SERVICES SETA

STRATEGIC PLAN

2025 – 2030

higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

SERVICES SECTOR EDUCATION
AND TRAINING AUTHORITY

LIST OF ACRONYMS

4IR	Fourth Industrial Revolution
AA	Accounting Authority
AET	Adult Education and Training
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AI	Artificial Intelligence
APP	Annual Performance Plan
AOP	Annual Operational Plan
ARPL	Artisan Recognition of Prior Learning
ATR	Annual Training Report
B-BBEE	Broad-Based Black Economic Empowerment
BUSA	Business Unity South Africa
BYOD	Bring Your Own Device

CBO	Community-Based Organisations
CET	Community Education Training
DDM	District Development Model
DG	Discretionary Grant
DHET	Department of Higher Education and Training
DPME	Department of Planning, Monitoring and Evaluation
DQPs	Development Quality Partner
DTi	Department of Trade and Industry
ERRP	Economic Reconstruction and Recovery Plan
ERRPSS	Economic Reconstruction and Recovery Plan Skills Strategy
ETD	Education, Training and Development
FASA	Franchise Association of South Africa

FQ	Full Qualification
GAAP	Generally Accepted Accounting Principles
GBVF	Gender-Based Violence and Femicide
GDP	Gross Domestic Product
GNU	Government of National Unity
GRSC	Governance Risk and Strategy Committee
HEIs	Higher Education Institutions
HRD	Human Resource Development
HRDC	Human Resource Development Council
HTFVs	Hard-To-Fill Vacancies
IBASA	Institute of Business Advisors South Africa
ICT	Information Communication Technology
JET	Just Energy Transition
KPAs	Key Performance Areas
LPE	Levy Paying Employer
MoA	Memorandum of Agreement
MOU	Memorandum of Understanding
MTDP	Medium Term Development Plan
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NEET	Not in Employment, Education or Training
NGP	New Growth Path
NLPE	Non-Levy Paying Employer
NLRD	National Learners Records Database
NGO	Non-Governmental Organisation
NPO	Non-Profit Organisation
NQF	National Qualifications Framework
NSA	National Skills Authority
NSDP	National Skills Development Plan
NSDS	National Skills Development Strategy
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
NT	National Treasury
SDA	Skills Development Act

OFO	Organising Framework for Occupations
PESTEL	Political, Economic, Social, Technological, Environmental, and Legal
PIVOTAL	Professional, Vocational, Occupational, Technical and Academic Learning
PFMA	Public Finance Management Act
PPRA	Property Practitioners Regulatory Authority
PQ	Part Qualification
PSDFs	Provincial Skills Development Forums
PSET	Post-School Education and Training
QCTO	Quality Council for Trade and Occupations
RPL	Recognition of Prior Learning
SAQA	South African Qualifications Authority
SARS	South African Revenue Services
SDL	Skills Development Levy
SDLA	Skills Development Levies Act
SDP	Skills Development Provider
SEDA	Small Enterprise Development Agency
SETA	Sector Education and Training Authority
SETMIS	Sector Education and Training Management Information System
SIC CODE	Standard Industrial Classification Code
SIPs	Strategic Integrated Projects
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprises
SOEs	State-Owned Enterprises
SP	Skills Programme
SSP	Sector Skills Plan
STATS SA	Statistics South Africa
SWOT	Strengths, Weaknesses, Opportunities and Threats
TVET	Technical and Vocational Education and Training
WBL	Workplace-Based Learning
WP-PSET	White Paper on Post-School Education and Training
WSP	Workplace Skills Plan
WTO	World Trade Organisation

SERVICES SETA

FOREWORD
BY THE MINISTER

DR NOBUHLE PAMELA NKABANE
MINISTER OF HIGHER EDUCATION AND TRAINING

South Africa ascended to the G20 Presidency from 01 December 2024 under the theme: "Solidarity, Equality and Sustainability". The admission of the African Union in 2023 as a full member of the G20 presented South Africa with a new opportunity to reposition Africa's role in the global affairs in pursuit of African Union Agenda 2063. Together with the Ministry of Basic Education, the Ministry of Higher Education and Training will be leading the G20 Education Working Group in 2025. For this reason, 2025 will be a historic year in the history of the continent, the country and education and training.

It is my pleasure to present the Department of Higher Education and Training's Strategic Plan for the 2025–2030 period. South Africa's government continues to focus its strategies towards addressing the triple challenges facing the country, namely poverty, unemployment and inequality. In this regard, the 7th Administration has agreed on the priority actions required to address these, and the programme that will foreground the work of government for the 2025–2030 planning period. Three strategic priorities have been identified, namely, (i) driving inclusive growth and job creation; (ii) reducing poverty and tackling the high cost of living; (iii) build a capable, ethical and developmental state.

Consistent with these priorities, the department will continue to support an inclusive growth path by developing a skilled and capable workforce whilst broadening the skills base of the country. The 7th Administration provides an opportunity for the department to position the PSET sector to provide a myriad of opportunities for our youth and adults. Our resolve is to achieve far–reaching outcomes, bringing about changes to improve the provision of postschool opportunities whilst exerting meaningful impact on the lives of individuals, the economy and society as whole.

I am glad that as a sector we have a clear vision that is espoused by the White paper for Post–School Education and Training. We will continue to aspire for:

› a post–school system that can assist in building a fair, equitable, non–racial, non–sexist and democratic South Africa;

› a single, coordinated post–school education and training system;

› an expanded access, improved quality and increased diversity of provision;

› a stronger and more cooperative relationship between education and training institutions and the workplace; and

› a post–school education and training system that is responsive to the needs of individual citizens and of employers in both public and private sectors.

This means that our sustained agenda is to continue to invest in skills that will drive inclusive growth and job creation. As we make post school education and training opportunities accessible, we should enable reciprocal success of our students in the system. In an era of fast–changing skills demand, driven by the further development of the South African economy and by global trends such as technological progress and globalisation, it is important to understand the skills needs of the country. The quality of teaching and learning, the responsiveness of education and training system will be more and more important.

Through this Strategic Plan, we also commit to work with the Human Resource Development Council (HRDC), chaired by the Deputy President of the Republic of South Africa, to ensure effective coordination across government and all sectors in respect to the implementation Human Resource Development Strategy for the country.

Working with our stakeholders, we are changing the size and shape of the PSET system, particularly to reposition the college sector. The National Development Plan, 2030 and our own National Plan for PSET directs that we should drastically increase intake in Technical and Vocational Education and Training (TVET) and Community Education and Training (CET) colleges. The college sector has a potential to transition individuals to the labour market, perform critical jobs with higher productivity and support the change to sustainable and resilient societies.

In November 2023, Cabinet endorsed the Just Energy Transition (JET) Implementation Plan, a transformative blueprint for South Africa's sustainable future. This plan will guide the country toward a greener economy while ensuring that the transition is just, inclusive, and focused on growth. At the heart of this transition lies the skills portfolio, which aims to align skills development with the long–term needs of

the energy sector, ensuring that no one is left behind. In this regard, we aim to implement appropriate interventions to support this initiative. Accordingly, the Department will during the 2025/26 establish a JET Skills Desk within the Department which will serve as the national coordinating hub for skills development efforts, ensuring a unified approach to this critical task.

Another critical challenge that we seek to address is the category of the society that is Not in Employment, Education or Training, commonly known as the NEET. Addressing the crisis around NEET is essential for South Africa's long–term economic growth and social stability. High NEET rates reflect a profound gap in education and employment opportunities for many young people, and this must change. Our government, along with civil society and the private sector, is working to create pathways for education, training, and employment for those who are NEET. We are focused on investments in education, job creation, and skills development to ensure that our youth have the tools they need to succeed.

In this regard, the Department of Higher Education and Training is leading a project to identify NEET individuals across the country. The aim is to establish a database that will assist the department to device appropriate and targeted interventions aimed at improving their circumstances. The interventions will support NEETs in gaining skills, securing employment, starting businesses, or enrolling in education and training programmes. This must be viewed as complementary to the President's Youth Employment Initiative, which drives structural reforms and job creation, and the Presidential Employment Stimulus, which focuses on creating meaningful employment and strengthening livelihoods. Through partnerships with both public and private sector agencies, we aim to connect work seekers with employers, foster entrepreneurship, and provide tailored support to those who need it most.

We are continuing to intensify efforts to address the challenge of skills mismatch with discrepancy between the skills sought by employers and the skills possessed by the youth and adults. The Department is playing a significant role in a number of initiatives like industry–led training programmes, mentorship and internship opportunities, partnerships with

education institutions relevant and enhancing work experience and practical skills.

It is encouraging that baseline information shows that annual production of qualified artisans has been on the increasing trajectory since the demise of COVID–19, with 20,062 completing their trade test in 2023/24. The top ten artisans produced include Electricians, Diesel Mechanics, Mechanical Fitters, Plumbers, Boilermakers, Welders, Millwrights, Automotive Motor Mechanics, Fitters and Turners, and Riggers.

A comprehensive student funding model for higher education, specifically designed for students who fall outside the current NSFAS criteria and address the needs of the "missing middle," has been finalized. This will be implemented in phases over the next five years. Phase 1 of the model is now being implemented, with the government committing an initial capitalization fund of R3.8 billion for the 2025 academic year to support approximately 10,000 students. Further discussions with the National Treasury are ongoing to develop a sustainable funding model, which is expected to be submitted to the Cabinet in July 2025.

I am confident that the implementation of the Strategic Plan 2025–2030, will ensure that the commitments we have towards ensuring transforming the PSET Sector is accomplished. I am certain that, under the guidance and support of the Deputy Ministers, Dr Mimmy Gondwe, MP and Mr Buti Manamela, MP, including the Director–General, Dr Nkosinathi Sishi, its implementation will steer the Department in the right direction as we address the socio–economic challenges facing our country.

DR NP NKABANE, MP

Executive Authority of Higher Education and Training

ACCOUNTING AUTHORITY
STATEMENT

MR STEPHEN DE VRIES
CHAIRPERSON: ACCOUNTING
AUTHORITY

I am delighted to introduce the 2025-2030 Services SETA's Strategic Plan. This Strategy is being launched during a pivotal time in our government's history. It follows the inauguration of the 7th Administration, a notable milestone achieved after successful regional, provincial, and national elections. The results of these elections led to the formation of a Government of National Unity (GNU), a coalition aimed at addressing the varied needs of our nation. This moment provides an excellent opportunity to build on our achievements and advance social cohesion, national prosperity, and nation-building, as our past and current leaders envisioned.

We have taken note of the comprehensive *Statement of Intent* of the Government of National Unity, which outlines its vision and key focus areas, and the draft *Medium Term Development Plan* (MTDP 2024 - 2029), a strategic roadmap for our nation's development. These documents highlight the guiding principles, the eight minimum priorities, and the three key strategic priorities we are committed to aligning with. During the development process, we reflected on progress made and areas that require closer attention to help our government realise these goals. Most noteworthy, we are aware of our country's current economic challenges, which are characterised by slow growth, rising living costs, and high unemployment rates. More than ever, these challenges call for expanding skills development opportunities.

For the Services SETA's Accounting Authority (AA), this report marks the penultimate year before the current Board's term ends on 31 March 2025. This requires the AA to conduct more profound reflections on the organisation's performance over the last four years, taking stock of areas of success and where we need to pay closer attention to realise the objectives we have set for ourselves. These reflections have informed the development of this five-year strategic plan for the Services SETA. We have made substantial progress in stabilising the organisation's operations, including reducing the overcommitments we inherited, stabilising the financial position, and enabling high performance. While we have not yet achieved our apex goal of a clean audit outcome, it is encouraging to note that the number of audit findings has reduced drastically, and we achieved a clean audit on performance information.

It is, therefore, not surprising that this plan is anchored upon two key objectives: clean administration and impactful interventions. These objectives align closely with the MTDP 2024 - 2029 strategic priority of "*A capable, ethical and developmental state*". They

are further aligned with the *SETAs Integrated High Impact Programme* (SIHIP), which places greater emphasis on impactful interventions by SETAs. The recently concluded organisational redesign exercise has put the organisation on a correct footing to realise these objectives. This project helped to align the Services SETAs' strategy with the *National Skills Development Plan 2030* (NSDP2030) mandate and to, in turn, align the organisational structure with the strategic intent by filling key vacant positions and aligning staff functions with their skill sets.

We believe the above interventions will drive organisational performance and help the organisation realise a clean administration. Furthermore, as informed by our *Sector Skills Plan* (SSP), we have prioritised efforts to grow the economy, drive entrepreneurship and promote the absorption of youth in employment. This will be achieved by prioritising Small, Medium and Micro Enterprises (SMMEs) support, increasing learner throughput (completion rates), supporting unemployed graduates through internship and learnership programmes, and increasing support for artisan development programmes in the next five years.

The latter intervention is aligned with government programmes promoting employment through Artisan Development Programmes, while the internship programme is aligned with the *Presidential Youth Employment Initiative* (YEI).

As we mark the final year of this Accounting Authority, we are confident that we will leave behind a functional organisation ideally positioned to fulfil its mandate. We have aligned the Services SETA's

vision and mission statements with the current government trajectory and revised the impact and outcomes statements accordingly. The key message in all of these is to realise sustainable impact in the services sector for inclusive growth and improved quality of life for our people.

I sincerely thank the many who contributed to our work in the last four years, particularly the Honourable Minister of Higher Education, Science and Innovation, for his guidance and leadership during the year and to the DHET officials. We also welcome the new Minister and pledge to support her vision for the department.

We are also indebted to the Portfolio Committee, National Skills Authority (NSA), National Treasury (NT), and the Auditor-General of South Africa (AGSA), all of which provide us with considerable advice and assistance. I extend appreciation to Services SETA's stakeholders, as they have and continue to play a vital role in Services SETA's achievements.

I am also grateful for our senior and executive management team and every staff member whose hard work and dedication have made Services SETA's achievements possible this year.

MR STEPHEN DE VRIES
Chairperson: Accounting Authority
Services SETA
31 January 2025

ACCOUNTING OFFICER
STATEMENT

MR ANDILE SIPENGANE
ACTING CHIEF EXECUTIVE OFFICER

This Strategic Plan (SP) 2025/26-2029/30 is developed in line with the frameworks and guidelines issued by the Department of Planning, Monitoring and Evaluation (DPME), a custodian of the government's planning policies and practices. It has also been aligned with the National Development Plan (NDP), the MTDP 2024-2029 and the NSDP 2030, as well as national strategies and initiatives such as the Fourth Industrial Revolution (4IR) National Strategy, Economic Reconstruction and Recovery Plan (ERRP) and the Presidential Youth Employment Initiative.

This submission is after the inauguration of the 7th Administration and the Government of National Unity. As we mark these important milestones, we, as the Services SETA management, take pride in many of the key achievements realised over this period and remain humbled by the shortcomings we have experienced.

Key achievements include enhancing the stability of the Services SETA in terms of both performance and financial health. Early on, we initiated a swift business optimisation process that significantly improved organisational efficiency and effectiveness, setting the stage for optimal performance. Over the past three years, this intervention has led to a steady improvement in overall performance, which led to us achieving more than 80% of our predetermined objectives. This progress is further supported by an ongoing organisational design process, which aims to align the structure with the new SETA landscape and NSDP2030 strategy.

We are particularly motivated by the progress we have made in relation to the quality assurance function within the organisation. The turnaround time for printing certificates and/or statements of results has improved to more than 90%. These achievements place the Services SETA in a better position to fulfil its mandate. We are still concerned with projects that are not completed, where learners are left without certification or a statement of results.

We have managed to build the capacity of supply for occupational qualifications. Our accreditation of Skills Development Providers (SDPs) has led to a substantial increase in demand for accreditation. Our partnership with the Quality Council for Trade and Occupations (QCTO) is starting to yield results regarding occupational qualifications. We managed

to address the backlog of the development of new occupational qualifications, the alignment of key legacy qualifications with the new occupational qualifications framework, and the review of occupational qualifications that were about to expire. More than 72 occupational qualifications and 38 learnerships have been registered with the South African Qualifications Authority (SAQA) and QCTO, respectively.

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

Notwithstanding these achievements, we are still worried about the adverse audit findings by the AGSA for the past three years. These emanate primarily from the commitment register (financial statements) and data integrity (performance information). Working with AGSA and internal partners, we resolved to realise a clean audit by 2025/26.

We also remain concerned about the low throughput rate of our enrolled learners, averaging 60%, and projects not commencing on time and not completing. Some contributory factors are outside our control, but we believe we can influence the outcome. In this endeavour, we are working hard to find and accredit workplaces for learners to find workplace learning opportunities that will facilitate their successful completion.

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

I wish to thank the DHET, NSA, and the Services SETA AA for their guidance, oversight, and labour and business for their active participation in our learning interventions and strategic engagements, which shaped this Strategic Plan update. I also want to thank the Services SETA staff for their devotion to its vision and mandate.

MR ANDILE SIPENGANE
Acting Chief Executive Officer
31 January 2025

OFFICIAL SIGN–OFF

It is hereby certified that this Strategic Plan:

› Was developed by the management of the Services SETA under Mr Stephen De Vries, the Chairperson of the Services SETA Accounting Authority's guidance.

› Considers all relevant policies, legislation, and other mandates for which the Services SETA is responsible.

› Accurately reflects the impact and strategic outcomes that the Services SETA will endeavour to achieve over the period of 2025 – 2030.

Mr Makhaya Blaai
Acting Executive Manager: Office of the CEO

Ms Liesel Köstlich
Executive Manager: Operations

Mr Sibusiso Dhladhla
Executive Manager: Corporate Services

Mr Tsheola Matsebe
Chief Financial Officer

Ms Mamabele Motla
Executive Manager: Strategy & Insights

Mr Andile Sipengane
Acting Chief Executive Officer

APPROVED BY:

Mr Stephen De Vries
Chairperson: Accounting Authority

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PART A
OUR MANDATE

STRATEGIC PLAN
2025 – 2030

1. CONSTITUTIONAL MANDATE

Section 29 of the Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996) provides all South Africans with the right - (a) to basic education, including adult basic education, and (b) to further education, which the state, through reasonable measures, must make progressively available and accessible. To contribute towards achieving Section 29, the Services SETA provides access to education for all South Africans through programmes such as Artisans, Learnerships and Adult Education & Training (AET). Furthermore, the Services SETA derives its constitutional mandate from the Bill of Rights (Chapter 2 of the Constitution of the Republic of South Africa, 1996) where it provides everyone with the right to Education (29), Access to information (32), and Just Administrative Action (33).

Aligned with the MTDP Priority 3: A capable, ethical and developmental state, the Services SETA has decided to extend access to skills development opportunities to all South Africans, including those over 60. This decision is especially relevant given the nature of the learning interventions that the Services SETA supports through funding. Programmes such as basic computing skills, new venture creation, and short skills courses are easily accessible to individuals of all ages, including those in the 60+ age group. This initiative aligns with the Older Persons Act of 2006, which underscores the rights of older persons to engage in community life in roles suited to their interests and abilities and participate in activities that enhance their income-generating potential, among other rights.

2. LEGISLATIVE AND POLICY MANDATE

2.1. Legislative Mandate

2.1.1. Skills Development Act

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

› Develop and implement its sector skills plans (SSPs);

› Promote occupation-based learning programmes that include work experience;

› Register agreements for learning programmes;

› Support and form partnerships with other agencies on matters related to skills development; and

› Collect and disburse the skills development levies allocated to it in terms of sections 8 and 9 of the Skills Development Levies Act (SDLA) in the Education, Training and Development (ETD) Sector.

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

2.1.2. Skills Development Levies Act

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

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

Vocational, Occupational, Technical and Academic Learning (PIVOTAL) skills, with the remainder reserved for other skills interventions – see illustration below.

Figure 1. Levy Income Expenditure Breakdown

Skills Development Levies Act and SETA Grant Regulations

GRANT BREAKDOWN

Skills Development Levy (100%) — R100

SETAs (80%) — R80 | NSF (20%) — R20

R49.50 | R20 | R10 | R18

Discretionary (49.5%) | Mandatory (20%) | Admin (10%) | NSF Mandate (18%)

Pivotal (80%) R39.60 | Other (20%) R9.90 | QCTO (0.5%) R0.50 | SARS (2%) COLLECTION COSTS R2

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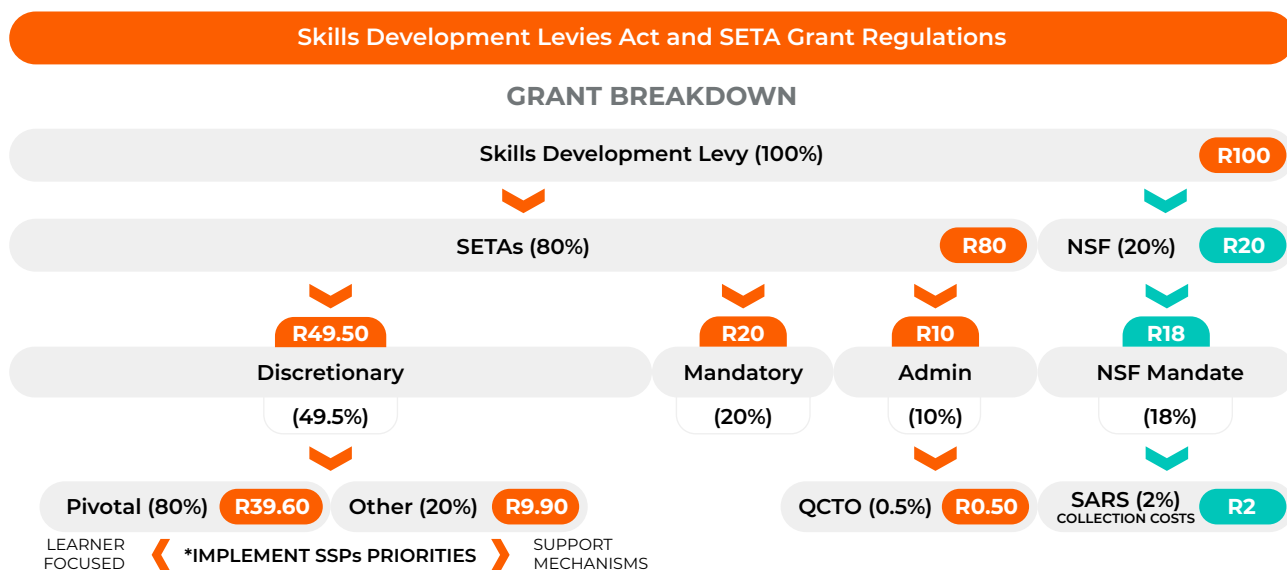
Currently, the Grant Regulations determine that the skills levy is not the only source of funding for skills development in the sector. Many employers spend resources on training they do not report; learners often pay for their own studies; and public providers such as Technical Vocational Education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

2.1.3.   Public Finance Management Act

The Services SETA is a national public entity established in terms of Schedule 3 (Part A) of the Public Finance Management Act (PFMA) (Act No. 1 of 1991). Therefore, the Services SETA must conduct its financial affairs in line with the PFMA. PFMA regulates financial management in the national government, provincial governments, and State-Owned Enterprises (SOEs) to ensure that all their revenue, expenditure, assets, and liabilities are managed efficiently and effectively. Provides for the responsibilities of persons entrusted with financial management of those governments or entities.

2.1.4.   Other Key Legislations

› Older Persons Act (Act 13, 2006);

› South African Qualifications Authority Act, 1995 (Act No. 58 of 1995);

› The National Qualifications Framework Act (Act No. 67 of 2008);

› Employment Equity Act, 1998 (Act No. 55, 1998);

› Promotion of Access to Information Act, 2000 (Act No. 2 of 2000);

› Protection of Personal Information Act, 2013 (Act No. 4 of 2013);

› Broad-Based Black Economic Empowerment Amendment Act, 2013 (46 of 2013);

› Property Practitioner Act, 2019 (22 of 2019); and

› Regulations published in the Government Gazette, No. 35940, 03 December 2012 regarding Monies Received by a SETA and Related Matters.

2.2.   Policy Mandate

2.2.1.   The National Development Plan 2030

The National Development Plan 2030 (NDP) aims to eliminate poverty and reduce inequality by 2030. The NDP has identified the following key areas to achieve a developmental state that is sustainable and inclusive:

Figure 2. The National Development Plan Focus Areas

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

2.2.2. Medium Term Development Plan (2024-2029)

When announcing the Members of the National Executive, the President reiterated the following GNU Fundamental Principles and Minimum Programme of Priorities to inform the draft MTDP 2024 -2029.

Table 1: GNU's Principles and Minimum Programme of Priorities

Fundamental Principles	Minimum Programme of Priorities
1. Respect for the Constitution and the Rule of Law.	› Rapid, inclusive, and sustainable economic growth and job creation (infrastructure, industrialisation, land reform, structural reforms, transformation, fiscal sustainability, macroeconomic management).
2. Promote non racialism and non-sexism.	› Reduce poverty and tackle the high cost of living (reduce spatial inequality, enhance food security and nutrition, social safety net, basic services).
3. Promote social justice, redress, and equity, and alleviate poverty.	› Improve the delivery of basic services and bring stability to local government.
4. Human dignity and progressive realisation of socio-economic rights.	› Investing in people through quality education and healthcare.
5. Accountability, transparency, and community participation.	› Rebuild the state's capability and create a professional public service (metric-based, restructuring SOEs).
6. Integrity and good governance.	› Strengthen law enforcement agencies to address crime, corruption and Gender-based violence (GBVF).
7. Evidence-based policy and decision-making.	› Social cohesion and nation-building.
	› Foreign policy based on human rights, constitutionalism, and national interest.

There are three overarching Strategic Priorities:

› Strategic Priority 1: Inclusive growth and job creation.

› Strategic Priority 2: Reduce poverty and tackle the high cost of living.

› Strategic Priority 3: A capable, ethical, and developmental state.

Figure 3. The MTDP 2024/29 Strategic Priorities

The Services SETA's Strategic Plan 2025-2030 will consider these priorities to guide the organisation in fulfilling its strategic mission and mandate. This will be explained in Part B—Our Strategic Focus.

2.2.3. Reconceptualised Human Resources Development Strategy (2024-2033)

In 2023, the Human Resource Development Council for South Africa embarked on a drive to revise/reconceptualise the current Strategy 2010 - 2030. The reconceptualisation was necessitated by, among other things, the COVID-19 aftermath, high unemployment, skills mismatches, Just Energy Transition, Industry 4.0, and organisational problems. The current strategy has four clear goals and objectives, as outlined below:

Table 2: Reconceptualised Human Resources Development Strategy's Goals

Goal	Objectives
8. Improving early learning and schooling outcomes	8.1. Provide universal developmentally appropriate early learning opportunities for young children from birth.
	8.2. Enable 10-year-old learners to read for meaning.
	8.3. Ensure a high-quality school curriculum with differentiated pathways relevant to the 21st Century.
9. Improving the employability of youth NEETs	9.1. Expand the provisioning of in-demand short courses.
	9.2. Increase work-based learning (WBL) opportunities for NEETs.
	9.3. Increase entrepreneurship development opportunities for NEETs.
	9.4. Strengthen the coordination of youth employment schemes.
10. Improving the responsiveness of the PSET system to skills demand	10.1. Align skills supply to labour demand in the economy, including green and digital skills development.
	10.2. Utilise labour market intelligence for skills planning.
	10.3. Strengthen the effectiveness and efficiency of the skills levy system.
11. Improving governance, leadership, and management in the public sector	11.1. Develop a capable public sector workforce.
	11.2. Improve governance in public education and training institutions.

Goals 2 & 3 speak directly to the mandate of the Services SETA. We will ensure this strategy is closely aligned with these goals to support the government's efforts to upskill South Africa's workforce. The Services SETA will further align these initiatives with the Master Skills Plan of the Reconceptualised Human Resources Strategy, namely:

› Addressing short courses in demand;
› Addressing NEET entrepreneurship development programmes;
› Skills aligned to labour demand;
› Green and digital skills focus;

› Prioritising occupations in demand;
› Report on skills gaps, utilise labour market intelligence for skills planning;
› Programmes to improve governance (PSET);
› Monitor progress & resolve blockages; and
› Internships, WBL & WIL interventions.

2.2.4. White Paper on Post-School Education and Training

The Services SETA plays an intermediary role in facilitating the programmatic interventions of the strategy over the long, medium and short term.

The aim is to ensure a coordinated and continuous dialogue with stakeholders to lay the foundation for collaboration to address scarce, critical, and priority skills needed for the services sector. Through the Entrepreneurship and Cooperative Development Initiative, the Services SETA aims to support the growth and development of emerging and growing SMMEs and cooperatives with a specific focus on women, youth, and people with disabilities.

The White Paper on Post-School Education and Training (WP-PSET) focuses on improving the quality of TVET colleges, which entails the development of appropriate programmes, upgrading of lecturer qualifications, capacity building for management and governance, improved learner support, utilising appropriate information technology systems for learning and management; and building strong partnerships between colleges and employers in the public and private sectors.

The Services SETA has established strategic partnerships and collaborations with TVET colleges, CET Colleges, and Universities aimed at ensuring improved access to quality learning programmes, increased relevance of skills development interventions, and strong partnerships between stakeholders and social partners. The focus is on TVET colleges based in rural areas.

2.2.5. National Skills Development Plan

The National Skills Development Plan (NSDP 2030) is a 10-year plan that "seeks to ensure that South Africa has adequate, appropriate and high-quality skills that contribute towards economic growth, employment creation and social development". The NSDP time frames are aligned with the NDP's targets for 2030 and straddle two medium-term periods (Medium Term Strategic Framework (MTSF) 2020/21-2024/25 and Medium Term Development Plan (MTDP) 2025/26-2029/2030). The NSDP contains eight outcomes that guide its implementation. In summary, the outcomes emphasise developing basic and technical skills, specifically focusing on historically disadvantaged individuals.

Figure 4. National Skills Development Plan Outcomes
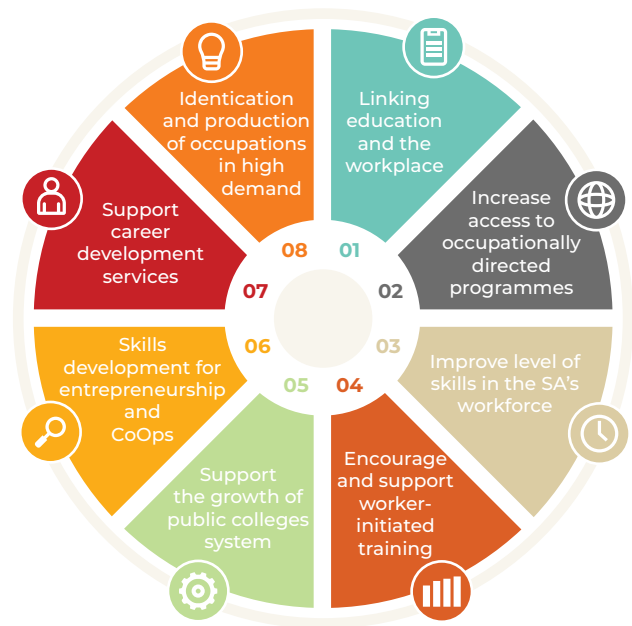
The NSDP implores SETAs to aim to facilitate and co-finance training for approximately 10% of the workforce annually. Crucially, the NSDP urges SETAs to forge close collaboration with employers to strengthen workplace learning. This strategic plan ensures alignment between the NSDP outcomes and the impact statement, outcomes, and outputs. Targets set directly address the NSDP Outcomes and the NDP goals and are aligned with the government's five-year MTSF. There is also a strong emphasis on promoting workplace learning to promote the quality throughput of graduates to support the sector. The Annual Performance Plan (APP) targets provide the most unambiguous indication of the alignment of the SP's outcomes to NSDP outcomes.

2.2.6. New Growth Path

New Growth Path (NGP). The NGP identifies five job drivers:

1. Infrastructure for employment and development;
2. Seizing the potential of new economies;
3. Improving job creation in employment;
4. Investing in social capital; and
5. Spatial development.

Services SETA's response to NGP is to identify skills development to support infrastructure for employment and development needs that provide opportunities for sector role-players, including

learners, employment creation, small business expansion and rural development. The current focus of the Services SETA is entrepreneurship and cooperatives development. This is largely because research indicates that small and informal enterprises dominate the services sector. It is essential to assist these enterprises to grow sustainably. A further intervention is the development of a suit of occupational qualifications to meet current industry needs to enable the services sector entrepreneurs to thrive.

2.2.7. National Skills Accord

The National Skills Accord is an outcome of a dialogue between the government, labour, and businesses to support the NGP and speed up the process of creating new jobs annually. The parties have identified eight commitments they each can make on training and skills development. All eight commitments speak directly to the mandate of SETAs and form the key foundation of Services SETA's strategic intent, pursuant to the implementation of the NSDP 2030.

The Services SETA's contribution to the National Skills Accord is primarily through investment in artisanal training-related interventions, including funding provided to Centres of Specialisation and additionally through the placement of TVET learners on work-integrated learning in the public and private sector and the significant allocation of resources to artisan development.

2.2.8. Economic Reconstruction and Recovery Plan

In response to the continued decline in GDP growth and the debilitating impact of COVID-19 on the economy, the government of South Africa instituted the Economic Reconstruction and Recovery Plan (ERRP). The plan aims to foster an economic rebound from the pandemic and to build the economy of the future. The plan has identified key economic sectors likely to drive recovery faster. To support this initiative, the Department of Higher Education, Science and Innovation has developed an Economic Reconstruction and Recovery Plan Skills Strategy (ERRP SS).

The Services SETA has identified scarce and critical skills prioritised by the DHET through the ERRP SS for inclusion in the SSP 2025-2030, with targets set out in the yearly APP and the Service Level Agreement signed between the Services SETA's Accounting Authority and the Minister of Higher Education and Training.

2.2.9. Africa Agenda 2063: The Africa We Want

AGENDA 2063 is Africa's blueprint and master plan for transforming Africa into the global powerhouse of the future. It has seven Aspirations (Goals). "ASPIRATION 1. A prosperous Africa based on inclusive growth and sustainable development" is particularly relevant to the Services SETA. It aims to improve standards of living and quality of life, sound health and well-being, and ensure well-educated and skilled citizens, underpinned by science, technology and innovation for a knowledge society is the norm, and no child misses school due to poverty or any form of discrimination.

This aspiration is aligned with the NDP 2030, NSDP 2030, and MTDP 2030. Skills development interventions envisaged in the SSP 2025-2030, and this strategic plan (SP 2025-2030) will directly contribute to the Africa Agenda 2063. Key interventions for the services sector include digital, business process optimisation, and e-commerce, among others.

2.2.10. Sustainable Development Goals 2030

The 2030 Agenda for Sustainable Development is a plan of action for the people, planet, and prosperity. It recognises that eradicating poverty in all its forms and dimensions is the greatest challenge and an indispensable requirement for sustainable development. It has 17 Sustainable Development Goals and 169 targets. Goal 1: End poverty in all its forms everywhere, and Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all, are particularly relevant to the Services SETA. They speak directly to the Services SETA's mandate of contributing to poverty eradication and promoting living standards through skills development.

The Services SETA is fully committed to supporting the 7th Administration by addressing the skills required to support and grow the services economy. The SSP is pivotal in identifying the sector's skills needs, to which the Services SETA responds by developing relevant occupational qualifications where none exist and making funding available to train the sector's current and future labour force.

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

3.1. Institutional Policies

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

› Discretionary Grants;
› Delegation of Authority and Approval Framework;
› Supply Chain Management;
› Human Capital Management; and
› Organisational Compliance and Enterprise Risk Management.

Management initially develops and oversees these policies, which are reviewed by the Governance, Risk, Strategy, and Compliance Committee (GRSC) and approved by the AA.

3.2. Institutional Strategies

3.2.1. Funding Strategy

The Services SETA is committed to implementing NSDP 2030 and supporting the government's priority programmes while maintaining financial viability. There has been promising progress regarding the revenue and the reserves status of the Services SETA, enabling it to address the legacy of commitments. This is mainly due to the turnaround funding strategy, which includes a review of the delivery model, including the Discretionary Grants policy and Organisational Design adopted by the management of the Services SETA with the support of the AA. The goal is to ensure the successful implementation of the NSDP 2030 by supporting priority programmes whilst maintaining financial viability.

3.3. The Balance Score Card Perspective

To adequately align the Services SETAs' APP to its vision and mandate, the management, with the guidance of the Accounting Authority, developed a balanced score card with a clear focus on:

i. Learning and Growth.
ii. Systems and Business Processes.
iii. Financial Health and,
iv. Stakeholder Satisfaction.

The 12 strategic pillars outlines areas of focus for each balance scored perspective. Progress against each balance score card component and strategic pillars is provided below.

Table 3: Balance Score Card/ Responsive Strategy's Pillars

Balance Score Card Perspective	Description	Strategic Pillars
Learning and Growth	› Our people are central to achieving desired performance. The Services SETA aims to invest in capabilities of employees to drive a culture of continuous improvement, innovation, and learning among employees. This perspective recognises that employees' skills, knowledge, and motivation are critical drivers of performance and organisational effectiveness.	› People development › Innovation › Responsiveness to the environment

Balance Score Card Perspective	Description	Strategic Pillars
Systems and Business Processes	› Focuses on enhancing and optimising internal processes, including aligning ICT to business requirements; promoting good governance, to ensure that they effectively support the broader strategic goals of the organisation, to enhance organisational effectiveness and efficiency which will increase the overall organisational performance and stakeholder satisfaction.	› Business Processes › Systems including IT systems › Governance
Financial Health	› Provides essential insights into the organisational financial health and is critical for assessing the effectiveness of strategies aimed at achieving broader organisational goals. The Services SETA will strive for effective utilisation of resources to ensure financial sustainability to meet its mandate through improvement of financial controls, and effective implementation and monitoring of commitments.	› Financial Stability › Clean Audit › Audit of Predetermined Objectives › Risk & Compliance
Stakeholder Satisfaction	› This aims to drive organisational performance to deliver effectively on NSDP2030 mandate, and Strategic Plan 2025–2030, and ensuring responsiveness to sector skills needs. This will result in a healthy working relationship with its internal and external stakeholders.	› Organisational Performance › Stakeholder relationships

This strategy will be aligned with the SETA Integrated High Impact Programme of SETA's Chairpersons' Forum and CEOs' Association. Key programmes include:

› Public Sector Institutional Delivery Capacitation.

› Significant Reduction of Unemployment of young people, including graduates.

› Sustainable Entrepreneurial, SMME, and Cooperatives development.

› Holistic digitisation and advancement of technological infrastructure, research, and development.

› Effective and Efficient Shared Services on Information and Communication Technology for SETA–wide Learner Management System.

› Rural Development for Community Impact.

3.3.1.   Services SETA Strategic Focus – Alignment

To respond effectively to the above institutional strategies, the Services SETA has identified the following TWELVE-POINT focus areas for the next five years.

1. Development of SMME, Informal Business Sector, NPO, Co-ops.

2. Unemployed Youth Support Towards Employability & Entrepreneurship.

3. Work Placement and Work-Readiness Support for Unemployed Graduates – TVETs/Universities.

4. Trade Related Skills/ Artisan Development.

5. Township and Rural Economy Development.

6. Support & Capitation of the Post-School Education and Training (PSET) institutions.

7. Professionalise the sector and service the less serviced industries.

8. Addressing Sector Transformational imperatives and skills gaps.

9. ERRP identified learning interventions for the Service Sector.

10. Union and Federation's worker-initiated interventions support.

11. Implementation of Occupational Qualifications Transition Strategy.

12. Socioeconomic local economic development initiatives including, amongst others, GBV & social ills.

3.3.2.   Sector Skills Priorities

The Strategic Plan is informed by the following intervention areas as identified in the 2025-2030 SSP:

Table 4: Sector Skills Priorities

Key Priority	Description
1. Implementation of an organisational-wide M&E Framework to improve performance management	The M&E framework, currently under development, will be ready for implementation in the second quarter of the 2024/25 financial year. Considering the abovementioned discussions, paying attention to this Action Plan is essential. The focus on impact is also aligned with the DHET programme on the SETA Integrated High Impact Programme. The aim is to train for impact, continuously monitor and evaluate impact, and draw lessons for best practice.
2. Foster inter-SETA collaboration and industry and government partnerships to support skills development in the services sector.	Collaborations and partnerships remain critical to the Services SETA fulfilling its mandate. The complementary nature of Services SETA's work with other key PSET role players makes it imperative to forge collaborations and partnerships with like-minded entities. The SETA Integrated High Impact Programme discussed above also emphasises collaborations and partnerships among SETAs. The Services SETA will leverage these opportunities to deliver quality service to industry stakeholders and beneficiaries.
3. Work with QCTO and industry role players to complete and implement registered occupationally directed qualifications.	Closer collaboration between the Services SETA and QCTO has resulted in considerable improvements in relation to the development of occupational qualifications. Notwithstanding this progress, there is still more work to be covered in this space. The Services SETA develops many occupational qualifications with the active participation of industry that await review and approval by QCTO. The backlog is mainly due to the lack of human resource capacity at the QCTO. The Services SETA has offered to support the QCTO with additional resources in the form of Interns and subject matter experts. This offer has been well received and is at the conclusion stage. The Services SETA will continue to work with QCTO to realise the objective of building capacity to supply through relevant and updated occupational qualifications to meet industry needs.
4. Drive adoption of Technology and Digitisation in the services sector and address the mismatch between demand and supply.	4IR is one of the key drivers of skills demand-supply in the services sector. In addition, the government's ERRP has identified digital skills as one critical intervention area for growing the economy and creating job opportunities. The Services SETA would like to devote special attention to this action plan to ensure alignment with national priorities and to support the services sector in growing and thriving. This will be supported through research and development of relevant occupational qualifications to upskill the services sector workforce.
5. Support economic recovery and growth by promoting SMME development in the services sector.	There is a gloomy picture of the South African economic landscape, characterised by uneven growth and stagnation. Research indicates that in addition to driving the manufacturing sector, economic growth can be realised by promoting the SMME sector. SMMEs are regarded as better entities to grow the economy and create jobs. As new entrants into the market, SMMEs are flexible and take advantage of the prevalence of dominant economic activities in niche markets to grow their operations. As they grow their operations, revenue increases, creating more jobs. SMMEs are also linked to the promotion of transformation as most SMMEs are women, mostly black and young.

These priorities are instrumental in shaping the current strategy. Some of these priorities will be addressed through the research projects. There will be no age restrictions for participating in our learning interventions. However, we are mindful of the skills development of our designated groups, i.e. women, youth and people living with disabilities, as the Skills Development Act (SDA) states that we need to develop the South African workforce.

4. RELEVANT COURT RULINGS

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

PART B

OUR STRATEGIC FOCUS

1. VISION

A flourishing services sector that cultivates inclusive opportunities for all South Africans.

2. MISSION

To facilitate skills development for employment and entrepreneurship in the Services Sector, fostering economic growth.

3. VALUES

› Accountability
› Innovation
› Integrity
› Professionalism
› Inclusivity

4. SITUATIONAL ANALYSIS

In addition to evaluating major drivers of change affecting skills demand and supply within the services sector, detailed Political, economic, social, technological, environmental, and legal framework (PESTEL) and Strengths, Weaknesses, Opportunities and Threats (SWOT) analyses were conducted. These analyses have informed the development of strategic goals and objectives to steer the Services SETA on its path to deliver on its mandate. Understanding these dynamics has proven to be essential for navigating the industry challenges, leveraging opportunities, and aligning organisational goals with the evolving industry needs.

This situational analysis provides the context for implementing the planned initiatives during the five years of the Medium-Term Development Plan (MTDP). In our analysis, we will provide details with regard to our current sector statistics obtained from our 2025-2030 SSP, taking into consideration the Services SETA's performance information from previous years.

4.1. External Environment Analysis

4.1.1. Service Delivery Environment

4.1.1.1. Services Sector Profile

The Services SETA is one of the largest SETAs in terms of the number of employers falling within its scope. Approximately 193,931 employers fall within its demarcation (as of February 2023). Most of our employers are SMMEs, which accounts for 78%. About 35,931 employers pay skills levies, which equates to 19% of the total number of employers.

The Services SETA is responsible for ensuring the supply of skilled labour to support economic growth. Our scope covers 68 Standard Industrial Classification Codes (SIC Codes) grouped into 16 subsectors and six chambers, as demonstrated below—see Table 5.

Table 5. Services SETA Chambers and Sub-sectors

Cleaning and Hiring Services Chamber		
Sub-Sector Title	SIC Code	Gazetted Industry Descriptor
Hiring Services	86025	Office Machinery, Equipment and Rental Leasing
	50500	Renting of Construction or Demolition Equipment with Operators
	85000	Renting Of Machinery and Equipment, Without Operator and of Personal and Household
	85200	Renting of Other Machinery and Equipment
	85300	Renting of Personal and Household Goods N.E.C
	99029	Function and Catering Equipment Hire
	99035	Miscellaneous Item Hire
	99036	Truck Hire
	99037	Video Hire
	99052	Truck and Plant Hire
Household Services	99025	Dry Cleaning and Laundering
	99026	Garden Maintenance Services
Domestic Services	99027	Domestic Services

Cleaning Services	99002	General Cleaning
	99018	Cleaning of Carpet and Upholstery
	99047	Pet Care
	99019	Cleaning Equipment and Consumable Supply
Communication and Marketing Services Chamber		
Marketing Services	9001	Marketing Services
	9002	Marketing Communications (Inc. Public Relations)
	9008	Direct Marketing
	88130	Market Research and Public Opinion Polling
	99038	Brand Marketers
Contact Centres Services	99055	Call Centre Management of People
Postal Services	75110	National Postal Activities
	75111	Banking Via Post Office
	75121	Mail Handling
Labour and Collective Services Chamber		
Labour Recruitment Services	88918	Permanent Employment Agencies
	88910	Labour Recruitment and Provision of Staff
	88916	Private Employment Agencies and Temporary Employment Services
	99045	Personnel Services Agencies
	88917	Temporary Employment Services
Collective Services	95120	Activities of Professional Organisations
	95155	Professional Bodies N.E.C.
	95991	Bargaining Councils and Dispute Resolution
	95992	Associations, Federations and Umbrella Bodies
Management and Business Services Chamber		
Business Services	61421	Import and Export of Various Metals
	88141	General Consulting Services
	96490	Other Recreational Activities
	99000	Other Service Activities
	99014	Quality Management and Related Services
	99016	NGO Management and Services
	99015	Non-Financial Business Management and Management Consulting
	99090	Other Service Activities N.E.C
Project Management Services	99039	Generic Project Management
	99056	Event And Conference Management Excluding the Operation of Convention Centres
Personal Care Services Chamber		
Hair Care Services	99022	Ladies Hair Dressing
	99023	Men's and Lady's Hairdressing
Beauty Treatment Services	99024	Beauty Treatment
	99041	Nail Technology, Including Nail technologists, Nail Technicians and Distributors and Agencies of Nail Products
	99042	Non-Allied Registered Perfumery, Including Aromatic Oils and Related Products, Perfumery Consultants, Salespeople and Agencies of Nail Products
	99043	Health And Skin Care Inc. Health and Skin Care Therapists, Stress Therapists and Cosmetologists, Slimming Salons, and Distributors of Slimming Products
	99044	Make-Up Artistry
	99050	Distributors of Slimming Products Including Slimming Machines
	99051	Distributors of Makeup Products and Related Merchandise

	34260	Cutting, Shaping and Finishing of Stone
Funeral Services	99030	Funeral and Related Activities
	99033	Coffin Making by Funeral Enterprises
	99034	Manufacture of Funeral and Tombstone
Fashion Services	99046	Modelling Agencies
	99054	Fashion Design Not Related to Clothing
Real Estate and Related Services Chamber		
Real Estate Services	50411	Decorating Business/Interior Designers and Decorators
	84000	Real Estate Activities
	84100	Real Estate Activities with Own or Leased Properties
	84200	Real Estate Duties on a Fee or Contract Basis
	84201	Real Estate Valuation Services
	84202	Property Management Services
	84203	Estate Agencies
	99053	Valuers

The Chamber operations are the backbone of the Services SETA, facilitating relationships across the services sector industries. Their key function is mobilising industry role players to participate in the Services SETA initiatives and opportunities.

4.1.1.2. Economic Profile

The services sector continues to face challenges in recovering from years of underperformance, compounded by the lasting impact of the COVID-19 pandemic. While there are some positive indications of recovery following the easing of lockdown restrictions, economic growth, as measured by Gross Domestic Product (GDP), has not yet fully rebounded. In the first quarter of 2023, South Africa's economy grew by just 0.4%, following a contraction of -1.1% in the fourth quarter, as illustrated in the figure below.

The services sector continues to face challenges in recovering from years of underperformance, compounded by the lasting impact of the COVID-19 pandemic. While there are some positive indications of recovery following the easing of lockdown restrictions, economic growth, as measured by GDP, has not yet fully rebounded. The South African economy grew by 0.1% in Quarter 4 of 2023, following a decline of -0.2% in Quarter 3 of 2023. Recent global events, such as high inflation rates and widespread increases in interest rates, are the most apparent indicators that the economy is in for a long ride from a recovery point of view, as illustrated in the figure below.

Figure 5. Growth in GDP, Q1 2020- Q1 2023 (%)

	21/1	21/2	21/3	21/4	22/1	22/2	22/3	22/4	23/1	23/2	23/3	23/4	
Growth (%)	0.6	1.3		1.4	1.5		1.8		0.3	0.7		0.1	
			-1.9			-0.8		-1.1			-0.2		
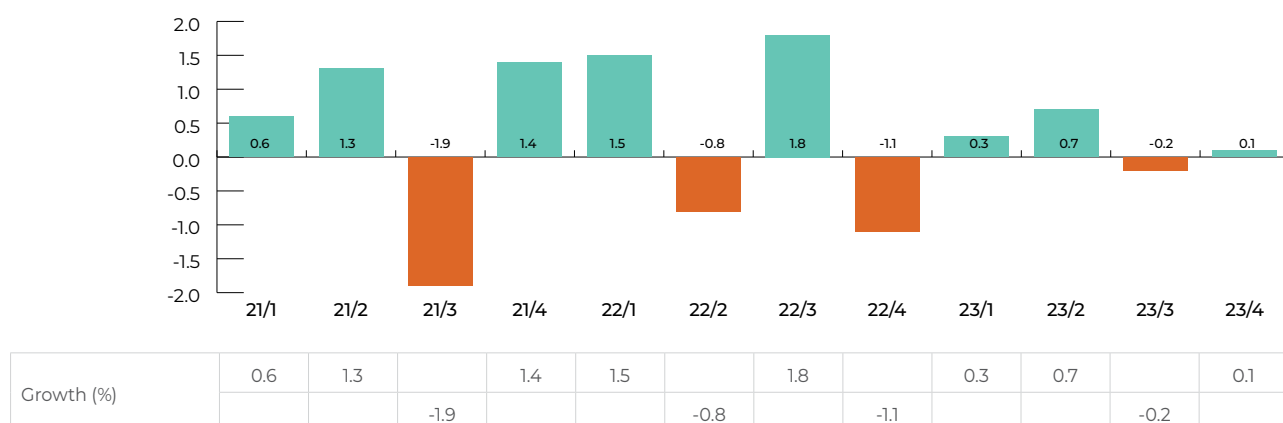
4.1.1.3. Number of Employers Represented

As evidence of the economy's recovery from the devastating impact of COVID-19, the number of employers falling under the Services SETA increased by more than 2,000 from 191,170 to 193,931 in 2023 and 2024, respectively (see Table 6). Positive growth was experienced across all the chambers except the Cleaning & Hiring Services Chamber. Equally

disappointing is the number of employers paying levies reduced slightly from 35,951 to 31,960. However, revenue analysis reveals a positive growth in levy collections/contributions.

Table 6. The Size of the Services SETA Employers by Chamber, Sub-sector, and Levy Contribution, 2023

Chamber	Skills Levy Contribution	Skills Levy No Contribution	Total
Cleaning and Hiring Service Chamber	1,122 (3,5%)	4,019 (2,5%)	**5,141 (2,7%)**
Communication and Marketing Services	918 (2,9%)	3,554 (2,2%)	**4,472 (2,3%)**
Labour and Collective Services Chamber	864 (2,7%)	3,535 (2,2%)	**4,399 (2,3%)**
Management and Business Services Chamber	24,938 (78,0%)	130,540 (80,6%)	**155,478 (80,2%)**
Personal Care Services Chamber	889 (2,8%)	8,027 (5,0%)	**8,916 (4,6%)**
Real Estate and Related Services Chamber	3,229 (10,1%)	12,296 (7,6%)	**15,525 (8,0%)**
Grand Total	**31,960 (16,5%)**	**161,971 (83,5%)**	**193,931 (100%)**

Source: Services SETA Financial Report, 2024

4.1.1.4. Skills Levy Revenue

In line with the growth in the number of companies belonging to the Services SETA, revenue generated through the skills development levy (SDL) has proportionately increased over the years, as illustrated below in Figure 6. There was a decline in 2020/21 due to the skills levy amnesty introduced in 2020 to help companies survive the effects of COVID-19. However, the upward trends continued after that.

Figure 6. Skills Development Levy Revenue, 2019/20-2023/24
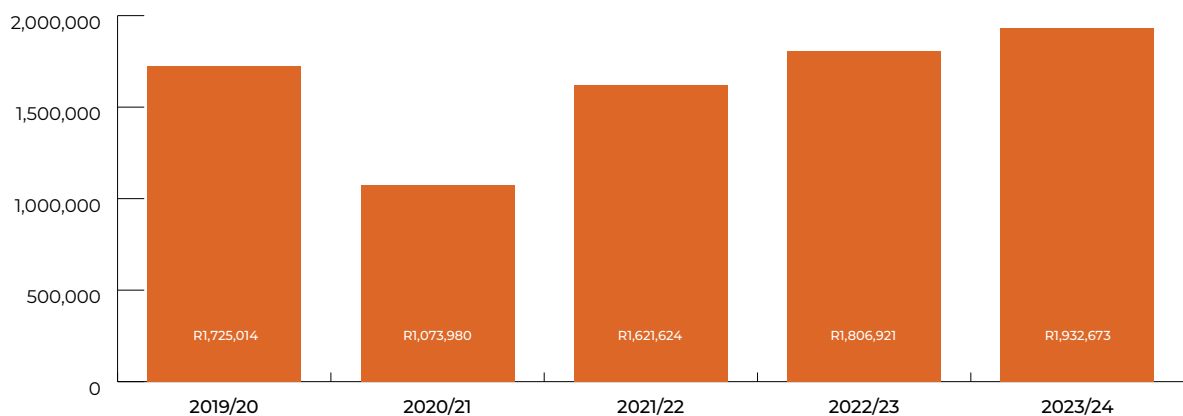
Source: Services SETA Annual Reports, 2019/20–2023/24

Trends analysis over the last five years indicates that the services sector is consistently growing at a rate of between 2% and 5%. Ironically, growth is more significant than GDP growth and employment trends. These trends indirectly confirm the challenging economic environment that South Africa is facing.

4.1.1.5. Drivers of Skills Demand and Supply

The Services SETA has identified five major change drivers impacting skills within its six Chambers. The identified change drivers are technology and Digitisation, Economy, Legislation, Globalisation, and the Green Environment. We also reflected on occupational changes due to changes in technology and the changing nature of work over the past five years.

Occupations affected by changes in Technology

The future of the world of work is changing as technology is rapidly advancing towards the latest trends, such as automation and artificial intelligence (AI), which will alter traditional roles, leading to some jobs becoming obsolete. We have witnessed changes in certain occupations due to changes in technology, namely;

› **Call/Contact centre -** The industry primarily operates using automation. Customer queries/

enquiries are speedily resolved by a robot rather than the human factor. The automation implemented in this industry is slowly replacing humans, leaving them out of work. This industry is competing well globally. Our call centre industry has been equipped with information technology-related skills, and it is also one of the most advertised jobs in South Africa. We have realigned the contact centre qualifications to include the ICT module.

› **Marketing and Advertising –** Traditional ways of advertising and marketing businesses/ products have evolved to online platforms. This has been seen as an effective way of conducting business. E-commerce makes life easier for consumers and is seen as convenient. Marketers and Advertising occupations mostly rely on platforms like social media to reach their consumers, including the youth. Digital marketing is an emerging occupation within the marketing sector.

To prepare the industry for the evolution of 4IR, modules on ICT have been incorporated into the newly realigned/developed occupational qualifications. Cyber security was identified as the major skill required to mitigate cybercrimes, and this skill was listed as one of the Services SETA's priority occupations in the last two SSPs (i.e., 2023 and 2024). The skills change drivers identified for the 2025-2030 SSP are listed below.

Technology and Digitisation

The impact of technology and digitisation on the services sector transcends all industries in varying ways. At the core of this impact is the need to do business differently, leveraging on opportunities presented by technology and digitisation. There are fears that 4IR will take over multiple tasks and leave minor room for human interaction. The Services SETA conducted a study on future skills and 4IR. This study revealed the need to upskill and reskill the current workforce to avoid possible job losses. This implies changes in occupations, jobs, and tasks for the workforce. Some jobs may become obsolete and can be replaced with robotics.

We have seen a significant impact of AI systems in the call/contact centre industry. This includes using AI techniques to respond to customer queries and provide speedy service. Many businesses already use social media and online advertising, including online purchasing technology, in the sales and marketing industries. The sales and marketing function is the backbone of running a successful business. In the advertising and public relations industries, there is a movement towards the increased use of digital communication in editing and post-production tasks, which will likely impact the human resources required. The impact of electronic mail has threatened the sustainability of the postal sector, leading to it becoming irrelevant in the new era. As a result, there is a growing demand for new skills aimed at addressing the relevance of industries that are affected by digital transformation.

This, therefore, calls for the development and implementation of tailored Information Communication Technology (ICT) programmes for the services sector. The Services SETA has already built and piloted the e-learning platform for certain programmes.

Economic Performance

The decline in economic growth has had a knock-on effect on employment as many companies closed or were forced to lay off staff to reduce expenditure. Several electricity disruptions have affected the sector profoundly, making the cost of running a business slightly high as the sector seeks alternative energy sources, such as renewable energy, particularly solar power. The services sector has also been affected by the increase in fuel prices. Climate change and other forms of environmental degradation have already caused net negative impacts on jobs and work productivity. It is expected that these impacts are likely to become more pronounced in the coming decades.

The Services SETA will explore partnerships with industries in the renewable energy sector to ensure that the Services SETA can provide relevant skills applications to support these, particularly from the haircare, funeral, and business services subsectors.

The services sector will require staff retraining and/or upskilling. The country's intense energy crisis has impacted the sector hard, as alternative energy sources have had to be utilised to mitigate business interruptions. Solar installation suddenly becomes a critical skill to learn.

There is an urgency to develop digital skills related to occupational qualifications and foster closer collaboration with other SETAs.

Globalisation

As higher levels of integration due to globalisation continue, businesses in most sectors are experiencing higher levels of competition. In addition, emerging economies are seen as new engines of growth as companies continue to look for new locations for business investment. Recent real GDP growth projections support this notion.

The hair care industry tends to be highly informal, and entry into business is not controlled. Employers in this subsector stated that products that have been banned in Europe and North America are being distributed in the African market. Trends observed in formal hair care companies are a decrease in the number of young new entrants and an increase in the availability of consumer products and hair care practitioners from across the African diaspora operating in South Africa.

Regarding implications for skills planning, there is a growing demand for qualified hairstylists in the Afro-hair industry. The Services SETA will need to roll out skills development initiatives that are aligned with international standards.

Legislation

This is one of the major change drivers in the property sector, with the introduction of the Property Practitioners Regulatory Authority (PPRA) as a statutory body that regulates the sector, including a skills development element.

The Services SETA must align its skills development training programme with the mandate of the PPRA. With the phasing out of the historically registered qualifications, the property sector has to develop new occupational qualifications, which will have to incorporate the requirements of the PPRA. The property sector will have to be re-skilled and upskilled to align with its new skills requirements.

The Services SETA will have focussed skills interventions, projects, and programmes aimed at the transformational imperatives, namely, youth, women, and persons with disabilities.

Services SETA, working with industry experts, must fast-track the development/realignment of historically registered qualifications to occupational qualifications.

Green Environment

Businesses in the services sector are becoming more conscious of protecting the environment. Legislation and consumer pressure are driving the demand for eco-friendly products. The sector is leaning towards demonstrating that it is environmentally friendly in conducting its business and in the products and services it offers.

The subsectors most affected by this change driver are the haircare, funeral, and cleaning industries. The NDP 2030 Vision states that, by 2030, South Africa will become a low-carbon economy, meaning that we will have to start producing more environmentally friendly products now.

The subsectors affected by this change driver will need to be equipped with new skills for producing products that do not harm the environment.

4.1.1.6. Nature and Extent of Skills Demand and Supply

During the financial year, we implemented 80% of interventions from our top ten priority occupations, an improvement from 50% in the last two financial years. The organisation will partner with other SETAs to ensure we address interventions that do not fall within the Services SETA's scope.

Table 7. *Nature and Extent of Skills Demand and Supply*

#	Organising Framework for Occupations (OFO) CODE	Hard-to-Fill Vacancies	Interventions Employed	Quantity in Numbers	Interventions Unemployed	Quantity in Numbers
1	2021-515104	Cleaning Supervisor	Learnership	6	0	0
2	2021-122201	Advertising/Public Relations Manager	0	0	Internships	39
3	2021-251201	Software Developer	0	0	0	0
4	2021-226302	Health and Safety Officer	0	0	Internship	5
					Learnership	64
5	2021-242304	Industrial Relations Advisor	Candidacy	49	0	0
6	2021-121905	Project Manager	Skills Programme	153	Internship	1
			Learnership	293	Learnership	15
7	2021-252901	ICT Security Specialist	0	0	0	0
8	2021-516301	Mortician	Learnership	25	Learnership	71
			Recognition of Prior Learning (RPL)	32		
			Skills Programme	89		
9	2021-333901	Auctioneer	0	0	Learnership	165
10	2021-333402	Real Estate Agent	RPL	96	Learnership	113
			Candidacy	197		

2023/24 Hard-To-Fill Vacancies Performance Review

During the year under review, our industries identified hard-to-fill vacancies (HTFVs) in various ways. These "scarce" skills, as previously named, were identified per Chamber, and the organisation ensured their implementation through the APP. There were minor challenges in implementing some of the interventions that do not fall within the services sector space; however, they were deemed mandatory by some of our employers that fall within our sector. In mitigating this challenge, the Services SETA will form partnerships with other SETAs to ensure the smooth implementation of these scarce skills in the 2023/24 financial year. There has been an improvement in addressing these HTFVs compared to the previous three financial years.

Table 8. *HTFV Performance Analysis 2023/24*

CHAMBER	NUMBER OF H-T-F-V	RESULT
Cleaning and Hiring services	8	4/8 = 50%
Communications and Marketing services	16	10/16 = 62%
Labour and Collective services	11	2/11 = 18%
Management and Business services	13	6/13 = 46%
Personal Care services	10	4/10 = 40%
Real Estate and Related services	10	3/10 = 30%

4.1.1.7. Partnerships required to drive skills supply

In implementing our mandate and the national skills development priorities relevant to the services sector, we have identified the need to form key partnerships with:

› Education and training institutions (public and private);

› Industry and professional bodies;

› Employer bodies;

› Government departments;

› Municipalities and district departments; and

› Other SETAs.

Several Memorandums of Agreement (MoA) or Memorandums of Understanding (MoU) were concluded to finalise the partnerships. Below are the highlights from the few successful partnerships that were formed.

› SMME & Startup mentorship and capacitation programmes led to the capacitation of SMMEs and Startups in the six provinces, i.e. Eastern Cape, Free State, Northwest, Northern Cape, Limpopo & Mpumalanga. 90 SMMEs and 30 Startups were onboarded on the mentorship programme explicitly targeting their businesses. This was a joint partnership with the Small Enterprise Development Agency (SEDA), Franchise Association of South Africa (FASA), Institute of Business Advisors Southern Africa (IBASA) and Harambee.

› Funding for tuition fees is one of the biggest obstacles to many students in the country accessing university education. The missing middle students are the hardest hit as their parents do not earn enough money to afford university tuition or qualify for a study loan. To close this gap, the Services SETA has partnered with Universities South Africa (USAf) to provide bursary opportunities to university students, and over 1,000 students have benefited from this funding per financial year.

› The construction and operationalisation of skills development centres aim to bring skills development closer to the communities. This partnership would not have been possible without the support of the municipalities, TVET/ CET colleges, and tribal authorities. Some of these centres were launched during the year under review.

4.1.1.8. SSP Priority Action Plans

The PESTEL analysis (Table 10) highlights a challenging macro environment and the adverse impact of economic and budget changes. Services SETA relies significantly on public funding and skills levies, which impacts the labour market as funding priorities shift. However, these challenges are offset by the opportunities brought about by technology, environmental changes, and social ills. The outcomes from the PESTEL will enlighten Services SETA on ways to refine stakeholder alignment with the organisational purpose.

4.1.1.9. Labour Market Profile

In line with the falling economic growth, unemployment levels have persistently increased in the last two years. As illustrated below in Figure 7, the expanded unemployment rate is higher than the official unemployment rate. The official unemployment rate increased by 0.2% to 32.9% in the first quarter of 2023 compared to quarter four of 2022. The expanded unemployment rate decreased by 0.2% in the first quarter of 2023 compared to quarter four of 2022. This trend contributes significantly to poverty and inequality in the country.

Figure 7. Unemployment rates, Q1 2022-Q1 2023

	2022/1	2022/4	2023/1
Official Unemployment Rate	34.5	32.7	32.9
Expanded Unemployment Rate	45.5	42.6	42.4
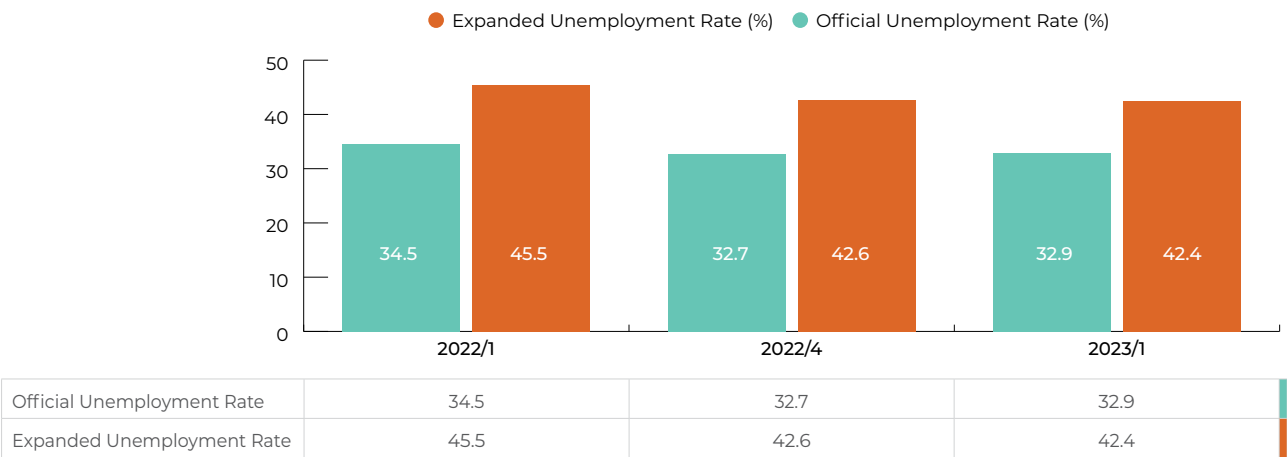
Source: Statistics South Africa (2024b)

Regarding unemployment by gender, women still bear the harshest brunt of unemployment compared to men. In addition to women, youth, and people with low levels of education are disproportionately affected by unemployment. Unemployed work seekers with no matric accounted for more than half of the total unemployed, followed by those with matric. Unemployment was lowest among graduates at 2,8%.

On the other hand, most of the workforce within the services sector has not completed secondary education (40.8%), with some having completed secondary education (27.7%). Only 13.4% of the workforce has tertiary education. Of particular interest in the analysis of the educational qualification of the services sector labour force is that the number of completions with no schooling is decreasing, whilst those who have completed secondary education are steadily increasing. Skills development interventions play a central role in this regard by ensuring an adequate supply of a skilled workforce. The Services SETA monitors these developments carefully to ensure an appropriate response from a skills development perspective.

4.1.1.10. Transformation imperatives

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

Table 9. Services SETA and Transformation

Learning Intervention	Enrolment 2023/24		Employed		Unemployed		Female		Black		Youth		Rural		Disability	
Learnerships	4,549	26.9%	561	12.3%	3,988	87.7%	3,101	68.2%	4,268	93.8%	3,955	86.9%	1,769	38.9%	86	1.9%
Artisans	1,046	6.2%	0	0%	1,046	100%	593	56.7%	941	89.9%	993	94.9%	490	46.8%	0	0%
Bursaries	2,523	14.9%	429	17%	2,094	82.9%	1,597	62.3%	2,339	92.7%	2,369	93.9%	986	39.1%	11	0.4%
Adult Education and Training (AET)	400	2.4%	400	100%	0	0%	343	85.8%	362	90.5%	262	65.5%	361	90.3%	0	0%
Recognition of Prior Learning	456	2.7%	0	0%	456	100%	314	68.9%	356	78.1%	237	51.9%	89	19.5%	1	0.2%
Skills Programme	4,392	26%	2,892	65.4%	1,500	34.2%	3,189	72.6%	4,001	91.1%	2,788	63.5%	2,158	49.1%	55	1.3%
Candidacy Programme	246	1.5%	0	0%	246	100%	174	70.7%	244	99.2%	210	85.4%	54	21.9%	1	0.4%
Internships	3,279	19.4%	0	0%	3,279	100%	2,522	76.9%	3,141	95.8%	3,142	95.8%	1,420	43.3%	4	0.1%
TOTAL	16,891	100%	4,282	25.4%	12,609	74.6%	11,833	70.1%	15,652	92.7%	13,956	82.6%	7,327	43.4%	158	0.9%

Source: Services SETA Annual Report, 2023/24

As illustrated above, Services SETA has continued to make great strides in promoting transformation. Most beneficiaries are unemployed learners, Black, female and youth. This provides a healthy pipeline to supply a capable service sector workforce. More work needs to be done to expand access to education and training for people living with disabilities and those residing in rural areas. Skills development centres are primarily aimed at addressing these shortcomings. To date, seven skills development centres have been constructed in rural municipalities. An implementation strategy is being rolled out that will see the Services SETA collaborating with other SETAs to utilise these centres to address skills needs in rural areas.

4.1.1.11. PESTEL Analysis

By and large, the services sector is the main backbone of South Africa's economy. It contributes the largest share of the GDP to the economy and employs far more people than any other sector. However, it is equally susceptible to external factors such as politics, economic changes, social challenges, rapid technological evolutions, environmental factors, and legislative changes. Provided below is an illustration of how these factors affect the services sector. These factors will be considered in developing impact and outcome statements for this strategic plan.

Table 10: PESTEL Analysis for the Services Sector

Politics	Economic
› The government education system and labour policies directly influence the mandate. › Driven by policy mandates – MTDP (2024-2029), NDP vision 2030, WP-PSET › Political instability impacts the leadership and long-term planning and implementation of Services SETA programmes. › Changes in budget allocation and economic severity changes affect resource availability for training and development programmes. › The increased role of CET, TVET and HEI in skills development provision. › Amendments in educational policies affecting vocational training.	› Continued increase in costs of living and high inflation. › Low growth of GDP impacting on skills levies revenue. › Increase in business rescue and international benchmark/ standards. › Align skills development interventions to support the Economic Reconstruction and Recovery Plan (ERRP). › Green economy – relevant training interventions to meet skills demand. › High demand for upskilling and reskilling due to changes in economic conditions affecting the unemployment rate. › Alignment of training programmes with the industry's economic needs affects the Services SETA's priorities. › The availability of raw materials prompts the development of skills to process them.
Social	**Technology**
› Prominent level of unemployment at the national level. › Cumulative decline in employment rates in the services sector. › Access to Work-Integrated Learning (WIL) for TVET graduates. › Ailing education and health systems with the recent alarming rise of OHS non-compliance in public institutions. › Escalating levels of social problems, i.e., poverty, crime, GBV& F, substance abuse, teenage pregnancy. › Disproportionate access to learning: infrastructure and geographical spread. › Sustainability of learning programmes and qualifications in alignment with GenZ. › The current level of education in the workforce drives the demand for skills to be offered.	› Availability of training and upskilling courses online. › 4IR presents opportunities for new businesses. › Cyber security and related digital skills. › Disproportionate access to learning: devices and data. › Low and variable speed/ bandwidth. › Opportunity to create a more equal society. › Online and open education opportunities created. › Automation of skills and replacement of workforce by robotics. › The arising need for digital transformation. › The rise in new roles due to technological advancements and the need to align skills with the new job requirements.
Environment	**Legislation**
› Climate change creates opportunities to enter new horizons and develop new qualifications and skills. › Incorporating environmental sustainability into training programmes. › Climate change creates opportunities for entrepreneurship and innovation. › Environmental regulations bringing about change in the industry	› Highly legislated environment requiring compliance. › Changes in labour law, such as with basic conditions of employment and the National Minimum Wage Act. › Compliance with transformation regulations and directives. › The introduction of the Protection of Private Information Act. › Laws and regulations governing work permits and employment of international workforce. › National Treasury Legislation and Regulations impede public-private partnerships. › Ensuring compliance of training programmes with relevant national standards and qualifications frameworks. › The need to navigate the intellectual property laws regarding developing and distributing learning materials.

SERVICES SETA

4.2. Internal Environment Analysis

4.2.1. The Services SETA Organisational Structure and Staffing

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

Figure 8. Governance and Executive Structure
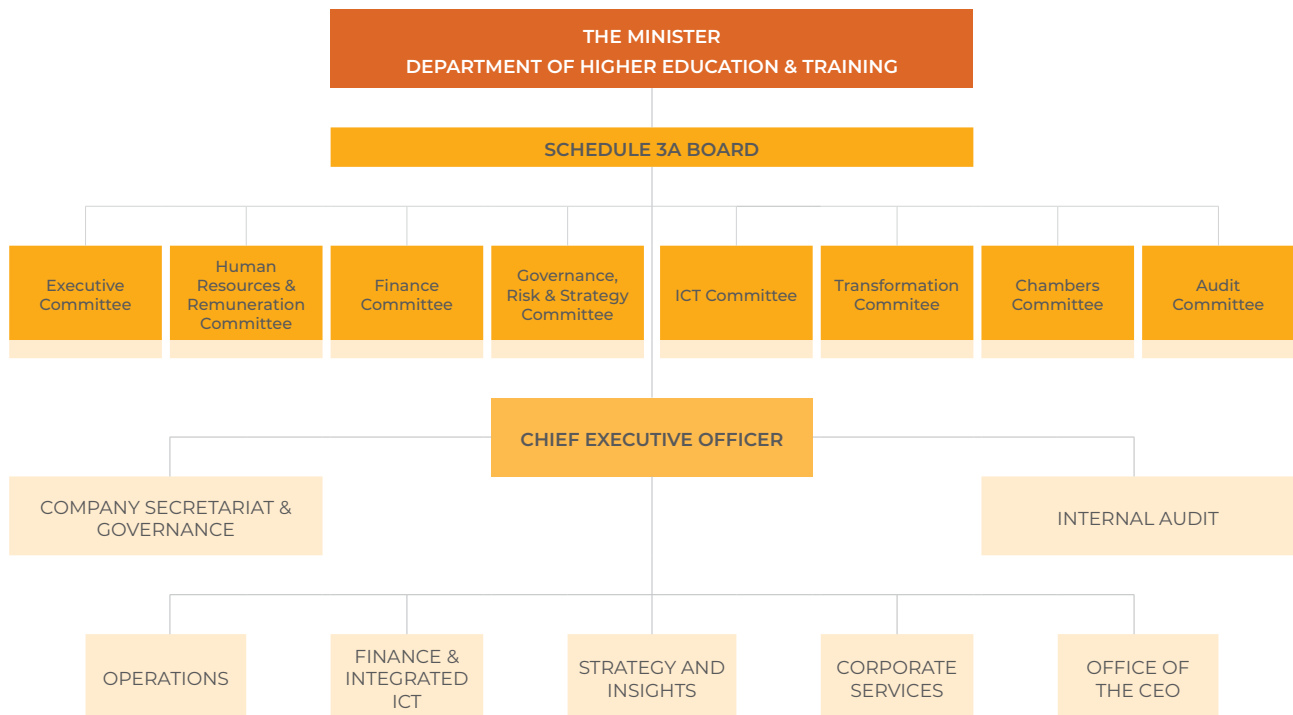
As part of the turnaround strategy, the Services SETA aims to invest in its human capital. The strategy includes reviewing the work environment, employee assistance programme, human resources development, and investment in mentoring, coaching, and leadership development.

The Services SETA's internal strengths and weaknesses and the external opportunities and threats referenced earlier were evaluated to provide a basis for re-aligning, re-prioritising and refining the National Skills Development Strategy's (NSDS's) outcomes. The analysis aims for the Service SETA to optimise identified strengths, harness opportunities, offset identified weaknesses and mitigate threats. The SWOT analysis findings have been integrated into the Services SETA's strategic responses and are

also addressed in more detail in our APP. There is a strong correlation between the SWOT analysis and our internal environment analysis.

4.2.2. Services SETA Operating Model and Implications for Planning

An operating model describes how the organisation creates, delivers, and captures value for its intended beneficiaries in line with its value proposition. The model further informs the Services SETA strategy and operations. Through an organisational design project underway, the Services SETA revisited its operating model to ensure alignment with the new SETA landscape and the NSDP 2030 mandate, as illustrated below.

Figure 9. Services SETA Operating Model

KEY PARTNERS		VALUE PROPOSITIONS	CUSTOMER SEGMENTS	
DHET (Skilled Employable Individuals)	**KEY CAPABILITIES** — Project Management / Data & Business Intelligence / Stakeholder Management / Quality Assurance / Leadership / Research / Occupational Qualifications	Certified, Skilled, Employable Learners	**STAKEHOLDER RELATIONSHIPS** Customised & High Impact	**EMPLOYER & EMPLOYER ORGANISATIONS** (Levy Paying and Non-Levy Paying)
SECTOR CHAMBERS & INDUSTRY		Well-funded & Implemented Workplace Skills Programmes		
PARTNER WITH QCTO (Quality Assurance)		Accountable Grants Administration		Learners (Employed & Unemployed) - Beneficiaries
NATIONAL TREASURY & AGSA	**KEY ENABLERS** — Robust & Agile Business Processes / Automated & Integrated Technology & Systems / Capable People / Internal Controls	Adequate Supply of SDP's	**CHANNELS** Sector Skills Management Skills Development Management	Government - Represented by DHET and other Stated Entities
NSA		Alignment to Future Relevant Skills		
OTHER SETAs		Accessible and Reliable Data		
PUBLIC & PRIVATE SDP's		Improved Employment in Services Sector		
PARLIAMENT				

COST STRUCTURE	REVENUE SOURCES		
SERVICE DELIVERY (methods, technology, people, strategic relationship) **INFRASTRUCTURE** (20% NSF, 10% Admin fees, 0.5% QCTO, 20% Mandatory Grants & 49.5% Discretionary Grants)	Levies	Government Departments	Interest on Investment

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

The capabilities are enabled through governance, planning, employees, culture, systems, and the different physical resources of the Services SETA. The Services SETA works with service delivery partners to create and deliver value for its stakeholders. The value creation and delivery are funded through levies collected from employers and interest accrued from investments. The benefit of this value-add is that it leads to the sustainable social impact of self-sustaining learners in the form of employment or entrepreneurship. The operating model is intended to be realised by effectively implementing the Services SETA's strategy as outlined in the subsequent sections. This can be further clarified through the Services SETA's value chain, which is described below.

4.2.3. The Services SETA Value Chain

Implicit to the value chain rationale is the recognition that organisations are best served by operating in sectors where they have a relative efficiency advantage. Given the Services SETA's regulatory foundations, this efficiency can be presumed. The value chain depicts the process through which the Services SETA creates and delivers a value-add to its stakeholders. The value chain clarifies the linkages between the different core Services SETA capabilities in realising its value proposition. Although it is impossible to establish a direct link with a high level of certainty, the Services SETA's value chain reflects a logical model that embodies a plausible theory about the pathways through which the organisation's

core functions produce the value envisaged for beneficiaries. The change is enabled by effectively implementing support systems such as human resources, finance, and information technology.

Figure 10. Services SETA Value Chain
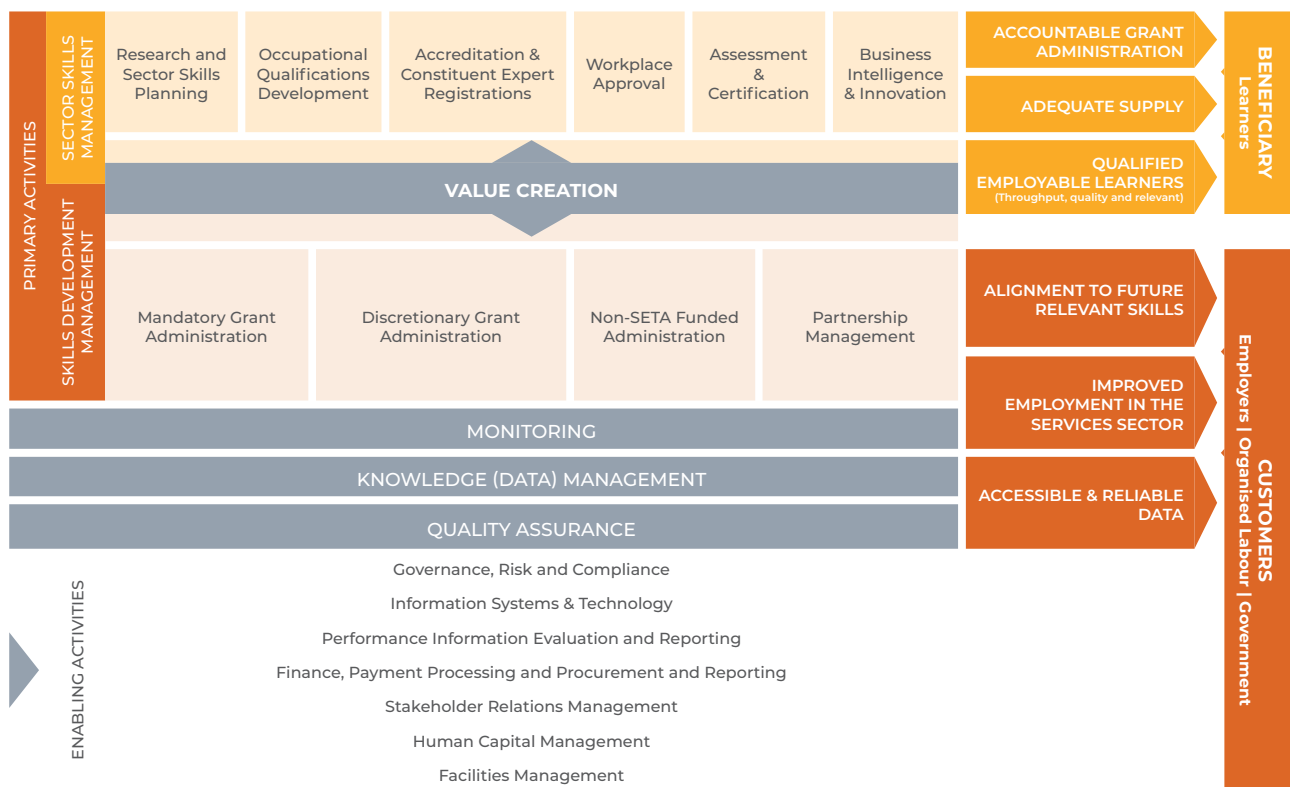
The diagram depicts the different components of the Services SETA's value chain based on input from the organisational design project. The value chain is adapted to the programmatic structure recommended by DHET. The value chain is premised on a strong instructional foundation that informs the Sector Skills and Strategic and APP. The imperatives resulting from this planning process are subsequently translated through qualifications' design and learning interventions to address sectoral scarce and critical skills. Through the accreditation and quality assurance of service delivery providers, capacity is built to ensure training delivery. Thereafter, the Discretionary Grant Funding process enables the facilitation of these learning interventions by ensuring adequate financial and human resources.

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

4.2.4. Organisational Capabilities Underpinning Performance Improvements

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

4.2.5. SWOT Analysis

The table below highlights some of the strengths, weaknesses, opportunities, and threats confronting the Services SETA. The aim is to highlight areas of immediate intervention to realise the desired outcomes and impact.

Table 11: SWOT Analysis of the Services SETA

Strengths	Weaknesses
› Stability in governance structures.	› Integration of systems and business processes.
› Committed stakeholders and employees.	› Inadequate delivery model – resulting in the slow implementation of learning interventions.
› Research capacity to guide towards relevance.	› Centralisation of services and operations.
› Investment in research to improve evidence-based planning with industry.	› Ageing commitments with multi-year implementation.
› Enjoy legislative mandate to implement skills development.	› Expired historical qualifications and transition to occupational qualifications, identification, and capacity to supply.
› Regular performance monitoring and evaluation of impact to ensure alignment with the mandate.	› Funding and implementation of occupational qualifications may result in a reduction in the number of learners enrolled.
› Development and implementation of SOPs for better process management.	› Performance and monitoring of usefulness and reliability of information.
› Development of Annual Operational Plans (AOP) for better reporting tracking.	› Not enough spending on projects, hence the reserves.
Opportunities	**Threats**
› Improvement in automation of core business and support processes through system development, with partial deployment.	› Negative audit outcomes.
› Improvement in system functionality and integration requiring deployment, training, and skills transfer to embed usage.	› BUSA court judgement – impact on available discretionary grants.
› Strong focus and presence in entrepreneurship and cooperative development.	› Leadership turnover rate.
› Align services sector skills in demand/needs with the APP to ensure supply of critical, prioritised, and hard-to-fill vacancies and decentralisation of services to reach remote areas.	› The high number of small and informal sectors – resulting in low revenue and participation in skills development.
› Opportunity to develop new qualifications that are fit for purpose and aligned with skills gaps.	› Employers and Public Higher Institutions lack support to implement occupational qualifications.
› Urgently mobilise chambers to better service the industry.	› Low rate of participation by employers in workplace training through WSP/ATR.
	› The decline in employment rates in the services sector in the last two years.
	› Increase in costs of living and high inflation.

4.2.6. Compliance with B-BBEE

The Services SETA considers Broad-Based Black Economic Empowerment (B-BBEE) and transformation vital in achieving its mission. The Services SETA is being measured on the Generic Specialised Scorecard as gazetted by the Department of Trade and Industry (Dti). One of the critical avenues through which B-BBEE is pursued is preferential procurement. Preferential procurement measurement is based on suppliers awarded via the tender or request for quotation processes. The Services SETA procures goods and services from Exempted Micro Enterprises, enterprises that are 51% owned by black people and 30% enterprises owned by black women. In addition, the Services SETA received bonus points for procuring from Designated Group Suppliers that are at least 51% Black owned based on the B-BBEE Recognition Level.

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

Services SETA has contributed to various initiatives to improve non-profit organisations and the well-

being of the beneficiaries. These contributions align with the organisation's Socio-Economic policy and the BEE Codes of Good Practice. The Services SETA's broad policy covers infrastructural developments of Skills centres, skills development interventions, and sponsorships. One initiative that stands out amongst others is the sponsorship of summits facilitated by the Disabled People of South Africa, which were a success and yielded positive outcomes.

The organisation has achieved a level 4 BEE rating. Below are our organisation's equity statistics.

Table 12. Equity Target and Employment Equity Status

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	2	-	-	-	-	-	-
Senior Management	9	-	-	-	-	-	-	-
Professional qualified	11	11	-	1	-	1	2	2
Skilled	33	32	4	4	2	3	1	1
Semi-skilled	3	6	1	1	-	-	-	-
Unskilled	6	9	-	-	-	-	-	1
Total	63	60	5	6	2	4	3	4

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	-	-	-	-	-	-	-	-
Senior Management	6	6	-	-	-	-	1	1
Professional qualified	16	15	4	3	2	2	2	3
Skilled	68	68	6	6	2	2	3	3
Semi-skilled	38	35	2	5	-	-	-	1
Unskilled	12	16	1	1	-	-	-	-
Total	140	140	13	15	4	4	6	8

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	-	-	-	-
Senior Management	-	-	-	-
Professional qualified	2	2	-	-
Skilled	2	2	2	2
Semi-skilled	-	-	3	3
Unskilled	-	-	-	-
Total	4	4	5	5

4.2.7. Transition from Legacy Qualifications to Occupational Qualifications

On December 24, 2020, the Minister of Higher Education and Training published a Government Gazette No. 44031 indicating the registration life-cycle end and phase-out of pre-2009 qualifications. Ministerial promulgation afforded the Services SETA 42 historical qualifications and two trade occupational qualifications. Following initial approval for the extension of 42 historical qualifications and two trades occupational qualifications, the Services SETA requested an extension date for additional historical qualifications.

Despite this allowance, the industry requested an extension for other historical qualifications not covered in the above Gazette. The request was channelled through QCTO. On December 24, 2020, the minister published Government Gazette No. 44031, which notified stakeholders of the extension of learner enrolment dates of selected qualifications through the SETAs. Furthermore, on December 13, 2024, the Minister published Government Gazette No. 51771, which confirmed the acceptance of additional requests for the extension of learner enrolment of pre-2009 qualifications not included in GG-50742.

The proclamation also allows QCTO, SAQA, and DHET to consider these within the framework set up in GG50742. Authorities are in the process of developing criteria to guide the Development Quality Partners (DQP) for the extensions.

PART C ❯

PART C
MEASURING OUR PERFORMANCE

STRATEGIC PLAN
2025 – 2030

1. INSTITUTIONAL PERFORMANCE INFORMATION

This section outlines the impact statements, outcomes, outcome indicators and risks.

1.1. Impact Statements

Impact statement	A skilled, competitive workforce and entrepreneurship that drives sustainable and inclusive economic growth of the services sector and contributes to improved quality of life.

1.2. Measuring the Impact

1.2.1. Measuring Outcomes

Table 13. Five-Year Outcomes

MTDP Priority	Outcome	Outcome Indicator	Baseline 2021-2024	5-Year (2025-2030)
Strategic Priority 3: A capable, ethical, and developmental state	1. Efficient, effective, and developmental organisation with a capable and ethical workforce	1.1. Clean Administration	Qualified Audit	Clean Audit
		1.2. Effective Performance Management	New outcome indicator	80%
		1.3. Percentage of prioritised ICT projects implemented	New outcome indicator	90%
		1.4. Stakeholder climate survey	72%	80%
		1.5 Effective governance and assurance monitoring system	100%	100%
Strategic Priority 1: Inclusive growth and job creation	2. Coherent and aligned skills planning mechanism with accurate forecasting of sector demands for skills and qualifications that promotes evidence-based planning	2.1. Number of industry-focussed research studies	8	10
		2.2. Impact evaluation research studies	New outcome indicator	5
		2.3. Percentage increase in WSP/ATR submission	3%	10%
		2.4. Number of partnerships to broaden access to skills development opportunities	74	75
Strategic Priority 2: Reduce Poverty and tackle the high cost of living	3. Promote access to technical, managerial, and entrepreneurial skills across the service sector	3.1. Number of entrepreneurs and cooperatives supported	3,280	5,000
		3.2. Number of learners enrolled in priority occupations and skills in demand	50,509	75,000
		3.3. Percentage learner throughput rates across learning interventions	New outcome indicator	70%
Strategic Priority 2: Reduce Poverty and tackle the high cost of living	4. Enhanced Quality Assurance efficiencies to execute QCTO delegated functions for high organisational performance	4.1. Percentage of external moderation and evaluation conducted within a reporting period	100%	100%
		4.2. Percentage of accreditation applications evaluated and concluded within 90 working days	New outcome indicator	80% (average)
		4.3. Percentage of occupational qualifications aligned to priority skills	65%	85%

1.3. Planned Performance over Five-Year Planning Period

The Services SETA has, over the last year, 2023/24, recorded a performance achievement of 83%. A key strategic focus will be to align the organisation's performance to the National Skills Development Plan and the NDP. The immediate focus will be to support the ERRP, which aims to boost economic growth following the long spell of negative growth exacerbated by COVID-19. The Services SETA has identified scarce and critical skills that the Department prioritises for inclusion in its skills development strategy over the next few years. These include Call or

Contact Centre Manager, Quality Manager, Contact Centre Resource Planner, Contact Centre Forecast Analyst, Call or Contact Centre Manager, Inbound Contact Centre Consultant, Outbound Contact Centre Consultant, Contact Centre Real real-time advisor, and Call or Contact Centre Agent. These lists of scarce and critical skills have been incorporated into the lists of hard-to-fill vacancies, skills gaps, and priority lists for implementation in the APP.

The NDP 2030 forms the basis of all national policies and strategies. Education, training, and innovation are key priorities to be supported by the PSET ecosystem. The Services SETA has, therefore, deliberately aligned its MTDP outcomes to aid this goal. Table 14 below provides a breakdown of the tangibles to be delivered against the NDP 2030 deliverables.

Table 14. Alignment to the NDP Deliverables

National Development Plan	Services SETA's planned intervention
1. The recommended participation rate in the TVET college sector of 25 percent would accommodate about 1.25 million enrolments.	The Services SETA plans to establish 25 various partnerships with TVET colleges to support skills development.
2. Provide one million learning opportunities through Community Education and Training colleges.	The Services SETA plans to establish nine various partnerships with CET colleges to support skills development.
3. Improve the throughput rate to 80 percent by 2030.	Working with employers and other key role players, the Services SETA aims to increase the throughput rate to 70% by 2030.
4. Produce 30,000 artisans per year by 2030.	The Services SETA aims to support around 5,000 artisanal programmes (including Artisan Recognition for Prior Learning (ARPL)) by 2030 (40% women, 80% youth, 1% people with disabilities, and 6% rural).
5. Increase enrolment at higher education institutes by at least 70 percent by 2030 so that enrolments increase to about 1,62 million from 950,000 in 2010.	Services SETA plans to provide bursary opportunities to 10,780 university students in the next five years (50% women and 70% youth).
6. Expand science, technology, and innovation outputs by increasing government research and development spending and encouraging industry to do so.	The Services SETA is working with industry to address the challenges of the Fourth Industrial Revolution through research to identify the skills required and the capacity to supply and respond accordingly.

Figure 11. DDM's Relationship with Other Plans
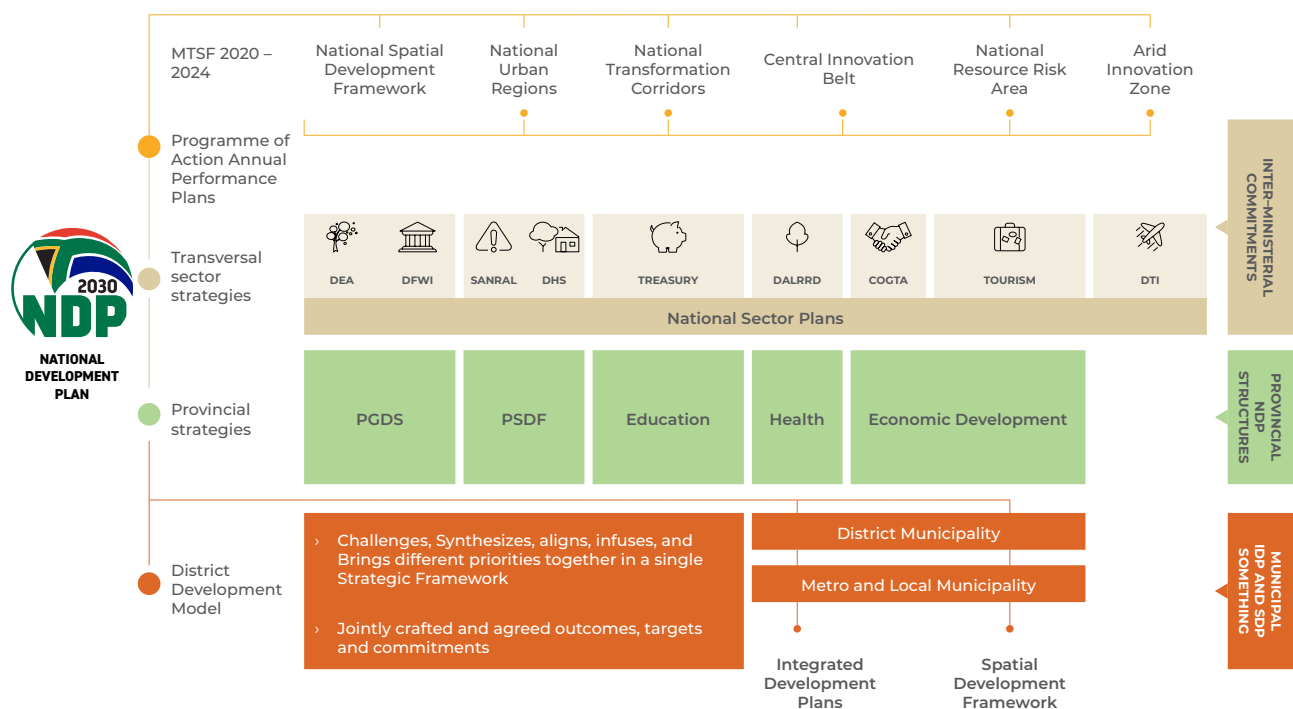
Source: COGTA

The District Development Model (DDM) is a government approach to improve integrated planning and delivery across the three spheres of government, with district and metropolitan spaces as focal points of government and private sector investment. The envisaged integrated planning and delivery in relation to the district and metropolitan spaces will be enabled by a joint planning, budgeting, and implementation process. The Services SETA will support this model through our strategic project initiatives. Figure 11 below depicts the DDM linkages with other plans. Table 15 further indicates districts envisaged to be supported.

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

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

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

By their very nature, skills development interventions change every year, sometimes twice or thrice within a year, depending on the number of DG windows opened for employers and skills development training providers as informed by sector needs. The DDM budget is aligned to Skills Development and Planning, Programme 2, and Learning Programmes, Programme 3. This information is updated regularly and passed on to Provincial Skills Development Forums, which feed into the District Development Model for consolidation with various other interventions taking place or planned for each district.

Annexure A indicates current and planned interventions at districts for the 2024/25 financial years. This information is updated continuously and shared with relevant stakeholders as outlined above.

1.4. Key Risks

Table 15. Key Risks and Mitigation Strategies

Outcome	Key Risks	Risk Mitigations
1. An efficient, effective, and developmental organisation with a capable and ethical workforce.	1.1. Misstatement of financials leading to unfavourable audit outcomes. And the possibility of the Services SETA being put under administration by the Executive Authority.	› Automation of the management of the commitment schedule. › Monthly reconciliations are peer–reviewed. › Quarterly AFS prepared in line with year–end requirements. › Financials are prepared quarterly and reviewed by Internal Auditor (IA). › Track the implementation of internal and external audit findings monthly.
	1.2. Failure to provide a safe and healthy workspace, infrastructure, and support to staff to perform operational activities to achieve organisational objectives will result in non–compliance with the Occupational Henal Health and Safety Act (OHSA), unhappy staff, low productivity and Services SETA not fully functioning in rendering support to stakeholders.	› Fire drills are conducted annually. › Fire equipment serviced and certificate issued. › Provincial Managers are appointed as 16.2 officers. › A panel of service providers has been appointed to assist with the repair of the identified issues at the Head Office and provincial offices.

Outcome	Key Risks	Risk Mitigations
	1.3. Lack of structured and timely communication to influence public opinion.	› A draft Stakeholder framework is in place. › KPI on responsiveness included in performance agreements of all Services SETA staff. › A Service Charter is in place and will be shared with business functions. › A draft Stakeholder framework is in place. Pending approval.
2. Coherent and aligned skills planning mechanism with accurate forecasting of sector demands for skills and qualifications that promotes evidence–based planning.	2.1. Non–delivery of value to our Stakeholders (levy–paying), leading to disgruntled stakeholders and reputational damage.	› Focus on the top 20 levy–paying members. › Support the levy–paying employees in submitting the WSP. › Approve DG Policy in place. › Stakeholder surveys are regularly conducted. › Planned controls. › Customer service delivery with clear communication and transparency. › Develop a Stakeholder Manual on how to effectively communicate with stakeholders.
3. Promote access to technical, managerial and entrepreneurial skills across the service sector.	3.1. Inability to accurately upload learner and performance data, resulting in rejections from the National Learners Records Database (NLRD) and the South African Qualifications Authority (SAQA). Incorrect performance information uploaded on the Sector Education and Training Management Information System (SETMIS) (DHET).	› A task team was established to clean up and assist with the data migration from Oracle to LMIS. › SETMIS training concluded. After uploads, conduct a post–mortem per department to improve the accuracy of uploads. Before reporting, open a window to clarify matters before uploading.
	3.2. Threats emerging from potential cyber security breaches that may lead Services SETA to compromise its data and information assets.	› Ongoing cyber security awareness campaigns. › Restricted use of removable media devices Bring your Own Devices (BYOD). › Encryption of endpoints done. › External and internal firewalls are in place. › Anti–virus with complete protection features in place. › Multiple authentications implemented. › Cyber security insurance is in place. › Single sign–on is to be embedded in the business. › Implement SDWAN firewall to strengthen end–to–end encryption. › Independent penetrative test to be conducted to identify gaps.
4. Enhanced Quality Assurance efficiencies to execute QCTO delegated functions for high organisational performance.	4.1. Inability to speedily develop new occupational qualifications/ re–align legacy qualifications into occupational qualifications and pilot the new qualifications for rolling out, resulting in the Services SETA being unable to meet the skills development needs of our industry.	› Qualifications to be prioritised for development or realignment are identified and aligned to the PIVOTAL and Hard–to–Fill skills list. › Occupational Qualification Development is a focus and prioritised as a critical area in planning. › Resources are employed, and the AA approves the processes.

PART D 〉

PART D
TECHNICAL INDICATOR DESCRIPTORS

STRATEGIC PLAN
2025 – 2030

Indicator Title	1.1. Clean Administration
Definition	This indicator refers to the Services SETA's compliance with its approved financial policies and practices, including applicable legislations; its ability to continually improve and reinforce compliance; and its ability to plan and report measurable and reliable performance information. The Services SETA aims to achieve clean audit opinion. **"Clean audit opinion"** refers to the AGSA concluding that Services SETA's financial statements are transparent and compliant with generally accepted accounting principles (GAAP), the Annual Performance Reports are free from material misstatements, and they comply with applicable legislation. **"Misstatements"** refer to incorrect or omitted information in the Annual Financial Statements and Annual Performance Reports. **"Financial Statements"** refer to the organisations' financial performance information. **"Performance Information"** refers to information about organisational targets for a given year, as contained in the APP and Annual Performance Report. **"Submitted"** submitted to AGSA, DPME and National Treasury.
Data Source	AGSA audit report supported by Services SETA's Annual Financial Statements and Annual Performance Report.
Method of Calculation / Assessment	The outcome of the audit for each financial year
Assumptions	› There is a strong adherence to PFMA and accounting standards and principles at the Services SETA; and › There is adherence to National Treasury and DPME reporting requirements for performance information.
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual
Desired Performance	Clean audit
Indicator Responsibility	› Chief Financial Officer › Executive Manager: Strategy and Insights

Indicator Title	1.2. Effective Performance Management
Definition	Performance Management is a corporate management tool that enables managers to monitor and evaluate employees' work. The Services SETA uses performance management to achieve organisational goals, objectives, and targets and to create an environment where people can perform to the best of their abilities and produce the highest-quality work most efficiently and effectively. Performance management is also used to identify areas for development and reward good performance. **"Effective Performance Management"** means a Performance management system used to identify areas for development and reward good performance.
Data Source	› Job Profiles › Performance Contracts › Performance Reviews
Method of Calculation / Assessment	Performance Contracts and Reviews completed by the due date aligned with the approved policy/ Number of staff employed.
Assumptions	Performance rewards are given.
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Yearly
Desired Performance	80% (MTDP period) Completion of the performance management process
Indicator Responsibility	Executive Manager: Corporate Services

Indicator Title	1.3. Percentage of prioritised ICT projects implemented
Definition	Corporate Governance ICT Framework is a government-requirements ICT Framework under the auspices of the Department of Public Services and Administration. The Corporate Governance of ICT is an integral part of the governance system at the Services SETA. It involves evaluating, directing, and monitoring the alignment of the ICT strategy with the Services SETA Business Strategy and related strategies. It also involves monitoring ICT service delivery to ensure a culture of continuous ICT service improvements in the Services SETA. ICT develops a strategy and implementation plan that the ICT Steering Committee approves to respond to business strategic needs and ensure the delivery of the strategic goals.
Data Source	› Services SETA Strategic Plan and APP; and › ICT Strategy and Implementation plan with a list of approved plans/projects/programmes.
Method of Calculation / Assessment	1. Assess the ICT strategy implementation plan against the business's strategic needs; and 2. Number of implemented ICT plans/ total number of approved ICT implementation plans aligned with business needs multiplied by one hundred (averaged over the MTDP period).
Assumptions	The ICT strategy implementation plan aligned with Services SETA's business needs to achieve strategic objectives.
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual
Desired Performance	90% (MTDP period)
Indicator Responsibility	Executive Manager: Corporate Services

Indicator Title	1.4. Stakeholder Climate Survey
Definition	This indicator measures the quality of support provided to key subsector stakeholders through capacity development, information sharing, customer service and technical support. The indicator also measures consultation with stakeholders on any policy and process development that will improve the Service SETA's service delivery to its subsector stakeholders. The outcome of the engagement contributes towards addressing key material issues that directly or indirectly impact the Services SETA's ability to create and preserve economic, social, or environmental value for itself and its stakeholders. **"Stakeholders"** refers to paying and non-levy paying employers (NLPEs) that do business within the scope of the Services SETA; training providers doing business in the services sector; government departments within the scope of the Services SETA; associations, professional bodies, a community of expert practitioners; trade unions, Community-Based Organisations (CBOs), Non-Profit Organisations (NPO) and Non-Governmental Organisations (NGOs), and others. A stakeholder is any individual or group that affects or is affected by the organisation's activities. The Services SETA will prioritise and invest time in stakeholders identified as part of key material issues. **"Satisfaction climate survey"** refers to the score per the survey report. A survey is to be conducted considering research methodologies.
Data Source	Stakeholder relationship management survey report.
Method of Calculation / Assessment	Total scores of stakeholder ratings / number of stakeholders responded to the survey x 100 (rating score over the MTDP period).
Assumptions	There is sufficient participation by Services SETA stakeholders and key partners.
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual
Desired Performance	Satisfaction rating score 80% (MTDP period)
Indicator Responsibility	Executive Manager: Strategy and Insights

Indicator Title	1.5. Effective governance and assurance monitoring system
Definition	The indicator refers to good governance at the Services SETA organisational compliance, enterprise-wide risk management and sound/effective governance: **"Organisational Compliance"** refers to compliance with the Services SETA legislative universe and policies. This is monitored through percentage action plans implemented quarterly, which refers to the proportion of the number of audit and compliance action plans implemented by the Services SETA in line with the audit reports and applicable laws and regulations. **"Enterprise-Wide Risk Management"** refers to effectively identifying and mitigating organisational risks. This is monitored through a percentage of risk action plans actioned, which refers to the process of executing risk mitigation actions as outlined in the action plans every quarter. Risk mitigation progress monitors the continuous process of tracking all identified risks, identifying new risks, and evaluating risk process effectiveness throughout the organisation's programmes. **"Governance"** refers to a report compiled and submitted by the board secretariat on the Accounting Authority's and its Committees' performance in carrying out its fiduciary duties and assessing effective oversight in line with KPAs in its Terms of Reference. In addition, it refers to the governance report compiled by organisational compliance and submitted to DHET.
Data Source	› Annual legislative universe & compliance remedial action plans report. › Annual audit action plans report. › Annual combined risk register. › Governance reports.
Method of Calculation / Assessment	Number of governance reports submitted to DHET/number of governance reports requires by DHET x 100
Assumptions	Good governance will be maintained throughout the MTSF period.
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual
Desired Performance	100% (MTDP period).
Indicator Responsibility	Office of the Chief Executive Officer

Indicator Title	2.1 Number of industry-focussed research studies
Definition	The indicator serves to measure the number of sector and innovation research reports developed and disseminated annually to enable effective planning across all economic sub-sectors of the Services SETA. These will ensure that resource planning interventions support sector priorities and respond to the real needs of the service sector. **"Industry"** The employers registered with SARS are both levy-paying and NLPEs that do business in the services sector. **"Innovation research reports"** Are documents reporting the results of research done in the services sector that provides new solutions or improved skills development solutions. **"Reports issued"** The number of research reports published.
Data Source	List of research reports conducted annually.
Method of Calculation / Assessment	A simple count of research studies was conducted.
Assumptions	Enough budget for research projects.
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	MTDP Period (5 years).
Desired Performance	10 Research Study Reports.
Indicator Responsibility	Executive Manager: Strategy and Insights

Indicator Title	2.2 Impact evaluation research studies
Definition	This planning indicator measures the Services SETA performance in terms of the number of impact studies done on the programmes rolled out for the current year. It tests the Services SETA's ability to improve its impact, which responds to Goal 4 in the Service SETA APP, and to achieve a clean audit finding with no penalties. Impact studies aim to answer questions in relation to Services SETA's efforts: What has changed; For whom; How significant was it? Will it last? In which ways did we contribute to these changes? The findings from impact studies result in smarter decision-making in the Services SETA that ultimately increases performance in transformational imperatives, i.e., equity, rural development, poverty alleviation and increased employability. **"Number of Impact Assessments":** National Treasury's (NT) Framework for Managing Performance Information defines impact as: "the results of achieving specific outcomes, such as reducing poverty and creating jobs." This definition speaks directly to the type and number of programmes the Services SETA decides to prioritise in the current financial year, which is planned and budgeted for in the Services SETA APP. In other words, the return on investment is determined by whether the Services SETA's planned goals are achieved. **"Studies conducted":** The NT's Framework for Managing Performance Information defines 'Studies conducted' as "specific benefit-incidence studies" used to gather information on transformational imperatives, such as equity, aimed at answering the question: "Who benefits from the outputs being delivered?"
Data Source	Research reports.
Method of Calculation / Assessment	A simple count of research reports over the MTDP period.
Assumptions	There will be no delays in the processes (engagements, contracting and signing).
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual
Desired Performance	5 (MTDP period).
Indicator Responsibility	Executive Manager: Strategy and Insights

Indicator Title	2.3 Percentage increase in submissions of WSP/ATR
Definition	This indicator measures the rate of increase in the number of companies submitting WSP/ATR, which was informed by a low submission rate by Services SETA employers. **"Employers"** include levy-paying and non-levy-paying employers. **"LPEs":** Employers with a SIC code demarcated under the scope of the Services SETA paying the 1% skills levy legislated by the SDLA to the Services SETA through SARS. **"Non-Levy paying employers":** Employers exempted from contributing SDL as per the SDA and SDLA. **"Workplace Skills Plan (WSP)"** is a template legislated under the SDA regulation that allows employers to provide statistical data on a range of skills development interventions planned to address those needs. **"Annual Training Report (ATR)"** is a template legislated by the SDA regulation allowing employers to provide statistical data on a range of skills development interventions implemented in the previous skills year. **"Submission":** The submission of WSP/ATR in line with the requirements in the SETA Grants Regulations, 2012 and Mandatory Grant policy. LPEs will be reimbursed, and NLPEs cannot be reimbursed, but both categories qualify for approval if minimum requirements are met.
Data Source	The LMIS module for WSP/ATR that has been successfully submitted.
Method of Calculation / Assessment	Number of companies who submitted WSP/ATR in the period (minus) the number of companies submitting WSP/ATR in the period; (divided) by the number of companies who submitted WSP/ATR in the previous period; multiplied by one hundred.
Assumptions	Increase participation by member companies in submitting WSP/ATR.

Indicator Title	2.3 Percentage increase in submissions of WSP/ATR
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual
Desired Performance	10% (Cumulative over the MTDP period).
Indicator Responsibility	Executive Manager: Operations

Indicator Title	2.4. Number of partnerships to broaden access to skills development opportunities
Definition	This indicator refers to employers partnered with the Services SETA for skills development. **"Partnership"** refers to a collaboration between two or more parties to achieve the specified outcomes towards addressing mutual and inclusive skills priorities or objectives as guided by the NSDP. For instance, the Services SETA can provide funding; partner organisations provide the resources, sites, and learning and training to achieve its aims. The Services SETA and entities can also jointly fund the intervention. Partnerships without monetary attachments can also exist, administered through a Memorandum of Understanding/Agreement (MoU/MoA)/Implementation Plan with non-financial objectives and interventions. **"Entities"** may include employer companies, associations, professional bodies, unions, training providers, SOEs/Government departments, or institutions of higher learning.
Data Source	List of Services SETA-employer partnerships.
Method of Calculation / Assessment	A simple count of unique (counted once) universities, TVET, CET colleges and employers that have formed a partnership with the Services SETA.
Assumptions	Employers are willing and form a partnership with the Services SETA.
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annually.
Desired Performance	75
Indicator Responsibility	Executive Manager: Strategy and Insights

Indicator Title	3.1. Number of entrepreneurs and cooperatives supported
Definition	The indicator refers to the total number of entrepreneurs, SMMEs, Cooperatives and NGOs supported by Services SETA. Support can be in capacity-building interventions based on specific needs, ranging from various Services SETA training interventions. **"Training in entrepreneurship"** means training in a structured programme that aims to equip participants with the necessary skills and mindset for identifying and launching new business ventures. **"Small, Medium and Micro Enterprises (SMMEs)"** refers to a small enterprise as defined in the National Small Enterprise Act 1996 (Act no.102 of 1996). **"Supported"** means beneficiaries participate in the learning opportunity and complete one or more units of learning aligned to one or more skills or behaviours as learning outcomes.
Data Source	Survey hub listing of entrepreneurs and cooperatives supported.
Method of Calculation / Assessment	A simple count of the total number of entrepreneurs and cooperatives supported over the MTSF period.
Assumptions	Available database of entrepreneurs and cooperatives supported.
Disaggregation of Beneficiary (where applicable)	N/A

Indicator Title	3.1. Number of entrepreneurs and cooperatives supported
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual
Desired Performance	5,000 (Cumulative over the MTDP period).
Indicator Responsibility	Executive Manager: Office of the CEO

Indicator Title	3.2. Number of learners enrolled in priority occupation and skills in demand
Definition	The indicator refers to the total number of learners benefitting from Services SETA-funded learning interventions. Learners can benefit through learnerships, internships, skills programmes, AET, bursaries, artisan, candidacy and/or RPL/ARPL. **"Priority Occupations"** – The list of hard-to-fill vacancies and Skills Gaps, as identified in the SSPs. **"Learnerships"** A period of workplace-based learning culminating in an occupational qualification or part-qualification. **"Bursaries"** is a grant awarded to learners enrolled for part or full qualifications (FQs) registered on the National Qualifications Framework (NQF). **"Internship placement"** refers to a learning programme that consists of a structured work experience component over a specified duration. **"Skills programmes"** refer to occupationally based, short-term learning programmes. When successfully completed, they constitute credits towards a qualification or part qualification (PQ) registered on the NQF. **"Artisan"** refers to a person certified as competent to perform a listed trade in accordance with SDA. **"RPL"** Refers to the principles and processes through which the prior knowledge and skills acquired by a person are identified, mediated, and assessed for the purposes of admission to a formal course of study or recognition and certification to a formal qualification. **"ARPL"** Refers to assessing & recognising prior knowledge or skills of people who did artisanal trades for the purposes of admission to a formal course of study or recognition and trade test certification. **"AET programmes"** refer to formal learning/training by an accredited assurance body for adults to improve their numeracy and literacy knowledge and skills. **"Candidacy programmes"** refer to compulsory learning and training undertaken by graduates through structured workplace training, which culminates in a professional designation with a Professional Body. **"Entered/Enrolled"** means the enrolment of learners on a learning programme post verifying requisite employer and learner documentation,
Data Source	The Sector Education and Training Management Information System (SETMIS) and Survey hub listings supporting the APP.
Method of Calculation / Assessment	A simple count of learners benefiting from Services SETA-funded learning interventions over five years.
Assumptions	Learners enrolled and reported on SETMIS and Survey Hub.
Disaggregation of Beneficiary (where applicable)	› Women – 60% › Youth – 80% › People with disability – 3% › Rural – 20%
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual
Desired Performance	75,000 (Cumulative over the MTDP period).
Indicator Responsibility	Executive Manager: Operations

Indicator Title	3.3. Percentage learner throughput rates across learning interventions
Definition	This indicator measures the learner throughput rate across our completed funded learning interventions: learnerships, internships, skills programmes, AET, bursaries, artisanship, candidacy, and/or RPL/ARPL.
	"Learnerships" A period of workplace-based learning culminating in an occupational qualification or part-qualification.
	"Bursaries" is a grant awarded to learners enrolled for part or FQs qualifications registered on the NQF.
	"Internship placement" refers to a learning programme that consists of a structured work experience component over a specified duration.
	"Skills programmes" refer to occupationally based, short-term learning programmes. When successfully completed, they constitute credits towards a qualification, or PQ registered on the NQF.
	"Artisan" refers to a person certified as competent to perform a listed trade in accordance with SDA.
	"RPL" Refers to the principles and processes through which the prior knowledge and skills acquired by a person are identified, mediated, and assessed for purposes of admission to a formal course of study or recognition and certification to a formal qualification.
	"ARPL" Refers to assessing & recognising prior knowledge or skills of people who did artisanal trades for the purposes of admission to a formal course of study or recognition and trade test certification.
	"AET programmes" refer to formal learning/training by an accredited assurance body for adults to improve their numeracy and literacy knowledge and skills.
	"Candidacy programmes" refer to compulsory learning and training undertaken by graduates through structured workplace training, which culminates in a professional designation with a Professional Body.
	"Completion" means successfully reaching all desired results/passing the prescribed number of unit standards. The learner is regarded as competent and exits with a full or partial qualification.
Data Source	Compiled list of learner completions funded by Services SETA following the Sector Education and Training Management Information System (SETMIS) requirements.
Method of Calculation / Assessment	The sum of learner Services SETA-funded and completed within the applicable reporting period/ Number of learners enrolled within the financial year x 100.
Assumptions	Learners complete the funded learning interventions.
Disaggregation of Beneficiary (where applicable)	› Women – 60% › Youth – 80% › People with disability – 3% › Rural – 20%
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual
Desired Performance	70% (Cumulative over the MTDP period).
Indicator Responsibility	Executive Manager: Operations

Indicator Title	4.1. Percentage of external moderation and evaluation conducted within the reporting period
Definition	The indicator refers to the external moderations conducted as SDPs/employers requested. **"External Moderation and Evaluation"** refers to the process where the Services SETA, as an independent party not directly involved in the assessment process, reviews and verifies the quality of assessments to ensure consistency, fairness, and alignment with set standards. **"Reporting Time"** refers to the financial year in which external moderation and evaluation are conducted.
Data Source	› External moderation schedule lists. › External moderation reports.
Method of Calculation / Assessment	The number of external moderations successfully completed is divided by the total number of external moderation requests received, multiplied by one hundred.
Assumptions	There are sufficient personnel to conduct external moderation.
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual
Desired Performance	100% (Averaged over the MTDP period).
Indicator Responsibility	Executive Manager: Operations

Indicator Title	4.2. Percentage of accreditation applications evaluated and concluded within 90 working days
Definition	This indicator measures the percentage of accreditation applications (i.e. Skills Development Providers (SDPs) and Assessment/Trade Test Centres) evaluated and concluded within the set turnaround time of 90 working days. It reflects the efficiency and effectiveness of the Services SETA accreditation process in meeting its obligations towards the QCTO, regulatory, and operational standards. **"Accreditation"** formally recognises that a training programme or institution meets specific quality standards for delivering skills development. **"Evaluated and Concluded"** means the evaluation report has been quality assured, signed off by the designated Services SETA official and submitted to the QCTO.
Data Source	› List of accreditation applications allocated to the Services SETA by the QCTO for evaluation and related records, disaggregated into Skills Development Providers (SDPs) and Assessment/Trade Test Centres. › Accreditation reports (disaggregated into SDPs and Assessment/Trade Test Centres. › List of Accreditation Reports and signed-off reports (disaggregated into SDPs and Assessment/ Trade Test Centres.
Method of Calculation / Assessment	Number of applications evaluated and concluded within 90 working days within the financial year divided by the total number of applications allocated by QCTO within the financial year x 100.
Assumptions	All accreditation applications are submitted with complete and correct information. There are no significant delays caused by external factors (e.g., regulatory changes and unforeseen administrative constraints). Services SETA has the capacity to process all allocated accreditation applications within the prescribed timeline. Applicants are responsive, ready for site visits, and rapidly remediated.
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual
Desired Performance	80% (Averaged over the MTDP period).
Indicator Responsibility	Executive Manager: Operations

Indicator Title	4.3. Percentage of occupational qualifications aligned to priority skills
Definition	This indicator measures the percentage of legacy qualifications aligned and/or reviewed to occupational qualifications.
	Legacy qualifications requiring alignment are those qualifications identified through research, WSP submissions, and government and chamber/industry engagements to build supply capacity for occupational programmes.
	"Occupational Qualification" means SETA qualifications developed in line with the SAQA Sub-Framework on occupational qualifications.
	"Priority skills" means the list of hard-to-fill vacancies and skills gaps contained in the SSPs.
Data Source	› A list of legacy qualifications requiring alignment.
	› A list of occupational qualifications reviewed/aligned/developed.
Method of Calculation / Assessment	The number of legacy qualifications requiring alignment/ total number of occupational qualifications reviewed/aligned/developed and multiplied by one hundred.
Assumptions	› There is sufficient participation from the industry.
	› Industry qualifications in need of development are aligned to occupations in high demand.
Disaggregation of Beneficiary (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting Cycle	Annual
Desired Performance	85% (Cumulative over the MTDP period).
Indicator Responsibility	Executive Manager: Strategy and Insights

ANNEXURES
TO THE STRATEGIC PLAN

STRATEGIC PLAN
2025 – 2030

SERVICES SECTOR EDUCATION
AND TRAINING AUTHORITY

SERVICES SETA

Area of Intervention in the NSDF and DDM	Project Name	Project Description	Budget Allocation	District Municipality	Specific Location	Project Leader	Social Partners	Longitude (East/West/+X)	Latitude (North/South/-Y)
	Multiple Skills Programmes	Various Interventions	R21,176,000	Abaqulisi District	Various	Multiple	Multiple	24.3341° E	28.4251° S
	Multiple Skills Programmes	Various Interventions	R48,067,510	Alfred Duma District	Various	Multiple	Multiple	28.4857° E	30.174° S
	Multiple Skills Programmes	Various Interventions	R102,966,197	Alfred Nzo District	Various	Multiple	Multiple	29.9164° E	-30.404.908° N
	Multiple Skills Programmes	Various Interventions	R18,833,370	Amajuba District	Various	Multiple	Multiple	30.0665° E	27.8036° S
	Multiple Skills Programmes	Various Interventions	R132,581,000	Amathole District	Various	Multiple	Multiple	27.3616° E	32.5842° S
	Multiple Skills Programmes	Various Interventions	R202,500	Bohlabela	Various	Multiple	Multiple	31.5547° E	23.9884° S
	Multiple Skills Programmes	Various Interventions	R34,459,550	Bojanala Platinum	Various	Multiple	Multiple	27.2386° E	25.6682° S
	Multiple Skills Programmes	Various Interventions	R37,011,700	Buffalo City Metropolitan	Various	Multiple	Multiple	27.6435° E	32.9344° S
	Multiple Skills Programmes	Various Interventions	R5,361,350	Cape Winelands District	Various	Multiple	Multiple	19.7592° E	33.4221° S
	Multiple Skills Programmes	Various Interventions	R120,165,418	Capricorn District	Various	Multiple	Multiple	29.2321° E	23.6123° S
	Multiple Skills Programmes	Various Interventions	R49,375,000	Central Karoo District	Various	Multiple	Multiple	22.3458° E	-32.6281° S
	Multiple Skills Programmes	Various Interventions	R27,406,000	Chris Hani District	Various	Multiple	Multiple	26.7968° E	31.87743° S
Skills Development	Multiple Skills Programmes	Various Interventions	R365,576,572	City of Cape Town Metropolitan	Various	Multiple	Multiple	18.5701° E	33.9143° S
	Multiple Skills Programmes	Various Interventions	R277,546,477.17	City of Ekurhuleni Metropolitan	Various	Multiple	Multiple	28.3462° E	26.1777° S
	Multiple Skills Programmes	Various Interventions	R1 375,109,771	City of Johannesburg Metropolitan	Various	Multiple	Multiple	27.9718° E	26.1704° S
	Multiple Skills Programmes	Various Interventions	R642,357,857	City of Tshwane Metropolitan	Various	Multiple	Multiple	28.3929° E	25.6051° S
	Multiple Skills Programmes	Various Interventions	R10,604,350	Dr Kenneth Kaunda District	Various	Multiple	Multiple	26.5138° E	26.8618° S
	Multiple Skills Programmes	Various Interventions	R21,822,700	Ehlanzeni District	Various	Multiple	Multiple	31.2626° E	25.3946° S
	Multiple Skills Programmes	Various Interventions	R202,871,500	eThekwini Metropolitan	Various	Multiple	Multiple	30.8039° E	29.8120° S
	Multiple Skills Programmes	Various Interventions	R262,500	Fezile Dabi District	Various	Multiple	Multiple	27.8397° E	26.8169° S
	Multiple Skills Programmes	Various Interventions	R97,418,150	Frances Baard District	Various	Multiple	Multiple	24.3341° E	28.4251° S
	Multiple Skills Programmes	Various Interventions	R13,660,400	Garden Route District	Various	Multiple	Multiple	22.0476° E	33.7042° S
	Multiple Skills Programmes	Various Interventions	R10,256,190	Gert Sibande District	Various	Multiple	Multiple	29.9741° E	26.5471° S
	Multiple Skills Programmes	Various Interventions	R4,968,000	Harry Gwala District	Various	Multiple	Multiple	29.4203° E	30.5427° S
	Multiple Skills Programmes	Various Interventions	R243,000	Joe Gqabi District	Various	Multiple	Multiple	27.06053° E	-30.94178° S
	Multiple Skills Programmes	Various Interventions	R29,030,590	King Cetshwayo District	Various	Multiple	Multiple	31.5370° E	28.6192° S
	Multiple Skills Programmes	Various Interventions	R7,294,400	Lejweleputswa District	Various	Multiple	Multiple	26.2305° E	28.3391° S

Area of Intervention in the NSDF and DDM	Project Name	Project Description	Budget Allocation	District Municipality	Specific Location	Project Leader	Social Partners	Longitude (East/West/+X)	Latitude (North/South/-Y)
	Multiple Skills Programmes	Various Interventions	R408,311,770	Mangaung Metropolitan	Various	Multiple	Multiple	26.2358° E	29.1303° S
	Multiple Skills Programmes	Various Interventions	R8,075,250	Mopani District	Various	Multiple	Multiple	30.7160° E	23.3089° S
	Multiple Skills Programmes	Various Interventions	R74,745,650	Nelson Mandela Bay	Various	Multiple	Multiple	25.600°E	33.950°S
	Multiple Skills Programmes	Various Interventions	R2,665,000	Ngaka Modiri Molema District	Various	Multiple	Multiple	-25.9167° E	-25.8333 ° S
	Multiple Skills Programmes	Various Interventions	R108,937,410	Nkangala District	Various	Multiple	Multiple	29.6035° E	25.9460° S
	Multiple Skills Programmes	Various Interventions	R1,245,000	OR Tambo District	Various	Multiple	Multiple	29.2321° E	31.4632° S
	Multiple Skills Programmes	Various Interventions	R12,910,000	Overberg District	Various	Multiple	Multiple	28.2441° E	25.7792° S
	Multiple Skills Programmes	Various Interventions	R1,509,500	Pixley ka Seme District	Various	Multiple	Multiple	-30.2892° E	23.2582° S
	Multiple Skills Programmes	Various Interventions	R5,220,000	Sarah Baartman District	Various	Multiple	Multiple	28.0855° E	26.0910° S
Skills Development	Multiple Skills Programmes	Various Interventions	R57,796,050	Sedibeng District	Various	Multiple	Multiple	28.2059° E	26.6833° S
	Multiple Skills Programmes	Various Interventions	R43,443,044	Sekhukune District	Various	Multiple	Multiple	29.9741° E	24.8335° S
	Multiple Skills Programmes	Various Interventions	R5,974,350	Thabo Mofutsanyana District	Various	Multiple	Multiple	28.2994° E	28.1270° S
	Multiple Skills Programmes	Various Interventions	R327,500	Ugu District	Various	Multiple	Multiple	30.2513° E	30.6218° S
	Multiple Skills Programmes	Various Interventions	R136,971,500	uMgungundlovu District	Various	Multiple	Multiple	30.3436° E	29.5101° S
	Multiple Skills Programmes	Various Interventions	R5,525,000	Umkhanyakude District	Various	Multiple	Multiple	32.0333° E	-27.6167° S
	Multiple Skills Programme	Various Intervention	R1,080,000	uMzinyathi District	Various	Multiple	Multiple	30.6200° E	28.5152° S
	Multiple Skills Programmes	Various Interventions	R92,336,500	uThukela District	Various	Multiple	Multiple	29.6035° E	28.6783° S
	Multiple Skills Programmes	Various Interventions	R105,112,400	Vhembe District	Various	Multiple	Multiple	29.9741° E	22.7696° S
	Multiple Skills Programmes	Various Interventions	R36,851,500	Waterberg District	Various	Multiple	Multiple	28.2994° E	23.9748° S
	Multiple Skills Programmes	Various Interventions	R8,112,000	West Rand District	Various	Multiple	Multiple	27.4064° E	26.37743° S
	Multiple Skills Programmes	Various Interventions	R12,024,100	West Coast District	Various	Multiple	Multiple	18.6270° E	-32.0951° S

Notes

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