SECTOR SKILLS PLAN 2026/27 UPDATE

Services Sector Education and Training Authority

Official Sign-off

It is hereby certified that this Sector Skills Plan:

- developed by the Management of the Services SETA in consultation with the Department of Higher Education and Training;
- informed by extensive primary and secondary research and complemented by comprehensive literature reviews;
- involved representative stakeholder consultation; and
- accurately identifies hard-to-fill vacancies and skills gaps to inform strategic and annual performance priorities.

Ms Mamabele Motla
Executive Manager: Strategy & Insights

Signature: 

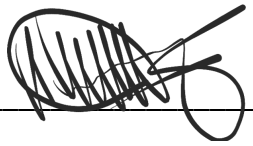
Date: 29 August 2025

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LIST OF ACRONYMS

AA	Accounting Authority
AET	Adult Education and Training
AI	Artificial Intelligence
APP	Annual Performance Plan
ATR	Annual Training Report
CET	Community Education and Training
DG	Discretionary Grant
DHET	Department of Higher Education and Training
DSBD	Department of Small Business Development
dti	Department of Trade and Industry
ERRP	Economic Reconstruction and Recovery Plan
ERRP SS	Economic Reconstruction and Recovery Plan Skills Strategy
ERRSS	Economic Reconstruction and Recovery Skills Strategy
FQ	Full Qualification
GDP	Gross Domestic Product
GFI	General Fuel Levy
GRSC	Governance Risk and Strategy Committee
ICT	Information and Communication Technology
IPAP	Industrial Policy Action Plan
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
NGP	New Growth Path
NLPE	Non-Levy Paying Employer
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
OFO	Organising Framework for Occupations
PIVOTAL	Professional, Vocational, Occupational, Technical and Academic Learning
PFMA	Public Finance Management Act
PQ	Part Qualification
QCTO	Quality Council for Trade and Occupations
QLFS	Quarterly Labour Force Survey
QES	Quarterly Employment Survey
RPL	Recognition of Prior Learning
SAQA	South African Qualifications Authority
SDL	Skills Development Levy
SDLA	Skills Development Levies Act
SDP	Skills Development Provider
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SETA	Sector Education and Training Authority

SIC CODE	Standard Industrial Classification Code
SIPs	Strategic Integrated Projects
SME	Small Micro Enterprises
SMME	Small, Medium and Micro Enterprises
SP	Skills Programme
SSP	Sector Skills Plan
STATS	Statistics South Africa
TVET	Technical and Vocational Education and Training
WSP	Workplace Skills Plan
WTO	World Trade Organisation

FOREWORD

This submission of the updated 2026-27 Sector Skills Plan (SSP) for the Services Sector Education and Training Authority has been prepared in accordance with the Department of Higher Education and Training (DHET) Sector Skills Plan Framework and Requirements (as revised in 2025). The primary aim of this plan is to develop a comprehensive roadmap for skills development in the services sector.

In compiling this submission, the Services Sector Education and Training Authority (SETA) conducted national stakeholder consultations, carried out extensive research, reviewed relevant literature, and analysed the Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs).

This update includes the factors affecting skills demand and supply within the sector (i.e., *Technology and Digitisation*, *Economic Performance, Legislation, Green Environment, and Globalisation), as well as Hard-to-Fill vacancies and skills gaps in the labour market identified through stakeholder consultations. It also outlines measures to address* occupational supply and demand imbalances. In addressing the skills mismatch outlined in our plan, inter-SETA collaboration plays a crucial role in meeting the industry's needs.

Similarly, the plan is extensively aligned with national strategies and plans, including the Economic Reconstruction and Recovery Plan (ERRP), the Economic Reconstruction and Recovery Skills Strategy (ERRSS), the National Development Plan (NDP), the MTDP 2025-2029 priorities, SETA Integrated High Impact Programmes, and the Presidential Youth Employment Initiative. Given the importance of these priorities, Services SETA has initiated partnerships with key stakeholders, including the Quality Council for Trades and Occupations (QCTO), other SETAs, and industry bodies. The focus of these partnerships is on bridging the gaps between skills demand and supply.

Thus, this submission reflects Services SETA's commitment to developing an effective strategy to address the evolving needs of the sector.



Mr Lehlogonolo Masoga
Services SETA Administrator

EXECUTIVE SUMMARY

The Services SETA has compiled the Sector Skills Plan update for the period 2026-27 in accordance with Section 10 (1) (a) of the *Skills Development Act* (SDA) of 1998, which mandates Services SETA to develop an SSP within the *Framework and Guidelines* included in the *National Skills Development Plan* (NSDP) 2030. The key policy drivers identified and considered in this SSP include the NDP, National Growth Path (NGP), Industrial Policy Action Plan (IPAP), NSDP 2030, White Paper on Post-School Education and Training (WP-PSET), the ERRP, and the ERRSS, which have been highlighted. The contribution of the Services SETA to the implementation of each is discussed.

Chapter 1 outlines our sector profile, which includes the key role-players, economic performance, and the labour market. The services sector refers to the 68 Standard Industrial Classification (SIC) Codes. The 68 industries have been divided into six chambers and 16 subsectors for operational purposes. As of April 2025, there were approximately 198,418 employers actively trading within the sector, representing an increase of more than 4,4487 new employers entering the services sector. Most employers are classified as medium to small, implying that companies employ at most 150 people. Employers in the Services SETA sector are primarily concentrated in the Gauteng, KwaZulu-Natal, and Western Cape provinces. Key role players and their influence on the services sector include the Accounting Authority, employers, trade unions, Technical and Vocational Education and Training (TVET) institutions, Community Education and Training (CET) colleges, universities, industry bodies and associations, and Skills Development Providers (SDPs). To address the challenges faced by the services sector, the Services SETA aims to forge a close working relationship with industry, labour, and government, as well as all key stakeholders in the Post-School Education and Training (PSET) ecosystem, to address the shortage of critical skills that can help grow the economy.

In quarter 1 of 2025, the South African economy grew slightly by 0,1%. Despite this growth, the country is facing difficulties concerning the overall recovery, as it has recently experienced an increase in the General Fuel Levy (GFL), which has affected both petrol and diesel prices. This increase will not only affect consumers but also disrupt the economy by increasing transport costs, raising the prices of goods and services, and slowing down the economy. The service sector labour market will be significantly affected by this, as most of them depend on transportation to deliver their goods and services.

Chapter 2 focuses on the skills change drivers that impact skills demand and supply, including Technology and Digitisation, economic performance, Legislation, the green environment, and Globalisation. Technological evolution occurs rapidly, with dire consequences for the labour force, necessitating regular upskilling of the economically active labour force and the supply of prospective labour with relevant skills. The Services SETA is collaborating with other SETAs to address the industry's needs while developing in-house qualifications that meet skills demands driven by technological advancements, particularly in the management of big data.

Additional measures to mitigate the impact of key drivers of skills change, introduced by the Services

SETA, include alignment with government strategies and plans, such as the ERRP, ERRSS, and the Presidential Youth Employment Interventions. To address the latter, the Services SETA will continuously set annual targets to recruit and place University and TVET college graduates in workplaces, collaborating with employers and labour.

In **Chapter 3,** the focus is on sectoral skills demand and analysis of the supply side. A list of hard-to-fill vacancies is presented per chamber. Common reasons for the inability to fill hard vacancies include lack of experience, qualifications, skills, salary, and equity considerations. The services sector is one of the sectors that lags in transformation. Not surprisingly, equity consideration is one of the underlying reasons for hard-to-fill vacancies. An attempt has been made to ensure the Services SETA's ability to service these occupations by highlighting available interventions and investigating the possibility of collaborating with other SETAs where possible. The identified interventions will inform the development of the 2025-2030 Strategic Plan update and the Annual Performance Plan (APP) for the 2026/27 financial year.

These observations align with the ERRSS's list of skills gaps highlighted in this SSP and strengthened. Alignment with the ERRSS has been affected by identifying scarce skills contained in the ERRSS that the Services SETA can support. The Sectoral Priority Occupations and Interventions (SPOI) list emanating from hard-to-fill vacancies or skills gaps was developed jointly with key stakeholders. The chapter also highlights a strong focus on Information and Communication Technologies (ICT)-related occupations, signifying the impact of the Fourth Industrial Revolution (4IR) in the development of future skills.

Chapter 4 emphasises the importance of partnerships in implementing skills development initiatives. It also highlights the importance of management memorandum of understandings (MoUs) and implementing evaluation methods to measure the partnership's impact. The Services SETA has initiated several partnerships with key stakeholders, including QCTO and other SETAs. These partnerships focus on the demand and supply of skills, as well as the roles of TVET and CET Colleges, higher education institutions, intermediaries, and inter-SETA collaborations. The current partnership with TVET/CET colleges and DHET appears to be working optimally, with most of our interventions delivered through this partnership. This chapter also indicates proposed partnerships to enhance effectiveness in achieving sector priorities and national imperatives.

Chapter 5 reflects on monitoring and evaluation (M&E) practices at the Services SETA and how this data informs skills planning. M&E is essential to the success of all SETA interventions and projects. The Services SETA's M&E approach is closely aligned with the Government-wide M&E framework and the government planning framework, which is a result-based management framework embedded in the Theory of Change. This approach allows for the effective use of performance information and audit outcomes in decision-making and will inform Services SETA's organisation-wide M&E framework, which is being developed and will be implemented in the 2026-27 financial year.

Finally, **Chapter 6** summarises key skills findings from the previous chapters and outlines five priority actions for implementing the SSP 2026-27. The Services SETA recommends measures to address skills needs in the sector, derived from earlier chapters. The key strategic skills priorities include;

1. Implementation of an organisational-wide M&E Framework to improve performance management;
2. Foster Inter-SETA collaborations, industry, and government partnerships to support skills development in the services sector;
3. Work with QCTO and industry role players to complete and implement registered occupationally directed qualifications;
4. Drive adoption of Technology and Digitisation in the services sector and address the mismatch between demand and supply; and
5. Support economic recovery and growth through the promotion of small, medium, and micro enterprises (SMMEs) development in the services sector.



Mr Sibusiso Dhladhla
Acting Chief Executive Officer

RESEARCH PROCESS AND METHODS

Introduction

The Sector Skills Plan (SSP) is one of the key strategic documents that the Services SETA needs to develop. It is the culmination of rigorous research on the key skills development trends and issues in the Services Sector. In addition, the Services SETA conducts various research projects and studies in line with the Research Agenda approved by the Accounting Authority. These research studies then contribute relevant information and knowledge to the six chapters in the SSP document.

The DHET prescribed an SSP framework, emphasising that the SSP must be informed by accurate, evidence-based research that responds to the skills needs and gaps, utilising research and consultations with key stakeholders in the sector. The Services SETA's Sector Skills Plan 2026/27 updates were informed by primary and secondary data, including qualitative and quantitative research methods. This SSP section outlines the research methods and processes applied in producing this SSP document.

Research Process

Figure 1 below illustrates the Services SETA research process employed in developing the Sector Skills Plan, as well as the primary data collection methods used to gather data, which were analysed in the SSP. This process starts with the Approval of the Research Agenda and ends with the final approval and sign-off from the Accounting Authority. In the absence of the appointed Accounting Authority (AA), the Administrator has been given authority to approve the SSP.

Figure 1. Research Process



Approval of Research Agenda by the Board

The research agenda is prepared every preceding year to guide research activities that inform the SSP update. This research is then implemented in accordance with the purpose outlined above. The research agenda for 2026/27 was approved on 28 August 2025 and is attached herein as an annexure. Approval of the research agenda occurs at the Accounting Authority level, with guidance from the Management and Governance, Risk, and Strategy Committee (GRSC). It should, however, be noted that in the absence of the mentioned committees, the Administrator is delegated to approve. This approval allows the research team to actively implement the various research topics in the Research Agenda.

Primary Research

The inception of new projects begins on 1 April (in line with the new financial year) and continues until completion. The start of new projects coincides with the financial year to ensure alignment with the budget. The completion date is dependent on the project's scope; however, care is often taken to ensure that research projects do not exceed two consecutive financial years. In this update, findings from the following primary research studies are used:

1. Stakeholder Satisfaction Survey
2. Learner Tracer Study – 2024
3. Employer Interviews – 2024
4. Services SETA Evaluation Approaches and Outcomes (M&E Framework)
5. The Informal Sector and its impact on the Cleaning and Hiring as well as Personal Care Services Subsectors: A focus on Hygiene Cleaning and Embalmer Occupations

A summary of the research methods, design, sample size, and research tools used is outlined below.

Table 1. List of Research Studies Used in the SSP Update

Study Title	Learner Tracer Study – 2024	Employer Interviews – 2024	Stakeholder Satisfaction Survey	M&E Framework	A focus on Hygiene Cleaning and Embalmer Occupations
Objective of the study	Determine the destiny of graduate learners funded by the Services SETA	Impact of megatrends on companies Current and future skills needs of employers	Stakeholder perceptions concerning engagement and performance of Services SETA	Develop a Services SETA customised M&E Framework	Understand the skills development landscape of the cleaning and funeral services subsectors
Research design	Quantitative design	Qualitative	Quantitative and Qualitative	Qualitative	Quantitative and Qualitative
Research method	Online Survey & Telephonic follow-ups	Personal interviews	Online survey & in-depth interviews	Case studies & grouped interviews	Online survey & personal interviews

Study Title	Learner Tracer Study – 2024	Employer Interviews – 2024	Stakeholder Satisfaction Survey	M&E Framework	A focus on Hygiene Cleaning and Embalmer Occupations
Sample size	11,716 were sampled, and 4,103 participated in the study	71 member Companies contacted, and 17 responses received	-Employers: 1648 reached & 159 responded -SDFs: 110 reached & 59 responded -Service providers: 87 reached & 30 responded -Professional bodies: 25 reached & 10 participated -TVETs: 24 reached & 14 participated	- Case studies with x2 SETAs - x9 Grouped interviews with Services SETA staff - x1 National Skills Authority (NSA) interview	- 416 learners - 12 employers - 4 Industry associations - 3 Trade unions - 6 Training providers - 1 TVET College - 1 Services SETA - 1 QCTO
Data sources	Survey data	Interview transcripts	Survey data & Interview transcripts	Interview Transcripts	Survey data & Interview transcripts
Study duration	Commenced 01 July 2024 and completed 31 March 2025	Commenced 16 September 2024 and completed 14 October 2024	Commenced 1 April 2024 and completed 31 March 2025	Commenced 01 April 2024 and report completed 14 August 2025	Commenced 20 March 2024 and completed 22 August 2025
Chapter Informed	Chapters 3, 5 & 6	Chapters 2 and 3	Chapter 1, 3 & 4	Chapter 5	Chapters 1, 2, 3, and 4

WSP/ATR Submissions

WSP/ATR data is critical in informing the SSP, especially regarding the nature and extent of skills demand for the sector, including the economic outlook. Around 4,784 employers submitted WSP/ATRs in 2024/25, which were analysed to inform this update. As discussed above, WSP/ATR data is crucial for understanding skills demand and supply in the services sector. The analysis focused on the Lists of Hard-to-Fill Vacancies, Skills Gaps, Change Drivers, and Future skills. Consideration of planned and implemented skills was also made in the overall analysis.

Employer Interviews

SETAs are mandated by the DHET to conduct annual employer interviews. Once the collated information is submitted to DHET, a consolidated report is compiled using the template provided for standardisation purposes. DHET produces the final qualitative SETA Report on Hard-To-Fill Vacancies (H-T-F-Vs) and Skills Gaps. SETAs also utilise data for updating and compiling their respective Sector Skills Plans (SSP) by triangulating with other research. For the Services SETA, seventeen employers were reached, representing ten subsectors. They all represented the six chambers of the Services SETA. The analysis focused on the Lists of Hard-to-Fill Vacancies, Skills Gaps, Change Drivers, and Future skills.

Stakeholder Engagements

The lists of Hard-to-Fill Vacancies, Skills Gaps, Change Drivers, and Future skills compiled from the sources and process outlined above were discussed with the management team for final consideration, taking into account the training budget available, availability of qualifications and training providers, and national priorities, especially the Economic Reconstruction Recovery Plan Skills Strategy (ERRP SS). Table 2 outlines the extent of engagements with various stakeholder engagement workshops and internal consultations.

There were online workshops with stakeholders to investigate the nature and extent of skills demand and supply, as well as change drivers within the services sector. Follow-up validation surveys were distributed from 22 July 2025 to 08 August 2025 to participants to confirm the skills identified. The consultations are depicted below:

Table 2. List of Stakeholder Engagement Sessions

Stakeholders	Date
Personal Care Services Chamber Workshop	21 May 2025
Communications and Marketing Services Chamber Workshop	22 May 2025
Management and Business Services Chamber Workshop	19 May 2025
Labour and Collective Services Chamber validation workshop	20 May 2025
Real Estate and Related Services Chamber validation workshop	22 May 2025
Cleaning and Hiring Services Chamber validation workshop	21 May 2025
Senior Management Committee	12 June 2025
Sector Skills Plan Validation Surveys	22 July 2025 to 08 August 2025
Services SETA Managers and Administrator	28 August 2025

Drafting of SSP

The drafting of the SSP 2026/27 was a joint effort involving all key departments, middle management, and senior management.

Approval and sign-off

The Administrator has been delegated the authority to approve and sign off on the SSP 2026/27.

Conclusion

The methods of data collection discussed above provide a balance between quantitative and qualitative methodologies. There are several benefits and some limitations associated with each of the methods used. However, the combined usage of qualitative and quantitative research designs provides rich data that is analysed for accurate information in the SSP update.

CHAPTER ONE: SECTOR PROFILE

1.1. Introduction

The primary purpose of this chapter is to present a sector profile. It indicates the scope of coverage of the sector, its key role players, its economic performance in relation to the labour market and how employment has evolved due to economic changes. This chapter provides an overview of the sector's size and shape. The information presented herein is based on primary and secondary data. Primary data included the analysis of research findings from research studies undertaken or commissioned by the Services SETA, as outlined above.

Furthermore, contributions of findings from each research study will be highlighted in each applicable section and/or subsection. Secondary data is derived from available research studies commissioned by various role players, including raw data collected from Statistics South Africa and the 2024/25 WSP/ATR data.

The discussions on the scope of the services sector reveal that it is very diverse, spanning several major industry categories, and that the sector is informal, comprising many small and medium-sized companies. Given the sector's diversity, several role-players provide support in ensuring that the sector supports the sustainability and growth of SMMEs, including its labour force.

1.2. Scope of Coverage

The scope of coverage of the Services SETA is determined by the Minister of Higher Education, Science and Innovation in terms of the government gazette (DHET, 2019). Regarding the recent gazette, the Services SETA scope covers 68 SIC Codes as outlined in Table 3 below. Table 3 provides a breakdown of the Services SETA's industries by 68 SIC codes, 16 sub-sectors and six chambers. Each of these sub-sectors has characteristics, employment trends and economic drivers that are strikingly different from one another. The different sub-sectors have, in turn, been grouped into six chambers.

Table 3. 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 Ladies 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
Funeral Services	34260	Cutting, Shaping and Finishing of Stone
	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

Source: DHET (2019)

1.3. Key Role-Players

This section identifies the main players in the services sector. It outlines each player's role in relation to skills development, education, and training, as well as their role in relation to the NSDP outcomes (see Table 4).

Table 4. Key Role Players

Key Partners	Description
Services SETA Accounting Authority	The AA of the Services SETA and its five committees play a crucial role in governing and managing the Services SETA in accordance with the Public Finance Management Act (PFMA) and any other applicable legislation. These committees serve as mechanisms to support the AA in focusing on specific key areas of its duties and responsibilities, including the implementation of the NSDP 2030. **Role in relation to NSDP Outcomes:** Provides an oversight role over the Services SETA to ensure that the Services SETA fulfils its mandate and effectively implements all eight outcomes of the NSDP. * Outcome 1: Identify and increase production of occupations in high demand, * Outcome 2: Linking education and the workplace. * Outcome 3: Improving the level of skills in the South African workforce * Outcome 4: Increase access to occupationally directed programmes * Outcome 5: Support the growth of the public college system. * Outcome 6: Skills development support for entrepreneurship and cooperative development * Outcome 7: Encourage and support worker-initiated training. * Outcome 8: Support career development services.
Employers	Employers are a critical voice for the business community in influencing the country's policy direction. The Services SETA interacts with employers through associations, among which chamber committees are constituted to jointly facilitate skills development in line with the NSDP 2030. **Role in relation to NSDP Outcomes:** They support outcomes: * Outcome 1: Identify and increase production of occupations in high demand; * Outcome 2: Linking education and the workplace; * Outcome 3: Improving the level of skills in the South African workforce; and * Outcome 4: Increase access to occupationally directed programmes.
Trade Unions	Trade Unions are critical voices of the workers. They lobby workers to participate in skills development initiatives to improve their skills. Moreover, they advise SETAs on skills demand and supply. **Role in relation to NSDP Outcomes:** They support; * Outcome 7: Encourage and support worker-initiated training.

Industry Bodies and Associations	Organised employer organisations provide a collective voice for the industry. They also play an essential role in formalising and standardising operations within the sector. **Role in relation to NSDP Outcomes:** They provide support to all NSDP outcomes by ensuring that skills development initiatives are implemented and monitored. * Outcome 1: Identify and increase production of occupations in high demand, * Outcome 2: Linking education and the workplace. * Outcome 3: Improving the level of skills in the South African workforce * Outcome 4: Increase access to occupationally directed programmes * Outcome 5: Support the growth of the public college system. * Outcome 6: Skills development support for entrepreneurship and cooperative development * Outcome 7: Encourage and support worker-initiated training * Outcome 8: Support career development services.
TVET Colleges, CET Colleges and Universities	TVET Colleges, CET Colleges and Universities are a critical component of the skills development ecosystem within the PSET system. They are responsible for implementing the training interventions. They are a critical link between education and the world of work. The Services SETA works closely with the TVET Governance Council and DHET to develop their capacity. **Role in relation to NSDP Outcomes:** They support; * Outcome 2: Linking education and the workplace; * Outcome 3: Improving the level of skills in the South African workforce * Outcome 4: Increase access to occupationally directed programmes. * Outcome 5: Support the growth of the public college system.
Skills Development Provider	They provide skills development training in the labour force, and they are on the supply side. **Role in relation to NSDP Outcomes:** They support; * Outcome 2: Linking education and the workplace; * Outcome 3: Improving the level of skills in the South African workforce * Outcome 4: Increase access to occupationally directed programmes.

1.4. Employer Profile

This subsection provides a profile of the number of employers represented within the services sector and its subsectors, company size, and geographical spread.

1.4.1. Number of Employers Represented

This analysis is based on the 2024 database and will, therefore, be revised during the final submission. This was due to the wide extension provided to entities to submit their WSP/ATR up to 31 May 2025. Nevertheless, as of 2024, the number of employers falling under the Services SETA increased by more than 4,487 from 193,931 to 198,418 in 2024 and 2025, respectively (see Table 5). Positive growth was experienced across all chambers, except for the Cleaning & Hiring Services Chamber. Equally disappointing is that the number of employers paying levies reduced slightly from 31,960 to 30,546. However, revenue analysis reveals growth in levy collections/contributions.

Trend analysis over the last five years indicates that the services sector has consistently grown at a rate of between 2% and 5%. Ironically, growth is more significant than Gross Domestic Product (GDP) growth and employment trends, as will be highlighted below. These trends indirectly confirm the challenging economic environment that South Africa is facing.

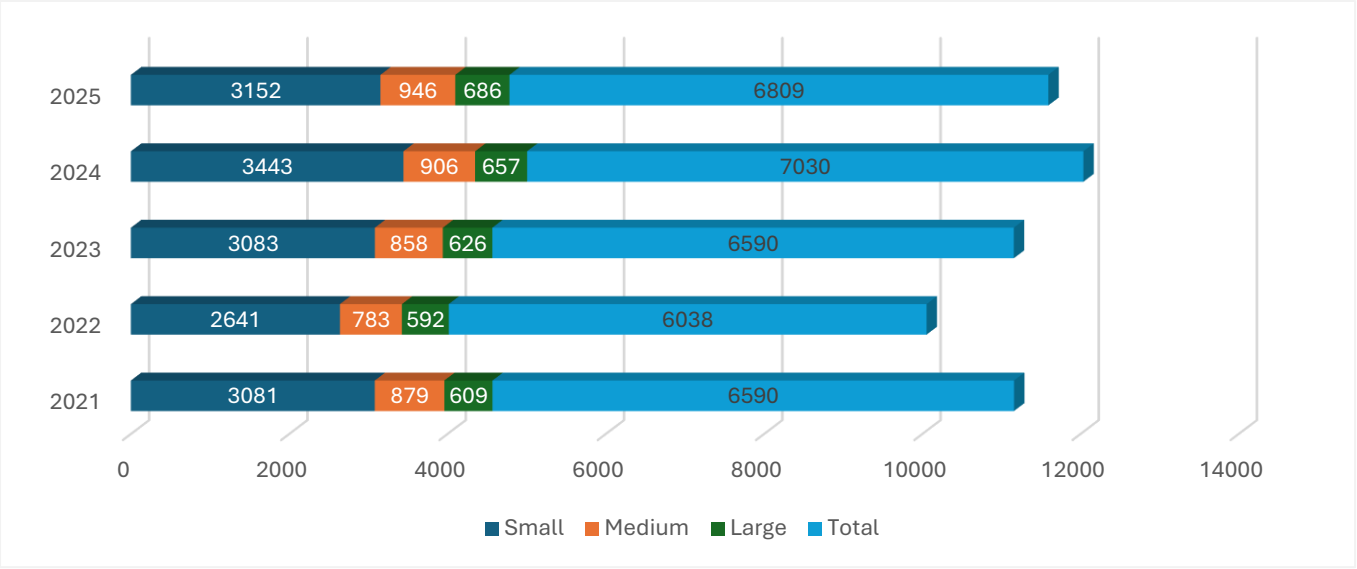
1.4.2. Services Sector Employees by Numbers and Size

The discussions on the profile of services sector employers are based on the 2025 data set, due to the considerable extension provided to employers to submit their WSP/ATRs, which is critical for validating employer data. Table 5 (see overleaf) reveals that as of February 2025, 198,418 employees were employed in the services sector. The Management and Business Services Chamber remains the leading entity in terms of size, followed by the Real Estate and Related Services Chamber.

1.4.3. Participation in WSP/ATR Submissions

Over the last five years, employer participation in submitting WSP and ATR has been uneven. While there was a promising spike between 2023 and 2024, there has been an unexplained dip in 2025 – see Figure 2. This phenomenon requires a thorough investigation.

Figure 2. WSP/ATR Submissions, 2021-2025



Source: Services SETA WSP/ATR Data, 2021-2025

The Chamber Operations department will be tasked with uncovering the underlying reasons and devising strategies to reverse the downward trend.

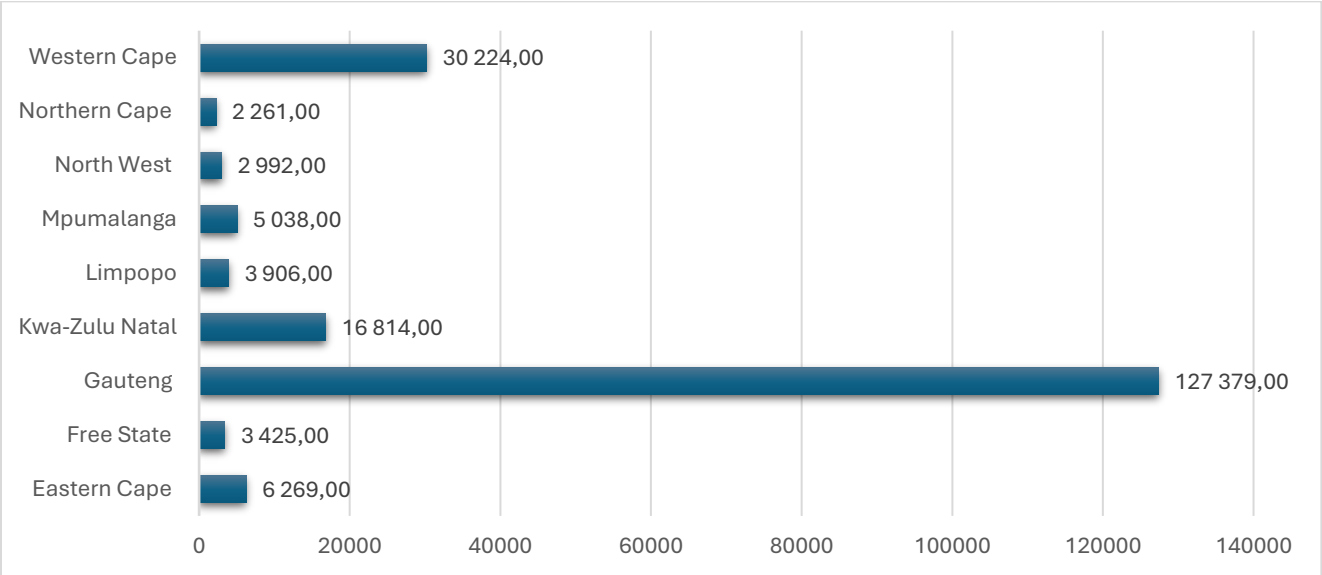
Table 5. Profile of Services SETA Employers by Chamber, Sub-sector, Size and Levy Contribution

Chamber	Grand Total	Not Paying Levy				Total	Levy Paying				Total
		Large	Medium	Small	Unknown		Large	Medium	Small	Unknown	
Cleaning and Hiring Services	**5,321**	**63**	**144**	**2,715**	**1,416**	**4,338**	**8**	**17**	**416**	**542**	**983**
Cleaning Services	2,398	46	81	1,124	830	2,081	5	11	147	154	317
Domestic Services	38	0	0	18	13	31	0	0	8	0	8
Hiring Services	2,577	16	62	1,308	573	1,959	2	5	228	384	619
Household Services	307	1	1	265	0	267	1	1	33	4	39
Communication and Marketing Services	**4,624**	**11**	**27**	**2,470**	**1,416**	**3,924**	**5**	**5**	**344**	**346**	**700**
Contact Centres Services	79	4	0	30	33	67	1	1	9	1	12
Marketing Services	4,275	6	27	2,267	1,341	3,641	4	3	317	310	634
Postal Services	270	1	0	173	42	216	0	1	18	35	54
Labour and Collective Services	**4,734**	**144**	**244**	**2,290**	**1,125**	**3,803**	**14**	**19**	**336**	**562**	**931**
Collective Services	900	1	5	456	208	670	0	1	104	325	430
Labour Recruitment Services	3,634	143	239	1,834	917	3,133	14	18	232	237	501
Management and Business Services	**158,695**	**318**	**753**	**59,555**	**76,640**	**137,266**	**59**	**216**	**9,045**	**12,109**	**21,429**
Business Services	158,476	317	751	59,476	76,541	137,085	59	215	9,012	12,105	21,391
Project Management Services	219	1	2	79	99	181	0	1	33	4	38
Personal Care Services	**8,946**	**14**	**28**	**4,489**	**1,309**	**5,840**	**3**	**3**	**767**	**2,333**	**3,106**
Beauty Treatment Services	1,583	1	4	764	559	1,328	0	0	130	125	255
Fashion	24	0	0	10	6	16	0	1	6	1	8
Funeral Services	706	0	5	396	171	572	2	1	44	87	134
Hair Care Services	6,633	13	19	3,319	573	3,924	1	1	587	2,120	2,709
Real Estate and Related Services	**16,098**	**33**	**47**	**8,579**	**4,042**	**12,701**	**3**	**7**	**1,312**	**2,075**	**3,397**
Real Estate Services	16,098	33	47	8,579	4,042	12,701	3	7	1,312	2,075	3,397
Grand Total	**198,418**	**583**	**1,243**	**80,098**	**80,948**	**162,872**	**92**	**267**	**12,220**	**13,829**	**30,546**

1.4.4. Geographical Spread

The Services SETA employers are primarily concentrated in the cosmopolitan provinces of Gauteng, Western Cape, and KwaZulu-Natal – see Figure 3.

Figure 3. Services SETA Employers by Province



Source: Services SETA WPS/ATR, 2025

1.5. Labour Market Profile

This section profiles the services sector in relation to its economic performance, focusing on the labour market and unemployment rate. It further describes how employment in the sector has evolved at the provincial or sub-sector level, as well as the number of people employed within the sector, categorised by their race, gender, age, and disability characteristics. This is further explained in relation to the sub-sectors in which people work, including the geographical locations of employees, the broad occupational groups within the sector to which most people belong, and key skills issues. Data used is derived from Statistics South Africa's (Stats SA) QLFS and Quarterly Employment Surveys (QES), as well as the 2024/25 WSP and ATR data.

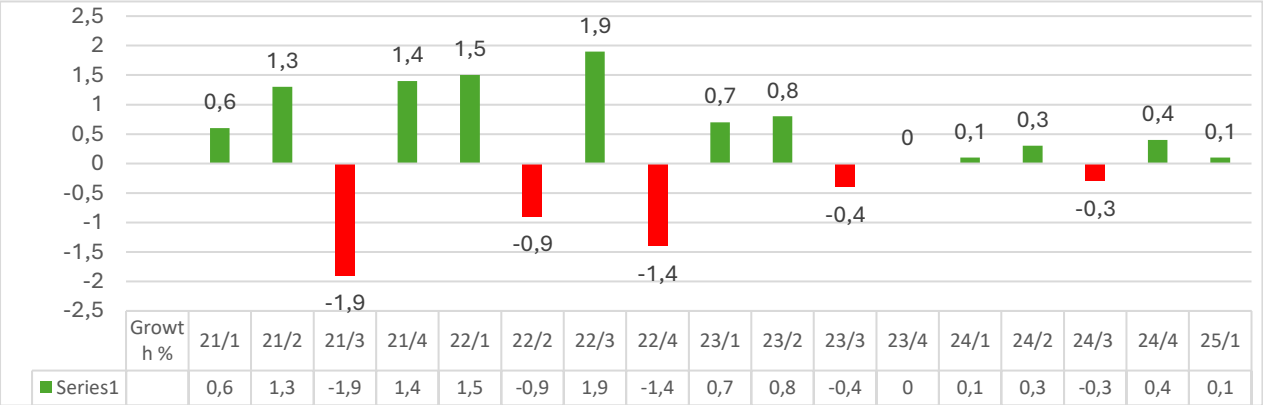
1.5.1. Economic Performance

The section on the economic performance of the services sector provides an account of the sector's contribution to the economy compared to the rest of the economic sectors, describing how the sector is currently performing and its outlook. The chapter then focuses on the employer profile and the labour market profile. Both are significant in providing a detailed understanding of the nature of employers and employment in the sector. It is important to emphasise that the Services SETA's scope of coverage overlaps with several industries as defined by the World Trade Organisation (WTO) and Stats SA.

1.5.2. Growth in GDP

As Figure 4 illustrates, the South African economy is struggling to grow at the desired pace. While the government plans for 5% growth, the economy is struggling to increase by a mere 1%. For the entire 2024, the economy grew by an average of 0.5%, with Q1 2025 registering a 0.1% growth rate.

Figure 4. Growth in GDP, Q1 2021- Q412025 (%)



Source (Stats SA, 2024a)

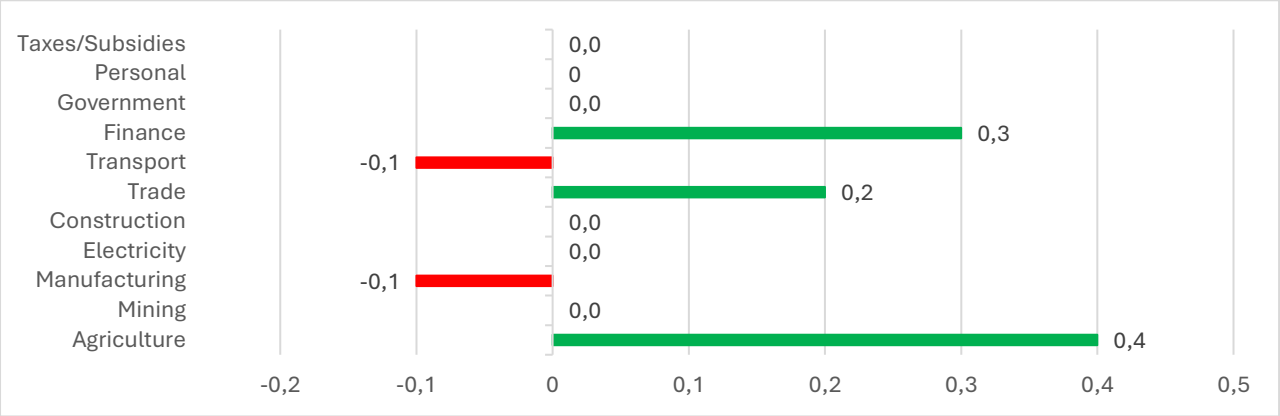
The growth crisis is primarily attributed to the decline of the primary sector, comprising mining, manufacturing, and agriculture. The decline in these sectors has had a profound knock-on effect on the secondary and tertiary sectors. It is feared that the proposed 30% tariff increase by the US government will likely worsen the already dire situation. This tariff regime is likely to disproportionately affect the primary sector.

1.5.3. Contribution to GDP

Analysis of the services industries that fall under the Services SETA purview includes Agriculture, Mining, Manufacturing, Electricity, Construction, Trade, Transport, Finance, Government, and Personal Care. In reference to the services sector in this Sector Skills Plan, the subsectors mentioned above are included. Figure 4 reflects the GDP growth trends and industry contributions.

As Figure 5 illustrates, the services sector is struggling to grow along with other industries. On average, GDP contribution counted for less than half a percentage point. This signifies the need to promote innovation in the services sector. Investment in skills development is critical in driving innovation. Working with industry partners, the Services SETA will continue to invest in research and development to inform relevant innovations for the services sector.

Figure 5. Contributions to GDP, Q4 2024 (%)



Source (Stats SA, 2025a)

Analysis of GVA by industry, as presented in Table 6, indicates that the services sector contributes between R1.5 trillion and R4 trillion across all industries, with R3 trillion of this amount attributed to the tertiary sector in 2024.

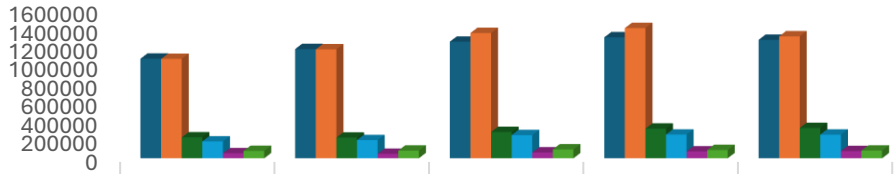
Table 6. Services Sector Contribution to GVA, 2025

Industry	2020 (R000)	2021 (R000)	2022 (R000)	2023 (R000)	2024 (R000)
All industries	3,897,496	4,079,331	4,157,446	4,184,974	4,209,260
Tertiary sector [SIC: 6-9, 0]	2,871,415	2,987,432	3,087,907	3,125,538	3,164,034
Communication [QSIC 75]	147,978	157,803	139,330	131,105	116,635
Postal and related courier activities [QSIC 751]	8,832	8,321	6,4,60	5,536	4,729
Business services [QSIC 83-88]	788,568	811138	840 430	859,223	898,774
Real estate activities [QSIC 84]	298,803	316,968	311,046	313,131	316,769
Renting of machinery and equipment [QSIC 85]	17,165	18,297	18,893	19,116	19,595
Business activities n.e.c. [QSIC 889]	133,301	135,529	138,438	137,486	138,858
Other activities [QSIC 99]	77,509	79,026	80,654	81,537	82,237
Total Services Sector	**1,472,155**	**1, 527,082**	**1,535,252**	**1,547,134**	**1,577,595**

Source: (Quantec, 2025)

The services sector's import-export deficit has consistently grown over the past five years, as illustrated in Figure 6. This places the sector in a precarious position in relation to the 30% traffic increase envisaged by the US government.

Figure 6. Imports and Exports by Sector 2020-2024



	2020	2021	2022	2023	2024
All Industries Exports	1072450	1175953	1256127	1303001	1276418
All Industries Imports	1070757	1173605	1349469	1402758	1313964
Tertiary Sector Exports	225262	222879	282646	319125	326217
Tertiary Sector Imports	181204	195732	249269	255371	254872
Service Sector Exports	54344	48029	62573	74037	77377
Service Sector Imports	79167	82031	95697	88796	82889

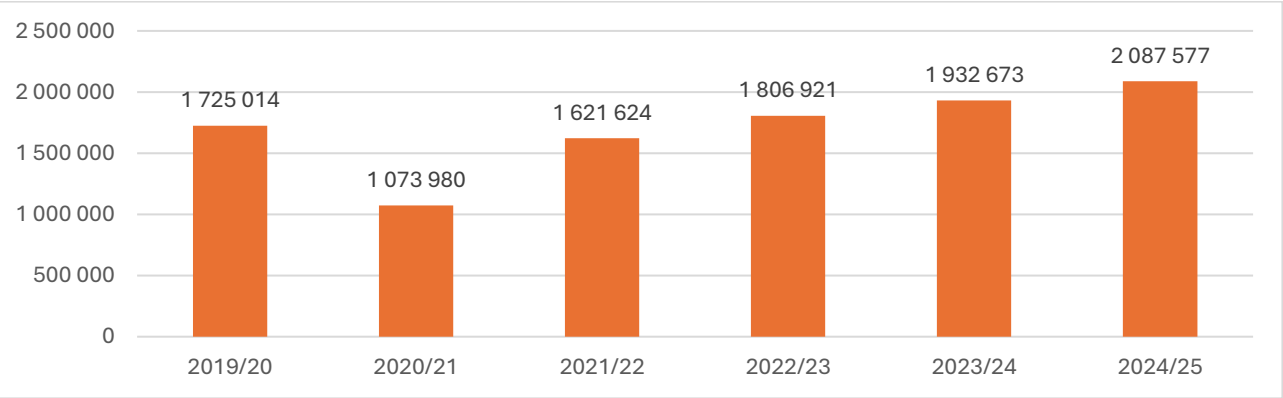
Source: (Quantec, 2025)

The Services SETA will need to improve its labour market intelligence, surveillance, and forecasting to ensure preparedness in responding to shifts in labour demand, especially where there is a need to develop new skills or retrain the existing labour force to safeguard existing employment opportunities.

1.5.4. 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 increased proportionately over the years, as illustrated in Figure 7.

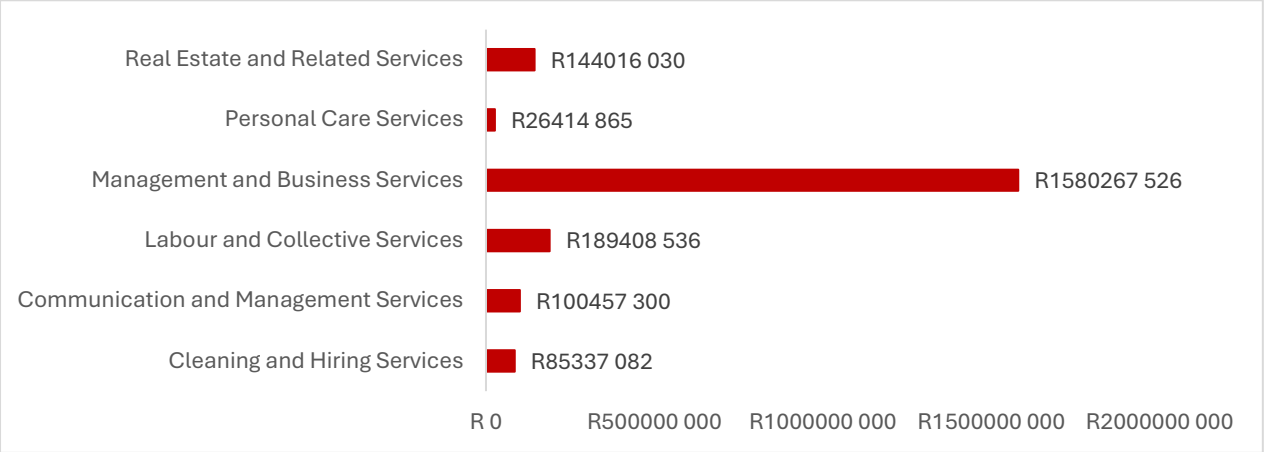
Figure 7. Skills Development Levy Revenue, 2019/20-2023/24



Source: Services SETA Annual Reports, 2019/20-2024/25

Analysis of employer contributions by the chamber reveals that the Management and Business Services Chamber leads other chambers, followed by the Labour and Collective Services Chamber – see Figure 8. The total revenue was around R 2,087,577,000.

Figure 8. Services Sector Employer Levy Contribution by Chamber



Source: Services SETA Financial Reports, 2025

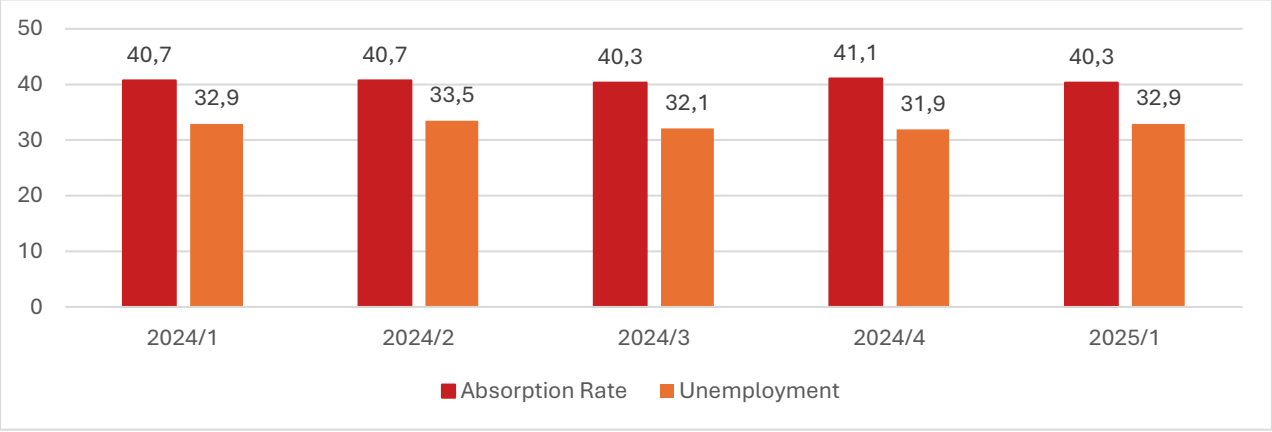
1.5.5. Employment Situation

The section below examines employment by sector, the situation of youth not in education, employment, or training (NEET), and the demographic profile of the employed workforce.

1.5.5.1. Labour Force Absorption Rate

In line with the declining growth trends of the GDP, the unemployment rate has correspondingly increased. Over the past two years, unemployment rates averaged 33%, with an absorption rate of 40% on average, as illustrated in Figure 9.

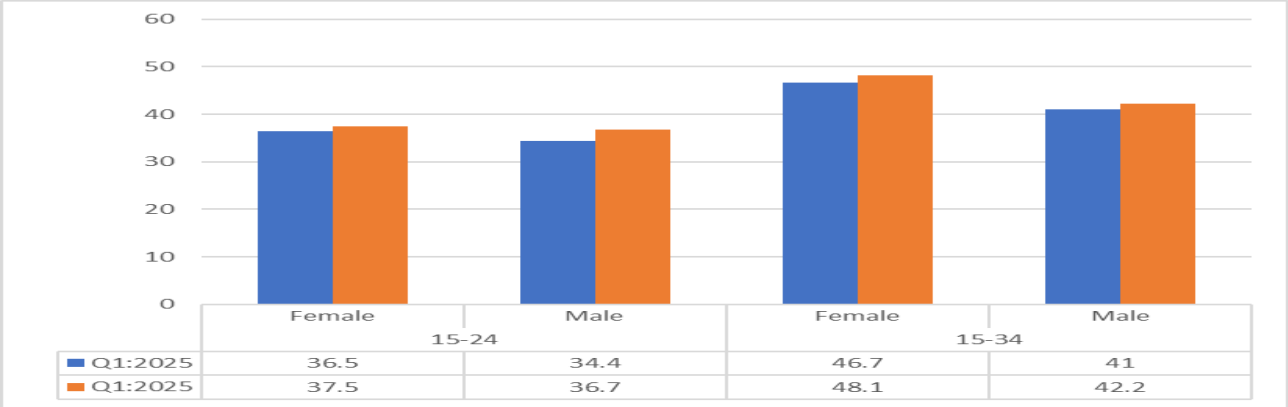
Figure 9. Employment Trends, 2024/1-2025/1



Source: Stats SA (2025b)

Unemployment among youth, especially those who are neither employed nor have received education or training, is equally concerning. Stats SA distinguishes between the NEET aged 15-24 and 15-34. The stats, as shown in Figure 10, indicate that the latter category of NEET is particularly affected by unemployment. In Q1 2025, 37.1% of young people aged 15-24 were not in employment, education, or training. This is 1,6 percentage points higher than the NEET rate in Q1 2024. In this age group, the NEET rate for females increased by 1.0 percentage point, and for males, it increased by 2.3 percentage points. The NEET rate for females was higher than that of their male counterparts in both years. Furthermore, as is the case with general unemployment trends, the numbers continue to rise at a worrying rate.

Figure 10. NEET rates for youth 15-24 and 15-34 years Q1 2025

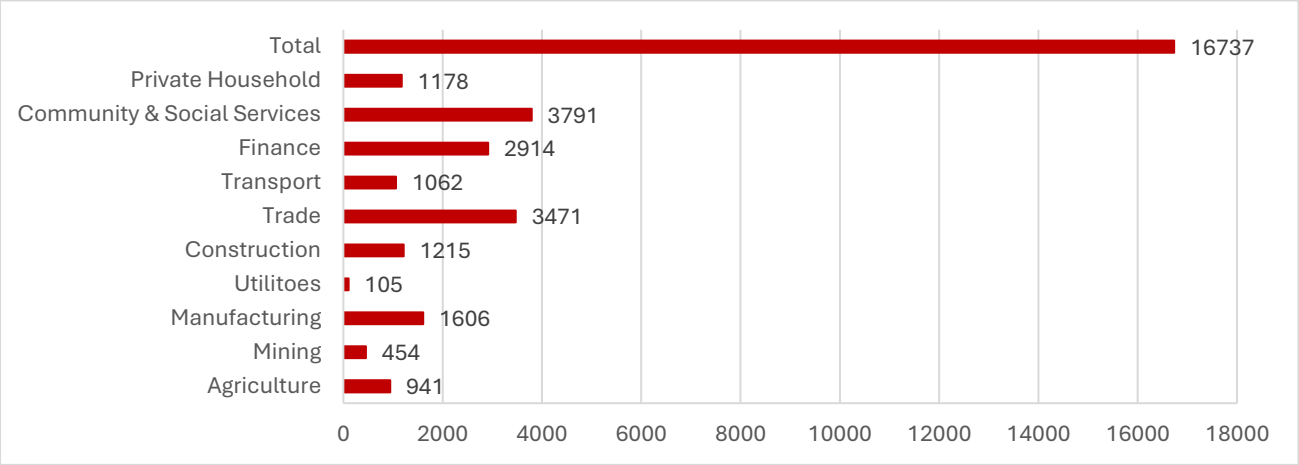


Source: Statistics South Africa (2024a)

1.5.5.2. Employment by Sector

Employment trends by industry indicate that the services sector continues to employ more people than any other sector. Trade and manufacturing come second and third, respectively – see Figure 11.

Figure 11. Employment by Industry, Q1, 2025



Source: Statistics South Africa (2025a)

Precarious jobs, predominantly in the informal sector, are hardest hit. More work is needed to stimulate economic growth. Skills development interventions play a central role in this regard by ensuring an adequate supply of a skilled workforce.

1.5.5.3. Employees' Demographic Profiles

The Services SETA is monitoring these developments carefully to ensure an appropriate response from a skills development perspective. Increasingly, special attention is paid to youth and females, given the disproportionate impact that they mostly endure, as shown in Table 7.

1.5.5.4. Gender

International trends in the demographic features of service sector employees indicate a bias towards men (Haroon et al., 2016). This is because industries such as manufacturing, transport, storage,

government services, communication and business are traditionally dominated by men (Ibid). The Quarterly Labour Force Survey (QLFS) (Stats SA, 2020a) indicates that 62% of the labour force in the services sector is comprised of men, Table 7, whilst the Services SETA WSP/ATR (2024/25) indicates that 47% of the labour was male; implying that more women than men (53%) in the services sector. The discrepancies could be attributable to (i) scoping of the services sector by DHET and (ii) low rate of participation of services sector employers in the submission of WSP/ATRs.

Table 7. Employment by Gender, Race and Age in the services sector

Gender	Services SETA (Q1,2023)	Services SETA (Q1,2024)	National (Stats SA) (Q1,2023)	National (Stats SA) (Q1,2024)
Male	393 270 (47%)	361 808 (46.5%)	1 453 534 (62%)	1 337 251 (62.40%)
Female	451 895 (53%)	415 743 (53.47%)	875 716 (38%)	805 658 (37.60%)
Total	**845 165 (100%)**	**777 551**	**2 329 250.0 (100%)**	**2 142 909 (100%)**
Race				
Black African	543 125 (64%)	499 675 (81.81%)	1 777 557 (76%)	1 635 352 (76.31%)
Coloured	79 519 (9.4%)	73 157 (11.98%)	200 115 (9%)	805 658 (8.59%)
Indian/ Asian	43 372 (5.1%)	23 482.1 (3.84%)	66 854 (3%)	61 505 (2.87%)
White	175 465 (21%)	14 037 (2.30%)	284 724 (12%)	261 946 (12.22%)
Other	484 (0.1%)	445 28 (0.07%)	-	-
Total	**845 165 (100%)**	**777 551**	**2,329,250.0 (100%)**	**2 142 909 (100%)**
Age				
<34yr	395 197 (47%)	43 315 (9.47%)	826 512 (35%)	760 391 (35.48%)
35-54yr	405 267 (48%)	372 846 (81.53%)	1 320 989 (57%)	1215311 (56.71%)
>55yr	30 143 (3%)	27 732 (6.06%)	181 697 (8%)	167162 (7.80%)
Unknown	14 558 (2%)	13 393 (2.93%)	-	-
Total	**845 165 (100%)**	**777 551 (100%)**	**2 329 250 (100%)**	**2 142 864,30**

Source: Services SETA Mandatory Grant Data, May 2024, Statistics South Africa, 2023b

1.5.5.5. Race

Regarding the racial composition of the services sector workforce, almost 79.2% comprises Africans. This is followed by Whites and Coloured people at 10.2% and 8.4%, respectively. These trends align with the demographic characteristics of the South African population. The only downside is that most of the population is concentrated in low-skill and low-paying jobs.

1.5.5.6. Age

According to Stats SA data, the majority of employees in the services sector (57%) are between 35 and 54 years old. These trends align with the WSP/ATR data, which indicates that 48% of the total labour force is between the ages of 35 and 54. This implies that this sector tends to attract a mature workforce.

1.5.5.7. Disability

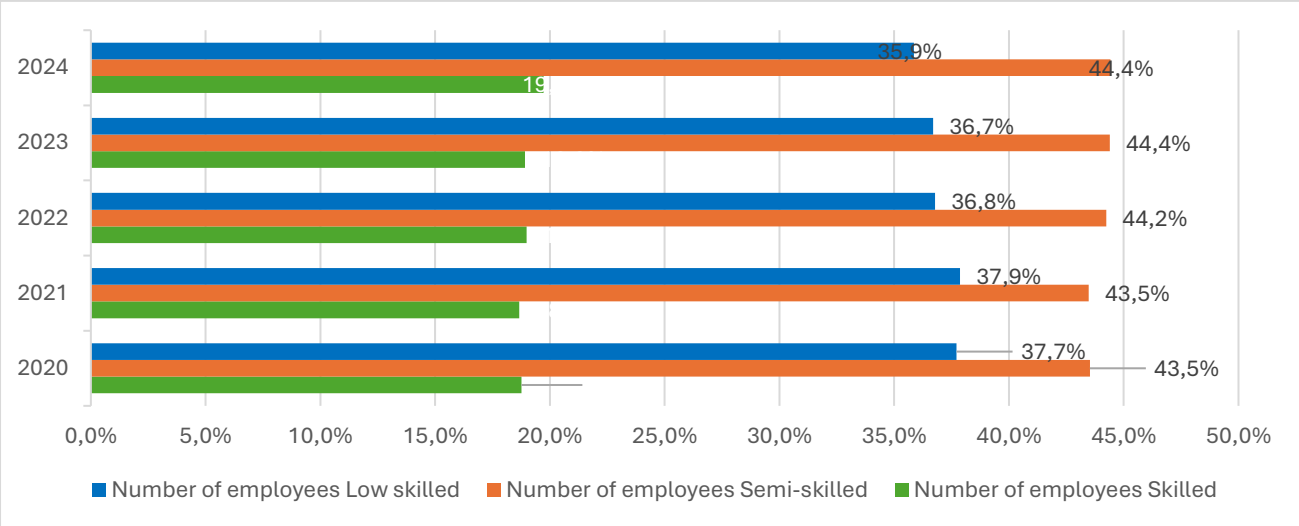
According to the WSP/ATR (2025), about 3% of employees had some form of disability. The most common forms of disabilities mentioned were sight and physical disabilities. The remaining disabilities indicated were 'other' or 'multiple'.

1.5.6. Services Sector Occupational Trends

1.5.6.1. Employment Levels

Data from Stats SA indicate that in 2022, most of the workforce in this sector was employed at the level of domestic workers (51%), followed by salespersons (24%). These developments suggest that the Services SETA should ensure that there are sufficient qualifications at the higher National Qualifications Framework (NQF) level to ensure the relevance of training interventions. Furthermore, most service sector employees are semi-skilled, followed by those with low skills – see figure 12 below.

Figure 12. Percentage of Employment by level of skill



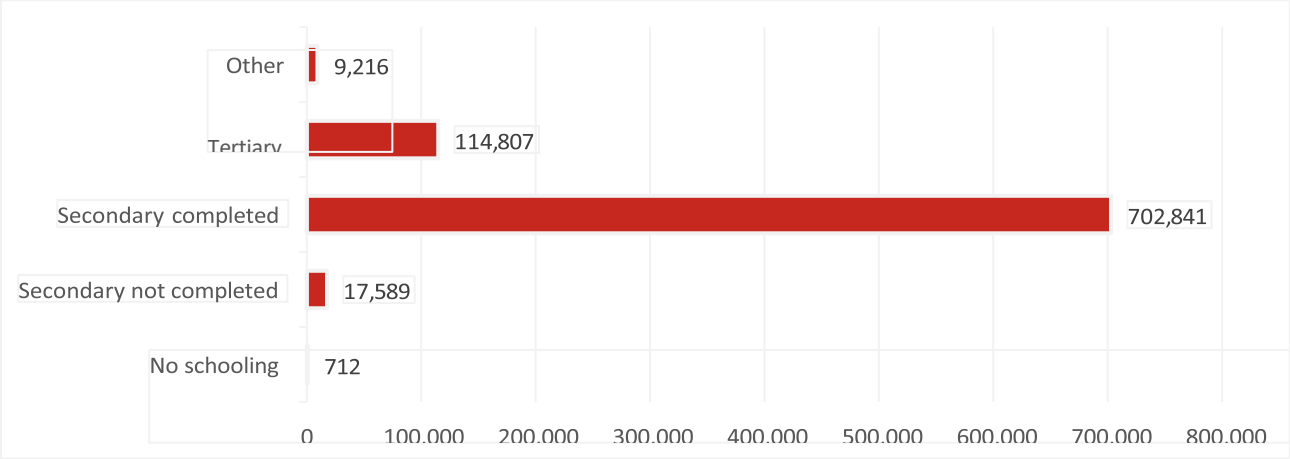
Source: Quante (2025)

As will be discussed in Chapter 4, several initiatives are underway to establish partnerships with universities to help strengthen the skills supply pipeline.

1.5.6.2. Levels of education

Regarding the level of education, the WSP/ATR data indicate that some of the workforce have not completed secondary education (3%), with most having completed secondary education (83%) – see Figure 13. Only 13% of the workforce had a tertiary education.

Figure 13. Services Sector Employees by Level of Education



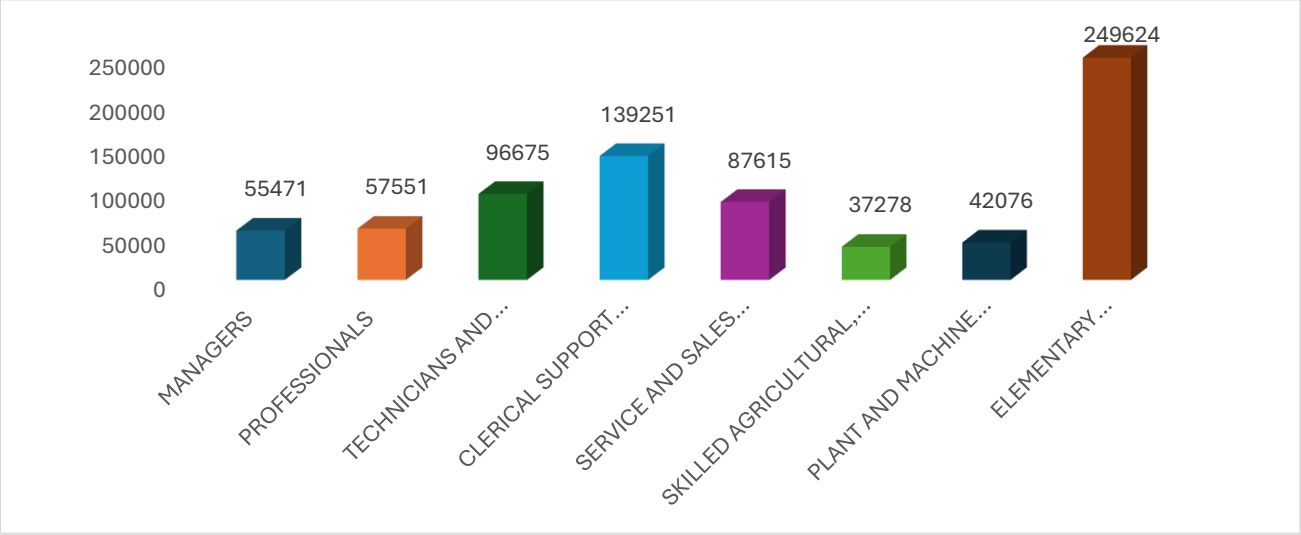
Source: Services SETA WSP/ATR Database, 2025

Of particular interest in the analysis of the educational qualifications of the services sector labour force is that the number of people who have not completed schooling is decreasing, whilst the number who have completed secondary education is steadily increasing.

1.5.6.3. Occupations Categories

In line with the trends above, the majority of employees in the services sector are employed at the elementary level, followed by those at the clerical level, as shown in Figure 14. This implies that the Services SETA must invest more in training at the elementary level to promote upward mobility for most of the workforce.

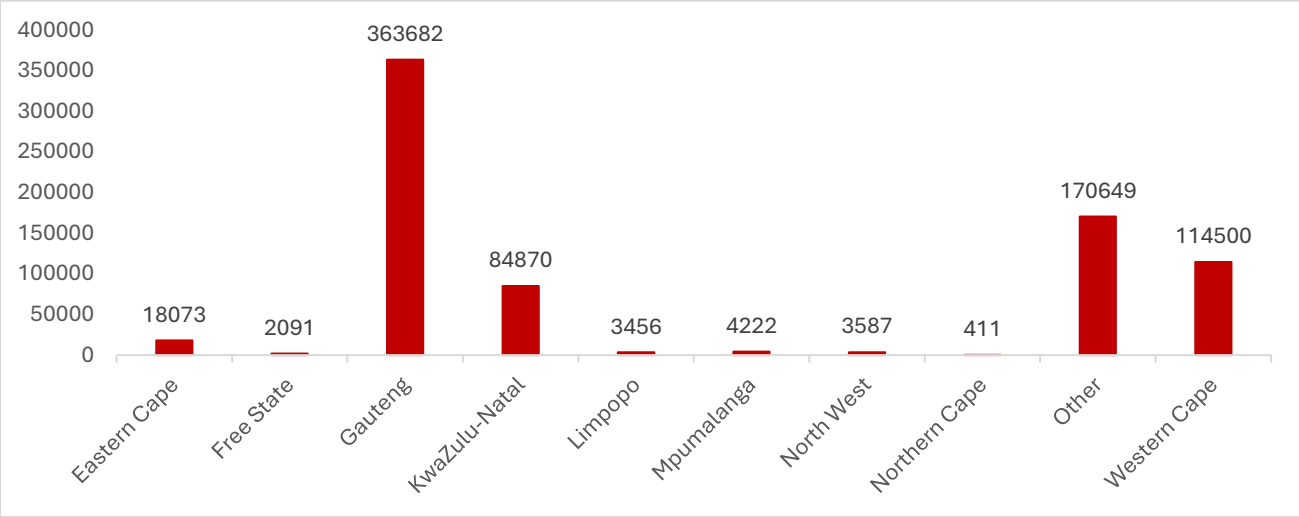
Figure 14. Services Sector Employees by Occupation



1.5.6.4. Provincial Spread

In line with the provincial distribution of employers, the majority of employees are located in the Gauteng province, followed by the Western Cape and KwaZulu-Natal, as demonstrated in Figure 15. The Northern Cape province has the smallest proportion of employees.

Figure 15. Provincial Spread of Employees



1.5.6.5. Working conditions

Analysis of Quantec data indicates that the overall annual salary in South Africa is just over R2 million, and for the tertiary sector, it is approximately R1.7 million. The average annual salary for the services sector is approximately R540,000. This implies that the salaries in the services sector are relatively lower than the average of the overall and tertiary industries.

Table 8. Services sector remuneration

Industry	2020	2021	2022	2023	2024
All goods and services	2,104,778	2,112 996	2,114,209	2,125,885	2,042,997
Tertiary sector [SIC: 6-9, 0]	1,615,660	1,620,728	1,632,163	1,646,258	1,571,949
Communication [QSIC 75]	45,440	44,549	41,811	40,867	36, 915
Postal & related courier activities [QSIC 751]	4,716	4,361	3 679	3,376	3,022
Business services [QSIC 83-88]	311,464	301,824	302,973	308, 502	324, 265
Real estate activities [QSIC 84]	23,334	28,587	27,170	26, 059	26,623
Renting of machinery and equipment, without operator and of personal and household goods [QSIC 85]	5,535	5,601	5,659	5,881	6,231
Business activities N.E.C. [QSIC 889]	79,470	73,566	70,499	69, 693	70, 265
Other activities [QSIC 99]	83,783	80,973	77,421	75, 194	72, 064
Total Services	**4,274,180**	**2,160,189**	**4,271,905**	**3,781,400**	**3,650,822**

Source: Quantec (2025)

1.6. Conclusion

Chapter 1 demonstrates that South Africa's economy has stagnated overall. Analysis of GDP growth quarter-to-quarter, from 2024 Q4 to 2025 Q1, reveals an uneven growth pattern, with some quarters registering negative growth while others recording positive growth. However, even where positive growth occurs, the growth rate is less than the negative growth in the previous quarter and far less than the rate required to place South Africa in a comfortable space.

Unemployment rates follow a similar pattern— that is, an uneven decline. Adversely affected by unemployment are youth and women. The plight of youth NEET continues to worsen yearly. This calls on the Services SETA to adopt a targeted approach to assist these vulnerable sections of the population. Interventions to be considered include digital skills training and work placements (internships) for graduates in partnership with the industry, as well as supporting the government's programme to promote youth employment.

Analysis of Stats SA data reveals that the majority of the labour force in the services sector possesses the lowest level of education and is concentrated in the elementary occupational levels. This implies that the Services SETA needs to pay special attention to this workforce category.

CHAPTER TWO: KEY SKILLS CHANGE DRIVERS

2.1. Introduction

This chapter presents the key skills change drivers identified that influence the demand for and supply of skills, either positively or negatively, in the services sector. It outlines the implications for skills development in the sector, drawing on primary and secondary data that involved stakeholder consultations and desktop research. The chapter will further reflect on occupational changes in the services sector resulting from technological advancements and their impact on the nature of work over the past five years.

2.2. Factors affecting skills demand and supply

This chapter discusses five major change drivers considered impactful on the demand and supply of skills in the services sector. These are (i) technology and digitisation, (ii) economic performance, (iii) legislation, (iv) globalisation, and (v) the green environment. Table 9 below lists the skills change drivers and their implications for skills planning in the services sector.

Table 9. Change Drivers and Implications for Skills Planning

Change Driver	Description	Implications for Skills Planning	
		Demand-related implications	Supply-side related implications
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 opportunities presented by technology and digitisation. There are concerns that 4IR will automate multiple tasks, leaving little room for human interaction.	We have seen a significant impact of Artificial Intelligence (AI) systems in the call centre and contact centre industry. This includes the use of AI techniques to respond to customer queries and provide speedy service. In the sales and marketing industries, the use of social media, online advertising, and e-commerce technology is already widespread among many businesses. The impact of email has threatened the sustainability of the postal sector, rendering it increasingly irrelevant in the new millennium.	There is an urgent need to develop digital skills-related occupational qualifications and foster closer collaboration with other SETAs.
Economic Performance	The South African economy has stagnated. For the past five years, the economy has not grown by more than 2%. Yet, for the country to address the triple challenges of unemployment, poverty and inequality, the economy needs to grow by more than 5% per year. The impact of the proposed 30% US tariff on South African exports is likely to be felt throughout the manufacturing and mining value chain, as well as in the services sector.	The services sector will require retraining and/or upskilling of staff. With the country facing an intense energy crisis, the services sector has been significantly impacted, as alternative energy sources had to be utilised to mitigate business interruptions. Solar installation suddenly becomes a critical skill to learn.	The Services SETA will explore partnerships with industries in the renewable energy sector to ensure that it can supply relevant skills applications to support these, particularly from the haircare, funeral, and business services sub-sectors.

Change Driver	Description	Implications for Skills Planning	
		Demand-related implications	Supply-side related implications
Globalisation	As higher levels of integration due to globalisation continue, businesses in most sectors are experiencing higher levels of competition. In addition, emerging and developing economies are viewed as new engines of growth, as companies continue to seek new locations for business investment. Recent real GDP growth projections support this notion.	Industries such as personal care (hairdressing and beauty care), contact centres, and e-commerce are highly impacted by globalised trade, with increased demand for a skilled workforce to meet the demand for growth.	Regarding implications for skills planning, there is a growing demand for qualified hairstylists in the Afro-hair industry. 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 to regulate the sector, which also includes a skills development element.	With the phasing out of historically registered qualifications, the property sector must develop new occupational qualifications that incorporate the requirements of the PPRA. The property sector will need to be reskilled and upskilled to meet the new skill requirements of the sector.	The Services SETA will have focused skills interventions, projects and programmes aimed at the transformation. Services SETA, working together with industry experts, must fast-track the development/ realignment of historically registered qualifications to occupational qualifications.
Green Environment	Business entities in the services sector are becoming increasingly aware of the need to protect the environment. Legislation and consumer pressure are driving the demand for eco-friendly products.	The subsectors most affected by this change driver are the haircare, funeral, and cleaning industries.	The Services SETA is forging closer collaboration with affected industries to identify short-, medium-, and long-term interventions, including collaboration with CHIETA, LGSETA, and E&WSETA.

2.3. Occupations affected by changes in Technology

The future of the world of work is evolving rapidly as technology advances, driven by emerging trends such as automation and artificial intelligence. These developments will alter traditional roles, leading to some jobs becoming obsolete. The table (10) lists occupations that are directly affected by the rapid advancement in technology, along with the nature of the impact.

Table 10. Occupations affected by changes in Technology

Occupations affected	Nature of Impact
Call/Contact Centre	The industry is mainly operated 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, thereby reducing their market presence. This industry is competing well globally. Our call centre industry is equipped with information technology-related skills and is among the most advertised jobs in South Africa. We have realigned the contact centre qualifications to include the ICTL module. To prepare the industry for the evolution of 4IR, the Services SETA is working closely with the industry and MICTSETA to implement relevant occupational programmes.
Marketing and Advertising	Traditional methods of advertising and marketing businesses/products have evolved into online trading. This has been viewed as an effective way to conduct business. Online purchases make life easier for consumers and are seen as a convenient, time-saving way to shop. Marketers and advertising professionals primarily rely on platforms like social media to reach a broader audience, including young consumers. Digital marketing is an emerging occupation within the marketing sector.

2.4. Policy Frameworks affecting skills demand or supply in the sector

This section looks at the major national plans and strategies that affect the services sector, and implications for skills planning. Table 11 provides a brief discussion of each national strategy and policy.

Table 11. National Strategies/Policies and Implications for Skills Planning

National Strategies and Plans	Description	Implications for Skills Planning	
		Demand-related implications	Supply-side related implications
National Skills Development Plan 2030	The NSDP 2030 aims to ensure that the country has adequate and high-quality skills that contribute towards economic growth, employment creation and social development. The Plan outlines key objectives for skills development in the post-school education and training in South Africa. This will be realised through 8 Outcomes.	To meet the demand for improving the level of skills in the service sector workforce, Services SETA needs to collaborate with all role-players in the post-school education and training ecosystem – employers, labour, government, and public and/or private training providers.	The primary task of the Services SETA is to implement the NSDP 2030 through the identification, development, and implementation of relevant occupational qualifications, as well as closer collaboration with industry role players.
National Development Plan 2030	The NDP 2030 identifies skills development and education as a catalyst for economic development and growth. The NDP acknowledges that education, training, and innovation are not the only solutions to common national problems. Rather, education is critical in building national capacity to solve problems.	The services sector needs to enhance its quality of education, skills development, and innovation, which will lead to a reduction in inequality, poverty, and unemployment.	The Services SETA plays an integral role in utilising strategic Integrated Projects (SIPs) and JET Academy as a training platform. As these economic stimulus programmes, SIPs, are being implemented, they will invariably interface with project management services, recruitment

National Strategies and Plans	Description	Implications for Skills Planning	
		Demand-related implications	Supply-side related implications
			services, cleaning services, household services, collective services such as dispute resolution and wage negotiation services, business services, and real estate services.
White Paper on Post-School Education and Training	The White Paper sets out strategies to improve the capacity of the post-school education and training system to meet South Africa's needs. It outlines the role of SETAs in bridging the gap between the world of learning and the world of work.	A demand for quality learning opportunities in both private and public institutions of learning, and also bring education and training closer to the communities in partnership with employers and labour.	The Services SETA has forged strategic partnerships with TVET and CET Colleges to ensure improved access to quality learning programmes, increased relevance of skills development interventions and built strong partnerships between stakeholders and social partners.
Economic Reconstruction and Recovery Plan	The Plan sets out a reconstruction and recovery plan for the South African economy aimed at stimulating equitable and inclusive growth. Skills development is highlighted as one of the key enablers for the successful implementation and realisation of the Plan.	The ERRP highlights the need to contribute to the prevention of job losses through the expansion of reskilling and retraining of workers. This strategy is demand-led, focusing on SETA skills training to support economic growth.	The Services SETA has identified scarce and critical skills prioritised by the plan for inclusion in this SSP update. These include Call or Contact Centre Manager, Inbound Contact Centre Consultant, Outbound Contact Centre Consultant, and Call or Contact Centre Agent.
Presidential Youth Employment Intervention	The Presidential Youth Employment Intervention is South Africa's most comprehensive effort to address the crisis of youth who remain outside of employment, education, and training. It is a campaign that calls on all stakeholders to join forces in addressing youth unemployment.	The South African economy faces a crisis of mismatch between skills demand and supply, resulting in graduates who are not ready for the world of work, and subsequently, jobless graduates.	The Services SETA is committed to supporting this initiative by providing Internship opportunities to TVET, CET and university graduates to gain work experience. Each year, the Services SETA sets a target for the number of interns to be placed in employment.
Just Energy Transition Framework	The framework recommends the three broad areas: (i) reskilling and upskilling existing adult workers so that they are better equipped to navigate the transition; (ii) aligning the skills development system with the anticipated	The transition to just energy primarily impacts the cleaning, hairdressing, and funeral sectors, as they need to adapt to using green products. The use of these products will require reskilling of the current	This calls for the identification, development, and implementation of appropriate occupational qualifications, as well as closer collaboration with other SETAs, such as

National Strategies and Plans	Description	Implications for Skills Planning	
		Demand-related implications	Supply-side related implications
	labour force needs of the future, particularly focused on green jobs to support a just transition; and (iii) ensuring foundational skills through the education system to improve the adaptative capacity of the broader workforce.	workforce.	EWSETA, LGSETA, and CHIETA.

Provided below reflects the implications of the national strategies and plans on the services sector, implications for skills demand and supply and the Services SETA's response over the past 5 years.

1. **NSDP 2030:** The Services SETA has implemented various interventions to address the NSDP 2030 outcomes. Most of the services sector comprises SMMEs; we partnered with the Department of Small Business and Development to implement skills development training aligned to outcome 6: skills development support for entrepreneurship and cooperative development. To date, we have trained about 3,326 beneficiaries. Other outcomes are also implemented through our APP and special projects. We conduct yearly learner tracer studies to measure and monitor our impact on our beneficiaries.

2. **NSDP 2030:** This strategy ensures that implementation occurs through partnerships as the effective delivery model. This includes partnerships with municipalities and TVET/CET colleges, which work with the industry to deliver skills development interventions to communities, including rural areas. The alignment of historical qualifications to occupational qualifications has enhanced the collaboration between the Services SETA, SDPs, and the industry.

3. **White Paper on Post-School Education and Training: The** Services SETA has forged strategic partnerships with TVET Colleges and Universities to ensure improved access to quality learning programmes, increased relevance of skills development interventions and built strong partnerships between stakeholders and social partners. Skills implications are easily addressed when the industry is in the driving seat, as a shortage of skills can be identified and addressed efficiently. We also made discretionary grant (DG) funding available to entities for implementing the learning interventions.

2.5. Measures in place in support of the Medium-Term Development Plan Outcomes

The Medium Term Development Plan (MTDP) 2024-2029 is the medium-term plan towards the achievement of the NDP and the principles of the Government of National Unity. It consists of three priorities: **Priority 1:** Drive inclusive growth and job creation, **Priority 2**: Reduce poverty and tackle the high cost of living, and Priority 3: Build a capable, ethical, and developmental state. Illustrated below is the alignment with the Services SETA's priorities for 2025-2030.

Table 12. Alignment between Services SETA priorities and MTDP priorities

Priority/Outcome	Description	Measures in place
MTDP Priority 1: Drive Inclusive Growth and Job Creation	Focuses on rapid, inclusive, and sustainable economic growth to create jobs.	The current focus of the Services SETA is entrepreneurship and cooperative 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 suite of occupational qualifications to meet current industry needs to enable the services sector entrepreneurs to thrive.
MTDP Priority 2: Reduce poverty and tackle the high cost of living	Aims at reducing poverty, tackling the high cost of living and ensuring that social assistance is leveraged for local economic development	The Services SETA is committed to supporting the government's transformation programme, which prioritises women, youth, people with disabilities, and those living in rural areas for job opportunities, as demonstrated above.
MTDP Priority 3: Build a capable, ethical, and developmental state	Aims at building a capable, ethical, and developmental state, which is critical for the success of priorities 1 and 2.	The Services SETA has partnered with DHET and QCTO to build capacity in the public sector through targeted interventions in public colleges and universities, as well as traditional authorities.

2.6. Conclusion

This chapter identified and analysed the factors affecting the demand and supply of skills. Technology and Digitisation, Legislation, Economic Performance, the green environment, and Globalisation were identified as significant change drivers impacting skills demand and supply in the services sector. The implementation of skills planning for each change driver was outlined. Implementing the proposed interventions will require the Services SETA to work collaboratively with other SETAs, SDPs, government departments and industry stakeholders by either developing or managing joint projects. Alignment with national priorities and specific interventions to address them has been demonstrated. The Services SETA has taken the initiative to support National Plans and Strategies, the ERRP SS, Just Energy Transition, and the presidential youth employment initiative projects. These strategies will be supported through learnerships, skills programmes, internships, and bursaries. Finally, we will also support learners in rural areas without neglecting our transformation priorities.

CHAPTER THREE: SECTORAL SKILLS DEMAND AND SUPPLY ANALYSIS

3.1. Introduction

This chapter focuses on occupational shortages, skills gaps, and skills supply within the services sector, as well as methods and processes followed in compiling the Services SETAs' priority list. Regarding occupational shortages and skills gaps, the chapter examines the occupations that are difficult to fill, the number of these hard-to-fill occupations, and the reasons why they are challenging to fill. In addition, significant skills gaps that exist in the services sector are investigated by occupational levels.

Exploring the skills supply follows this and covers the state of education and training provision, the supply problems employers experience with the current labour market and interventions planned to address supply-side challenges. The last section presents the methods and process followed in compiling the Sectoral Priority Occupations and Interventions (SPOI) list and Emerging occupations, including interventions and quantities that the Services SETA will implement to address occupational shortages, skills gaps, and labour supply challenges.

In drafting this chapter, the research methods employed were informed by a combination of both quantitative and qualitative research techniques. The quantitative approach involves collecting and analysing WSP/ATR data submitted by employers, focusing on vacancy trends and planned interventions. This data is sourced from the DHETs' Higher Education Information Management System (HEMIS)/Sector Education and Training Management Information System (SETMIS). The qualitative methods employed include stakeholder consultation workshops and an online employer survey, which are used to corroborate findings across multiple sources. The relevant qualitative findings, where available, have been compared to the quantitative results and are presented in the following sections.

3.2. Occupational shortages and skills gaps

This section presents occupations that are H-T- F-Vs, that is, those vacancies that take longer than 12 months to fill. It also attempts to provide a picture of the number of H-T-F-V occupations and why they are hard to fill. It further paints a picture of skills gaps in the services sector, indicating the occupational levels affected. Additionally, it identifies emerging occupations in the services sector, providing a rationale for each in terms of whether it is driven by digitisation, emanates from National Strategies and Plans, or any other factor that is a skills change driver in the sector.

Exploring the skills supply follows this and covers the state of education and training provision, the supply problems employers experience with the current labour market and interventions planned to address supply-side challenges. The final section outlines the methods and processes employed in compiling the SPOI list and emerging occupations, including interventions and quantities that the Services SETA will implement to address occupational shortages, skills gaps, and labour supply challenges.

3.2.1. Hard-To-Fill Vacancies

This section presents the list of H-T-F-Vs identified within the services sector. A desktop literature review informs the list of employment and unemployment trends within the sector, including an analysis of WSP/ATR data submitted by employers, particularly vacancy trends and planned interventions. This is supplemented by stakeholder consultation workshops and an online employer survey to corroborate findings across multiple sources. The list of hard-to-fill vacancies and the magnitude of demand are presented per chamber, and the need for suitably qualified persons is cited as the primary reason for delays in filling vacancies on time, along with considerations of equity. Table 13 below lists the HTFV that have been consistently appearing on our SSP.

Table 13. Hard-to-Fill Vacancies List over 2019 – 2024 MTSF

Occupational Group	Chamber	OFO code	Hard-To-Fill Vacancy	Justification
Managers	Cleaning and Hiring Services	2021-143902	Cleaning Services Manager	There are no specific qualifications for cleaning managers, and the industry is currently developing a new occupational qualification.
	Real Estate and Related Services	2021-143901	Facility Manager	There is a shortage of qualified facility managers with a property function different from facilities operations. A new occupational qualification has been developed, enabling the industry to fill the facility managers' positions.
	Communications and Marketing services	2021-143905	Call Centre Manager	This is an ERRP SS occupation, and Services SETA has developed the occupational qualification for this industry. Funding has been allocated to support the implementation of interventions related to ERRP SS.
		2021-122103	Director of Marketing	Changes in job requirements necessitated re-skilling for the people in this occupation to incorporate new skills emerging from the industry's need to remain relevant to technological trends.
	Management and Business Services	2021-121905	Programme or Project Manager	There is a shortage of the specific skills needed by the industry.
		2021-132107	Quality Manager	To develop the occupational qualification.
		2021-121906	Franchise Manager	To develop the occupational qualification.
		2021-134903	Small Business Manager	To develop the occupational qualification.
		2021-122101	Business Development	To develop the occupational qualification.

Occupational Group	Chamber	OFO code	Hard-To-Fill Vacancy	Justification
			Manager	
Professionals	Communications and Marketing services	2021-251201	Software Developer	To address the ERRP SS, the sector needs ICT skills that are relevant.
		2021-216603	Multimedia Designer	Changes in the industry mean that new technology skills are critical.
	Labour and Collective Services	2021-261105	Conciliation /Arbitration Commissioner	There is a shortage of the specific skills needed by the industry.
		2021-242304	Industrial Relations Advisor	There is a shortage of suitable, qualified IR advisors.
	Management and Business Services	2021-242101	Management consultant (Business Analyst, Business Consultant, Business Support Project Manager)	To develop the occupational qualification.
Technicians and Associate Professionals	Real Estate and Related Services	2021-333401	Property Manager	There is a shortage of the specific skills needed by the industry.
		2021-331501	Valuer	There is a shortage of suitable, qualified valuers.
		2021-333901	Auctioneer	There is a shortage of suitable, qualified auctioneers from the PDI.
	Labour and Collective Services	2021-335901	Labour Inspector	There is a shortage of the specific skills needed by the industry, and Services SETA has developed an occupational qualification to address this shortage.
Clerical Support Workers	Communications and Marketing services	2021-422206	Call Centre Agent	To realign the historically registered qualification with the occupational qualification
Services and Sales workers	Personal care services	2021-514101	Hairdresser	The shortage of specific skills required by the industry has prompted Services SETA to develop an occupational qualification to address this need.
		2021-514201	Beauty Therapist	To realign the historically registered qualification with the occupational qualification.
		2021-514207	Somatologist	There is a shortage of the specific skills needed by the industry.
	Cleaning and Hiring Services	2021-515104	Cleaning Supervisor	To realign the historically registered qualification with the occupational qualification
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades	Personal care services	2021-641301	Stonemason	The shortage of specific skills required by the industry prompted the Services SETA to develop an occupational qualification to address this need.

Occupational Group	Chamber	OFO code	Hard-To-Fill Vacancy	Justification
Workers				
Elementary Occupations	Cleaning and Hiring Services	2021-811201	Commercial Cleaner	To realign the historically registered qualification with the occupational qualification
		2021-811202	Healthcare Cleaner	This was a priority occupation that arose from the COVID-19 pandemic. Services SETA, in collaboration with industry, has developed occupational qualifications to ensure that we have trained healthcare cleaners.
		2021-812101	Laundry Worker	There is a shortage of suitable, qualified laundry workers due to the lack of qualifications for industrial laundry workers.
		2021-821401	Garden Worker	There is a shortage of qualified garden workers due to the lack of qualifications for domestic garden workers.

a) Cleaning and Hiring Services Chamber

The Cleaning and Hiring Services Chamber is one of the subsectors that mainly employs entry-level workers, except in management positions. It is, therefore, not surprising to note, as shown in Table 14 below, that there is a high vacancy rate at senior levels of employment, such as manager and inspector, or equivalent. Commonly cited reasons are the lack of suitably qualified people and relevant qualifications.

Table 14. Hard-to-Fill Vacancies, Cleaning and Hiring Services Chamber

Occupational Group	OFO code	Hard-To-Fill Vacancy	No	Reasons	Skills/Non-Skills Related
Managers	2021-143902	Cleaning Services Manager	258	▪ Lack of relevant qualifications	▪ Skills Related
Services and Sales workers	2021-515104	Cleaning Supervisor	197	▪ Shortage of suitably qualified people	▪ Skills Related
Elementary Occupations	2021-811201	Commercial Cleaner	250	▪ Shortage of suitably qualified people	▪ Non-Skills Related
	2021-811202	Healthcare Cleaner	870	▪ Shortage of suitably qualified people	▪ Non-Skills Related
	2021-812101	Laundry Worker	200	▪ Shortage of suitably qualified people	▪ Non-Skills Related
	2021-821401	Garden Worker	60	▪ Shortage of suitably qualified people	▪ Non-Skills Related

The implication for skills development planning is the need to pay special attention to training at elementary occupational levels. Particular attention should be paid to Black people, women, youth, and people with disability.

b) Communications and Marketing Services Chamber

The Communications and Marketing Services Chamber subsectors attract people with a relatively high level of skills and qualifications. The main reasons employers struggle to fill vacant posts, as identified below for this Chamber, are the lack of relevant qualifications and skills, which are some of the top reasons employers take a long time to fill vacancies, as shown in Table 15.

Table 15. Hard-to-Fill Vacancies, Communications and Marketing Services Chamber

Occupational Group	OFO code	Hard-To-Fill Vacancy	No	Reasons	Skills /Non-Skills Related
Managers	2021-122103	Director of Marketing	310	▪ Lack of relevant qualifications ▪ Shortage of suitably qualified people ▪ Lack of relevant skill	▪ Skills Related
	2021-143905	Call Centre Manager	164	▪ Salary considerations ▪ Lack of experience	▪ Non-Skills Related
Professionals	2021-243103	Marketing Practitioner	225	▪ Lack of relevant skill	▪ Skills Related
	2021-216603	Multimedia Designer	120	▪ Shortage of suitably qualified people ▪ Lack of experience	▪ Skills Related
Clerical Support Workers	2021-422202	Call Centre Customer Service Representative (Outbound)	441	▪ Shortage of suitably qualified people ▪ Lack of experience	▪ Skills Related
		Collections Consultant (Contact Centre)	362	▪ Lack of relevant skill	▪ Skills Related

One of the implications for skills development is the need to pay special attention to transformational imperatives. A significant allocation of the training budget and interventions should be made to Black people, women, youth, and people with disabilities. Most importantly, the Services SETA should ensure the availability of relevant qualifications to address the problem.

c) Labour and Collective Services Chamber

Due to the nature of its operations, the Labour and Collective Services Chamber seems to struggle to recruit staff in critical recruitment areas. Table 16 illustrates that the main reasons for the inability to attract relevant staff include a lack of relevant skills and a shortage of qualified people.

Table 16. Hard-to-Fill Vacancies, Labour, and Collective Services Chamber

Occupational Group	OFO code	Hard-To-Fill Vacancy	No	Reasons	Skills /Non-Skills Related
Professionals	2021-242102	Transformation Manager	115	▪ Lack of relevant qualifications ▪ Lack of relevant skill	▪ Skills Related
	2021-242303	Human Resource Advisor	103	▪ Shortage of suitably qualified people	▪ Non-Skills Related

Occupational Group	OFO code	Hard-To-Fill Vacancy	No	Reasons	Skills /Non-Skills Related
	2021-242304	Industrial Relations Advisor	373	▪ Lack of relevant qualifications ▪ Lack of relevant skill	▪ Skills Related
	2021-261105	Conciliation /Arbitration Commissioner	155	▪ Shortage of suitably qualified people ▪ Lack of relevant skill	▪ Skills Related
Technicians and Associate Professionals	2021-335901	Labour Inspector (Designated Agent)	132	▪ Shortage of suitably qualified people	▪ Non-Skills Related

The skills challenges related to the Labour and Collective Services Chamber imply that the Services SETA should sufficiently invest in learnership and internship interventions, with due consideration for transformation. These learning interventions provide prospective employees with sufficient and relevant exposure to the world of work, thereby preparing them for immediate absorption into the labour market.

d) Management and Business Services Chamber

Like other high-skills-based subsectors, the Management and Business Services Chamber seems constrained by a lack of relevant skills and suitable qualifications in attracting suitably qualified incumbents – see table 17. Skills scarcity is also mainly concentrated in the management and senior occupational categories.

Table 17. Hard-to-Fill Vacancies, Management and Business Services Chamber

Occupational Group	OFO code	Hard-To-Fill Vacancy	No	Reasons	Skills /Non-Skills Related
Managers	2021-121901	E-Commerce Manager (Entrepreneurial)	178	▪ Lack of relevant skill ▪ Lack of relevant qualification ▪ Shortage of suitably qualified people	▪ Skills Related
	2021-121906	Franchise Manager	777	▪ Lack of relevant skill ▪ Lack of relevant qualification ▪ Shortage of suitably qualified people	▪ Skills Related
	2021-122101	Business Development Manager	404	▪ Shortage of suitably qualified people	▪ Non-Skills Related
	2021-132107	Quality Manager	281	▪ Lack of relevant qualifications ▪ Shortage of suitably qualified people ▪ Lack of relevant skill	▪ Skills Related
	2021-134903	Small Business Manager	220	▪ Shortage of suitably qualified people	▪ Non-Skills Related
Professionals	2021-242101	Management consultant (Business Analyst, Business Consultant, Business Support Project Manager)	762	▪ Shortage of suitably qualified people	▪ Non-Skills Related

Occupational Group	OFO code	Hard-To-Fill Vacancy	No	Reasons	Skills /Non-Skills Related
Clerical Support Workers	2021-441903	Program or Project Administrators	**120**	▪ Shortage of suitably qualified people	▪ Non-Skills Related

The current economic slow growth means that skills related to turning around business operations and consulting will be in higher demand. As discussed above, this is an ideal opportunity to promote transformation by aiming to train interventions for marginalised groups.

e) Personal Care Services Chamber

The Personal Care Services Chamber is one of the subsectors that does not require high qualifications to enter the labour market. Table 18 indicates that the nature of business is primarily informal and small in size. Therefore, it is unsurprising that the skills scarcity is decreasing in the clerical and sales workers' area. This sector's labour profile is that women dominate it, and the majority are self-taught. These factors alone can be the most significant barrier to entrepreneurs' growth and sustainability, directly impacting the workforce.

Table 18. Hard-to-Fill Vacancies, Personal Care Services Chamber

Occupational Group	OFO code	Hard-To-Fill Vacancy	No	Reasons	Skills /Non-Skills Related
Services and Sales workers	2021-514201	Skin Care Therapist	510	▪ Lack of relevant qualifications ▪ Shortage of suitably qualified people ▪ Lack of relevant skill	▪ Skills Related
	2021-514209	Aesthetic Laser Therapist	414	▪ Lack of relevant qualifications ▪ Lack of relevant skill ▪ Shortage of suitably qualified people	▪ Skills Related
	2021-516306	Crematorium Operator	475	▪ Shortage of suitably qualified people ▪ Lack of relevant qualifications ▪ Lack of relevant skill	▪ Skills Related
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	2021-682201	Coffin Maker	252	▪ Lack of relevant qualifications ▪ Lack of relevant skill	▪ Skills Related

The implications for skills development planning for the subsector is the need to pay special attention to employees in precarious employment conditions, part-time employment, and businesses vulnerable to closure. The aim should be to prepare vulnerable workers for alternative employment or to start their own businesses.

f) Real Estate and Related Services Chamber

The real estate subsector is one of the small yet economically strong industries in terms of GDP contribution and business revenue. At the same time, it is often slated for its slow pace of transformation. Skin colour remains the biggest impediment to entry for Black people. The industry is highly regulated, requiring a fair literacy level and educational qualifications. Unsurprisingly, vacancy rates are concentrated in the high-level occupational categories, and underlying reasons include the lack of relevant skills, relevant qualifications, and equity considerations, respectively, as illustrated in Table 19.

Table 19. Hard-to-Fill Vacancies, Real Estate and Related Services Chamber

Occupational Group	OFO code	Hard-To-Fill Vacancy	No	Reasons	Skills /non-Skills Related
Technicians and Associate Professionals	2021-333401	Property Manager	325	▪ Lack of relevant skill ▪ Equity Considerations	▪ Skills Related
	2021-333405	Real Estate Principal Agent	244	▪ Equity Considerations	▪ Non-Skills Related
	2021-331501	Valuer	229	▪ Shortage of suitably qualified people ▪ Lack of relevant skill ▪ Equity Considerations	▪ Skills Related
	2021-333901	Auctioneer	220	▪ Shortage of suitably qualified people ▪ Lack of relevant skill ▪ Equity Considerations	▪ Skills Related
	2021-333904	Business Broker	113	▪ Salary considerations ▪ Lack of experience	▪ Non-Skills Related

For the real estate subsector, skills development planning should consider training employees from historically disadvantaged backgrounds to address the industry's transformation.

3.2.2. Skills Gaps

This section examines the nature and extent of the demand for skills gaps within the services sector. It draws on literature reviews, employer surveys, WSP/ATR and Services SETA Performance Information data, and stakeholder consultation virtual workshops. Table 20 lists key skills gaps identified within the services sector by major and occupational levels.

Table 20. Skills Gaps in the Services Sector

Major group	Skills gaps	Occupations
Managers	Negotiation Skills	▪ 2021-134903 - Small Business Manager ▪ 2021-121906 - Franchise Manager ▪ 2021-143902 - Cleaning Services Manager ▪ 2021-242101 - Business Support Project Manager
	Cloud Computing	
	Time Management Skills	
	Leadership Skills	
	Financial Skills	
	Labour Relations Skills	
	Marketing Skills	

Major group	Skills gaps	Occupations
Professionals	Marketing and Sales Social Media Skills Customer service	▪ 2021-243103 - Marketing Practitioner ▪ 2021-243204 - Conference and Event Organiser / Coordinator
Clerical support workers	Customer service Time management Foreign language Computer literacy Work ethics	▪ 2021-422202 - Collections Consultant (Contact Centre) ▪ 2021-422201 - Inbound Call Centre Customer Service Representative ▪ 2021-431301 - Payroll Assistant
Service and sales workers	Customer service Communications People Management Time management Financial Skills	▪ 2021-514101 - Hairdresser ▪ 2021-522102 - Salon Manager
Elementary occupations	Communications Basic Computer	▪ 2021-811201 - Commercial Cleaner

3.2.3. Emerging Occupations

Table 21 lists emerging occupations arising from the services sector.

Table 21. Emerging Occupations

Occupational Group	OFO Code	Name of Occupation	Reason
Professionals	2021-216603	Multimedia Designer	**Digitisation** With the evolution within the digital space, multimedia designers must learn new skills to ensure they are relevant.
	None	Time Share Consultant	**Change driver (Economy Performance)** The timeshare industry falls within the property sector. This occupation was lost between the finance and sales sectors. We have witnessed the growth in the number of Airbnb's and ownership of holiday accommodations. The industry will need to develop occupational qualifications/skills programmes.
Technicians and Associate Professionals	2021-333402	Real Estate Agent	**Change driver (Legislation)** The PPRA was established in terms of the Property Practitioners Act. This authority regulates and educates the property sector. The Services SETA needs to ensure that learning interventions align with the authority.

3.2.4. Alignment of ERRP SS Occupations and Skills Gaps

The Services SETA will support the two interventions, as illustrated in Table 22 below, in support of the ERRP SS.

1. To improve enrolment in those programmes that respond to the ERRP. As funding is one of the obvious obstacles, we will address it by making bursaries available to students keen to enrol in the targeted programmes. We will also ensure that addressing occupational shortages is one of our priority occupations.

2. Review and revise the qualifications, programmes, and curricula to respond to the occupational shortages and skills gaps identified in the strategy.

Table 22. ERRP SS Occupations SETA Interventions

Name of Occupation	ERRP Intervention	SETA Planned Intervention
Call or Contact Centre Manager	▪ **Intervention 4:** Increase enrolments in qualification-based programmes that respond to the occupational shortages identified in this strategy	▪ Fund bursaries for 100 beneficiaries to enrol for the call/contact centre manager qualification.
Contact Centre Real Time Advisor	▪ **Intervention 5:** Review and revise E&T qualifications, programmes, and curricula	▪ Review of the Contact Centre Manager Occupational Qualifications (99687 - Level 5)
Contact Centre Resource Planner		
Contact Centre Forecast Analyst		
Inbound Contact Centre Consultant		
Outbound Contact Centre Consultant		
Call or Contact Centre Agent		

Source: (DHET, 2022)

The evolution of technology has also highlighted the need to train individuals in specific competencies, thereby creating skills gaps resulting from innovation. The most cross-cutting emerging skills gaps are mostly linked to the digital economy. The Services SETA will promote the use of e-learning platforms to ensure that the training environment is up to date with the changes in the ICT sector.

3.3. Supply-side analysis

This section describes the state of education and training provision in relation to enrolments and throughput from various supply pipelines. It also outlines the supply-side challenges in the services sector, including the supply problems employers are experiencing. It further discusses interventions planned to address supply-side challenges.

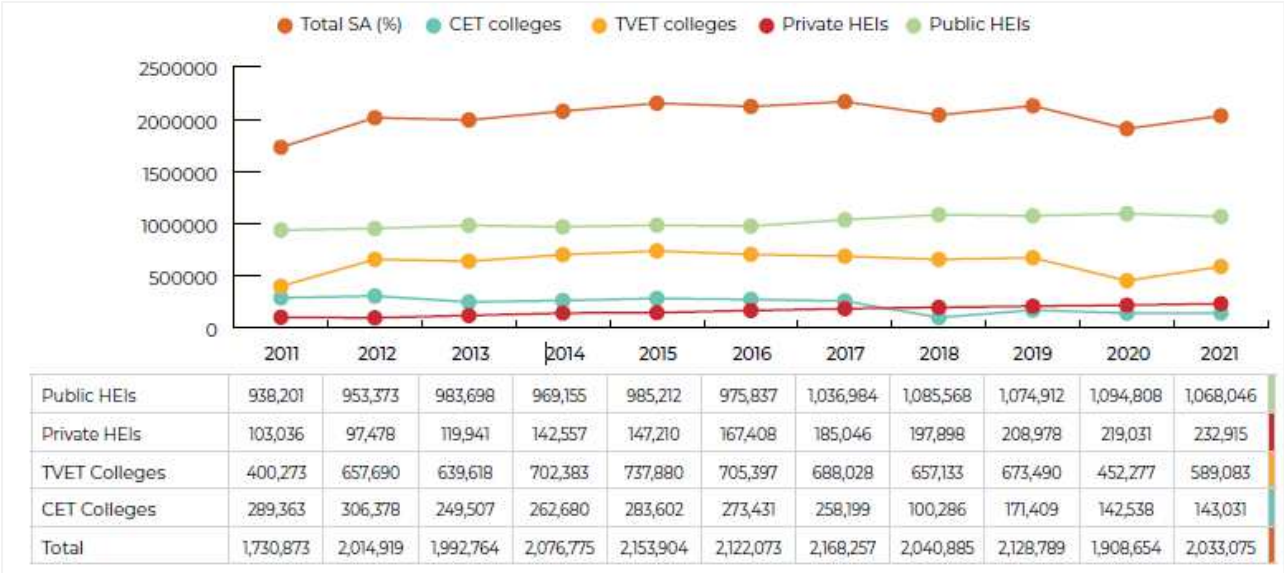
3.3.1. The state of education and training provision

a) Higher Education and Training Programmes

The skills development ecosystem, PSET, consists of TVET Colleges, CET Colleges, private colleges, public and private universities (also referred to as HEIs), and SETAs. PSET is positioned to ensure a

steady pipeline of skilled workers for the labour market. There are 26 public universities, 131 private institutions of higher education, 50 TVET Colleges, 9 CET Colleges, 287 registered private colleges and 21 SETAs. In addition, there are thousands of SDPs. Altogether, the system enrolled more than 2.1 million learners in 2021 (see Figure 16).

Figure 16. Learner Enrolment in Public and Private HEIs, 2011-2021

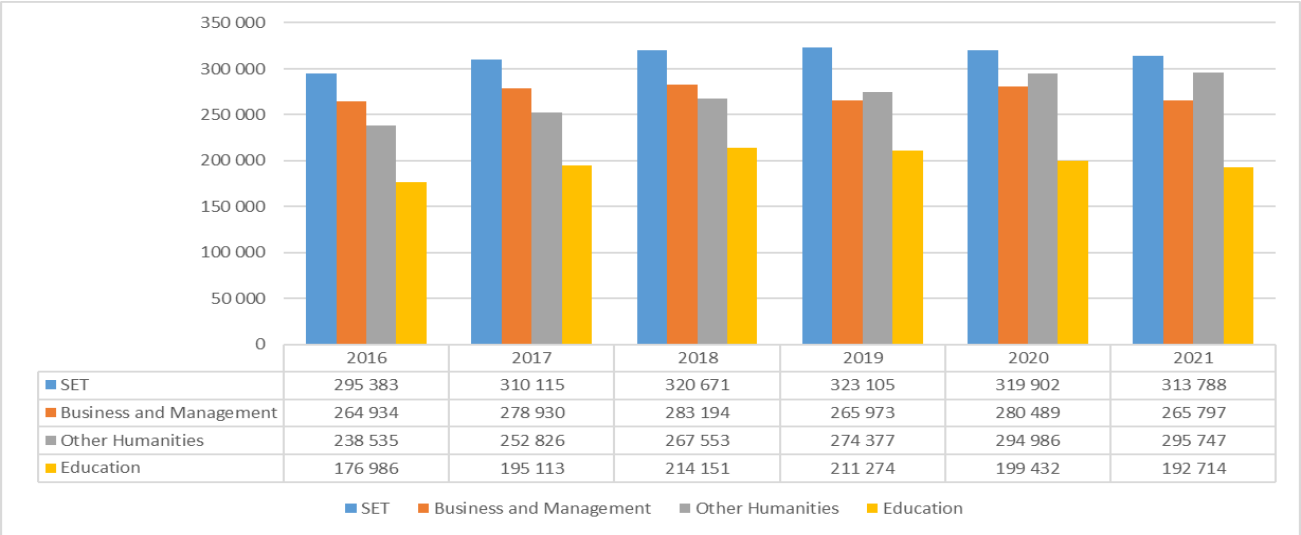


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public HEIs	938,201	953,373	983,698	969,155	985,212	975,837	1,036,984	1,085,568	1,074,912	1,094,808	1,068,046
Private HEIs	103,036	97,478	119,941	142,557	147,210	167,408	185,046	197,898	208,978	219,031	232,915
TVET Colleges	400,273	657,690	639,618	702,383	737,880	705,397	688,028	657,133	673,490	452,277	589,083
CET Colleges	289,363	306,378	249,507	262,680	283,602	273,431	258,199	100,286	171,409	142,538	143,031
Total	1,730,873	2,014,919	1,992,764	2,076,775	2,153,904	2,122,073	2,168,257	2,040,885	2,128,789	1,908,654	2,033,075

Source: (DHET, 2024)

The highest intake within the public university system is in the Science, Engineering, and Technology (SET) disciplines, followed by Humanities, Business, and Management, and Education disciplines - see Figure 17. All fields of study experienced a decline in enrolment between 2020 and 2021, except for other humanities, which recorded a slight increase of 0.3% (761). The most significant decline was in the business and management field of study, as enrolment fell by 5.2% (14,692) between 2020 and 2021.

Figure 17. Number of Students Enrolled in Public HEIs by Major Field of Study, 2011-2021

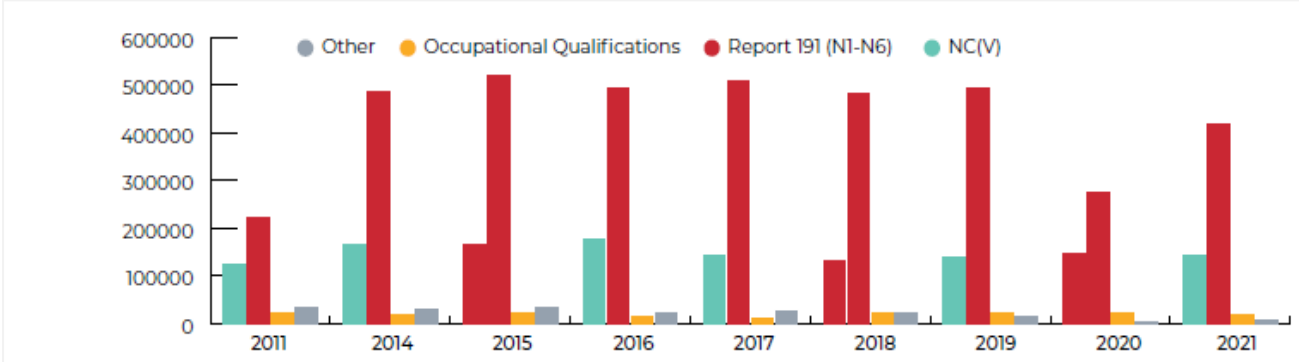


	2016	2017	2018	2019	2020	2021
SET	295 383	310 115	320 671	323 105	319 902	313 788
Business and Management	264 934	278 930	283 194	265 973	280 489	265 797
Other Humanities	238 535	252 826	267 553	274 377	294 986	295 747
Education	176 986	195 113	214 151	211 274	199 432	192 714

Source: (DHET, 2024)

The noticeable decrease in enrolment implies that SETAs will need to strengthen the pipeline of skills supply for the services sector-related qualifications over the next five years. The low rate of skills supply for the services sector is made even more apparent by the low enrolment rate of SETA-related qualifications in the TVET college space. TVET colleges' occupational qualifications are directly aligned with Services SETA's training facilitation mandate. As Figure 18 illustrates, enrolment in SETA-related qualifications has been the lowest, necessitating the need for the Services SETA to work closely with TVET Colleges to strengthen the skills supply pipeline.

Figure 18. Learner Enrolment by Type of Qualifications in TVET Colleges, 2011-2021

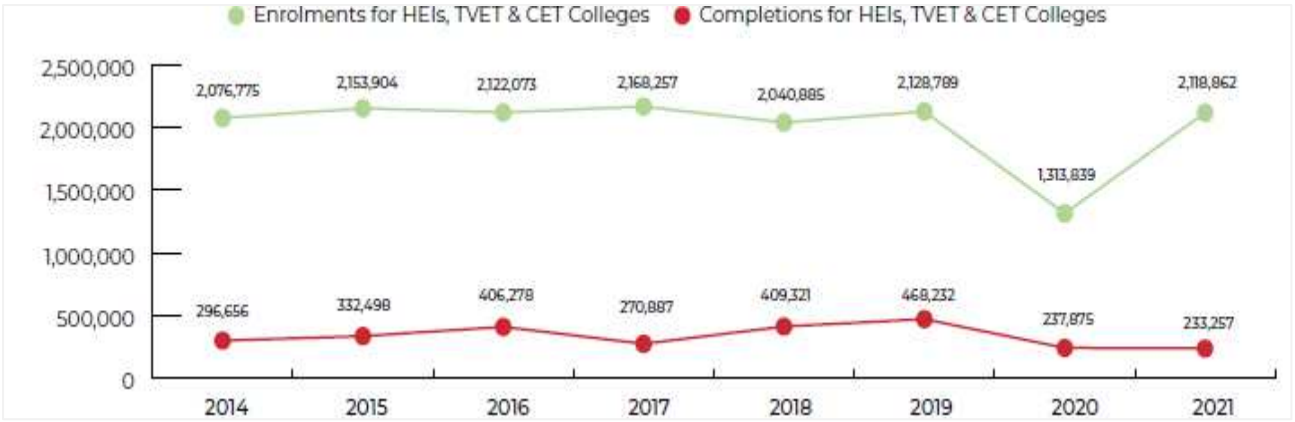


NC(V)	124,658	166,433	165,459	177,261	142,373	131,212	138,912	146,637	141,768
Report 191 (N1-N6)	222,754	486,933	519,464	492,026	510,153	482,175	494,070	274,907	416,949
Occupational Qualifications	20,799	19,825	20,533	13,642	10,969	20,106	22,886	20,130	18,277
Other	32,062	29,192	32,424	22,468	24,533	23,355	14,025	3,888	6,653

Source: (DHET, 2024)

A comparison of learner enrolments and completion figures in public and private universities, TVET and CET Colleges paints a bleak picture regarding the pipeline of skills supply. As Figure 19 illustrates, completion rates fall far short of enrolment rates.

Figure 19. Comparison of Learner Enrolments and Completion Rates 2014-2021

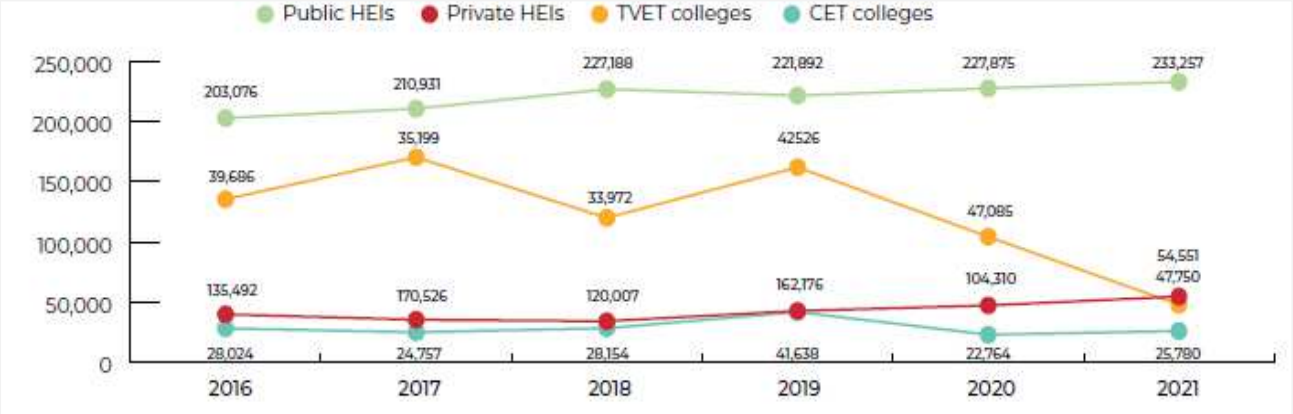


Source: (DHET, 2024)

A detailed analysis of the data reveals a worrying trend of low completion rates within CET Colleges, TVET Colleges, and public universities – see Figure 20. Together, these institutions account for more

than 90% of the country's student enrolment. Several tracer studies reveal several underlying reasons which need to be addressed for the situation to be turned around. Key among them is access to learning materials and the quality of the school-leaving qualifications.

Figure 20. Comparison of Learner Enrolments and Completion Rates 2016-2021



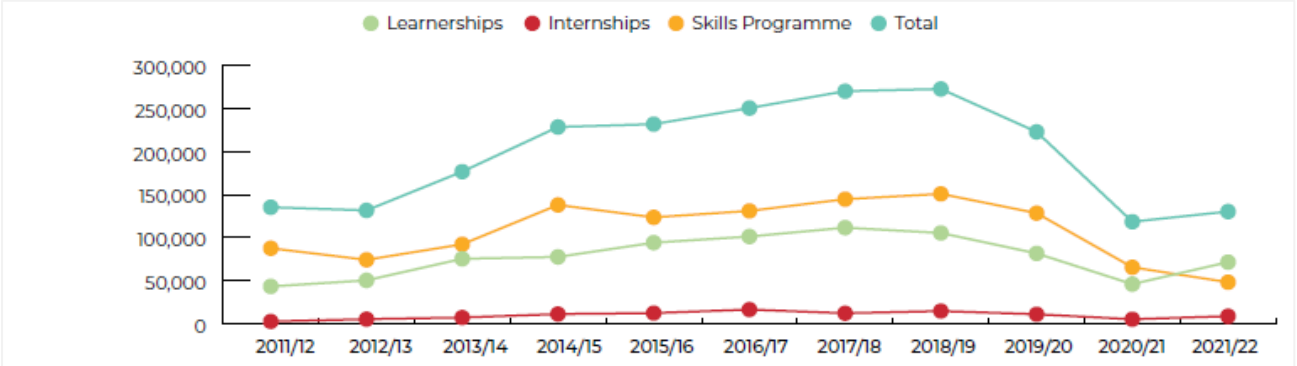
Source: (DHET, 2024)

The following section explores the skills supply situation in the SETA space. Like the HEIs, completion rates in the SETA space are worrying. The major challenge in the latter is the lack of workplaces that provide learners with experiential learning opportunities. Unlike HEI qualifications, occupational qualifications offered by SETAs include a workplace learning component.

Sector Education and Training Authorities

There are 21 SETAs responsible for different sectors, as determined by DHET. There has been a steady increase in the enrolment of learners over the last five years. Enrolment in learnerships has surpassed that of other programmes, followed by Skills Programmes. Figure 21 illustrates this trend.

Figure 21. Learner Enrolment in all 21 SETAs, 2011-2021

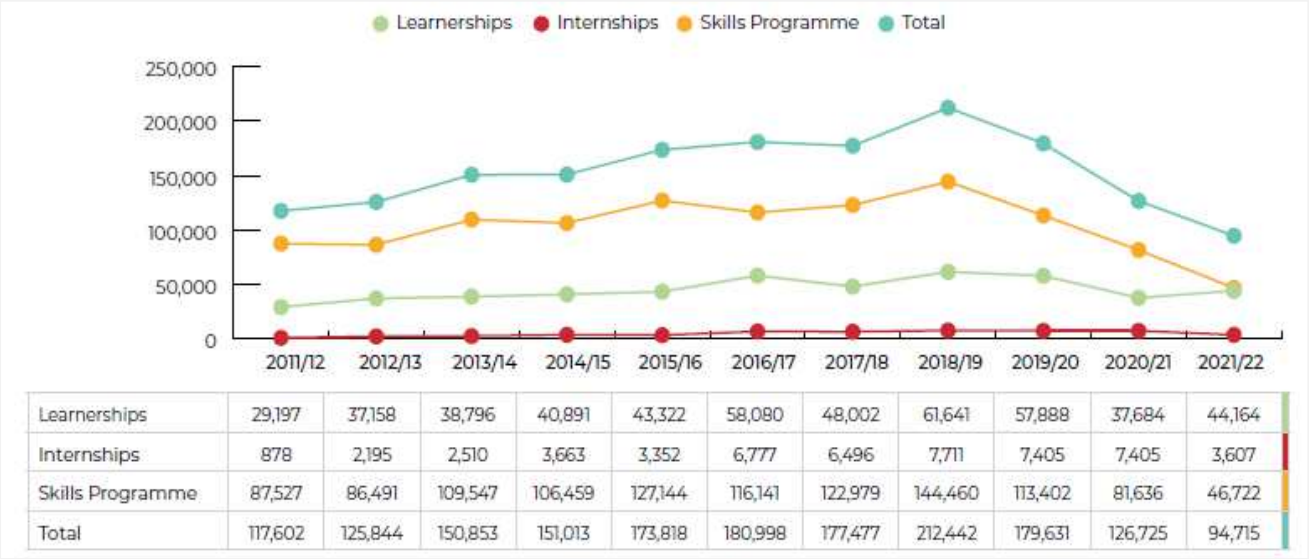


Learnerships	43,871	50,885	75,782	77,931	94,369	101,447	111,681	105,548	81,988	46,546	71,921
Internships	3,452	6,127	8,017	12,006	13,135	17,216	12,935	15,482	11,784	6,022	9,598
Skills Programme	87,906	74,587	92,508	137,880	123,593	131,017	144,531	150,674	128,438	65,973	48,745
Total	135,229	131,599	176,307	227,817	231,097	249,680	269,147	271,704	222,210	118,541	130,264

Source: (DHET, 2024)

In line with the enrolment trend above, Skills Programmes registered the highest completion rates, followed by Learnerships. While also realising a steady increase in completion rates, internship programme completion rates are far lower than the enrolments, as Figure 22 illustrates. This is a problem common across all SETAs that needs closer scrutiny.

Figure 22. Learner Completion in all 21 SETAs, 2011-2021

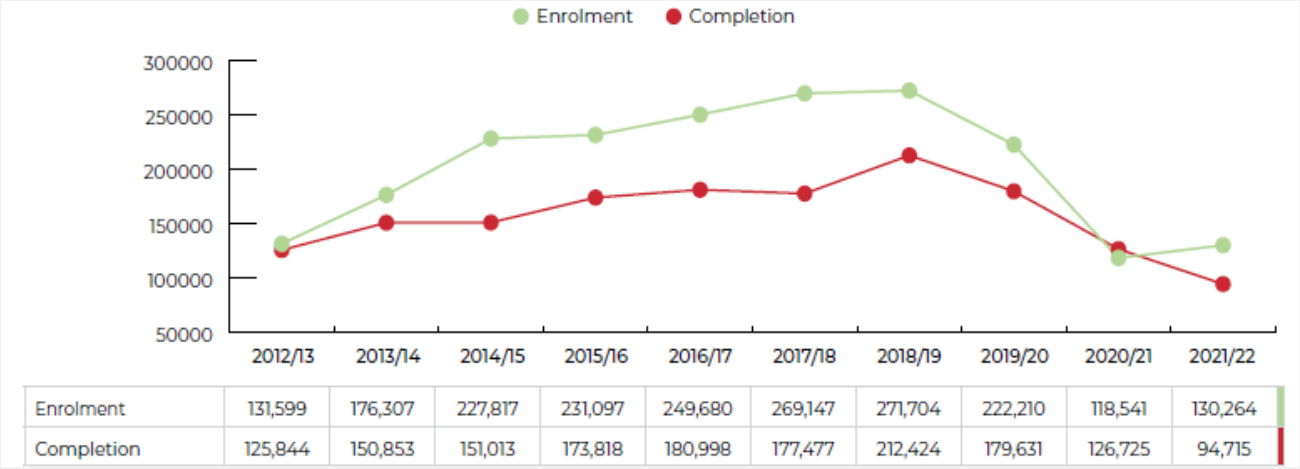


	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Learnerships	29,197	37,158	38,796	40,891	43,322	58,080	48,002	61,641	57,888	37,684	44,164
Internships	878	2,195	2,510	3,663	3,352	6,777	6,496	7,711	7,405	7,405	3,607
Skills Programme	87,527	86,491	109,547	106,459	127,144	116,141	122,979	144,460	113,402	81,636	46,722
Total	117,602	125,844	150,853	151,013	173,818	180,998	177,477	212,442	179,631	126,725	94,715

Source: (DHET, 2024)

The discrepancy between enrolment and completion rates is aptly illustrated in Figure 23. The gap between the two is increasing instead of declining. Even more worrying is that completion rates appear to fall instead of increasing or remaining constant.

Figure 23. Comparison of Total Learner Enrolment and Completion in all 21 SETAs 2012/13 - 2021/22



	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Enrolment	131,599	176,307	227,817	231,097	249,680	269,147	271,704	222,210	118,541	130,264
Completion	125,844	150,853	151,013	173,818	180,998	177,477	212,424	179,631	126,725	94,715

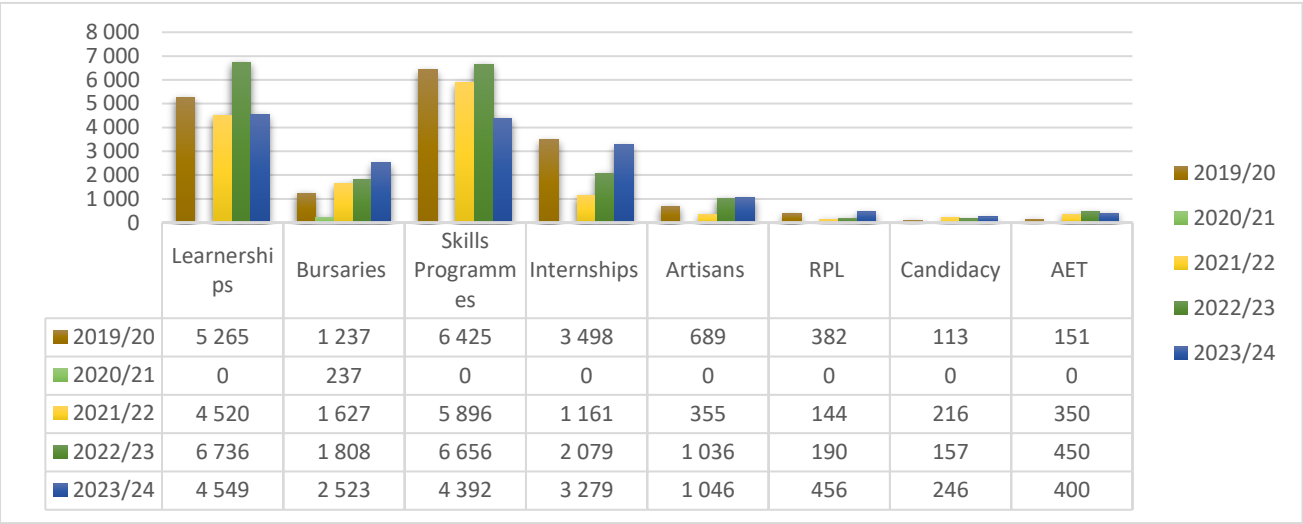
Source: (DHET, 2024)

The overall decline in completions within the PSET system places severe pressure on SETAs to enhance the pipeline of exiting learners. The following section provides an overview of the Services SETA's contribution to the skills supply for the services sector.

b) Services SETA-funded learning interventions

The services SETA has made a noticeable contribution to skills development in the last five years – see Figure 24. The highest enrolment rates are in the Learnership Learning Programme, followed by internship. These two learning programmes are critical because they primarily benefit young people and women. The latter category is, in most cases, new entrants to the labour market. These programmes equip them with relevant work experience and exposure to the world of work.

Figure 24. Services SETA Learner Enrolment, 2019/20 – 2023/24



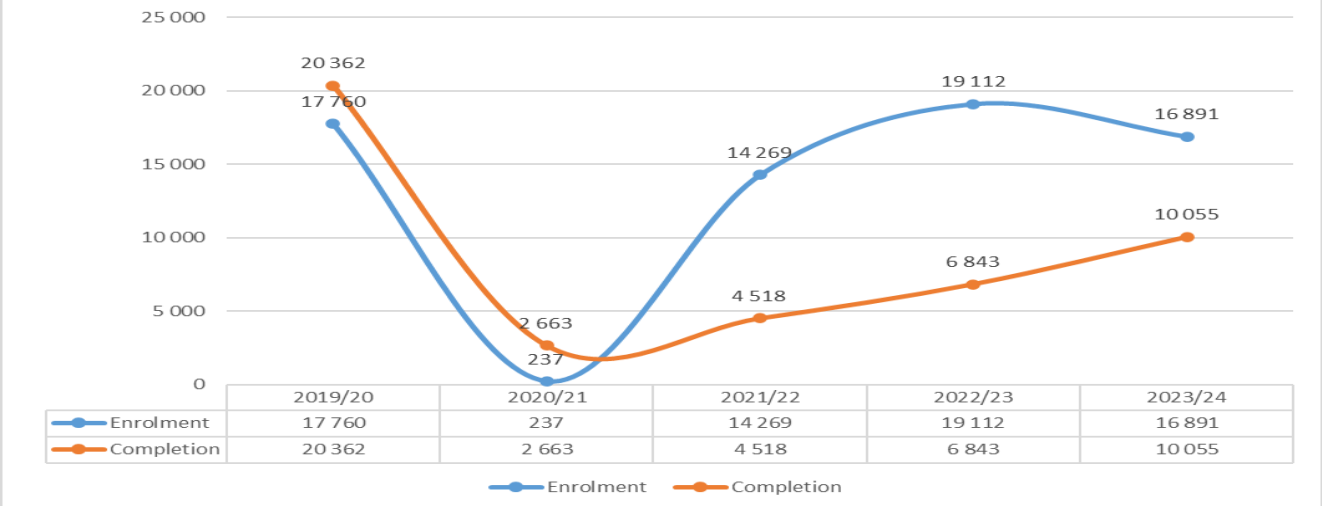
	Learnerships	Bursaries	Skills Programmes	Internships	Artisans	RPL	Candidacy	AET
2019/20	5 265	1 237	6 425	3 498	689	382	113	151
2020/21	0	237	0	0	0	0	0	0
2021/22	4 520	1 627	5 896	1 161	355	144	216	350
2022/23	6 736	1 808	6 656	2 079	1 036	190	157	450
2023/24	4 549	2 523	4 392	3 279	1 046	456	246	400

Source: (Services SETA Annual Report 2023/24)

Another critical area of improvement is Skills Programmes. As discussed above, this programme is ideally suited for already-employed learners who require top-up skills.

Regarding completion rates, the Services SETA, like other SETAs above, falls behind in terms of completion – see Figure 25. Tracer studies revealed several reasons for this situation. Key amongst them is the high rate of dropouts. Learners are often tempted to quit learning programmes when they find employment or receive an enrolment acceptance from another SETA, TVET college, or university.

Figure 25. Services SETA Learner enrolment and completion, 2019/20-2023/24



	2019/20	2020/21	2021/22	2022/23	2023/24
Enrolment	17 760	237	14 269	19 112	16 891
Completion	20 362	2 663	4 518	6 843	10 055

Source: (Services SETA Annual Report 2023/24)

The next section looks at the interventions developed by the Services SETA to improve the pipeline of skills supply for the sector.

3.3.2. Supply problems experienced by employers

Employers bemoan the lengthy turnaround time required to develop occupational qualifications to meet industry demands. Given the rapid changes in the economy, employers' skills needs change correspondingly fast. The slow pace of developing new occupational qualifications or aligning existing ones fails to keep pace with industry needs. For this reason, employers are advocating for non-credit-bearing top-up skills programmes to prepare the workforce for new, rapid developments in the labour market. This request goes against the DHET's principle of horizontal and vertical articulation. Grading of skills programmes enables workers to articulate their skills as described, while promoting lifelong learning as envisioned in the Constitution and the Education Act.

3.3.3. Interventions planned to address supply-side challenges

To respond to current skills demand within the services sector, approximately 74 occupational qualifications (i.e., 55 occupational qualifications and 19 Skills Programmes) have been developed and registered with the QCTO. Most of these occupational qualifications and skills programmes have been developed to address occupational shortages within the sector, as shown in Table 23 below.

Table 23. Registered Occupational Qualifications (Full/Part) and Skills Programmes

REGISTERED OCCUPATIONAL SKILLS PROGRAMMES	REGISTERED OCCUPATIONAL QUALIFICATIONS
1. SP-210603 - Advanced Spatial Intelligence Data Scientist L5 2. SP-191215 - Barber L 3 3. SP-230301 - Chemical Hair Reformation Attendant L 4 4. SP-291202 - General Residential Repairer L3 5. SP-230302 - Hair and Scalp Treatment Attendant L2 6. SP-230303 - Hair Colouring Attendant L4 7. SP-230304 - Hair Cutting Attendant L4 8. SP-230305 - Hairstylist L3 9. SP-210401 - New Venture L2 10. SP-210604 - Spatial Data Intelligence Scientist L5 11. SP-211009 - Workplace Essential Skills L4 12. SP-240205 - Coffee Bar Technician's Assistant L3 13. SP-240204 - Mortician's Administrator L3 14. SP-201201 - Workplace Preparation L2 15. SP-191205 - General Garden Maintenance Worker L1 16. SP-210501 - Assistant Handyperson L3 17. SP-210409 - Conflict Management L5 18. SP-250126 - Crime Scene Cleaner L3 19. SP-250127 - High-Pressure Water Jet Operator L3 20. SP-250708 - Managing workplace discipline L5 21. SP-250709 - Payroll Calculation Worker L4 22. SP-250710 - Project Management Facilitator (Project Management for Non-Project Managers) L6 23. SP-250711 - New Venture Creation L2	1. 99687 - Contact Centre Manager L5 2. 117469 – Embalmer L6 3. 117470 - Embalmer's Assistant L5 4. 102147 - Facilities Manager L6 5. 99692 - Garden Worker L2 6. 102497 - Hairdresser L4 7. 117372 - Laundry Finisher L2 8. 117370 - Laundry Sorter L2 9. 117371 - Laundry Washer L2 10. 117369 - Laundry Worker L2 11. 104621 – Mortician L3 12. 101869 - Project Manager L5 13. 118251 - Recruitment Manager L5 14. 118706 - Marketing Coordinator L5 15. 118748 - Labour Inspector L5 16. 118740 - Office Supervisor L5 17. 118769 - Quality Assurer L5 18. 118768 - Quality Manager L6 19. 118714 - Real Estate Agent L4 20. 118741 - Small Business Consultant L5 21. 118730 - Healthcare Cleaner L3 22. 118709 - Commercial Cleaner L1 23. 118711 - Commercial Ablution Cleaner L1 24. 118712 - Above Surface Cleaner L1 25. 118710 - Kitchenette Cleaner L1 26. 118713 - Commercial Floor Cleaner L1 27. 119450 - Market Research Analyst L5 28. 119446 – Stonemason L4

24. SP-250712 - Confined Space Worker L2	29. 119452 - Stone Engraver L4 30. 119449 - Stone Polisher L4 31. 119448 - Erector L3 32. 101876 - Management Assistant L5 33. 102161 - Office Administrator L5 34. 102944 - Conference and Events Organiser L5 35. 97232 - Survey Interviewer L4 36. 120670 - Auctioneer L4 37. 121150 - Human Resource Management Administrator L5 38. 121151 - Human Resource Management Officer L6 39. 121152 - Human Resource Management Advisor L7 40. 121607 - Beauty Therapist L4 41. 121627 - Beauty Practitioner L4 42. 121647 - Body Therapist L4 43. 121667 - Manual Skincare Therapist L4 44. 121668 - Eye Grooming Therapist L4 45. 121669 - Make-Up Consultant L4 46. 121670 - Nail Therapist L4 47. 121671 - Temporary Hair Removal Therapist L4 48. 121672 - Body Care Therapist L4 49. 121673 - Body Massage Therapist L4 50. 121690 - Franchise Manager L6 51. 121787 - Payroll Manager L6 52. 121689 - Cleaning Practitioner L3 53. 121691 - Principal Real Estate Agent L5 54. 122235 - Mortician L3 55. 122234 - Garden Worker L2

To further build capacity within the services sector, the following qualifications (part and/or full) and skills programmes are being developed, re-aligned, or reviewed, as the case might be – see Table 24.

Table 24. Occupational Qualifications (Full/Part) and Skills Programmes Under Development/ review/re-alignment

Occupational qualifications planned for 2023/24 and deferred to 2025/26	Occupational qualifications identified for development in 2025-2027	Occupational qualifications identified for development in 2025-2027
1. Business Development Manager 2. Community Scheme Manager 3. Facilities Management Supervisor 4. Facilities Manager 5. Business Broker 6. Nail Technician 7. Management Assistant (Executive Assistant) 8. Office Administrator 9. Conference and Events Organiser (Events Organiser) 10. Survey Interviewer 11. New Venture Creation 12. Barber 13. Payroll Administrator 14. Coffin Maker 15. Public Relations Practitioner	1. Sponsorship Liaison Officer/ Funding Generator/ Deal Originator 2. Wig Maker 3. Crematorium Operator 4. Micro Needling 5. Contact Centre Quality Assurer 6. Contact Centre Operations Facilitator (Senior Agent) 7. Enterprise Resources Planner (Small Business Strategist: Business Planning and Strategy Planning) 8. Human Resource Management and Practice Support 9. First Line Manager	67. Developing Emotional Intelligence 68. Payroll Clerk 69. Dispute Resolution 70. Industrial Relations 71. Employment Compliance for Labour Inspectorate 72. Recruitment and Selection 73. Researchers on Worker-Related Issues 74. Resident Panellist 75. Workplace Essential Skills 76. Employee/Workplace Harassment 77. Conciliation and Arbitration Commissioner 78. Small Business Marketing Specialist

Occupational qualifications planned for 2023/24 and deferred to 2025/26	Occupational qualifications identified for development in 2025-2027	Occupational qualifications identified for development in 2025-2027
16. Promotions and Public Relations Coordinator 17. Media and Public Relations Coordinator 18. Quality Manager 19. Recruitment Manager 20. Contact Centre Data Optimiser 21. E-Commerce Practitioner 22. Pet Care/Grooming (Professional Groomer and Stylist Practitioner) 23. Domestic Housekeeper 24. Project Manager 25. Project Administrator 26. Transformation and Change Manager 27. Labour Relations Practitioner 28. Hiring Support Coordinator 29. Payroll Calculations Worker 30. Working at Heights for Telecommunication and Construction (Rope Access Technician) 31. Safety at Heights for Telecommunication and Construction (Confined space worker) 32. Digital Marketer 33. Business Support Coordinator 34. Labour Inspector (Labour Relations Designated Agent) 35. Business Operations Manager 36. Contact Centre Manager 37. Contact Centre Supervisor 38. Contact Centre Agent 39. Contact Centre Debt Collection Agent 40. Contact Centre Sales Agent 41. Contact Centre Customer Services Agent 42. Hairdresser 43. Healthcare Cleaner 44. Funeral Director 45. Image Consultant 46. Employment Consultant 47. Entrepreneurial Business Manager 48. Entrepreneur 49. Cleaning Practitioner 50. Property Entrepreneur 51. Cleaning Operations Manager 52. Cleaning Contract Manager	10. Child Minder/Nanny 11. Hiring Operations 12. Working at Heights for Telecommunication and Construction (Prefabricated Tower Erector) 13. Contact Centre Workforce Planner 14. Interior Design and Décor 15. Timeshare Agent 16. Beauty Therapist (Advanced) 17. Corporate General Manager 18. Administrative Assistant 19. Car Washer 20. Real Estate Practical Skills 21. Property Investor 22. Property Management Practitioner 23. Health and Skincare Therapist 24. Director of Marketing 25. Call Centre Customer Service Representative / Consultant (Outbound, Collections) 26. Post Office Manager 27. Postal Supervisor 28. Mail processing & sorting 29. Postal Services Operations 30. Media specialist 31. Digital Skills: Artificial intelligence and generative Artificial intelligence applications 32. Customer service excellence 33. Sales and Marketing skills 34. Communications Specialist 35. Advanced Beauty Technician 36. Advanced Spa Therapist 37. Advanced Facial & Body Hair Grooming Technician 38. Facial Electrotherapy Technician 39. Advanced Wellness Massage Technician 40. Advanced Body Care & Body Electrotherapy Technician 41. Advanced Spa Technician 42. Advanced Eyelash & Eyebrow Enhancement Technician 43. Advanced Temporary Hair Removal Technician 44. Bond and bridging finance originators	79. Strategic Leadership 80. Manager (Foundational Principles of PM vs LEAN) 81. Property Manager (Public Sector) 82. Garden Maintenance Worker 83. Spatial Intelligence data scientist 84. Advanced Spatial Intelligence data scientist 85. Laundry Worker 86. Laundry Washer 87. Laundry Sorter 88. Laundry Finisher 89. Embalmer 90. Embalmer's Assistant 91. Marketing Coordinator 92. Office Supervisor 93. Real Estate Agent 94. Small Business Consultant 95. Commercial Cleaner 96. Commercial Ablution Cleaner 97. Above Surface Cleaner 98. Kitchenette 99. Market Research Analyst 100. Stonemason 101. Stone Engraver 102. Stone Polisher 103. Erector 104. General Residential Repairer 105. Employee Performance Manager 106. Quality Assurance Analyst 107. Quality Assurance Technician 108. Quality Control Team Leader 109. Quality Control Inspector 110. Business Practice Fundamentals 111. Rope Access Practitioner 112. Rope Access Supervisor 113. Rope Rigger 114. Work at Height Risk Assessor 115. Work at Height Supervisor 116. TSP Operator 117. TSP Erector 118. Fall Arrest Technician 119. Fall Protection Planner 120. Confined Space Planner 121. Climbing Equipment Inspector 122. Pedestal Mounted Ladder (PML) User 123. TSP Supervisor 124. Advanced prefabricated tower erector

Occupational qualifications planned for 2023/24 and deferred to 2025/26	Occupational qualifications identified for development in 2025-2027	Occupational qualifications identified for development in 2025-2027
53. Entrepreneurial E-Commerce Manager 54. Makeup Artist 55. Business Consultant 56. Problem Solving and Decision Making/ Problem Solver and Decision Maker 57. Front-Line Office Liaison Representative 58. Operational Supervisor/Planner 59. Team Development and Management/ Team Builder & Motivator 60. Employment Equity 61. Employment Relations Officer 62. Workplace Discipline 63. Effective Negotiation Skills 64. Customer Service Manager 65. Termination Assistant	45. Payment processing agents 46. Property Advertising Platform 47. Plant, Machinery and Equipment Valuer 48. Property Market Research and Financial Modelling Valuer 49. Valuation of Heritage Buildings and Cultural Assets Valuer 50. Personal Property Valuer 51. Hygiene Services Operations 52. Lattice and Mast Tower Erector 53. Advanced Fall Arrest Rescuer 54. Basic Fall Arrest Operator 55. Confined Space Rescuer 56. Confined Space worker 57. Ergonomics Risk Assessor 58. Fall Prevention 59. Ladder Use 60. Pole Climber 61. Rope Access Technician 62. Ethical Leadership 63. Performance Management 64. Diversity Management 65. Finance for Non-Financial Managers 66. Customer Service Excellence/Customer Service Liaison	125. Anchor line specialist 126. Class A Anchor Installer 127. Class A Anchor planner 128. Prefabricated tower erector 129. Basic Temporary Works Designer 130. Work at Height Instructor

3.4. Transition from Legacy Qualifications to Occupational Qualifications

On 24 December 2020, the Minister of Higher Education and Training published Government Gazette No. 44031, indicating the end of the registration life cycle 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 of the date for additional historical qualifications aligned with the industry demand.

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

The proclamation also allows for QCTO, South African Qualifications Authority (SAQA) and DHET to consider these within the framework set up in GG50742. Authorities are developing criteria to guide DQPs for the extensions. This also provides an opportunity for various industries through chambers

to submit additional requests where qualifications have not yet been realigned, and for SETAs to assess these requests for submission to the QCTO. Our Chamber Operations, Qualifications Development, and Maintenance units are engaging affected industry stakeholders in this regard.

3.5. Sectoral Priority Occupations and Interventions

This section explains methods (including consultative processes) the Services SETA employed in identifying occupations in the Sectoral Priority Occupations and Interventions list – outlined in Table 25, including the process followed to identify Emerging Occupations; what informed the interventions and quantities indicated in Services SETA's Sectoral Priority Occupations list as well as what informed the interventions and quantities indicated in the List of Emerging Occupations. The following occupations appeared frequently in the three SSP SPOI lists during the MTSF 2019-2024 period: Healthcare Cleaner, Project Manager, Mortician, Software Developer, and Real Estate Agent.

The Services SETA included these occupations in the top 10 list because they had not been addressed in previous years. As an organisation, we aim to ensure that occupations on our priority list are addressed, which is why they appear in multiple SSPs. The following is the 2026/27 MANCO-approved SPOI list. It will be noted that the Healthcare cleaner and Real estate agent occupations still appear, and this is due to the same reason mentioned above: Call Centre Manager; Collections Consultant; Garden Worker; Healthcare Cleaner; Industrial Relations Advisor; Multimedia Designer; Real Estate Agent; Skin Care Therapist; Stonemason; Transformation Manager.

3.5.1. Methods and processes followed in compiling priority lists

a) Primary and Secondary Data

A thorough literature review preceded the analysis of sectoral priority occupations and the intervention list for the services sector. A wide-ranging literature review was conducted to understand the demand and supply of skills in the services sector. Key documents included the World Economic Forum's report on the "Future Jobs" (2016) and the United Nations University WIDER Working Paper on "Understanding and characterising the services sector in South Africa" (2016).

Analysis of performance information constituted one component of the secondary data analysis. Performance information analysis included analysing enrolment data and WSPs. A descriptive evaluation research design was conducted to report on enrolled, planned or completed employer-funded and Services SETA-funded skills development interventions between 2020 and 2024. The analysis was based on critical measures focused on access and participation, learner completion, relevance, and skills supply. The WSP and ATR data submitted to the Services SETA by employers between 2024 and 2025 were also analysed to investigate areas of planned training, where training takes place, and areas that require interventions through the Professional, Vocational, Occupational, Technical, and Academic Learning (PIVOTAL) programme.

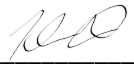
b) Stakeholder Engagements

The Services SETA conducted virtual stakeholder engagements from May 19th to 22nd, 2025, to compile and validate the list. The workshops aimed to validate the list of hard-to-fill vacancies and skills gaps generated from the WSP/ATR and employer interviews. The sampling strategy used here was convenience sampling, as participation was limited to employers present at these workshops.

Table 25. Services SETA Priority Occupations List 2026/27

SETA NAME	PERIOD	OCCUPATION CODE	OCCUPATION	SPECIALISATION/ ALTERNATIVE TITLE	INTERVENTION PLANNED BY SERVICES SETA	NQF LEVEL	NQF ALIGNED	QUANTITY NEEDED	QUANTITY TO BE SUPPORTED
Services SETA	2026/27	2021-143905	Call Centre Manager	None	Bursary/Learnership	5-6	Yes	300	500
Services SETA	2026/27	2021-422202	Outbound Contact Centre Consultant	Collections Consultant	Skills Programme/Internship	3-4	Yes	100	1,000
Services SETA	2026/27	2021-821401	Garden Worker	Garden Services Worker	Skills programme/Recognition of Prior Learning (RPL)	2	Yes	100	200
Services SETA	2026/27	2021-811202	Healthcare Cleaner	None	Learnerships/RPL	2	Yes	300	800
Services SETA	2026/27	2021-242304	Industrial Relations Advisor	Industrial Relations Advisor	Skills Programme	3	No	50	200
Services SETA	2026/27	2021-216603	Multimedia Designer	Digital Media Designer	Bursary/Skills Programme	4-6	Yes	80	200
Services SETA	2026/27	2021-333901	Auctioneer	None	Bursary/Learnership/Internship	4-5	Yes	140	400
Services SETA	2026/27	2021-514201	Skin Care Therapist	Beauty Therapist	Learnership/Skills Programme	4-5	Yes	150	500
Services SETA	2026/27	2021-641301	Stonemason	Headstone Maker	Artisan/ Learnership	3-4	Yes	50	100
Services SETA	2026/27	2021-242102	Organisation and Methods Analyst	Transformation Manager	Skills programme/Learnership	4	Yes	50	50

Acting CEO Signature:



Mr Sibusiso Dhladhla

Services SETA Administrator Signature:



Mr Lehlogonolo Masoga

c) Validation and Approval Process

The validation and approval process will be conducted through surveys and the GRSC. Validation considerations will ensure a fair and equitable distribution of the list across the six chambers, promoting transformation by focusing on marginalised industries and the low-ranking workforce. This approach will meet the industry's current needs, consider recent developments, and respond to identified change drivers. The AA will make the approval through their Executive Committee (EXCO) as per our delegation of authority approval framework. In the absence of the board, the list was approved by Services SETA Managers with the leadership of the Administrator.

3.5.2. SETA Sectoral Priority Occupations: Process that informed the interventions and quantities

The Services SETA, in consultation with key stakeholders, estimated the quantity of the Priority Skills list as reflected in Table 25. The following methodology was followed:

The top ten occupations were identified for each chamber, based on the average number of planned interventions captured in the WSP submissions to the Services SETA between 2022 and 2024. The average number of enterprises that submitted WSPs between 2023 and 2024 was determined for each chamber. The average number of planned interventions was divided by the average number of WSP submitted to determine the average number of interventions per enterprise. The full population of both levy-paying and non-levy-paying enterprises operating in Services SETA-related sectors were identified per chamber. The projections are based on a linear forward projection of planned training interventions, assuming that the average number of planned interventions for the period 2023-2024 will also be applicable for future years. No other exogenous factors are considered for these projections.

3.5.3. Emerging Occupations: Process that informed the interventions and quantities

Emerging occupations were identified through employer interviews discussed above, engagement with industry stakeholders, an online survey and the use of the Services SETA skills forecast model.

3.5.4. Envisaged outcomes from the identified interventions

These interventions aim to strengthen the capacity to supply skills demanded and relevant to the services sector, ensuring alignment between industry skills needs and the supply of a skilled workforce. This addresses the mismatch between demand and supply.

3.6. Conclusion

This chapter presents occupational shortages and skills gaps, with reference to hard-to-fill vacancies, as well as the extent and nature of the supply. Reasons for hard-to-fill vacancies include a lack of qualified people and a lack of relevant experience, in the main. Based on the discussions in Chapters 1, 2 and 3, consideration was given to: (i) Ensuring the pipeline of supply that there are sufficient and relevant qualifications on offer; (ii) That there are sufficient training providers, including assessors and moderators; and (iii) Adequate funding through Discretionary Funding is allocated to SPOI programmes through skills programmes, internships, artisans, learnerships and bursaries. The Sectoral Priority Occupations and Interventions (SPOI) list indicates interventions that have been prioritised for implementation. Prioritisation of the list considered the priority areas of the ERRSS.

CHAPTER FOUR: SETA PARTNERSHIPS

4.1. Introduction

This chapter reports on existing and proposed partnerships between the Services SETA and key role players to implement skills development interventions effectively. The Services SETA has partnered with several post-education and training role players, including public, private, and non-profit entities, as well as labour organisations, to deliver skills development for the services sector. Progress on the existing partnerships will be provided. Furthermore, the success factors and challenges encountered in existing partnerships will be outlined, along with a description of planned partnerships and a successful SETA partnership model/approach.

To achieve the identified strategic objectives of Services SETA and national skills development priorities relevant to the services sector, the Services SETA has identified the need to form key partnerships with:

- Education and Training institutions (public)
- Industry and Professional bodies
- Employers
- Government Departments
- Municipalities and District departments

The Memorandum of Agreement (MoA) or MoU will be concluded to finalise the partnership.

4.2. An analysis of existing SETA partnerships

The Services SETA recognises the importance of effective partnerships in achieving its strategic objectives. Our partnership model is built around bringing together all key stakeholders in the services sector and the skills planning ecosystem, including government departments, Education and training institutions, industry bodies, and private sector businesses. Furthermore, the Services SETA has recently reviewed its current business operations through the Organisational Design process, and it has found the importance of the following principles in implementing its partnerships and collaborations to ensure collective success:

- Collaboration with partners is based on careful planning and research that will contribute to the successful implementation of the project/s.
- Clearly established strategies and goals with all parties in the partnership by ensuring all partners understand their role in the value chain.
- The Services SETA effectively manages risk through partnerships to ensure that mitigation measures are implemented timeously without delaying the implementation of the project/s.
- Project management contributed to the project's success. The partnership management implements key project management principles, including clear contractual objectives and Terms of Reference (TOR), regular communication, and strict time and budget management, all of which align with project deliverables.

Table 26 outlines the nature, aim and duration of each partnership.

Table 26. List of Existing Partnerships with the Services SETA

Type & Nature	Name of institution/ partner organisation	The term and duration of the partnership	Objective(s) of the partnership	Value of partnership
TVET/CET (Strategic Partnerships)	**Infrastructure Development Support** * Motheo College - Motheo Artisans Skills Academy * Ikhala College – Cala Skills Development Centre * Eastern Cape CET – Ngqeleni Skills Development Centre * KZN CET College – Kokstad Skills Development Centre * South Cape TVET College – Beaufort West Skills Development Centre * Northern Cape Rural TVET – Prieska Skills Development Centre * Buffalo City College – Mount Coke Skills Development Centre * Mthashane College – Dumbe and Mkhuze Skills Development Centres	1 Apr 2021/22 – 31 Mar 2029/30	To support the TVET Colleges in infrastructure development, equip lecturers with relevant skills, and deliver our learning interventions.	The Services SETA established these partnerships with TVET and CET colleges to strengthen the supply of skilled and capable workforce for the services sector.
TVET/CET (Education and Training Partnerships)	**Public College System Capacitation** * Nkangala TVET College * Ekurhuleni West TVET College * Boland TVET College * Capricorn TVET College * False Bay TVET College * Northern Cape TVET College * Flavius Mareka TVET College * Tshwane North TVET College * Ingwe TVET College * Sekhukhune TVET College	1 Apr 2024/25 – 31 Mar 2029/30	To build capacity within the TVET College space to implement Services SETA occupational qualifications.	Ability to implement SETA qualifications through the public college system for broader reach and value for money.

Type & Nature	Name of institution/ partner organisation	The term and duration of the partnership	Objective(s) of the partnership	Value of partnership
	* Sedibeng TVET College * Central Johannesburg TVET College * ORBIT TVET College * Gauteng West TVET College			
	Centres of Specialisation * Majuba TVET College * Gert Sibande TVET College * Tshwane South TVET College * Umfolozi TVET College * Flavius Mareka TVET College * Port Elizabeth TVET College * College of Cape Town * Tshwane South TVET College * East Cape Midlands TVET College	30 Jan 2022 – 31 March 2029/30	To deliver artisanal development programmes by building capacity in the Centres of Specialisation.	Support to Centres of Specialisation pursuant to the national artisan programme
University (Special Project Partnerships)	**Bursary Funding** * DUT * University of Limpopo * UFS * Vaal University of Technology * CPUT * University of Venda * CUT * University of Zulu Land * Mangosuthu University * Tshwane University of Technology	1 Apr 2021/22 – 31 Mar 2029/30	To provide bursary opportunities for the missing middle students and lecturers' development.	Improved pipeline of supply for industry-aligned skills needs.
Government (Strategic Partnerships)	**Municipalities** * Beaufort West Municipality * Mkuze Local Municipality * Buffalo City	1 Apr 2021/22 – 31 Mar 2029/30	To construct and build capacity to operationalise the Skills Development Centres.	To increase access to skills development in the communities.

Type & Nature	Name of institution/ partner organisation	The term and duration of the partnership	Objective(s) of the partnership	Value of partnership
	Metropolitan Municipality * Merafong Local Municipality * Raymond Mhlaba Local Municipality * Umkhanyakude District Municipality * Quality Council for Trades and Occupations			
	Government Departments * Department of Roads and Public Works Northern Cape (Prieska) * Department of Social Department (Dumbe/Paul Pietersburg)			
	Quality Assurance * QCTO	1 Apr 2021/22 – 31 Mar 2029/30	To develop/ realign/ review occupational qualifications and accredit SDPs.	Increase access to occupational qualifications.
Employer Partnerships (Education and Training Partnerships)	Partnerships with Top 25 Levy Paying Entities	01 April 2025 – 31 Mar 2026	For the implementation of Services SETA learning interventions (various).	Strengthening relationships with employers.
	Professional Bodies * South African Association of Health and Skincare Professionals * Institute for Work at Height * Property Practitioners Regulatory Authority * South African Council for the Property Valuers Profession * South African Insurance Association South African Institute of Auctioneering * South African Facilities Management	1 Mar 2024 – 31 Mar 2026	For the implementation of Services SETA learning interventions (Learnerships for Unemployed) Business mentorship capacitation programme	Support the growth of the services sector.

Type & Nature	Name of institution/ partner organisation	The term and duration of the partnership	Objective(s) of the partnership	Value of partnership
	Association * Association of BBBEE Professionals * Institute of Business Advisors South Africa			
	Industry Bodies * Franchise Association of South Africa * Private Security Industry Regulatory Authority Property Sector Charter Council * South African Institute of Black Property Practitioners * South African Payroll Association South African Professional Auctioneering Association * Real Estate Business Owners of South Africa * Institute of Estate Agents of South Africa * Institute of Real Estate Management * South African Young Independent Practitioners Association South * African Youth in Property Association * Real Estate Transformation Advisory Services of South Africa, Real Estate Transformation Association of South Africa * National Property Forum * Property Practitioners Institute			

Type & Nature	Name of institution/ partner organisation	The term and duration of the partnership	Objective(s) of the partnership	Value of partnership
	* South African Property Owners Association * Institute of Estate Agents of South Africa * National Property Practitioners Council * National Association for Managing Agents * Community Scheme Ombud Service * Department of Public Works and Infrastructure * South African Institute of Valuers			

4.3. Partnership performance analysis

4.3.1. Successful Partnership/s

The TVET/CET education and training partnerships are the most successful partnerships. This is a partnership with DHET and TVET/CET college. The Services SETA reached out to all 52 TVET colleges and 9 CET colleges in the country to form a partnership for jointly implementing occupational qualifications. Fourteen TVET colleges and seven CET colleges responded to the call for expressions of interest, resulting in an MoA with these institutions. This partnership aims to implement occupational qualifications through these institutions and build the requisite capacities through various interventions, including short skills programmes, industry exposure, and bursaries. This partnership will assist the organisation to achieve over 60% of its APP targets.

The following is the process that was followed in implementing this partnership;

1. The call for expression of interest was sent to all TVET/CET colleges to ensure fairness, and interested institutions will respond as per their needs.
2. A budget was determined.
3. Partners were identified and consulted.
4. Project/Capacitation plan is drafted and sent to all parties and approved.

Monitoring and evaluation will occur within all project stages to ensure the project is on track and no delays are anticipated. Should any issues arise, they will be identified and addressed promptly during the implementation phase. The project closure report is one of the deliverables outlined in the MoU, ensuring that lessons learnt are documented.

4.3.2. Challenges in Partnership/s

There are challenges with the Strategic Partnerships. The main part of this partnership is the construction of Skills Development Centres to benefit local communities. The industry is currently facing the threat of construction mafias, which makes working conditions on site unbearable by forcefully soliciting funds from contractors and disrupting work on site. The Services SETA has, in this regard, joined forces with the South African Police Services (SAPS) to respond to this scourge proactively. Community protests, motivated by local politics in various areas, also had a disruptive effect during the project. To ensure legislative compliance and professional workmanship, the Services SETA has appointed a panel of professionals responsible for all technical matters related to each project.

4.4. Proposed Partnerships

In implementing the *SETA Integrated High Impact Programme* and the NSDP 2030, the Services SETA identified a need to form new partnerships, as the interventions required cut across different sectors, some of which fall outside the scope of the services sector. These partnerships, presented in Table 26, will also assist the Services SETA in achieving their MTDPs by enabling access to employment, public service capacity and entrepreneurship.

Table 27. Services SETA's contribution SIHIP

High Impact Programme	Nature of partnership	Rational
1. Public Sector Institutional Delivery Capacitation.	TVET (Education and Training Partnerships) to build public college capacity.	With the move to occupational-directed programmes, the Services SETA will forge partnerships with TVET Colleges to build the capacity to deliver our programmes to industry.
2. Significant Reduction of Unemployment of young people, including graduates.	Funding to implement joint partnerships with public colleges and employers to implement occupational qualifications.	To address the mismatch between skills demand and supply, and secure work placement for learners and graduates.
3. Sustainable Entrepreneurial, SMME, and Cooperatives development.	Partnership with Wits Business School to support SMMEs with relevant skills to grow their businesses.	We are also exploring the possibility of rekindling our relationship with the Department of Small Business Development (DSBD), as most of our stakeholders are SMMEs and require programmes aimed at business growth.
4. Holistic digitisation and advancement of technological infrastructure, research, and development.	Research chair on the impact of 4IR on the services sector.	Improve Services SETA labour market intelligence, surveillance, and skills demand forecast.
5. Effective and Efficient Shared Services on Information and Communication Technology for SETA–wide Learner Management System.	Inter-SETA partnership to implement interventions that fall outside of the services sector, including the sharing of LIMS platforms.	Collaborations with MICT SETA on the development of the Learner Information Management System
6. Rural Development for Community Impact.	Partnership with rural communities, tribal authorities, and municipalities in addressing skills development in the rural areas.	Operationalisation of skills development centres located in rural areas. Social awareness around GBV and crime.

4.5. Reflection on Important Partnerships in the past 5years

Below we have outlined the reflections of the key partnerships in the last 5 years (2020/21 – 2024/25):

- The Education and Training Partnership with the QCTO is the most effective partnership that we have with regard to the realignment/development of occupational qualifications. Through this partnership, Services SETA provided funding to the QCTO to hire up to 40 additional short-term staff to assist with verifying submitted occupational qualifications by SETAs. To date, we have developed and/or realigned 74 occupational qualifications (i.e., 55 Occupational Qualifications + 19 Skills Programme) that have been registered with the QCTO to address current skills demand within the services sector.
- The Special Project Partnership with Universities South Africa (USAf) assists us in the implementation of the bursaries' performance indicators. We have a long-term partnership with this partner, who assists in recruiting and enrolling the bursary beneficiaries, and no challenges have been encountered thus far.
- Though there are shortcomings with some of the Strategic Partnerships, we can attest to the fact that we have managed to launch the complete Skills Development Centres, which are for the benefit of the communities. We are working on operationalising these centres. This partnership contributes to the *SETA Integrated High-Impact Programme initiative, which* addresses rural and infrastructure development.

4.6. Conclusion

This chapter highlights best practices for effective partnerships that facilitate replication across the Services SETA landscape. Partnerships are of great importance to the NSDP 2030. Strategic partnerships aim to consolidate resources with various stakeholders to expand the provision of skills development opportunities. Education and Training partnerships aim to fund marginalised learners to ensure inclusivity. Special projects partnerships seek to target marginalised businesses, such as SMMEs and those in rural areas. The Services SETA will continue to monitor and assess the implementation of these partnerships to improve their effectiveness.

CHAPTER FIVE: SETA MONITORING AND EVALUATION

5.1. Introduction

This chapter discusses Monitoring & Evaluation (M&E) practices within the Services SETA. It outlines the frameworks and strategies employed, as well as their effectiveness. It reflects the state of implementation of the strategic priorities outlined in the last SSP submitted. This chapter's conclusion outlines the key implications for skills development programmes and interventions for the Services SETA.

5.2. Sector Skills Planning Reflections

This section outlines Services SETA's current approach to M&E, explaining how it utilises information from the previous year's Annual Report and Reports from the Tracer Studies to inform research and planning. It also monitors Strategic Skills Priorities from the previous SSP, as captured in the Strategic Plan and APP, and tracks the status of implementing interventions and measures that support National Strategies and Plans from the previous planning cycle. Additionally, it monitors the implementation status of Strategic Skills Priorities from the previous planning cycle.

5.2.1. Services SETA's approach to M&E

The Services SETA's M&E approach is informed by the Policy Framework for the Government-wide Monitoring and Evaluation System (DPME, 2007), as well as the SETA-Wide M&E framework developed by the DHET (2028). The GWM&E system recognises the role of evaluations, performance information, and social, economic, and demographic statistics in the M&E function. Services SETA's M&E approach is further informed by the government's approach to planning, which places greater focus on outcomes and impact, and results-based management frameworks embedded in the Theory of Change philosophy.

Figure 26. Services SETA's M&E Framework



This planning philosophy and approach aim to help the organisation focus on outcomes and impact rather than outputs (numbers), ensuring alignment with the government's current mandate. Such an approach is crucial for skills development interventions that aim to produce high-quality graduates who contribute to economic growth and social development. This approach to performance monitoring and evaluation is further strengthened by the realisation that M&E occur at different levels and intervals, e.g., organisational, departmental, or programme level, and can take place monthly, quarterly, or annually, as demonstrated in Figure 26.

As Figure 26 illustrates, the Services SETA's M&E framework delineates between monitoring and evaluation activities. The monitoring function considers processes, compliance, financial organisational performance, and financial considerations. Reporting occurs frequently and routinely to ensure efficiencies and improved performance. A dedicated unit, Performance Verification and Reporting, is tasked with this responsibility.

Evaluation, by its nature, is a one-off activity that typically takes place at the mid- or end-term of the project/programme. The mid-term evaluation ensures that the intervention is on track to achieve the intended results. In contrast, the end-term evaluation is meant to investigate whether the intended outcomes or impacts have been realised. As a public entity, the Services SETA holds itself to ensuring value for money from its intervention. As a result, evaluation studies are conducted on strategic interventions to determine their value. A dedicated unit, Impact Assessment, is tasked with this responsibility.

Outputs from the monitoring and evaluation functions are fed back into the planning process to inform strategic decision-making. The Skills Planning Unit is responsible for developing key decision-making indicators and incorporating them into strategic documents, such as the Sector Skills, Strategic, and APPs, and ultimately, the Annual Report. The latter constitutes a public accountability mechanism.

5.2.2. Use of Annual Report data to inform research and planning

This section aims to illustrate how the Services SETA utilises information from the previous year's performance information, annual reports, and research reports, including tracer studies and internal and external audits, to inform research and planning.

Research forms the basis of the Services SETA's plans. M&E research utilises performance reports, formative assessments, and evaluation research to inform key strategic plans, including the Sector Skills Plan, Strategic Plan, and APP. M&E data is used to:

- Assess the effectiveness, relevance, and impact of Services SETA's interventions in responding to transformational imperatives;
- Evaluate the implementation of learning programmes targeted at the sector occupational shortages list;
- Analyse why intended results are not achieved; thus, gather lessons learnt, leading to recommendations for improvement;
- Provide data for policy development and qualification development;
- Provide data for planning and implementation of future projects;
- Inform the quantity, quality, and content of new occupations to be developed, and

- Provide reports used to assess the outcomes and impact of the National Skills Development Strategy (NSDS) and the Services SETA's strategic objectives.

Section 5.3 discusses measures implemented to strengthen achievements and skills priorities. These measures are informed by the activities outlined above.

5.2.3. Reflections of the M&E function Over the Past 5 years

The Services SETA has sought hard to strengthen M&E practices within the organisation. This has been primarily achieved by establishing the Strategy & Planning Department, whose sole responsibility is to develop and update strategic documents, including the SSP, SP, and APP, as well as to conduct research, mobilise the industry, and develop and maintain qualifications.

Gaps in the implementation of M&E in Services SETA include the fact that, while an M&E framework exists, the evaluation practice is at a high level, that is, at an organisational performance level, and lacks specificity, with no clear impact indicators to be monitored for effective measurement of impact. Furthermore, the monitoring practices are confined to the APP performance indicators, and therefore, do not incorporate other key organisational/departmental activities that contribute to the overall organisational performance. Lastly, the current M&E approach is very narrow. It is considered the sole responsibility of the research and reporting departments. This approach overlooks the crucial role played by core and support departments in enabling organisational performance.

To address this shortcoming, we have established a measurement framework, including the Theory of Change, which serves as the foundation for developing an effective M&E function. This framework is customised and fit-for-purpose to ensure that the activities performed are effective in fulfilling our mandate, through ongoing assessment of outputs and evaluation of our outcomes and impacts. It also incorporates key organisational activities that drive organisational performance but are not in the APP. Key operational and support functions are incorporated into the M&E framework to ensure effective monitoring and evaluation. The guidelines are reviewed annually to ensure responsiveness and continuous learning.

5.2.4. Prior year SSP Strategic Priorities captured in the Strategic Plan and Annual Performance Plan

Table 28 illustrates the alignment between the Strategic Skills Priorities and the Strategic Plan, as well as the APP. This analysis will ensure greater alignment between the three key strategic priorities documents of the Services SETA.

Table 28. SSP Priorities, SP Outcomes and APP Outputs Alignment

Strategic Skills Priorities	Strategic Plan Outcome	Annual Performance Plan Output
1. Foster Inter-SETA collaborations, industry, and government partnerships to support skills development in the services sector.	**Outcome 2:** Coherent and aligned skills planning mechanism with accurate forecasting of sector demands for skills and qualifications that promotes evidence-based planning.	Establishment of partnerships to support skills development
2. Drive adoption of Technology and Digitisation in the services sector and address the mismatch between demand and supply.		Research, monitoring, and reporting

3. Implementation of an organisational-wide M&E Framework to improve performance management.		
4. Support economic recovery and growth through the promotion of SMME development in the services sector.	**Outcome 3:** Promote access to technical, managerial, and entrepreneurial skills across the service sector.	Increased skills development support for entrepreneurs in SETA offerings.
5. Work with QCTO and industry role players to complete and implement registered occupationally directed qualifications.	**Outcome 4:** Enhanced Quality Assurance efficiencies to execute QCTO delegated functions for high organisational performance.	Strengthening the development and alignment of SETA qualifications to occupational qualifications in high demand.

5.2.5. Implementation of the National Strategies and Plans and SSP Priorities

This section examines the extent to which national strategies and plans, including priority actions identified in the prior year's SSP, have been achieved. These action plans informed both the Strategic Plan and the Annual Performance for the 2025/26 financial year. Achievements are outlined below.

5.2.5.1. National Strategies and Plans

Table 29. Implementation of National Strategies and Plan

National Strategies and Plans	Plan of Action	Measures to support
National Skills Development Plan 2030	The primary task of Services SETA is to implement the NSDP 2030, which aims to identify and increase the production of occupations in demand, link education and the workplace, enhance skills levels in the workforce, and increase access to occupationally directed programmes.	Our APP is aligned with the NSDS 2030 Outcomes. * **Outcome 1:** Enrolled over 50,509 learners to date and anticipate increasing this number to 75,000 by 2030. * **Outcome 2:** Formed a collaboration partnership between 14 TVET colleges and industry. Continuous funding of internship programmes working with workplaces and institutions of higher learning. * **Outcome 3:** Advertised for Expression of Interest to employers to upskill their workforce. * **Outcome 4**: Developed over 74 occupational qualifications and will develop a further 20 occupational qualifications in the 2025/26 financial year. * **Outcome 5**: We have formed partnerships with all universities, TVET colleges and CET colleges. We currently offer funding to TVET/CET colleges through bursaries for lecturers and managers, as well as infrastructure support and funding for Adult Education and Training (AET) programmes delivered by them. * **Outcome 6:** Forged long-term partnerships with Small Enterprise Development Agency (SEDA) and DSBD. We have developed an e-learning platform with a variety of learning programmes focusing on SMME/Entrepreneurship development.

National Strategies and Plans	Plan of Action	Measures to support
		* **Outcome 7:** Supported over 19 trade unions, and some are also part of our Chamber Committees, which are the advisory structure to Services SETA's board. We have partnered with CCMA to train our trade unions, and this partnership is ongoing. * **Outcome 8:** Supporting career events in rural and urban areas, we have supported over 104 events
White Paper on Post-School Education and Training	The Services SETA has forged strategic partnerships with TVET Colleges and Universities to ensure improved access to quality learning programmes, increased relevance of skills development interventions and built strong partnerships between stakeholders and social partners.	We have formed a strategic partnership with 14 TVET Colleges to deliver our occupational qualifications. Once they are accredited, they will be collaborating with industries to provide skills development.
Economic Reconstruction and Recovery Plan	Bursary funding for 200 beneficiaries to enrol on the Call/Contact Centre Manager qualification. Review of the Contact Centre Manager Occupational Qualifications (99687 - Level 5)	The contact centre manager occupational qualification has been developed, and currently, the DG has been offered to entities to implement this qualification. We also offered funding to the Contact Centre Management Group (CCMG) to enrol beneficiaries in the contact centre occupational qualification.
Presidential Youth Employment Intervention	The Services SETA is committed to this initiative by providing Internship opportunities to TVET college, CET college and university graduates. Each year, the Services SETA sets a target to contribute to the Presidential and DHET's target of placing these graduates.	Services SETA is still providing funding to support this initiative. The organisation recruits interns annually to be placed at the Services SETA for a period of one year, and most of these interns have been employed full-time in administrative and officer positions by us. We continue to track the whereabouts of those who have completed the programme and are not employed by Services SETA.
Medium-Term Development Plan 2025-2029	The Medium-Term Strategic Framework (MTSF) 2019-2024 is the medium term towards the achievement of the NDP, replacing the MTSF by aligning with the international naming conventions and emphasising developmental outcomes using three strategic priorities namely; Priority 1: Drive Inclusive Growth and Job Creation; Priority 2: Reduce poverty and tackle high cost of living, and Priority 3: Build a capable, ethical and developmental state.	The Services SETA is training SMMEs/Entrepreneurs using the e-learning platform. We also continuously offer funding to implement internships for our graduates, ensuring they are employable. 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.

5.2.5.2. Sector Skills Plan Priorities

Table 30. Implementation of SSP Priorities

Priority	Plan of Action	Progress Update
Implementation of an organisational-wide M&E Framework to improve performance management.	The M&E framework, currently under development, is expected to be ready for implementation in the second quarter of the 2024/25 financial year. Considering the above-mentioned discussions, it is important to pay attention to this Action Plan. 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.	The developed framework will strengthen the M&E practices within the organisation. The Services SETA aims to be a leading entity in the practice of monitoring and evaluation. The organisation's approach is informed by the Policy Framework for Government-wide Monitoring and Evaluation System (2007) as well as the government approach to planning, which places greater focus on outcomes and impact – results-based management frameworks embedded in the Theory of Change philosophy. In introducing this organisational-wide Monitoring and Evaluation Framework, Services SETA is affirming its commitment to monitoring and evaluation as something that does not just happen at the programme level, but at different levels and intervals.
Foster Inter-SETA collaborations, industry, and government partnerships to support skills development in the services sector.	Collaborations and partnerships remain critical to the Services SETA in 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.	The Services SETA is working closely with DHET, QCTO and MERSETA to build capacity within the TVET sector to implement occupational qualifications. Furthermore, the Chamber Operations, with the guidance of Chamber Committees, opened a DG window targeting the industry and the public college sector to promote their participation in SETA-funded skills development interventions. 14 TVET and 7 CET colleges seized the opportunity, and various interventions aimed at building their capacity to supply are being rolled out.
Work with QCTO and industry role players to complete and implement registered occupationally directed qualifications.	Closer collaboration between Services SETA and the QCTO has resulted in considerable improvements in the development of occupational qualifications. This progress, notwithstanding, there is still more work to be covered in this space. SETA develops numerous occupational qualifications in collaboration with industry, which are currently awaiting review and approval by the QCTO. The backlog is mainly due to the lack of human resource capacity at the QCTO.	The SETA funded 35 University Interns on a one-year contract to provide support at the QCTO. In addition, and as part of this package, Services SETA made funding available for the appointment of Subject Matter Experts to address the backlog of review of occupational qualifications submitted for review and registration.

Priority	Plan of Action	Progress Update
	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 final stage of conclusion. Services SETA will continue to work with the QCTO to realise the objective of building capacity to supply relevant and updated occupational qualifications to meet industry needs.	
Drive the adoption of technology and digitisation in the services sector, thereby addressing the mismatch between demand and supply.	4IR is one of the key drivers of skills demand and supply in the services sector, as illustrated in Chapter 2 of this SSP. Additionally, the government's ERRP has identified digital skills as a critical area for economic growth and job creation. 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.	The SSP frameworks, which incorporate future industry skills requirements within the context of the Fourth Industrial Revolution (4IR), commenced in September 2024 and are scheduled for completion by 31 July 2025. The study aims to enhance understanding of the transformative impact of 4IR on the sector, assess the current alignment of occupational roles with emerging 4IR-driven changes, and identify the future skills required to support sectoral growth and competitiveness. Further to the research above, a planned research project on the impact of technology and digitisation on Services SETA as a whole is scheduled for 2025-26. The primary objective is to examine occupational shifts in the services sector to drive technological advancements.
Support economic recovery and growth through the promotion of 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 key entities for driving economic growth and creating jobs. As new entrants into the market, SMMEs are flexible and capitalise on the prevalence of dominant economic activities in niche markets to grow their operations. As they expand their operations, revenue increases, creating more job opportunities. SMMEs are also linked to the promotion of transformation, as most SMMEs are owned by women, are predominantly black, and are young.	The Services SETA has a department dedicated to the upliftment of SMMEs. On average, the Services SETA provides skills development opportunities to over 1000 SMMEs, co-operatives and Non-Governmental Organisations (NGOs). The training is augmented with follow-up coaching and mentorship to provide post-training support to SMMEs and entrepreneurs.

5.3. Plan of Action

This section outlines the mechanisms for strengthening the Services SETA's M&E function and implementing measures aimed at enhancing the execution of Services SETA's planning documents (SSP, SP & APP), including initiatives to improve skills planning.

To strengthen the M&E function, we ensure that all role players are engaged in the development of the framework to eliminate miscommunication during the implementation of the organisational strategy. All users are equipped with the knowledge to manage this function.

The following measures should be initiated to improve skills planning;

- Tracer studies on our beneficiaries, including business start-ups.
- Develop and monitor subsector growth and development plans.
- Have an effective stakeholder engagement framework.
- Continuous monitoring and evaluation of the implementation through the APP.
- Monitor and report on performance information.
- Automation of the M&E for easier tracking of performance.

To improve the implementation of the SSP, SP & APP, the following measures should be in place:

- Development of an organisational Annual Operations Plan. This plan aims to monitor the implementation of the APP to ensure the achievement of organisational targets while ensuring alignment with the SSP priorities.
- Organisational strategy implementation/staff capacitation – this is to ensure inclusivity in the implementation of SETA planning documents by all staff, and bottlenecks are to be addressed early.
- Development of an organisational balance score card with a clear focus on (i) learning and growth (people management),(ii) systems and business processes (tools/systems to enhance our effectiveness and efficiency of performance), (iii) financial health (effective utilisation of resources to ensure financial sustainability to meet our mandate), and (iv)stakeholder satisfaction (responsiveness to the services sector). This scorecard will ensure the smooth implementation of the organisational strategy.

5.4. Conclusion

This chapter discussed the skills planning process at the Services SETA regarding institutional arrangements and staffing capacity. It demonstrated the strong alignment between planning, and monitoring and evaluation at the Services SETA by ensuring that the functional departments work together and have the same reporting line. Secondly, the chapter reflected on progress against priority actions. Significant progress has been made in providing support to SMMEs and enhancing working relationships with the QCTO. Reasonable progress has been made to develop an M&E framework, which is expected to be finalised this financial year and will be implemented immediately.

CHAPTER SIX: STRATEGIC SKILLS PRIORITY ACTIONS

6.1. Introduction

This chapter consolidates and presents key findings on skills from previous chapters, focusing on strategic priority actions for the sector. The previous chapters provided the information and analysis, a response in the form of planned actions that are realistic, consistent, and achievable. This Chapter provides a set of strategic skills and priority actions and is not a detailed operational plan.

6.2. Findings from Previous Chapters

Chapter 1 highlighted that the South African economy is struggling to grow at the required pace and might be heading into a recession. Underlying causes are mostly structural. These include declining industries in manufacturing, mining, and agriculture. The trade balance deficit further pronounces these challenges; South Africa imports more than it exports. Despite these challenges, the services sector remains a central component of the South African economy. It continues to lead in terms of contribution to the Gross Domestic Product, at 22%, despite the decline in the overall growth rate. The sector creates employment opportunities for more than 2 million people, equivalent to 28% of the national employment rate. A challenge facing the sector is that it is shedding jobs at the lowest levels of the employment hierarchy; elementary and domestic workers are most affected. As pointed out above, this is the area where many employees in this sector are concentrated, more than 40%. This highlights the need to upskill lower-level workers and to focus on SMMEs, leveraging digital skills.

Chapter 2 addresses key drivers for change in skills development and their impact. Technology and digitisation, economic performance, globalisation, legislation, and climate environment were identified as key change drivers in the services sector. The 4IR has a profound impact across sub-sectors and industries. The most impacted subsectors include marketing, contact centres, labour recruitment, business services and cleaning services. In addition, a longer-term view is required toward a just transition, recognising the impact and social interventions needed to secure jobs as the economy shifts to sustainable production. The skills development system needs to recognise the rapid pace of change and seek to be responsive and proactive. Displaced workers, those who lose jobs due to business closures, retrenchments, and obsolete skills, need to be a priority to stem the further growth of unemployment, which has already reached critical levels. Chapter 2 further highlights the alignment between the Services SETA's skills development initiatives and key national policies and strategies, such as the National Growth Plan, the White Paper on Post-School Education and Training, the NSDP 2030, the NDP 2030, the Economic Reconstruction and Recovery Skills Strategy, and the Just Energy Transition strategy.

Chapter 3 discusses skills issues in the services sector. The chapter identifies vacancies that are difficult to recruit for – specifically, hard-to-fill vacancies and skills gaps. The emergent list of hard-to-fill vacancies indicates that the sector struggles to recruit for high-level skills (NQF Level 6 and above) such as managerial, professional, and technical occupational categories. Moreover, IT-related

skills seem to be in higher demand. These are regarded as productive occupations that largely drive economic growth in the sector. Equally, skills gaps are concentrated in social skills such as solving complex problems, people management and cognitive skills. The SETA Priority Occupations and Interventions list, developed by Services SETA, was compiled using several data sources evaluated against criteria that focus on transformational and national imperatives, as well as labour and social demands.

The analysis of partnerships in **Chapter 4** indicates the Services SETA's partnership model to promote access to skills development. Various strategies have been devised and implemented to increase access to skills development. These involve partnerships with universities, colleges (including TVET and Community Colleges), government departments, industry, and state-owned entities, as well as collaboration with other SETAs.

Chapter 5 addresses M&E practices at the Services SETA. It emphasises the centrality of performance information and audit reports in informing the organisation's decision-making process. Key decisions are derived from the pipeline and risk analyses, as well as the review exercise. This chapter further reflects Services SETA's performance against the skills development priority actions of previous years. Four of the five action plans were achieved. Intervention measures have been put in place to realise the five-action plan.

6.3. Measures to support national strategies and plans

This section discusses national strategies and plans to which the Sector Skills Plan is aligned. It will also provide examples of interventions put in place to support this initiative.

Table 31. Measures to support national strategies and plans

National Strategy/Priority	Services SETA Support
NSDP, 2030	The Services SETA has (i) established two university research chairs, namely the M&E Research Chair (Rhodes University) and the Organising Framework for Occupations (OFO) Research Chair (REAL, WITS). It supports 16 Skills Development Centres across the country, with a special focus on rural areas. It has collaborated with Motheo TVET College and the Construction SETA to construct a National Artisan Academy in Mangaung. An Entrepreneurship and Cooperative Development Institute has been launched to support SEDA and Small Enterprise Finance Agency (SEFA) in growing small micro enterprises (SMEs).
Reimagined Industrial Strategy	This policy aims to increase economic growth and development potential in both local and international markets (global value chains). Re-industrialisation and localisation hold great potential if successfully achieved. South Africa faces high unemployment rates and an enormous skills shortage, which will obstruct the reindustrialisation drive before it starts. More than 6 million South Africans are unemployed, and youth unemployment remains stubbornly above 50% (Business Day, 2018). Skills interventions are required to support the Department of Trade and Industry's (dti) IPAP, Special Economic Zones (SEZs), and designated trades, including those related to contact or call centres and business advising.
Economic Reconstruction and Recovery Plan	The ERRP aims to boost economic growth following a prolonged period of negative growth, which has been exacerbated by the COVID-19 pandemic. The Plan identifies key sectors of the economy that require urgent attention. The services sector is one of the industries identified. The DHET's ERRSS identifies key occupations and skills gaps needed

	to support the implementation of the ERRP. The Services SETA has identified these occupations and skills gaps for inclusion in the current SSP. The Department of Higher Education, Science, and Innovation has developed a skills development strategy to support this initiative. The Services SETA has identified scarce and critical skills prioritised by the Department for inclusion in this SSP. These include Call or Contact Centre Manager, Quality Manager, Contact Centre Resource Planner, Contact Centre Forecast Analyst, Inbound Contact Centre Consultant, Outbound Contact Centre Consultant, Contact Centre Real-Time Advisor, and Call or Contact Centre Agent. These lists of scarce and critical skills have been incorporated into the lists of hard-to-fill vacancies, skills gaps, and priority lists for implementation in the next financial year. Efforts are also underway to accommodate these lists in the 2023/24 financial year.
Presidential Youth Employment Intervention	As illustrated in Chapter 2, the Services SETA has aligned its internship programmes for CET, TVET and University graduates in support of the presidential initiative. Annual targets are set in consultation with DHET and monitored quarterly, biannually and annually.

National Digital & Future Skills Strategy

The Department of Communications and Digital Technologies leads this initiative. This strategy aims to develop a roadmap for priority digital skills action points and a roadmap for stakeholder collaboration. It has eight Strategic Levers. Three of these Levers speak directly to the mandate of SETAs.

Table 30. Services SETA's Response to the National Digital Skills Strategy

Strategic Lever	Description	Services SETA response
Digital Foundations Basic and Intermediate Skills – Lever 1	Digital Curricula: A curriculum development initiative is needed for computing, coding, and a wide range of digital skills relevant to the continuously evolving digital skills requirements.	Identification and development of digital skills needs for the services sector.
Digital Futures and Mastery – Lever 2	Open online courses: a viable model for the development and rollout of open online courses covering digital skills is essential to ensure scalability and sustainability.	Aggressive rollout of the current e-learning platform and inclusion of more programmes for wider impact.
Skills for Industry 4.0 and the World of Work – Lever 3	Digital skills for Economy 4.0: All 21 SETAs must incorporate digital skills planning in their sector skills plans.	Identification and inclusion of digital skills needs for the services sector in the Services SETA's SSP.
	Research on digital skills, digital disruption, and the labour market: Annual SETA surveys to focus on current and future digital skills needs emerging in South African industries and forecast skills gaps and needs.	Inclusion of research studies on digital skills in the SSP research agenda.
Funding for Digital Skills – Lever 8	Funding for digital skills: SETAs should consider funding for basic digital skills sets. Additionally, SETAs should include sector-appropriate digital skills development within training programmes and internships.	Services SETA SSP has identified the basic digital skills demanded by the services industry, and these are addressed through APP.

Medium Term Development Plan Outcomes

As previously defined in Chapter 2, this plan, which consists of three priorities — namely, driving inclusive growth and job creation, reducing poverty and tackling the high cost of living, and building a capable, ethical, and developmental state — aims towards the achievement of the NDP and the

principles of the Government of National Unity. The alignment with the Services SETA's priorities for 2025-2030 is illustrated below.

Table 31. Measures to support the MTDP priorities

Priority/Outcome	Description	Measures in place
MTDP Priority 1: Drive Inclusive Growth and Job Creation	Focuses on rapid, inclusive, and sustainable economic growth to create jobs.	The current focus of the Services SETA is entrepreneurship and cooperative 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 suite of occupational qualifications to meet current industry needs to enable the services sector entrepreneurs to thrive.
MTDP Priority 2: Reduce poverty and tackle the high cost of living	Aims to reduce poverty, tackle the high cost of living, and ensure that social assistance is leveraged for local economic development.	The Services SETA is committed to supporting the government's transformation programme, which prioritises women, youth, people with disabilities, and those living in rural areas for job opportunities, as demonstrated above.
MTDP Priority 3: Build a capable, ethical, and developmental state	Aims at building a capable, ethical, and developmental state, which is critical for the success of priorities 1 and 2.	Services SETA has partnered with DHET and QCTO to build capacity in the public sector through targeted interventions in public colleges and universities, as well as traditional authorities.

6.4. Measures to address Transformational Imperatives

The Services SETA is cognisant of the challenges facing South Africa, the previously disadvantaged groups, in particular the youth, women, and people living with disabilities. The services sector is one of the sectors that lags in transformation. One of the implications for skills development is the need to pay special attention to transformational imperatives. Not surprisingly, equity consideration is one of the underlying reasons for some of the hard-to-fill vacancies identified by our sector stakeholders. The SETA will make funding available for focused skills development initiatives, projects, and interventions aimed at driving transformation in the skills development ecosystem to improve efficiencies. The identified interventions will be measured through the APP for the 2026/27 financial year. To assess the effectiveness, relevance, and impact of Services SETA's interventions in responding to transformational imperatives, the M&E research will be used.

6.5. Planned Strategic Priority Actions

In line with the SSP Framework and Guidelines, the Services SETA has developed SSP Priority Actions over the years. These actions were monitored continuously to track progress. Where sufficient progress had been made, concerned priority actions were retired or modified to align with current developments in the industry and the sector as a whole. Overall, the Services SETA has been responsive to changes in the sector and the broader economy, as demonstrated by adjustments in priority actions that frequently respond to new challenges. Priority actions requiring mention in this context include support for SMMEs and effective M&E practices at the Services SETA. The growth of

the SMME sector remains a top priority for the government and Services SETA, given the critical role this sector plays in driving economic growth and creating job opportunities. Effective M&E practices are crucial to measuring the impact of the Services SETA in the services sector and informing decision-making processes.

The following key strategic priorities will be prioritised for the 2026/27 financial year:

1. Implementation of an organisational-wide M&E Framework to improve performance management
The M&E framework, currently under development, is expected to be ready for implementation in the second quarter of the 2024/25 financial year. Considering the discussions provided above, it is important to pay attention to this Action Plan. 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, industry, and government partnership to support skills development in the services sector
Collaborations and partnerships remain critical to the Services SETA in fulfilling its mandate. The complementary nature of SETA's work with other key PSET role players makes it imperative to forge collaborations and partnerships with other like-minded entities. The SETA Integrated High Impact Programme discussed above places greater emphasis on collaborations and partnerships among SETAs as well. 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 the QCTO has resulted in considerable improvements in 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 final stage of conclusion. The Services SETA will continue to work with the 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 and supply in the services sector, as illustrated in Chapter 2 of this SSP. Additionally, the Government's ERRP has identified digital skills as a 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 through promotion of SMME development in the services sector
Chapter 1 painted 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 key entities for driving economic growth and creating jobs. As new entrants into the market, SMMEs are flexible and capitalise on the prevalence of dominant economic activities in niche markets to grow. As they grow their operations, revenue increases, and more jobs are created. SMMEs are also linked to the promotion of transformation, as most SMMEs are owned by women, black individuals, and young people. The Services SETA will continue to invest heavily in this sector through various interventions, not limited to training or capacity building, but also including ongoing support in the form of mentoring and coaching.

6.6. Conclusion

This chapter provides a summary of chapters 1-5, emphasising the implications for skills development and the interventions developed by Services SETA to respond to these implications. Key priority actions to address the skills demand and supply gap in the services sector have been outlined.

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