Objective Statement | Strategic Risk Description | Mitigation |
|---|--|---|--|
| 4.1.1 Strengthen and assure quality of supply | Capacitate and support SDPs to strengthen relevant skills supply | Inability to rollout training in some of the sub-sectors. Due to low capacity of supply (insufficient number of accredited training providers, assessors and moderators for sub-sectors including specialised sub-sectors (funeral services, beauty.) Leading to inability to develop the sector to improve productivity and thereby preventing their contribution to economic growth | Stakeholder engagement to strengthen capacity for supply. Specific approach (Special Projects) per sub-sector like beauty, funeral services and hairdressing |
| 4.1.2 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 for and analysis of 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 like beauty, funeral services and hairdressing |


7.5 Alignment between Goals, Programmes and Strategic Objectives

The table below illustrates the alignment between the strategic outcome-oriented goals contained in the SP and the Programmes and Strategic Objectives further detailed in the APP.

Table 12. Alignment between Goals, Programmes and Strategic Objectives

| GOAL | GOAL STATEMENT | PROGRAMME | STRATEGIC OBJECTIVE | STRATEGIC OBJECTIVE STATEMENT |
|--------------------------------|---|------------------------|---|---|
| 1. Improve the stock of skills | Increase transformation, level and capacity of skills available within the Services Sector labour market through successful certification of learners in occupational qualifications by 2019/20 | 3. Learning Programmes | 3.1.5 Improve skills development throughput | Improve monitoring and coordination of SETA-funded skills development to facilitate timely completion |
| | | 4. Quality Assurance | 4.1.2 Improve efficiency in certification | Improve efficiency in quality assurance of learner achievement for certification |
| 2. Improve the flow of skills | Improve access to and quality of relevant occupational qualifications through skills development infrastructure and capacitate 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 and strengthen 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, critical demand and PIVOTAL skills |
| | | 4. Quality Assurance | 4.1.1 Strengthen and assure quality of supply | Capacitate and support SDPs to strengthen relevant skills supply |

| GOAL | GOAL STATEMENT | PROGRAMME | STRATEGIC OBJECTIVE | STRATEGIC OBJECTIVE STATEMENT |
|--|---|------------------------|---|---|
| 3. 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 | 3.1.6 Promote stakeholder participation | Promote stakeholder participation and information exchange to strengthen relevance and access to services |
| 4. Strengthen the Services SETA's capabilities | Optimise the Services SETA's service delivery by enhancing policies, processes, systems, knowledge and competencies | 1. Administration | 1.1.1 Maintain sound financial management | 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 directly addresses this priority. Notwithstanding several other strategic objectives, promote access to 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 directly addresses this priority.
- Improving relevance of qualifications: Goal 4, Programme 2, Strategic Objective 2.1.1 Conduct credible research to inform planning would inform relevance and 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 directly seeks to expand workplaces as training spaces with qualified mentors able to support the monitoring and achievement of learning outcomes.

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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 | <p>Learners means those unemployed and funded by the Services SETA through Discretionary Grant funding across all learning programmes</p> <p>Successfully completing means that 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</p> <p>Annum means the financial year commencing 01 April and ending 31 March</p> |
| Purpose or importance | This is significant in that 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 for unemployed learners to establish professional networks thereby promoting access |
| Source or collection of data | <ul style="list-style-type: none"> Audited SQMR reports listing unemployed learners that have successfully completed funded learning programmes The published Annual Report |
| Method of calculation | $(\text{prior year unemployed successful completions} - \text{current year unemployed successful completions}) / \text{prior year unemployed successful completions} * 100$ |
| 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 that is the same or increased not decreased |
| Indicator Responsibility | Senior Manager: Planning |

| Components | Descriptions |
|------------------------------|--|
| Indicator title | Employed successful completions |
| Performance Indicator | 1.2 Percentage increase in employed learners successfully completing learning programmes per annum |
| Short definition | <p>Learners means those employed and funded by the Services SETA through Discretionary Grant funding across all learning programmes</p> <p>Successfully completing means that 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</p> <p>Annum means the financial year commencing 01 April and ending 31 March</p> |
| Purpose or importance | This is significant in that shows the growth in skills and competencies to enable 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 | <ul style="list-style-type: none"> Audited SQMR reports listing unemployed learners that have successfully completed funded learning programmes The published Annual Report |
| Method of calculation | $((\text{prior year unemployed successful completions} - \text{current year unemployed successful completions}) / \text{prior year unemployed successful completions}) * 100$ |
| Data limitations | <ul style="list-style-type: none"> 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 that is the same or increased not decreased |
| Indicator Responsibility | Senior Manager: Planning |

| Components | Descriptions |
|------------------------------|--|
| Indicator title | Throughput rate |
| Performance Indicator | 1.3 Weighted average throughput rate of learning programmes per annum |
| Short definition | <p>Average refers to the regular meaning of “average” calculated by adding a set of values together and then dividing the total by the number of values in the set</p> <p>Throughput is the rate at which a system achieves its ultimate goal which in this instance is the stock of skills. It therefore is the rate at which learners enter and complete a learning programme. The following formula is applied $R = I/T$ where:</p> <ul style="list-style-type: none"> • 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 • <p>Annum means the financial year commencing 01 April and ending 31 March</p> |
| 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 | <ul style="list-style-type: none"> • Audited SQMR reports listing funded learner completions across learning programmes. • The start date and end date is captured for individual learners |
| Method of calculation | <p>((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</p> <p><i>Weighted in subsequent years</i></p> |
| 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, that is, the same or increased, not decreased. |
| Indicator Responsibility | Senior Manager: Planning |

| Components | Descriptions |
|------------------------------|--|
| Indicator title | Transformational imperatives |
| Performance Indicator | 1.4 Average achievement of transformational imperatives per annum |
| Short definition | <p>Transformational imperatives is informed by 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</p> <p>Achievement means Services SETA funded learners enrolled measured against each category</p> <p>Annum means the financial year commencing 01 April and ending 31 March</p> |
| Purpose or importance | This 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 | $((\text{black -funded learners enrolled} / \text{total funded learners enrolled}) * 100)$ repeated for unemployed, women, rural, youth and disabled funded learners averaged across these categories |
| Data limitations | <ul style="list-style-type: none"> 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 | Senior 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 | <p>Correlation means a mutual relationship or connection between two or more things</p> <p>Learner enrolments means Services SETA funded enrolments across all learning programmes</p> <p>Priority skills means the consolidated list of scarce, critical or pivotal skills identified in the applicable Sector Skills Plan for the implementation period</p> <p>Annum means the financial year commencing 01 April and ending 31 March</p> |
| 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 | <ul style="list-style-type: none"> • Applicable SSP 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 | $(\text{current year funded learners enrolled in scarce, critical or PIVOTAL skills qualifications} / \text{current year funded learners enrolled}) * 100$ |
| Data limitations | <ul style="list-style-type: none"> • 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 is required to enhance data accuracy and completeness at 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 | Senior Manager: Planning |

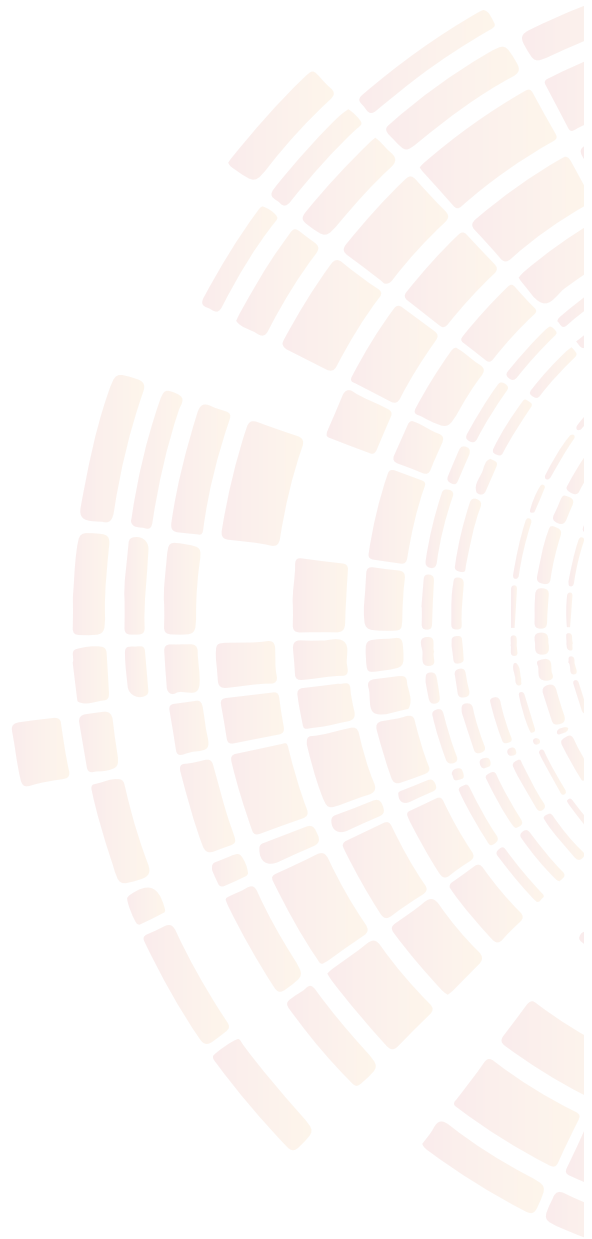
| Components | Descriptions |
|------------------------------|---|
| Indicator title | Providers for priority skills |
| Performance Indicator | 2.2 Percentage priority skills with accredited SDPs per annum |
| Short definition | <p>Accredited skills development providers means skills development providers with valid Services SETA accreditation for any of the priority skills at as the end of the annum. Providers will only be counted once despite accreditation spanning multiple qualifications and unit standards</p> <p>Accredited skills development providers means SDPs 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.</p> <p>Annum means the financial year commencing 01 April and ending 31 March</p> |
| Purpose or importance | This 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 SSP 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 | Senior Manager: Planning |

| Components | Descriptions |
|------------------------------|--|
| Indicator title | Workplaces mentoring learners |
| Performance Indicator | 2.3 Percentage increase in employers mentoring learners in the workplace |
| Short definition | <p>Employers means 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.</p> <p>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 a qualification or after acquiring a qualification.</p> |
| Purpose or importance | Employers are encouraged to make workplaces training spaces creating exposure and practical experience for learners before of after qualifying, 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 | $(\text{number of current year host employers mentoring learners in learnerships, internships and apprenticeships} / \text{number of prior year host employers mentoring learners in Learnerships, internships and apprenticeships}) * 100$ |
| Data limitations | Recording, capturing and reporting of host employers, that is 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 | Senior Manager: Planning |

| Components | Descriptions |
|------------------------------|---|
| Indicator title | Infrastructure investment |
| Performance Indicator | 2.4 Percentage investment in skills development infrastructure per annum |
| Short definition | <p>Investment means a resolution of the Accounting Authority to invest discretionary grant funding</p> <p>Skills development infrastructure means any facility established, built, renovated or bought as a Skills Development Centre, Community College, Learning Institute, Artisan Academy, Trade Test Centre, Entrepreneurship Centre for the purpose of teaching, training, testing and supporting learners in post school education and training</p> <p>Annum means the financial year commencing 01 April and ending 31 March</p> |
| Purpose or importance | This 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 | $(\text{current year Rands committed for skills development infrastructure} / \text{current year Discretionary Grant budget}) \times 100$ |
| 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 | Senior 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 | <p>Entrepreneurial education means part or full qualifications that seek to provide learners with the knowledge, skills and motivation to start, grow and sustain their own businesses. It promotes innovation, self-employment and new venture creation</p> <p>Enterprise development means 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</p> <p>Annum means the financial year commencing 01 April and ending 31 March</p> |
| Purpose or importance | Entrepreneurship and enterprise development are key drivers 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 accurately state the names, registration number and/or SDL number of the entity which may result in a margin of error. |
| Type of indicator | Outcome |
| Calculation type | Non-cumulative |
| Reporting cycle | Annual |
| New indicator | New |

| Components | Descriptions |
|--------------------------|--------------------------|
| Desired performance | Improvement year-on-year |
| Indicator Responsibility | Senior Manager: Planning |

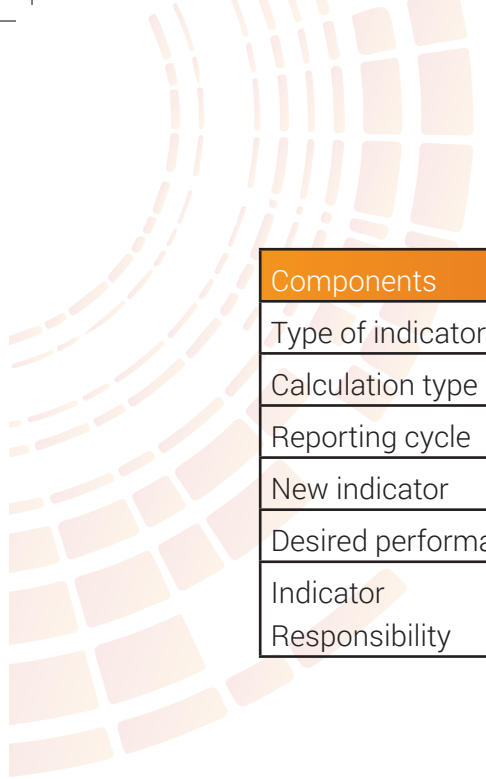


| Components | Descriptions |
|------------------------------|--|
| Indicator title | Private intermediaries engaged |
| Performance Indicator | 3.2 Number of private intermediaries engaged per annum |
| Short definition | <p>Private intermediaries means entities that facilitate interaction, translate 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.</p> <p>Engaged means 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 other designated function/s</p> <p>Annum means the financial year commencing 01 April and ending 31 March</p> |
| 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 partnership and collaboration |
| 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 names of entities, their representatives, purposes 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 | Senior Manager: Planning |

| Components | Descriptions |
|------------------------------|--|
| Indicator title | Public intermediaries engaged |
| Performance Indicator | 3.3 Number of public intermediaries engaged per annum |
| Short definition | <p>Private intermediaries means 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</p> <p>Engaged means 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 other designated function/s</p> <p>Annum means the financial year commencing 01 April and ending 31 March</p> |
| 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 partnership and collaboration |
| 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, 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 | Senior 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 | <p>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 as unit cost should increase over time</p> <p>Service delivery is limited in this instance to the total number of funded unique learners whether enrolled/completed/certificated.</p> <p>Annum means the financial year commencing 01 April and ending 31 March</p> |
| Purpose or importance | As business processes and skills development become more efficient through the use of technology economy is expected to increase. Showing that public funds are reaching more learners over time builds confidence in the organisation and government as a whole |
| Source or collection of data | Audited financial statements and audited SQMR reports filtered for unique learners by ID number |
| Method of calculation | $\left(\frac{\text{prior year administration expenditure}}{\text{total number of prior year funded unique learners}} - \frac{\text{current year administration expenditure}}{\text{total number of current year funded unique learners}} \right) / \left(\frac{\text{prior year administration expenditure}}{\text{total number of prior year funded unique learners}} \right)$ |
| Data limitations | The margin of error on ID numbers has been proven to be less than 5%. Mitigation strategies are being implemented to reduce this margin of error even further. Administration is not total expenditure as there is also a Discretionary Grant Project Administration budget and funded unique learners is 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 that is the same or increased not decreased |
| Indicator Responsibility | Senior 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 | <p>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 costs of human resources inputs required to render services.</p> <p>Service delivery means the primary business activities with set turnaround times as follows:</p> <ul style="list-style-type: none"> • 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 <p>As new turnaround times are established for primary business activities these may be included in the above-mentioned list and calculations</p> <p>Annum means the financial year commencing 01 April and ending 31 March</p> |
| Purpose or importance | This seeks to evaluate the timeliness of services delivery as a proxy measure for efficiency. Stakeholders are primarily concerned about having some indication of timeframes in order 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 | $\frac{((\text{prior year average \% achievement of core business processes within specified timeframes}) - (\text{current year average \% achievement of core business processes within specified timeframes}))}{\text{prior year average \% achievement of core business processes within specified timeframes}}$ |
| 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 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. |



| Components | Descriptions |
|--------------------------|--|
| Type of indicator | Outcome |
| Calculation type | Non-cumulative |
| Reporting cycle | Annual |
| New indicator | New |
| Desired performance | Higher, that is, increased not decreased |
| Indicator Responsibility | Senior 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 | <p>Effectiveness is 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, that is, outputs.</p> <p>Service delivery is 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.</p> <p>Annum means the financial year commencing 01 April and ending 31 March</p> |
| Purpose or importance | Assuming that 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 | $(\text{prior year \% achievement of organisational targets} - \text{current year \% achievement of organisational targets}) / \text{prior year \% achievement of organisational targets}$ |
| 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 that is the same or increased not decreased |
| Indicator Responsibility | Senior Manager: Planning |