W&RSETA
SECTOR SKILLS PLAN (SSP)
2023 – 2028

FINAL SUBMISSION

Updated 01 August 2022

higher education
& training
Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

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I. FOREWORD

This final version of the Sector Skills Plan (SSP) for the Wholesale and Retail Sector Education and Training Authority (W&RSETA) for 2023/24. The SSP is prepared in accordance with Department of Higher Education and Training (DHET) Sector *Skills Plan Framework and Requirements (Revised 2019).*

The principal aim of this SSP is to develop a "roadmap" for skills development in the wholesale and retail sector in South Africa. Hence, it is necessary to identify factors driving change in the sector, occupational supply and demand imbalances, skills gaps in the internal labour market of companies, and priority skills development interventions. These are determined through extensive research, literature review and stakeholder consultations country wide. The stakeholder consultations have been completed and Workplace Skills Plan (WSP) / Annual Training Report (ATR) analysed, and this input has been used to inform this SSP submission.

We have considered national policy issues in the *Economic Reconstruction and Recovery Plan (ERRP), New Growth Path (NGP), Human Resource Development Strategy of South Africa (HRDSA), National Development Plan (NDP), Industrial Policy Action Plan (IPAP), National Skills Development Plan (NSDP)* and *Skills Accord* in the development of the SSP.

The Sector Skills Plan is submitted to the Minister of Department of Higher Education and Training in compliance with the requirement of the *Skills Development Act 1998 (as amended)* and the *National Skills Development Plan (NDSP).*

APPROVED BY:

29/07/2022

Mr. Tom Mkhwanazi **Date**
Chief Executive Officer (CEO)

29/07/2022

Mr. Reggie Sibiya **Date**
Board Chairperson

II. EXECUTIVE SUMMARY

The W&RSETA Executive summary highlights the key areas of the SSP per chapter and also indicates the progress made in the annual development of the SSP.

Chapter 1 (Sector Profile): The trade sector[1] employed 20% of the active labour force in the fourth quarter of 2021.

- **Economic performance**: In the fourth quarter (Q4) of 2021 the Gross Domestic Product (GDP) increased by 1.2%, with five industries, including trade, recording positive growth. Trade, increased by 2,9% due to eased lockdown restrictions.
- **Economic performance of W&R Sector:** The South African wholesale trade and retail trade industries both increased by 7,3% and 7,7% respectively in January 2022.
- **Labour market profile**: The trade sector employed 2 896 000 people in 2021, which is about 20% of all employment. The number of people in formal employment decreased by 0.4 million to 9.8 million in the period of 10 years, which is 67,12% of South Africa's total employment. The informal sector accounts for 17,8% (2.6 million people) of South Africa's total employment. It is important to note that COVID-19 may have influenced reduced employment in the sector from early 2020 onwards.
- **Representation of people with disabilities within the sector:** According to report by Commission for Employment Equity (2018-2019), people with disabilities are least represented in the South African labour market and access remains a challenge. The South African people with disabilities are featured more prominently in the public sector as compared to the private sector. Only 5% of wholesale and retail workers are people with disabilities.

To respond to some of the challenges facing people with disability in the sector, W&RSETA has identified disability as a priority and interventions will be implemented to ensure representation and awareness.

Chapter 2 (Key Skills Change Drivers): Key drivers of change within the sector include:

- **COVID-19:** The virus is an unprecedented public health emergency that is rapidly transforming the way we all live our lives. It is also mandating significant changes to retail and commerce. In this dynamic time of humanitarian and social uncertainty, what we buy, how we buy, and when and where we buy is undergoing a seismic shift. This movement brings about changes in the way business is conducted and how consumers and retailers respond to these changes is different. Implications for Skills Planning in the Sector include the health and safety of customers, employees, and partners remains of paramount importance; slowdown in business activity; decline in revenue; increased demand for e-commerce; and prioritize reskilling and retraining to minimize job losses.
- **Technological Advancements and increased access to information:** Technology is changing the wholesale and retail industry. These changes include mobile applications, online shopping, big data, social media, cyber-crime, mobile phones, and internet usage.
- **Data Privacy and Protection of Personal Information Act:** All businesses in South Africa are now required to adhere to the requirements of the Protection of Personal Information Act. These requirements can be onerous for businesses, especially for SMMEs (for example, the requirement of all businesses to appoint an Information Officer who can be held liable for data breaches in multiple ways). POPI will require a fundamental shift in how businesses store data and how they market themselves. Furthermore, cybersecurity and IT literacy skills will become essential as most data is stored on servers or in the cloud.

[1] "Trade" here refers to wholesale and retail trade; repair of motor vehicles, motorcycles, and personal and household goods; hotels, and restaurants.

- **SMME development:** The SMME sector is relatively large and sources products from wholesalers. Changes include Small enterprise development, hawkers, casualisation and new training model.

Key policy drivers for the sector include:

- IPAP 4;
- New Growth Path (NGP);
- National Development Plan (NDP);
- HRD Strategy for SA (HRDSA);
- Department of Environmental Affairs Integrated Development Plan (IDP);
- Tourism Sector Skills Plan; and
- Broad Based Black Economic Empowerment (BBBEE).

- **Changing Expectations of W&R Stakeholders:** The expectations of customers, employees, suppliers, and investors are constantly evolving and changing over time. For example, employers are encouraged to be more aware and responsive to differences in employee cultures and religions. Customers expect a much faster reaction time from their favoured stores. Competition is also being faced from a global perspective. Furthermore, consumers are more inclined to support businesses who operate ethically with a sustainable ecological footprint. With the rise in access to information consumers can easily seek out retailers who demonstrate these characteristics. These elements require employees to be skilled and knowledgeable in HR practices, environmentally friendly practices, be aware of the local and global economic and political context.

Chapter 3 (Occupational Shortages and Skills Gaps):

- **Sectoral Priority Occupations:** Retail General Manager; Retail Buyer; Safety, Health, Environment and Quality (SHE&Q) Practitioner; Blockman/Butcher; ICT Security Specialist; Visual Merchandiser; Confectionary Baker; Inbound Contact Centre Consultant; Software Developer; and Data Scientist.
- **Skills gaps:** Forklift Training; Harassment[2]; Product Knowledge; Occupational health and safety; Warehouse Management; Financial Skills; Digital and 4IR skills; Systems Skills; Labour Relations / HR; and Supervisory, Leadership and Mentoring Skills
- **Emerging and top-up skills:** From provincial engagements, COVID-19 safety was identified across all provinces as a necessary skill, whilst human resource management (management skills) and customer services also featured prominently throughout most of the country. Entrepreneurship for learners should be supported and encouraged, as there are not enough funds and employment opportunities for learners. It was also suggested that it would be beneficial to include ICT related skills in all existing occupations.

Chapter 4 (Sector Partnerships): The W&RSETA has partnerships with TVETs and Universities, training authorities and developmental agencies nationally and internationally which are working well. Further partnerships have been planned to achieve research objectives. There is also a need to put measures in place that ensure that said partnerships are a success.

Chapter 5 (SETA Monitoring and Evaluation (M&E): The W&RSETA conducted Workplace Based Learning (WBL) tracer studies targeting learnerships and internships beneficiaries under the NSDS III. The aim of which was to investigate the destinations of learners who completed workplace-based learning (WBL) programmes that are funded by W&RSETA. The M&E information forms the basis of plans as the SETA uses performance reports as well as evaluation findings to inform future plans.

[2] This refers to the skills required to manage harassment in the workplace.

Chapter 6 (Strategic Skills Priority Actions): The W&RSETA recommends interventions to address skills needs in the sector, derived from earlier chapters. This section will be reviewed and updated once fieldwork is completed. This section has been reviewed and aligned to key finding and recommendation from the data analysis report.

This SSP identifies 7 key skills priorities for the W&R sector:

1. **Priority Skills Plan (PSP):** The Priority Skills Plan is intended to ensure that skills do not become a hindrance to economic growth and job creation. To guard against this, the SETA will identify key skills and occupations to support that will assist the labour market from the short term. Industry consultation to identify skills and develop priority skills necessary for economic growth and job creation within the digital economy.
2. **SMME and Co-Operatives development:** It is critical that these enterprises are supported with skills development. Alternative and new training models, as well as more active engagement from SMMEs, are needed to meet the needs of SMMEs.
3. **Youth Unemployment:** The retail sector provides significant temporary employment opportunities for the youth. The challenge is to convert these into permanent employments and encourage career development in the sector.
4. **Hard-To-Fill Vacancies and Skills Gaps:** The identification of Hard-To-Fill Vacancies (Occupational shortages) and skills gaps is a key deliverable of the SSP. This ensures that the SSP responds to the demands of the sector.
5. **Stakeholder Engagement:** Stakeholder partnerships are the best way to meet industry needs for skilled workers and workers' needs for better jobs. It offers a platform to focus on job growth sectors and workforce training needs.
6. **Sector Transformation, including Training and Employment of People with Disabilities (PWD):** Despite progressive legislation and a commitment from the government, PWD do not have the same opportunities as others. Therefore, the SETA need to prioritise skills development interventions to improve access to training, education, and employment for PWD. The W&R sector remains largely untransformed. There is poor representation from black, Indian, and Coloured individuals in top and senior management. The demographics of the sector (and broader country) are not reflected in the demographics in leadership positions
7. **Economic Recovery and Reconstruction Plan:** The W&RSETA is planning a number of interventions to respond to the ERRP, including Capacitation Workshops and Trading Vouchers: ITAMED (Informal Traders and Micro Enterprises Development), Entrepreneurship Development Programme, SME Grant (Small and Micro Enterprise Grant)

Yours faithfully,

Mkhwanazi

29/07/2022

Mr. Tom Mkhwanazi
Chief Executive Officer (CEO)

Date

Sibiya

29/07/2022

Mr. Reggie Sibiya
Board Chairperson

Date

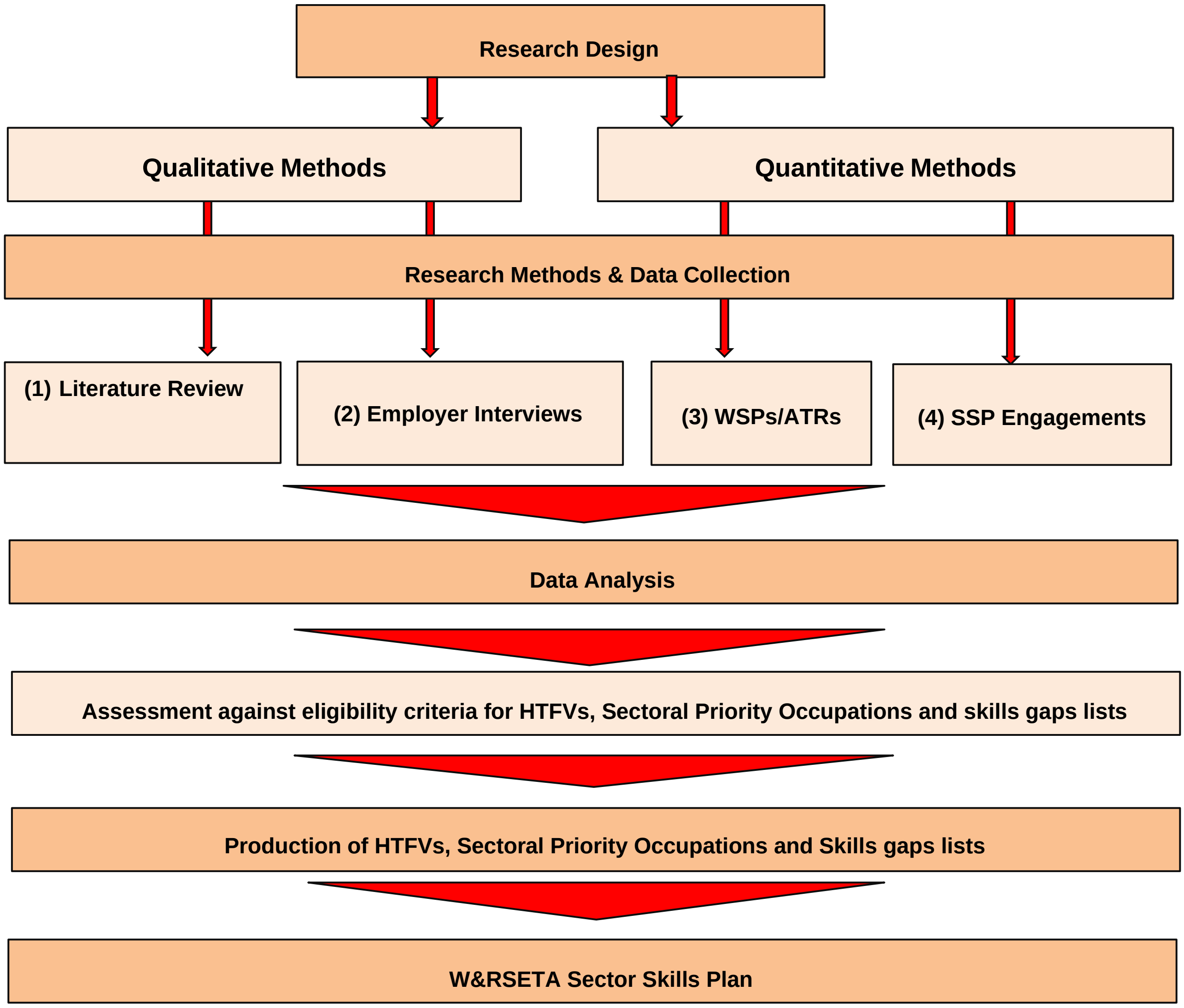
III. RESEARCH DESIGN AND METHODOLOGY

A multi-method research design was employed to develop the sector skills plan. This design uses qualitative and quantitative research methods to collect and analyse data for profiling the W&R sector, identifying change drivers, determining HTFVs, Skills Gaps and Sectoral Priority Occupations and devising skills development interventions.

Diagram 1: Research design and methodology

The research design used for the SSP includes both qualitative and quantitative methods for research and data collection. Qualitative methods include relevant literature and responses from W&RSETA employer interviews. Quantitative methods entail WSP/ATR data and data obtained from SSP engagements with stakeholders within the W&R sector. The data obtained is then analysed and assessed against relevant eligibility criteria to form HTFVs, Sectoral Priority Occupation and skills gaps lists. The different lists and data are used to create the relevant chapters of the Sector Skills Plan.

The research design is as follows:



SSP Implementation guidelines 2017/1 & DHET SSP Framework and Requirements 2019/20

i. Research Methodology

The research methodology used to determine critical, HTFVs and Sectoral Priority Occupations is intended to be inclusive, transparent, replicable, and simple to calculate. The methodology is designed to enable information to be incorporated year-on-year, without the need to redesign the process. By establishing a user-friendly framework for identification and anticipation of HTFVs and Sectoral Priority Occupations, all companies, including micro-enterprises can participate in the research.

The primary research methods utilised are shown in the table below:

TABLE 1: PRIMARY RESEARCH METHODS

SSP Engagement Sessions	
Objective	The purpose of the SSP engagement sessions were to interact with stakeholders to solicit inputs on critical areas around skills development, economic and labour market to mitigate the impact of COVID-19 and other sector disruptions.
Data Collection Tools	Interactive discussions were held
Number of provinces consulted	9
Time Frame	January 2022 to March 2022
W&RSETA Employer Interviews	
Objective	The objective of the interview is to identify change drivers, skills gaps, HTFVs and skills interventions for the sector.
Data Collection Tools	Interview guide
Number of Stakeholders	12
Sampling	Random as per DHET guidelines
Time Frame	May 2022
SSP Survey	
Objective	The primary objective of the W&RSETA Survey was to understand some of the challenges faced by organisations in the sector as well as the support that is required by micro and small organisation from the W&RSETA and larger organisations in the sector. The survey also validated and gained input on change drivers, hard-to-fill vacancies, and skills gaps.
Data Collection Tools	A survey was administered
Number of Stakeholders	113
Sampling	Random
Time Frame	July 2022

In addition to the above, the following primary research studies commissioned by the W&RSETA were reviewed:

- An impact study of W&R programmes on persons with Disabilities
- The Economic and Social Impact of COVID-19 on the Wholesale and Retail Sector
- Implications of 4IR on new jobs in e-commerce, digitisation, and innovation
- Evaluation of Blended Learning and training inventions
- The Impact of PIVOTAL Programmes Toward the Implementation of Transformational Imperatives 2017/18
- W&RSETA Stakeholder Analysis
- Development of a Model for Establishing Centres of Specialisation for W&R Sector
- Embracing Local Economic Development through the Identification of Skills Needs of Cooperatives and Small Medium Enterprises

- The impact evaluation of the W&RSETA 2015/16 – 2019/20 Strategic Plan Projects (National Participation)
- Review and Update of the W&R sectors Careers Matrix
- New career Opportunities in the W&R Sector Resulting from 4IR
- The W&RSETA Strategic Framework for Career Guidance Delivery
- Benchmarking National and International Career Guidance Practice
- Skills Supply and Demand in South Africa
- Impact Assessment of the W&R Sector's International Leadership Development Programme (ILDP)
- Retail Management Development Programme (RMDP) Final Impact Assessment Research Report
- South African Disability Development Trust (SADDT) Final Impact Assessment Research Report
- Expansion into Africa by SA retailers Report
- COVID-19 Economic Survey for SMEs – Data Analysis Report
- Transformation to advance business sustainability and resilience, with a focus on building entrepreneurship
- Workplace Based Learning (WBL): Tracer Study – Learnerships
- Workplace Based Learning (WBL): Tracer Study – Internships
- Research Study on Linking Education and Work: Provider, Employer and Learner Perceptions of Preparation for and through Work
- Training Providers from the Previously Disadvantaged Groups
- An impact Study of W&RSETA programmes on persons with Disabilities
- Assessment of Skills Development Intervention to Support Graduates with Access to Sector Employment and Entrepreneurship Opportunities
- Strategic Evaluation of Suitable Learning Programmes for the Employed and Unemployed

The following secondary data sources were utilised:

- Trading Economics
- StatsSA
- DHET and HEMIS data

In addition to the above, WSP and ATR data were analysed.

ii. Data Analysis and Findings

Sector Profile (Chapter 1): Data from the literature review and WSP/ATR used to construct the sector profile.

The following are some of the data sources that used in this chapter:

- Statistics South Africa reports (incl. Gross Domestic Product: Fourth Quarter 2021)
- QLFS Q4 2021
- Statistical Release: Retail Trade Sales
- Statistical Release: Wholesale Trade Sales
- CEE Annual Report 2020-2021: Department of Labour
- W&RSETA Annual Report 2020/21

Key Skills Change Drivers (Chapter 2): Data from the literature review and workshops used to identify key skills issues, sector change drivers and alignment to National Strategy and Plans.

Occupational Shortages and Skills Gaps (Chapter 3): Data from the literature review, interviews and provincial engagements, WSP/ATR and HTFV survey used to establish HTFVs Sectoral Priority Occupations and skills gaps. The Post-school education and training monitor report and Council for Higher Education (CHE) enrolment report used as part of providing an analysis of the nature of supply.

SETA Partnerships (Chapter 4): Information gathered through an analysis of the existing and planned partnership. The sector value chain analysis is being conducted as part of strengthening the outcomes and impact of W&RSETA partnerships.

SETA Monitoring and Evaluation (Chapter 5): An overview of W&R SETA monitoring and evaluation approach towards improving performance and implementation of strategic priorities. The following are data sources used in updating this chapter:

1. Annual Report
2. Annual Performance Plan (APP)
3. M&E Framework
4. ERRP Survey Tool

SETA Strategic Skills Priority Actions (Chapter 6): This information from chapters one to five consolidated in chapter six as findings and recommendations. The National Skill Development Plan (NSDP) outcomes are prioritised in the first year of implementation are also reflected. The SETA strategic priorities reflected in this chapter are aligned to key priorities in the Integrated Development Plans for the following municipalities:

1. City of Tshwane
2. City of Cape Town
3. Polokwane Municipality
4. Mbombela Municipality
5. Mangaung Municipality
6. City of Johannesburg

IV. ACRONYMS

Acronym	Description
ATR	Annual Training Report
AOP	Annual Operational Plan
CGCSA	Consumer Goods Council of South Africa
COVID-19	Corona virus disease of 2019
DHET	Department of Higher Education and Training
ERRP	Economic Reconstruction and Recovery Plan
FET	Further Education and Training
FRA	Fuel Retailers Association South Africa
GDP	Gross Domestic Product
HTFV	Hard-To-Fill Vacancy
HET	Higher Education and Training
IDP	Integrated Development Plan
ILDP	International Leadership Development Programme
IPAP	Industrial Policy Action Plan
NDP	National Development Plan
NSDP	National Skills Development Plan
NGP	New Growth Path
NQF	National Qualifications Framework
NSA	National Skills Authority
NSDS	National Skills Development Strategy
OFO	Organising Framework for Occupations
PIVOTAL	Professional, Vocational, Technical and Academic Learning
PWC	Price Waterhouse Coopers
PWD	People with Disabilities
QCTO	Quality Council for Trades and Occupations
QLFS	Quarterly Labour Force Survey
RA	Retailers Association
RMI	Retail Motor Industry Organisation
RMDP	Retail Management Development Programme
SARS	South African Revenue Services
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SIPs	Strategic Infrastructure Projects
SME	Small and Micro Enterprises
SMME	Small, Medium and Micro Enterprises
SSP	Sector Skills Plan
STATSSA	Statistics South Africa
TVET	Technical and Vocational Education and Training
USD	United States Dollar
W&RSETA	Wholesale and Retail Sector Education and Training Authority
WP-PSET	White Paper for Post-School Education and Training
WSP	Workplace Skills Plan

1 CHAPTER ONE: SECTOR PROFILE

1.1 Introduction

Chapter One provides a sector profile of the Wholesale and Retail (W&R) sector. It gives a picture of the size and shape of the sector, allowing the reader to understand the contribution of the sector in economic and employment terms. Input and research into this section includes literature review (such as reports written on sector trends), Workplace Skills Plan (WSP)/Annual Training Report (ATR) data and data analysis (such as statistics released by Statistics South Africa).

1.2 Scope of Coverage

The Wholesale and Retail Sector Education and Training Authority (W&RSETA) was established in 2000 in terms of the *Skills Development Act 97 of 1998 (as amended)*. This public entity is responsible for supporting skills development in the wholesale and retail (W&R) sector of South Africa through the implementation of learning programmes, disbursement of grants and monitoring of education and training as outlined the *Act*, accompanying *regulations* and the *National Skills Development Plan (NSDP)*.

Wholesale trade deals with the bulk buying of goods from various manufacturers and the breaking down of this bulk into smaller quantities which are then sold directly to consumers. *Retail* trade deals with the buying of goods from the wholesaler and selling of such goods to the consumer. The activities that fall within the scope of the wholesale and retail sector are demarcated according to Standard Industrial Classification (SIC) codes.
The scope of coverage of the W&RSETA in terms of the Skills Development Act 97 of 1998 is as follows:

TABLE 2: SCOPE OF COVERAGE

SIC Code	Trade Category
Major Division 6: Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods; Hotels and Restaurants	
61000	***Wholesale and commission trade, except for motor vehicles and motorcycles***
61100	Wholesale trade on a fee or contract basis
61200	Wholesale trade in agricultural raw materials, livestock, food, beverages, and tobacco
61220	Wholesale trade in food, beverages, and tobacco
61300	Wholesale trade in household goods
61310	Wholesale trade in textiles, clothing, and footwear
61391	Wholesale trade in household furniture requisites and appliances
61392	Wholesale trade in books and stationery
61393	Wholesale trade in precious stones, jewellery, and silverware
61394	Wholesale trade in pharmaceuticals, toiletries, and medical equipment
61400	Wholesale trade in non-agricultural intermediate products, waste, and scrap
61420	Wholesale trade in metal and metal ores
61430	Wholesale trade in construction materials, hardware, plumbing and heating equipment
61500	Wholesale trade in machinery, equipment, and supplies
61501	Office machinery and equipment, including computers
61501	Other machinery
61900	Other wholesale trade
61901	General wholesale trade
61909	Other wholesale trade not elsewhere classified (nec)
Retail	
62000	***Retail trade, except for motor vehicles and motorcycles; repair of personal and household goods***
62100	Retail trade in non-specialised stores with food, beverages, and tobacco dominating
62110	Other retail trade non-specialised stores
62190	Other retail sale in non-specialized stores

SIC Code	Trade Category
62200	Retail trade in food, beverages, and tobacco in specialised stores
62211	Retail trade in fresh fruit and vegetables
62212	Retail trade in meat and meat products
62213	Retail trade in bakery products
62220	Retail trade of beverages (bottle stores)
62230	Other retail trade in food, beverages, and tobacco (nec)
62300	Other retail trade in new goods in specialised stores
62310	Retail trade in men's and boy's clothing
62320	Retail trade in ladies' and girls' clothing
62400	Retail trade in second-hand goods in stores
62500	Retail trade not in stores
62510	Retail trade via mail-order houses
62511	Retail trade in books via mail-order houses
62519	Other retail trade via mail-order houses
62520	Retail trade via stalls and markets
62590	Other retail trade not in stores

SOURCE: (STATISTICS SOUTH AFRICA, 2012)

1.3 Key Role Players

The following table provides the key role players in the Wholesale and Retail Sector, along with their roles and expertise:

TABLE 3: KEY ROLE PLAYERS IN THE WHOLESALE AND RETAIL SECTOR

Key Role Players	Roles and Areas of Expertise	NSDP Outcomes Alignment
Organised Employers		
Retailers Association (RA) Consumer Goods Council of South Africa (CGCSA) National Clothing Retail Federation (NCRF) Black Business Council (BBC) Enterprise Mentorship of South Africa (EMOSA) Business Unity South Africa (BUSA) Fuel Retailers Association (FRA) South African Petroleum Retailers Association Retail Motor Industry Organisation Wholesale and retail enterprises (small, medium, and large)	• Represented equally on the committees of the W&RSETA • Represent and articulate employer (small, medium, and large) interests • Contribute to education and training, negotiations, marketing, finance, human resources and legal	• Engaging workplaces to enable them to provide increasingly relevant data on the skills of their existing workforce as well as projected skills needs, through relevant templates; • Engaging stakeholders (including but not limited to employers, labour, and government) to ascertain their perceptions of future trends in their sectors and the implications of these for the demand and supply interventions signals to steer supply of skills, • Continuously exploring the implications of the findings from the workplace data and stakeholder engagement with respect to sector trends and national policy priorities; and effective and meaningful stakeholder engagement to support ownership and participation among stakeholders which include social partners, individuals, employers, labour, providers, prospective learners, and the public.
W&RSETA Board		
W&RSETA Board	• To govern and control the W&RSETA by providing strategic direction and leadership • To provide corporate governance guidance • To approve the W&RSETA SSP • To approve the Strategic plan and budget	• Improve the governance oversight, and monitoring and evaluation mechanisms and capacity, with strong social partners' involvement; • Institute mechanisms to ensure that actions are taken based on findings from these monitoring and evaluation systems. This, with a view to understanding the strengths, challenges, and impact of the system. • Review the system where evidence suggests that there are obstacles that are preventing the realisation of the agreed upon outcomes. This will ensure that the Minister [of the Department of Higher Education and Training (DHET)] can act where there is non-performance or maladministration. • Introduce mechanisms for instructions to the SETAs by the Minister, where there are challenges; and Review the SETA Standard Constitution to strengthen governance and accountability mechanisms. The decision about numbers on the Accounting Authority will take into consideration the nature of the sector (for example, the number of sub-sectors) and the need to support effective decision-making and good governance. The accounting authority will continue to have governing powers and steer the sector in terms of the scope (mandate and functions) of the SETA whilst, the management of the SETA will focus on operational and administrative roles; and • The roles and responsibilities of the accounting authority will further be defined. This will include a clear statement regarding conflict of interest and guidelines regarding the number of meetings per annum and the rates at which members of the Accounting Authority are remunerated.

Key Role Players	Roles and Areas of Expertise	NSDP Outcomes Alignment
Organised Labour		
Congress of South African Trade Unions (COSATU); Southern African Clothing and Textiles Workers Union (SACTWU); South African Commercial, Catering and Allied Workers Union (SACCAWU); Federal Council of Retail Allied Workers (FEDCRAW); Development Institute for Training, Support and Education for Labour (DITSEL;) Entertainment Catering Commercial and Allied Workers Union (ECCAWUSA); National Union of Metal Workers of South Africa (NUMSA)	• Represented equally on the committees of the W&RSETA • Represent and articulate worker interests • Contribute to education and training, negotiations, public management, and dispute resolution	• Skills levy institutions will work with the federations/trade unions in their sectors in identifying the required skills needs, especially in better understanding the sectors, and implement the relevant interventions. • Engaging stakeholders (including but not limited to employers, labour, and government) to ascertain their perceptions of future trends in their sectors and the implications of these for the demand and supply interventions signals to steer supply of skills; and • Trade unions and worker education and training initiatives are able to use the critical networks of their organisations (e.g., shop stewards and union officials) to educate their members and other workers to suit their needs in a manner that is also beneficial to the economy as a whole.
Training Providers		
Further Education and Training Committee; Higher Education and Training Committee; Association of Private Providers of Education Training and Development; Southern African Society for Cooperative Education; Universities; TVET Colleges; Private Training Providers; and Community Colleges.	▪ Represent interests of training providers – public and private ▪ Contribute to education and training, quality assurance, curriculum development	▪ The delivery of programmes against qualifications (on all the sub-frameworks) that support economic growth, encourage employment creation, and enable social development for workers, unemployed and pre-employed (students), and ▪ Facilitating workplace-based experience as part of a qualification or a postgraduate qualification with a specific focus on occupations that support growth, encourage employment creation, and enable social development ▪ Support for, and prioritisation of, Centres of Specialisation, where practically possible ▪ Support for TVET colleges in implementing occupationally directed programmes; and ▪ Partnerships and collaboration with the higher education and research institutions, amongst others, will be central for evidence-based understanding of skills demand and supply;
Community		
South African Community at large.	▪ Represent interests of communities and co-operatives ▪ Contribute to education and training, small enterprise and co-operative development, advancement of women	▪ Social partners will continue to play an active role, amongst others, in SETA Accounting Authorities and in the National Skills Authority (NSA), these roles will be further elaborated in the Act and relevant skills development Regulations with key responsibility for the implementation of the NSDP. ▪ Career development services (including material) must be accessible to all especially in rural areas and targeted beneficiaries; and ▪ Ensure that prospective learners and the public are aware of when and how to apply for programmes and have access to a simplified process;

1.4 Economic Performance

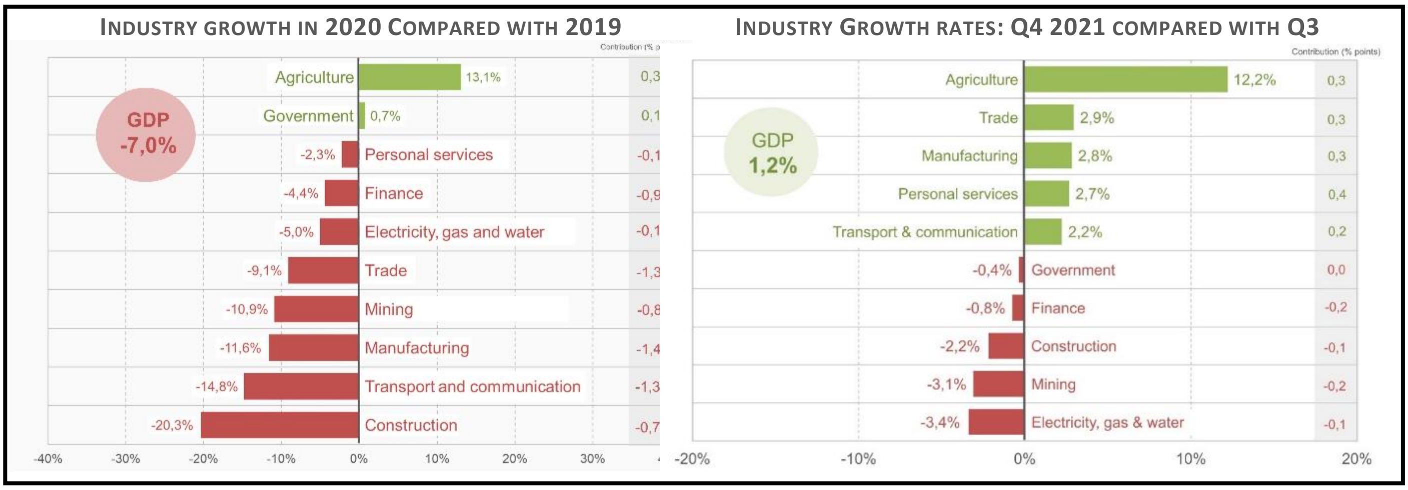
This section provides an economic profile of the W&R Sector for 2021/22.

1.4.1 Economic Performance of South African Industries

This section assesses the current economic performance of the W&R Sector. In the fourth quarter (Q4) of 2021 the Gross Domestic Product (GDP) increased by 1.2%, with five industries recording positive growth. Trade—which is made up of wholesale and retail trade, motor trade, hotels, and restaurants—increased by 2.9% due to eased lockdown restrictions. Positive results were seen in the retail, motor trade, tourist accommodation, and restaurants, fast-food and catering sectors; however, there was a slight decrease in the wholesale economic activity (Statistics South Africa, 2022). Manufacturing experienced a 2.8% increase, largely attributable to the production of petroleum, chemical & plastics products, and food & beverages. In the same period, five industries namely, government, finance, construction, mining and electricity, gas & water contracted. The electricity, gas & water industry experienced a 3.4% decline which was mostly attributable to decreased electricity and water consumption. Furthermore, COVID-19, although subdued in 2022, had an impact on the sector. Furthermore, Gauteng and KwaZulu-Natal experienced civil unrest and looting in July 2021. Later, in April 2022, South Africa's east coast experienced heavy rains which resulted in floods. Shortly after that, inflation reached 6.5% in May 2022, in part fuelled by the sharp rise in oil prices. The economic effects of the aforementioned factors may not be fully apparent in the latest macro-economic data; however, they are likely to put further strain on the W&R sector.

The diagram below shows the economic performance of South African industries by GDP for Q4 of the year 2021.

FIGURE 1: PERFORMANCE OF SOUTH AFRICAN INDUSTRIES



SOURCE: STATISTICS SA GROSS DOMESTIC PRODUCT Q4:2021 (2022)

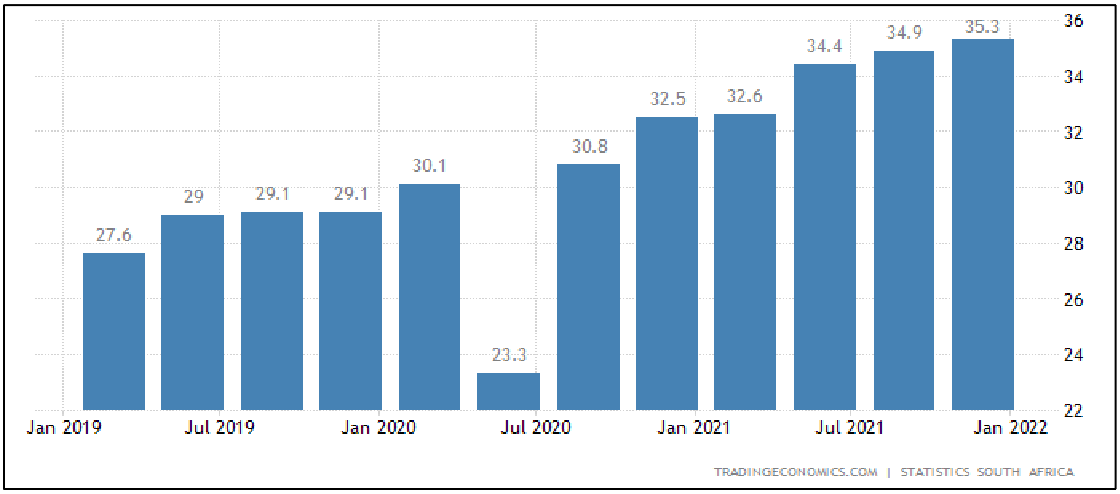
In 2020, economic activity for the entire year decreased by 7% mostly due to COVID-19 lockdown regulations. Eased lockdown regulations enabled industries to recover from the impact of COVID-19 in 2021 with, trade, manufacturing, personal services, and transport & communication recording gains in the fourth quarter of 2021 after experiencing a decline in 2021. While finance, construction, mining, and electricity contracted in the fourth quarter of 2021, the performance of said industries fared better in 2021 than in 2020.

1.4.2 South Africa's Unemployment

The unemployment rate increased from 34,9% in the third quarter of 2021 to 35,3% in the fourth quarter of 2021, which is the highest rate recorded for unemployment since 2008. The number of unemployed persons increased by 278 000, causing the number of unemployed people to increase to 7.9 million, while the number of people in the labour force increased by 540 000 to 22.5 million. The expanded unemployment rate, which includes discouraged job seekers, decreased by 0,4 of a percentage point to 46,2% from the third quarter of 2021[3].

The figure below shows the unemployment statistics in South Africa dated January 2019 to January 2022.

FIGURE 2: SOUTH AFRICA'S UNEMPLOYMENT



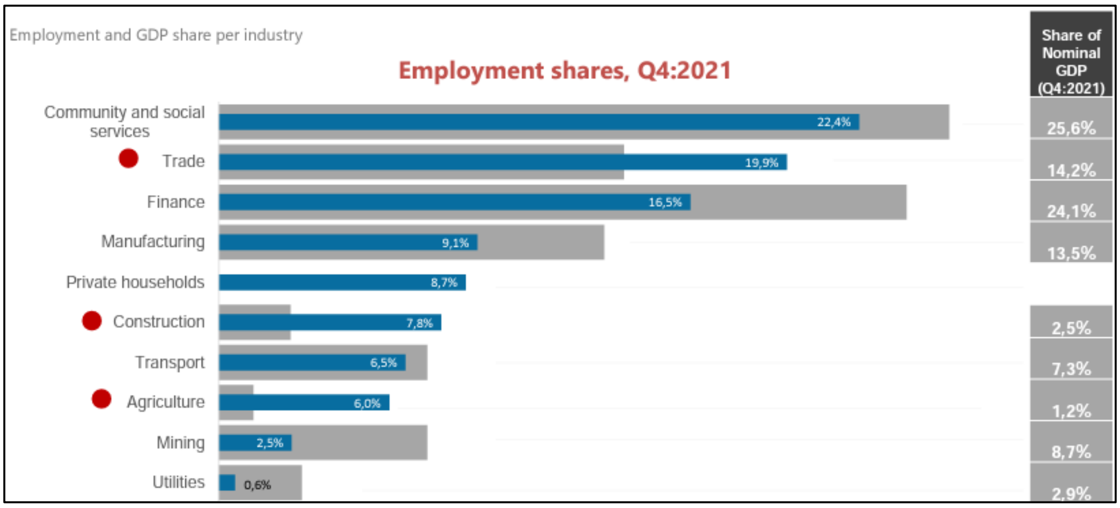
SOURCE: TRADING ECONOMICS SOUTH AFRICAN UNEMPLOYMENT RATE (2022)

1.4.3 Share of Employment per Industry Relative to its GDP Share (%)

In Q4 of 2021, trade, construction and agriculture industries had higher employment shares relative to their GDP contribution. With a recorded growth of 2.9% in Q4 of 2021, the trade, accommodation and catering industry contributed 0.3 of a percentage point to GDP growth.

The figure below depicts the share of employment per industry in the third quarter of 2021, relative to its percentage GDP share.

FIGURE 3: EMPLOYMENT SHARES PER INDUSTRY



SOURCE: STATISTICS SA QLFS Q4:2021 PRESENTATION (2022)

1.4.4 Employment Losses and Gains

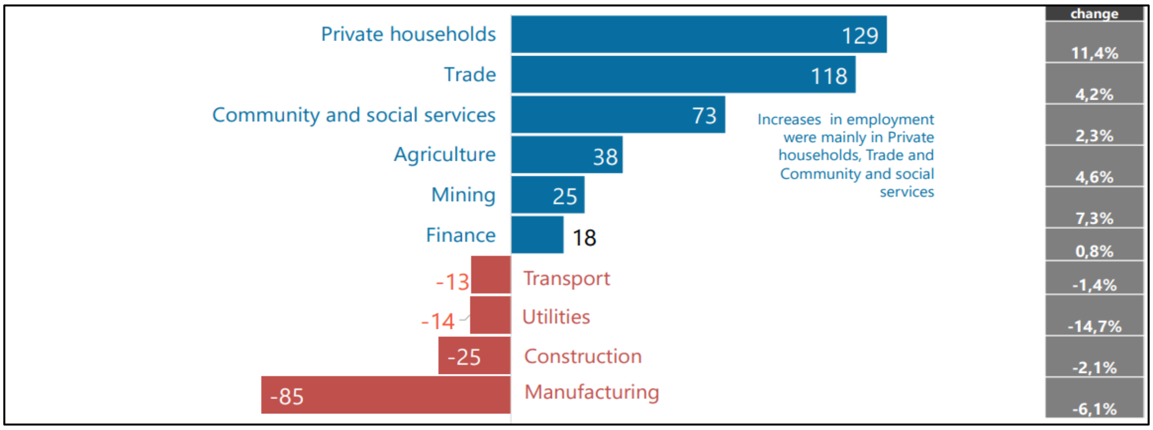
Employment gains were mainly driven by private households (129 000), trade (118 000), and community and social services (73 000). Utilities and manufacturing have the largest recorded negative percentage change

[3] The unofficial employment rate increased between the third and fourth quarter of 2021, while the expanded unemployment rate decreased in the same period. This is due to the number of discouraged job seekers decreasing and being reclassified as unemployed. This may be due to more people being able to actively seek employment as COVID-19 regulations were eased.

at -14,7% and -6,1%, respectively. Employment losses were observed in the informal sector (48 000) in Q4 of 2021, while employment gains were observed in the formal sector (143 000), private households (129 000) and agricultural sectors (38 000).

The diagram below shows the employment losses and gains in various sectors.

FIGURE 4: EMPLOYMENT LOSSES AND GAINS, QUARTER-ON-QUARTER CHANGE ('000)



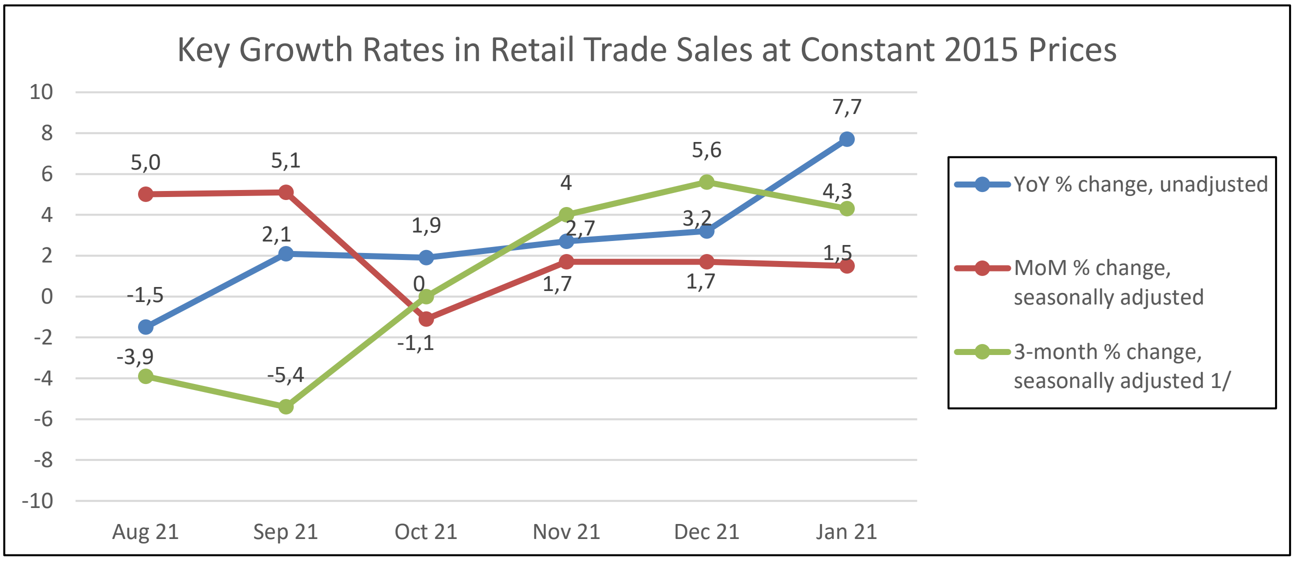
SOURCE: STATISTICS SA QLFS Q4:2021 PRESENTATION (2022)

1.4.5 Economic Performance of W&R Sector

This section assesses the economic performance of the W&R sector from September 2020 to February 2021.

South Africa's year-on-year retail sales trade increased to 7,7% in January 2022, when measured in real terms at constant 2015 prices. The highest positive annual growth rates were for food, beverages, and tobacco products in specialised stores at 70,9%; followed by textiles, clothing, footwear, and leather goods at 17,4% (Statistics South Africa, 2022). The overall year-on-year retail sales trade increase of 7,7% was mostly contributed to by the retailers in "textiles, clothing, footwear and leather goods" (2,7%), and "general dealers[4]" (2.8%), both contributing 5,5 % combined. The diagram below shows South Africa's retail sales.

FIGURE 5: SOUTH AFRICA'S RETAIL TRADE SALES



SOURCE: STATISTICS SA RETAIL TRADE SALES (PRELIMINARY) (2022)

1.4.6 Growth by Industry Type

This section covers the percentage growth by various types of industry.

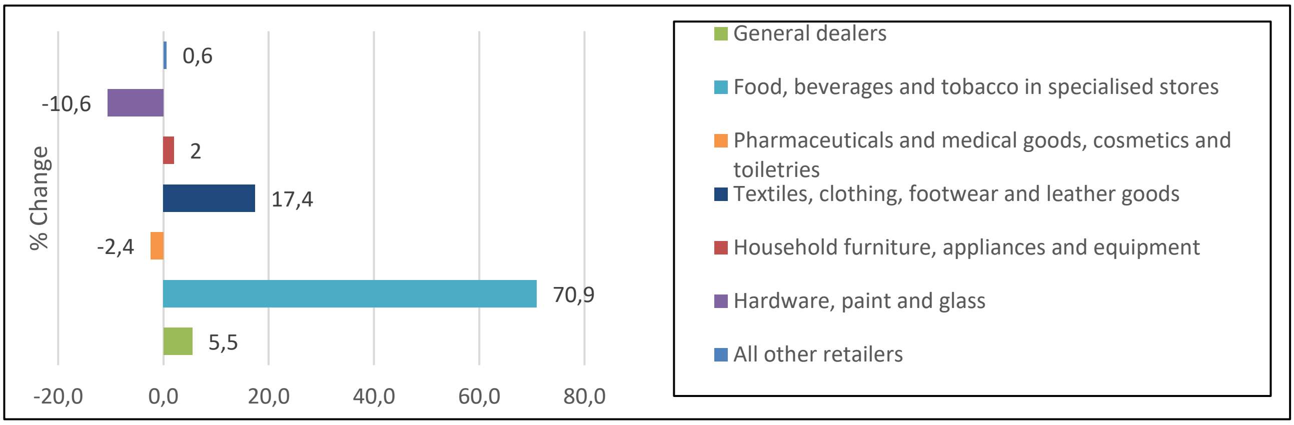
[4] "General dealer" refers to retail trade in non-specialised stores with food, beverages and tobacco predominating; and 'Other' retail trade in non-specialised stores (Statistics South Africa, 2022).

1.4.6.1 *Growth by Type of Retailer*

South African retail trade is recorded at an overall 7,7% change, comprised of a positive change of 70,9% in the food, beverages, and tobacco in specialised stores, which equates to a contribution of 3,5% to the total percentage change. All other retailers contributed a combined 4,7 % change. The retailer types with the lowest percentage change are all other retailers, pharmaceuticals and medical goods, cosmetics and toiletries and household furniture, appliances, and equipment. Additionally, the food, beverages and tobacco and metal and metal ores subsectors may grow due the Economic Reconstruction and Recovery Plan's (ERRP) focus on food security and exports in metals as part of boosting employment and supporting economic recovery.

The figure below shows the year-on-year percentage change in retail trade sales at constant 2015 prices by type of retailer in January 2022.

FIGURE 6: RETAIL TRADE SALES BY TYPE OF RETAILER (%)



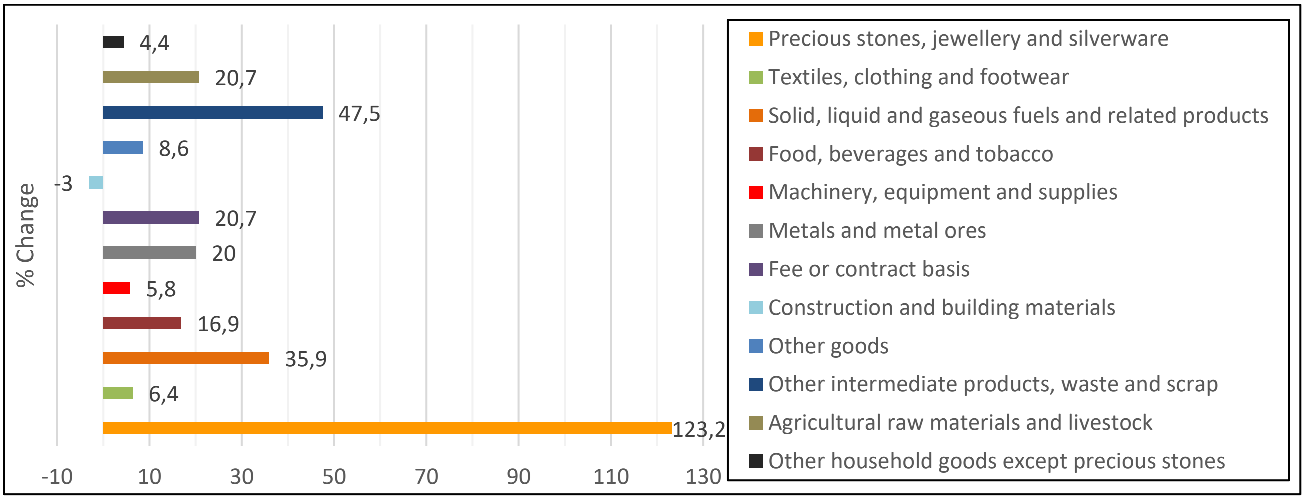
SOURCE: STATISTICS SA RETAIL TRADE SALES (PRELIMINARY) (2022)

1.4.6.2 *Growth by Type of Wholesaler*

In January 2022, South Africa's annual wholesale trade sales saw a total percentage increase of 7,3% compared to January 2021. The largest negative year on year percentage change at current price was recorded in the construction and building material subsector at -14,5%. Wholesale trade sales increased by 22,6% when measured in current prices, with the highest positive change recorded being for solid, liquid, and gaseous fuels and related products, followed by food, beverages and tobacco, and 'other' intermediate products, waste, and scrap sub-sector, which contributed 11,2%, 4,0% and 3,3% points, respectively.

The figure below shows the wholesale trade sales percentage change at current prices for the latest three months by type of dealer.

FIGURE 7: WHOLESALE TRADE SALES BY TYPE OF WHOLESALER (%)

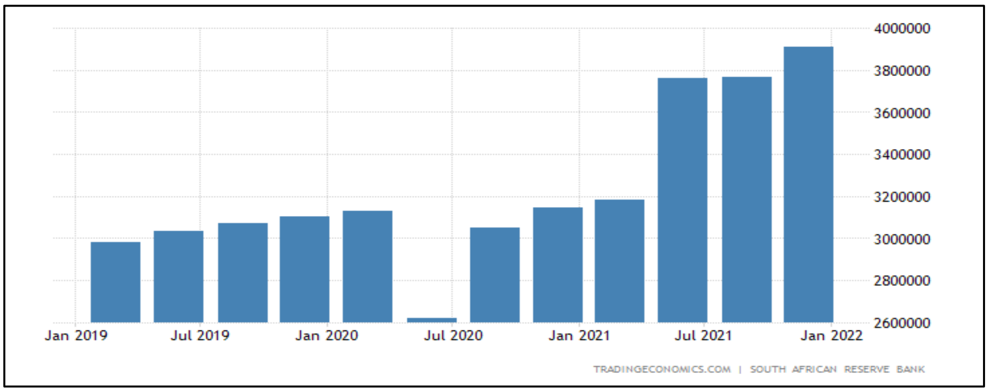


SOURCE: STATISTICS SA WHOLESALE TRADE SALES (PRELIMINARY) (2022)

Disposable Personal Income in South Africa increased to R3 907 902 million in the fourth quarter of 2021 from R3 768 746 million in the third quarter of 2021.

The disposable personal income in South Africa between January 2019 and January 2022 is displayed in the figure below.

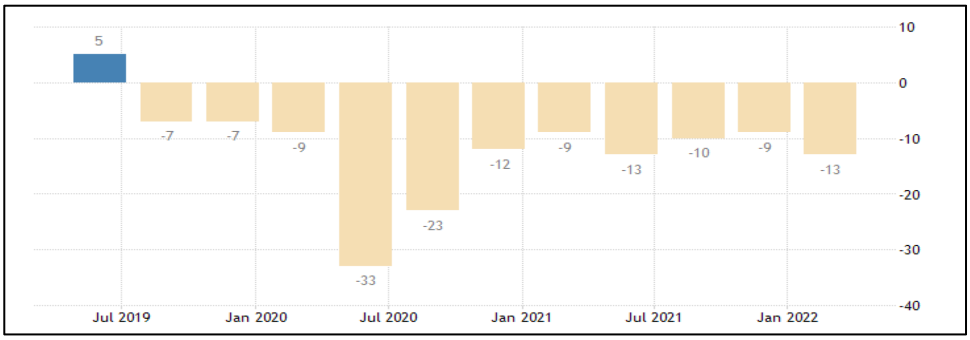
Figure 8: Disposable Income 2018-2022



Source: Trading Economics Disposable Personal Income (2022)

Consumer Confidence Index in South Africa fell to -13 in the first quarter of 2022 from -9 in the fourth quarter. South Africa has already started its path in recovering from the losses caused by COVID-19, however, because of the continued economic uncertainty consumer confidence is still low. It was the lowest reading since Q2 of 2021, however, the -13 figure is still below the +2 average from 1994. The figure below shows the consumer confidence from July 2019 to January 2022.

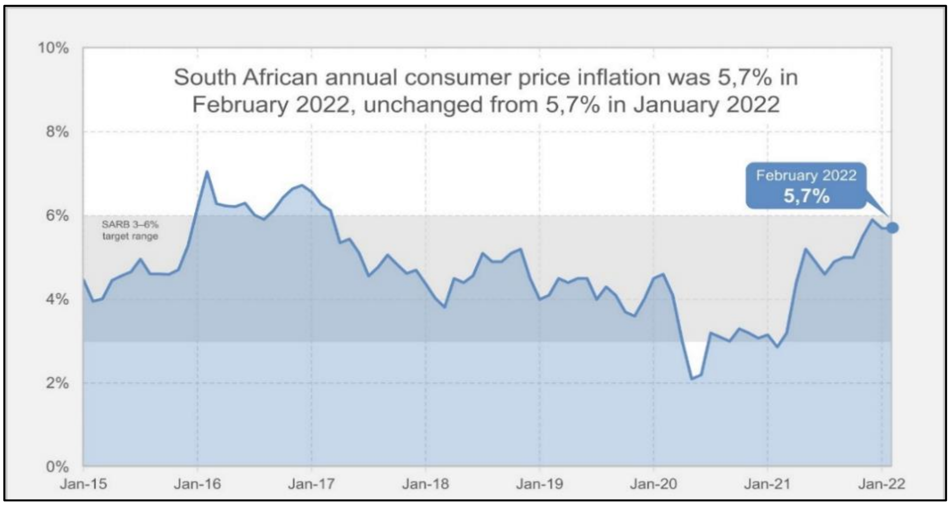
Figure 9: Consumer Confidence 2018-2022



Source: Trading Economics Consumer Confidence (2022)

The figure below shows South Africa's Consumer Price Inflation between January 2015 and January 2022.

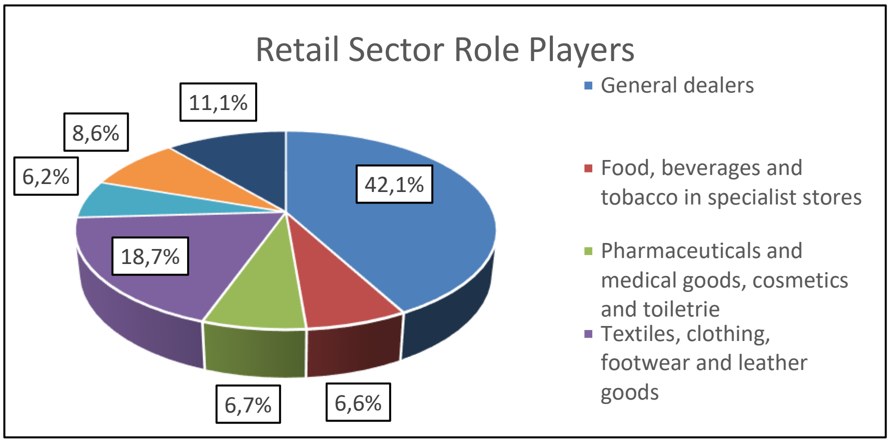
Figure 10: Consumer Price Inflation



Source: Statistics SA Consumer Price Inflation (2022)

The pie chart below shows the biggest role players in South Africa's retail sector. As indicated by the figure, general dealers have the highest weight in the retail sector with 42,1%; followed by textiles, clothing, footwear and leather goods and all other retailers with 18,7% and 11,1%, respectively.

FIGURE 11: BIGGEST ROLE PLAYERS IN THE RETAIL SECTOR



SOURCES: STATISTICS SA STATISTICAL RELEASE: RETAIL TRADE SALES (PRELIMINARY) (2022)

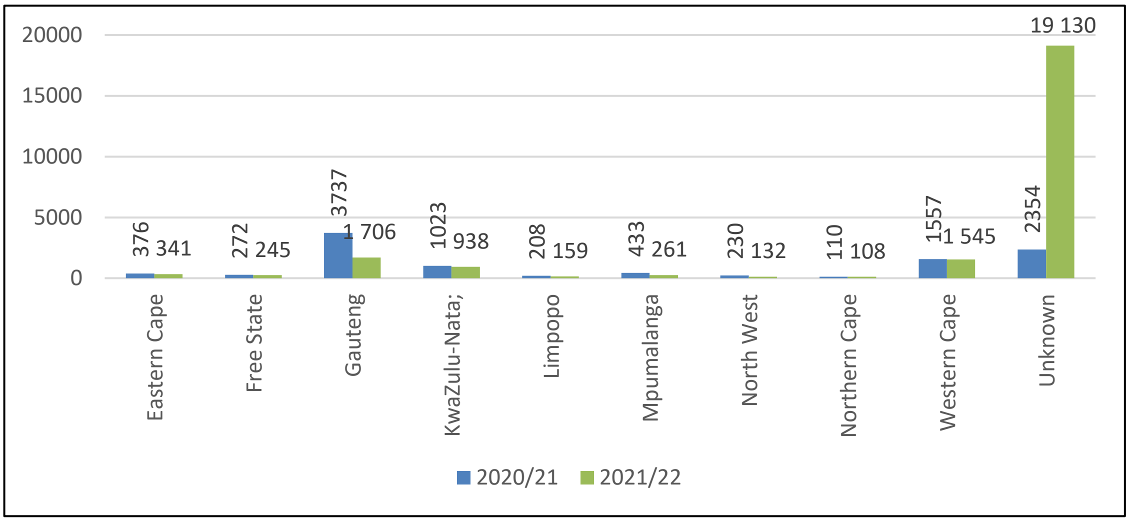
1.5 Employer Profile

This section provides an employer profile of the W&R Sector for the period of 2020/21.

This data is received from the South African Revenue Services (SARS) as is and includes companies that did not indicate their province. The highest number of levy-paying companies was in Gauteng with 1706 (Gauteng South = 703, Gauteng North = 1003), followed by Western Cape with 1545 and Kwa-Zulu Natal with 938. The high numbers of levy-paying companies are due to the higher concentration of companies in these 3 regions.

The figure below shows the levy-paying companies per province for the 2021/22 period compared to 2020/21.

FIGURE 12: LEVY-PAYING COMPANIES PER PROVINCE

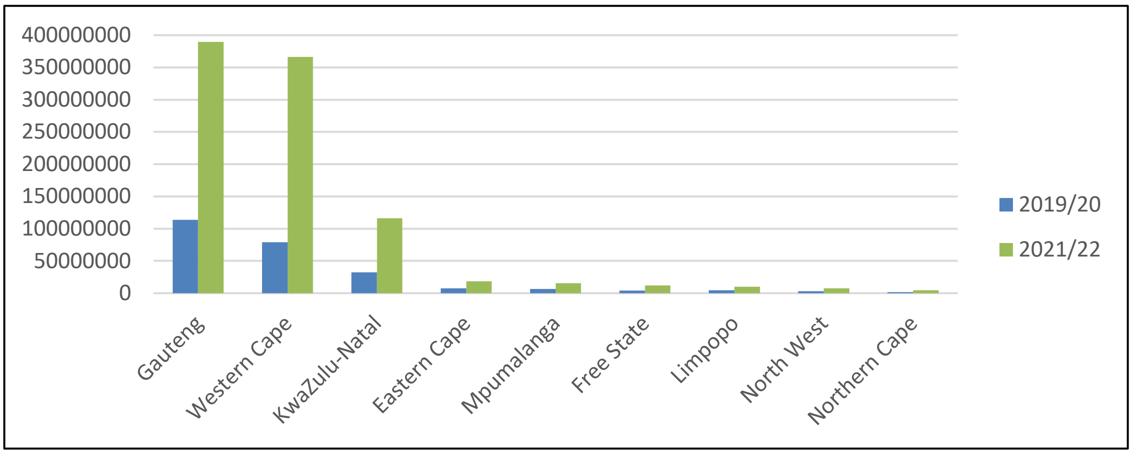


SOURCE: SARS, 2022; W&RSETA, 2022

1.5.1 Levy Income Trends

Levies received from Gauteng were the highest, followed by the Western Cape and KwaZulu-Natal due to the higher concentration of companies in these provinces. The figure below shows the levies received per province in the period 2021/22, compared to 2019/20 (2020/21 data was unavailable).

FIGURE 13: LEVIES RECEIVED PER PROVINCE

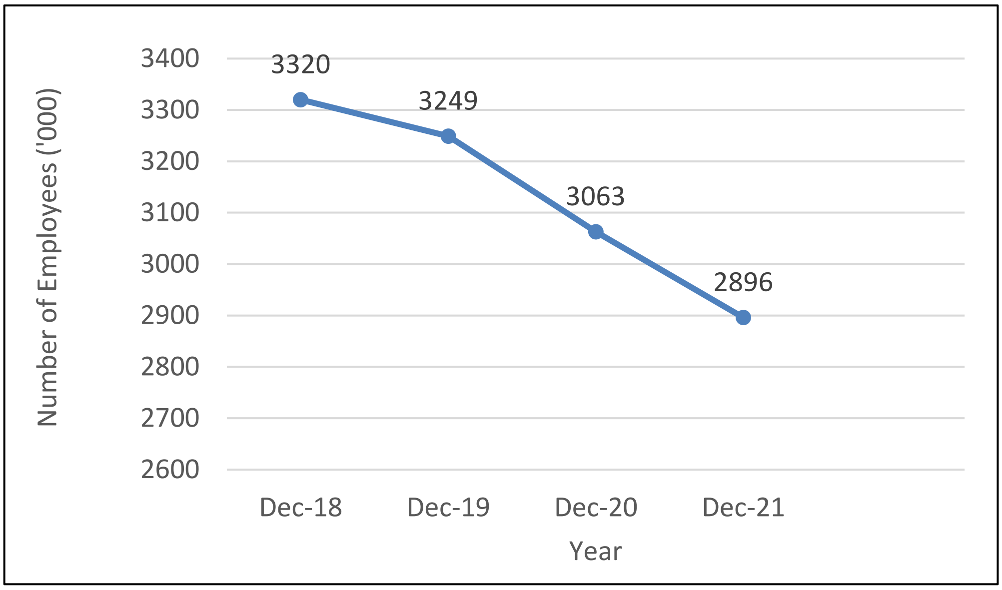


SOURCE: SARS, 2022; W&RSETA, 2022

1.5.2 Labour Market Profile

The figure below reveals that the trade sector - which according to Statistics SA refers to wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods, hotels, and restaurants - employed 2.896 million people in the fourth quarter of 2021.In the fourth quarter of 2018, there were 3.320 million employees compared to 2.896 million employees in the industry in the fourth quarter of 2021. This represents a decrease of 424 000 employees (12,8%) in this period. It is important to note that COVID-19 had a major influence on employment in the sector, especially from early 2020 onwards.

FIGURE 14: NUMBER OF EMPLOYEES IN THE TRADE SECTOR 2018 – 2021('000)

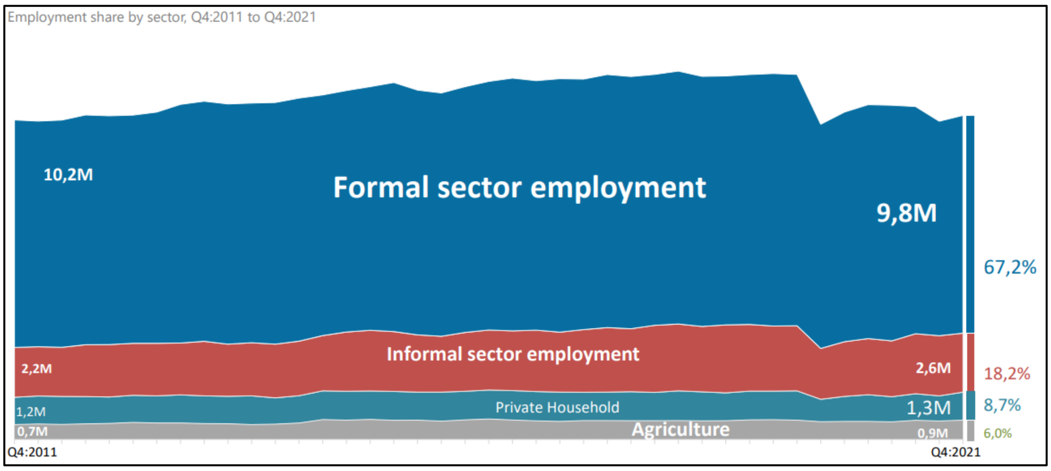


SOURCE: STATISTICS SOUTH AFRICA (2022), (2020)

The figure below shows the number of employees in the formal and informal sector. The figure reveals the following:

- The number of people in formal employment decreased by 0.4 million to 9.8 million in the period of 10 years, which is 67,12% of South Africa's total employment. The informal sector accounts for 17,8% (2.6 million people) of South Africa's total employment.
- Employment in both the formal sector and the informal sector experienced a relatively steady increase between 2010 and 2020. However, there was a rapid decline before the fourth quarter of 2020 likely due to the impact of COVID-19, amongst other possible reasons.

Figure 15: Employees in the Formal and Informal Sectors

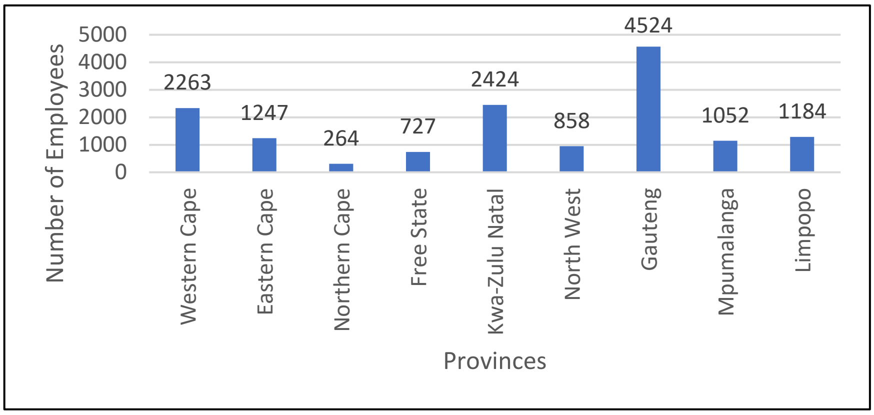


Source: Statistics SA QLFS Q4:2021 Presentation (2022)

The below figure shows the amount of people employed in the 9 provinces. The total number of employed people is 14,5m in Q4 of 2021, which is 362 000 people less than the total recorded for Q3 of the same year. This percentage decrease is spread across the 2 provinces that saw decreases, with the largest contributions recorded in Mpumalanga which decreased by 52 000. It was followed by Northern Cape, which decreased by 11 000. The largest increases in employment were recorded in KwaZulu-Natal and Gauteng, which saw increases of 126 000 and 76 000, respectively.

The figure below provides statistics on employment by province.

Figure 16: Employment by Province ('000)



Source: Statistics SA QLFS Q4: 2021 (2022)

1.5.3 Employee Demographics

The Table below indicates that despite the fact that democratic transformation in South Africa began over 25 years ago, change is still not prominent in this sector. The figures indicate that 51,6% of people in top management are represented by White males, which constitutes as the largest group to represent any occupational level. In contrast, there are only 24,4% of South African women represented in top management, with only 5,7% being African. The number of African females represented has increased from 2,2% in 2019/20 to 5,7% in 2020/21, while that of White females has decreased by 1,9%.

Coloured males and females have the lowest representation in senior management. African males and females make up the largest representation of semi-skilled and unskilled workers by a large margin, with 44,4% and 34,1% semi-skilled workers and 47,8% and 36,3% unskilled workers, respectively. This is followed by Coloured males and females, making up 11,8% of semi-skilled workers and 10,9% of unskilled workers. Through a surface analysis of the below figures, a skewed representation in favour of White males, is visible. There is also an overall larger representation of males than females across all occupational levels.

The employment profile table below shows that the demographics for formal employment in the W&R sector are a challenge. According to the Commission for Employment Equity the racial and gender profile of the sector is as follows:

TABLE 4: EMPLOYEE DEMOGRAPHICS

OCCUPATIONAL LEVEL	MALE (%)				FEMALE (%)				FOREIGN NATIONAL		TOTAL (%)
	A	C	I	W	A	C	I	W	M	F	
Top Management	10,1	3,5	7,3	51,6	5,7	2,2	3,4	13,1	2,6	0,5	100
Senior Management	15,1	4,7	7,4	34,7	9,5	3,3	4,3	17,8	2,3	0,8	100
Professional	22,7	4,9	4,8	18,2	24,0	4,8	4,2	14,0	1,7	0,7	100
Technician	32,3	5,8	2,7	9,0	31,4	5,8	2,7	8,6	1,3	0,4	100
Semi-Skilled Workers	44,4	5,6	1,2	2,1	34,1	6,2	1,3	2,8	1,9	0,3	100
Unskilled Workers	47,8	5,6	0,4	0,6	36,3	5,3	0,2	0,3	2,9	0,8	100

SOURCE: CEE ANNUAL REPORT (2020/21)

The table below provides the racial profile of W&RSETA registered employees by Major OFO Groups.

TABLE 5: RACIAL PROFILE OF EMPLOYEES BY MAJOR OFO GROUP

OCCUPATIONAL LEVEL	MALE (%)				FEMALE (%)				FOREIGN NATIONAL		TOTAL
	A	C	I	W	A	C	I	W	M	F	(%)
Managers	21,3	5,9	5,8	20,2	23,7	7,3	3,4	10,8	1,0	0,6	100
Professionals	15,2	7,6	5,9	19,9	16,3	8,2	5,4	20,2	0,9	0,5	100
Technicians and Associate Professionals	29,4	6,1	3,0	8,1	30,3	9,0	3,1	9,6	0,9	0,4	100
Clerical Support Workers	28,4	4,4	1,8	2,0	42,5	11,6	2,9	5,6	0,6	0,3	100
Service and Sales Workers	28,7	4,2	1,2	1,7	51,4	8,3	1,3	1,5	1,0	0,7	100
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	49,0	8,2	1,6	6,5	23,9	5,9	0,7	0,6	3,2	0,4	100
Plant and Machine Operators and Assemblers	69,5	11,5	2,2	2,9	7,8	2,6	0,3	0,6	2,4	0,2	100
Elementary Occupations	42,6	6,9	0,9	1,2	36,8	6,4	0,5	0,4	3,1	1,2	100

SOURCE: WSP DATA 2022

The figures from the table indicate that African males constitute the most predominant group, followed by African females. Furthermore, the biggest demographic across Major OFO Groups is African male Plant and Machine Operators and Assemblers, with 69,5%, in comparison to a combined total of 7,8% of African female Plant and Machine Operators and Assemblers.

Overall, there are more males than females in 6 Major OFO Groups, which exclude the Clerical Support Workers, and the Service and Sales Workers Major OFO Groups. While this still indicates a skewed representation in favour of males, on a racial perspective there are more Africans than other racial group. Furthermore, there are more African males than White males in the Manager and Professionals groups, with 21,3% and 20,2% respectively.

The following table provides the racial profile of the W&R Sector by gender, based on WSP data.

TABLE 6: RACIAL PROFILE OF EMPLOYEES BY GENDER

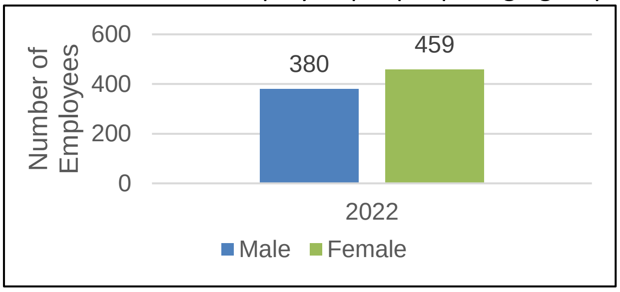
	African	Coloured	Indian	White
Male	33%	5%	2%	5%
Female	41%	8%	2%	4%

SOURCE: WSP DATA 2022

The following figure illustrates the breakdown of employees by gender, based on 2022 WSP data. From the figure below, it is evident that there are more females than males in the W&R Sector.

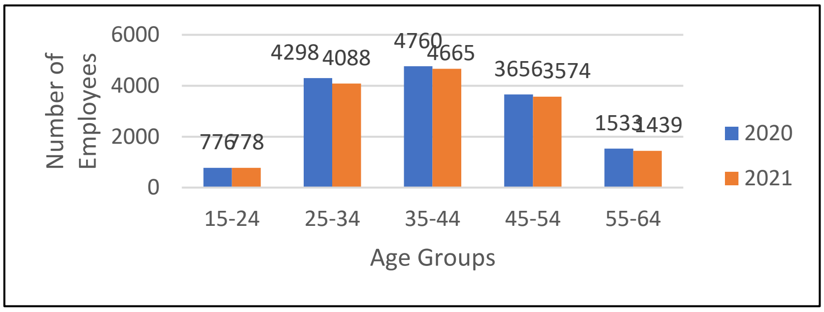
FIGURE 17: EMPLOYEES BY GENDER ('000)

SOURCE: WSP DATA 2022



The figure below illustrates the number of employed people per age group in thousands. The figure shows that people between the ages of 15 and 24 have the lowest number of employed people in 2020 when compared to 2021 and overall, across the age groups. The age groups 25 to 34, 35 to 44 and 45 to 54 have all seen a decrease in the number of employed people. Overall, the number of employed people decreased across the age groups in 2021, with the exception of the age group 15 to 24.

FIGURE 18: NUMBER OF EMPLOYED PEOPLE PER AGE GROUP ('000)

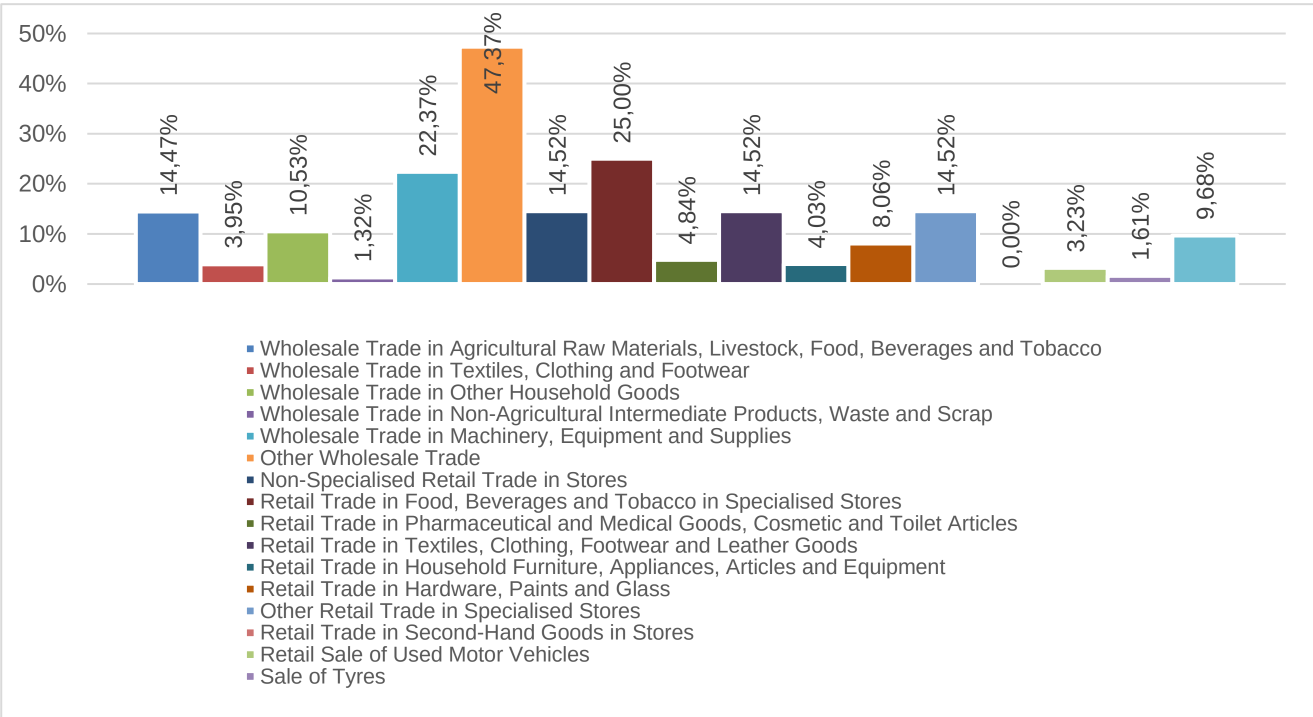


SOURCE: (Statistics South Africa, 2022)

The figure below shows the percentage of employers by subsector.

FIGURE 19: PERCENTAGE OF EMPLOYERS BY SUBSECTOR

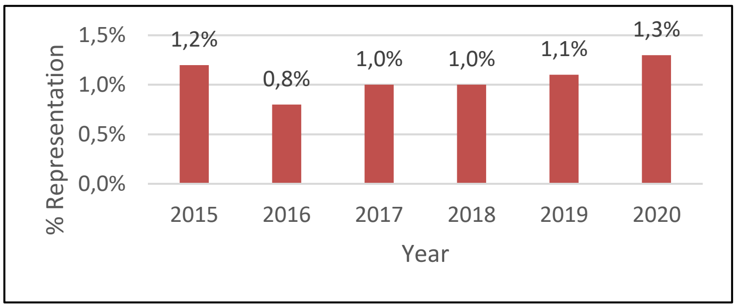
SOURCE: EMPLOYER SURVEY



SOURCE: EMPLOYER SURVEY

The following figure shows the percentage of the workforce made up by people with disabilities over the three years from 2015 to 2020. The figure shows an average of 1,0% from 2015 until 2019. Before 2020, representation of people with disabilities in the workforce had decreased since 2015, especially in 2016 where it decreased by 0,4%. The percentage representation has since increased to 1.3% in 2020.

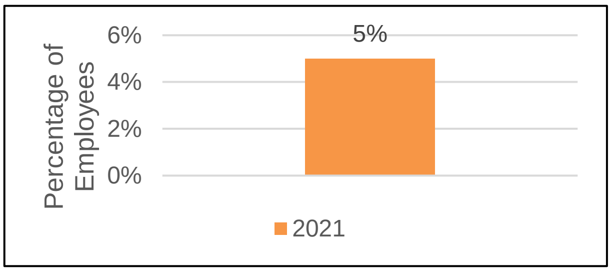
Figure 20: Percentage Representation of Workforce with Disabilities 2015 to 2020



Source: (CEE, 2020/21)

The following figure provides the percentage of employees with disabilities, as per the 2022 WSP data. The figure shows that 5% of employees had a disability.

Figure 21: Percentage of Employees with Disabilities in 2021



Source: WSP Data 2022

Representation of People with Disabilities (PWD) within the Sector:

People with Disabilities are the least represented across the South African workforce, despite the commitment by companies to comply to the Employment Equity Act 55 of 1998 (EEA). The EEA serves 2 key purposes, one of which is 'implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupation categories and levels in the workforce' (Department of Labour, 2004).

The figures in the 21st Commission for Employment Equity Annual Report for 2020/21 show that the representation of People with Disabilities is extremely low, with an average representation percentage of 1,47% across the workforce since 2018 (CEE, 2020/21). This illustrates that the action taken towards transformation and equity in the workplace is taking place at a much slower pace than it should. The figures for the W&R sector were not much different either, as the sector only had slightly less than 1,2% employees that represent People with Disabilities (W&RSETA APP, 2021/22 - 2023/24). This is slightly concerning considering that People with Disabilities are one of the annual SSP priority areas. However, the SETA's strategy highlights the challenges faced by People with Disabilities and is geared towards highlighting this to the W&R sector, to assist in accelerating developmental programmes to alleviate the statistics alluded to.

A challenge with the transformation interventions set for People with Disabilities, and other individuals in marginalised groups, is that although the interventions are targeted the impact imparted does not always translate as well in employment as it does in academics and training. There is still a highly visible margin in the representation of Persons with Disabilities and able-bodied people.

1.6 Conclusion

From this chapter, the following conclusions can be drawn, with direct implications for skills development for the W&RSETA:

- The South African economy saw a positive growth of 1,2%, from 5 out of 10 industries, of which the trade industry contributed 2,9% in the fourth quarter of 2021. It should be noted though that online sales have more than doubled since 2018, from approximately R14 billion to R30 billion (World Wide Worx, 2021).
- There is potential to improve the skills base of the sector, particularly at the lower and middle management level.
- Sector employee demographics are still misaligned with a high percentage (64,7%) of white employees occupying top management positions.
- Through a surface analysis of the figures, a skewed representation in favour of Whites, particularly White males, is visible. There is also an overall larger representation of males than females across the occupational levels and races across all occupational levels.
- The gender disparity has been steadily increasing since 2017, reaching the largest gap. Women remain the hardest hit, and the training must encourage women participation as a sub-sector within the disability sector since before 2014. W&RSETA should provide training opportunities for women to help them enter the sector.
- The employee profile of the W&R sector illustrates that job growth has been subdued between 2014 and 2021. This is consistent with sluggish growth of the economy and the impact of COVID-19 on the economy. To stimulate growth, women and unemployed youth must be funded for training in the future occupations, including 4IR-important occupations such as Data Scientist (see Chapter 3.2).
- The W&R sector is a major absorber of unskilled and semi-skilled workers. Hence, it is necessary to ensure healthy economic growth to provide employment for this unskilled and semi-skilled segment of the labour market, which consists of most of the labour force.

2 CHAPTER TWO: KEY SKILLS CHANGE DRIVERS

2.1 Introduction

This chapter identifies factors driving change in the W&R sector and influencing it to change either positively or negatively. Since there are a multitude of change drivers, the intention is to identify those that are skills-related and assess its implications for human resource development. Another issue addressed in this chapter is the alignment of sector skills planning to national strategies and plans such as the *National Development Plan, New Growth Path, Human Resource Development Strategy for South Africa, Industrial Policy Action Plan 3.*

Input and research into this section includes literature review (e.g., reports written on sector trends) including, but not limited to:

- W&RSETA Strategic Plan, 2020/21 – 2024/25
- PWC's Global Economic Crime and Fraud Survey South Africa
- NEDLAC's Futures of Work in South Africa
- data.ai's State of Mobile Report
- The National Skills Development Plan (NSDP)
- The National Skills Accord
- The Industrial Policy Action Plan II
- The New Growth Path
- The National Development Plan 2030 (NDP)
- White Paper for Post-School Education and Training (WPPSET)
- The Economic Reconstruction and Recovery Plan

2.2 Factors Affecting Skills Demand and Supply

This section describes the key factors identified as change drivers influencing skills supply and demand either positively or negatively. The section also presents the implications of these factors for skills development of the sector.

2.2.1 COVID-19

COVID-19 is an unprecedented public health emergency that is rapidly transforming the way we all live our lives. It is also mandating significant changes to retail and commerce. In this dynamic time of humanitarian and social uncertainty, what we buy, how we buy, and when and where we buy is undergoing a seismic shift.

The implications of COVID-19 for Skills planning include slowing down of business activity, decline in revenue, increased demand for e-commerce, prioritising reskilling and retraining to minimise job losses, and higher health and safety risk of customers, employers, employees, and partners. Skills planning also has to include transitioning to e-learning and/or blended learning to provide training for employees and learners. The strategic priority skills areas therefore include Safety, Health, Environmental and Quality (SHEQ), Food Safety, Product knowledge, Skills programmes for unemployed youth and supporting vulnerable sub-sectors of the economy (SMMEs, informal traders, cooperatives, NGOs, and youth). Training in ICT literacy is also a priority due to an increased need for virtual team management.

2.2.1.1 Data Privacy and Protection of Personal Information Act

All businesses in South Africa are now required to adhere to the requirements of the Protection of Personal Information Act. These requirements can be onerous for businesses, especially for SMMEs (for example, the requirement of all businesses to appoint an Information Officer who can be held liable for data breaches in multiple ways). POPI will require a fundamental shift in how businesses process data and how they market themselves. Furthermore, cybersecurity and IT literacy skills will become essential as most data is stored on servers or in the cloud.

2.2.2 Technological Advancements and Access to Information

The wholesale and retail industries are rapidly changing due to technological advancements. These advancements offer wholesalers and retailers opportunity to increase their efficiency and revise their business models. However, these advancements have also given consumers more power in relation to retailers. This power is often through constant connectivity, communication, and access to information.

Implications of technology for Skills Planning in the sector include the following:

- **Mobile Applications:** Smartphones, tablets, and wearable devices present retailers with new opportunities for engagement with customers. Retailers can build personal relationships with customers based on their preferences, shopping styles, and mobile interaction (data.ai, 2020).
- **Online Shopping:** Online shopping is growing rapidly in popularity. Companies are increasingly marketing online in order not to be outdone by rivals.
- **Big Data:** Large, complex datasets from multiple sources. Provides information on consumer behaviour and is a strong predictive sales indicator.
- **Social Media:** A platform for retailers to expand marketing to a wider range of consumers. Major platforms are Facebook, twitter, LinkedIn, and others. Conversely, social media offers Consumers an opportunity to gather information about retailers. This includes negative publicity (e.g., retailers being accused of unethical conduct, poorly thought-out marketing campaigns, etc.).
- **Cyber Crime:** Retailers are a target for cybercriminals. Retailers experience nearly three times as many cyber-attacks as those in the finance sector. With 77% of organisations being affected (PWC, 2018).

Other uncategorised implications include the following:

- The future of work is changing as technology is rapidly advancing towards latest trends such as automation and artificial intelligence, which will change the traditional roles leading to some jobs becoming absolute (NEDLAC, 2019).
- Employers and employees will require skills in the ICT and data analytics space.
- Re-capacitation and reskilling of workers is critical to ensure their readiness to embrace the new technological changes.
- Retailers may have an increased need for environmental managers, social corporate managers, public relations managers, and HR Managers. Furthermore, it is increasingly important that companies have the skills to make the correct decision quickly (both in terms of business sustainability and ethically).
- Should the business make a decision that is unpopular (as was the recent case when a major retailer was accused of appropriating someone's product idea as their own) it is imperative that they have the required public relations skills to mitigate the negative impact this incident may pose.
- There are still areas that struggle with access to network, internet, and technological resources. This will create a gap within the sector's development and transformation.

The Skills Gap Needs that were identified include ICT, analytics, graphic design, photography, programming, cloud computing, web development, data mining, statistics, research, forecasting, marketing and sales, management, networking, mobile device management, cyber security, and ICT law. Re-capacitation and reskilling of workers is critical to ensure their readiness to embrace the new technological changes

The occupational needs include Software Developer/ Web Designer/ Web Administrator/ ICT Security Specialist/ Graphic Designer/ Analyst/ Researcher/ Marketing and Sales Manager Digital skills/Cognitive based work/ Programming/ machine device management/ Customer Service optimization.

2.2.3 SMME Development

The W&R sector in South Africa is made up of many SMMEs in need of support and development.

The implications for Skills Planning in the sector are listed as follows:

- **Small enterprise development**: SMMEs should build a sustainable business model given that the gestation period for success in the retail sector is long. Sustainable product pricing, offering products that imply longevity, expanding operations in a calibrated but determined manner.
- **Hawkers:** Hawkers are a vulnerable group, since many are women with little family support. A major characteristic of hawkers is their mobility since they traverse on foot.
- **Casualisation:** The entire retail sector is characterized by high casualization – the "permanent temporary worker". Most workers employed by unorganized businesses do not receive healthcare, educational and minimum wages.
- **New Training Model:** A new training model is required to upgrade the skills of SMMEs, since they cannot leave the business for skills training. Training for SMMEs should include e-training; toolkits; on-the-job training; digitization of training; industry clusters; mentoring and coaching. An SMME Strategy for skills development is needed. The SETA can also ensure partnerships between SMMEs and Training Providers.
- **Township Based Businesses and Smaller Retailers**: National supermarkets are saturating townships and peri-urban areas causing a strain on small retailers. There is therefore a need for smaller businesses to partner with the larger retailers and form part of these supply chains. This will raise the need for skills relating to business management, compliance training and quality assurance. There are many requirements that larger retailers have for their suppliers and business owners will need training in this space. There have been calls for informal businesses to become formal so they can better compete with the big chains but there are a series of barriers facing them (Charman, et al., 2019).

The occupational needs in the sector include tellers, packagers, cleaners, securities, sales managers, buyers, merchandisers, sales assistants, bakers, butchers, etc.

The skills gap needs include financial management, product knowledge, marketing and sales, communication, merchandising negotiation, technical, conflict management, buying, pricing, time management, customer relations, ICT, life skills and coaching.

The occupational needs include Coach/ Mentor, SMME specialist, and Finance/ Business Management.

2.2.4 Changing Expectations of W&R Stakeholders

The expectations of customers, employees, suppliers, and investors are constantly evolving and changing over time. For example, employers are encouraged to be more aware and responsive to differences in employee cultures and religions.
Customers expect a much faster reaction time from their favoured stores. Competition is also being faced from a global perspective. Furthermore, consumers are more inclined to support businesses who operate ethically with a sustainable ecological footprint. With the rise in access to information consumers can easily seek out retailers who demonstrate these characteristics. There is also an increased demand for Customer Service and Emotional Intelligence to help with dealing with the pressures and trauma faced by employees and customers due to COVID-19. These elements require employees to be skilled and knowledgeable in HR practices, environmentally friendly practices, be aware of the local and global economic and political context.

2.3 Policy frameworks affecting skills demand and supply

National policies and legislation should inform the W&RSETA's Strategic Plan and Annual Performance Plan.

Below is a table summarising the national policies that guide the operations of the W&RSETA. It demonstrates the alignment of the W&RSETA's Strategic Plan to government's national policies and strategies.

TABLE 7: POLICY FRAMEWORKS AFFECTING SKILLS DEMAND AND SUPPLY

National Strategies / Policies	Implications & Measures For W&RSETA
National Skills Development Plan (NSDP)	• Increase research outputs focusing on sector economic development and job creation. • Promote sector collaboration with relevant public and private institutions aligned to labour market demands. • Increase training of occupations in high demand in the sector
National Skills Accord 8 commitments to be followed: • Expand training using existing facilities • Create internship and placement opportunities • Set ratios for trainees and artisans, as well as across the technical vocations, to improve training • Improve training funding and incentives for companies to train • Set annual targets for training in state-owned enterprises. • Improve SETA governance, fiscal management, and stakeholder involvement • Align training to the New Growth Path and improve SSPs • Improve the role and performance of TVET colleges.	The implications are: • Increase learnerships, apprenticeships, internships, and bursaries. • Increase the number of accredited training providers. • Expand partnerships with TVET Colleges.
Industrial Policy Action Plan II (IPAP II) IPAP has identified several growth sectors that address high unemployment.	• Increase learnerships, apprenticeships, internships and bursaries in clothing, textiles, footwear, and leather goods and automotive. • Develop projects for promoting green industries.
New Growth Path (NGP) The New Growth Path identifies 5 job drivers: • Infrastructure for employment and development • Improving job creation in employment and development • Seizing the potential of new economies • Investing in social capital • Spatial development.	• Create projects to increase college-to-work transitions. • Increase learnerships, apprenticeships, internships and bursaries in clothing, textiles, footwear, and leather goods and automotive. • Develop projects for promoting green industries.
National Development Plan 2030 (NDP) The National Development Plan 2030 has identified the following 9 key areas to achieve a development approach that is sustainable and inclusive: • Creating jobs and livelihoods • Expanding infrastructure • Transitioning to low-carbon economy • Transforming urban and rural spaces • Improving education and training • Providing quality healthcare • Building a capable state • Fighting corruption and enhancing accountability • Transforming society and uniting the nation	The implications are: • Build capabilities of W&RSETA staff and Board members. • Increase learnerships, apprenticeships, internships, and bursaries. • Increase the number of accredited training providers. • Expand partnerships with TVET Colleges. • Create projects to increase college-to-work transitions. • Develop projects for promoting green industries.
White Paper for Post-School Education and Training (WPPSET) • It is a vision for an integrated system of post-school education and training with all institutions playing their roles • Set out strategies to improve the capacity of post-school education and training system to meet SA's needs.	• Increase learnerships, apprenticeships, internships, and bursaries. • Increase the number of accredited training providers. • Expand partnerships with TVET Colleges.

2.4 Measures the W&RSETA has put in place in support of National Strategies and Plans including the Economic Reconstruction and Recovery Plan and its Skills Strategy

The W&RSETA has implemented/ is implementing the following projects in support of the ERRP:

- Capacitation Workshops and Trading Vouchers: ITAMED (Informal Traders and Micro Enterprises Development)
- Entrepreneurship Development Programme
- SME Grant (Small and Micro Enterprise Grant)
- Unemployed Graduates (Degree and Diploma) are placed to gain workplace experience
- Unemployed Interns are placed to gain workplace experience in order to obtain their diplomas
- Include employees that fall within marginalised and minority groups in the ILDP and RMDP programmes.
- Infrastructure and equipment support with CETs, TVETs and Skills Development Centres
- Embed economic planning within the skills planning function

Additionally, the Economic Reconstruction and Recovery Plan (ERRP) includes issues of transformation and skills development. The W&RSETA has the International Leadership Development Programme (ILDP) and the Retail Management Development Programme (RMDP) for upskilling employees within the W&R sector. To ensure that the ERRP is deliberately responded to, the SETA can ensure the support of employees that form part of marginalised groups (such as women, people living with disabilities, people of colour) in joining and completing the programmes.

2.5 Conclusion

From the multiplicity of factors driving change in the W&R sector, we have identified 5 major change drivers that are likely to change the sector in significant ways in the future. These factors have major implications for skills development and the work for the W&RSETA.

There is an increased formalisation in the sector, primarily in townships and peri-urban areas, putting pressure on small local retailers. Technology continues to be a driving force in the sector, with mobile applications becoming important players in the way the sector operates. There is an increase in alternatives for consumers to use which has increased their power, which they have used to move the market towards eco-friendlier and ethical products. The importance of SMMEs is large and requires the assistance of W&RSETA to ensure their sustainability. The youth need to be trained to effectively enter the W&R sector.

3 CHAPTER THREE: OCCUPATIONAL SHORTAGES AND SKILLS GAPS

3.1 Introduction

Having profiled the sector, employment, and the key issues driving change, this chapter focuses on understanding occupation-specific skills mismatches in the sector. The issue of skills gaps is also addressed. The following are the data sources used in responding to chapter 3:

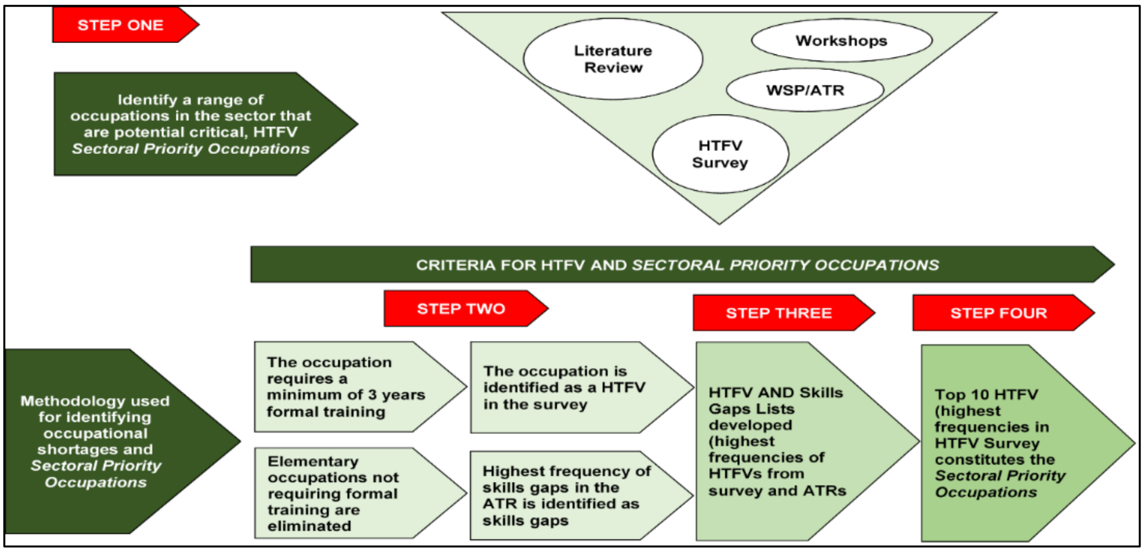
- WSP/ ATR data
- Hard-To-Fill Vacancy (HTFV) and skills gaps survey (2021)
- SMME research
- Research reports

This chapter is set out as follows:

- Occupational shortages (also called Hard-To-Fill Vacancies) and skills gaps are identified.
- Skills supply issues are discussed.

The methodology and criteria to compile critical, HTFV and Sectoral Priority Occupations is as follows:

FIGURE 22: METHODOLOGY AND CRITERIA



SOURCE: DHET SSP FRAMEWORK AND REQUIREMENTS 2019/20, SSP SURVEY TEMPLATE, 2019

Step One:

The range of possible occupations for the HTFV, Sectoral Priority Occupations and skills gaps lists are identified through workshops, literature reviews and the administration of a survey.

Step Two:

Four eligibility criteria are used to eliminate occupations: (1) 3 years formal training; (2) elementary occupations eliminated; (3) administer survey; and (4) skills gaps mentioned in ATRs.

Step Three:

After elimination, the highest frequency occupations (above the median) are included on the HTFV list. The highest frequency skills gaps mentioned in the ATRs (above the median) are included on the Skills Gaps List.

Step Four:

The Top 10 HTFV (highest frequencies) become the Sectoral Priority Occupations.

3.2 Sectoral Occupational Demand (Hard-To-Fill Vacancies)

The following table provides the Hard-to fill occupations along with the reasons that have been provided by the stakeholders. WSP/ATR Data for 2021/22 was validated in surveys.

TABLE 8: HARD-TO-FILL VACANCIES (HTFV)

Occupation	OFO Code	Entities Reporting	Vacancies	Reasons[5]
Retail General Manager	142103	131	470	Lack of relevant experience
Retail Buyer	332301	45	214	Lack of relevant experience
Retail Supervisor	522201	46	106	Lack of relevant experience
Safety, Health, Environment and Quality (SHE&Q) Practitioner	226302	6	26	Lack of relevant qualifications
Blockman/Butcher	681103	48	183	Lack of relevant qualifications
Key Account Manager	122101	27	118	Lack of relevant experience
ICT Security Specialist	252901	1	0[6]	Lack of relevant experience
Small Business Manager	134903	4	69	Unsuitable job location
Visual Merchandiser	343203	15	65	Lack of relevant experience
Corporate General Manager	121901	29	58	Equity Consideration
Confectionary Baker	681201	25	77	Lack of relevant experience
Shop Assistant	522301	23	259	Lack of relevant experience
Sales Director	122102	36	171	Lack of relevant experience
Corporate Services Manager	121902	8	74	Unsuitable job location
ICT Communications Assistant	351201	2	4	Lack of relevant experience
Inbound Contact Centre Consultant	422201	4	163	Lack of relevant experience
Industrial Products Sales Representative	243301	10	17	Lack of relevant experience
Nail Technician	514204	15	75	Poor remuneration
Beauty Therapist	514201	15	45	Poor remuneration
Commis Chef	343401	7	138	Lack of relevant qualifications
Software Developer	251201	14	37	Lack of relevant experience
Data Scientist	251102	10	44	Lack of relevant qualifications
Marketing Practitioner	243103	17	28	Lack of relevant experience

SOURCE: WSP/ATR DATA 2021; SSP SURVEY; EMPLOYER INTERVIEWS; SSP PROVINCIAL ENGAGEMENTS

Butchers and Confectionary Bakers are specialist occupations and there is said to be a lack of appropriate specialist qualifications and experience and on-the-job training is required. High staff turnover is also noted. Furthermore, feedback from stakeholder consultations indicated that some occupations do not have OFO Codes and a shortage in such an occupation would be coded using the closest occupation to that one. For example, unemployed learners on an NQF Level 2 Learnership do not have an OFO Code and are, therefore, captured as Sales Assistants because it is the closest to what they do. However, the distinction becomes very important within the sales environment.

There are also appliance technicians needed, particularly because there does not seem to be accessible training for this occupation. The abovementioned challenges are national, as they have been raised by more than one province during the engagements. Occupations mentioned in the latest provincial engagements as

[5] Reasons are given for each HTFV to give an explanation as to why the vacancy is difficult to fill. These reasons could be that employers are unable to find candidates that have the relevant qualifications required for the occupation (lack of relevant qualifications); inability to find candidates that have the relevant experience required for the occupation (lack of relevant experience); inability to find candidates that fit the equity considerations such gender, race, disability (equity consideration); inability to find candidates that are willing to work the required hours or do not live in/are unwilling to relocate to the job location (unsuitable working hours/ unsuitable job location); and sometimes candidates lack needed (technical) skills (lack of technical/creative) skills required.

[6] ICT Security Specialist is an emerging occupation in the sector; hence it may not appear in the WSP submissions where quantities required are given. However, in consultations (surveys, interviews, provincial engagements) the occupation came up strongly. It also supports strategic intents and the change driver "Technological Advancements and Access to Information" (see chapter 2.2.2), hence it has been included.

well include Retail General Manager, Software Developer, Butcher, Confectionary Baker, Retail Store Manager, Confectionary Maker, (Specialist) Sales Representative and ICT Security Specialist

Data Analysts and Web Designers were mentioned as being high priority occupations that new or emerging in the sector.

It has been suggested that the following occupations are high turnover, high demand occupations.

TABLE 9: HIGH DEMAND, HIGH TURNOVER OCCUPATIONS

Occupation	OFO Code	Vacancies	Reasons
Sales Assistant (General)	2019-522301	259	Lack of relevant experience
Petrol Station Attendant	2019-524501-5	48	Lack of relevant experience
Cashier	2019-523102-3	25	Lack of relevant experience
Food Service Counter Attendant	2019-524601	5	Lack of relevant experience
Service Station Cashier	2019-523102-5	25	Lack of relevant experience
Service Station Attendant	2019-524501	48	Lack of relevant experience

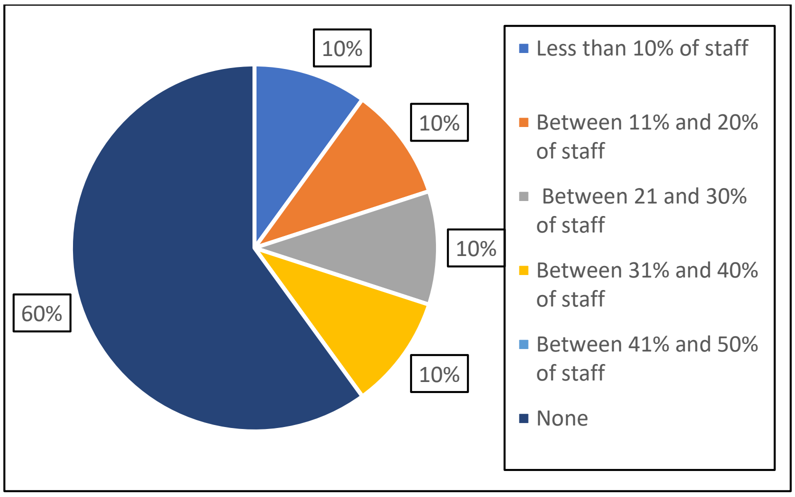
SOURCE: WSP/ATR DATA 2021; SSP SURVEY; EMPLOYER INTERVIEWS; SSP PROVINCIAL ENGAGEMENTS

3.3 COVID-19 Research

This section looks at the impact of COVID-19 to date on employers, based on interview findings. Although the sample size was small (as is typical of interviews), this provides indication for some employers.

As seen in the figure below, 60% of interviewed employers indicated that none of their staff was retrenched due to COVID-19.

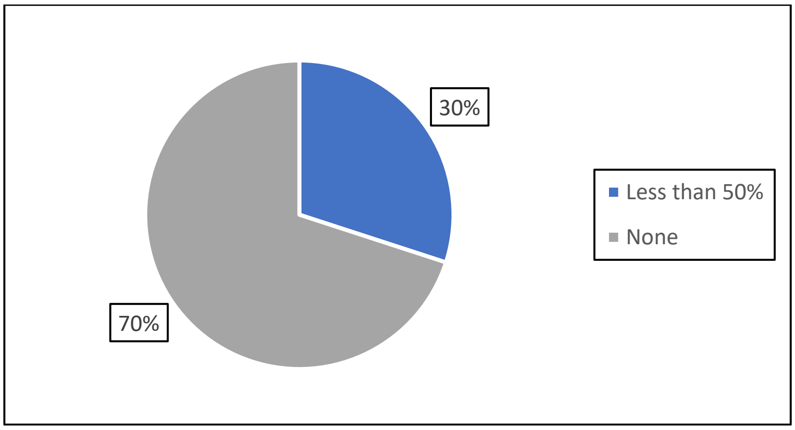
FIGURE 23: STAFF RETRENCHED DUE TO COVID-19



SOURCE: SSP EMPLOYER INTERVIEWS

70% of interviewed employers indicated that no employees are currently working from home, while 30% of the employers indicated that less than 50% of employees are working from home. No employers indicated that more than 50% of their employees are working from home.

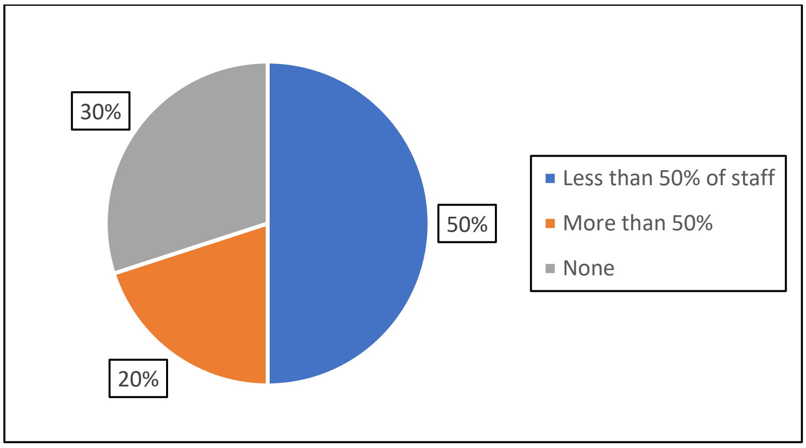
Figure 24: Staff Working from Home due to COVID-19



Source: SSP Employer Interviews

As seen in the figure below, 50% of the interviewed employers indicated that less than 50% of their had to take on new roles and responsibilities as a result of the pandemic. 30% indicated that more than 50% of their staff had to take on a new roles and responsibilities while 20% indicated that none of their staff had to take on new roles and responsibilities.

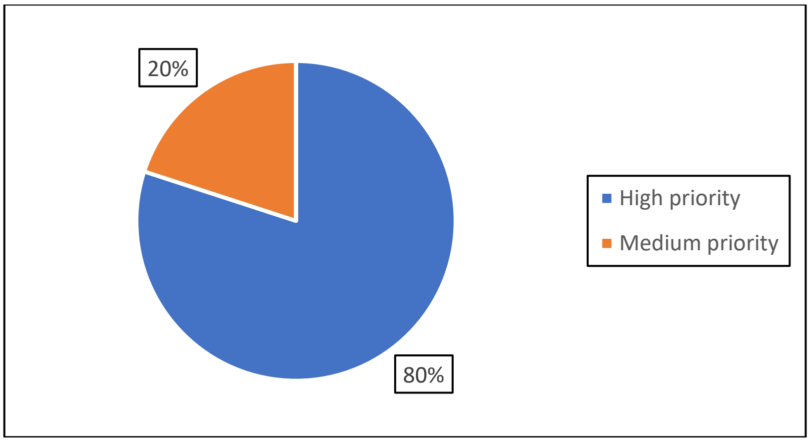
Figure 25: New Roles and Responsibilities for Staff due to COVID-19



Source: SSP Employer Interviews

80% of the interviewed employers indicated that skills development is a high priority in their organisation in the next 12 months while 20% indicated that it is a medium priority, as seen below. No employers indicated that skills development is a low priority.

Figure 26: Extent to which Skills Development is a Priority

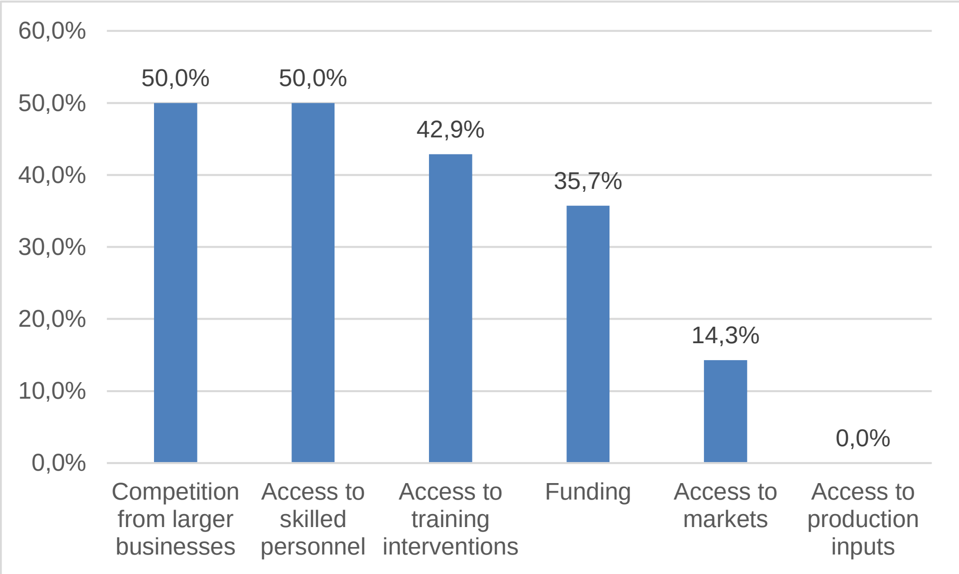


Source: SSP Employer Interviews

3.4 SME Research

The following figure illustrates the skills that SMEs (small and micro enterprises) indicated are required but are lacking in the different occupational groups.

FIGURE 27: FACTORS PREVENTING SMME GROWTH



SOURCE: SSP SURVEY

Competition from larger businesses and access to skilled personnel are the two most prevalent factors preventing SMMEs from achieving business growth, followed by access to training interventions and funding.

SMMEs noted that marketing skills, accountability, interpersonal skills and, overall, more skilled individuals are required for their businesses to succeed, at both a lower and managerial level. The shortage of skilled candidates poses a challenge to the productivity and output of SMMEs, although there are opportunities for upskilling that could in turn affect the overall performance of SMMEs.

Increasing fuel prices and load shedding were also said to be hindering small businesses' ability to succeed.

When asked what support SMMEs required from larger businesses or organisations in the sector, there were several indications of financial investment or trade being the most important and immediate type of support required.

3.5 Hard-To-Fill Vacancies (HTFVS) by Province

The following is the HTFV list by province, as validated by participants in the latest provincial engagements. The table includes occupations and reasons that were added by participants in the provincial engagements and surveys.

TABLE 10: HTFV LIST FOR GAUTENG AND KWAZULU NATAL

Gauteng		Kwa-Zulu Natal	
Occupation	**Reasons**	**Occupation**	**Reasons**
Sales Assistant	Lack of experience	Retail General Manager	Lack of experience & lack of relevant qualifications
Retail General Manager	Lack of relevant experience	Retail Buyer	Unsuitable job location & salary expectations
Visual Merchandiser	Lack of relevant experience & equity consideration	Butcher (Blockman)	Lack of relevant qualifications
Sales Manager	Lack of relevant experience	Retail Supervisor	Lack of relevant experience

Gauteng		Kwa-Zulu Natal	
Occupation	**Reasons**	**Occupation**	**Reasons**
Software Developer	Equity consideration	Sales Manager	Lack of relevant qualifications
Confectionery Baker	Lack of relevant experience	Confectionary Baker	Lack of relevant qualifications
Retail Supervisor	Unsuitable job location & Lack of relevant experience	Fork Truck Operator	Lack of relevant qualifications
Butcher (Blockman)	Lack of experience & Lack of relevant qualifications	Head Chef	Lack of relevant qualifications
Retail Store Manager	Lack of relevant qualifications	Energy Efficiency Supplies Sales Representative	Lack of relevant experience
Industrial Products Sales Representative	Lack of relevant qualifications	Sales Assistant	Lack of relevant experience
General/ Company Buyer	Lack of relevant experience, lack of relevant skills & salary expectations	Retail General Manager	Lack of relevant qualifications, lack of skills & unsuitable work location
Key Account Manager	Lack of relevant experience, lack of relevant skills & salary expectations	General/ Company Buyer	Lack of relevant qualifications, equity consideration, salary expectations & lack of relevant skills
Visual Merchandiser	Lack of relevant experience & lack of relevant skills	Key Account Manager	Lack of relevant and specialist experience
ICT Security Specialist	Lack of relevant experience, lack of relevant skills & equity considerations	Visual Merchandiser	Lack of relevant experience, lack of relevant skills & lack of qualified candidates
Data scientist	None provided	Shop Assistant	Lack of relevant skills & lack of relevant experience
Data Analyst	None provided	Software Developer	None provided
Business analyst	None provided	Data Scientist	None provided
Developers	None provided		

Source: WSP/ATR 2021; SSP Survey; Employer Interviews; SSP Provincial Engagements

In the Gauteng region, there are 3 positions at manager level. In the Kwa-Zulu Natal, 2 manager level occupations were also identified. As the occupation of data scientist was not listed before the revised 2019 OFO codes, it may have been difficult to fund training in this occupation and grow talent to stay in the sector.

Table 11: HTFV List for Northern Cape and Free State

Northern Cape		Free State	
Occupation	**Reasons**	**Occupation**	**Reasons**
Butcher (Blockman)	Lack of relevant experience Lack of relevant qualifications Lack of interest High turnover Lack of (specialist) training	Butcher (Blockman)	Lack of relevant qualifications
Millwright	Poor remuneration	Confectionary Baker	Unsuitable working hours
Truck Driver	Lack of relevant experience	Visual Merchandiser	Lack of relevant qualifications

Northern Cape		Free State	
Occupation	**Reasons**	**Occupation**	**Reasons**
Butcher's Assistant	Lack of relevant qualifications	Dispatching and Receiving Clerk / Officer	Lack of relevant qualifications
Diesel Mechanic	Project based work	Retail Pharmacist	Unsuitable job location
Store Person	Lack of relevant experience	Retail Store Manager	Unsuitable job location (migration to other provinces)
Confectioner's Assistant	Lack of relevant experience No training available in or around province	Artisan Aide Electrical	Lack of relevant qualifications
Auto Electrician	Poor remuneration	Retail Buyer	Unsuitable job location
Butcher's Assistant	None provided	Food Trade Assistant	Lack of relevant experience
Sales Personnel in Hardware and Building Material	None provided	Retail Supervisor	Lack of relevant experience
Butcher's Assistant	None provided	Sales Representative (commercial)	None provided
ICT Security Specialist	Lack of relevant qualifications, salary expectations & unsuitable work hours	Small Business Manager	Lack of interest
Retail General Manager	Lack of relevant skills, lack of interest & salary expectations		
Inbound Contact Centre Consultant	Lack of relevant skills, lack of interest & salary expectations		
Key Account Manager	Salary expectations		
Safety, Health, Environment and Quality (SHE&Q) Practitioner	Lack of relevant qualifications & salary expectations		

SOURCE: WSP/ATR 2021; SSP SURVEY; EMPLOYER INTERVIEWS; SSP PROVINCIAL ENGAGEMENTS

In the Northern Cape, there are no positions in the managerial level that are hard to fill. Possibly explaining why vacancies are hard to fill in general, it was noted that wholesale and retail graduates and experienced employees are moving to other sectors. In the Free State, 1 manager level occupation was identified. There appears to be more artisan related occupations in demand in these provinces.

TABLE 12: HTFV LIST FOR MPUMALANGA AND EASTERN CAPE

Mpumalanga		Eastern Cape	
Occupation	**Reasons**	**Occupation**	**Reasons**
Petrol Station Attendant	Lack of relevant experience High turnover	Confectionary Baker	Lack of relevant qualifications & Lack of relevant experience
Cashier	Lack of relevant experience	Butcher	Lack of relevant qualifications Lack of accredited training providers
Food Service Counter Attendant	Lack of relevant experience	Retail General Manager	Unsuitable job location
Safety, Health, Environment and Quality (SHE&Q) Practitioner	Lack of relevant experience & Lack of relevant qualifications	Retail Store Manager	Unsuitable job location

Mpumalanga		Eastern Cape	
Occupation	**Reasons**	**Occupation**	**Reasons**
Service Station Attendant	Lack of relevant experience High turnover	Sales and Marketing Manager	Lack of relevant qualifications
Merchandiser	Lack of relevant experience	Programme/ Project Manager	Lack of relevant qualifications
Service Station Cashier	Lack of relevant experience	Office Manager	Lack of relevant qualifications Lack of relevant experience Migration to the Western Cape and Gauteng
Retail General Manager	Lack of relevant qualifications & unsuitable job location	Software Developer	Lack of relevant experience
Service Station Salesperson	Lack of relevant experience High turnover	Sales Person/ Consultant	Lack of relevant experience
Confectionary Baker	Lack of relevant experience Lack of relevant qualifications Experienced bakers migrate to urban areas	Retail Buyer	Equity consideration
Butcher	Lack of relevant qualifications	Safety, Health, Environment and Quality (SHE&Q) Practitioner	Lack of relevant skills & difficulty obtaining accreditation
Retail Supervisor	Unsuitable work hours & stressful work scope	Small Business Manager	Lack of relevant skills & difficulty obtaining accreditation
Retail General Manager	Unsuitable work hours, stressful work scope & lack of relevant skills		
Sales Director	Unsuitable work hours, salary expectation, lack of relevant experience & lack of relevant qualification		
Corporate General Manager	Unsuitable work hours, lack of relevant qualifications, lack of relevant experience & salary expectations		

SOURCE: WSP/ATR 2021; SSP SURVEY; EMPLOYER INTERVIEWS; SSP PROVINCIAL ENGAGEMENTS

In the Eastern Cape, there are 5 occupations was at manager level. In the Mpumalanga, 1 occupation at manager level occupations were identified. A potential reason is the unwillingness of experienced managers to settle in an outlying province. It also indicates that the W&RSETA needs to give greater attention to management training in responding to the demand.

TABLE 13: HTFV LIST FOR NORTH WEST AND LIMPOPO

North West		Limpopo	
Occupation	**Reasons**	**Occupation**	**Reasons**
Retail Store Manager	Lack of experience	Retail General Manager	Lack of relevant qualification
Human Resource Manager	Unsuitable job location	Retail Supervisor	Lack of relevant qualifications

North West		Limpopo	
Occupation	**Reasons**	**Occupation**	**Reasons**
Receiving Clerk	Lack of relevant qualification	Butcher	Lack of relevant qualification
Sales Manager	Lack of relevant experience & Lack of relevant qualification	Service Station Cashier	Lack of relevant qualifications
Butcher	Lack of relevant experience	Camera Operator	Lack of relevant experience & Lack of relevant qualification
Automation and Control Engineer	Lack of relevant qualification	Cashier	Lack of relevant experience
Debtors Clerk	Lack of relevant experience	Bakery Assistant	Lack of relevant experience
Mechanical Engineer	Unsuitable job location	Butcher's Assistant	Lack of relevant experience
Metal Fabricator	Lack of relevant qualification	Retail Pharmacist	Lack of relevant experience (low supply)
Electrical Engineer	Poor remuneration	Call/ Contact Centre Manager	Lack of relevant experience
Tradesmen in electrical or instrument work	None provided	Electrician artisan	None provided
		Retail General Manager	Lack of relevant skills & lack of relevant qualification
		Key Account Manager	Lack of job-specific curriculum
		Safety, Health, Environment and Quality (SHE&Q) Practitioner	Lack of job-specific curriculum

SOURCE: WSP/ATR 2021; SSP SURVEY; EMPLOYER INTERVIEWS; SSP PROVINCIAL ENGAGEMENTS

In the North-West, 3 occupations are at manager level. In Limpopo, 1 manager level occupation was identified. The province is small and the majority of businesses that operate are SMEs and interventions need to address needs of SMEs.

The Western Cape has 2 positions as hard to fill. Employers recommended that skills gaps be addressed through work readiness programmes.

TABLE 14: HTFV LIST FOR WESTERN CAPE

Western Cape	
Occupation	**Reasons**
Retail Buyer	Lack of experience & Lack of relevant qualifications
Beauty Sales Consultant	Lack of relevant qualifications
Software Developer	Lack of relevant experience & Poor remuneration
Sales Assistant (General)	Lack of experience
Retail General Manager	Lack of relevant experience & Lack of skills
Merchandise Planner	Lack of relevant experience
Retail Store Manager	Lack of relevant qualifications & Lack of relevant experience
Computer Network and Systems Engineer	Lack of skills & Lack of relevant qualifications
General Accountant	Lack of relevant experience

Western Cape	
Occupation	**Reasons**
Visual Merchandiser	Lack of relevant experience & Lack of relevant qualifications
Retail Sales Advisor	Lack of relevant qualifications
Data Scientist	Was previously not OFO listed
Planner	Lack of relevant experience
Driver	None provided
Industrial Engineer	None provided
ICT Security Specialist	Lack of relevant qualification, salary expectations, lack of relevant skills & lack of relevant experience
Small Business Manager	Salary expectations, lack of relevant skills & lack of relevant experience
Butcher	Lack of relevant skills, competitive market & salary expectations
Key Account Manager	Unsuitable work location, lack of relevant skills, lack of interest & lack of relevant experience
Confectionary Baker	Competitive market, salary expectations & lack of relevant skills

SOURCE: WSP/ATR 2021; SSP SURVEY; EMPLOYER INTERVIEWS; SSP PROVINCIAL ENGAGEMENTS

3.6 Skills Gaps

Skills gaps refer to skills gaps within an occupation or 'top up' skills. Training for skills gaps usually takes the form of short courses delivered in-house or externally. Such programmes, due to their short duration, do not require accreditation and thus does not lead to national qualifications on the NQF.

Both HTFVs and skills gaps must be identified at the occupational level, with occupational shortages being considered against the occupation itself and skills gaps being reflected as specific skills within the occupation.

The following skills gaps skills were identified from WSP/ATR 2022 and validated through fieldwork:

TABLE 15: SKILLS GAPS

SOFT SKILLS: EMOTIONAL INTELLIGENCE/ PEOPLE SKILLS SUCH AS MANAGING DIVERSITY/ COMMUNICATION SKILLS
MANAGEMENT: LEADERSHIP SKILLS/ MENTORING AND COACHING/ PLANNING AND PROJECT MANAGEMENT/ CONFLICT MANAGEMENT/ BUSINESS MANAGEMENT/ FINANCIAL MANAGEMENT/ PERFORMANCE MANAGEMENT/ HUMAN RESOURCE MANAGEMENT/ CHANGE MANAGEMENT
TECHNICAL: FINANCIAL SKILLS/ PRODUCT KNOWLEDGE/ VISUAL MERCHANDISING/ FIRST AID/ PROJECT MANAGEMENT/ MARKETING SKILLS/ COVID-19 SAFETY/ DIGITAL AND 4IR SKILLS
OTHER: CUSTOMER SERVICE/ COMMUNICATION SKILLS/ NUMERACY AND LITERACY/ ABILITY TO APPLY KNOWLEDGE/ SALES SKILLS/ CONFLICT RESOLUTION SKILLS

SOURCE: WSP/ATR DATA 2022; SSP SURVEY; EMPLOYER INTERVIEWS; SSP PROVINCIAL ENGAGEMENTS

The most important Skill Gaps by major occupation group as are:

TABLE 16: SKILLS GAPS BY MAJOR OCCUPATION GROUP

#	Skills Gap	Managers	Professional	Technician & Associate Professionals	Clerical Support Workers	Service & Sales Workers	Craft & Related Trades Workers	Plant & Machine Operators	Elementary Occupations
1	**Forklift Training**							Forklift Driver Delivery Driver Engineering Production Systems Worker	Warehouse Assistant Warehouse Worker / Shelver Paint Factory Hand
2	**Harassment**	Customer Service Manager Retail General Manager Director (Enterprise / Organisation)	Financial Accountant Technical Representative / Salesman Software Developer	Marketing Coordinator Retail Buyer Personal Assistant	Accounts Clerk General Clerk Call or Contact Centre Agent	Sales Assistant (General) Retail Supervisor Security Officer	Electrician Joiner Mechanical Fitter	Wood Processing Machine Operator Forklift Driver Truck Driver (General)	Timber and Wood Process Worker Store Person Commercial Cleaner
3	**Product Knowledge**							Delivery Driver Product Assembler Food and Beverage Process Operator	Meat Packer Store Person Shelf Filler
4	**Occupational health and safety**	Retail General Manager		Visual Merchandiser	Stock Clerk / Officer Dispatching and Receiving Clerk / Officer	Food Service Counter Attendant Sales Assistant (General) Cashier	Confectionary Baker Butcher	Truck Driver (General) Forklift Driver Delivery Driver	Meat Packer Shelf Filler Store Person
5	**Warehouse Management**				Dispatching and Receiving Clerk / Officer Stock Clerk / Officer Warehouse Administrator / Clerk	Sales Assistant (General)	Butcher		

#	Skills Gap	Managers	Professional	Technician & Associate Professionals	Clerical Support Workers	Service & Sales Workers	Craft & Related Trades Workers	Plant & Machine Operators	Elementary Occupations
6	**Financial Skills**			Office Supervisor Retail Buyer Insurance Risk Manager	Stock Clerk / Officer Accounts Clerk General Clerk	Office Cashier Sales Assistant (General) Checkout Operator	Confectionary Baker Electronic Repair Technician Cable Jointer		
7	**Digital and 4IR skills**	Retail General Manager Customer Service Manager Business Training Manager	Management Consultant Computer Network and Systems Engineer General Accountant	Retail Buyer Office Supervisor Commercial Sales Representative	Stock Clerk / Officer Accounts Clerk Dispatching and Receiving Clerk / Officer	Checkout Operator Sales Assistant (General) Office Cashier	Quality Controller (Manufacturing) Butcher Patternmaker		
8	**Systems Skills**			Credit or Loans Officer Office Supervisor Retail Buyer	Stock Clerk / Officer Dispatching and Receiving Clerk / Officer General Clerk	Office Cashier Sales Assistant (General) Checkout Operator	Signwriter Abattoir Process Worker Automotive Motor Mechanic		
9	**Labour Relations / HR**	Retail General Manager Customer Service Manager Human Resource Manager	Business Analyst Product Manager Technical Representative / Salesman						
10	**Supervisory, Leadership and Mentoring Skills**	Retail General Manager Customer Service Manager Sales Manager	Product Manager Financial Accountant Human Resource Advisor						

SOURCE: WSP/ATR 2021; SSP SURVEY; EMPLOYER INTERVIEWS; SSP PROVINCIAL ENGAGEMENTS

The key finding from the skills gap by occupation group is that Digital and 4IR skills are important to middle and senior occupations in the sector, and that skills relating to Harassment are important across all occupational levels.

3.7 Extent and Nature of Skills Supply

This section examines skills provision for Universities and TVET Colleges:

3.7.1 Enrolment in Post-School Education and Training Institutions

The Post-School Education and Training system had 343 institutions which included 26 public Higher Education Institutions, 132 private Higher Education Institutions, 50 Technical and Vocational Education and Training (TVET) colleges, 126 registered private colleges and 9 Community Education and Training (CET) colleges.

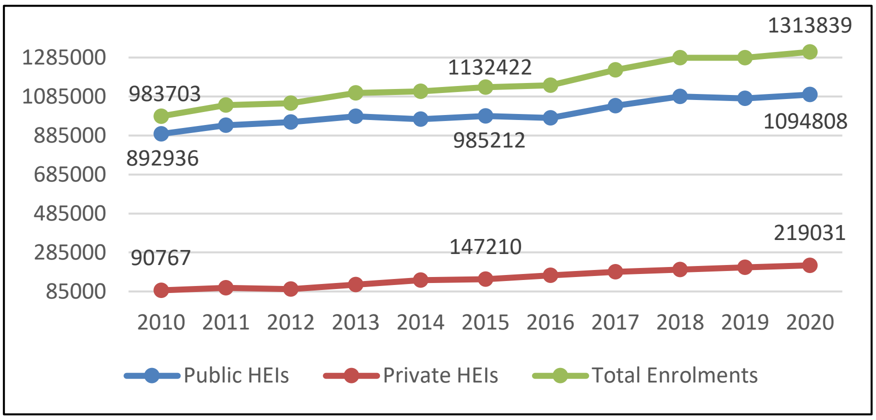
The Technical and Vocational Education and Training (TVET) colleges provide technical and vocational education and training programmes to learners who completed at least Grade 9 at school level. However, there are also opportunities for learners with a Grade 12 certificate. In 2020, TVET colleges were inclusive of 50 public TVET colleges with 254 registered campuses and other sites of delivery relating to provision of part-qualifications, qualifications, and other programmes. The TVET College enrolment process and cycle is different because it has 6 enrolment cycles in 1 academic year, where enrolments will be annually, per semester or per trimester.

The majority of enrolments in TVET colleges in 2020 were youth between the ages of 20 and 24 years, who accounted for 60,17% of total enrolment in TVET colleges (272 152 of 452 277). Enrolment was the lowest for students who were 35 to 39 years old and those older than 40 years of age. Of the 452 277 students that enrolled in 2020, 60,78% of students enrolled for Report 191 (N1 – N6) qualifications, of which 60,86% are between the ages of 20 and 24 years old. Of the 452 277 students that were enrolled, 92,78% are African students, 6,43% are Coloured, 0,18% are Indian/Asian students and 0,6% are White students. Of the enrolled students, 4 258 of the students have reported to have a disability in 2020, of which 2 475 are female and 1 783 are male.

The Higher Education (HE) Sector is intended to perform the following three functions as outlined in the National Development Plan (NDP) which are to educate and equip people with high-level skills to meet the employment needs of the public and private sectors; to produce new knowledge and assess and find new applications for existing knowledge; and to provide opportunities for social mobility while strengthening equity, social justice and democracy to deal with the injustices brought about by the apartheid system. In 2020, there Higher Education (HE) sector comprised of 26 universities and 132 private higher education institutions (PHEIs).

Access to quality education and dissemination of structured educational content has become more challenging due to COVID-19 and the restrictions placed on a national level, which affect the way in which classes can be conducted. This has meant that Higher Education Institutions along with DHET have had to develop new ways to ensure that students continue on their path of education without disruption from restrictions. This has seen a shift to a blended learning approach inclusive of face-to-face, remote, and online classes. Not only has it been beneficial in adherence to the COVID-19 restrictions, it has also opened the path to transitioning to a virtual work of school and working which is also being fostered in by the Fourth Industrial Revolution. An added challenge to this was how to ensure that students from disadvantaged and/or rural areas are still able to attend and engage in online and remote lessons and school work despite access to internet and the required hardware and software. However, institutions responded by providing means for those students to attend their classes or putting their learners on a rotational schedule for attending classes.

Figure 28: Number of Students Enrolled in Public and Private HEIs



Source: DHET Statistics on PSET in South Africa (2022)

Enrolment in public HEIs reached 1 094 808, while private HEIs reached 219 031 enrolments in 2020. There has been an overall increase in enrolments for public and private HEIs between 2010 and 2020. The total enrolment in HEIs reached 1 313 839 in 2020, which is a 2,28% increase as the total number of student enrolment in public and private HEIs in 2019 was 1 283 890. However, public HEIs saw a slight increase in 2020. While the increase was less than 2%, it was the highest enrolment since 2010. Enrolment at private HEIs increased by 4,8% to 219 031. Additionally, while total enrolments for 2020 tallied to 1 313 839, previous access to university education opportunities was unevenly distributed across the country leaving Mpumalanga and Northern Cape at a disadvantage. This led to the development of University of Mpumalanga and Sol Plaatje University. The development of the two universities is still being overseen, along with Sefako Makgatho Health Sciences University.

The number of students enrolled for Post-School Education and Training in TVET Colleges and universities in 2020 are as follows:

Table 17: PSET Enrolment in South Africa 2020

Institution	Enrolment
TVET Colleges	452 277
Universities	1 313 839

Source: DHET Statistics on PSET in South Africa (2022)

Enrolment at public and private HEIs reached over 1.3 million in 2020, with public HEIs enrolling 1 094 808 students and private HEIs 219 031 students. The target set out in the National Development Plan (NDP) is 1.6 million enrolments by 2030. TVET Colleges saw 452 277 enrolments in 2020, which shows a 32,85% decrease

Table 18: Number of Students Enrolled in TVET Colleges 2014 - 2020

Qualification Category	2014	2015	2016	2017	2018	2019	2020
NC(V)	166 433	165 459	154 739	142 373	131 212	138 912	146 637
Report 191 (N1-N6)	486 933	519 464	513 026	510 153	482 175	494 070	274 907
Occupational Qualifications	19 825	20 533	13 472	10 969	20 106	22 886	20 130
Other	29 192	32 424	22 468	22 533	23 355	14 025	10 603

Source: DHET Statistics on PSET in South Africa (2022)

The number of students enrolled in TVET colleges reached 452 277-a 32,85% decrease from the total number of students enrolled in TVET Colleges in 2019. During this period, 60,72% of students enrolled for Report 191 programmes, and 32,42% enrolled for NC(V) programmes. Fewer students enrolled for occupational qualifications (4,45%) and 'other' qualifications (2,34%). The majority of enrolments were for Report 191 programmes and fewer enrolments were for other qualifications throughout the period under review. The TVET curriculum also needs to be extended to include wholesale and retail related courses and programmes, which can be done through the establishment of Centres of Specialisation (CoS). In 2020, of the 17 colleges interviewed on CoS, more than half had approved CoS campuses and

16 were already offering retail programmes, mainly with respect to wholesale and retail operations (W&RSETA, 2020).

A total of 57 245 students completed key exit levels N6 in TVET colleges in 2020, translating to a completion rate of 95,7%. Of all the N6 courses below, four had a completion rate of 100%.

TABLE 19: TVET COLLEGES REGISTRATION AND COMPLETION IN N6 QUALIFICATIONS

Qualification	Total Registered	Total Wrote	Total Completed	Completion[7] Rate (%)	Adjusted[8] Completed Rate (%)
N6: Art and Design	106	103	103	100	97,2
N6: Business Management	5 857	5 590	5 334	95,4	91,1
N6: Clothing Production	149	136	134	98,5	89,9
N6: Educare	2 196	2 106	2 105	100	95,9
N6: Engineering Studies	16 529	15 978	14 571	91,2	88,2
N6: Farming Management	1 050	1 040	1 025	98,6	97,6
N6: Financial Management	5 221	5 052	4 909	97,2	94,0
N6: Hospitality and Catering Services	1 553	1 497	1 496	98,6	96,3
N6: Human Resources Management	5 913	5 718	5 564	97,3	94,1
N6: Legal Secretary	400	380	372	97,9	93
N6: Management Assistant	10 712	10 382	10 214	98,4	95,4
N6: Marketing Management	2 817	2 649	2 482	93,7	88,1
N6: Medical Secretary	82	81	80	98,8	97,6
N6: Popular Music: Composition	5	4	4	100	80
N6: Popular Music: Performance	77	70	70	100	90,9
N6: Popular Music: Studio Work	51	48	47	97,9	92,2
N6: Public Management	7 037	6 822	6 650	97,5	94,5
N6: Public Relations	481	466	460	98,7	95,6
N6: Tourism	1 757	1 666	1 645	98,7	93,6

SOURCE: DHET STATISTICS ON PSET IN SOUTH AFRICA (2022)

Overall, TVET colleges in 2020, 26 343 (2,24% more than in 2019) students registered for the NC(V) Level 4 qualification examinations of which 18 908 students were female. In 2020, the number of students who wrote examinations for NC(V) Level 4 programmes was 22 273.

TABLE 20: TVET COLLEGE NCV LEVEL 4 REGISTRATION AND COMPLETION 2019

Programme	Total Registered	Total Wrote	Total Completed	Completion[9] Rate (%)	Adjusted[10] Completed Rate (%)
L4: Civil Engineering and Building Construction	1 390	1 125	496	44,1	35,7
L4: Drawing Office Practice	13	8	4	50,0	30,8
L4: Education and Development	714	611	401	65,6	56,2
L4: Electrical Infrastructure Construction	2 971	2 610	958	36,7	32,2
L4: Engineering and Related Design	2 627	2 215	995	44,9	37,9
L4: Finance Economics and Accounting	1 787	1 504	770	51,2	43,1

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[7] The completion rate (%) according to the DHET's Statistics on Post-School Education and Training in South Africa (2019) is calculated by dividing the total completions by the total that wrote and multiplying by 100.

[8] The adjusted completion rate (%) as calculated by the authors of this document is calculated by dividing the total completions by total registered and multiplying by 100.

[9] The completion rate (%) according to the DHET's Statistics on Post-School Education and Training in South Africa (2019) is calculated by dividing the total completions by the total that wrote and multiplying by 100.

[10] The adjusted completion rate (%) as calculated by the authors of this document is calculated by dividing the total completions by total registrations and multiplying by 100.

Programme	Total Registered	Total Wrote	Total Completed	Completion[9] Rate (%)	Adjusted[10] Completed Rate (%)
L4: Hospitality	1 962	1 684	954	56,7	48,6
L4: Information Technology and Computer Science	1 053	879	353	40,2	33,5
L4: Management	1 158	941	701	74,5	60,5
L4: Marketing	1 264	1 074	529	49,3	41,9
L4: Mechatronics	181	167	98	58,7	54,1
L4: Office Administration	6 514	5 485	3 741	68,2	57,4
L4: Primary Agriculture	886	797	495	62,1	55,9
L4: Primary Health	242	209	131	62,7	54,1
L4: Process Plant Operations	136	121	37	30,6	27,2
L4: Safety in society	1 044	915	471	51,5	45,1
L4: Tourism	1 693	1 332	974	73,1	57,5
L4: Transport and Logistics	708	596	399	66,9	56,4

SOURCE: DHET STATISTICS ON PSET IN SOUTH AFRICA (2022)

Universities have seen a gradual increase in undergraduate enrolments from 2014 to 2019. However, there was a decrease in enrolments across all qualification categories from 382 950 in 2019 to 372 588 in 2020.

Below are the number of students enrolled in universities from 2014 – 2020.

TABLE 21: UNIVERSITY ENROLMENTS BY QUALIFICATION CATEGORY FOR 2014 - 2020

Qualification Category	2014	2015	2016	2017	2018	2019	2020
Undergraduate	247 247	247 549	259 634	266 610	272 762	282 133	279 368
Postgraduate	95 418	95 584	96 485	96 936	96 518	95 631	89 411
Other	6 102	5 942	5 667	4 511	4 877	5 186	3 809

SOURCE: DHET HEMIS PEER DATA (2022)

The enrolments for university undergraduates for 2020 are as follows:

TABLE 22: UNDERGRADUATE ENROLMENTS AND COMPLETIONS IN UNIVERSITIES

Qualification	Enrolment	Completions
Business Management	44 640	10 251
Education	52 186	13 782
Other Humanities	82 074	18 384
Science, Engineering and Technology (SET)	100 468	19 284

SOURCE: DHET HEMIS PEER DATA (2020)

Completions of postgraduate qualifications are much lower than the yearly enrolments. Education postgraduate qualifications only saw a total of 2 869 completions, while enrolments for that year were 9 021. The highest enrolments and completions were for SET qualifications, as it is said that many entry occupations in this field require more than an undergraduate qualification.

The table below shows enrolments and completions for Postgraduate students in universities in 2020.

Table 23: Post-graduate Enrolments and Completions in Universities

Qualification	Enrolment	Completions
Business Management	20 100	9 471
Education	9 021	2 869
Other Humanities	21 197	7 192
Science, Engineering and Technology (SET)	39 093	12 320

Source: DHET HEMIS Peer Data *(2020)*

3.7.2 W&RSETA Supported Programmes

The enrolments and graduates for the W&RSETA for 2020/21 were as follows:

Table 24: W&R SETA Enrolments and Certification (2020/21)

Institutional Type	Learner-Ships	Skills Programmes	Intern-Ships	Recognition of Prior Learning (RPL)	Apprentice-Ship	Total
Number of workers enrolled for programmes	n/a	7452	n/a	0	n/a	**7452**
Number of workers certified for programmes	638	1038	n/a	59	n/a	**1735**
Number of unemployed learners enrolled for programmes	3595	1069	728	n/a	n/a	**4742**
Number of unemployed learners certified for programmes	1973	462	230	n/a	n/a	**2665**
Number of Apprenticeship registered	n/a	n/a	n/a	n/a	n/a	**0**
Number of Apprenticeship completions	n/a	n/a	n/a	n/a	n/a	**0**

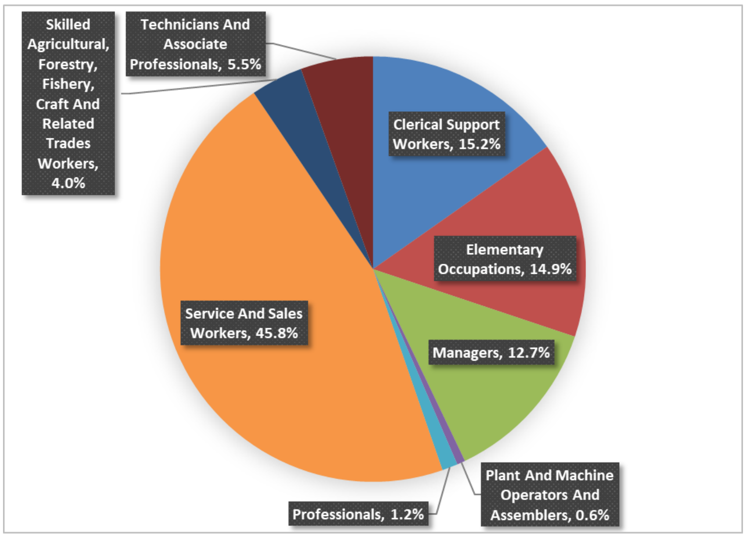
Source: W&RSETA Annual Report *(2021)*

The number of workers that enrolled for programmes was 7 452. The number of completions was 1 735. The number of unemployed learners that enrolled for programmes was 4 742. The number of completions was 2 665. The W&RSETA's enrolments and completions for apprenticeships were 0.

3.7.3 Annual Training Reports

A total of 3 231 860 employees in the sector received training in various occupational classes.

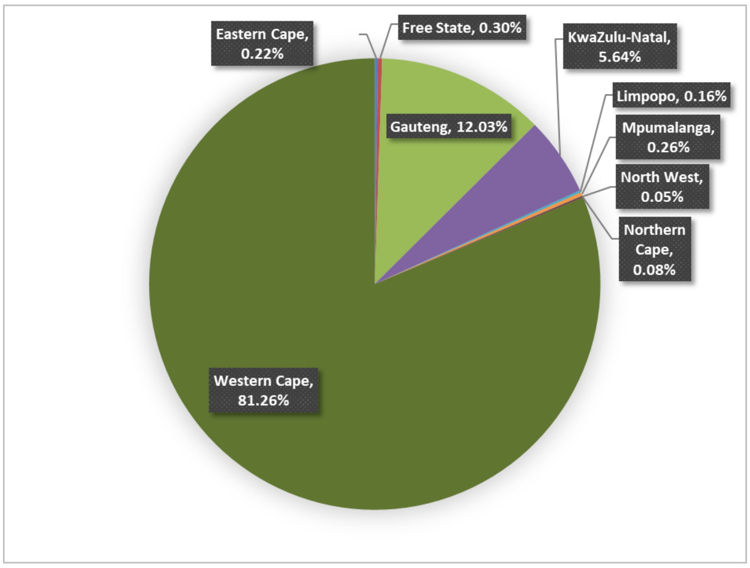
Figure 29: Beneficiaries of Training Per Occupational Class for 2021/22



Source: WSP/ATR Data 2021/22

The largest numbers of trainees were in the service and sales worker's category.

Figure 30: Beneficiaries of Training by Province 2021/22



Source: WSP/ATR Data 2021/22

Most training occurred in the Western Cape, followed by Gauteng and KwaZulu-Natal.

3.8 Sectoral Priority Occupations and Interventions (PIVOTAL)

Based on the research activities (literature review, surveys, WSP/ATR analysis, online recruiting data, interviews, and workshops), the following Sectoral Priority Occupations and occupational shortages are identified.

Table 25: Sectorial Priority Occupations

Occupation	OFO Code	Quantity Required
Retail General Manager	142103	470
Retail Buyer	332301	214
Safety, Health, Environment and Quality (SHE&Q) Practitioner	226302	26
Blockman/Butcher	681103	183
ICT Security Specialist	252901	0[11]
Visual Merchandiser	343203	65
Confectionary Baker	681201	77
Inbound Contact Centre Consultant	422201	163
Software Developer	251201	37
Data Scientist	251102	44

Source: WSP ATR submission 2021; SSP Survey; Employer Interviews; SSP Provincial Engagements

[11] ICT Security Specialist is an emerging occupation in the sector; hence it may not appear in the WSP submissions where quantities required are given. However, in consultations (surveys, interviews, provincial engagements) the occupation came up strongly. It also supports strategic intents and the change driver "Technological Advancements and Access to Information" (see chapter 2.2.2), hence it has been included.

The method to establish the Sectoral Priority Occupations was as follows (refer to research design and methods in earlier section):

- **Methods to identify occupations in the Sectoral Priority Occupations:** The following methods were used – literature review, provincial engagements, interviews, survey, and WSP/ATR analysis.
- **Main findings that informed the Sectoral Priority Occupations:** Occupations that were most consistently identified in research studies were included in the Sectoral Priority Occupations. This occurred through a process of elimination of occupations.
- **Quantities indicated in the SETA Sectoral Priority Occupations:** The quantities were informed by additional questions inserted into the WSP template, viz.: What occupations are HTFVs? How many did you require in the previous 12 months?
- **Ranking:** The **Sectoral Priority Occupations** were ranked in descending order in terms of the highest number of HTFVs.
- **Consultative Processes:** Provincial engagements, interviews and surveys were conducted to validate the HTFVs.
- **Interventions:** The interventions are informed by feedback received by provincial engagement participants and approved by the Board.
- **Outcomes:** The outcome is demand-led skills planning by the W&RSETA.

3.9 Conclusion

Chapter 3 was primarily focused on the identification of skills gaps and hard-to-fill vacancies in the W&R sector. The primary methods used to determine HTFVs and skills gaps were interviews with key informants, surveys, regional workshops with stakeholders, literature reviews and analysis of WSP/ATRs.

A primary means for identifying and anticipating skills training are workplace skills plans (WSPs) and annual training reports (ATRs). These are submitted by member companies to qualify for mandatory grant rebates from the skills development levies paid to the South African Revenue Services. The WSPs and ATRs provide a representative sample of the training planned for the next 12 months and training that occurred in the previous 12 months.

It is noted that most training is being done at the lower levels of the occupational class structure. This is due to most of the workers in the sector being at the lower end of the occupational structure.

4 CHAPTER FOUR: SETA PARTNERSHIPS

4.1 Introduction

Stakeholder partnerships are increasingly becoming the adopted approach to meeting industry needs for skilled workers and workers' need for better jobs. Partnerships provide a means for the W&RSETA to engage directly with industry across traditional boundaries better aligning training programmes and resources.

The purpose of this chapter is to assess the effectiveness of existing SETA partnerships in the sector with reference to value-add partnerships. The chapter presents an analysis of existing partnerships, including the successes and limitations thereof. In addition, planned partnerships intended to further promote skills development are also explored. In producing this chapter, available literature (including past SSPs and Strategic Plans) and internal stakeholders were consulted.

4.2 An Analysis of Existing SETA Partnerships

The SETA partnered with following training providers and other key stakeholders in the past year:

TABLE 26: EXISTING PARTNERSHIPS

#	Name of Partner	Objective	Value of Partnership	Term and Duration (Start and End Date)
1.	Namibia Training Authority (NTA)	• Planning collaborative research, educational and training projects. • Training of TVET Practitioners (Capacity Building). • Sharing or experiences and enabling contracts in Work-Integrated Learning (WIL). • Apprenticeship exchange programmes for students and lecturers • Qualification development, articulation, and career mapping • Sharing of skills planning best practices	• Joint research on retail innovation, 4th industrial revolution retail trends and curriculum development. • Information sharing on the planning tools	24 Feb 2022 to 31 Mar 2027
2.	MICT SETA	• Implementation of cross-sectoral occupations and skills. • Joint research projects. • Promote industry specific collaborative research	• Joint research focus on innovation • Qualification development • Entrepreneurship	10 Nov 2021 to 31 Mar 2026
3.	REAL at Wits	• Contribution towards research agenda • Sector engagement on labour market trends	• Broadened scope of research content • Joint research focus on innovation • OFO capacity building	17 Nov 2020 to 31 Mar 2024
4.	University of Pretoria	• Joint research on sector specific projects. • Implementation of post-graduate programmes.	• Joint research focus on innovation	03 Aug 2020 to 31 Mar 2023
5.	Moses Kotane Institute	• Entrepreneurship and innovation related projects. • Promote industry specific collaborative research	• Joint research focus on innovation	01 Apr 2020 to 31 Mar 2023
6.	Small Enterprise Development Agency (Seda)	• SME and informal business support projects • Promote industry specific collaborative research	• Assist and grow the SMME sector	01 Apr 2020 to 31 Mar 2023

#	Name of Partner	Objective	Value of Partnership	Term and Duration (Start and End Date)
7.	University of the Western Cape (UWC)	• Joint Research and projects focusing on innovation, employability, and entrepreneurship. • Joint special project partnership implementation.	• Work Integrated Learning projects for the youth. • Joint Research Focus on Innovation	06 Dec 2019 to 31 Mar 2023
8.	Nelson Mandela University (NMU)	• Joint Research focusing on innovation • Joint special project partnership with TVET colleges.	• Joint Research Focus on Innovation	28 Oct 2019 to 31 Mar 2023
9.	Council for Scientific and Industrial Research (CSIR)	• Promote industry collaborative research around evidence-based skills planning and innovation	• Joint Research Focus on Innovation	23 May 2019 (Automatically renewed annually)

4.2.1 Successes and Failures

The below presents the key successful partnerships that have been put in place, the reasons for this success, challenges, and identified measures to strengthen partnerships going forward.

- Successful partnerships:
  - Namibia Training Authority (NTA)
  - University of Pretoria (UP)
  - REAL at Wits
  - MICT SETA
- Reasons for success:
  - Key priority areas clearly identified in MOU
  - Clear allocation of roles and responsibilities (nominated official responsible for MOU)
  - Finalised implementation plan
  - Active participation on the research agenda update and development
  - Regular communications on sector priorities
- Challenges:
  - Delays in finalising implementation plan
  - Limited participation in the update of the Research Agenda
  - No dedicated official to respond to matters related to the MOU
- Measures to strengthen partnerships:
  - Signed implementation plan for all finalised MOUs
  - Established regular communication and discussion channels through the committees

The table below presents the general successes and failures experienced from partnerships.

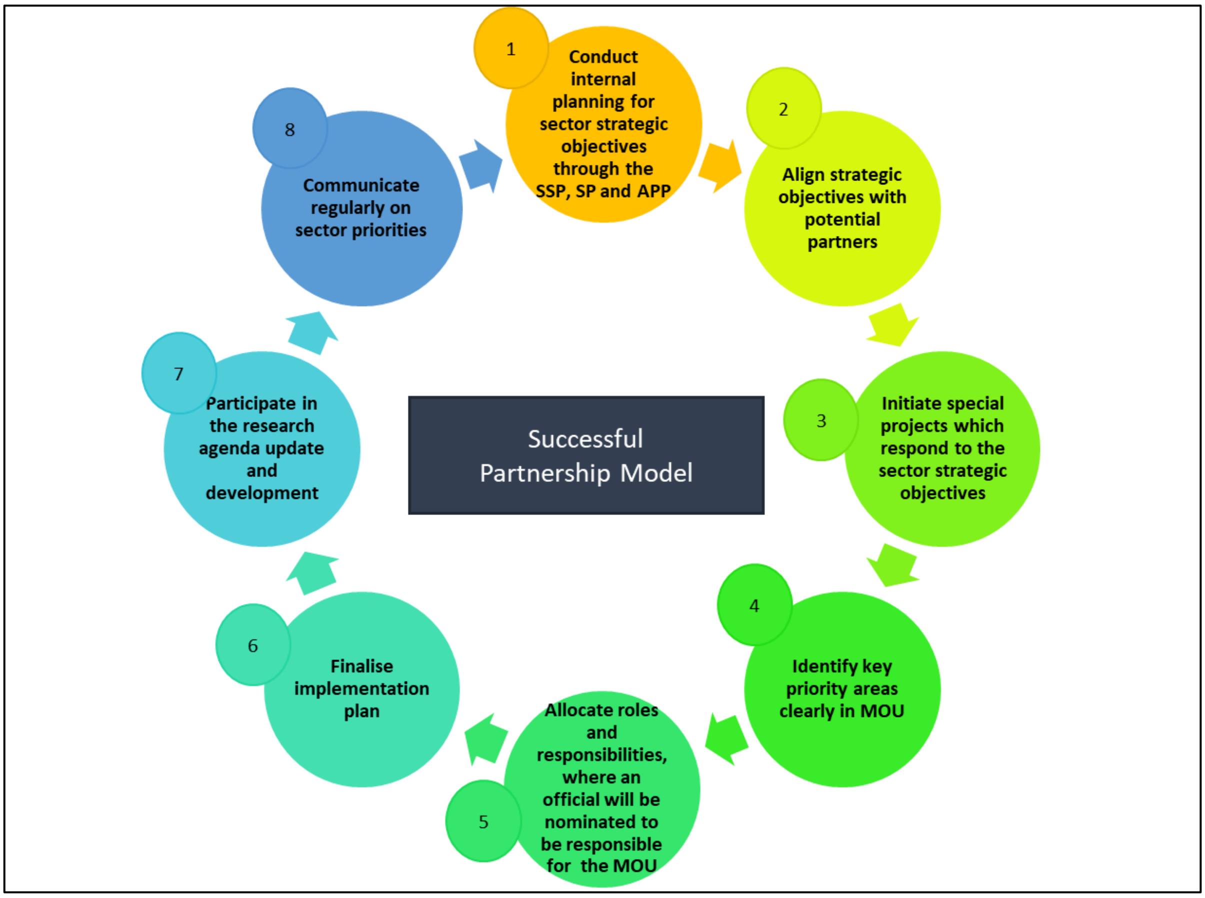
TABLE 27: SUCCESSES AND FAILURES

Successes	Failures
• Signed seven MoU's signed with National institutions and one International Institution • Nomination of research partners to form part the Research Syndicate • Funded Diploma, BTech, Master's and PhD Students through Research Chair • Improved industry consultation • Conducted cutting edge industry research • Wholesale & Retail Leadership Chair successfully launch	• Delays in implementing the Research Syndicate. • Not enough time allocated for the implementation of Wholesale and Retail Leadership Chairs. • Delays in finalising implementation plan • Travel restrictions frustrated partnership delivery • Limited participation in the update of the Research Agenda

4.2.2 Most Successful Partnership Model

The W&RSETA's adopted partnership model is stakeholder driven and starts with W&RSETA's internal strategic planning through the SSP, SP and APP, which allows for strategic objectives alignment with potential partners. Stakeholders initiate special projects which respond to the sector strategic objectives and align with their strategic objectives. Key priority areas are identified in the MOU based on the strategic objectives. Following this, an official is nominated to be responsible for the MOU. The implementation plan for the project is finalised, requiring participation on the research agenda update and development. Regular communication on sector priorities is required throughout the process to ensure strategic alignment. This model has contributed significantly to ensuring that sector stakeholders are part of the W&RSETA skills development interventions and implementation.

FIGURE 31: SUCCESSFUL PARTNER MODEL



4.3 Planned Partnerships

The following are planned partnerships planned for the post COVID-19 recovery period.

TABLE 28: PLANNED PARTNERSHIPS POST COVID-19

	Name of institution	Objective	Duration
1.	Botswana Institute for Technology and Research (Botswana)	• Information sharing on sector research • Joint Research on innovation • Entrepreneurship development initiatives	Planning Phase
2.	Ravensburg University (Germany)	• Information sharing on skills demand and supply best practices • Joint Research and innovation on entrepreneurships and employability	Planning Phase
3.	Skills Development Fund (SDF, Rwanda)	• Information sharing on ICT innovation and entrepreneurship development	Planning Phase

The following are planned Memoranda of Understanding with private and public skills development organisations.

TABLE 29: PLANNED PARTNERSHIPS (OTHER KEY ROLE PLAYERS)

	Name of institution	Objective	Duration
1.	University of Mpumalanga	• Information sharing • Joint research • Implementation of post-graduate programmes	Initiation Phase
2.	Statistics South Africa (StatsSA)	• To improve the quality of the data used in the development of the SSP • Promote industry specific collaborative research	Initiation Phase
3.	University of Venda	• Information sharing • Joint research • Implementation of post-graduate programmes	Initiation Phase
4.	Innovation Hub	• Provide entrepreneurship and innovation programmes through incubation programmes. • Provide youth employment opportunities focusing on digital economy and green economy. • The provision of township economic revitalization programmes through eKasiLabs initiatives. • Create a platform to respond to sector change drivers. • Promote graduate workplace readiness programmes. • Promote innovation and entrepreneurship initiatives aligned to W&R sector priorities.	Initiation Phase

Partnerships are planned with anticipated successes and outcomes at the core. The above listed planned partnerships stem from a mutual interest in similar strategic and research objectives. To promote access to the W&R sector, the University of Venda, a previously disadvantaged institution (PDI), would be supported to offer bursaries to rural communities and historically disadvantaged individuals. Statistics South Africa (StatsSA) acquires data to inform supply and demand planning, which ensures a national scope that is helpful in expanding W&RSETA's sector scope. University of Mpumalanga, as a newly established university, is involved with the SETA in qualification development, information sharing on qualifications and postgraduate funding. The listed PDIs and TVETs should also form partnerships with universities that have research chairs, to improve the research produced by PDIs and TVETs, and improve the calibre of TVET lecturers. With COVID-19 restrictions easing, more opportunities can be expected.

The challenge that has been identified with regard to international partnerships has been delays in finalisation of some of the agreements, however, the W&RSETA has made significant progress with regard to ensuring effective engagements with potential partners as part of value chain analysis. The commitment level within a partnership does also contribute towards the failures or successes of a project.

To ensure higher commitment level and active participation, W&RSETA continues to prioritise effective stakeholder engagement and sector partnership value chain analysis to identify key relevant institutions for partnerships.

4.4 Conclusion

The existing partnerships appear to be working well. There will be a more monitoring, evaluation, and impact assessments of these partnerships. The sector partnership value chain analysis will contribute towards ensuring that new partnerships with potential partners serve sector priorities and respond to national imperatives.

5 CHAPTER FIVE: MONITORING AND EVALUATION (M&E)

5.1 Introduction

Chapter five provides a reflection on W&RSETA Monitoring and Evaluation (M&E) data and performance on strategic priorities. This chapter also provides an action plan and mechanisms to address strategic skills priorities that were not achieved. It is important that impact and tracer studies on W&RSETA funded projects be conducted on a regular basis, as part of improving the effectiveness of sector skills development interventions. On annual basis the W&RSETA performance evaluation is conducted as part of ensuring that the strategic priorities are achieved.

The quarterly monitoring and reporting tools are used as part of ensuring that relevant mechanisms are implemented to achieve strategic objectives. The new decentralised operating model is expected to enhance monitoring and evaluation processes as regional offices will have enhanced oversight over the implementation of the SETA's programmes through the provincial skills plan.

5.2 W&RSETA Approach to M&E

The current W&RSETA Monitoring and Evaluation (M&E) policy, which was updated in May 2021, has its roots in the following three foundational policies: Policy Framework for the Government-Wide Monitoring and Evaluation System (GWMES) (The Presidency, 2007), Framework for Programme Performance Information (National Treasury, 2007) and the South African Statistical Quality Assessment Framework (SASQAF) (Statistics South Africa, 2008). According to the National Plan for Post-School Education and Training (NP-PSET), SETAs need to be rendered more effective and efficient by concentrating their efforts on supporting skills planning through engagement with industry, ensuring that funding is allocated to support provision against demand, and enabling access to and strengthening provision of workplace-based learning (W&RSETA, 2021). The M&E policy exists to ensure that the SETA is effective and efficient by documenting the approach, standards, and minimum requirements that it must adopt and implement. The SETA's aims and objectives must be implemented through plans which must be monitored to measure progress towards the achievement of planned targets, so that monitoring findings can be used to improve performance, future planning, and budgeting. Monitoring must be planned and conducted continuously by collecting data on specified indicators, verifying, storing the data, and analysing and reporting the findings. These findings are used to provide management, oversight institutions, and the public with information about the extent to which implementation of plans have progressed (W&RSETA, 2021).

In September 2021, the W&RSETA released the 2020–2025 Theory of Change and Monitoring and Evaluation Framework. This framework is underpinned by the Revised National Evaluation Policy Framework (NEPF) (released in 2019) which is aimed at "promoting credible and quality evaluations, which can be used for learning to improve the effectiveness, efficiency, relevance and impact of government interventions" (W&RSETA, 2021). The NEPF commits all spheres of government to ensuring that credible and objective evidence from evaluations is produced and used to inform planning, budgeting, policy review, programme management, and performance management. Within the PSET sector, evaluations aim to assess whether PSET interventions are improving people's access and quality of education—effectively identifying cause-effect relationships within the PSET context. The framework addresses the requirements for a successful M&E approach and emphasises the 'why' and 'what' of M&E and roles and responsibilities.

The Theory of Change (ToC) describes a process of planned change, from the assumptions that guide its design, the planned outputs, and outcomes to the long-term impacts it seeks to achieve. The W&RSETA revised the Theory of Change and Monitoring and Evaluation Framework to obtain an understanding of the following:

- Monitoring and reporting of progress towards predetermined targets, outputs, and related outcomes

- Understanding the Sector 'universe' - How large is the need in the Sector (what is the baseline of possible beneficiaries) and where is the largest need?
- To what extent are skills programmes demand-led, and aligned to sector needs?
- What are the constraints and enablers for the implementation of programmes established to equip the W&R workforce with relevant skills?
- To what extent is the funding model used for learnership/artisan/skills programmes suitable for these programmes?
- To what extent have the programmes structured in response to national priorities created sustainable structures which are responsive to the needs of the communities in which they were implemented?
- To what extent have transformational programmes contributed towards addressing historical inequalities in employment?

Alignment to the decentralised model that has been implemented:

- The SETA introduced Provincial Skills Plans in 2021, which are assisting in the preparation of plans that are flexible enough to account for provincial variations in skills needs. These have not yet been implemented at the level of the APP; however, work is underway to do so.

5.2.1 Functions of M&E Unit

The W&RSETA's monitoring, and evaluation function is responsible for various monitoring and reporting activities throughout the year, as well as evaluations throughout the years/cycles of planning. The function can be divided into two functions: monitoring (including reporting) and evaluation. Before monitoring can happen, W&RSETA programme managers develop monitoring plans for their relevant areas of work that show the object, focus area, responsibility, schedule, method, cost, data handling processes, and indicators of the monitoring.

The table below shows the various monitoring and reporting activities/functions of M&E. These include in-year (throughout the year), year-end, and mid-term and end of term monitoring and reporting. Reporting may involve evaluating outcomes of programmes, as is the case with Tracer Studies:

TABLE 30: MONITORING & REPORTING FUNCTIONS OF M&E

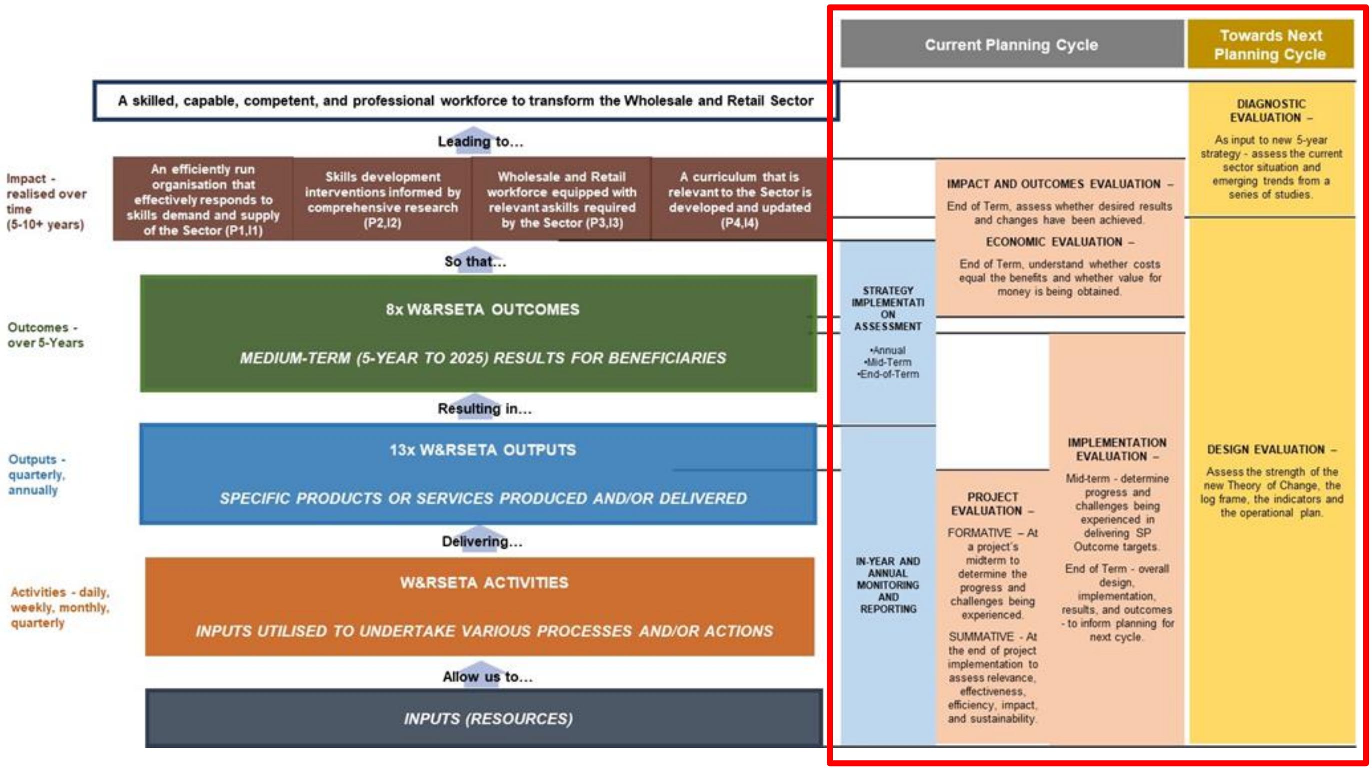
#	Function	Output
In-year Monitoring and Reporting		
1.	Reporting on artisan targets	Monthly artisan report
2.	Reporting on annual operational plan	Monthly progress reports
3.	Reporting on annual performance plan	Quarterly performance reports (QPR)
4.	Reporting on skills education and training	Quarterly report for SETMIS
5.	Reporting on absorption / placement	WBPL tracer study reports
Year-End Monitoring and Reporting		
6.	Reporting on financial information and predetermined objectives	Annual report (AR)
7.	Reporting on progress in attainment of Outcomes and Impact	Annual strategy implementation assessment report

#	Function	Output
Mid-Term and End-of-Term Assessment and Reporting		
8.	Reporting on strategic plan	Institutional midterm assessment report (MTAR) (Q2 of year 3 of planning cycle)
		Institutional end-term assessment report (ETAR) (Q4 of year 5 of planning cycle)

In addition to monitoring and reporting, the M&E function also evaluates the SETA's programmes to assess their achievements and produce recommendations for improvements. The findings of evaluations are then used to inform decision making and future planning.

The figure below shows the various evaluation activities/functions of M&E (see red box) against the planning cycle and theory of change. These include various types of evaluations (from specific evaluations of projects to diagnostic evaluations) that assess performance at different levels, from activities to impacts (Theory of Change-see section 5.2), as follows:

FIGURE 32: EVALUATION FUNCTIONS OF M&E



5.3 Use of M&E Data

Information forms the basis of our plans as we use performance reports as well as evaluation findings to inform all plans. Strategic Changes e.g., changes to the SETA's plans, delivery models as well as interventions are motivated by performance information as well as findings from evaluation and tracer studies. The W&RSETA will also be conducting Workplace Based Learning (WBL) tracer studies, focusing on SETA funded bursaries, internships and learnerships. This is part of monitoring the return on investment and improving on future implementation of similar programmes.

The following reflect the use of M&E data as part of improving W&RSETA performance and programme implementation:

- To assess the effectiveness, relevance, value for money, impact, and sustainability of W&RSETA interventions in responding to transformational imperatives.
- To objectively analyse W&RSETA programmes' performance, as evidenced by improved operational efficiency.
- To evaluate the implementation of learning programmes targeted at sector occupational shortages list.
- To analyse why intended results were not achieved; thus, gather lessons learnt; leading to recommendations for improvement.
- To monitor the decentralised model and promote improved accountability, transparency, and oversight at national and regional levels
- To provide data for policy development and qualification development.
- To provide data for planning and implementation of future projects.
- To provide reports used to assess the outcomes and impact of NSDP and W&RSETA strategic objectives.
- To guard against unintended consequences – well-resourced institutions participating on the programmes thus achieving results and making impact; however, creating further disparities.
- There are plans to develop a data management governance framework

5.4 Plan of Action

The M&E plan provides information on how performance against set objectives is measured. It details expected input, activities, and outputs; as well as how data will be collected and analysed to provide information as to targets. The plan further ensures the following:

- To enable implementation of Outcomes Approach and Theory of Change (as per the revised Framework for Strategic Planning and Annual Performance Plans -Guidelines for Implementation (DPME and National Treasury 2019) - Move Away from Focus on Activities and Move Towards Outcomes and Impact
- To ensure that planning and implementation addresses national priorities as specified through aggregated targets in APP, and SLA targets
- To ensure there is an alignment between Annual Operational Plan (AOP) (activities), APP (Outputs) and Strategic Plan (Outcomes and Impact)

The following are impact and tracer studies which have been completed in the last financial year:

- Workplace Based Learning (WBL): Tracer Study - Learnerships
- Workplace Based Learning (WBL): Tracer Study - Internships
- Impact Studies: An impact study on the Bursary and Placements Funding Model/Grant
- Impact Studies: An impact study of W&R programmes on persons with Disabilities

The following are impact and tracer studies which are planned for the 2022/23 financial year:

- Topic 1: Youth focus project 2018/20, and
- Topic 2: Rural area learnership 2018/19.

5.4.1 Strengthening M&E Function

To support the functions of M&E, the SETA requires improved capacity and capability. That means the M&E function-and by extension the rest of the SETA-should be fully capacitated by having sufficient staff and resources available, as well as training in M&E. To that effect, the M&E unit is working towards:

- Capacitating units on development of M&E plans
- Setting IT-based M&E system requirements
- Setting controls that will protect the integrity of data within the W&RSETA throughout the performance chain
- Carrying out regular assessments of quality of M&E activities and reports by different units
- Establishing performance feedback/review mechanisms
- Managing performance information and reporting on organisational plans (SP, APP, etc.)

5.4.2 Interventions Implemented in Support of ERRP Skills Strategy

The South African Economic Reconstruction and Recovery Plan presents interventions that are geared towards ensuring that the country's economy returns to pre-COVID-19 levels and adds more GDP growth and jobs, in pursuit of the National Development Plan goals for reducing unemployment, poverty, and inequality (South African Government, 2020). The plan, which was presented to the Joint Hybrid Sitting of Parliament by President Cyril Ramaphosa in October 2020, highlights several priority interventions including: Aggressive infrastructure investment; Employment orientated strategic localization, reindustrialisation and export promotion; Energy security; Support for tourism recovery and growth; Gender equality and economic inclusion of women and youth; Green economy interventions; Mass public employment interventions; Strengthening food security; and Macro-economic interventions.

The W&RSETA identified 32 ERRP aligned occupations that are in shortage for reasons such as lack of required technical skills through the SETA Survey Tool. These are aligned to the following ERRP priorities: innovation, industrialisation through localisation, communication and the digital economy, presidential youth employment initiative, agriculture and food security, energy security, and infrastructure investment and delivery. The occupations include quality manager, software developer, purchasing officer, among others. The most appropriate interventions identified included increasing access to programmes (i.e., increasing enrolments), updating or amending qualifications, and reskilling to preserve jobs amongst others. To develop the skills associated with identified occupations W&RSETA suggested inter-SETA partnerships and collaboration; SETA-Employer-TVET Partnerships; development of new occupations in demand; post-graduate funding, and accelerated artisan and or apprenticeship programmes.

Six occupations (aligned to the communications and the digital economy ERRP priority) were identified for addition into the list of occupations that are in shortage, namely: marketing specialist, e-commerce manager, e-commerce planner, ICT specialist, system analyst, e-learning designer. These have been previously identified as emerging occupation as per previous SSPs.

Overall, the W&RSETA identified 6 key ERRP Skills Strategy Interventions that respond to other skills related needs over and above occupations in shortage. These are: expanding the provisioning of short skills programmes (both accredited and non-accredited) to respond to skills gaps identified in the ERRP skills strategy; strengthening entrepreneurship development programmes; expanding the provisioning of workplace-based learning (WBL); increasing enrolments in qualification-based programmes that respond to occupational shortages identified in the strategy; strengthening the post-school education and training system; and embedding skills planning into economic planning processes and vice versa.

5.5 Conclusion

The W&RSETA is committed to improving M&E data as part of a process towards creating a platform to enable the achievement of the strategic objectives. In the current financial year, two impact studies will be conducted.

The primary objective of these studies is to ensure effective monitoring of return on investment and impact of SETA funded projects. This is to ensure that the SETA skills development interventions are responsive to the sector strategic priorities. The new decentralised operating model is expected to enhance monitoring and evaluation processes as regional offices will have enhanced oversight over the implementation of the SETA's programmes through the provincial skills plan.

6 CHAPTER SIX: SKILLS PRIORITY ACTIONS

This chapter consolidates the findings of previous chapters and reflects on priority actions for the sector. The previous chapters provided the information and analysis and thus enable a response in the form of recommended actions that are realistic, consistent, and achievable. The purpose of this chapter is to provide a set of priority actions and not a detailed strategic or operational plan.

6.1 Key Findings from Previous Chapters

This section draws insights from previous chapters on skills priorities.

Findings from Chapter 1
Chapter 1 highlights that the wholesale and retail sector is a major contributor to national employment - the job creation opportunities in the sector are enormous. It also requires elevated levels of training and skills to succeed in an increasingly competitive global market. W&RSETA should play a more active role in supporting job creation and skills development efforts, especially when considering the increase in unemployment.

Eased COVID-19 lockdown regulations, amongst other factors, enabled the economy and the sector to grow with GDP growing by 1,2% in the fourth quarter of 2021 and trade increasing by 2,9% in the same period. While the economy grew in this period, the difficult economic climate can be seen in pharmaceuticals and medical goods, cosmetics & toiletries; and hardware, paint, and glass, which reported losses in the last quarter of 2021. Furthermore, the impact of COVID-19 is expected to last for more than 2 years, with the sector expecting depressed demand, and health concerns necessitating all employers to adopt different approaches to conducting business. The W&RSETA is expected to play a pivotal role in equipping employers with the necessary skills to adapt to revised business and operating models.

The following are the key findings from Chapter 1:

- The trade sector contributes about one in every five workers (20%) to employment.
- SMMEs make up most levy-paying enterprises but are under-represented in terms of skills development initiatives. Informal retailers have a great need for skills development such as business management, change management during COVID-19, business expansion and marketing.
- Black people constitute most of the workforce but are under-represented at management levels. This is more acute for females.

Findings from Chapter 2
Chapter 2 highlighted the fact that the COVID-19 pandemic has put severe strain on retailers and wholesalers' ability to remain viable. This applies to all sizes of employers but is likely to be more acutely felt by smaller employers with less cash reserves and less ability to raise loans. Going forward, these retailers will require skills relating to health and safety to comply with COVID-19 regulations, as well as skills and support required to pivot their business and operating models to account for the "new normal."

Furthermore, a large part of the retail sector is made up of SMMEs. It has been indicated that many SMME owners require management skills to maintain a sustainable business.

Chapter 2 further highlighted the fact there is a shift in the way retail businesses interact with their consumers, with businesses expected to be more responsive to client needs. This shift is being enabled through the use of technology in the sector. As a result, retail store owners and employees need to be equipped with relevant customer management/relationship skills as well as the ability to work on IT powered systems.

Findings from Chapter 3

The most common HTFVs across the wholesale and retail sector include Retail General Manager; Retail Buyer; Safety, Health, Environment and Quality (SHE&Q) Practitioner; Blockman/Butcher; ICT Security Specialist; Visual Merchandiser; Confectionary Baker; Inbound Contact Centre Consultant; Software Developer; and Data Scientist.

Data Analysts and Web Designers were mentioned as being high priority occupations that new or emerging in the sector.

Addressing skills levels across occupational levels is something employers may need assistance with, to promote the transformation agenda envisioned by the Employment Equity Amendment Bill.

Findings from Chapter 4

The SETA has established successful partnerships with the Namibia Training Authority (NTA), University of Pretoria (UP), Association of Private Providers of Education, Training and Development (APPETD), REAL at Wits and MICT SETA. Further partnerships have been planned for the purposes of information sharing, sector research, research on innovation, entrepreneurship and employability and entrepreneurship development initiatives.

Some of the challenges that have been identified in ensuring that partnerships are successful include delays in finalising implementation plans, limited participation in the update of the Research Agenda and there being no dedicated official to respond to matters related to the MOU. The following measures should be implemented to strengthen partnerships:

- Signed implementation plan for all finalised MOUs
- Established regular communication and discussion channels through the committees

Findings from Chapter 5

The tracer and impact studies need to be prioritised to ensure quality M&E data to be used for planning and implementation of skills development interventions.

The new decentralised operating model is expected to enhance monitoring and evaluation processes as regional offices will have enhanced oversight over the implementation of the SETA's programmes through the provincial skills plan.

The successful achievement of sector strategic objectives is dependent on early submission and approval of Annual Performance Plan (APP) projects.

6.2 Recommended Priority Actions

There are a multitude of recommended actions needed in the sector. In this section, we identify 7 key skills priorities that the W&RSETA should consider. These align both to national priorities and sectoral needs, and link clearly to skills issues and skills gaps identified:

TABLE 31: RECOMMENDED ACTIONS

Key Skills Priority Area	Recommended Actions
Priority Skills Plan (PSP)	• Upgrade system to allow for employers to list sub-sector, size, and location in WSP/ATR submissions. • Conduct research study to determine the level of demand vs supply in occupational areas. • Work with DHET to formalise new occupations in terms of the OFO framework in order to facilitate the funding of these new occupations. • Utilise return-on-investment (ROI) methodologies to determine where the most impact is being made through W&RSETA interventions. • Drive the 4IR transition within the sector and assist businesses, especially SMMEs, to adapt.
SMME, Cooperatives, and Informal Traders Development	**New Training Delivery Models-**Implement blended learning models to account for COVID-19 challenges. Training can be focused on the following: • Conduct health and Safety training, including COVID-19 safety • Digital and 4IR skills development • Financial management training • Entrepreneurial training for informal traders and SMMEs **Encourage More Active Engagement from SMMEs** • Simplify and streamline the DG and MG processes for SMMEs • Set aside a funding pool ringfenced for SMME skills interventions (SMMEs attend training and receive funding voucher) • Recognise internal training conducted by SMMEs for DG and MG purposes • Train SMMEs and informal traders on applicable compliance regulations and prescripts **SSP SME and Research Reports Recommendations** • Partner with small business incubators and consider more flexible funding model to fund training within incubators • Train retired retailers as mentors and coaches to assist small businesses • Provide training on access to finance and the development of business plans (partnerships with development financing and support agencies) • Facilitate stakeholder engagement around entrepreneurial development • Consult sub-sector and regional stakeholder for the design of entrepreneurial development programmes • Develop the vision and impact targets to ensure sustained benefits – move away from once-off training interventions
Youth Unemployment	• Host annual W&R Sector career and open days, including support material, exhibitions, and classroom talks. • Provide students with helpful information about how to align their academics and extracurricular activities to careers within the sector. • Create awareness by partnering with businesses to educate learners on career trajectories and opportunities. • Develop an online career guidance system. • Partner with educational institutions to develop the school curriculum. • Partner with other SETAs and companies to research and open the market for 4IR/Digital related careers and functions across the economy. • Conduct quarterly roadshows at schools to promote entrepreneurial based careers in retail and wholesale. • Incorporate entrepreneurship into existing W&R modules. • Provide mentors and coaches to small and emerging businesses. • Expose small business owners to new product and retail opportunities. • Expand existing projects for youth into rural areas. • Provide work readiness programmes that include courses and training on relevant content such as how to make the best use of digitisation/ technology in the sector, entrepreneurship, and soft skills.
Hard-To-Fill Vacancies (HTFVS) and Skills Gaps	• Provide more work integrated learning opportunities. This will address the lack of relevant experience. • Provide targeted training for identified HTFVs. This will address the lack of relevant qualifications. • Provide targeted training for previously disadvantaged people. This will address the lack of HTFVs due to equity considerations.

Key Skills Priority Area	Recommended Actions
Stakeholder Engagement	• Initiate regional stakeholder forums regarding SETA activities. • Develop the Research Desk Platform to ensure that stakeholder queries are addressed timeously. • Regularly conduct Stakeholder satisfaction surveys.
Sector Transformation, including Training and Employment of People with Disabilities (PWD)	• Provide courses for existing employees focussing on soft skills required for effective leadership. • Conduct research to determine why previously disadvantaged individuals are not adequately represented in top and senior management. • Implement mentorship programme to identified employees who show potential for leadership in senior management positions. • Improve access to training for SMMEs and individuals in more rural areas • Conduct monthly site visits to training providers to ensure adherence to development plans. • Conduct entrepreneurial courses for employed and unemployed people. • Host business skills workshops with employees and SME owners. • Negotiate distribution agreements with retailers on behalf of SMMEs. • Implement a customised bursary scheme for PWD to access the sector. • Establish internship programme specifically for PWD. • Encourage companies to employ graduates with disabilities. • Increase (on-time) completion rates of people with disabilities, youth and women through effective and relevant training and necessary support such as coaching and mentoring, workplace exposure, paying stipends on time. • Providing other types of support such as study leave and psychosocial support. • Ensure accreditation of previously disadvantaged training providers to support township and rural communities. • Conduct research to establish if the SETA is currently prepared to employ people living with varying disabilities. • Provide incentives for employees that employ PWD and other marginalised groups. • Provide training and courses in local languages for employees that work in rural areas. • Implement targeted funding model for people with disabilities.
Economic Recovery and Reconstruction Plan	• Capacitation Workshops and Trading Vouchers: ITAMED (Informal Traders and Micro Enterprises Development). • Entrepreneurship Development Programme. • SME Grant (Small and Micro Enterprise Grant). • Unemployed Graduates (Degree and Diploma) are placed to gain workplace experience. • Unemployed Interns are placed to gain workplace experience in order to obtain their diplomas. • Include employees that fall within marginalised and minority groups in the ILDP and RMDP programmes. • Infrastructure and equipment support with CETs, TVETs and Skills Development Centres. • Embed economic planning within the skills planning function. • Consider review of legislative framework to allow SETA to be more flexible (flexible use of discretionary funds to fund ERRP interventions that are not necessarily pivotal related) **Measures to Support National Strategies and Plans** The W&RSETA identified nine key ERRP Skills Strategy Interventions that respond national strategies, especially the ERRP Skills Strategy, namely: • Expanding the provisioning of short skills programmes (both accredited and non-accredited) to respond to skills gaps identified in the ERRP skills strategy; • Strengthening entrepreneurship development programmes; • Expanding the provisioning of workplace-based learning (WBL); • Increasing enrolments in qualification-based programmes that respond to occupational shortages identified in the ERRP (e.g., marketing specialist, e-commerce manager, e-commerce planner, ICT specialist, system analyst, e-learning designer); • Strengthening career pathing at school level to promote and raise awareness of sector related opportunities to combat youth unemployment; • Utilise technology and 4IR to further mainstream people with disabilities into the sector, as these technologies may improve access to the sector; • Consider incorporating basic IT skills, problem solving and critical thinking across curriculums; • Strengthening the post-school education and training system; and • Embedding skills planning into economic planning processes and vice versa.

6.3 Conclusion

This chapter constitutes a summation of the findings of the previous chapters. It concludes with the identification of six key skills priorities that should inform skills planning in the W&RSETA, including:

- Priority Skills Plan (PSP)
- SMME, Cooperatives and Informal Traders Development
- Youth Unemployment
- Hard-To-Fill Vacancies (HTFVS) and Skills Gaps
- Stakeholder Engagement
- Sector Transformation, including Training and Employment of People with Disabilities (PWD)
- Economic Recovery and Reconstruction and Recovery Plan

Interventions have been confined to a limited number of major skills priorities that can make a difference to skills formation in the sector. The field work and data analysis provided additional action items for the sector and strengthened alignment to sector skills priorities.

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ANNUAL PERFORMANCE PLAN

2023/24 – 2025/26

W&RSETA WHOLESALE & RETAIL SETA

Skills Development for Economic Growth

FOREWORD BY THE MINISTER

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

The mandate of the SETAs must be understood within our vision of the post-school education and training system of having an integrated, coordinated and articulated PSET system for improved economic participation and the social development of youth and adults. Critical to this vision is our challenge of addressing the plight of the youth that are Not in Education, Employment or Training (NEET), which is standing at over 3.4 million in the fourth quarter of 2022.

The White Paper for Post-School Education and Training (WPPSET) envisages the post-school education and training system as an important institutional mechanism that must be responsive to the needs of society. Critical to this, is our transformational and developmental imperatives which include amongst others: class, gender, race, geography and youth, which must be reflected at all materials times in our SETA interventions.

The Ministry of Higher Education, Science and Innovation is among the leading ministries for the 2019–2024 Medium Term Strategic Framework (MTSF) Priority 3: Education, Skills and Health, and the following medium-term outcomes have been identified:

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

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

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

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

The National Skills Development Plan (NSDP) 2030 remains at the centre in directing how the skills development levy will be disbursed up to 31 March 2030. For this reason, the Sector Education and Training Authorities (SETAs) have been re-established until 2030, in alignment with the National Development Plan to ensure that the SETAs focus on skills required for our socio-economic development. For the financial year, we aim at expanding the participation of young people in skills development programs as well as workplace-based learning opportunities.

We have surpassed the State of the Nation Address (SoNA) 10 000 Technical and Vocational Education and Training (TVET) target placements in 2022 leading to setting a target for 2023 of 20,000 TVET placements. For the 2023/24 financial year, the entire SETA system has set itself the following targets, as part of expanding post-school opportunities:

- 107 000 workplace-based learning (WBL) opportunities;
- 148 000 learners registered in skills development programs;
- 22 000 learners entering artisanal programs;
- 20 500 learners passing artisanal trades;
- 31 300 learners completing learnerships; and
- 5 200 learners completing internships.

The SETA will enter into the Service Level Agreement with the Director-General of the Department and commit that 25% of all targets to be achieved on a quarterly basis, with 100% achievement in the last quarter of the financial year.

The SETA Annual Performance Plan (APP) provides a clear commitment to the delivery of our skills development priorities and targets for implementation during the 2023/24 financial year.

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Dr. BE Nzimande, MP
Executive Authority of Higher Education, Science and Innovation

ACCOUNTING AUTHORITY STATEMENT

The Annual Performance Plan (APP) 2023/24 - 2025/26 outlines the strategic priorities of the Wholesale and Retail SETA (W&RSETA) in accordance with National imperatives, including the Medium-Term StrategicFramework (MTSF). The APP demonstrates the integration of the W&RSETA's primary responsibilities as sustained by sound management of levy funds, human resources, and operational systems; the specific strategic outcomes based on the Sector Skills Plan (SSP); the National Skills Development Plan (NSDP) outcomes, and the Economic Reconstruction and Recovery Plan Skills Strategy, as well as performance information thereof. The W&RSETA is committed to increasing interventions targeted at sector transformation and creating opportunities for the historically disadvantaged.

The W&RSETA has considered the following strategies, policies and plansin developing the APP 2023/24 - 2025/26:

- National Skills Accord (NSA)
- National Development Plan (NDP)
- Human Resource Development Strategy for South Africa (HRD-SA)2010 - 2030
- National Skills Development Plan (NSDP)
- National Growth Path (NGP)
- White Paper on Post-School Education and Training (WP-PSET)
- Economic Reconstruction and Recovery Plan Skills Strategy
- Green Skills for Job Creation, including bio-waste and manufacturing opportunities

The WP-PSET 2013 profoundly impacts on the SETA landscape as it aimsto provide a clear strategic direction in terms of what post-school educationand training aim to achieve.

Collectively, the aforementioned documents, the Wholesale and Retail Sector Skills Plan, the Service Level Agreement (SLA) signed with the Department of Higher Education and Training (DHET), and the SETA Grant Regulations (2012) directed and shaped the W&RSETA APP.

Extensive consultations and engagements have been conducted with key stakeholders in the wholesale and retail sector to ensure that the implementation of skills development initiatives is responsive to the sector's current and future skills needs for greater impact on the economy.

The APP fully complies with the Department of Monitoring and Evaluation Framework for Strategic Plans and Annual Performance Plans, which ensures the alignment and articulation of our mandate into strategic outcomes, performance indicators, operational plans, and employee annual performance agreements. The APP is therefore a presentation of the Accounting Authority's decisive and evidence-based performance information that fully addresses skills supply and demand as determined by the wholesale and retail industry. Furthermore, there is sound commitment across the SETA to implement this APP. I therefore, endorse this plan and commit to its implementation

REGGIE SIBIYA
CHAIRPERSON OF THE W&RSETA ACCOUNTING AUTHORITY

27 January 2023

DATE

CHIEF EXECUTIVE OFFICER STATEMENT

South Africa has seen significant economic and social challenges over the last few years. The first in recent history (post “State “Capture” economic losses) were the economic lockdowns as a result of the Government’s COVID-19 response. Our businesses obviously suffered greatly from these lockdowns, with businesses in the wholesale and retail trade impacted significantly. The next was mass looting, and again our businesses in the wholesale and retail trade bore the brunt of this violence. The third challenge was that of floods, predominantly in KwaZulu-Natal, and to a lesser extent Gauteng and other provinces. The final challenge has been that of the Russia/ Ukraine war which has directly led to increased fuel, cooking oil and wheat prices.

These crises have impacted all sectors of the economy. Consumers are simply worse off now than they have been for many years. Inflation is increasing, interest rates are increasing, spending is decreasing. The wholesale and retail trade needs other sectors to be strong, it needs consumers to be in strong positions, it is reliant on a robust economy that supports consumer spending. Our sector is going to be constrained for some time still, employment growth in our sector is still on a downward trajectory. It is incumbent on the W&RSETA to support our employers in any way we can. We recommit ourselves to adopting the flexible and agile approach that our sector needs.

As we ushered in the NSDP in full swing since April 2020, we have taken along and assisted all our stakeholders as we journeyed into the new ‘’normal’’. Certificates continue to be issued for successful programmes implemented, and training is also carrying on for those stakeholders and partner training providers that are ready to implement within the new normal.

COVID-19 ushered in a new era of blended learning, online learning and virtual learning, the W&RSETA remains committed to making these models work. The new system promises to be more efficient, and effective, and responsive towards the changing needs within the skills development, legislative requirements and fiduciary duties that have to be considered in our efforts to be more efficient as a SETA.

The pandemic has highlighted the existing need to assist and empower the most vulnerable in our society. With renewed focus and vigour, the W&RSETA has now included as a strategic focus, the National Priorities of women, youth, development of persons with disabilities, entrepreneurs, and SMMEs in all the targets that we are rolling out.

Rural development, community and TVET colleges are also not left out in the planning. In addition to this, a renewed focus has been placed on the development of artisans to assist individuals find employment and to assist businesses access the skills they need to grow sustainably.

The W&RSETA commits to implementing the APP for the period 2023/24 - 2025/26. Once again, we remain responsive to your needs, and are ready to serve.

TOM MKHWANAZI
CHIEF EXECUTIVE OFFICER

27/01/2023
DATE

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the W&RSETA under the guidance of the W&RSETA Accounting Authority.
- Considers all the relevant policies, legislation, and other mandates for which the W&RSETA is responsible.
- Accurately reflects the Outputs which the W&RSETA will endeavour to achieve over the period 2023/24-2025/26.

SUNSHINE NGCOBO
CHIEF CORPORATE SERVICES EXECUTIVE (PROGRAMME 1)

LINDIWE NHLAPO
CHIEF FINANCIAL OFFICER

BARNABAS MASEKWAMENG
INFORMATION AND COMMUNICATIONS TECHNOLOGY EXECUTIVE (PROGRAMME 1)

TOM MKHWANAZI
CHIEF EXECUTIVE OFFICER

Dr D C Machard

DEBORAH MACHARD

STRATEGIC PLANNING, PERFOMANCE AND EVALUATION EXECUTIVE (PROGRAMME 2)

REGGIE SIBIYA
CHAIRPERSON OF THE W&RSETA ACCOUNTING AUTHORITY

Approved by

SIPHO SHOBA
CHIEF OPERATIONS OFFICER (PROGRAMME 3 & 4)

Dr BLADE NZIMANDE
MINISTER OF HIGHER EDUCATION, SCIENCE AND TECHNOLOGY
DATE:

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ACRONYM	DESCRIPTION	ACRONYM	DESCRIPTION
4IR	4th Industrial Revolution	NQF	National Qualifications Framework
AET	Adult Education and Training	NSDP	National Skills Development Plan
ALC	Adult Learning Centre	NPO	Non-Profit Organisation
AI	Artificial Intelligence	OECD	Organisation of Economic Cooperation and Development
APP	Annual Performance Plan	OFO	Organising Framework for Occupations
ATR	Annual Training Report	PWD	Public Works Department
BUSA	Business Unit South Africa	QCTO	Quality Council for Trades and Occupations
B-BBEE	Broad-Based Black Economic Empowerment	RA	Retailers Association
CET	Community Education and Training	RPL	Recognition of Prior Learning
CBO	Community-Based Organisation	SAQA	South African Qualifications Authority
CPI	Consumer Price Index	SARB	South African Reserve Bank
DBE	Department of Basic Education	SETA	Sector Education and Training Authority
DHET	Department of Higher Education and Training	SLA	Service Level Agreement
GDP	Gross Domestic Product	SIC	Standard Industrial Classification
HDI	Historically Disadvantaged Individual	SMME	Small, Medium and Micro Enterprises
IPAP	Industrial Policy Action Plan	SP	Strategic Plan
MTEF	Medium Term Expenditure Framework	SSP	Sector Skills Plan
NEC	National Executive Format	STATSSA	Statistics South Africa
NDP	National Development Plan	TVET	Technical and Vocational Education and Training
NGP	New Growth Path	W&RSETA	Wholesale and Retail Sector Education and Training Authority
		WP-PSET	White Paper for Post-School Education

PART A: OUR MANDATE

1. Updates to the Relevant Legislative and Policy Mandates

1.1. Legislative and Policy Mandates

The Wholesale and Retail SETA (W&RSETA) is a schedule 3A public entity and derives its mandate from the Skills Development Act No. 97 of 1998 (as amended). The SETA is responsible for supporting skills development in the wholesale and retail sector in South Africa, through the disbursement of grants to facilitate the implementation of learning Programmes and monitoring of education and training (as outlined in the Act, in accompanying regulations and the National Skills Development Plan.

1.1.1. Legislative Mandate

Table 1 below summarises the legislative framework under which the W&RSETA operates.

Table 1: Legislative mandate

REGULATION	
Skills Development Act, No. 97 of 1998 (as amended)	The purpose of the Skills Development Act is to: • Ensure credible labour market analysis to provide a supply and demand analysis that inform sector skills priorities. • Develop the skills of the South African workforce. • Increase the levels of investment in education and training in the labour market. • Encourage employers to use the workplace as an active learning environment. • Encourage workers to participate in learning programmes.

LEGISLATION OR REGULATION	SUMMARY OF PURPOSE
	• Improve the employment prospects of previously disadvantaged persons. • Ensure the quality of learning in and for the workplace
Skills Development Levies Act, No. 9 of 1999	Imposes the payment of skills levies by employer organisations to motivate investment in skills development. • Employers pay 1% of the total payroll, which is utilised as follows • 20% to the National Skills Fund • 10% for operating costs • 80% to the SETAs • 0.5% to the QCTO • 20% for mandatory grants • 49.5% for discretionary grants
National Qualifications Framework Act, No. 67 of 2008	• Creates a single integrated national framework for learning • Enhances the quality of education and training • Facilitates access to education, training, and career path • Accelerates the redress of past unfair discrimination • Allows for SAQA and the quality councils to oversee the NQF
Workplace-Based Learning Programmes Regulations	• Provide guidelines for the management of workplace-based learning programme agreements
SETA Grant Regulations, 3 December 2012, Vol. 570, 35940	• Assist the SETAs to develop internal policies and procedures in response to the Grant Regulations

LEGISLATION OR REGULATION	SUMMARY OF PURPOSE
	• Requires 80% of discretionary funds to be spent on the delivery of PIVOTAL programmes
Public Finance Management Act, No. 29 of 1999	• Regulates financial management in the national government and provincial governments to ensure that all their revenue, expenditure, assets, and liabilities are managed efficiently and effectively; and • Provides for the responsibilities of persons entrusted with the financial management of those governments
B-BBEE Act, No. 53 of 2003.	• In terms of Section 13G (3), read with regulation 12 (6 - 8) of the B-BBEE Regulations: a) All Sectoral Education and Training Authorities contemplated in the Skills Development Act, 1998 (Act No. 97 of 1998), must report on skills development spending and programmes to the B-BBEE Commission within 30 days' post approval of their annual reports and financial statements or 90 days after the end of the financial year of the Sectoral Educating Training Authorities in a prescribed B-BBEE 2 Form
Disaster Management Act, No. 57 of 2002.	• Provides for an integrated and coordinated disaster management policy that focuses on reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery

1.1.2. Policy Mandate

Table 2 summarises the W&RSETA policy mandates and the strategies that form the basis of the W&RSETA operations. The Table also outlines the alignment of the W&RSETA APP with national government policies and strategies.

Table 2: National strategies or policies and implications for W&RSETA

NATIONAL STRATEGIES OR POLICIES	IMPLICATIONS FOR W&RSETA
National Skills Accord Eight commitments as outlined: • Expand training using existing facilities • Set ratios for trainees and artisans, as well as across the technical vocations, to improve training • Improve training funding and incentives for companies to train • Create internship and placement opportunities • Set annual targets for training in state-owned enterprises • Improve SETA governance, fiscal management, and stakeholder involvement • Align training to the New Growth Path and improve SSPs • Improve the role and performance of TVET colleges	The implications are • Increase learnership, apprenticeship, internship, and bursaries opportunities • Increase the number of accredited training providers • Expand partnerships with the college sector • Strengthen relations with other strategic partners and role players. • Response to the 4IR.
New Growth Path (NGP). The New Growth Path identifies five (5) job drivers: • Infrastructure for employment and development.	• Create projects to increase college-to-work transitions. • Increase learnerships, apprenticeships, internships and bursaries in

NATIONAL STRATEGIES OR POLICIES	IMPLICATIONS FOR W&RSETA
• Seizing the potential of new economies. • Improving job creation in employment. • Investing in social capital. • Spatial development.	clothing, textiles, footwear, leather goods and automotive. • Develop projects for promoting green industries. • Capacity building of SMMEs and informal traders
National Development Plan 2030 (NDP). The National Development Plan 2030 has identified the following 9 key areas to achieve a developmental approach that is sustainable and inclusive: • Creating jobs and livelihoods. • Expanding infrastructure • Improving education and training • Transforming urban and rural spaces. • Transitioning to low-carbon economy • Fighting corruption and enhancing accountability. • Facilitate rural and urban development projects that foster social cohesion	• Support initiatives addressing unemployment, poverty, and inequality. • Subscribe to the ethos of clean administration and good corporate governance • Increase capacity in the sector to respond to the economic dynamics. • Support initiatives addressing unemployment, poverty, and inequality • Respond to the needs of the sector with regards to artificial intelligence • Capacity building of SMMEs and informal traders
National Skills Development Plan, 2030	• NSDP seeks to ensure that South Africa has adequate, appropriate, and high-quality skills that contribute towards economic growth, employment creation and social development • The NSDP outcomes, sub-outcomes and indicators set

NATIONAL STRATEGIES OR POLICIES	IMPLICATIONS FOR W&RSETA
	the basis for the W&RSETA Annual Performance Plan
White Paper on Post-School Education and Training (WPPSET) • It is a vision for an integrated system of post-school education and training with all institutions playing their roles. • Set out strategies to improve the capacity of the post-school education and training system to meet SA's needs. • The WPPSET also seeks to improve access to the PSET system for people with disabilities	• Review of curriculum to respond to sector needs • Increase the number of accredited training providers. • Expand partnerships with the college sector. • SMME development and support • Redressing through skills development initiatives • Support skills development centres in a rural and urban setting through infrastructure development projects

Economic Reconstruction and Recovery Plan Skills Strategy
The ERRP Skills Strategy aims to support the Economic Reconstruction and Recovery Plan (ERRP) to ensure that it is not compromised by skills shortages. It is borne out of the urgency for a well-coordinated strategy of skills development to support both the management of Covid-19 as well as economic and social recovery
	• The following have been identified as specific interventions with the PSET ecosystem to support the implementation of the ERRP
	  ○ Expand the provisioning of short skills programmes (both accredited and non-accredited) to respond to skills gaps identified in this strategy.
	  ○ Enable the provisioning of short

NATIONAL STRATEGIES OR POLICIES	IMPLICATIONS FOR W&RSETA
	skills programmes (both accredited and non-accredited) that respond to skills gaps identified in this strategy. ○ Expand the provisioning of workplace-based learning (WBL) opportunities to respond to occupational shortages and skills gaps identified in this strategy. ○ Increase enrolments in qualification-based programmes that respond to occupational shortages identified in this strategy. ○ Review and revise education and training qualifications, programmes and curricula to respond to occupational shortages and skills gaps identified in this strategy. ○ Update the draft Critical Skills List and associated regulatory mechanisms

NATIONAL STRATEGIES OR POLICIES	IMPLICATIONS FOR W&RSETA
	○ Strengthen entrepreneurship development programmes ○ Embed skills planning into economic planning processes and vice versa

2. Updates to Institutional Policies and Strategies

The following institutional policies will guide the implementation of the W&RSETA Annual Performance Plan:

POLICY/STRATEGY	LINKAGE TO NATIONAL PRIORITIES
1. Infrastructure Funding and Development Policy	Outcome 5: Support the growth of the public college system
2. W&RSETA Rural Development Strategy	Sub-Outcome 5.1: Support the TVET Colleges Sub-Outcome 5.2: Support the CET Colleges Outcome 8: Support career development services
3. Disability Development Strategy	NSDP Principle 5.2: Advancing an equitable and integrated system
4. SMMEs and Entrepreneurship Strategy	Outcome 6: Skills development support for entrepreneurship and cooperative Development
5. Bursaries and Placements Strategy	Sub-Outcome 4.2: Increase access for Intermediate and high-level skills
6. Integrated Career Guidance Strategy	Outcome 8: Support career development services
7. Skills development grants policy	NSDP Principle 5.2: Advancing an equitable and integrated system Outcome 6: Skills development support for entrepreneurship and cooperative Development

3. Updates to Relevant Court Rulings

There are no relevant court rulings which impacts on the mandate of the W&RSETA and the implementation of the 2023/24 to 2025/26 Annual Performance Plan.

4. Updated Situation Analysis

4.1. External Environment Analysis[1]

The W&RSETA continues to recognise the influence that the external environment has on the W&RSETA's overall performance as well as total levies received per financial year. The performance of the South African economy and the W&R sector also significantly affect the overall performance of the W&RSETA, hence influencing priority areas in the allocation of levy resources. This update of the 2023/24 - 2025/26 W&RSETA Annual Performance Plan took place during a period when the South African economy was showing signs of recovering from the adverse effects of the COVID-19 pandemic, which has placed the economy in a difficult position with worsening unemployment levels, stagnating growth and deteriorating fiscal indicators. While the COVID-19 pandemic, with its resulting fluctuating restrictions on social and economic activities, has caused damage to the economy in the past two years.

The Wholesale and Retail sector employs approximately 20,1% of the South African labour force and contributes approximately 15% to the country's gross domestic product (GDP), making it the third largest contributor to the national GDP. Despite South Africa being a developing country, the sector is said to be relatively advanced. However, the COVID-19 impact on the sector has included decreases in revenue, and together with a looming cost of living crisis, levy collection may reduce in the short to medium term as businesses operate in a constrained economic environment. On the socio-political front, the pandemic has exposed and expanded massive socio-economic inequalities, with vulnerable sectors and vulnerable communities being hit the hardest by the pandemic. The W&RSETA has, therefore, had to adopt a more inclusive approach in its planning, which will ensure the prioritisation of women, rural communities, youth, and people with disabilities. Greater focus will also be placed on empowering SMMEs, co-operatives and the informal sector with appropriate skills and enabling technologies.

The sector mainly consists of a few big retailers that have a large influence over the sector. The technological advancements and the changing expectations of Wholesale and Retail stakeholders and customers will alter the kinds of support and skills interventions provided by W&RSETA. This is as a result of how the pandemic has fast-tracked the digital transformation within the wholesale and retail sector which has led to the exponential growth in several customers adopting e-commerce. The W&RSETA has therefore had to align its planning to include skills development within the ICT/digital space. The COVID-19 pandemic has shone the light on the need for the adoption of strict health and hygiene practices within the sector and has placed greater health and safety compliance requirements on employers in the sector. The W&RSETA is therefore required to support its stakeholders, and to develop further skills in areas of health and safety as well as quality management. The W&RSETA also has to place focus on helping stakeholders adjust to the changes and traumas caused by the pandemic. The implications of COVID-19 for skills planning have included the slowing down of business activity, decline in revenue, increased demand for e-commerce, prioritising reskilling and retraining to minimise job losses,and higher health and safety risk for customers, employers, employees, and partners.

[1] External Environment Analysis section 4.1 is aligned and reflected in the WRSETA SSP 2023/24, Chapter 1.

Another major disruptor in the Wholesale and Retail sector has been the severe floods that caused damage in KwaZulu Natal in April 2022. KwaZulu Natal contributes roughly 16% towards the South African economy and it is estimated that the city of Durban will lose around 1.8% of its annual GDP to get the city and its businesses back to where the economy was operating before the flood disaster struck. The severe floods caused damage to infrastructure and led to many businesses losing stock, having their business infrastructure destroyed and/or complete closures of stores. These damages have affected an estimate of 80 malls/shopping centres, putting 150,000 jobs at risk. Over 2,000 retail stores were also damaged and looted, and the tally of affected businesses (mostly small and informal) reached 40,000. In addition to the damage to the economy and employment by COVID-19, many jobs have been compromised due to store closures and retrenchments, and there has been long-term and possibly irrevocable damage. Households relying on businesses are consequently also negatively affected.

The ongoing conflict between Russia and Ukraine is another factor that has had a severe impact on food prices during the first quarter of 2022. South Africa is a net importer of wheat, and Russia and Ukraine are significant players in global wheat exports, accounting for about a quarter of the wheat exports globally. South Africa imports 30% of its wheat from Russia and Ukraine. Since the war began, there has also been an increase in fuel prices due to the global increase in the price of crude oil as well as the import prices of petroleum products. The increase in prices erodes the disposable incomeof consumers. Furthermore, load-shedding has become a regular occurrence. This impacts the retail sector, as many businesses are left withno choice but to halt their operations during power outages (or incur costs by running generators). The disruptions in business operations are expectedto dampen the GDP growth by at least one percentage point in 2022.

The W&R sector is a major employer of the unskilled and semi-skilled labour force. The majority of the unskilled and semi-skilled are mostly African. White employees form a large proportion and high percentage in top management, senior management, and professional categories in the sector. Although the sector has made some slight progress in terms of transformation, the under-representation of African, Coloured, and Indian workers at professional levels, senior and top level positions however, remain an issue that needs to be addressed.

The supply of wholesale and retail skills does not meet the demand for the skills in the W&R sector. There are key factors identified as change drivers influencing skills supply and demand. These include COVID-19 as already discussed; data privacy and the Protection of Personal Information Act; and technology advancements and access to information; SMME Development and the changing expectations of W&R stakeholders. This has led to the SETA considering skills gaps identified and emerging skills that are required by the sector. The implication is that employers within the sector have to rethink and adapt to the future of work, which is technologically driven, and thus requires technical skills, re-capacitation and reskilling of workers. The shortage of skills is to a certain extent linked to transformational imperatives within the sector and those which have been identified as priority areas in the sector.

An extensive situational analysis for the W&RSETA was conducted using SWOT analysis, PESTEL analysis and the SSP research and impact of COVID-19, as well as research on the Impact of Economic Disruption in the Wholesale and Retail sector. This informed the 2022/23 – 2024/25 strategy which is articulated through the impact statement, the resultant outcomes and outcome indicators. During the upcoming MTSF period, the SETA will aim to concentrate service in priority areas as outlined by the NSDP 2030 (such as the increase in artisanship and occupationally directed programmes) while simultaneously addressing skills needs identified through internal and external environmental analysis. This section summarises the performance environment, internal environment analysis and external environment analysis.

4.1.1. Wholesale and Retail Sector Environment

The W&R sector is divided into two main subsectors: Wholesale and Retail. Wholesale trade deals with the bulk buying of goods from various manufacturers and the breaking down of these bulk purchases into smaller quantities, which are then sold to retailers. Retail trade deals with the buying of goods from the wholesaler and the selling thereof to the consumer. The actual activities that fall within the scope of the wholesale and retail sector are demarcated according to Standard Industrial Classification (SIC) code, as shown in the table below.

Table 3: Standard Industrial Classification (SIC) code for the W&R Sector

SIC CODE	TRADE CATEGORY
WHOLESALE	
45000	Wholesale and retail trade and repair of motor vehicles and motorcycles
45100	Sale of motor vehicles
45101	Wholesale of motor vehicles
45102	Retail of new motor vehicles
45103	Retail sale of used motor vehicles
45200	Maintenance and repair of motor vehicles
45300	Sale of motor vehicle parts and accessories
45400	Sale, maintenance and repair of motorcycles and related parts and accessories
45500	Retail of automotive fuel in specialized stores
46000	Wholesale trade, except of motor vehicles and motorcycles
46100	Wholesale on a fee or contract basis
46200	Wholesale of agricultural raw materials and live animals
46300	Wholesale of food, beverages, and tobacco
46301	Wholesale trade in foodstuffs
46302	Wholesale trade in beverages
46303	Wholesale in tobacco products
46400	Wholesale of household goods
46410	Wholesale of textiles, clothing, and footwear
46490	Wholesale of other household goods
46491	Wholesale trade in household furniture, requisites, and appliances

SIC CODE	TRADE CATEGORY
46492	Wholesale trade in books and stationery
46493	Wholesale trade in pharmaceuticals, toiletries, and medical equipment
46499	Other wholesale trade in other household goods n.e.c.
46500	Wholesale of machinery, equipment, and supplies
46510	Wholesale of computers, computer peripheral equipment and software
46520	Wholesale of electronic and telecommunications equipment and parts
46530	Wholesale of agricultural machinery, equipment, and supplies
46590	Wholesale of other machinery and equipment
46600	Other specialized wholesale
46610	Wholesale of solid, liquid, and gaseous fuels and related products
46620	Wholesale of metals and metal ores
46621	Wholesale of gold
46629	Other wholesale of metals and metal ores
46630	Wholesale of construction materials, hardware, plumbing and heating equipment and supplies
46690	Wholesale of waste and scrap and other products n.e.c.
46691	Sale of used parts and accessories, including scrapyards
46692	Wholesale trade in diamonds, pearls, and other precious and semi-precious stones
46699	Other wholesale of waste and scrap and other products n.e.c.
46900	Non-specialized wholesale trade
RETAIL	
47000	Retail trade, except of motor vehicles and motorcycles
47100	Retail sale in non-specialized stores
47110	Retail sale in non-specialized stores with food, beverages or tobacco predominating
47190	Other retail sale in non-specialized stores
47200	Retail sale of food, beverages, and tobacco in specialized stores
47210	Retail sale of food in specialized stores
47211	Retail trade in fresh fruit and vegetables
47212	Retail in meat and meat products
47213	Retail trade in bakery products

SIC CODE	TRADE CATEGORY
47219	Other retail sale in specialized stores
47220	Retail sale of beverages in specialized stores
47230	Retail sale of tobacco products in specialized stores
47300	Retail sale of information and communications equipment in specialized stores
47310	Retail sale of computers, peripheral units, software, and telecommunications
47320	Retail sale of audio and video equipment in specialized stores
47400	Retail sale of other household equipment in specialized stores
47410	Retail sale of textiles in specialized stores
47420	Retail sale of hardware, paints, and glass in specialized stores
47430	Retail sale of carpets, rugs, wall, and floor coverings in specialized stores
47490	Retail sale of electrical household appliances, furniture, lighting equipment and other household articles in specialized stores
47500	Retail sale of cultural and recreation goods in specialized stores
47510	Retail sale of books, newspapers, and stationery in specialized stores
47520	Retail sale of music and video recordings in specialized stores
47530	Retail sale of sporting equipment in specialized stores
47540	Retail sale of games and toys in specialized stores
47600	Retail sale of other goods in specialized stores
47610	Retail sale of clothing, footwear, and leather articles in specialized stores
47620	Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles in specialized stores
47630	Other retail sale of new goods in specialized stores
47631	Specialized retail sale of jewellery
47632	Specialized retail sale of watches and clocks
47639	Other retail sale of new goods in specialized stores n.e.c.
47640	Retail sale of second-hand goods
47700	Retail sale via stalls and markets
47710	Retail sale via stalls and markets of food, beverages, and tobacco products
47720	Retail sale via stalls and markets of textiles, clothing, and footwear
47790	Retail sale via stalls and markets of other goods

SIC CODE	TRADE CATEGORY
47800	Retail trade not in stores, stalls, or markets
47810	Retail sale via mail order houses or via internet
47890	Other retail sale not in stores, stalls, or markets

4.1.2. Key Stakeholders

The key stakeholders which contribute to the SETA's achievement of its outcomes in the sector are categorised into groups of organised employers, the W&RSETA board, training providers, organised labour, government, community, and others as shown on Table 4 below.

Table 4: W&RSETA Stakeholders

ORGANISED EMPLOYERS	ROLES AND RESPONSIBILITIES	NSDP OUTCOME ALIGNMENT
Retailers Association (RA) Consumer Goods Council of South Africa (CGCSA) National Clothing Retail Federation (NCRF) Black Business Council (BBC) Enterprise Mentorship of South Africa (EMOSA) Business Unity South Africa (BUSA) Fuel Retailers Association (FRA) South African Petroleum Retailers Association Retail Motor Industry Organisation Wholesale and retail enterprises (small, medium, and large)	• Represented equally on the committees of the W&RSETA BOARD • Represent and articulate employer (small, medium, and large) interests. • Contribute to education and training, negotiations, marketing, finance, human resources and legal.	• Engaging workplaces to enable them to provide increasingly relevant data on the skills of their existing workforce as well as projected skills needs, through relevant templates; • Engaging stakeholders (including but not limited to employers, labour, and government) to ascertain their perceptions of future trends in their sectors and the implications of these for the demand and supply interventions planning; • Continuously exploring the implications of the findings from the workplace data and stakeholder engagement concerning sector trends and national policy priorities; and • Effective and meaningful stakeholder engagement to support ownership and participation among stakeholders including social partners, employers, labour, training providers, prospective learners, and the public.

W&RSETA BOARD	**ROLES AND RESPONSIBILITIES**	**NSDP OUTCOME ALIGNMENT**
W&RSETA Board	• Ensure good corporate governance principles are adhered to • Provide strategic direction and leadership • Identify strategic risks and ensure mitigation thereof • Ensure regulatory compliance • Ensure policy and strategy development • Oversight and monitoring of implementation • To govern and control the W&RSETA by providing direction and leadership • To approve the W&RSETA SSP • To approve the Strategic Plan and Budget • To provide corporate governance guidance	• Improve governance oversight, monitoring and evaluation mechanisms and capacity, with strong social partners' involvement; and • Institute mechanisms to ensure implementation of findings from the monitoring and evaluation system to understand the strengths, challenges, and impact of the system • Review the system where evidence suggests that there are obstacles preventing the realisation of the agreed-upon outcomes. This will ensure that the Minister can intervene where there is non-performance or maladministration • Introduce mechanisms for instructions to the SETAs by the Minister, where there are challenges; and review the SETA Standard Constitution to strengthen governance and accountability mechanisms. The decision about numbers on the Accounting Authority will take into consideration the nature of the sector (for example the number of sub-sectors) and the need to support effective decision-making and good governance. The accounting authority will continue to have governing powers and steer the sector in terms of the scope (mandate and functions) of the SETA whilst, the management of the SETA will focus on operational and administrative roles; and • The roles and responsibilities of the accounting authority will further be defined. This will include a clear statement regarding conflict of interest and guidelines regarding the number of meetings per annum and the rates at which members of the accounting authority are remunerated.

TRAINING PROVIDERS	ROLES AND RESPONSIBILITIES	NSDP OUTCOME ALIGNMENT
Further Education and Training Committee. Higher Education and Training Committee;Association of Private Providers of Education Training and Development. Southern African Society for Cooperative Education. Universities; TVET Colleges; Private Training Providers; Community Colleges.	• Represent interests of training providers, both public and private. • Contribute to education and training, quality assurance, and curriculum development.	• The delivery of programmes against qualifications across all the sub-frameworks that support economic growth, encourage employment creation and enable social development for workers, unemployed and pre-employed (students) • Facilitating workplace-based experience as part of a qualification or a post-graduate qualification with a specific focus on occupations that support growth, encourage employment creation, and enable social development. • Support for, and prioritisation of, Centres of Specialisation, where practically possible. • Support for TVET colleges in implementing occupationally directed programmes. • Partnerships and collaboration with higher education and research institutions, amongst others, will be central for an evidence-based understanding of skills demand and supply
ORGANISED LABOUR	**ROLES AND RESPONSIBILITIES**	**NSDP OUTCOME ALIGNMENT**
Congress of South African Trade Unions (COSATU) Federal Council of Retail Allied Workers (FEDCRAW) Development Institute for Training, Support and Education for Labour (DITSELA) South Africa Commercial Catering and Allied Workers Union (SACCAWU) Entertainment Catering Commercial and Allied Workers Union (ECCAWUSA) National Union of Metal Workers of South Africa (NUMSA)	• Represented equally on the committees of the W&RSETA. • Represent and articulate worker interests • Contribute to education and training, negotiations, public management, and dispute resolution.	• Skills levy institutions will work with the Federations / Trade Unions in their sectors in identifying the required skills needs, especially to better understand the sectors, and implement the relevant interventions. • Engaging stakeholders, including but not limited to employers, labour, and government, to ascertain their perceptions of future trends in their sectors and the implications thereof for the demand and supply interventions planning.; and

Southern African Clothing and Textile Workers Union (SACTWU)		• Trade Unions and worker education and training institutions can use the critical networks of their organisations such as shop stewards.
COMMUNITY	**ROLES AND RESPONSIBILITIES**	**NSDP OUTCOME ALIGNMENT**
South African Community at large.	• Represent interests of communities and co-operatives. • Contribute to education and training, small enterprise and co-operative development, and the advancement of women.	• Social partners will continue to play an active role, amongst others, in the Accounting Authorities of SETAs and the NSA. These roles will be further elaborated in the Act and relevant skills development Regulations with key responsibilities for the implementation of the NSDP; • Career development services, including material, must be accessible to all, especially in rural areas and targeted beneficiaries; and • Ensure that prospective learners and the public are aware of when and how to apply for programmes and have access to a simplified process.

4.1.3. Wholesale and Retail Sector Performance and State of the Economy

This section assesses the current economic performance of the W&R Sector. In the fourth quarter (Q4) of 2021 the Gross Domestic Product (GDP) increased by 1.2%, with five industries recording positive growth. Trade, which is made up of wholesale and retail trade, motor trade, hotels, and restaurants - increased by 2.9% due to eased lockdown restrictions. Positive results were seen in the retail, motor trade, tourist accommodation, restaurants, fast-food and catering sectors, however, there was a slight decrease in the wholesale economic activity (Statistics South Africa, 2022). Manufacturing experienced a 2.8% increase, largely attributable to the production of petroleum, chemical & plastics products, and food & beverages. In the same period, five industries namely, government, finance, construction, mining and electricity, gas & water contracted. The electricity, gas & water industry experienced a 3.4% decline which was mostly attributable to decreased electricity and water consumption.

The diagram below shows the economic performance of South African industries by GDP for Q4 of the year 2021.

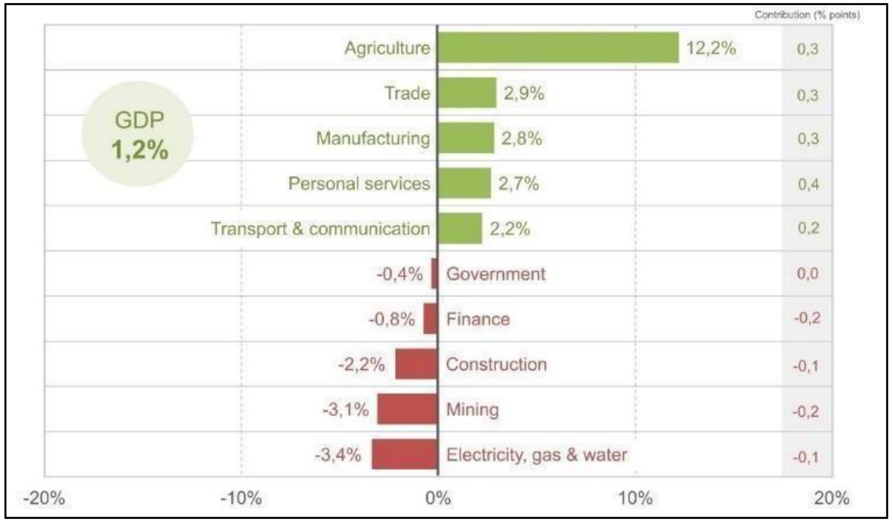

Figure 1: Performance of South African Industries (2021)
Source: (Statistics South Africa, (2022))

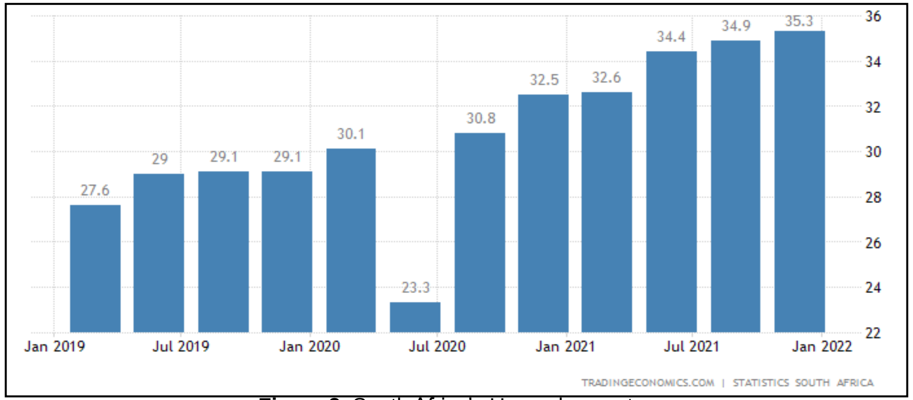

Figure 2: South Africa's Unemployment
Source: (Trading Economics, (2022))

4.1.4. South Africa's Unemployment

The unemployment rate increased from 34,9% in the third quarter of 2021 to 35,3% in the fourth quarter of 2021, which is the highest rate recorded for unemployment since 2008. The number of unemployed persons increased by 278 000, causing the number of unemployed people to increase to 7.9 million, while the number of people in the labour force increased by 540 000 to 22.5 million. The expanded unemployment rate, which includes discouraged job seekers, decreased by 0,4 of a percentage point to 46,2% from the third quarter of 20. The following graph shows the unemployment statistics in South Africa dated January 2019 to January 2022.

4.1.5. Share of employment per industry relative to its GDP share (%)

In Q4 of 2021, trade, construction and agriculture industries had higher employment shares relative to their GDP contribution. With a recorded growth of 2.9% in Q4 of 2021, the trade, accommodation and catering industry contributed 0.3 of a percentage point to GDP growth.
This could lead to an increase in employment shares over time, should the increase trade be consistent. However, with a decrease in the trade of mineral products and long-term purchases, the growth in employment shares might be progressively slow in comparison to GDP contribution.

The graph below depicts the share of employment per industry in the third quarter of 2021, relative to its percentage GDP share.

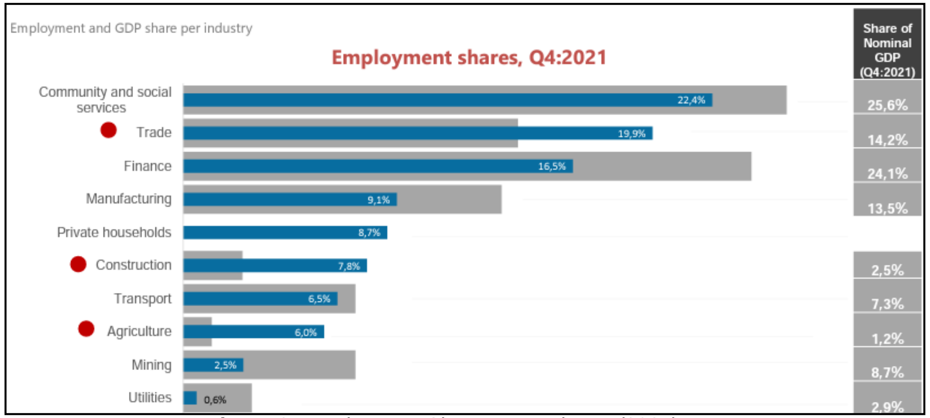

Figure 3: Employment Shares per Industry (2021)
Source: (Statistic South Africa, (2022))

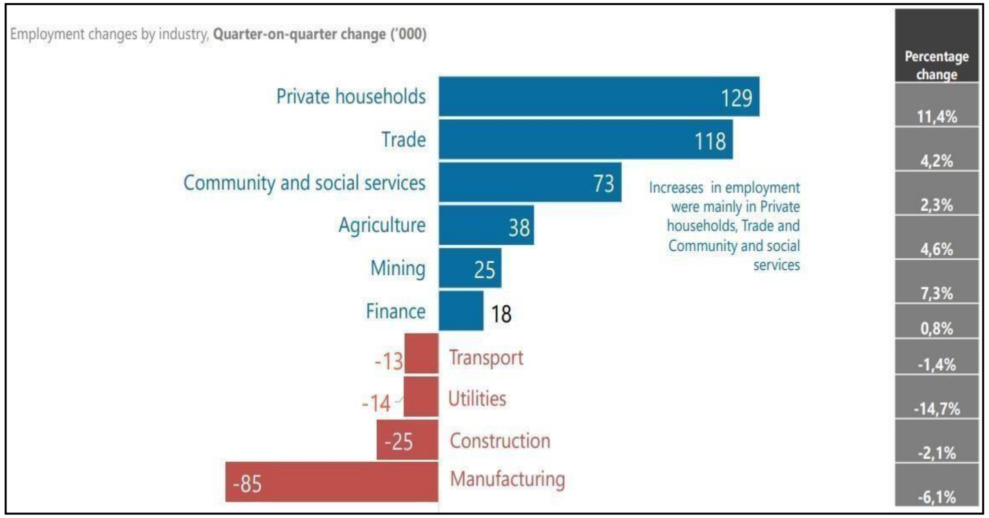

Figure 4: Employment losses and gains
Source: (Statistics SA QLFS Q4:2021 Presentation (2022))

4.1.6. Employment Losses and Gains

Employment gains in Q4 of 2021 were mainly driven by private households (129 000), trade (118 000), and community and social services (73 000). Utilities and manufacturing have the largest recorded negative percentage change at -14,7% and -6,1%, respectively. Employment losses were observed in the informal sector (48 000) in Q4 of 2021, while employment gains were observed in the formal sector (143 000), private households (129 000) and agricultural sectors (38 000). The following diagram shows the employment losses and gains in various sectors.

4.1.7. Economic Performance of the W&R Sector

South Africa's year-on-year retail sales trade increased to 7,7% in January 2022, when measured in real terms at constant 2015 prices. The highest positive annual growth rates were for food, beverages, and tobacco products in specialised stores, followed by textiles, clothing, footwear and leather goods, at 70,9% and 17,4% respectively. The overall increase to 7,7% was mostly contributed to by the retailers in textiles, clothing, footwearand leather goods and general dealers, accounting for 6,5 percentage points combined. The diagram below shows South Africa’s retail sales.

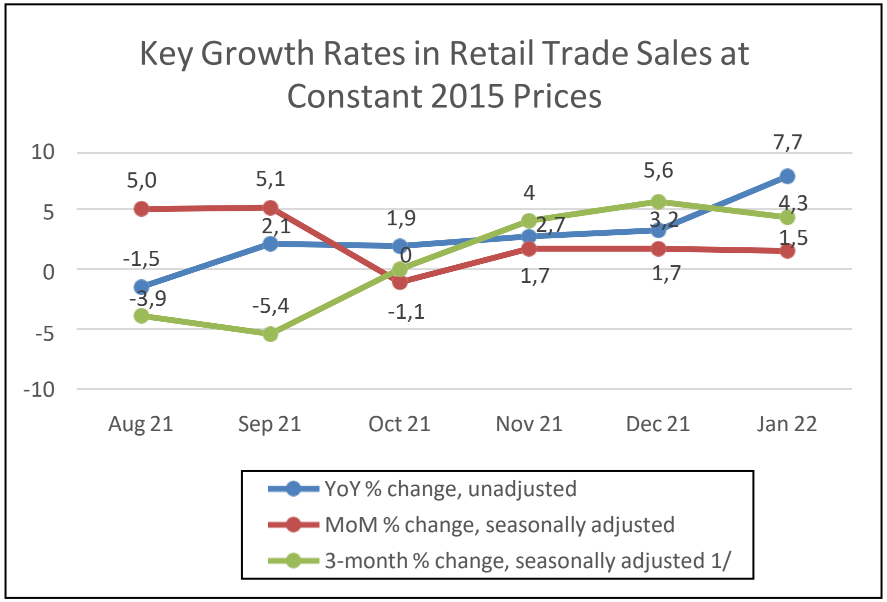

Figure 5: South Africa's Retail Trade Sales
Source: (Statistics SA Retail Trade Sales (Preliminary) (2022))

4.1.8. Growth by Industry Type

This section covers the percentage growth by various types of industries.

4.1.8.1. Growth by Type of Retailer

The South African retail trade is recorded at an overall 7,7% change, comprised of a positive change of 70,9% in the food, beverages, and tobacco in specialised stores, which equates to a contribution of 3,5% to the total % change. All other retailers contributed a combined 4,7 % change.

The retailer types with the lowest percentage change are all other retailers, pharmaceuticals and medical goods, cosmetics and toiletries and household furniture, appliances, and equipment. Additionally, the food,beverages and tobacco and metal and metal ores subsectors may grow dueto the Economic Reconstruction and Recovery Plan's (ERRP) focus on food security and exports in metals as part of boosting employment and supporting economic recovery.

Furthermore, it is noted that relevant key focus areas of the ERRP include the Green Economy, the Business Process Economy and Communications and the Digital Economy. The SETA will emphasize on these areas with a view to assist in the successful implementation of the ERRP. Regarding the Green Economy, the SETA recognises the following as possible interventions to be explored:

- The FMCG sector's waste management initiatives to convert waste to fuel.
- The Fuel Sector's green agenda should be explored, as it focuses on the reduction of carbon emissions, the move towards cleaner fuels and the use of alternative sources of energy such as wind, water and sola power.
- Bio-fuel innovation could benefit rural communities, by converting plant materials into fuel. Management should consider strategic partnerships, including SETAs in implementing some of these initiatives.

The graph below shows the year-on-year percentage change in retail trade sales at constant 2015 prices by type of retailer in January 2022.

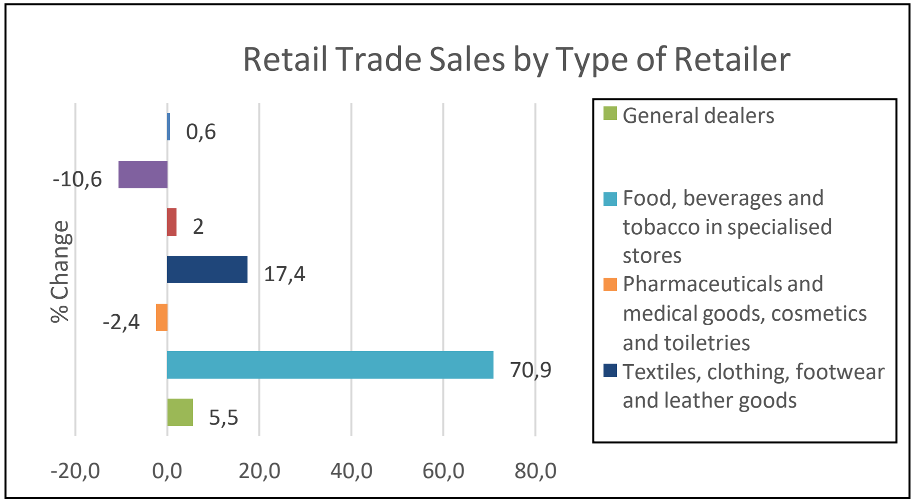

Figure 6: Retail Trade Sales by Retailer Type
Source: (SA Retail Trade Sales (Preliminary) (2022))

4.1.8.2. Growth by Type of Wholesaler

In January 2022, South Africa's annual wholesale trade sales saw a total percentage increase of 7,3% compared to January 2021. The largest negative year-on-year percentage change at the current price was recorded in the construction and building material subsector at -14,5%. Wholesale trade sales increased by 22,6% when measured in current prices, with the highest positive change recorded being for solid, liquid and gaseous fuels and related products, followed by food, beverages and tobacco, and 'other' intermediate products, waste and scrap sub-sector, which contributed 11,2%, 4,0% and 3,3% points, respectively.

The graph below shows the wholesale trade sales percentage change at current prices for the latest three months by type of dealer.

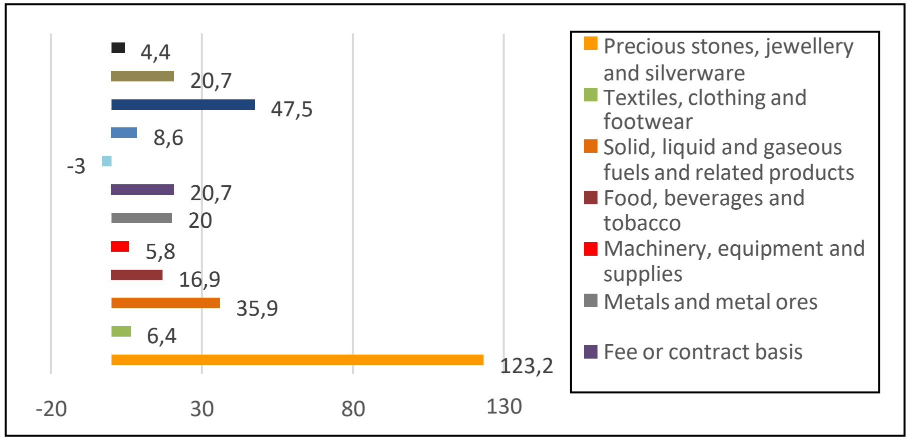

Figure 7: Wholesale Trade Sales by Dealer Type in Percentage
Source: (SA Retail Trade Sales (Preliminary) (2022))

Disposable Personal Income in South Africa increased to R3 907 902 million in the fourth quarter of 2021 from R3 768 746 million in the third quarter of 2021. The disposable personal income in South Africa between January 2019 and January 2022 is displayed in the graph below.

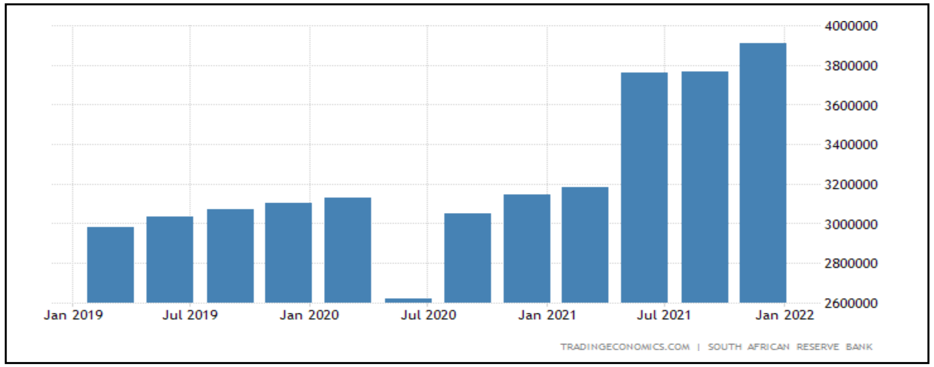

Figure 8: Disposable Income (2018-2022)
Source: (Trading Economics Disposable Personal Income (2022))

Consumer Confidence Index in South Africa fell to -13 in the first quarter of 2022 from -9 in the fourth quarter. South Africa has already started its path in recovering from the losses caused by COVID-19, however, because of the continued economic uncertainty consumer confidence is still low. It was the lowest reading since Q2 of 2021, however, the -13 figure is still below the +2 average from 1994. The graph below shows consumer confidence from July 2019 to January 2022.

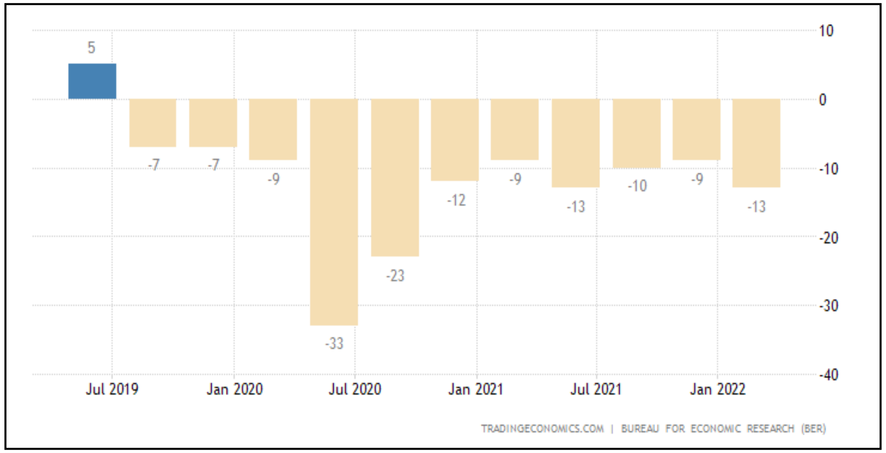

Figure 9: Consumer Confidence (2018-2022)
Source: (Trading Economics Consumer Confidence (2022))

The graph below shows South Africa's Consumer Price Inflation between January 2015 and January 2022.

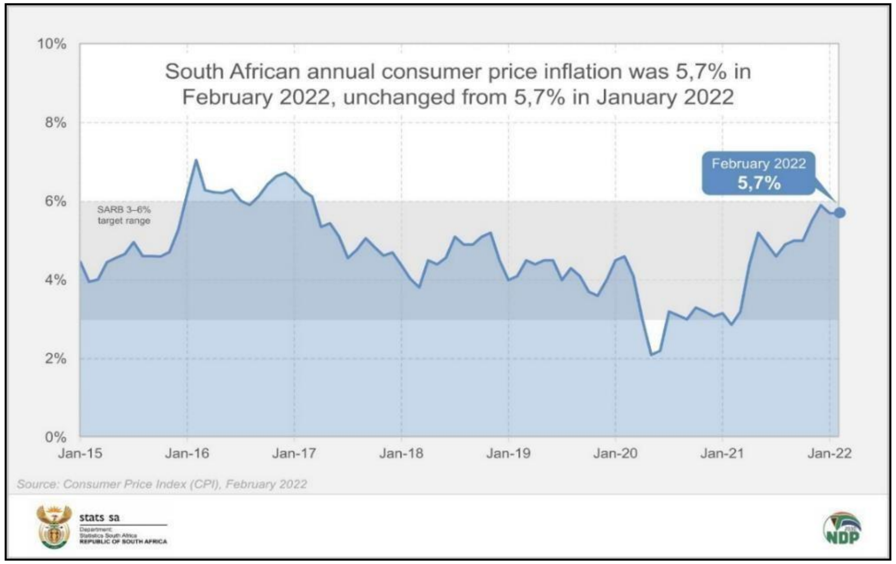

Figure 10: Consumer Price Inflation
Source: (Statistics South Africa, (2022))

The following pie chart shows the biggest role players in South Africa's retail sector. As indicated by the figure, general dealers have the highest weight in the retail sector with 42,1%; followed by textiles, clothing, footwear and leather goods and all other retailers with 18,7% and 11,1%, respectively. The pie chart below shows the biggest role players in South Africa's retail sector.

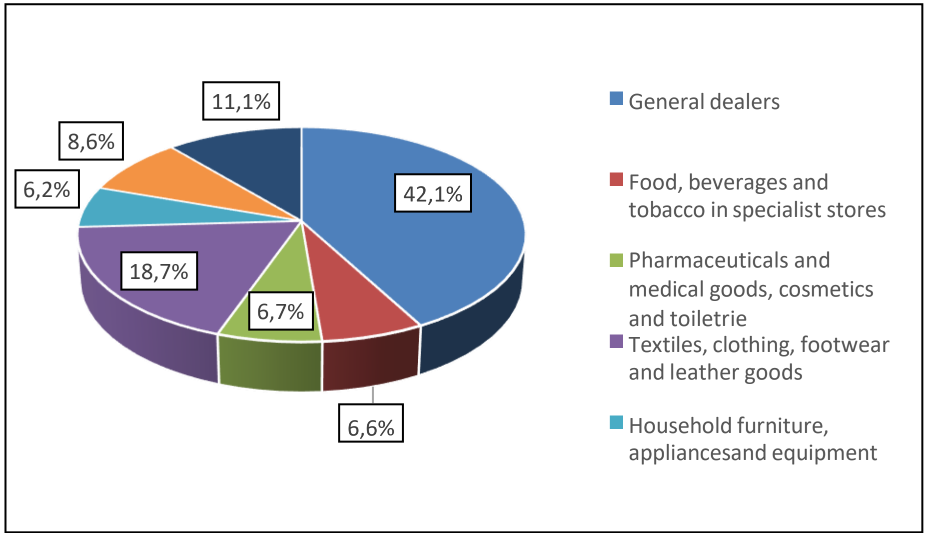

Figure 11: Biggest Role Players in the Retail Sector
Source: (Statistics South Africa, (2022))

4.1.8.3. Employer Profile

This section provides an employer profile of the W&R Sector for the 2021/22 period.

The highest number of levy-paying companies was in Gauteng with 1706 (Gauteng South = 703, Gauteng North = 1003), followed by Western Cape with 1545 and Kwa-Zulu Natal with 938. The high numbers of levy-paying companies are due to the higher concentration of companies in these 3 regions.

The graph below shows the levy-paying companies per province for the 2021/22 period.

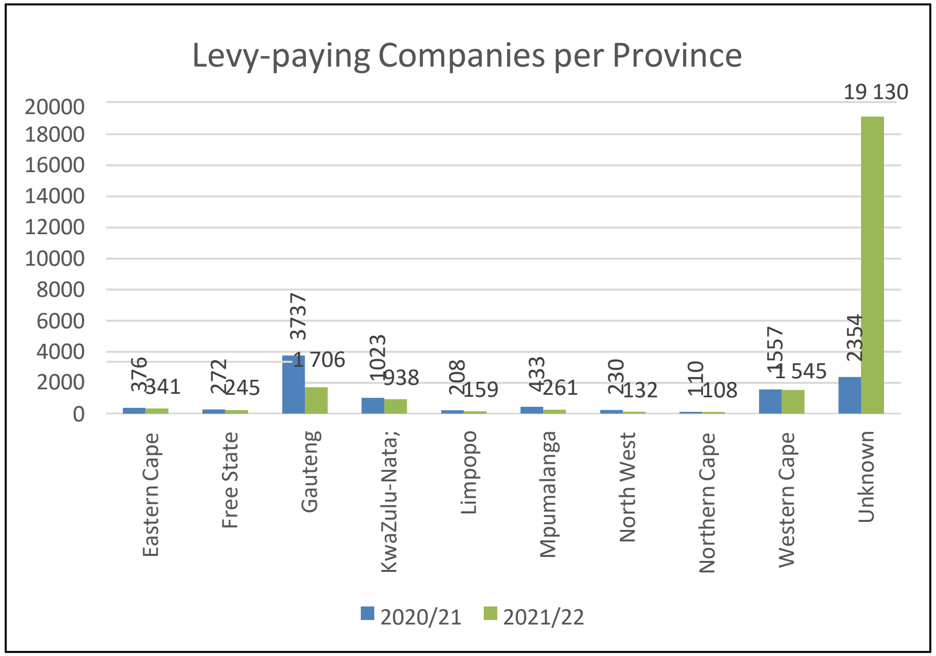

Figure 12: Levy-paying companies per Province
Source: South African Revenue Services

4.1.8.3.1. Levy Income Trends

Levies received from Gauteng were the highest, followed by the Western Cape and KwaZulu-Natal due to the higher concentration of companies in these provinces. The graph below shows the levies received per province in the period 2021/22.

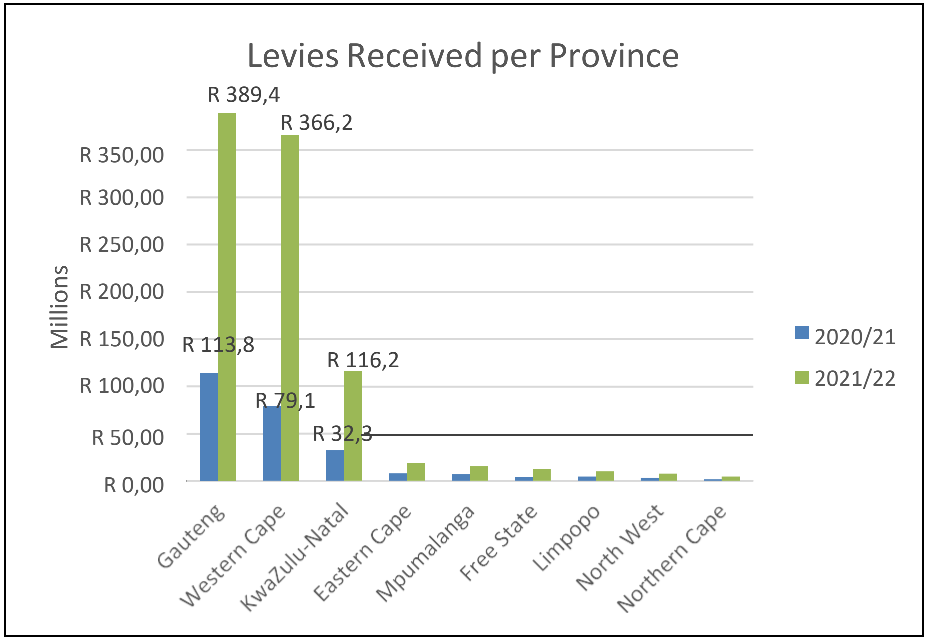

Figure 13: Levies Received per Province
Source: (SARS, 2021/22)

Labour Market Profile

The employee profile of the W&R sector illustrates that job growth has decreased from 2019 and has continued to decrease between 2020 and 2021. The graph below reveals that the Wholesale and Retail Sector employed around 865 000 people in 2021, which is about 6% of the total number of employed people. In 2017, there were 2.206 million employees compared to 865 000 employees in 2021. This represents a decrease of 1 341 000 (61%) of employees in this period. It is important to note that COVID-19 had a major influence on employment in the sector, especially from early 2020 onwards.

The graph below shows the number of employees in the Wholesale and Retail Sector between 2017 and 2021, according to WSP/ATR submissions[2].

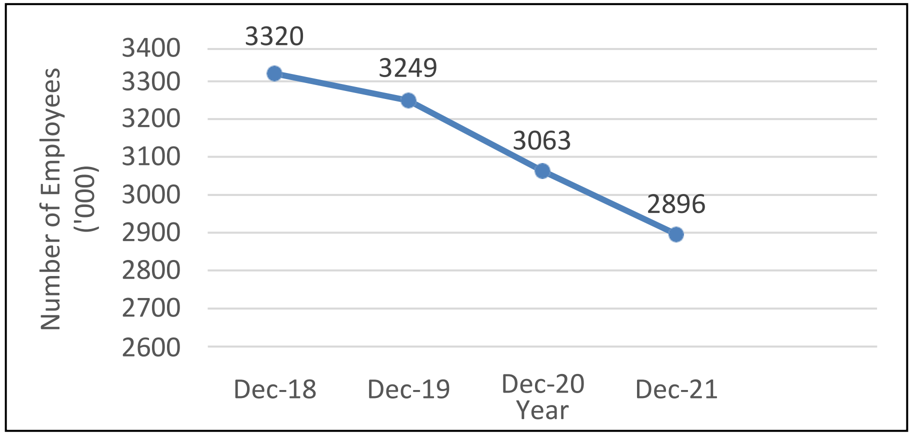

Figure 14: Number of Employees in W&R Sector 2017-2021 ('000)
Source: Statistics South Africa (2022)**,** (2020)

The graph that follows, shows the number of employees in the formal and informal sector. The graph reveals the following:

- The number of people in formal employment decreased by 0.4 million to 9.8 million in a 10-year period, which is 67,12% of South Africa's total employment. The informal sector accounts for 17,8% (2.6 million people) of South Africa's total employment.
- Employment in both the formal sector and the informal sector experienced a relatively steady increase between 2010 and 2020. However, there was a rapid decline before the fourth quarter of 2020 likely due to the impact of COVID-19, amongst other possible reasons.

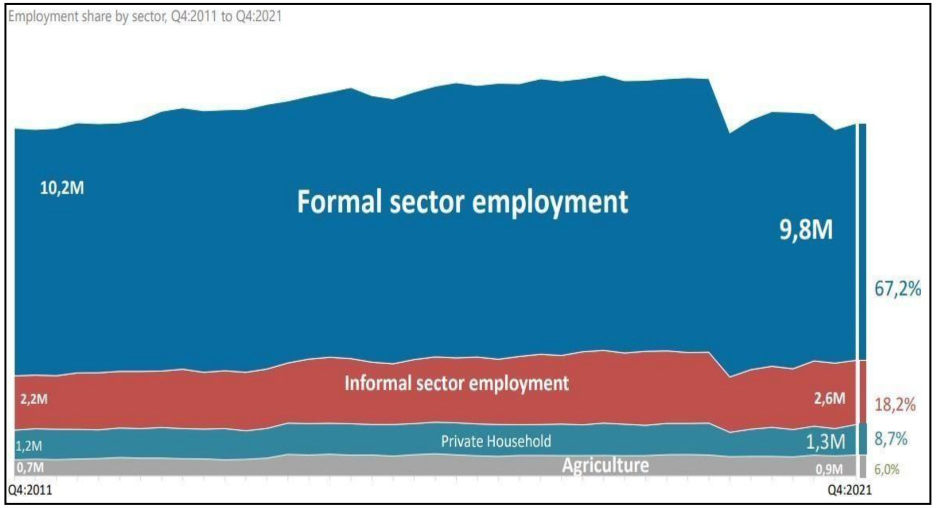

Figure 15: Employees in the Formal and Informal sectors Source: (Statistics SA QLFS Q4: 2021 Presentation, 2022)

The below graph shows the number of people employed in the 9 provinces. The total number of employed people is 14,5 million in Q4 of 2021, which is 362 000 people less than the total recorded for Q3 of the same year. This % decrease is spread across the 2 provinces that saw decreases, with the largest contributions recorded in Mpumalanga which decreased by 52 000. It was followed by Northern Cape, which decreased by 11 000. The largest increases in employment were recorded in KwaZulu-Natal and Gauteng, which saw increases of 126 000 and 76 000, respectively.

[2] Labour market data in this section could not be broken down by subsector as WSP/ATR submissions do not indicate this. Improvements need to be made to the system that receives this data so employers can indicate their subsectors.

The graph below provides statistics on employment by province.

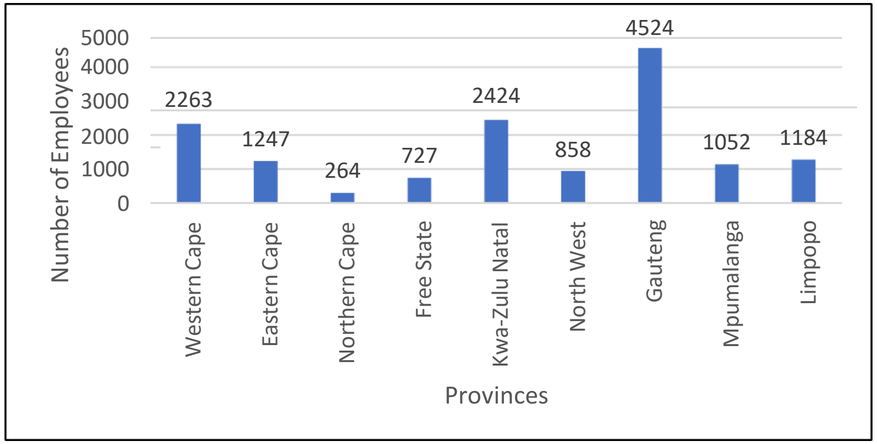

Figure 16: Employment by Province ('000)
Source: (Statistics SA QLFS Q4:2021 (2022))

4.1.8.3.2. Employee Demographics

The Table below indicates that even though democratic transformation in South Africa began over 25 years ago, change is still not prominent in this sector. The figures indicate that 51,6% of people in top management are represented by White males, which constitutes the largest group to represent any occupational level. In contrast, there are only 24,4% of South African women who were represented in top management, with only 5,7%

being African. The number of African females represented has increased from 2,2% in 2019/20 to 5,7% in 2020/21, while that of White females has decreased by 1,9%.

Coloured males and females have the lowest representation in senior management. African males and females make up the largest representation of semi-skilled and unskilled workers by a large margin, with 44,4% and 34,1% semi-skilled workers and 47,8% and 36,3% unskilled workers, respectively.

This is followed by Coloured males and females, making up 11,8% of semi-skilled workers and 10,9% of unskilled workers. Through a surface analysis of the below figures, a skewed representation in favour of White males, is visible. There is also an overall larger representation of males than females across all occupational levels.

The employment profile table below shows that the demographics for formal employment in the W&R sector are a challenge. According to the Commission for Employment Equity the racial and gender profile of the sector is as follows:

OCCUPATIONAL LEVEL	MALE (%)				FEMALE (%)				FOREIGN NATIONAL		TOTAL (%)
	A	C	I	W	A	C	I	W	M	F	
Top Management	10,1	3,5	7,3	51,6	5,7	2,2	3,4	13,1	2,6	0,5	100
Senior Management	15,1	4,7	7,4	34,7	9,5	3,3	4,3	17,8	2,3	0,8	100
Professional	22,7	4,9	4,8	18,2	24,0	4,8	4,2	14,0	1,7	0,7	100
Technician	32,3	5,8	2,7	9,0	31,4	5,8	2,7	8,6	1,3	0,4	100
Semi-Skilled Workers	44,4	5,6	1,2	2,1	34,1	6,2	1,3	2,8	1,9	0,3	100
Unskilled Workers	47,8	5,6	0,4	0,6	36,3	5,3	0,2	0,3	2,9	0,8	100

Table 1: Employee Demographics

Source: (CEE, (2020/21))

The table below provides the racial profile of W&RSETA registered employees by Major OFO Groups.

OCCUPATIONAL LEVEL	MALE (%)				FEMALE (%)				FOREIGN NATIONAL		TOTAL
	A	C	I	W	A	C	I	W	M	F	(%)
Managers	21,2	5,8	5,7	20,8	23,4	7,2	3,3	11,1	1,1	0,6	100
Professionals	15,0	7,4	5,8	20,4	16,0	7,9	5,3	20,7	0,9	0,5	100
Technicians and Associate Professionals	28,9	6,1	3,0	8,7	29,9	8,9	3,1	10,0	1,0	0,4	100
Clerical Support Workers	28,2	4,4	1,8	2,1	42,3	11,5	2,8	6,0	0,6	0,3	100
Service and Sales Workers	28,6	4,2	1,2	1,8	51,4	8,3	1,2	1,6	1,0	0,7	100
Skilled Agricultural, Forestry, Fishery, Craft and Related Trades Workers	48,9	8,2	1,5	6,6	23,8	5,9	0,6	0,6	3,3	0,4	100
Plant and Machine Operators and Assemblers	69,6	11,4	2,2	3,0	7,4	2,7	0,3	0,6	2,5	0,2	100
Elementary Occupations	42,7	6,7	0,9	1,2	36,9	6,3	0,5	0,4	3,1	1,2	100

Table 2: Employee Profile by Major OFO Group
Source: (WSP Data 2022)

The figures from the table indicate that African males constitute the most predominant group, followed by African females. Furthermore, the biggest demographic across Major OFO Groups is African male Plant and Machine Operators and Assemblers, with 69,6%, in comparison to a combined total of 11,2% of female Plant and Machine Operators and Assemblers.

Overall, there are more males than females in 6 Major OFO Groups, which exclude the Clerical Support Workers, and the Service and Sales Workers Major OFO Groups. While this still indicates a skewed representation in favour of males, from a racial perspective there are more Africans than other racial groups. Furthermore, there are more African males than White males in the Manager and Professionals groups, with 21,2% and 20,8% respectively.

The following table provides the racial profile of the W&R Sector by gender, based on WSP data.

	African	Coloured	Indian	White
Male	33%	5%	2%	5%
Female	41%	8%	2%	4%

Table 3: Racial Profile
Source: (WSP Data 2022)

The graph below illustrates that the number of females employed in the sector reached its lowest in 2021 with 1 268 000 employees, in comparison to the 6 years prior. The number of employed males in the sector increased to its highest in 2019 at 1 815 000 but has decreased by 10,9% to 1 618 000 in the first quarter of 2022.

The graph below illustrates the number of employees in the sector by gender between 2014 and 2022:

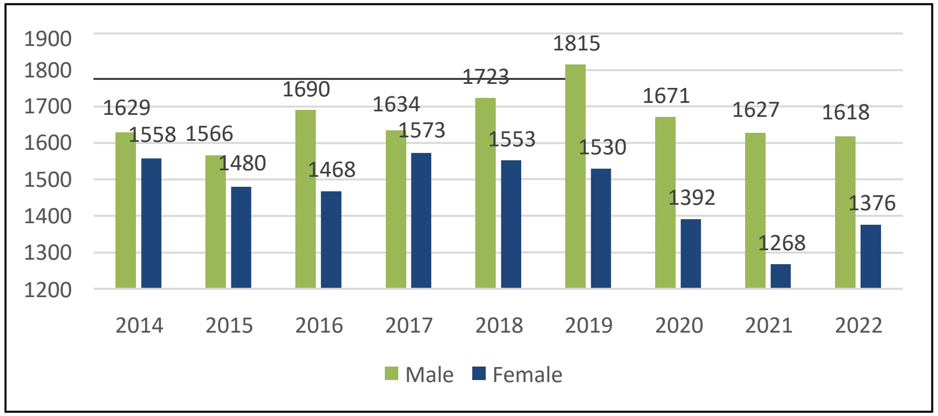

Figure 17: Number of Sector Employees by Gender ('000)
Source: (Statistics South Africa, 2021)

The following graph illustrates the breakdown of employees by gender, based on 2022 WSP/ATR data. From the figure below, it is evident that there are more females than males in the W&R Sector.

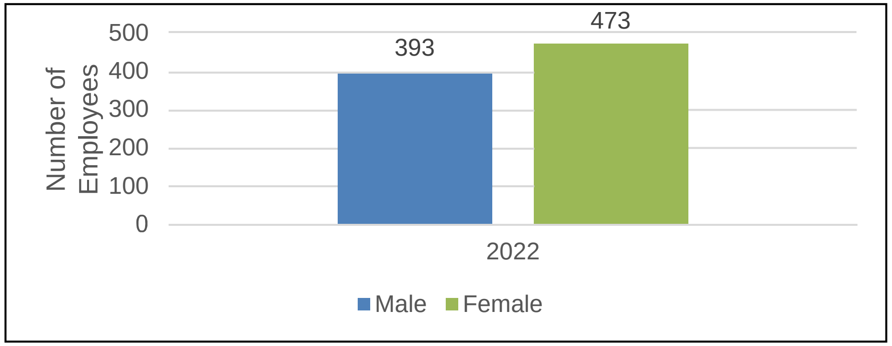

Figure 18: Employees by Gender ('000)
Source: (WSP Data 2022)

The graph below illustrates the number of employed people per age group in thousands. The figure shows that people between the ages of 15 and 24 have the lowest number of employed people in 2020 when compared to 2021 and overall, across the age groups. The age groups 25 to 34, 35 to 44 and 45 to 54 have all seen a decrease in the number of employed people. Overall, the number of employed people decreased across the age groups in 2021, with the exception of the age group 15 to 24.

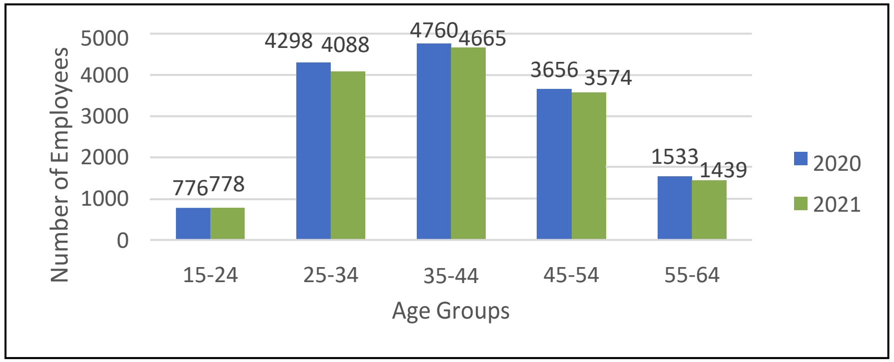

Figure 19: Number of Employed People per Age Group
Source: (Statistics South Africa, 2022)

The graph below shows the percentage of employers by subsector.

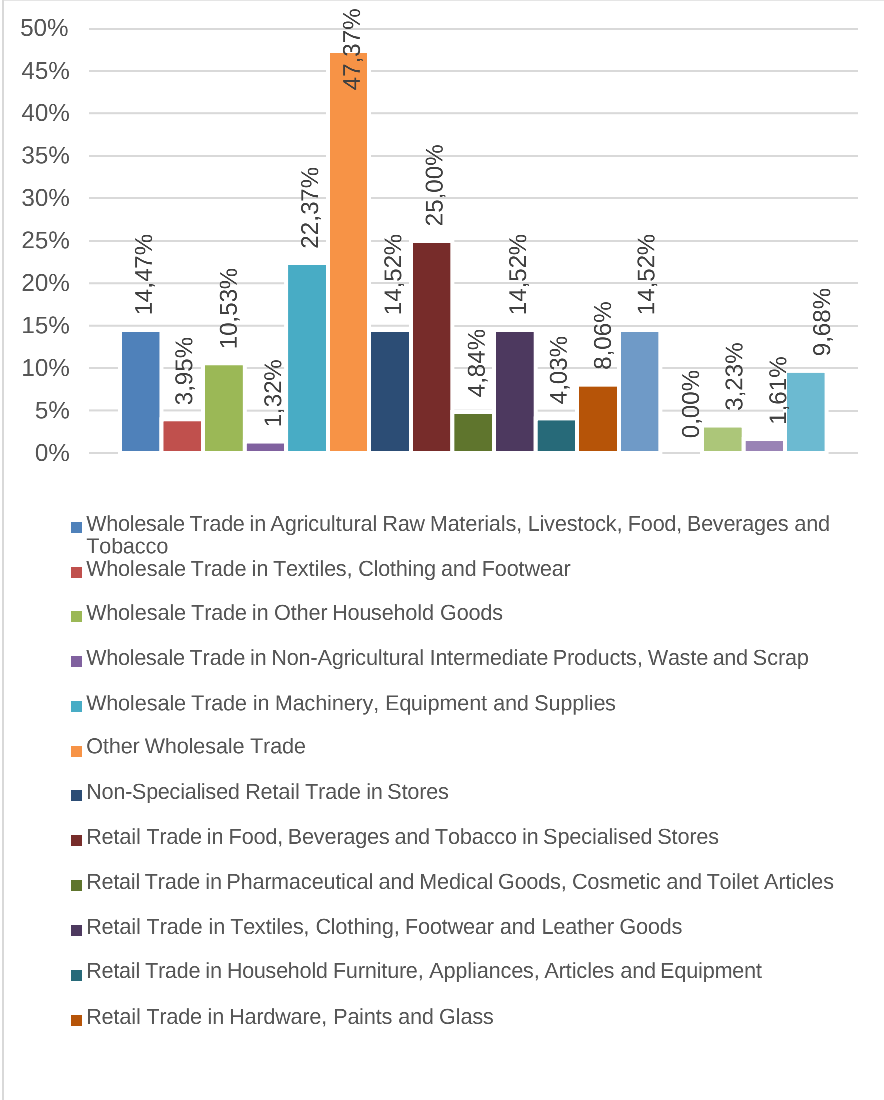

Figure 20: Employers by Subsectors
Source: (Employer Survey)

The following figure shows the percentage of the workforce made up of people with disabilities over the three years from 2015 to 2020. The graph shows an average of 1,0% from 2015 until 2019. Before 2020, the representation of people with disabilities in the workforce had decreased since 2015, especially in 2016 where it decreased by 0,4%. The percentage representation has since increased to 1.3% in 2020.

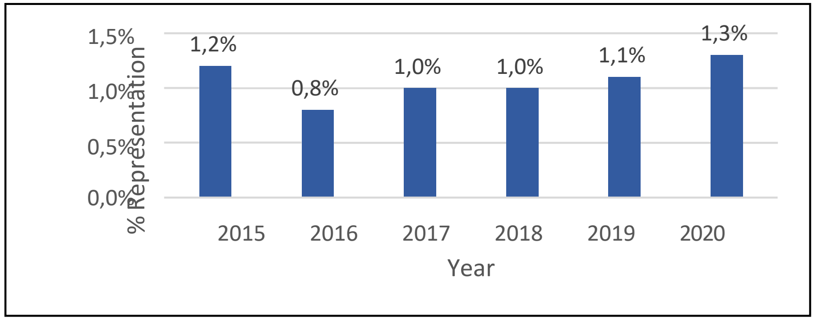

Figure 21: Percentage Representation of Workforce with Disabilities 2015-2019
Source: (CEE, 2020/21)

The following graph provides the percentage of employees with disabilities, as per the 2022 WSP data. The figure shows that 5% of employees had a disability.

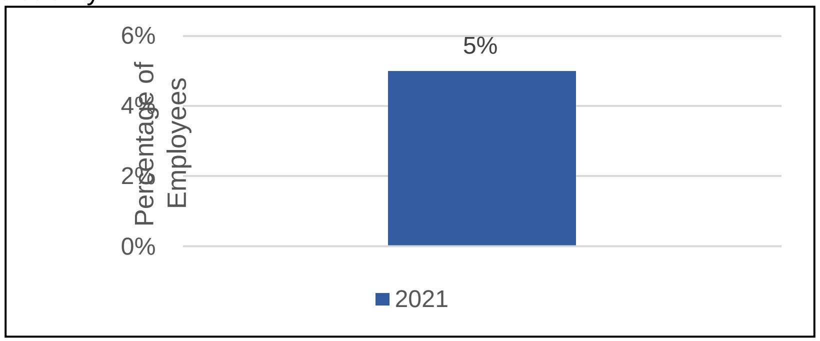

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Figure 22: Percentage of Employees with Disabilities in 2021Source: (WSP/ATR Data 2022)

Representation of People with Disabilities (PWD) within the Sector:

People with Disabilities are the least represented across the South African workforce, despite the commitment by companies to comply with the Employment Equity Act 55 of 1998 (EEA). The EEA serves 2 key purposes, one of which is 'implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupation categories and levels in the workforce' (Department of Labour, 2004).

The figures in the 21st Commission for Employment Equity Annual Report for 2020/21 show that the representation of People with Disabilities is extremely low, with an average representation percentage of 1,47% across the workforce since 2018 (CEE, 2020/21). This illustrates that the action taken towards transformation and equity in the workplace is taking place at a much slower pace than it should.

The figures for the W&R sector were not much different either, as the sector only had slightly less than 1,2% of the employees that represent People with Disabilities (W&RSETA APP, 2021/22 - 2023/24). This is slightly concerning considering that People with Disabilities are one of the annual SSP priority areas. However, the SETA's strategy highlights the challenges faced by People with Disabilities and is geared towards highlighting this to the W&R sector, to assist in accelerating developmental programmes to alleviate the statistics alluded to.

A challenge with the transformation interventions set for People with Disabilities, and other individuals in marginalised groups, is that although some of the interventions are targeted, the impact imparted does not always translate as well in employment as it does in academics and training. There is still a highly visible margin in the representation of Persons with Disabilities and able-bodied people.

4.1.9. PESTEL Analysis

Table 5: Political, Economic, Social, Technological, Environmental and Legal (PESTEL) Analysis

EMERGING ISSUES		IMPLICATIONS FOR THE W&RSETA
POLITICAL FACTORS	1. Macro-reorganisation of the state e.g., the merging of departments 2. Instability in the Informal Sector 3. SOE governance Framework 4. Political pressure for a more inclusive economy 5. The country's massive inequality exposed in terms of access to good quality education and training resources and economic impact on vulnerable groups	• Support rural and township economy through skills development initiatives • Drive social cohesion in the Informal Sector • Adopt a more collaborative approach to the planning and execution of the training programme • Greater intersectoral and community involvement. • Programmes aimed at uplifting vulnerable sectors of society.
ECONOMIC FACTORS	1. State of economy, including severe floods in KwaZulu-Natal 2. Lower economic growth levels 3. Retrenchments by various Sectors 4. Rising unemployment especially among youth 5. High poverty and rising inequality 6. Budget Adjustments – reallocation of funds 7. Retrenchments and worsening unemployment 8. Deepening Recession 9. Reduced SDL Income 10. Reconstruction and Recovery Plan 11. Severe floods and the impact they had on businesses, especially SMMEs	• Accelerate implementation of strategies that support employment and placement • Entrepreneurship support initiatives • Prioritise programs that can support failing industries and SMMEs • Training layoff scheme with Department of Labour • Upskills and reskilling of the unemployed and those that have been laid off • Partnerships with Department of Labour regarding Training Layoff Scheme programmes • Budget cuts – thus focus priority areas emphasis on making an impact • Budget adjustments to include PPE clothing and Online platforms for learning • The following are guidelines to assist in the implementation of the ERRP: ○ To understand education and training intervention needs at an occupational level.

EMERGING ISSUES		IMPLICATIONS FOR THE W&RSETA
		- To identify training and education interventions critical to ensure occupational shortages do not hamper the effectiveness of the ERRP. - To understand education and training intervention needs to alleviate/plug skills gaps. - To Identify training and education interventions critical to ensure skills gaps do not hamper the effectiveness of the ERRP. • To assist businesses impacted by floods - Assist affected SMMEs through appropriate measures such as infrastructure improvements to damaged properties. - Partner with funding agencies to provide comprehensive solutions for SMMEs because the floods. - Continuously communicate with SMME associations to understand what the needs of their members brought on by the economic disruptions are to prepare interventions that address those needs. - Ensure credible labour market analysis to provide a supply and demand analysis that informs sector skills priorities, keeping in consideration the shift in the sector brought on by the economic disruptions. - Infrastructure supporting (Shelving, painting, and branding). - Provide training layoff scheme to the affected employees and learners

EMERGING ISSUES		IMPLICATIONS FOR THE W&RSETA
		○ Continuous engagement with sub-sectors affected by retrenchments due to economic disruption for the implementationof upskilling programmes.
SOCIAL FACTORS	1. Unemployment especially among youths 2. Instability in the townships	• Grow participation in bursary, learnerships and artisans • Come up with skills development initiatives for small businesses • Partnerships with the Department of Labour to use the Training Layoff Scheme • Reskilling and Upskilling • Partnerships with cooperatives, providing them with appropriate training programmes
TECHNOLOGICAL FACTORS	1. The fourth industrial revolution is driven by artificial intelligence (AI) and cyber-physical systems (CPS) 2. Accelerated adoption of e-commerce with subsequent disruption of supply chain 3. Limited export opportunities occasioned restriction of movement of people and Goods and services 4. A rise in the adoption of digital education and training platforms 5. Lack of or limited access to technology from rural areas and vulnerable groups	• Invest in the use of artificial intelligence particularly in curriculum development • Support initiatives to build infrastructure that supports 4IR technology • Support dialogue and research to understand and benchmark for the 4IR • Invest in research on 4IR • Ensure regional, national, and international partnerships • Facilitate the development of appropriate digital retail skills e.g., Digital Supply Chain Skills, Digital Marketing as well as relevant robotics and coding courses. • Empower retailers and SMME's and the informal sector with digital supply chain networks • Partnerships and collaboration with Organisations within the ICT space • Increase the number of bursaries for students with online academic centres • Investing in future skills responding to the 4IR as identified in the SSP. These include: ○ Data analyst;

EMERGING ISSUES		IMPLICATIONS FOR THE W&RSETA
		○ System analyst; ○ IT specialist; ○ Product manager; ○ E-learning Designer. • Investing in new and emerging top-up skills as identified in the SSP. These include: ○ Digital marketing skills; ○ Digital customer communication skills; ○ Problem-solving skills; ○ Financial literacy skills; ○ Data analytics skills; ○ Ethics & discipline; ○ Information Communication Technology (ICT) skills.
ENVIRONMENTAL FACTORS	1. Consumer awareness for example the green economy 2. The movement towards organic foods 3. Plastic pollution awareness, recycling, and alternatives to plastic 4. Reduced Carbon Footprint 5. Net positive carbon emissions 6. Food loss and waste	• Facilitate skills development programmes that support the green economy • Support community-based initiatives that address environmental challenges and unemployment • Cooperatives formation • Facilitate programmes that support the reduction of carbon emissions • Partnership with universities to consider offering entirely new study fields focusing on Green Economy and Environment. • Funds allocation for green trades and occupations through bursaries and placement of the unemployed. • Support eco-innovation programmes for the unemployed. • Upskilling programmes focusing on green technologies by strengthening initial education and vocational training partnerships.

EMERGING ISSUES		IMPLICATIONS FOR THE W&RSETA
		• Setting up green training and expertise centres to educate employers and employees in the wholesale and retail sector
LEGAL FACTORS	Legislation affecting the sector in the business includes: • SETA Grant Regulations (December 2012) • National Qualifications Framework Act, No. 67 of 2008 • Workplace Based Learning Programme Agreement Regulations, 2018 • Occupational Health and Safety Act, No. 85 of 1993 • Disaster Management Act, No. 57 of 2002 • POPI Act • Skills Development Act • Skills Development Levies Act • Employment Equity Act • Labour Relations Act • Basic Conditions of Employment Act	• Ensuring Regulatory Compliance • Capacity to adhere to relevant pieces of legislation • Enable initiatives that ensure health and safety policies put in place

4.1.10. Opportunities and Threats

The following opportunities and threats might affect the W&RSETA strategy:

Table 6: Opportunities and Threats

OPPORTUNITIES	THREATS
1. National legislation mandates that all corporate organisations participate and pay levies 2. The new SETA landscape which has renewed SETA operations up to 2030 provides growth opportunities 3. High youth unemployment is an opportunity to expand training programmes. Accordingly, the SETA will pursue priorities for youth skills development for employment creation as well as career advancement, in line with NSDP 2030 principles and SSP priority action 1. 4. Opportunity to capitalise on the 4th Industrial Revolution (4IR). This gives a chance to change the way things are done e.g., class delivery. To make an impact in the sector, the SETA will pursue the development and revision of a curriculum which is relevant to the sector. Research interventions into industry trends will inform the development and revision of the curriculum, which will seek to respond to sector dynamics. 5. Opportunities for partnerships with international organisations, higher education institutions and other SETAs. In line with NSDP 2030 outcome 5, the SETA will pursue partnerships aimed at the capacitation of TVET and CET colleges through infrastructure development, equipment, and lecturer capacitation. Meanwhile, partnerships with other SETAs and international institutions will be made in the fields of research, exchange learning and curriculum development. 6. Job opportunities within the sector relating to the Green Economy. Opportunities could be leveraged through: • Green skills project aligned to the sector focussing on awareness, supply chain efficiencies, critical and occupational shortages. • The development and implementation of the green policy framework for the sector. • Bursaries may be awarded to students within the sector to venture into the green economy.	1. Movement of W&RSETA stakeholders to other SETAs – This is a recurring occurrence and is likely to reduce the number of levies collected by the W&RSETA by a significant percentage if the trend persists. The SETA will focus on improving stakeholder relations during the strategic plan implementation period to enhance the retention of levy-paying firms. 2. The general perception of rife corruption in the SETA system – This generally leads to a lack of trust in the SETA to deliver on its promises and might also lead to the reluctance of W&R firms to pay their levies. The W&RSETA will accordingly aim to interact with all stakeholders with dignity by delivering on all obligations. Building, maintaining and enhancing trust with stakeholders will be among the key overall priorities for the W&RSETA's implementation processes. 3. Overall poor performance of the economy which decreases levies obtained by the W&RSETA – As of the fourth quarter of 2021; unemployment in SA is at its highest, whilst growth rates have also declined. A continuation of the trend will result in the decline in levies received; thereby affecting the SETA's ability to meet targets set in the APPs. Accordingly, the SETA will focus on improving efficiency in the utilisation of limited resources; through investment in extensive research into W&R sector dynamics. 4. Reconstruction of SETAs and their mandate 5. Bureaucratic systems that do not adapt to the "new normal" 6. Low learner absorption and placement rate 7. High retrenchment rate due to poor economic conditions

OPPORTUNITIES	THREATS
• Collaboration with the Department of Environmental Affairs and other institutions within the green economy.	

4.1.11. Factors Affecting Skills Demand and Supply

This section describes the key factors identified as change drivers influencing skills supply and demand either positively or negatively. The section also presents the implications of these factors for the skills development of the sector.

i. COVID-19

COVID-19 has been an unprecedented public health emergency that has rapidly transformed the way we all live our lives. It has also mandated significant changes to retail and commerce. In this dynamic time of humanitarian and social uncertainty, what we buy, how we buy, and when and where we buy are undergoing a seismic shift.

The implications of COVID-19 for Skills planning have included slowing down of business activity, a decline in revenue, increased demand for e-commerce, prioritising reskilling and retraining to minimise job losses, and higher health and safety risks to customers, employers, employees and partners. Skills planning has also had to include transitioning to e-learning and/or blended learning to provide training for employees and learners. The strategic priority skills areas, therefore, include Safety, Health, Environmental and Quality (SHEQ), Food Safety, Product knowledge, Skills programmes for unemployed youth and supporting vulnerable sub-sectors of the economy (SMMEs, informal traders, cooperatives, NGOs and youth). Training in ICT literacy has also been a priority due to an increased need for virtual team management.

ii. Data Privacy and Protection of Personal Information Act

All businesses in South Africa are now required to adhere to the requirements of the Protection of Personal Information Act. These requirements can be onerous for businesses, especially for SMMEs (for example, the requirement of all businesses to appoint an Information Officer who can be held liable for data breaches in multiple ways). POPI will require a fundamental shift in how businesses process data and how they market themselves. Furthermore, cybersecurity and IT literacy skills will become essential as most data is stored on servers or in the cloud.

iii. Technology Advancements and Access to Information

The wholesale and retail industries are rapidly changing due to technological advancements. These advancements offer wholesalers and retailers the opportunity to increase their efficiency and revise their business models. However, these advancements have also given consumers more power concerning retailers. This power is often through constant connectivity, communication and access to information.

Implications of technology for Skills Planning in the sector include the following:

- **Mobile Applications:** Smartphones, tablets, and wearable devices present retailers with new opportunities for engagement with customers. Retailers can build personal relationships with customers based on their preferences, shopping styles, and mobile interaction (data.ai, 2020).
- **Online Shopping:** Online shopping is growing rapidly in popularity. Companies are increasingly marketing online in order not to be outdone by rivals.

- **Big Data:** Large, complex datasets from multiple sources. Provides information on consumer behaviour and is a strong predictive sales indicator.
- **Social Media:** A platform for retailers to expand marketing to a wider range of consumers. Major platforms are Facebook, Twitter, LinkedIn, and others. Conversely, social media offers Consumers an opportunity to gather information about retailers. This includes negative publicity (e.g., retailers being accused of unethical conduct, poorly thought-out marketing campaigns, etc.).
- **Cyber Crime:** Retailers are a target for cybercriminals. Retailers experience nearly three times as many cyber-attacks as those in the finance sector. With 77% of organisations being affected (PWC, 2018).

Other uncategorised implications include the following:

- The future of work is changing as technology is rapidly advancing towards the latest trends such as automation and artificial intelligence, which will change the traditional roles leading to some jobs becoming absolute (NEDLAC, 2019).
- Employers and employees will require skills in the ICT and data analytics space.
- Re-capacitation and reskilling of workers are critical to ensure their readiness to embrace the new technological changes.
- Retailers may have an increased need for environmental managers, social corporate managers, public relations managers and HR Managers. Furthermore, it is increasingly important that companies have the skills to make the correct decision quickly (both in terms of business sustainability and ethics).
- Should the business make a decision that is unpopular (as was the recent case when a major retailer was accused of appropriating someone's product idea as their own) it is imperative that they have the required public relations skills to mitigate the negative impact of this incident may pose.
- There are still areas that struggle with access to the network, internet, and technological resources. This will create a gap within the sector's development and transformation.

The Skills Gap Needs that were identified include ICT, analytics, graphic design, photography, programming, cloud computing, web development, data mining, statistics, research, forecasting, marketing and sales, management, networking, mobile device management, cyber security and ICT law. Re-capacitation and reskilling of workers are critical to ensure their readiness to embrace the new technological changes

The occupational needs include Software Developer/ Web Designer/ Web Administrator/ ICT Security Specialist/ Graphic Designer/ Analyst/ Researcher/ Marketing and Sales Manager Digital skills/Cognitive based work/ Programming/ machine device management/ Customer Service optimization.

iv. SMME Development

The W&R sector in South Africa is made up of many SMMEs in need of support and development. The implications for Skills Planning in the sector are listed as follows:

- **Small enterprise development**: SMMEs should build a sustainable business model given that the gestation period for success in the retail sector is long. Sustainable product pricing, offering products that imply longevity, expanding operations in a calibrated but determined manner.
- **Hawkers:** Hawkers are a vulnerable group since many are women with little family support. A major characteristic of hawkers is their mobility since they traverse on foot.
- **Casualization:** The entire retail sector is characterized by high casualization – the "permanent temporary worker". Most workers employed by unorganized businesses do not receive healthcare, education and minimum wages.

- **New Training Model:** A new training model is required to upgrade the skills of SMMEs, since they cannot leave the business for skills training. Training for SMMEs should include e-training; toolkits; on-the-job training; digitization of training; industry clusters; mentoring and coaching. An SMME Strategy for skills development is needed. The SETA can also ensure partnerships between SMMEs and Training Providers.
- **Township-Based Businesses and Smaller Retailers**: National supermarkets are saturating townships and peri-urban areas causing a strain on small retailers. There is therefore a need for smaller businesses to partner with the larger retailers and form part of these supply chains. This will raise the need for skills relating to business management, compliance training and quality assurance. There are many requirements that larger retailers have for their suppliers and business owners will need training in this space. There have been calls for informal businesses to become formal so they can better compete with the big chains but there are a series of barriers facing them (Charman, et al., 2019).

The occupational needs in the sector include tellers, packagers, cleaners, securities, sales managers, buyers, merchandisers, sales assistants, bakers, butchers, etc. The skills gap needs include financial management, product knowledge, marketing and sales, communication, merchandising negotiation, technical, conflict management, buying, pricing, time management, customer relations, ICT, life skills and coaching. The occupational needs include Coach/Mentor, SMME specialist, and Finance/Business Management.

v. Changing Expectations of W&R Stakeholders

The expectations of customers, employees, suppliers and investors are constantly evolving and changing over time. For example, employers are encouraged to be more aware and responsive to differences in employee cultures and religions.

Customers expect a much faster reaction time from their favoured stores. Competition is also being faced from a global perspective. Furthermore, consumers are more inclined to support businesses that operate ethically with a sustainable ecological footprint. With the rise in access to information, consumers can easily seek out retailers who demonstrate these characteristics. There is also an increased demand for Customer Service and Emotional Intelligence to help with dealing with the pressures and trauma faced by employees and customers due to COVID-19. These elements require employees to be skilled and knowledgeable in HR practices, and environmentally friendly practices and be aware of the local and global economic and political context.

4.1.12. Challenges in the External Environment and Interventions for Addressing Challenges

The SETA's performance in terms of meeting its priorities set in the 2020/21 – 2024/25 strategic plan was affected by several challenges which emanated from the internal and external environments.

Table 7: Challenges experienced by the W&RSETA in the performance environment

Challenges experienced by the SETA	Mitigations over the period 2020/21 – 2024/25
1) Failure to meet targets due to the mismatches between employers and learning institutions' financial years	• Activities and reporting will be streamlined to ensure maximum registrations are conducted and reported on during the SETA's financial period. • Registrations for skills development programmes will proceed throughout all periods when employers and educational institutions are open
2) Failure of some companies to submit compliant Annexure II documents, thus leading to rejection of applications	• Companies will be educated and informed on the process of submitting compliant documents, to reduce the number that fails to submit compliant documents • Introduction of new IT systems
3) Challenges with handling inter-departmental interdependencies within the SETA operating environment	• The implementation of the decentralised model has assisted to mitigate this challenge
4) Fragmented IT systems	• Implementation of an integrated IT system
5) Manual processing of transactions with stakeholders	• Implementation of automated processes where all transactions with stakeholders will be automated on the IT system. This will also reduce the amount of paperwork that the regional offices receive, capture and the store. All the input from stakeholders will be electronic with a good audit trail for supporting documents

Challenges experienced by the SETA	Mitigations over the period 2020/21 – 2024/25
6) COVID-19 and requirements for business to continue as normal	• Enabling W&RSETA staff to be able to work from home through the implementation of IT collaboration services through Microsoft Teams, digital signatures and approval, online service desk
7) Planning is not always flexible enough, do not account for provincial differences	• The decentralised delivery model, together with the development of the Provincial Skills Plan will better inform how interventions are planned for and how resources are distributed to better match the challenges of the individual provinces.
8) Destructive floods, mass unrest and looting, particularly in KwaZulu-Natal	• Continuation of business support and grants for small businesses
9) Lack of assessment/ analysis of previously planned interventions with targets that were both met and unmet	• The SETA needs to take ample time for creating new targets by evaluating previous tasks, looking at the challenges and enablers for previous tasks set and looking at the risks related to the achievement of each target
10) Not meeting targets for employed learners	• Introduce targets for employed learners that are in line with clear career paths and occupations available for employed learners to take up so that the skills are retained within the sector

4.2. Internal Environment Analysis

4.2.1. SETA's Capacity to Deliver: Human resources

The W&RSETA has a total of ten Provincial Offices spread in the nine Provinces, and the province of Gauteng has two regional offices because of the size and number of stakeholders. From the operations and management point of view, these Offices are grouped into four Operational Clusters.

The total current staff complement of the W&RSETA is 272 against 325 positions inclusive of employees at both Head Office and the Provincial Offices. The number of staff members on the fixed term is gradually being reduced to the new structure currently being implemented.

The national footprint of the W&RSETA offices facilitates access to W&RSETA services and projects; and is adequately resourced with skilled and competent W&RSETA officials whose duties include management and monitoring of skills interventions through learner verifications, monitoring, evaluation, and reporting. Provincial offices are also responsible for ensuring quality standards in the implementation of learning programmes through assessments, moderation, and learner certification

W&RSETA embarked on the journey to implement the Turnaround Strategy in 2019/20, which proposed several business interventions, and one such intervention was the organisational redesign. The new/revised Organisational Structure was developed in alignment with the decentralised business model as adopted in the Turnaround Strategy. The development of the new/revised Organisational Structure is meant to yield the following results/outputs:

- Greater effectiveness and efficiency
- Meeting the desired results/outputs
- Use of resources economically
- Ensuring a mechanism for clean administration is in place
- Ensuring the W&RSETA becomes an employer of choice
- Bringing services closer to the major role players
- Supporting, developing, and growing the informal sector

Implications of the New Structure:

- Clustering of regions for greater efficiencies
- Revisions of the naming conventions
- Clear job profiles and descriptions
- Migration to the new structure and remuneration framework
- Devolution of powers/ responsibilities
- Decentralisation of identified services
- Sharing of enablers/ support services

In the last two financial years, the SETA has been seized with the implementation of the new/revised Organisational Structure, which entailed among other things the placement of current employees in the structure, recruitment and placements for the new vacancies, etc.

Human Resources Management and Development (HRM&D) Strategy

W&RSETA developed and adopted an HRM&D Strategy during the 2020/21 financial year. In developing strategy, the SETA took a long-term view to human resources planning and management through interventions which are aimed at:

- Ensuring that the W&RSETA has the requisite number of skills and competencies to improve organisational performance,
- Ensuring that the W&RSETA is configured strategically and correctly in terms of the organisational structure
- Ensuring that the W&RSETA attracts and retains the right capacity to deliver on the mandate to address the organisational needs
- Promote the sound organisational culture and environment that enhance service delivery.

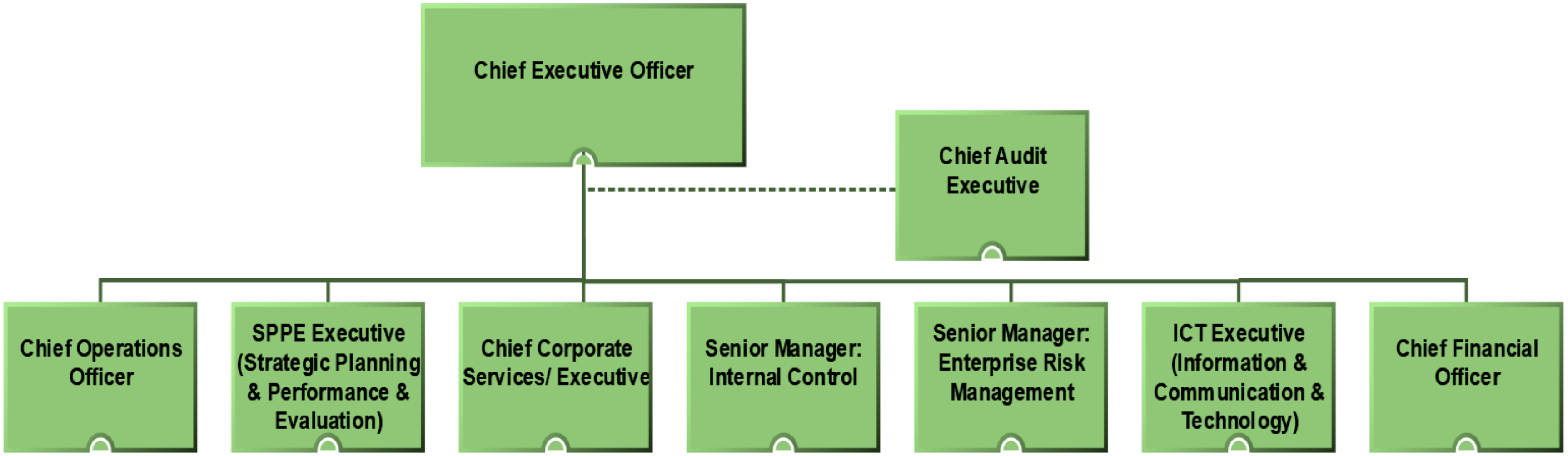
Approved Macro Structure
The approved macro structure is the culmination of the second phase of the organizational design (OD) process for the SETA. The macro structure includes the following:

- Executive Management Structure; and
- Functional Structure

The Organisational Design is structured around three key focus areas which are:

- Value creators
- Value enablers
- Value defenders

Approved W&RSETA Structure: Executive Management



Approved W&RSETA: Functional Structure**

Chief Executive Office

Operations
- Regional Cluster: Gauteng South & Free State & North West
- Regional Cluster: Western & Northern Cape
- Regional Cluster: KZN & Eastern Cape
- Regional Cluster: Gauteng North & Limpopo & Mpumalanga
- Quality Assurance

Strategic Planning, Performance & Evaluations (SPPE)
- Strategic Planning
- SMME
- Bursaries & Placements
- Disability
- Career Guidance
- Research & Innovation
- Monitoring & Evaluation
- QMS
- Qualifications & Assessment
- Business Analysis

Corporative Services
- Human Resources
- Legal Services
- Office of the Accounting Authority
- Marketing & Communications
- Facilities & OHS & Security Management

Finance
- Financial Accounting
- Management Accounting
- Levies & Grants
- Supply Chain Management

Information Communication Technology (ICT)
- ICT Planning
- IT Governance, Risk & Compliance
- IT Application Management
- IT Service Delivery

Internal Audit

Internal Control

Enterprise Risk Management

4.2.2. W&RSETA's Capacity to Deliver: Financial Resources

The Medium-Term Expenditure Framework (MTEF) outlines the strategic priorities of the W&RSETA. The adjustments to the budgets are largely informed by external economic factors. Overall performance of the economy and the status of employment in South Africa are among the factors impacting the overall levies obtained by the Wholesale and Retail SETA.

In the 2021/22 financial year, the impact of COVID-19 disruptions to the wholesale and retail sector, as well as rampant looting of retail shops in Gauteng and KwaZulu Natal had a significant impact on the sector.

However, for the 2023/24 financial year and years to follow, it is anticipated that as the economy stabilises and things are starting to normalise in the country, levy income will increase steadily, meaning that the W&RSETA will be able to continue focusing on delivering on its mandate.

Financial Resource

The W&RSETA receives 80% of the 1% of payroll paid by levy-paying companies. Revenue streams projected for 2022/2023 - 2024/2025 are based on actual levies received during the 2021/2022 financial year, considering the state of the economy and the CPI percentiles (part of the MTEF guidelines).

Revenue streams in past budgets have always been conservatively projected at an average increase of 5% - 6% per year, this is largely based on the salary negotiations within the sector that forms the basis for the calculation of the 1% skills levy.

Goods and Services

2022/23 FY R' 000	2023/24 FY R' 000	2024/25 FY R' 000	2025/26 FY R' 000
70 350	74 746	78 072	81 570

Goods and services are expected to increase by 6.2% from the 2022/23 to 2023/24 financial years and again expected to increase by 4.4% from 2023/24 to the 2024/25 financial years.

The 6.2% increase in Goods and Services from 2022/23 to 2023/24 financial year can be attributed to thefollowing reasons:

- The COVID-19 pandemic vases have drastically reduced, and restrictions have been removed, leading to business activities improvement.
- Other expenses have been adjusted for inflation over the MTEF.

Employee Costs

Employee costs are expected to increase by 9.4% from the 2022/23 financial year to the 2023/24 financial year. The increases are projected based on anticipated wage increase negotiations as well as the filling of some vacant positions. In the journey to deliver on a Turnaround Strategy, the W&RSETA has embarked on various initiatives. One of these initiatives is the Organisational Design (OD) process which involves the realignment of the W&RSETA organizational structure with the mandate to respond adequately to changing demands and needs of the sector.

Levy Revenue

2022/23 FY R' 000	2023/24 FY R' 000	2024/25 FY R' 000	2025/26 FY R' 000
1 409 604	1 494 179	1 568 887	1 642 621

Levy revenue is expected to increase by 6% (from 2022/23 to 2023/24) and again by 6% (from 2023/24 to 2024/25).

- The 6% increase from 2022/23 to 2024/25 is due to the recovery of the economy after the COVID-19 pandemic year which was in 2020/21 and reflects levy income for the full 12 months.
- With things being back to normal, more businesses opened their doors which results in more levy-paying companies and more levies being collected.

Transfers and Subsidies

2022/23 FY R' 000	2023/24 FY R' 000	2024/25 FY R' 000	2025/26 FY R'000
1 761 291	1 896 633	2 060 704	2 179 729

Transfers and subsidies expenditure represents the total value of both mandatory and discretionary grant expenditure for the W&RSETA. This expenditure is expected to increase by 7.7% from 2022/23 to 2023/24 financial years and again increase by 9% from 2023/24 to 2024/25financial years.

The increases of 7.7% and 9% respectively in the 2023/24 and 2024/25 financial years are directly linked to the increases in levy revenue and linked to the increased performance targets set by the W&RSETA.

4.2.3. The status of W&RSETA's compliance with the Broad-Based Black Economic Empowerment Act 53 of 2003, as amended.

In South Africa, Broad-Based Black Economic Empowerment (BBBEE, or BEE as it is more commonly known) is a complex system of rules and guidelines designed to effect socio-economic transformation by levelling the playing field for people of all races. The W&RSETA ensures compliance with the Broad-Based Black Economic Empowerment Act in its procurement of goods and services. All adverts for tenders and request for quotations includes a clause on BBBEE, and the award of contracts considers the BBBEE points.

4.2.4 The status of the W&RSETA in responding to interventions relating to women, youth and people with disabilities.

Section 15 of the Employment Equity Act no 55 of 1998 stipulates that a Designated Employer must implement affirmative action measures intended to ensure that suitably qualified employees from Designated Groups have equal opportunity and are equitably represented in all occupational categories and levels of the workforce. In line with the provisions of the Employment Equity Act, the W&RSETA workforce as at end of March 2022 is shown in the table below:

Table 8: HR Statistical picture

Item	Numbers	Comment
Total Staff (including fixed term)	253	None
Women (including fixed term)	172	68 % of the SETA are women
People with disability	1	0.40% is the number representing the people with disability.

The above table demonstrates that the SETA has made strides in maintaining a high number of females in its employment (68%). Of the 15 filled senior management posts within the W&RSETA, eight (8) of them, translating to 53% comprised of women, showing good progress in ensuring gender equality at the senior management level.

According to the Employment Equity Commission Report of 2020/2021, 44.6% of the economically active population (EAP) are women and 55,4% are men. This suggests that the SETA's numeric goals in the Employment Equity Plan have to be progressively moving towards the balance as depicted in the Commission's Report.

As of 31 March 2022, a total of 8 350 unemployed learners, who are all youths, were registered in NQF 2-5 learnerships or occupational Programmes addressing Wholesale and Retail HTFVs as identified in the SSP annually. Of the 8 350 learners registered in learnerships, 5052(60,5%) were females.

The SETA has however slacked in increasing the representation of people with disabilities in its employ. As of 31 March 2022, the W&RSETA had one person with disabilities, translating to 0.4%. The SETA continues to implement and monitor its Employment Equity Plan. The national target for People with Disabilities has been standing at 2% for the past number of years, and the SETA picture indicates the need to increase the representation of people with disabilities to align with national objectives.

It is also worth noting that the SETA (annually) prepares and submits an online EE Report as required by law. Increased access to wholesale and retail occupationally directed programmes has been provided to 339 (4.06%) people with disabilities in 2021/22, compared to 159 (4.45%) in 2020/21.

An impact study was conducted on "W&R programmes on People with Disabilities". The study sought to understand the relevance of W&R programmes on People with disabilities, how the access of persons with various disabilities can be mainstreamed within the sector and the role of 4IR towards greater access to the labour market by persons with various disabilities. The study found that People with disabilities are currently not adequately represented in the W&R sector. The study recommended that technological changes and developments such as assistive technologies and the work-from-home lifestyle provide opportunities to access the labour market. In addition, recruitment strategies and inclusive skills development strategies can play a significant role in mainstreaming the access of PWD in the labour market.

The approved Disability Development Strategy of the W&RSETA and its programmes will, henceforth, address gaps identified in Disability Development.

4.2.4. Strengths and Weaknesses

Table 9: Strengths and Weaknesses (APP)

STRENGTHS	WEAKNESSES
1. Availability of financial resources due to numerous levy-paying firms 2. Existing national footprint with regional offices in all nine provinces 3. Availability of W&RSETA offices at nearly all the TVET branches in South Africa 4. Staff complement with a substantive understanding of clients and the wholesale and retail sector 5. Since W&RSETA is statutorily created, government support is available 6. Organisational stability 7. Leadership commitment 8. Providing platforms for stakeholder input and engagement	1. An organisational culture which does not support business – Staff and management are so far working with a SILO mentality which stifles teamwork. To mitigate this, contracts of employees could be based on overall performance rather than narrowly defined roles and responsibilities 2. Inadequate investment in change management – A rigid approach to organisational activities can cripple the SETA's ability to swiftly respond to the dynamics of the W&R environment such as the recent 4th IR introduction. Target owners should hence be more flexible towards embracing change, and communicating it to their subordinates 3. Poor communication internally and externally – Poor internal communication results in a lack of coordination in doing business, especially due to existing interdependencies between functional units and support units.

Outcomes of the W&RSETA

The following are the eight Outcomes for the W&RSETA, as identified in the 2020 - 2025 Strategic Plan, aligned to the NSDP 2030 Outcomes:

Table 10: Outcome of the W&RSETA

NSDP 2030 OUTCOME	W&RSETA OUTCOMES	W&RSETA Outputs
Outcome 1: Identify and increase production of occupations in high demand	**Outcome 1**: An efficient and effective organisation with good corporate governance	• **Output 12**: Efficient and effective use of resources to ensure good governance, compliance with laws and regulations and excellent service delivery • **Output 3**: Identity, prioritise, and form partnerships to address priority occupations
Outcome 2: Linking education and the workplace	**Outcome 4**: A sector-responsive Research Agenda that supports and informs the establishment of impact-geared W&R skills development programmes	• **Output 1**: Research and develop a Sector Skills Plan (SSP) in reply to the sector skills demand and supply • **Output 3**: Identity, prioritise, and form partnerships to address priority occupations • **Output 6**: Facilitate access and provide support for interventions towards occupationally directed learning Programmes.
Outcome 3: Improving the level of skills in the South African workforce	**Outcome 8:** An appropriately skilled, agile, and responsive workforce and skills pool able to meet the W&R sector's current and emerging skills needs	• **Output 1**: Research and develop a Sector Skills Plan (SSP) in reply to the sector skills demand and supply • **Output 6**: Facilitate access and provide support for interventions towards occupationally directed learning programmes. • **Output 13**: A skilled, competent, and professional workforce in the wholesale and retail sector through the provision of Bursaries to W&RSETA employed and unemployed beneficiaries
Outcome 4: Increase access to occupationally directed Programmes	**Outcome 5:** Increased access to wholesale and retail occupationally directed programmes	• **Output 4**: Facilitate innovative workplace-based learning opportunities within the sector • **Output 5**: Facilitate and create opportunities for skills development for the employed • **Output 8**: Assist CET colleges to increase capacity to offer retail and related Programmes

NSDP 2030 OUTCOME	W&RSETA OUTCOMES	W&RSETA Outputs
		• **Output 12**: Efficient and effective use of resources to ensure good governance, compliance with laws and regulations and excellent service delivery
Outcome 5: Support the growth of the public college system	**Outcome 3:** Growth-focused programmes for the development and support of Training Providers and the Higher Education, TVET and CET sectors to enable their responsiveness to changing occupations and technological advances	• **Output 3**: Identity, prioritise, and form partnerships to address priority occupations • **Output 7**: Assist public colleges to increase capacity to offer Retail and related learning programmes • **Output 8**: Assist CET colleges to increase capacity to offer retail and related Programmes
Outcome 6: Skills development support for entrepreneurship and cooperative development	**Outcome 6**: Growth-focused skills development and entrepreneurship development support for emerging entrepreneurs, cooperative sector, and small, medium, and informal business enterprises to enhance their participation in the mainstream economy	• **Output 9**: Provide skills development support to, SMMEs, Cooperatives and Informal traders who participate in the mainstream economy.
Outcome 7: Encourage and support worker-initiated training	**Outcome 7**: Capacitated Trade Unions within the W&R sector	• **Output 10**: Facilitate and create the potential for collaborations in support of worker-initiated Programmes at retail workplaces
Outcome 8: Support career development services	**Outcome 2:** An integrated career guidance programme	• **Output 11:** Develop and support an integrated career guidance and development strategy

PART C: MEASURING OUR PERFORMANCE

5. Institutional Programme Performance Information

5.1 Programme 1: Administration

The purpose of this Programme is to provide effective and efficient support functions within the organisation. The Programme is responsible for creating an enabling environment for the W&RSETA to deliver on its Outputs and goals.

The success of this Programme over the MTEF will be measured in terms of its ability to establish organisational capacity and capability that will enable a culture of high-performance productivity which will enable the delivery of the SETA's mandate. This will be attained through the deployment of robust businessprocesses and systems, embedding effective corporate governance, strengthening oversight and compliance, as well as monitoring and evaluation capabilitiesfor measuring the impact of skills interventions in the sector.

5.1.1. Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output indicators	Annual Targets						
			Audited / Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Outcome 1: An efficient and effective organisation with good corporate governance	**Output 12:** Efficient and effective use of resources to ensure good governance, compliance with laws and regulations and excellent service delivery	[1.1] Audit opinion annually	Unqualified	Unqualified	Qualified[3]	Unqualified	Unqualified	Clean	Clean

[3] The 2021/22 actual outcome of a qualified audit opinion is based on the Annual Performance Report for 2021/22.

Outcome	Outputs	Output indicators	Annual Targets						
			Audited / Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Output 3: Identify, prioritise and form partnerships to address priority occupations	[1.2] Number of stakeholder sessions conducted annually to advocate for participation in skills development programmes	10	7	10	15	16	18	20

5.1.2. Indicators, Annual and quarterly targets

Outputs	Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Output 12: Efficient and effective use of resources to ensure good governance, compliance with laws and regulations and excellent service delivery	[1.1] Audit opinion annually	Unqualified	-[4]	-	-	Unqualified
Output 3: Identify, prioritise, and form partnerships to address priority occupations	[1.2] Number of stakeholder sessions conducted annually to advocate for participation in skills development programmes	16	4	4	4	4

[4] (-) represents no target for the quarter in cases where the target indicator is qualitative.

5.1.3. Explanation of Planned Performance Over the Medium-Term Planning Period

W&RSETA’s overarching impact statement is to facilitate the development of a “well-skilled workforce contributing towards a transformed, agile, and thriving wholesale and retail sector.” It has been recognised that in doing this, an efficient and effective organisation with good corporate governance is a pre-requisite. To achieve the above-mentioned outcome, the SETA intends to achieve the following outputs:

- Efficient and effective use of resources to ensure good governance, compliance with laws and regulations and excellent service delivery
- Identify, prioritise, and form partnerships to address priority occupations

Effective and efficient use of resources will be shown through maintaining an unqualified audit opinion by the Auditor-General South Africa, with an eventual clean opinion being achieved in the 2024/25 financial year. Sound administration and governance are critical to the effective functioning of a SETA and W&RSETA places great emphasis on this component of its operations. It has been recognised that addressing priority occupations needs to be done through partnerships. Stakeholder sessions are conducted to raise awareness and attract relevant role-players to partner with W&RSETA to achieve this, and to this end, a total of 16 sessions will be conducted during the financial year.

5.2 Programme 2: Skills Planning and Research

5.2.1. Programme purpose

Functions falling within the ambit of this Programme include skills planning, monitoring, evaluation, reporting and research Programmes. These Programmes provide key inputs in advancing skills development in the sector.

Programme 2 implements its mandate through robust planning, improving the quality and quantity of research outputs, as well as strengthening the integrity of monitoring, evaluation and reporting on performance information.

5.2.2. Outcomes, Outputs, Output Indicators and Annual Targets

Outcome	Outputs	Output Indicator	Annual Targets						
			Audited / Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Outcome 4: A sector responsive Research Agenda that supports and informs the establishment of impact-geared W&R skills development programmes.	**Output 1:** Research and develop a Sector Skills Plan (SSP) in reply to the sector skills demand and supply	[2.1] Number of Board approved planning documents submitted to DHET within prescribed timeframes annually	1[5]	1	1	1[6]	2	2	2
	Output 3: Identify, prioritise and form partnerships to address priority occupations.	[2.2] Number of Memorandums of Understanding with strategic partners addressing sector needs, annually	4	5	3	2	2	2	2
	Output 1: Research and develop a Sector Skills Plan (SSP) in response to the sector skills demand and supply	[2.3] Number of sector research reports completed annually	12	4	4	3	4	5	5

5 The audited / actual performance of 1 for the 2019 MTEF includes an achievement of 1 which entailed a Board approved SSP, SP and APP.
6 The estimated performance of 1 for the 2022/23 Financial Year includes an achievement of 1 which entailed a Board approved SSP, SP and APP.

Outcome	Outputs	Output Indicator	Annual Targets						
			Audited / Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Output 6: Facilitate access and provide support for interventions towards occupationally directed learning Programmes.	[2.4] Number of sector directed tracer/ impact study reports completed annually	4	2	2	2	2	2	2

5.2.3 *Indicators, Annual and Quarterly Targets*

Output	Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Output 1: Research and develop a Sector Skills Plan (SSP) in response to the sector skills demand and supply	[2.1] Number of Board approved planning documents submitted to DHET within prescribed timeframes annually	2	0	1	1	0
Output 3: Identify, prioritise and form partnerships to address priority occupations.	[2.2] Number of Memorandums of Understanding with strategic partners addressing sector needs, annually	2	0	0	0	2
Output 1: Research and develop a Sector Skills Plan (SSP) in response to the sector skills demand and supply	[2.3] Number of sector research reports completed annually	4	0	0	0	4
Output 6: Facilitate access and provide support for interventions towards occupationally directed learning programmes.	[2.4] Number of sector directed tracer/ impact study reports completed annually	2	0	0	0	2

5.2.3. Explanation of Planned Performance Over the Medium-Term Planning Period

The NSDP places a central emphasis on the need for research that needs to be robust and allow for improved forecasting and pl anning. SETAS must create credible institutional mechanisms for skills planning, applied research and innovation projects. This is the driver behind the W&RSETA's Outcome 4: A sector responsive Research Agenda that supports and informs the establishment of impact-geared W&R skills development programmes.

Programme 2 looks to achieve several outputs that will collectively achieve this outcome by facilitating skills and strategic planning, conducting strategic and purposeful research that continuously improves the SETA's labour market intelligence as well as ensuring and formalising strategic partnerships with key institutions that can contribute towards addressing sector needs.

Research conducted also looks to support women, children and people with disabilities by assessing their needs and identifying market opportunities, and as part of the research agenda, the W&RSETA also focus on topics that look at skills development initiatives and special projects implemented in support of the transformation agenda, with a specific focus on women, people with disabilities, youth and people from rural areas.

The outputs and indicators in Programme 2 are also linked to Intervention 8 of the ERRP Skills Strategy, which requires that Institutions, as well as the SETAs, embed skills planning in economic planning processes.

5.3. Programme 3: Learning Programmes and Projects

5.3.1. Programme purpose

The purpose of this Programme is to contribute to addressing the HTFVs identified in the SSP and reducing HTFVs in the wholesale and retail sector through the provisioning of quality learning programmes. Sub programmes under this Programme include career guidance and the implementation of learnerships, apprenticeships, skills Programmes, internships, workplace-based learning programmes (learnerships) and bursaries for students at TVET Colleges and Higher Education institutions.

5.3.2. Outcomes, Outputs, Output Indicators and Annual Targets

Outcome	Outputs	Output Indicator	Annual Targets						
			Audited/ Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Outcome 8: An appropriately skilled, agile, and responsive workforce and skills pool able to meet the W&R sector's current and emerging skills needs	**Output 1:** Research and develop a Sector Skills Plan (SSP) in reply to the sector skills demand and supply	[3.1a] Percentage of WSPs and ATRs approved for Small Companies per annum	5331	81%	90,25%	70%	70%	70%	70%
		[3.1b] Percentage of WSPs and ATRs approved for Medium Companies per annum	1331	82%	86,41%	70%	70%	70%	70%
		[3.1c] Percentage of WSPs and ATRs approved for Large Companies per annum	570	85%	90,68%	70%	70%	70%	70%
	Output 13: A skilled, competent, and professional workforce in the wholesale and retail sector through the provision of Bursaries to the W&RSETA employed and unemployed beneficiaries	[3.2] Number of unemployed persons awarded bursaries for studies in retail-related qualifications annually	3792	2170	2163	3500	3500	3500	3500
		[3.3] Number of employed persons awarded bursaries for studies in retail-related qualifications annually	425	-	941	1895	1895	1895	1895
		[3.4] Number of bursars completing their studies, annually	418	101	106	500	500	500	500

Outcome	Outputs	Output Indicator	Annual Targets						
			Audited/ Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Outcome 5: Increased access to wholesale and retail occupationally directed programmes	**Output 4:** Facilitate innovative workplace-based learning opportunities within the sector	[3.5] Number of unemployed learners registered on learning programmes addressing Wholesale and Retail HTFVs as identified in the SSP annually.	9613	4664	10334	10000	12000	12000	12000
		[3.6] Number of unemployed learners completing learning programmes addressing Wholesale and Retail HTFVs as identified in the SSP annually.	2710	2435	3565	5000	5000	5000	5000
Outcome 5: Increased access to wholesale and retail occupationally directed programmes	**Output 4:** Facilitate innovative workplace-based learning opportunities within the sector	[3.7] Number of learners enrolled on Artisan/ technician programmes annually	103	-	323	500	500	500	500
		[3.8] Number of learners completing Artisan/ technician programmes annually	206	-	0	250	300	350	400
Outcome 5: Increased access to wholesale and retail occupationally directed programmes	**Output 4:** Facilitate innovative workplace-based learning opportunities within the sector	[3.9] Number of learners from TVET colleges and HETs are placed in Work Integrated Learning programmes, annually	665	728	1227	2400	2400	2400	2400
		[3.10] Number of learners from TVET colleges and HETs completed their Work Integrated Learning Programmes, annually	69	230	352	850	850	850	850
	Output 4: Facilitate innovative workplace-based learning opportunities within the sector	[3.11] Number of employed learners registered on learning programmes addressing Wholesale and Retail HTFVs as identified in the SSP annually.	6962	7452	10399	9800	9800	9800	9800
Outcome 5: Increased access to wholesale and retail	**Output 5:** Facilitate and create opportunities for	[3.12] Number of employed learners completing learning programmes addressing Wholesale and Retail	3733	1735	2092	4850	4850	4850	4850

Outcome	Outputs	Output Indicator	Annual Targets						
			Audited/ Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
occupationally directed programmes	skills development for the employed.	HTFVs as identified in the SSP annually.							
Outcome 6: Growth-focused skills development and entrepreneurship development support for emerging entrepreneurs, cooperative sector, and small, medium, and informal business enterprises to enhance their participation in the mainstream economy	**Output 9:** Provide skills development support to, SMMEs, Cooperatives and Informal traders who participate in the mainstream economy.	[3.13] Number of small and micro businesses supported annually	3608	2446	2508	2700	3000	3000	3000
		[3.14] Number of Informal Traders supported annually	1600	2426	2401	2700	3000	3000	3000
		[3.15] Number of Cooperatives /Community-based entities supported annually	113	120	138	120	120	120	120
		[3.16] Number of persons enrolled on entrepreneurship development programmes annually	-	303	177	250	300	300	300
Outcome 7: Capacitated Trade Unions within the W&R sector	**Output 10:** Facilitate and create the potential for collaborations in support of worker-initiated Programmes at retail workplaces	[3.17] Number of Trade Union beneficiaries who participated in Trade Union Capacitation Programmes annually	442	1095	1010	1152	1382	1382	1382
Outcome 2: An integrated career guidance programme	**Output 11:** Develop and support an integrated career guidance and development strategy	[3.18] Number of career guidance interventions per annum	411	-	950[7]	211	211	211	211

[7] The audited outcome for 2021/22 reflects as high due to the fact that the indicator was also measuring the number of people trained, while the target as of 2022/23 FY focuses on the number of events and not the number of people.

Outcome	Outputs	Output Indicator	Annual Targets						
			Audited/ Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Outcome 5: Increased access to wholesale and retail occupationally directed programmes	**Output 8**: Assist CET colleges to increase capacity to offer retail and related Programmes **Output 5**: Facilitate and create opportunities for skills development for the employed	[3.19] Number of learners assisted to access opportunities in the W&R sector annually	431	-	1803	500	500	500	500
Outcome 5: Increased access to wholesale and retail occupationally directed programmes	**Output 4:** Facilitate innovative workplace-based learning opportunities within the sector	[3.20] Number of unemployed learners enrolled for Candidacy Programmes annually	-	-	27	50	50	50	50

5.3.3. Indicators, Annual and Quarterly Targets

Output	Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Output 1: Research and develop a Sector Skills Plan (SSP) in reply to the sector skills demand and supply	[3.1a] Percentage of WSPs and ATRs approved for Small per annum	70%	25%	25%	10%	10%
	[3.1b] Percentage of WSPs and ATRs approved for Medium Companies per annum	70%	25%	25%	10%	10%
	[3.1c] Percentage of WSPs and ATRs approved for Large Companies per annum	70%	25%	25%	10%	10%
Output 13: A skilled, competent, and professional workforce in the wholesale and retail sector through the provision of Bursaries to W&RSETA employed and unemployed beneficiaries	[3.2] Number of unemployed persons awarded bursaries for studies in retail-related qualifications annually	3500	500	0	1000	2000

Output	Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Output 13: A skilled, competent, and professional workforce in the wholesale and retail sector through the provision of Bursaries to W&RSETA employed and unemployed beneficiaries	[3.3] Number of employed persons awarded bursaries for studies in retail-related qualifications annually	1895	0	200	1000	695
	[3.4] Number of bursars completing their studies, annually	500	0	250	0	250
Output 4: Facilitate innovative workplace-based learning opportunities within the sector	[3.5] Number of unemployed learners registered on learning programmes addressing Wholesale and Retail HTFVs as identified in the SSP annually.	12000	0	6500	4000	1500
Output 5: Facilitate and create opportunities for skills development for the employed	[3.6] Number of unemployed learners completing learning programmes addressing Wholesale and Retail HTFVs as identified in the SSP annually.	5000	0	2500	2200	300
Output 4: Facilitate innovative workplace-based learning opportunities within the sector	[3.7] Number of learners enrolled on Artisan/ technician programmes annually	500	0	250	250	0
	[3.8] Number of learners completing Artisan/ technician programmes annually	300	0	0	0	300
Output 4: Facilitate innovative workplace-based learning opportunities within the sector	[3.9] Number of learners from TVET colleges and HETs are placed in Work Integrated Learning programmes, annually	2400	0	1000	1000	400
Output 4: Facilitate innovative workplace-based learning opportunities within the sector	[3.10] Number of learners from TVET colleges and HETs completed their Work Integrated Learning Programmes, annually	850	0	300	300	250
Output 4: Facilitate innovative workplace-based learning opportunities within the sector **Output 5:** Facilitate and create opportunities for skills development for the employed	[3.11] Number of employed learners registered on learning programmes addressing Wholesale and Retail HTFVs as identified in the SSP annually.	9800	500	3900	3900	1500
Output 5: Facilitate and create opportunities for skills development for the employed	[3.12] Number of employed learners completing learning programmes addressing Wholesale and Retail HTFVs as identified in the SSP annually.	4850	1000	1000	1500	1350
Output 9: Provide skills development support to, SMMEs, Cooperatives and Informal traders who participate in the mainstream economy.	[3.13] Number of small and micro businesses supported annually	3000	0	500	2500	0
	[3.14] Number of Informal Traders supported annually	3000	0	500	2500	0
	[3.15] Number of Cooperatives /Community-based entities supported annually	120	0	60	60	0
	[3.16] Number of persons enrolled on entrepreneurship development programmes annually	300	0	150	150	0

Output	Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Output 10: Facilitate and create the potential for collaborations in support of worker-initiated Programmes at retail workplaces	[3.17] Number of Trade Union beneficiaries who participated in Trade Union Capacitation Programmes annually	1382	0	500	500	382
Output 11: Develop and support an integrated career guidance and development strategy	[3.18] Number of career guidance interventions per annum	211	0	106	0	105
Output 8: Assist CET colleges to increase capacity to offer retail and related Programmes	[3.19] Number of learners assisted to access opportunities in the W&R sector	500	0	0	250	250
Output 4: Facilitate innovative workplace-based learning opportunities within the sector	[3.20] Number of unemployed learners enrolled for Candidacy Programmes	50	0	0	0	50

5.3.4. Explanation of Planned Performance Over the Medium-Term Planning Period

In line with the NDP priorities of promoting an economy that creates employment and improving the quality of education, training, and innovation, W&RSETA's contribution to the achievement of the NDP's goals includes the following:

- Partnerships with TVET and other HET institutions with the objective to improve accessibility to education;
- Learning Programmes targeted at unemployed youth aiming at increasing employability of the youth in the economy;
- Mainstreaming women, youth, and people with disabilities in all projects implemented; and
- Partnerships with employers and labour to improve training delivery and employability across the sector.

The Learning Programmes and Projects are core to W&RSETA. The programme looks to achieve the following outcomes:

- Outcome 2: An integrated career guidance programme
- Outcome 5: Increased access to wholesale and retail occupationally directed programmes
- Outcome 6: Growth-focused skills development and entrepreneurship development support for emerging entrepreneurs, cooperative sector, and small, medium, and informal business enterprises to enhance their participation in the mainstream economy
- Outcome 7: Capacitated Trade Unions within the W&R sector
- Outcome 8: An appropriately skilled, agile, and responsive workforce and skills pool able to meet the W&R sector current and emerging skills needs

A key focus of the SETA's outputs and respective indicators are youth, women and people with disabilities. Objectives surroun ding the upliftment of the most vulnerable members of society are embedded in our performance indicators and find a prominent voice in our operational plans. Career guidance interventions also make up part of our targets to educate the youth about opportunities in the sector. Furthermore, W&RSETA recognises that entrepreneurs and SMMEs are the lifeblood of the economy and the wholesale and retail sector and are therefore a major focus of what the SETA does.

5.4. Programme 4: Quality Assurance

5.4.1. Programme purpose

The purpose of this Programme is to execute the QCTO delegated quality assurance functions with regards to the accreditation of training providers, registration of assessors, facilitators, and moderators, evaluation of assessments and facilitation of moderation including certification of learners as proof of successful completion of the 'historical' unit standard based qualification, until 2024.

5.4.2. Outcomes, Outputs, Output Indicators and Annual Targets

Outcome	Outputs	Output Indicator	Annual Targets						
			Audited / Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Outcome 3: Growth-focused programmes for the development and support of Training Providers and the Higher Education, TVET and CET sectors to enable their responsiveness to changing occupations and technological advances	**Output 3:** Identify, prioritise, and form partnerships to address priority occupations	[4.1] Number of signed partnership agreements with HET Institutions, annually	1	2	2	2	2	2	2
	Output 7: Assist public colleges to increase capacity to offer Retail and related learning programmes	[4.2] Number of Public TVET Centres of Specialisation supported annually	-	-	6	4	4	4	4
	Output 3: Identify, prioritise, and form partnerships to address priority occupations	[4.3] Number of signed partnership agreements with TVET's, annually	-	-	9	16	16	16	16
	Output 7: Assist public colleges to increase capacity to offer Retail and related learning programmes	[4.4] Number of TVET colleges where the SETA has or maintains a presence, annually	-	35	33	32	32	32	32
		[4.5] Number of partnerships formed with CETs to improve the delivery of retail and related programmes, annually	-	-	3	3	3	3	3

5.4.3. Indicators, Annual and Quarterly Targets

Output	Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Output 3: Identify, prioritise, and form partnerships to address priority occupations	[4.1] Number of signed partnership agreements with HET Institutions, annually	2	0	2	0	0
Output 7: Assist public colleges to increase capacity to offer Retail and related learning programmes	[4.2] Number of Public TVET Centres of Specialisation supported annually	4	0	0	4	0
Output 3: Identify, prioritise, and form partnerships to address priority occupations	[4.3] Number of signed partnership agreements with TVET's, annually	16	0	8	8	0
Output 7: Assist public colleges to increase capacity to offer Retail and related learning programmes	[4.4] Number of TVET's colleges where the SETA has or maintains a presence, annually	32	0	0	0	32
	[4.5] Number of partnerships formed with CETs to improve the delivery of retail and related programmes, annually	3	0	0	3	0

5.4.4. Explanation of Planned Performance Over the Medium-Term Planning Period

In order to constantly professionalize the sector, high quality levels of training and course content are required. As such, we regularly engage in partnerships with TVETs, CETs and HETs to further improve retail and retail related qualifications. A high performing PSET ecosystem is the backbone of strong learners and employees, and in turn a strong sector.

In line with the NDP priorities of promoting an economy that creates employment and improving the quality of education, training, and innovation, W&RSETA's contribution to the achievement of the NDP's goals includes the following:

- Partnerships with TVET and other HET institutions with the objective of improving accessibility to education;
- Learning Programmes targeted at unemployed youth aiming at increasing employability of the youth in the economy;
- Mainstreaming women, youth, and people with disabilities in all projects implemented; and
- Partnerships with employers and labour in order to improve training delivery and employability across the sector.

6 Link between Outputs and, Outcomes and national priorities

To contribute to the delivery of national priorities, the W&RSETA has aligned its Outputs to the NSDP outcomes and SSP priority actions as shown in Table 11 below.

Table 11: Alignment of National Outcomes, Outcomes and National Imperatives

OUTCOMES	OUTPUTS	SSP PRIORITIES	NSDP 2030 PRIORITIES
Impact Statement: A well-skilled workforce contributing towards a transformed, agile, and thriving wholesale and retail sector			
Outcome 1: An efficient and effective organisation with good corporate governance	**Output 2:** Allocate resources to implement Programmes aligned to the SSP, SP and APP	SSP Priority 1: Priority Skills Plan SSP Priority 2: SMME, Informal Traders and Cooperative Development SSP Priority 3: Youth Unemployment	Sub-Outcome 1.1: National enrolment and resource ratios for the high, intermediate, and elementary skills level

	Output 12: Efficient and effective use of resources to ensure good governance, compliance with laws and regulations and excellent service delivery	SSP Priority 4: Hard-To-Fill Vacancies SSP Priority 6: Training and Employment for People with Disabilities SSP Priority 7: Sector Transformation	Sub-Outcome 1.2: Targets for priority occupations

OUTCOMES	OUTPUTS	SSP PRIORITIES	NSDP 2030 PRIORITIES
* **Outcome 4:** A sector-responsive Research Agenda that supports and informs the establishment of impact-geared W&R skills development programmes	**Output 1:** Research and develop a Sector Skills Plan (SSP) in reply to the sector skills demand and supply	SSP Priority 1: Priority Skills Plan SSP Priority 4: Hard-To-Fill Vacancies SSP Priority 7: Sector Transformation	Sub-Outcome 1.4: Identification of interventions required to improve enrolment and completion of priority occupations
	Output 3: Identify, prioritise, and form partnerships to address priority occupations	SSP Priority 1: Priority Skills Plan SSP Priority 4: Hard-To-Fill Vacancies SSP Priority 5: Stakeholder Engagement SSP Priority 7: Sector Transformation	Sub-Outcome 1.2: Targets for priority occupations Sub-Outcome 1.3: Targets for priority qualifications
	Output 6: Facilitate access and provide support for interventions towards occupationally directed learning programmes.	SSP Priority 1: Priority Skills Plan SSP Priority 4: Hard-To-Fill Vacancies SSP Priority 7: Sector Transformation	Sub-Outcome 4.2: Increase access for Intermediate and high-level skills
Outcome 2: An integrated career guidance strategy ***Outcome 3:** Growth-focused programmes for the development and support of Training Providers and the Higher Education, TVET and CET sectors to enable their responsiveness to changing occupations and technological advances. **Outcome 5:** Increased access to wholesale and retail occupationally directed programmes **Outcome 6:** *Growth-focused skills development and	**Output 1:** Research and develop a Sector Skills Plan (SSP) in reply to the sector skills demand and supply	SSP Priority 1: Priority Skills Plan SSP Priority 4: Hard-To-Fill Vacancies SSP Priority 7: Sector Transformation	Sub-Outcome 1.4: Identification of interventions required to improve enrolment and completion of priority occupations
	Output 4: Facilitate innovative workplace-based learning opportunities within the sector	SSP Priority 1: Priority Skills Plan SSP Priority 2: SMME, Informal Traders and Cooperative Development SSP Priority 3: Youth Unemployment SSP Priority 4: Hard-To-Fill Vacancies SSP Priority 6: Training and Employment for People with Disabilities SSP Priority 7: Sector Transformation	Sub-Outcome 2.1: Workplace-based learning opportunities increased
	Output 5: Facilitate and create opportunities for skills development for the employed	SSP Priority 1: Priority Skills Plan SSP Priority 4: Hard-To-Fill Vacancies SSP Priority 6: Training and Employment for People with Disabilities SSP Priority 7: Sector Transformation	Sub-Outcome 3.1: To increase workers participating in various learning programmes to a minimum of 80% by 2030, to address, critical skills required by various sectors of the economy, to transform workplaces, improve productivity and to improve economic growth prospects in various sectors of the economy

OUTCOMES	OUTPUTS	SSP PRIORITIES	NSDP 2030 PRIORITIES
entrepreneurship development support for emerging entrepreneurs, cooperative sector, and small, medium, and informal business enterprises to enhance their participation in the mainstream economy. **Outcome 7**: Capacitated Trade Unions within the W&R sector ***Outcome 8:** An appropriately skilled, agile, and responsive workforce and skills pool able to meet the W&R sector current and emerging skills needs.	**Output 6:** Facilitate access and provide support for interventions towards occupationally directed learning programmes.	SSP Priority 1: Priority Skills Plan SSP Priority 3: Youth Unemployment SSP Priority 4: Hard-To-Fill Vacancies SSP Priority 6: Training and Employment for People with Disabilities SSP Priority 7: Sector Transformation	Sub-Outcome 4.2: Increase access for Intermediate and high-level skills
	Output 8: Assist CET colleges to increase capacity to offer retail and related programmes	SSP Priority 7: Sector Transformation	Sub-Outcome 5.2: Support the CET colleges
	Output 9: Provide skills development support to SMMEs, Cooperative s, Informal traders, and emerging entrepreneurs	SSP Priority 2: SMME, Informal Traders and Cooperative Development	Sub-Outcome 6.1: To increase skills development support to stimulate entrepreneurial activity and the establishment of new enterprises and cooperatives
	Output 10: Facilitate and create the potential for collaborations in support of worker-initiated Programmes at retail workplaces	SSP Priority 7: Sector Transformation	Outcome 7: Encourage and support worker-initiated training
	Output 11: Develop and support an integrated career guidance and development strategy	SSP Priority 1: Priority Skills Plan	Outcome 8: Support career development services
	Output 13: A skilled, competent, and professional workforce in the wholesale and retail sector through provision of Bursaries to W&RSETA employed and unemployed beneficiaries	SSP Priority 1: Priority Skills Plan SSP Priority 3: Youth Unemployment SSP Priority 4: Hard-To-Fill Vacancies SSP Priority 6: Training and Employment for People with Disabilities SSP Priority 7: Sector Transformation	Sub-Outcome 4.2: Increase access for Intermediate and high-level skills
Outcome 3: Growth-focused programmes for the development and support of Training Providers and the Higher Education, TVET and CET sectors to enable their responsiveness to changing occupations and technological advances.	**Output 7:** Assist public colleges to increase capacity to offer Retail and related learning programmes	SSP Priority 1: Priority Skills Plan SSP Priority 3: Youth Unemployment SSP Priority 5: Stakeholder Engagement SSP Priority 6: Training and Employment for People with Disabilities	Sub-Outcome 5.1: Support the TVET Colleges
	Output 8: Assist CET colleges to increase capacity to offer retail and related Programmes	SSP Priority 1: Priority Skills Plan SSP Priority 3: Youth Unemployment SSP Priority 5: Stakeholder Engagement SSP Priority 6: Training and Employment for People with Disabilities	Sub-Outcome 5.2: Support the CET colleges

6. Programme Resource Considerations

The following are the Medium-term Expenditure Framework (MTEF) for the period 2023/24-2025/26

Table 12: Medium-term Expenditure Framework for the MTEF period 2023/24-2025/26 (Consolidated budget)

	R'000	R'000	R'000	R'000		R'000	R'000	R'000
				Approved				
Financial Performance data	Audited Outcome/ Actual values			Previous Budget	Revised Budget	Medium Term Estimates		
R thousand	2019/20	2020/21	2021/22	2022/23	2022/23	2023/24	2024/25	2025/26
Revenue								
Non-tax revenue	**187 574**	**97 443**	**108 181**	**142 125**	**142 125**	**161 667**	**171 367**	**181 478**
Interest income	186 878	95 871	106 435	142 125	142 125	161 667	171 367	181 478
Other	696	1 572	1 746					
Transfers received	**1 211 426**	**834 225**	**1 323 572**	**1 184 374**	**1 409 604**	**1 494 179**	**1 568 887**	**1 642 621**
Administration Grant (10.5%)	154 657	105 513	168 776	146 620	181 897	192 810	202 451	211 966
Mandatory Grant (20%)	292 868	200 914	325 794	278 067	346 471	367 259	385 622	403 745
Discretionary Grant (49,5%)	729 978	497 485	806 729	692 647	857 515	908 966	954 413	999 268
Penalties and interest on levies	33 923	30 313	22 273	67 040	23 721	25 144	26 401	27 642
Total revenue	**1 399 000**	**931 668**	**1 431 753**	**1 326 499**	**1 551 729**	**1 655 846**	**1 740 254**	**1 824 099**
Expenses								
Current expenses	**141 660**	**162 256**	**135 269**	**146 620**	**181 022**	**192 455**	**201 601**	**211 210**
Compensation of employees	67 277	60 823	56 732	72 038	100 672	105 706	110 991	116 540
Goods and services	71 239	94 472	67 743	71 582	70 350	74 746	78 072	81 570
Depreciation	3 144	6 961	10 794	3 000	10 000	12 004	12 538	13 099
Transfers and subsidies	**1 127 637**	**964 072**	**1 267 681**	**1 761 291**	**1 820 649**	**1 928 464**	**2 058 239**	**2 179 729**
Transfers and subsidies excluding project costs	1 023 933	862 760	1 099 119	1 605 056	1 713 027	1 814 484	1 937 560	2 052 017
- Compensation of employees	60 213	79 371	107 679	108 057	79 422	83 393	87 563	91 941
- Other Project Expenses	43 491	21 941	60 883	48 178	28 200	30 587	33 116	35 771
Total expenses	**1 269 297**	**1 126 328**	**1 402 950**	**1 907 911**	**2 001 671**	**2 120 919**	**2 259 840**	**2 390 940**
Surplus / (Deficit)	**129 703**	**- 194 660**	**28 803**	**- 581 412**	**- 449 942**	**- 465 073**	**- 519 586**	**- 566 840**
Retained Surpluses				**581 412**	**449 942**	**465 073**	**519 586**	**566 840**
Total Surplus / (Deficit)				-	-	-	-	-

	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
				Approved				
Financial Performance data	Audited Outcome/ Actual values			Previous Budget	Revised Budget	Medium Term Estimates		
R thousand	2019/20	2020/21	2021/22	2022/23	2022/23	2023/24	2024/25	2025/26
Total Revenue Budget	**1 399 000**	**931 668**	**1 431 753**	**1 326 499**	**1 551 729**	**1 655 846**	**1 740 254**	**1 824 099**
1. Administration Grant (10.5%)	154 657	105 513	168 776	146 620	181 897	192 810	202 451	211 966
2. Mandatory Grant (20%)	292 868	200 914	325 794	278 067	346 471	367 259	385 622	403 745
3. Discretionary Grant (49,5%)	729 978	497 485	806 729	692 647	857 515	908 966	954 413	999 268
4. Other Income	221 497	127 756	130 454	209 165	165 846	186 811	197 768	209 120
Expense Breakdown per Grant Category								
Total Expenditure Budget	**1 269 297**	**1 126 328**	**1 402 950**	**1 907 911**	**2 001 671**	**2 120 919**	**2 259 840**	**2 390 940**
1. Administration Grant (10%)	133 912	154 410	129 647	140 320	172 782	182 762	190 727	199 210
2. QCTO (0.5%)	7 748	7 846	5 622	6 300	8 240	9 693	10 874	12 000
3. Mandatory Grant (20%)	211 797	138 512	218 566	278 067	278 067	294 751	328 507	349 190
4. Discretionary Grant (49.5%)	**915 840**	**825 560**	**1 049 115**	**1 483 224**	**1 542 582**	**1 633 713**	**1 729 732**	**1 830 539**
4.1 Project Expenses (7.5% Admin)	**103 704**	**101 312**	**168 562**	**156 235**	**107 622**	**113 980**	**120 679**	**127 712**
- Compensation of employees	60 213	79 371	107 679	108 057	79 422	83 393	87 563	91 941
- Other Project Expenses	43 491	21 941	60 883	48 178	28 200	30 587	33 116	35 771
4.2 Discretionary Grant excluding project expenditure	**812 136**	**724 248**	**880 553**	**1 326 990**	**1 434 960**	**1 519 733**	**1 609 053**	**1 702 827**
4.2.1 Discretionary Grant: Pivotal (80%+ of 49,5%)	606 836	579 398	704 442	1 061 592	1 147 968	1 215 786	1 287 242	1 362 262
4.2.2 Discretionary Grant: Various Projects (20%- of 49.5%)	205 300	144 850	176 111	265 398	286 992	303 947	321 810	340 565

	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
				Approved				
Financial Performance data	Audited Outcome/Actual values			Previous Budget	Revised Budget	Medium Term Estimates		
R thousand	2019/20	2020/21	2021/22	2022/23	2022/23	2023/24	2024/25	2025/26
Programme 1: Administration	**141 660**	**162 256**	**135 269**	**146 620**	**181 022**	**192 456**	**201 601**	**211 209**
1.1 Compensation of employees	67 277	60 823	56 732	72 038	100 672	105 706	110 991	116 540
1.2 Good and services	71 239	94 472	67 743	71 582	70 350	74 746	78 072	81 570
1.3 Depreciation	3 144	6 961	10 794	3 000	10 000	12 004	12 538	13 099
Programme 2: Skills Planning	**222 547**	**152 429**	**234 506**	**295 176**	**295 176**	**312 754**	**336 522**	**347 767**
2. Project Expenses	750	3 361	3 563	3 777	3 777	4 004	4 308	4 450
2.1 Research (Chairs and SOEs)	6 000	6 336	8 733	9 170	9 170	9 628	10 359	10 711
2.2 Sector Skills Plans	4 000	4 220	3 644	4 163	4 163	4 371	4 703	4 862
2.3 Work Skills Plans and Annual Training Reports (Mandatory Grant)	211 797	138 512	218 566	278 067	278 067	294 751	317 152	327 744
Programme 3: Learning Programmes and Projects	**867 257**	**761 039**	**979 533**	**1 409 256**	**1 468 614**	**1 555 438**	**1 656 867**	**1 764 946**
3. Project Expenses	100 314	100 145	141 733	137 844	137 844	90 075	110 416	100 287
3.1 Implementation of learning Programmes per NSDS goals	689 753	639 223	743 963	1 171 944	1 231 302	1 359 926	1 433 002	1 547 422
3.2 Special projects (including partnerships)	66 900	15 120	80 280	85 097	85 097	90 203	97 058	100 299
3.3 Monitoring, Evaluation and Reporting	2 500	-	2 650	2 809	2 809	2 978	3 204	3 311
3.4 Career and vocational guidance	10 290	6 551	10 907	11 562	11 562	12 256	13 187	13 627
Programme 4: Quality Assurance	**37 833**	**50 604**	**53 641**	**56 859**	**56 859**	**60 271**	**64 850**	**67 018**
4. Project Expenses	2 640	13 006	13 787	14 614	14 614	15 491	16 668	17 228
4.1 Provider Accreditations	17 269	18 688	19 809	20 998	20 998	22 258	23 949	24 748
4.2 Learning Programmes	-	-						
4.3 Certifications	-	-						
4.4 Qualification Development	17 924	18 910	20 045	21 247	21 247	22 522	24 233	25 042
Total expense	**1 269 297**	**1 126 328**	**1 402 950**	**1 907 911**	**2 001 671**	**2 120 919**	**2 259 840**	**2 390 940**

7. Updated Key Risks

Table 13: Key Risks and Mitigation Factors

Outcome	Risk	Risk Mitigation Plan
Outcome 1: An efficient and effective organisation with good	1. Impact of changes in Grant Regulations on available funds (Financial Risk)	a) Continuous updates to be obtained from DHET in relation to the review of the grant regulations. b) Implement cost containment measures over and limit employee costs, particularly project costs c) Implement revised investment policy to ensure that t the SETA improve returns on invested surplus reserves in order to generate additional income to be used for discretionary grants. d) Reprioritisation of the budget. e) Reduce accumulated cash reserves annually over the MTEF (will be achieved by increasing expenditure and ensuring completions of historic projects). f) Monthly updates and reporting on commitments register.
	2. Delays in processing payments.	a) Implement capacity building for both internal and external stakeholder on all SOPs across the organisation b) Implement capacity building for both internal and external stakeholder on all contract's implementation across the organisation c) Engagement with the DHET on regulation d) Enable monitoring and reporting system capabilities to facilitates efficient process of payments e) Development of a complaints platform for stakeholder's queries to be adequately resolved f) Ensure performance management contract includes payment of claims.
Outcome 5: Increased access to wholesale and retail occupationally directed programmes	3. Relevant skills delivery aligned to stakeholders needs.	a) Misaligned economic research and the quality of existing research (incorrect information in terms of the needs of the industry) b) Poor implementation of the SSP within the SETA due to lack of alignment between APP targets and SSP priorities
Outcome 1: An efficient and effective organisation with good	4. Inadequate skills, consequence management and breakdown of ethical principle across the organisation.	a) Annual fraud awareness b) Training on code of conduct c) Performance management review should be continuously done, highlighting the gaps noted d) Implementation of the recommendation of the skills audit report

Outcome	Risk	Risk Mitigation Plan
All 8 outcomes	5.Reputational risk due to inadequate impact of W&RSETA programmes	a) Engage large retailers on learner absorption and agree on a contractual percentage for fulltime employment. b) Stakeholder engagement Plan (Improved stakeholder communication and consultation) c) Implement monitoring and evaluation programmes to report on impact across the organisation
Outcome 1: An efficient and effective organisation with good	6. Inadequate project and contract management	a) Capacity building for all staff members dealing with contract management processes b) Incorporation of contract management of the individual performance contract c) Development of Contract Life cycle management tool
	7. Inadequate adoption of the ICT systems and solutions	a) Continuous adoption of implementation plan b) Continuous implementation of the ICT systems enhancement as per business requirements c) Appointment of ICT business analyst d) ICT network and hosting infrastructure capabilities monitored on regular basis and attend to all emerging challenges raised e) Quarterly reporting ICT capabilities to various governance structures.
	8. Fraud and corruption and other related unethical behaviour	a) Implement revised Fraud Prevention Policy and Plan b) Conduct and create awareness on Fraud, corruption and prevention mechanisms across the organisation. c) Ongoing training for Supply Chain officials d) Probity and Proactive Security Audits (including SCM, Grant reviews, Validation of Disclosure of Interest, Phishing reviews etc.) e) Monitor the annual financial declarations

Outcome	Risk	Risk Mitigation Plan
All 8 outcomes	9. Cyber security and organisational resilience	a) Continuous monitoring and evaluation of the cyber security reports and prompt resolution of any identified vulnerabilities b) Ongoing monitoring of exiting controls
All 8 outcomes	10. Non achievement of strategic outcomes	a) Ensure governance structures at management level and operational level b) Ensure that the performance plan is aligned to APP and Operational plan c) Ensure the implementation of the operational plan d) Ongoing staff capacitation on new processes e) Mid-term review of SP/APP/Operational Plan

8. Public Entities

Not applicable.

9. Infrastructure Projects

No.	Project Name	Programme	Description	Outputs	Start Date	Completion Date	Total Estimated Cost	Current Year Expenditure
1.	Sekhukhune Skills Development Centre	**Other**: TVET Infrastructure Support	The Construction of Sekhukhune Skills Development Centre	The Sekhukhune TVET Skills Development Centre with the proposed teaching and learning facility	29 March 2019	30 April 2025	R131 000 000	R131 000 000.00
2.	Access Road to the Sekhukhune Skills Development Centre	**Other**: TVET Infrastructure Support	The Construction of the Traffic Circle and Access Road to the Sekhukhune Skills Development Centre	Access to the Skills Centre as per the Local Authority Requirements	31 March 2021	30 March 2025	R6 900 000	R0.00

No.	Project Name	Programme	Description	Outputs	Start Date	Completion Date	Total Estimated Cost	Current Year Expenditure
3.	Informal Traders Capacitation and Infrastructure project(Hawkers)	SMME Capacitation	Training of Informal Traders and Construction of Trading stalls near the Skills Development Centre	Increased skills levels within the cooperative sector and small, medium and informal business enterprises to enhance their participation in the mainstream economy	31 March 2021	30 March 2025	R9 052 312.50	R0.00
4.	DHET-W&RSETA Partnership for Infrastructure Support	**Other**: CET Infrastructure Support	Refurbishment of 54 community learning centres nationally to establish Information and Communication Technology laboratories	The provision of Information and Communication Technology laboratories for Community Education and Training College	13 December 2020	31 March 2025	R50 000 000.00	R16 190 588.86
5.	Free State CET Skills Development Centre: DHET-W&RSETA Partnership for Infrastructure Support	**Other**: CET Infrastructure Support	The Construction of Free State CET Skills Development Centre	The provision of the Free State CET Skills Development Centre with the proposed teaching and learning facility	31 March 2021	31 March 2025	R60 000 000.00	R0.00
6.	CETA & W&RSETA Collaborative Project	**Other**: TVET Infrastructure Support	The Construction of the KwaMpumuza Skills Development Centre	The provision of the KwaMpumuza Skills Development Centre with the proposed teaching	31 March 2022	31 March 2025	R50 000 000.00	R0.00

No.	Project Name	Programme	Description	Outputs	Start Date	Completion Date	Total Estimated Cost	Current Year Expenditure
				and learning facility				

10. Public Private Partnerships

Not applicable

PART D: TECHNICAL INDICATOR DESCRIPTORS (TIDs)

Programme 1: Administration

Indicator Title	Audit opinion annually
Definition	This indicator aims to ensure that the unqualified audit opinion is obtained by the 2023/24 financial year, and a clean audit opinion is achieved by the 2024/25 financial year. An unqualified audit opinion in the context of this indicator means that the financial statements of the W&RSETA contain no material misstatements.
Source of data	Signed Auditor General report
Method of Calculation / Assessment	Determine achievement of target by assessing the Auditor General's report. An unqualified Audit opinion indicates the achievement of the set target.
Means of verification	Signed Auditor General report
Assumptions	Internal processes are implemented while complying with all regulations as required by the Auditor General
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Unqualified audit opinion for 2023/24 financial year
Indicator Responsibility	Chief Financial Officer

Indicator Title	Number of stakeholder sessions conducted annually to advocate participation in skills development programmes
Definition	This indicator aims to ensure that stakeholder outreach programmes are conducted to create awareness of the W&RSETA brand, publicise its programmes, advocate for participation in skills development and communicate to stakeholders the benefits of participation in the W&RSETA skills development programmes
Source of data	Online and physical attendance registers of stakeholder outreach sessions
Method of Calculation/ Assessment	Count the number of stakeholder sessions conducted
Means of verification	Attendance registers of stakeholder sessions
Assumptions	There will be prioritisation for the inclusion of all relevant stakeholders to participate in stakeholder sessions
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Throughout the 9 provinces of South Africa
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	16 stakeholder sessions are to be conducted annually to advocate participation in the W&RSETA programmes
Indicator Responsibility	Chief Corporate Services Executive

Programme 2: Skills Planning and Research

Indicator Title	Number of Board approved planning documents submitted to DHET within prescribed timeframes
Definition	The indicator measures submission of board approved planning documents (Sector Skills Plan and Annual Performance Plan) to DHET within prescribed timeframes. • The Sector Skills Plan (SSP) that is reflective of skills requirements in different W&R subsectors is approved by the Board annually and submitted to DHET within prescribed timeframes. The prescribed timeframe to submit the final SPP is August each year. • The APP is developed annually in line with the DPME Framework for SPs and APPs and approved by the Board prior to submission to DHET within prescribed timeframes. The prescribed timeframe to submit the final APP for consideration by the Executive Authority is 30 November each year.
Source of data	SSP and APP documents signed by the W&RSETA Board Chairperson and proof of submission
Method of Calculation /Assessment	A simple count of the SSP and APP approved by the Board and submitted to DHET within the prescribed timeframes.
Means of verification	Board Approved SSP and APP Proof of submission of the SSP and APP to DHET
Assumptions	Credible information provided during the SSP and APP consultation process as well as alignment to recommended actions
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative (year-end)
Reporting Cycle	Bi-annual
Desired performance	Board approved SSP and APP submitted to DHET within prescribed timeframes
Indicator Responsibility	SPPE Executive

Indicator Title	Number of Memorandums of Understanding with strategic partners addressing sector needs, annually
Definition	The indicator measures the total number of strategic partnerships on research and innovation entered into with strategic partners that address sector needs.
Source of data	Signed partnership agreements/ MOUs
Method of Calculation / Assessment	A simple count of the signed MOUs/partnership agreements that addresses sector needs
Means of verification	Signed MOUs
Assumptions	Identified potential strategic partners who are willing to enter into a partnership agreement with the W&RSETA The MOU/ Partnership Agreements will be implemented
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	Two (2) MOUs signed with strategic partners annually
Indicator Responsibility	SPPE Executive

Indicator Title	Number of sector research reports completed annually
Definition	The indicator measures the number of research reports that were completed that provide insight into W&RSETA skills development interventions
Source of data	Research reports
Method of Calculation / Assessment	Simple count of the number of research reports completed annually
Means of verification	Completed research reports.
Assumptions	Credible and quality research reports that contribute to the sector needs
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	4 Research reports completed
Indicator Responsibility	SPPE Executive

Indicator Title	Number of sector directed tracer/ impact study reports completed annually
Definition	The indicator measures the number of sector directed tracer/ impact studies reports that are completed per year. Tracer and impact assessment of W&RSETA programmes are undertaken for the purpose of providing insight on skills development interventions.
Source of data	Research reports
Method of Calculation / Assessment	A simple count of tracer/ impact study reports completed
Means of verification	Completed impact/tracer study reports
Assumptions	Credible and quality impact/tracer study reports that contribute to the sector
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Two (2) impact/tracer studies reports completed annually
Indicator Responsibility	SPPE Executive

Programme 3: Learning Programmes and Projects

Indicator Title	[3.1a] Percentage of WSPs and ATRs approved for Small Companies per annum [3.1b] Percentage of WSPs and ATRs approved for Medium Companies per annum [3.1c] Percentage of WSPs and ATRs approved for Large Companies per annum
Definition	The indicator measures the percentage of approved Work Skills Plans (WSP) and Annual Training Reports - ATRs (Annexure II) for small, medium, and large firms as against the number of submitted WSPs and ATRs.
Source of data	System report indicating submitted and approved WSPs and ATRs for the relevant period
Method of Calculation / Assessment	Number of approved WSP's and ATRs / Total number of WSP's and ATRs submissions made x 100
Means of verification	MIS System report indicating the submitted and approved WSPs and ATRs for small, medium, and large firms.
Assumptions	Companies will continue to submit compliant Annexure II documents to be approved.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	70% of compliant Annexure II submissions approved per annum per company category listed below: a. Small b. Medium c. Large
Indicator Responsibility	COO

Indicator Title	Number of unemployed persons awarded bursaries for studies in retail-related qualifications, annually
Definition	The indicator measures the number of unemployed persons awarded bursaries for new and continuing undergraduate studies towards retail and related qualifications at HET and TVET Institutions per annum.
Source of data	System report reflecting registered new and continuing bursary beneficiaries Signed bursary agreements (new bursars) Bursary renewal letters (continuing bursars)
Method of Calculation / Assessment	Count the number of registered new and continuing unemployed persons.
Means of verification	New Bursaries: Bursary agreements; Continuing Bursaries: Bursary Agreements & Renewal letters
Assumptions	Unemployed persons will have an appetite to study in the fields of retail studies or related qualifications.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Rural and Urban
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	3500 bursaries awarded annually for new and continuing unemployed beneficiaries
Indicator Responsibility	COO

Indicator Title	Number of employed persons awarded bursaries for studies in retail and related qualifications
Definition	The indicator measures the number of bursaries (new and continuing) that are awarded to employed persons in the retail sector to study towards retail and related qualifications at HET and TVET Institutions per annum.
Source of data	System report reflecting registered employed bursary beneficiaries (new and continuing). New Bursaries: Bursary agreements/ Continuing Bursaries: Bursary Agreements & Renewal letters
Method of Calculation / Assessment	Count the number of registered new and continuing employed persons using signed bursary agreements (new) and renewal letters (continuing) awarded to individuals.
Means of verification	New Bursaries: Bursary agreements. Continuing Bursaries: Bursary Agreements & Renewal letters
Assumptions	Employed people within the W&R sector will have an appetite to study in the fields of retail studies or related qualifications.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Rural and Urban
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	A total of 1895 bursaries awarded to new and continuing employed beneficiaries in 2023/24 financial year.
Indicator Responsibility	COO

Indicator Title	Number of bursars completing their studies annually
Definition	The indicator measures the number of W&RSETA's bursary beneficiaries (both employed and unemployed) who completed their studies.
Source of data	Learner statement of results or certificates from the HET or TVET Institutions
Method of Calculation / Assessment	Count the number of learner certificates issued to W&RSETA bursars who have completed their qualifications.
Means of verification	System report reflecting completed bursary beneficiaries and Data Source
Assumptions	Bursary beneficiaries will complete their studies
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Rural & Urban
Calculation Type	Cumulative (year-end)
Reporting Cycle	Bi-Annual
Desired performance	500 bursars completed their studies annually
Indicator Responsibility	COO

Indicator Title	Number of unemployed learners registered on learning programmes addressing Wholesale and Retail HTFVs as identified in the SSP annually
Definition	The indicator measures the number of unemployed learners registered to participate in learning programmes that address the W&R HTFV's at NQF levels 1 – 5. Learning programmes will consist of learnerships, skills programmes, occupational qualifications and part qualifications.
Source of data	Registered learner agreements
Method of Calculation / Assessment	Count the number of signed learner agreements used to register unemployed learners that participate in W&RSETA-funded learning programmes.
Means of verification	Registered learner agreements and system report
Assumptions	Employers will be agreeable to host unemployed youth participating in programmes that address the HTFV's as identified in the SSP.
Disaggregation of Beneficiaries (where applicable)	The unemployed population for learnerships to be disaggregated as follows: 100% Youth 60% Female 4% PWD
Spatial Transformation (where applicable)	Rural (20%), Township, Urban
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	12 000 unemployed learners registered in learning programmes annually
Indicator Responsibility	COO

Indicator Title	Number of unemployed learners completing learning programmes addressing Wholesale and Retail HTFVs as identified in the SSP annually.
Definition	The indicator measures the number of unemployed learners completing learning programmes that address the W&R HTFV's at NQF levels 1 – 5. Example of learning programmes are learnerships, skills programmes, occupational qualifications and part qualifications.
Source of data	Certificates or statement of results
Method of Calculation / Assessment	Count each learner who completed/ certificated in Learnership Programmes addressing HTFVs as identified in the SSP.
Means of verification	Certificates or statement of results issued for completions and System Report
Assumptions	Learners will complete the Programme
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Rural, Township, Urban
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	5000 Unemployed learners complete learning programmes addressing Wholesale and Retail HTFVs identified in the SSP
Indicator Responsibility	COO

Indicator Title	Number of learners enrolled on Artisan / Technician programmes annually
Definition	The indicator measures the number of learners (employed and unemployed) enrolled on artisan/ technician programmes on an annual basis. An artisan is a person who has been certified as competent to perform a listed trade per the skills development act, 1998 (Act of 97 0f 1998).
Source of data	System report and Learner agreements
Method of Calculation / Assessment	Count the number of learners enrolled on Artisan programmes, ARPL, Trade Tests or Accelerated Programmes.
Means of verification	Signed Learner agreements and system report
Assumptions	There are sufficient host sites to accommodate learners.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Rural, Urban
Calculation Type	Cumulative (year-end)
Reporting Cycle	Bi-Annual
Desired performance	500 Learners enrolled annually
Indicator Responsibility	COO

Indicator Title	Number of learners completing Artisan/ technician programmes annually
Definition	The indicator measures the number of learners (employed and unemployed) funded by W&RSETA who completes Artisans/ Technician programmes annually. An artisan is a person who has been certified as competent to perform a listed trade per the skills development act, 1998 (Act of 97 0f 1998).
Source of data	Certificates; trade test certificates; statements of results.
Method of Calculation / Assessment	Count the number of W&RSETA learners who successfully completed artisan/technician programmes
Means of verification	Certificates/statements of results issued for completions
Assumptions	Learners will complete their programmes
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Urban, Rural
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired performance	300 Learners completed their artisans/ technicians' programmes in 2023/24
Indicator Responsibility	COO

Indicator Title	Number of learners from TVET colleges and HETs are placed in Work Integrated Learning programmes, annually
Definition	The indicator measures the number of unemployed learners who are placed with W&R sector organisations to gain workplace experience or to obtain their qualifications.
Source of data	WBLP agreements
Method of Calculation / Assessment	Count the number of *unemployed* learners registered on Work Integrated Learning Programmes.
Means of verification	WBLP agreements
Assumptions	There will be a sufficient number of organizations to host learners to gain workplace experience.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Urban & Rural
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	2400 Learners registered on WIL programmes annually
Indicator Responsibility	COO

Indicator Title	Number of learners from TVET colleges and HETs completed their Work Integrated Learning Programmes, annually
Definition	The indicator measures the number of learners (Interns and Graduates) from TVET colleges and HETs who complete their Work Integrated Learning Programmes, annually. Work Integrated Learning Programmes aims to provide students/ learners with the required work experience.
Source of data	Completion letters and system report
Method of Calculation / Assessment	Count the number of learners completing their WIL programmes
Means of verification	System report reflecting registered workplace beneficiaries and completion letters.
Assumptions	Learners will successfully complete their WIL programmes
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Urban & Rural
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	850 Learners complete their WIL programmes, annually
Indicator Responsibility	COO

Indicator Title	Number of employed learners registered on learning programmes addressing Wholesale and Retail HTFV's as identified in the SSP annually.
Definition	The indicator measures the number of employed learners registered on learning programmes or occupational qualifications that address the Wholesale and Retail HTFV's as identified in the SSP. Example of learning programmes are learnerships, skills programmes, occupational qualifications, RPL interventions and part qualifications.
Source of data	Signed learner agreements and system report
Method of Calculation / Assessment	Count the number of signed learner agreements used to register employed persons that participate in W&RSETA-funded learning programmes.
Means of verification	Signed registered learner agreements, skills programme agreements
Assumptions	Employers will release staff to attend training interventions.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Rural, Urban
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	9800 Employed Learners registered on learning programmes annually
Indicator Responsibility	COO

Indicator Title	Number of employed learners completing learning programmes addressing Wholesale and Retail HTFVs as identified in the SSP annually.
Definition	Number of employed learners who complete the learning programmes that address the Wholesale and Retail HTFV's as identified in the SSP annually. Examples of learning programmes are learnerships, skills programmes, occupational qualifications, RPL interventions and part qualifications.
Source of data	Certificates or statement of results and system report
Method of Calculation / Assessment	Count each learner who completed/ certificated in Learning Programmes addressing HTFVs as identified in the SSP.
Means of verification	Certificates or statement of results issued for completions and system report
Assumptions	Learners will complete the Programme
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Rural, Urban
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	4850 Employed learners complete learning programmes addressing Wholesale and Retail HTFVs identified in the SSP annually
Indicator Responsibility	COO

Indicator Title	Number of small and micro businesses supported annually
Definition	The indicator measures the number of registered small and micro companies that operate in the Wholesale and Retail Sector who are supported by participating in Wholesale and Retail SETA's skills development projects during the period
Source of data	Learner Agreement & Signed contracts between the small and micro businesses and Wholesale and Retail SETA
Method of Calculation / Assessment	Count each registered small and micro businesses that operate in the Wholesale and Retail Sector that has signed a contract with the W&RSETA for participation in skills development interventions in the financial year
Means of verification	Signed contract and Learner Agreement
Assumptions	Small and micro business entities apply for SME Discretionary Grants
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Townships, Rural, Urban
Calculation Type	Cumulative (year-end)
Reporting Cycle	Bi-Annual
Desired performance	3000 small and micro businesses supported annually
Indicator Responsibility	COO

Indicator Title	Number of Informal Traders supported annually
Definition	The indicator measures the number of Informal Traders who are supported through participation in Wholesale and Retail SETA Skills Development Programmes to enable the growth and sustainability of their businesses.
Source of data	Informal Traders Development Programmes Attendance Register
Method of Calculation / Assessment	Count each informal trader that participated in W&RSETA development programmes by assessing attendance through attendance registers
Means of verification	Informal Traders Development Programmes attendance register
Assumptions	Informal Traders participate in skills development interventions and workshops organised by the W&RSETA
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Rural, Townships, Urban
Calculation Type	Cumulative (year-end)
Reporting Cycle	Bi-Annual
Desired performance	3000 Informal Traders supported annually
Indicator Responsibility	COO

Indicator Title	Number of Cooperatives/ Community-based entities supported annually
Definition	The indicator measures the number of enterprises categorised as Cooperatives or Community-based entities supported through their participation in Wholesale and Retail SETA Skills Development Initiatives to enable them to participate in the mainstream economy and address HTFVs as identified in the Sector Skills Plan
Source of data	MOUs signed with Cooperatives and Community-based entities and the Wholesale and Retail SETA and attendance register
Method of Calculation / Assessment	Count the number of Cooperatives and Community-based entities participating in the skills development initiatives
Means of verification	Signed MOUs with Cooperatives and Community-based entities Attendance Registers
Assumptions	Targeted Cooperatives and Community-based entities are registered with the relevant bodies (CIPC or Department of Social Development) and their skills needs are addressed via retail and related programmes
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Urban, Townships, Rural
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	120 enterprises (20 Cooperatives and 100 Community-based entities) supported annually
Indicator Responsibility	COO

Indicator Title	Number of persons enrolled on entrepreneurship development programmes annually
Definition	The indicator measures the number of persons who were enrolled to participate in the W&RSETA's Entrepreneurship Development Programmes to enable the growth and sustainability of their businesses.
Source of data	System Report
Method of Calculation / Assessment	Count the number of persons enrolled on entrepreneurship development programmes
Means of verification	Learner Agreements
Assumptions	There are people who are willing and available to attend the programmes
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Urban, Townships, Rural
Calculation Type	Cumulative (year end)
Reporting Cycle	Bi-Annual
Desired performance	300 persons enrolled on Entrepreneurship Development Programmes in 2023/24
Indicator Responsibility	COO

Indicator Title	Number of Trade Union beneficiaries who participated in Trade Union Capacitation Programmes annually
Definition	The indicator measures the number of trade Union members who participate in capacitation programmes that address the skills needs of the Trade Unions within the sector. Participation in this indicator is considered only when the members have attended the capacitation programme to completion.
Source of data	Trade Union Registration certificate, attendance registers and Proof of Membership
Method of Calculation / Assessment	Count the number of trade union members who attended Capacitation Programmes by verifying signed attendance registers.
Means of verification	Benefit template reflecting capacitated Trade Unions beneficiaries, Attendance registers and completion certificates
Assumptions	Availability of Trade Union members to participate in Capacitation Programmes.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Rural, Townships, Urban
Calculation Type	Cumulative (year-end)
Reporting Cycle	Quarterly
Desired performance	1382 Trade Union members participate in Capacitation Programmes
Indicator Responsibility	COO

Indicator Title	Number of career guidance interventions per annum
Definition	The indicator measures the number of Career guidance interventions conducted, comprising of career guidance exhibitions/events and the capacitation of Life Orientation (LO) Educators.
Source of data	• Career Guidance Events: Invitations and Attendance registers • LO Capacitation: Attendance Register and Invitations
Method of Calculation / Assessment	Count the number of Career Guidance interventions implemented.
Means of verification	• Career Guidance Events: Invitations and Attendance registers • LO Capacitation: Attendance Register and Invitations
Assumptions	Practitioners are equipped to offer sound career advice to LO Educators and youth attending career exhibitions.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Urban, rural & Townships
Calculation Type	Cumulative (year-end)
Reporting Cycle	Bi-annual
Desired performance	211 Career Guidance interventions (201 events + 10 LO workshops)
Indicator Responsibility	COO

Indicator Title	Number of learners assisted to access opportunities in the W&R sector annually
Definition	Unemployed learners participate in bridging programmes, retail work readiness programmes, Access RPL or AET programmes to access further learning opportunities or placement opportunities in the retail sector.
Source of data	System report
Method of Calculation / Assessment	Count the number of learners assisted to access opportunities using signed learner agreements
Means of verification	Learner Agreements
Assumptions	Sufficient accredited providers to offer bridging programmes Resources are available for the SETA to provide work readiness programmes
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Urban, Rural
Calculation Type	Cumulative (year-end)
Reporting Cycle	Bi-Annual
Desired performance	500 learners assisted in 2023/24
Indicator Responsibility	COO

Target [3.20]

Indicator Title	Number of unemployed learners enrolled for Candidacy Programmes
Definition	The indicator measures the number of unemployed learners who are assisted to obtain professional designation through the Candidacy Programmes.
Source of data	System report and Learner Agreements
Method of Calculation / Assessment	Count the number of registered candidates using signed learner agreements
Means of verification	Learner agreements and System report
Assumptions	Candidates in need of professional designation will accept and participate in the Candidacy Programmes funded by the W&RSETA
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Rural, Township, Urban
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired performance	50 Unemployed learners enrolled per year
Indicator Responsibility	COO

Indicator Title	Number of signed partnership agreements with HET Institutions, annually
Definition	Partnership agreements are concluded with HET Institutions to improve the delivery of Wholesale and Retail related qualifications through using a variety of interventions, for example: • Workshops; • Infrastructure support; • Equipment; • Training Material; • Lecturer capacitation; • Establishing Assessment Centres
Source of data	Partnership agreements with HET Institutions
Method of Calculation / Assessment	Count the number of partnership agreements concluded with HET Institutions.
Means of verification	Duly signed partnership agreements
Assumptions	Sufficient interest from HET Institutions to partner with W&RSETA
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Urban, Rural
Calculation Type	Non - Cumulative
Reporting Cycle	Annual
Desired performance	2 Partnership agreements signed with HET Institutions annually

Indicator Title	Number of Public TVET Centres of Specialisation supported annually
Definition	The indicator measures the number of Public TVET Centres of Specialization supported through a partnership agreement that outlines the support to be provided.
Source of data	Agreements with Public TVET Centres of Specialisation
Method of Calculation / Assessment	Count the number of Centres of Specialisation supported using signed agreements
Means of verification	Signed Agreements
Assumptions	Public TVET Centres of Specialization need support
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Urban, Rural
Calculation Type	Non - Cumulative
Reporting Cycle	Annually
Desired performance	4 Public TVET Colleges Centres of Specialization supported
Indicator Responsibility	COO

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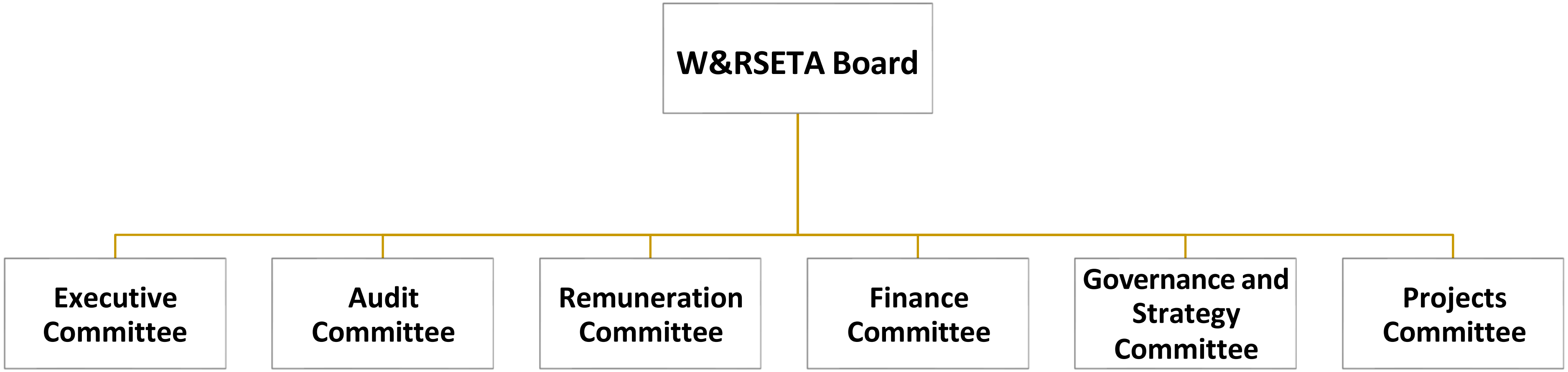
Indicator Title	Number of signed partnership agreements with TVETs, annually
Definition	Partnership agreements are concluded with TVET Institutions to improve the delivery of Wholesale and Retail related qualifications through using a variety of interventions, for example: • Workshops; • Infrastructure support; • Equipment; • Training Material; • Lecturer capacitation; • Establishing Assessment Centres
Source of data	Partnership agreements with TVET Institutions
Method of Calculation / Assessment	Count the number of partnership agreements concluded with TVET Institutions
Means of verification	Duly signed agreements
Assumptions	Sufficient interest from TVET Institutions to partner with W&RSETA
Disaggregation of Beneficiaries (whereapplicable)	Not applicable
Spatial Transformation (where applicable)	Rural, Urban
Calculation Type	Cumulative (year-end)
Reporting Cycle	Bi-Annual
Desired performance	16 Partnership Agreements signed with TVET Institutions annually
Indicator Responsibility	COO

Indicator Title	Number of TVET colleges where the SETA has or maintains a presence, annually
Definition	The indicator measures the number of TVET colleges where the SETA has maintained a presence through having a workstation at the campuses, having a workstation at a university nearby to a TVET college or maintaining a presence through the respective regional office.
Source of data	Contract/ MOU between the SETA and the TVET MOU/ Contract Implementation Reports
Method of Calculation / Assessment	Count the number of TVET colleges where the Wholesale and Retail SETA has maintained a presence by assessing the Implementation Report to determine if the MOU/Contract is being implemented annually
Means of verification	MOU Implementation Reports
Assumptions	TVET colleges will allow the Wholesale and Retail SETA to maintain a presence at their various campuses
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Rural, Across townships
Calculation Type	Non - Cumulative
Reporting Cycle	Annual
Desired performance	Wholesale and Retail SETA has maintained a presence at 32 TVET Institutions
Indicator Responsibility	COO

Indicator Title	Number of partnerships formed with CETs to improve the delivery of retail and related programmes, annually
Definition	Partnership agreements are concluded with CETs to improve the delivery of Wholesale and Retail related qualifications through using a variety of interventions, for example: • Workshops; • Infrastructure support; • Equipment; • Training Material; • Lecturer capacitation; • Establishing Assessment Centres
Source of data	Signed Partnership Agreements
Method of Calculation / Assessment	Count the number of partnerships formed with CETs using agreements signed by all parties
Means of verification	Duly signed partnership agreements
Assumptions	Sufficient interest from CETs to partner with W&RSETA
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Rural, Urban
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	3 Partnership Agreements entered into with CET's annually
Indicator Responsibility	COO

ANNEXURE A: W&RSETA GOVERNANCE STRUCTURE



Legend:

W&RSETA Board	**15 Members** 1 Board Chairperson 6 Organised Labour 6 Organised Employer 2 Community Organisations
Board Committees	**4 Board Members** 2 Organised Labour 2 Organised Employer 1 Community Organisation
Audit Committee	**6 Members** 4 Independent Members 2 Board Members

ANNEXURE B: MATERIALITY FRAMEWORK

In terms of Treasury Regulations, 28.3.1 for purposes of material [sections 50(1), 55(2) and 66(1) of the Act] and significant [section 54(2) of the Act], the accounting authority must develop and agree on a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors.

The Wholesale & Retail SETA has developed a materiality and significance framework which outlines materiality and significance as follows:

TREASURY REGULATION 28.1.5 "For purposes of "material" [sections 50(1), 55(2) and 61(1) (c) of the Act] and "significant" [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors."		
		Materiality approach adopted
Section 50 (1)	(1) The accounting authority for a public entity must -	
	(a) Exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity;	Appropriate systems of control and risk management are maintained as well as a corporate risk management policy which is reviewed annually for effectiveness and a high level of compliance.
	(b) Act with fidelity, honesty, integrity and in the best interest of the public entity in managing the financial affairs of the public entity;	W&RSETA sets high standards for good governance and ethical behaviour. The best interest of the public entity is always relevant and reflected in the business plan as approved by the Board (accounting authority) and the implementation of the business plan is of the utmost importance.

TREASURY REGULATION 28.1.5		
"For purposes of "material" [sections 50(1), 55(2) and 61(1) (c) of the Act] and "significant" [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors."		
		Materiality approach adopted
	(c) On request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all **material** facts, including those reasonably discoverable, which in any way influence the decision or actions of the executive authority or that legislature; and (d) Seek, within the sphere of influence of that accounting authority, to prevent any prejudice against the financial interests of the state.	W&RSETA is committed to an open and transparent culture and in revealing any relevant information to its stakeholders. Materiality can only be determined if the nature of the information which will affect the decision of the stakeholder is known. W&RSETA employs risk management plans and reviews. Identified processes are aimed at preventing any prejudice to the financial interest of the state.

TREASURY REGULATION 28.1.5		
"For purposes of "material" [sections 50(1), 55(2) and 61(1) (c) of the Act] and "significant" [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors."		
		Materiality approach adopted
Section 55 (2)	(2) The annual report and financial statements referred to by PFMA Subsection 55 (1)(d) must – (a) Fairly present the state of affairs of the public entity, its business, its financial results, its performance against pre-determined objectives and its financial position as of the end of the financial year concerned; (b) include particulars of – (i) Any **material** losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year; (ii) Any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure; (iii) Any losses recovered or written off; (iv) Any financial assistance received from the state and commitments made by the state on its behalf; and (v) Any other matters that may be prescribed; and (c) Include the financial statements of any subsidiaries.	W&RSETA makes use of independent assurance providers and is involved with disclosure forums for the presentation of annual financial statements to ensure that its affairs are fairly represented in the AFS. All losses are disclosed in the AFS. All activities are disclosed in the AFS. All losses are disclosed in the AFS. All financial assistance received or committed is disclosed. W&RSETA will apply any other matters that become prescriptive. Not applicable.
Section 54 (2)	(1) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant	

TREASURY REGULATION 28.1.5 “For purposes of “material” [sections 50(1), 55(2) and 61(1) (c) of the Act] and “significant” [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors.”		
		Materiality approach adopted
	particulars of the transaction to its executive authority for approval of the transaction (a) Establishment or participation in the establishment of a company; (b) Participation in a significant partnership, trust, unincorporated joint venture, or similar arrangement (c) Acquisition of disposal of a significant shareholding in a company (d) Acquisition or disposal of a significant asset (e) Commencement or cessation of a significant business activity; (f) A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture, or similar arrangement.	Not applicable. Not applicable. Not applicable. Management attains the approval of the Accounting Authority. Not applicable. Not applicable.
Section 61(1)(c)	(a) The report of an auditor appointed in terms of section 58(1)(b) must be addressed to the executive authority responsible for the public entity concerned and must state separately in respect of each of the following matters whether in the auditor’s opinion –	The materiality of 0.5% of the total value of the sum of the revenue received for the year is applied. Budgeted Revenue 2022/23 = R 1, 551 billion (based on MTEFestimate) Materiality for 2022/23 = R 7,8 million

TREASURY REGULATION 28.1.5 "For purposes of "material" [sections 50(1), 55(2) and 61(1) (c) of the Act] and "significant" [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority in consultation with the external auditors."		
		Materiality approach adopted
	(b) The transactions that had come to the auditor's attention during auditing were in all material respects per the mandatory functions of the public entity determined by law or otherwise.	
Section 66 (1)	(1) An institution to which this Act applies may not borrow money or issue a guarantee, indemnity, or security, or enter into any other transaction that binds or may bind that institution or the Revenue Fund to any future financial commitment, unless such borrowing, guarantee, indemnity, security, or other transaction – (2) (a) Is authorised by this Act; and (b) In the case of public entities, is also authorised by other legislation, not in conflict with this Act; and (c) In the case of loans by a province or a provincial government business enterprise under the ownership control of a provincial executive, is within the limits as set in terms of the Borrowing Powers of Provincial Governments Act, 1996 (Act No 48 of 1996).	W&RSETA operates within the ambit as set by this clause and its related Act.

Quantitative Aspects

Materiality level for consideration, the level of materiality for 2023/24 has been set as follows:

Financial Statement Base	Base Amount	Materiality %	Materiality value for 2023/24
Total assets	R 2 816 414 000	1%	R 28 164 140
Total revenue	R 1 551 729 000	0.5%	R 7 758 645
Total Surplus	Not relevant as the W&RSETA is not budgeting for a surplus		

The total revenue amount is based on the MTEF Estimates for the 2023/24 financial year while the total assets value is based on the audited financial statements for the 2021/22 financial year.

Therefore, final materiality is set at R 7 758 645 for the 2023/24 financial year.

Qualitative aspects

Materiality is not merely related to the size of the entity and the elements of its financial statements. Misstatements that are large either individually or taken together may affect a "reasonable" user's judgement. However, misstatements may also be material on qualitative grounds. These qualitative grounds include amongst others:

- New contracts that the SETA has entered into.
- Unusual transactions entered into that are not repetitive and are disclosable purely due to the nature thereof due to knowledge thereof affecting the decision making of the user of the financial statements.
- Transactions entered into that could result in a reputational risk to the SETA.
- Any fraudulent or dishonest behaviour of an officer or staff of the SETA.
- Any infringement of W&RSETA's agreed performance levels.
- Procedures/processes required by legislation or regulation (e.g., PFMA and the Treasury Regulations)

This Materiality Framework is re-assessed and adjusted on an annual basis with the Audit Committee, Internal and External Auditors and assessed and approved by the Accounting Authority.

CHIEF FINANCIAL OFFICER

ANNEXURE C: GLOSSARY OF TERMS

Artisan	The person who has been certified as competent to perform a listed trade per the skills development act, 1998 (Act of 97 0f 1998)
Candidacy	The structured work experience component is part of an occupational qualification as determined by the relevant professional body and may follow the completion of an academic qualification required for access to the assessment for the issuing of a professional designation. This may lead to the designated registration on the NQF.
Certification	the formal recognition of a student who successfully completed all courses required to obtain a qualification or part qualification
“Centres of Specialisation	in the TVET College sector” is a programme which aims to inform college differentiation, promote quality teaching and learning, facilitate responsiveness and provide a model for the implementation of QCTO’s trade qualifications at the same time as it develops artisanal skills in demand for economic growth, starting with the Strategic Integrated Projects (SIPs)”.
Continuing Education Training	all learning and training Programmes leading to qualifications or part qualifications at Levels 1-4 of the NQF contemplated in the National Framework Act, 2008 (Act No. 67 of 2008)
Data source	a record, organisation, individual or database from which data is obtained
Data verification	the process by which data is checked, assessed reviewed and audit
Higher Education Institution	any institution that provides higher education on a full time, part-time or distance basis and which is established deemed to be established or declared as a public higher education institution or registered or conditionally registered as a private higher education institution under the Higher Education Act No 101 of 1997 as amended.
Hard to Fill Vacancies (HTFVs)	hard to fill vacancies are defined as those vacancies that take the employer a period longer than six months to find suitable candidates to fill the vacancy (with mainly skills-related reasons)
Learnership	a learning Programme that leads to an occupational qualification or part qualification
Recognition of prior learning	the principles and processes, through which the prior knowledge and skills of a person are made visible, mediated and assessed for the purpose of alternative access and admission, recognition and certification, or further learning and development
Workplace-based learning	an educational approach with a quality assured curriculum through which a person internalizes knowledge, gains insights, and acquires skills and competencies through exposure to a workplace to achieve specific outcomes applicable to employability

ANNEXURE D: SERVICE LEVEL AGREEMENT

ANNEXURE E: LIST OF TVET COLLEGES WITH W&RSETA OFFICES

NAME OF THE COLLEGE	PHYSICAL ADDRESS	REGION
uMgungundlovu TVET College	44 Burger Street, Pietermaritzburg	**KwaZulu Natal**
Majuba TVET College (Madadeni Campus)	CPD, Nelson Mandela Drive, Section 2; Madadeni	**KwaZulu Natal**
uMfolozi TVET College (Esikhawini Campus)	Lot: 11 Eskhawini Highway, Eskhawini	**KwaZulu Natal**
Mthashana TVET College (Vryheid Campus)	90 Hlobane Street, Vryheid	**KwaZulu Natal**
Esayidi TVET College (Enyenyezi Campus)	Boboyi Location, N2 Main Harding Road, Port Shepstone	**KwaZulu Natal**
Enhlanzeni TVET College	29 Bell Street, Nelspruit	**Mpumalanga**
Gert Sibande TVET College	No. 2 Tambourin Ave, Standerton	**Mpumalanga**
Taletso TVET College	Carrol Street, Lichtenburg	**North West**
Vuselela TVET College	133 OR Tambo Street, Klerksdorp	**North West**

NAME OF THE COLLEGE	PHYSICAL ADDRESS	REGION
West Coast College	2 Loedolf Street, Malmesbury	**Western Cape**
False Bay College	Khayelitsha Campus, Mew Way	**Western Cape**
Boland College	85 Bird Street, Stellenbosch	**Western Cape**
South Cape College	125 Mitchell Street, George	**Western Cape**
Maluti TVET College	Central Office, Mampoi Road Phuthaditjhaba 9866	**Free State**
Goldfields TVET College	Cnr Toronto Rd & Petrus Bosch Str. City Centre Welkom	**Free State**

ANNEXURE F: SECTOR SKILLS PLAN

higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

SETA/DHET SERVICE LEVEL AGREEMENT FRAMEWORK 2023-2024

APPROVED/ NOT APPROVED/ AMENDED	
DIRECTOR-GENERAL	**HIGHER EDUCATION AND TRAINING**
SIGNATURE	
DATE	

Type text here

LRS

higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

SERVICE LEVEL AGREEMENT

entered into by and between

DEPARTMENT OF HIGHER EDUCATION AND TRAINING

(hereinafter referred to as the “DHET” represented by Dr N Sishi, duly authorised thereto by virtue of his capacity as the Director-General,

and

W&RSETA

(hereinafter referred to as “SETA" represented by Mr Linda Reginald Sibiya duly authorised thereto in his/her capacity as Accounting Authority (Chairperson)).

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1. PURPOSE OF THE SERVICE LEVEL AGREEMENT

This Service Level Agreement (SLA) is entered into between the above-mentioned parties to agree on the targets required by the SETA in performing its statutory functions, meeting the National Skills Development Plan (NSDP) principles, outcomes and output indicators in implementing its Strategic Plan (SP) and Annual Performance Plan (APP).

2. DURATION OF THE SERVICE LEVEL AGREEMENT

The SLA is entered into for the period of **01 April 2023** to **31 March 2024.**

3. OBLIGATIONS OF THE SETA

3.1 The SETA undertakes to:

3.1.1 perform its functions as required by the Skills Development Act No, 97 of 1998 as amended (SDA), Skills Development Levy Act No.9 of 1999 (SDL), Public Finance Management Act No. 1 of 1999 (PFMA), and all Related Regulations (RR), notices and guidelines promulgated currently and in the future and other related legislation;

3.1.2 implement the approved SP, APP, and budget;

3.1.3 provide adhoc reports that may from time to time be required by the Minister, Cabinet and Parliament within specified timelines;

3.1.4 address all findings raised by the Auditor-General South Africa (AGSA) in the previous financial year;

3.1.5 achieve all NSDP SLA targets, as failure to do so may result in the Department of Higher Education and Training (DHET) recommending to the Minister, implementation section 14 of the SDA, subsequently section 15;

3.1.6 advance economic growth, job creation and labour market development drivers through skills in current and future skills needed for development in technological advancement and digitalisation (4^{th} Industrial Revolution);

3.1.7 submit Quarterly Skills Education and Training Management Information System (SETMIS) Reports and Annual Reports (AR) in accordance with National Treasury (NT), Department of Planning, Monitoring and Evaluation (DPME) and DHET requirements, including reporting on Sector funded interventions;

3.1.8 establish policies, processes and systems for credible research, monitoring, reporting and evaluation to support evidence based planning decisions (including the development of Sector Skills Plan (SSP), SP, APP) and operational decisions;

3.1.9 conduct tracer and impact evaluation studies inclusive of but not limited to determining employment (including self-employment) absorption rates of unemployed learners completing the SETA's priority occupations;

3.1.10 integrate in its interventions targets for women, differently-abled persons, youth, rural and other economically excluded beneficiaries;

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3.1.11 establish a functional operational structure and staff establishment appropriate to the size of the sector, levy income and the administration budget limit thereof;

3.1.12 establish collaborations to implement the approved SP and APP including but not limited to partnerships with departments and public entities at all three spheres of government, inter SETA partnerships, public – private partnerships, and other organisations as permitted by the SDL Acts, RRs and the SETA Grants Policy;

3.1.13 support the imperatives contained within Job Summit Agreements and the temporary employee and employer relief scheme through delivery of flexible programmes that ensure that young people are suitably prepared and skilled to fill every entry level roles, particularly where companies need to scale their operations, these may include inter alia work readiness programme, short courses (accredited or non-accredited) that allow candidates to respond to changing economy;

3.1.14 support the collaboration in the establishment of public college Centres of Specialisation in partnership with employers and labour organisation.

3.1.14.1 ring-fence grants annually and allocate as employers become available to take apprentices for Centres of Specialisation (CoS).

3.1.14.2 prioritise the allocation of grants and report to DHET on the results annually.

3.1.15 support the implementation of rural development programmes for women, youth and people with disability;

3.1.16 support the revitalisation of rural and townships to uplift local economy through skills development;

3.1.17 provide financial support to World Skills South Africa;

3.1.18 the SETA Discretionary Grant (DG) Policy to include a provision for unsolicited proposals to enable flexibility and responsiveness to emerging needs of the Economic Reconstruction and Recovery Plan (ERRP), the Presidential Youth Employment Intervention (PYEI), and other government related priority projects. These projects will be guided by any of the interventions listed in the ERRP Skills Strategy which outlines a set of core interventions that allow for responsiveness to current and emerging opportunities in ways that build the system.

3.1.19 the SETA will meet one hundred percent (100%) of its TVET Graduate Placement targets by 31 December 2022.

3.1.20 the SETA will endeavor to meet at least twenty-five percent (25%) of its targets in every quarter and quarterly reports will be submitted to the Department to track progress on the implementation of set targets.

3.2 achieve all targets for the planning period as reflected in the table below:

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NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
1. Identify and increase production of occupations in high demand	1.1 National enrolment and resource ratios for the high, intermediate and elementary skills level.	• Percentage of discretionary grant budget allocated at developing high level skills	33%	35%	
		• Percentage of discretionary grant budget allocated at developing intermediate skills	20%	15%	
		• Percentage of discretionary grant budget allocated at developing elementary skills	50%	50%	
	1.4 Identification of interventions required to improve enrolment and completion of priority occupations:	• Number of WSPs and ATRs approved for Small firms	3488	3488	
		• Number of WSPs and ATRs approved for Medium firms	960	960	
		• Number of WSPs and ATRs approved for Large firms	496	496	
		• Number of sector research agreements signed for TVET growth occupationally directed programmes	2	2	
		• Number of learners who completed workplace based learning programmes absorbed into employment or self-employment	500	500	
		• Number of established or emergent cooperatives trained on sector and national priority occupations or skills.	N/A	N/A	
		• Number of small and emerging enterprises trained on sector and national identified priority occupations or skills.	N/A	N/A	
		• Number of people trained on entrepreneurship supported to start their business.	N/A	N/A	
2. Linking education and the workplace	2.1: Opening of workplace based learning opportunities increased	• Number of TVET students requiring Work Integrated Learning to complete their qualifications placed in workplaces	608	700	
		• Number of TVET students completed their work integrated learning placements.	25	100	
		• Number of people enrolled in CET Internships	N/A	50	
		• Number of people completed CET Internships	N/A	N/A	
		• Number of universities students requiring work integrated learning to complete their qualifications placed in workplaces	649	200	
		• Number of university students completed their Work Integrated Learning placements	6	100	
		• Number of unemployed learners enrolled Internships	1131	800	
		• Number of unemployed learners completed Internship	354	350	
		• Number of unemployed learners enrolled Skills programmes	3748	800	400
		• Number of unemployed learners completed Skills programmes	1717	1000	400
		• Number of unemployed learners enrolled Learnerships programmes	7548	8000	1000
		• Number of unemployed learners completed Learnerships programmes	3635	3000	500
		• Number of unemployed learners enrolled for Candidacy programmes	25	50	
		• Number of unemployed learners completed Candidacy programmes	N/A	10	

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NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
3. Improving the level of skills in the South African workforce	3.1: To increase workers participating in various learning programmes to a minimum of 80% by 2030, to address, critical skills required by various sectors of the economy, to transform workplaces, improve productivity and to improve economic growth prospects in various sectors of the economy.	• Number of workers enrolled in Learnerships programmes	5952	4000	500
		• Number of workers completed Learnerships programmes	1944	500	100
		• Number of workers granted Bursaries (new entries)	607	948	
		• Number of workers granted Bursaries (continuing)	N/A	400	
		• Number of workers granted Bursaries completed their studies	29	200	
		• Number of workers enrolled Skills programmes	3975	4000	250
		• Number of workers completed Skills programmes	1669	2000	250
		• Number of workers enrolled AET programmes	4	N/A	
		• Number of workers completed AET programmes	N/A	N/A	
4. Increase access to occupationally directed programmes	4.2: Increase access for Intermediate and high level skills	• Number of artisan learners enrolled	326	500	
		• Number of artisan learners completed	0	300	
		• Number of unemployed learners granted Bursaries (new enrollments)	2280	1000	
		• Number of unemployed learners granted Bursaries (continuing)	3	500	
		• Number of unemployed learners granted Bursaries completed their studies	84	250	
		• Number of learners enrolled RPL/ARPL	342	250	
		• Number of learners completed RPL/ARPL	117	100	
		• Number of TVET partnerships established	10	16	
		• Number of HEI partnerships established	2	2	
		• Number of CET partnerships established	3	3	
		• Number of SETA-Employer partnerships established	4	4	
5. Support the growth of the public college system	5.1: Support the TVET Colleges	• Number of SETA offices established and maintained in TVET colleges	33	32	
		• Number of Centres of Specialisation supported	3	4	
		• Number of TVET Lecturers exposed to the industry through Skills Programmes	35	30	
		• Number of Managers receiving training on curriculum related studies	N/A	3	
		• Number of TVET colleges Lecturers awarded Bursaries	N/A	16	
		• TVET colleges infrastructure development (equipment/workshops)	8	13	
	5.2 Support the CET Colleges	• Number of CET colleges lecturers awarded skills development programmes	18	12	
		• CET colleges infrastructure development support (equipment/ workshops/ Connectivity/ ICT)	3	3	
		• Number of Managers receiving training on curriculum related studies	7	7	

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NSDP OUTCOMES	NSDP SUB-OUTCOMES	OUTPUT INDICATORS	BASELINE	SETA FUNDED TARGETS	SECTOR FUNDED
		• Number of CET learners accessing AET programmes	N/A	200	
6. Skills development support for entrepreneurship and cooperative development	6.1: To increase skills development support for entrepreneurial activities and the establishment of new enterprises and cooperatives	• Number of cooperatives funded for skills that enhance enterprise growth and development	31	20	
		• Number of small businesses funded for skills that enhance growth and development	2401	3000	
		• Number of CBOs/ NGOs/ NPOs funded for skills that enhance the development and sustainability of their organisation activities.	108	100	
7. Encourage and support worker initiated training		• Number of Federations /Trade Unions supported through the relevant skills training interventions	5	4	
8. Support career development services		• Number of Career Development Events in urban areas on occupations in high demand	115	100	
		• Number of Career Development Events in rural areas on occupations in high demand	170	100	
		• Number of Career Development Practitioners trained	25	15	
		• Number of capacity building workshops on Career Development Services initiated	N/A	10	
9. Governance		• Quarterly SETA Good Governance report	4	4	
10. Rural Development		• Number of Rural Development Projects initiated	2	1	

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4. OBLIGATIONS OF DEPARTMENT OF HIGHER EDUCATION AND TRAINING

4.1 The Department undertakes to:

4.1.1 consult the SETA on policy and strategic matters that may affect the functioning of the SETA;

4.1.2 specify timelines for the submission of adhoc reports;

4.1.3 continuously and timeously inform the SETA of any changes to legislation, regulations, policies and strategies that impact on the strategy and functions of the SETA and provide guidance for implementation;

4.1.4 provide the SETA with guidance on strategic planning documents and any matter that may be requested by the SETA in relation to its functions;

4.1.5 provide support to SETA where applicable in performing its functions and responsibilities;

4.1.6 validate and verify the accuracy of reports submitted by SETA and provide feedback quarterly.

5. GENERAL

In-year amendments to the approved Service Level Agreement are not encouraged.

SIGNED AT Randburg **ON THIS** 30th **DAY OF** November **20**22

LR Sibiya
____

CHAIRPERSON (Represented by Mr Linda Reginald Sibiya who warrants that he/she is duly authorised to this agreement)

SIGNED AT __________________ **ON THIS** ___ **DAY OF** ____________________ **20**

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DIRECTOR-GENERAL (Represented by **Dr N Sishi**, duly authorised thereto)

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Acronyms and Abbreviations

AET- Adult Education Training

AGSA- Auditor-General South Africa

APP - Annual Performance Plans

ARPL - Artisan Recognition of Prior Learning

ATRs- Annual Training Reports

CBO – Community Based Organisations

CET- Community Education and Training Colleges

CoS- Centres of Specialisation

DG - Director General of Higher Education and Training

DHET - Department of Higher Education and Training

DPME- Department of Planning, Monitoring and Evaluation

ICT- Information Communication Technology

INDLELA - Institute for the National Development of Learnerships, Employment Skills and Labour Assessment

IR- 4th Industrial Revolution

M & R - Sub-directorate: Monitoring and Reporting of the (SETA Performance Management)

Minister - Minister of the Department of Higher Education and Training

NC (V) - National Certificate (Vocational)

NGO – Non-Government Organisation

NPO – Non-Profit Organisation

NSDP- National Skills Development Plan

NT- National Treasury

PFMA- Public Finance Management Act No. 1 of 1999

RPL - Recognition of Prior Learning

RR- Related Regulations

SDA- Skills Development Act No, 97 of 1998 and Skills Development Levy Act No.9 of 1999

SDLA- Skills Development Levy Act No.9 of 1999

SETA - Sector Education and Training Authority

SLA - Service Level Agreement

SP - Strategic Plans

SPM - SETA Performance Management of the DHET

SSP - Sector Skills Plans

TR- Treasury Regulations

TVET - Technical and Vocational Education and Training (formerly FET)

WBLPAR- Workplace Based Learning Programme Agreement Regulation

WIL - Work Integrated Learning

WSPs- Workplace Skills Plans

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