



Transport Education Training Authority  
*Driven by Vision*



**ABRIDGED**

Transport Education Training Authority

**ANNUAL REPORT 2020/21**





Minister of  
**Higher Education, Science and Innovation**

**Dr Blade Nzimande**

*Minister of Higher Education, Science and Innovation*



Deputy Minister of  
**Higher Education, Science and Innovation**

**Mr Buti Manamela**

*Deputy Minister of Higher Education, Science and Innovation*

# Table of Contents

1. The Public Entity's General Information .....	02
2. List of Abbreviations/Acronyms .....	03
3. About this Report .....	06
4. Strategic Overview and TETA Programme of Alignment .....	07
4. Governance .....	08
5. Organisational Structure .....	09
6. Chairperson's Foreword .....	10
7. Chief Executive Officer's Overview .....	12
8. Performance Against Strategic Goals .....	19
9. Programme 1 – Administration .....	20
10. Programme 2 – Skills Planning and Research .....	22
11. Programme 3 – Access to Occupationally Directed Programmes .....	24
12. Programme 4 – Quality Assurance Systems .....	31
13. Completions for 2020/21 Learning Programmes .....	34
14. 2021/22 Annual Performance Plan .....	37
15. Three Tears of Unachieved Targets .....	40
16. Auditor-General's Report 2020/21 .....	42
17. Financial Highlights .....	46
18. Financial Performance .....	47
19. Financial Position .....	48

# The Public Entity's **General Information**

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**Postal address:** Private Bag X10016, Randburg 2125  
**Telephone number:** 011 577 7000  
**Email address:** coms@TETA.org.za  
**Website address:** www.teta.org.za

**REGIONAL OFFICES:**  
**KWAZULU-NATAL:** Freight Handling Chamber  
**Postal and physical address:** Sixth Floor, MB House, 635 to 641 Peter Mokaba Road, Overport, Durban, 4001  
**Telephone number:** 031 301 9614

**WESTERN CAPE:** Maritime Chamber  
**Postal and physical address:** Newlands on Main, Ground Floor, Mariendahl House, 13 Main Road, Newlands, Cape Town, 7700  
**Telephone number:** 021 819 9601

**LIMPOPO OFFICE:** Forwarding and Clearing Chamber  
**Physical address:** 20 Bok Street, Polokwane  
**Telephone number:** 083 228 3505

**MPUMALANGA OFFICE:** Road Freight Chamber  
**Physical address:** 16 Brander Street, Bi-water Building, Nelspruit  
**Contact number:** 083 228 3505

**EXTERNAL AUDITORS:** Auditor-General of South Africa  
**Physical address:** 4 Daventry Street, Lynnwood Bridge Office Park, Lynnwood Manor, Pretoria, 0001  
**Telephone number:** 012 426 8000

**BANKERS:** Standard Bank of South Africa Ltd  
**Physical address:** 17th Floor, East Tower, Bedford Centre, cnr Bradford and Smith streets, Bedfordview, 2007

**COMPANY/BOARD SECRETARY:** Adv Ishmael Malale  
**Telephone number:** 011 577 7096  
**Email address:** IshmaelM@teta.org.za

**PUBLISHER:** TETA: Chief Executive Officer

**EDITING AND DISTRIBUTION:** TETA: Marketing and Communication Department



## List of Abbreviations/Acronyms

<b>4IR:</b>	Fourth Industrial Revolution	<b>DoL:</b>	Department of Employment and Labour
<b>AASA:</b>	Airline Association of Southern Africa	<b>DoT:</b>	Department of Transport
<b>ACSA:</b>	Airport Company of South Africa	<b>DPWRT:</b>	Department of Public Works, Roads and Transport
<b>AET:</b>	Adult Education and Training	<b>DSD:</b>	Department of Social Development
<b>AGSA:</b>	Auditor-General of South Africa	<b>DUT:</b>	Durban University of Technology
<b>AoPO:</b>	Audit of Predetermined Objectives	<b>the dtic:</b>	Department of Trade, Industry and Competition
<b>APP:</b>	Annual Performance Plan	<b>EAP:</b>	Employee Assistance Programme
<b>AQP:</b>	Advanced Quality Planning	<b>ECDEET:</b>	Eastern Cape Disability Economic Empowerment Trust
<b>AR:</b>	Annual Report	<b>ECTA:</b>	Electronic Communications and Transactions Act (25 of 2002)
<b>ARC</b>	Audit and Risk Committee	<b>EEA:</b>	Employment Equity Act (55 of 1998)
<b>ATNS:</b>	Air Traffic and Navigation Services	<b>EPWP:</b>	Expanded Public Works Programme
<b>ATR:</b>	Annual Training Report	<b>ETD:</b>	Education Training and Development
<b>BCEA:</b>	Basic Conditions of Employment Act (75 of 1997)	<b>ETDP:</b>	Education Training and Development Practices
<b>BRT:</b>	Bus Rapid Transit	<b>ETQA:</b>	Education and Training Quality Assurance
<b>CAASA:</b>	Commercial Aviation Association of Southern Africa	<b>EXCO:</b>	Executive Committee
<b>CBO:</b>	Community-Based Organisation	<b>GAAP:</b>	Generally Accepted Accounting Practice
<b>CET:</b>	Community Education and Training	<b>GDP:</b>	Gross Domestic Product
<b>COBEO:</b>	Commuter Bus Employers Organisation	<b>GRAP:</b>	Generally Recognised Accounting Practice
<b>CPUT:</b>	Cape Peninsula University of Technology	<b>HEI:</b>	Higher Education Institution
<b>CRDP:</b>	Comprehensive Rural Development Programme	<b>HET:</b>	Higher Education and Training
<b>DETAWU:</b>	Democratised Transport Logistics and Allied Workers Union	<b>HRD:</b>	Human Resources Development
<b>DG:</b>	Discretionary Grant	<b>IEDP:</b>	International Executive Development Programme
<b>DHET:</b>	Department of Higher Education and Training		

<b>ILDP:</b>	International Leadership Development Programme	<b>NSA:</b>	National Skills Authority
<b>IMC:</b>	Independent Management Committee	<b>NSDP 2030:</b>	National Skills Development Plan 2030
<b>IPAP:</b>	Industrial Policy Action Plan	<b>NUMSA:</b>	National Union of Metalworkers of South Africa
<b>ISO:</b>	International Organisation for Standardization	<b>NWU:</b>	North-West University
<b>LRA:</b>	Labour Relations Act (66 of 1995)	<b>OFO:</b>	Organising Framework for Occupations
<b>M&amp;E:</b>	Monitoring and Evaluation	<b>OHSA:</b>	Occupational Health and Safety Act (85 of 1993)
<b>MDA:</b>	Mineworkers Development Agency	<b>PAJA:</b>	Promotion of Administrative Justice Act (3 of 2000)
<b>MG:</b>	Mandatory Grant	<b>PDQ:</b>	Professional Driver Qualification
<b>MoA:</b>	Memorandum of Agreement	<b>PFMA:</b>	Public Finance Management Act (29 of 1999)
<b>MoU:</b>	Memorandum of Understanding	<b>PIVOTAL:</b>	Professional, Vocational, Technical and Academic Learning
<b>MTSF:</b>	Medium-Term Strategic Framework	<b>PM&amp;E:</b>	Performance Monitoring and Evaluation
<b>MTWU:</b>	Motor Transport Workers Union	<b>PRASA:</b>	Passenger Rail Agency South Africa
<b>NARSA:</b>	National Archives and Records Service Act (43 of 1996)	<b>PESTEL:</b>	Political, Economic, Social, Technology, Environment and Legal
<b>NASASA:</b>	National Stevedoring Association of South Africa	<b>PTWU:</b>	Professional Transport Workers Union
<b>NCPD:</b>	National Certificate in Professional Driving	<b>QAS:</b>	Qualification Assessment Specifications
<b>NCPDP:</b>	National Council of Persons with Physical Disabilities	<b>QCTO:</b>	Quality Council for Trades and Occupations
<b>NDP:</b>	National Development Plan	<b>QDP:</b>	Qualification Development Partner
<b>NEASA:</b>	National Employers Association of South Africa	<b>RFA:</b>	Road Freight Association
<b>NGO:</b>	Non-Governmental Organisation	<b>RPL:</b>	Recognition of Prior Learning
<b>NGP:</b>	New Growth Path	<b>RTMC:</b>	Road Traffic Management Corporation
<b>NLPE:</b>	Non-Levy-Paying Enterprise	<b>SAAFF:</b>	South African Association of Freight Forwarders
<b>NMU:</b>	Nelson Mandela University	<b>SAASOA:</b>	South African Associations of Ship Operators and Agents
<b>NOCC:</b>	National Occupational Curriculum Content	<b>SABEA:</b>	South African Bus Employers Association
<b>NQF:</b>	National Qualifications Framework	<b>SABOA:</b>	Southern African Bus Operators Association

<b>SACAA:</b>	South African Civil Aviation Authority	<b>SLA:</b>	Service-Level Agreement
<b>SACCAWU:</b>	South African Commercial, Catering and Allied Workers Union	<b>SMME:</b>	Small, Micro and Medium-Sized Enterprise
<b>SAEPA:</b>	South African Express Parcel Association	<b>SSACI</b>	Swiss-South African Cooperation Initiative
<b>SAIMI:</b>	South African International Maritime Institute	<b>SSP:</b>	Sector Skills Plan
<b>SAMSA:</b>	South African Maritime and Safety Authority	<b>STCW:</b>	Standards of Training, Certification and Watchkeeping
<b>SAMTRA:</b>	South African Maritime Training Academy	<b>TASWU:</b>	Tirisano Transport and Services Workers Union
<b>SANSBOC:</b>	South African National Small Bus Operators Council	<b>TAWUSA:</b>	Transport and Allied Workers Union of South Africa
<b>SANTACO:</b>	South African National Taxi Council	<b>TETA:</b>	Transport Education Training Authority
<b>SAQA:</b>	South African Qualifications Authority	<b>TLEA:</b>	Transport and Logistics Employers Association
<b>SARS:</b>	South African Revenue Service	<b>TOWU:</b>	Transport and Omnibus Workers Union
<b>SATAWU:</b>	South African Transport and Allied Workers Union	<b>TVET :</b>	Technical and Vocational Education and Training
<b>SBDS:</b>	Small Business Development Strategy	<b>UOFS:</b>	University of the Free State
<b>SCM:</b>	Supply Chain Management	<b>UIF:</b>	Unemployment Insurance Fund
<b>SD&amp;LP:</b>	Skills Development and Learning Programmes	<b>UKZN:</b>	University of KwaZulu-Natal
<b>SDA:</b>	Skills Development Act (97 of 1998)	<b>UNTU:</b>	United National Transport Union
<b>SDF:</b>	Skills Development Facilitator	<b>WCO:</b>	World Customs Organisation
<b>SDL:</b>	Skills Development Levies	<b>WIL:</b>	Work Integrated Learning
<b>SDLA:</b>	Skills Development Levies Act (9 of 1999)	<b>WLDP:</b>	Women on Leadership Development Programmes
<b>SETA:</b>	Sector Education and Training Authority	<b>WRP:</b>	Work Readiness Programme
<b>SIC:</b>	Standard Industrial Classification	<b>WSP:</b>	Workplace Skills Plan
<b>SITA:</b>	State Information and Technology Act (88 of 1998)		

## About this Report

This report documents activities undertaken by the Transport Education Training Authority (TETA) during the 2020/21 financial year to advance the objectives of the National Skills Development Plan (NSDP) 2030, through innovation, commitment and strategic implementation. Learning programmes were implemented in accordance with TETA Strategic Plan, which guides the organisation on a sustainable action plan to achieve long-term impact.

The report adheres to legislative requirements and integrates governance with financial performance in accordance with the King IV Code on Corporate Governance for South Africa.

## About TETA

TETA was established in terms of the Skills Development Act 97 of 1998 (SDA). It is a public entity that reports to the Minister of Higher Education, Science and Innovation. It operates under the oversight of National Treasury in terms of performance management and financial administration. TETA is a Sector Education Training Authority (SETA) responsible for skills development in the transport sector.

## TETA Primary Functions

- To develop a sector skills plan (SSP);
- To facilitate the development, registration and implementation of learnerships, skills programmes and strategic initiatives;

- To approve workplace skills plans (WSPs);
- To disburse grants to stakeholders; and
- To conduct quality assurance on education and training that falls within the scope of the sector.

## Eight TETA Subsectors

The transport sector is demarcated into eight subsectors, each falling under the relevant chamber responsibility, namely:



# Strategic Overview

## VISION STATEMENT

To be a visionary leader in skills development

## MISSION STATEMENT

To achieve the outcomes of the NSDP in support of the NDP in a sustainable manner

## VALUES

-  Trust
-  Respect
-  Responsibility
-  Accountability
-  Positive attitude
-  Commitment

## KEY STRATEGY DRIVERS

-  Economic Development
-  Industry Skills Needs
-  National Priorities
-  Transformation

# TETA Programme Alignment

## PROGRAMMES ALIGNMENT TO NATIONAL IMPERATIVES

Strategic Goals	Interventions
<i>Administrative support services</i>	<ul style="list-style-type: none"> <li>• Contract support services</li> <li>• Administration services</li> </ul>
<i>Skills planning and research</i>	<ul style="list-style-type: none"> <li>• Industry labour research</li> <li>• Impact studies</li> <li>• Sector skills planning</li> <li>• Research chair/collaborations</li> <li>• Research on the impact of the 4IR</li> </ul>
<i>Access to occupationally directed programmes</i>	<ul style="list-style-type: none"> <li>• Bursaries</li> <li>• Apprenticeships</li> <li>• Skills programmes</li> <li>• Learnerships</li> <li>• Internships/work experience</li> <li>• Small business support</li> </ul>
<i>Strengthening quality assurance systems</i>	<ul style="list-style-type: none"> <li>• TVET equipment</li> <li>• TVET and CET support</li> <li>• Assessor and moderator training</li> <li>• Accreditation</li> </ul>

### National Imperatives

NDP	MTSF	NSDP	Nine-Point Plan	SIPs	SONA June 2019
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# GOVERNANCE



**Mr Saki Tlou**  
*Interim Board  
Chairperson  
& Committee Chairperson*



**Mr Irvin Phenyane**  
*Board Member*



**Mr Hardhaw Tikum**  
*Board Member*



**Mrs Maphefo  
Anno-Frempong**  
*Chief Executive Officer*



**Ms Olivia Maponya**  
*Board Member*



**Mr Roland N. Setlako**  
*Board Member*



**Mr Matthew Ramosie**  
*Board Member*



**Mr Famanda Shirindza**  
*Chief Operations Officer*



**Ms Dina Maleka**  
*Board Member*



**Ms Nokuthula Sifunda**  
*Board Member*



**Ms Norah Munyai**  
*Board Member*



**Mr Simon Ndukwana**  
*Chief Financial Officer*



**Mr Solomon Mahlangu**  
*Board Member*



**Ms Zonke Cebekhulu**  
*Board Member*



**Mr Anele Kiet**  
*Board Member*



**Mr Ishmael Malale**  
*TETA Company Secretary*

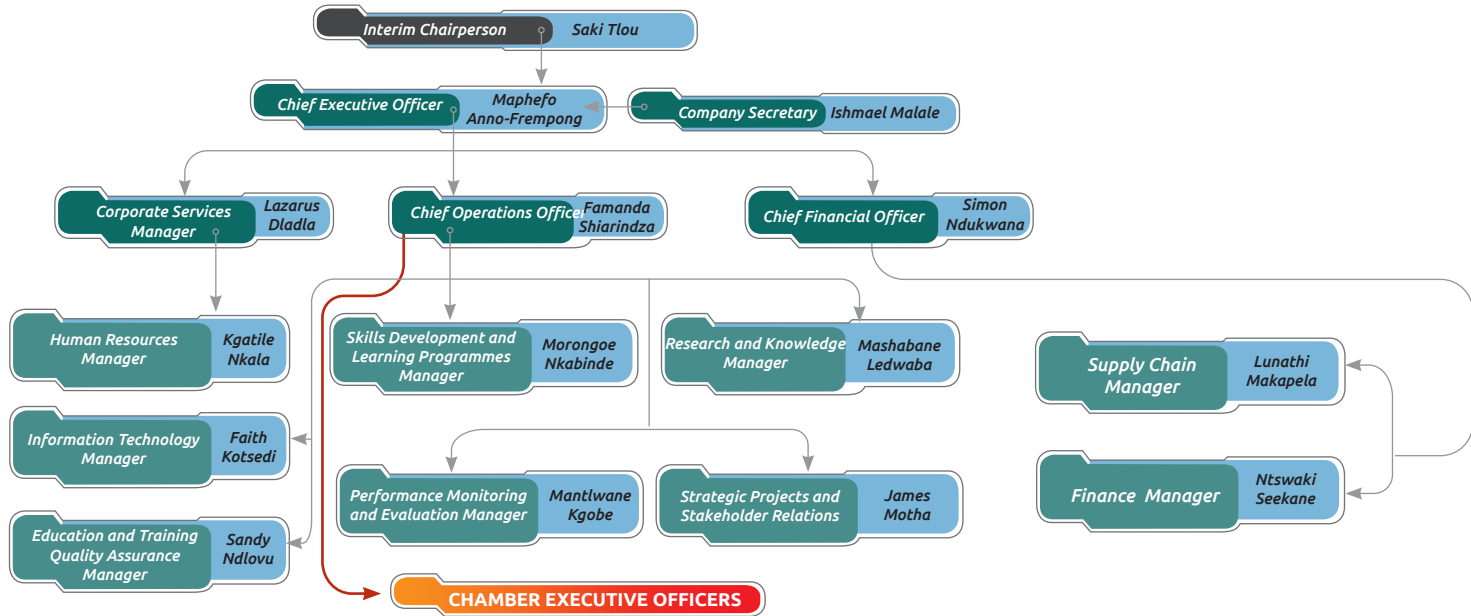


**Mr Fezeka Ntlemeza**  
*Board Member*



**Mr Wilfred Mogudi**  
*Board Member*

# TETA ORGANISATIONAL STRUCTURE



- Gaborone Lesito
- Dikeledi Mosalo (Acting)
- Shantal Ramawtwar (Acting)
- Victor Muhlberg

- Aerospace**
- Forwarding and Clearing**
- Freight Handling**
- Maritime**

- Kate Setjje
- Dikeledi Mosalo
- Ramodise Tsolo (Acting)
- Ramodise Tsolo

- Rail**
- Road Freight**
- Road Passenger**
- Taxi**





### Chairperson's **Foreword**

**Mr Saki Tlou**  
*Interim Board Chairperson*

The TETA Board presents the Annual Report for the 2020/2021 financial year to highlight the public entity's substantive performance and financial affairs as a crucial aspect of public accountability as contemplated in the Public Finance Management Act and concomitant regulations. The transport sector is the nucleus of the South African economy. It ensures the seamless movement of people, goods and services within the country and abroad via the multiple-model transport system. The sector endeavours to maintain its significant contribution to the GDP, thus expand the economy and produce job opportunities for the economically active population, especially the youth who are the most afflicted by the trilogy of poverty, unemployment and inequality.

In this connection, the TETA Board identified five strategic priorities to inform the TETA business strategy. The five priorities are Small, Micro and Medium-sized Enterprise development, taking advantage of opportunities spawned by the 4th Industrial Revolution, ensuring support for Technical, Vocational Education and Training Colleges, positioning the transport sector for Africa free trade and engendering transformation of the transport sector.

In the quest for realising these objectives, TETA forged collaborations with industry players, such as Take-a-lot and Uber Eats, to create job opportunities for young parcel delivery operators. Moreover, TETA identified

and supports a centre of specialisation for the production of apprentices and recruitment of college graduates for cultural exchange programmes in China. We have students studying maritime education at the World Maritime University in Sweden. TETA management continues to undertake extensive stakeholder engagements to highlight our priorities and gain feedback on our projects from stakeholders.

I would like to express the profound commendation of the TETA Board to TETA Executive Management and the entire workforce for their industry and dedication to the strategic agenda of the organisation, exemplified by remarkable substantive

performance in attaining targets set out in the social compact concluded with the Department of Higher and Training (DHET), TETA Strategic Plan and Annual Performance Plan. The Board also wishes to express its profound gratitude to the former chairperson, Mr Samuel Zungu, for his visionary leadership during his tenure and wish him well in his new responsibilities. The Board works effectively as a solid, dynamic force committed to skills development in the transport sector.

We are proud that the organisation received its second clean audit from the Auditor General of South Africa. This sets high standards for the organisation and we must always strive for excellence in executing our functions and responsibilities. We would like to express our appreciation to the Audit and Risk Committee, the Department of Higher Education and Training and the Portfolio Committee for Higher Education and Training for their oversight of the entity. We wish all good health amid the global health pandemic.



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**Mr Saki Tlou**

*Interim TETA Board Chairperson  
Transport Education Training Authority*

*We would like to express our appreciation to the Audit and Risk Committee, the Department of Higher Education and Training and the Portfolio Committee for Higher Education and Training for their oversight of the entity. We wish all good health amid the global health pandemic.*





## Chief Executive Officer's Overview

**Mrs Maphefo Anno-Frempong**  
*Chief Executive Officer*

This is the Transport Education Training Authority (TETA) Annual Report for the financial year 2020/21. It details our performance results, as audited by the Auditor-General of South Africa (AGSA), and focuses on the outputs of our Annual Performance Plan (APP) 2020/21. It also outlines our financial and non-financial performance, highlighting our risk management, governance and human resources practices, among others.

Over the years, TETA has taken recommendations from its independent assurance providers seriously in order to improve internal controls and avoid the recurrence of internal and external audit

findings. After 13 years of consecutive unqualified audit opinions, I am pleased that the Auditor-General rendered a clean audit opinion for the 2019/20 and 2020/21 financial years. On the Audit of Predetermined Objectives (AoPO) findings, TETA has managed to improve the quality of performance reporting.

TETA has a risk management policy and strategy reviewed and approved by the Audit and Risk Committee and the TETA Board annually. The risk management policy and strategy inform TETA risk assessments conducted quarterly by the Internal Fraud Prevention and Risk Management Committee, which comprises executives and business unit managers. An

annual assessment is also performed upon completion of the internal and external audits. To remain relevant in discharging its mandate and ensure that management and the Board make informed decisions, the SETA's research arm provides the necessary support by conducting a number of studies. One of the studies conducted tested the readiness of our programme-implementing partners during the higher levels of lockdown. The outcomes of the research allowed TETA to prioritise the supply of personal protective equipment (PPE) for more than 5 000 beneficiaries, including taxi drivers and learners from Gauteng, KwaZulu-Natal (KZN) and the Free State provinces.

The SETA further distributed more than 7 000 PPE materials and 5 363 tablets to grade 12 learners from 54 adopted schools across the nine provinces of South Africa. Also, 301 bursaries were awarded to deserving learners entering the post-school system covering various qualifications and opportunities within the transport sector.

It gives us great pleasure to note that in their evaluation of the TETA SSP for 2020/21, the DHET awarded a score of 93%, which shows that we are on the right path in contextualising our working environment. Our SSP informs how we craft our strategy and annual performance. It is worth noting that our annual performance has improved significantly from 56% in 2018/19 to 82% in the year under review. This is testament to good working relations between management, board, staff and stakeholders.

While charting the course to increased productivity, we continue tracking performance indicators and ensuring that our performance monitoring and evaluation systems are on par with the broader objective of servicing our stakeholders and impacting our beneficiaries.

Our stakeholder relations are core to our

strategy as an institution. Though physical contact was limited during the year under review, TETA managed to conduct virtual stakeholder engagements for skills development facilitators, quality assurance providers, contract management, mandatory grants (MGs) and discretionary grants (DGs), covering all affected stakeholders within the sector. The broad stakeholder engagement sessions for heads of industry were also held virtually, attracting more than 1 000 delegates in various sessions.

It is worth noting that, in the year under review, our educational training and quality assurance processes recorded remarkable achievements against our planned targets, including:



During the year under review, TETA continued to expand on its commitment to address

issues of transformation in industries such as maritime through a well-coordinated inaugural maritime economy skills summit. At the summit, TETA was able to assemble all role players within the maritime sector to devise implementable programmes, address transformation, and unleash the potential of our oceans. A few strategic partnerships have arisen from this intervention and are being rolled out in different phases across the industry.

Our social responsibility programmes continue to be a cornerstone and brand touchpoint that resonates well with our communities. During the year under review, TETA embarked on a number of HIV/AIDS campaigns impacting more than 100 000 patrons in South Africa through various mediums including digital, broadcast and physical activations across the digital, hybrid and broad media spectrum.

Collaboration with strategic partners, such as the Department of Health, Department of Transport, taxi associations and the general public, to roll out a multidisciplinary road safety campaign across KZN, Mpumalanga and Gauteng proved to be a great success. The road safety campaign

impacted more than one million patrons across various platforms, including national media and taxi ranks. This approach allowed mobile clinics to be stationed at taxi ranks and other identified activation sites as the programme moved from one area to another, performing safe circumcisions as well as HIV and other health tests to ensure healthy living among road users. Digital campaigns on safety, notably 'Qaphela Road Safety Campaign', attracted traffic on all social media platforms, increasing talkability, and sharing voices on various media platforms.

Our foresight as a SETA suggests a diversified approach in how the taxi industry operates. The introduction of a new revenue stream through parcel delivery services indicates our commitment to see a more professionalised and formalised business model within the taxi industry.

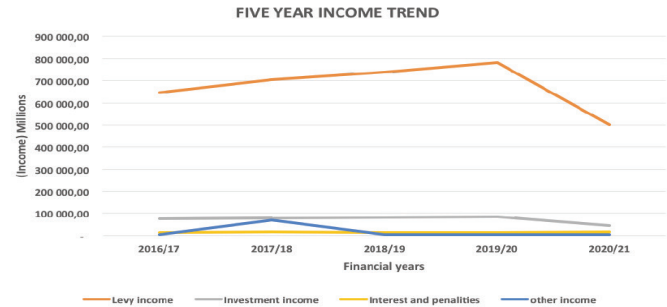
### General financial review of the public entity

The financial outcomes of 2020/21 indicate the challenges that our economy faces and the declining levy income as a result of the COVID-19 pandemic. However, some employer stakeholders in the transport sector continue to provide support by paying levies in spite of the economic challenges.

TETA management has adopted a prudent and moderate framework on the use of funds, while remaining innovative in pursuing programmes that reduce costs through economies of scale.

Towards the end of the financial year, TETA responded to the President's call for an Economic Recovery Plan, with projects approved that create employment opportunities through SMME development.

The table below depicts the COVID-19 pandemic impact on levy income;



### Financial analysis summary

- i) Total revenue decreased by R321 million, which translates into a 37% relative decrease compared to the 2019/20 financial year. This is due to the decrease in levy income of R282 million and the COVID-19 pandemic that resulted in companies shutting down or retrenching employees;
- ii) Expenditure on MGs and DGs and administration expenses decreased by R94 million, or 12% compared to the previous year;
- iii) Expenditure as a percentage of revenue was 127%, an increase compared to 92% for the previous financial year as a result of a R58 million Unemployment Insurance Fund (UIF) bad debt write-off;
- iv) The Administration budget was 15%, which is above the legislated 10.5% administration cost ceiling. TETA obtained approval from the Minister of Higher Education, Science and Innovation to exceed the 10.5%, in light of the impact of COVID-19;
- v) The total assets balance decreased by R189 million as a result of a bank

balance decrease of R150 million and DG receivables of R39 million due to a bad debt write-off on UIF debt relative to the prior year;

- vi) Total liabilities decreased by R33 million as a result of a DG creditors decrease of R25 million as at 31 March 2021; and
- vii) The MG payout ratio remained at 82% compared to the prior year.

Based on the financial analysis, TETA would like to highlight the following areas of improvement:

- The DG spend decreased from R559 million in 2019/20 to R523 million in 2020/21, a decrease of R36 million or 6% year-on-year; and
- TETA management is working closely with stakeholders to identify problems in contract completions and expedite skills development contracts.

To improve the impact of our interventions in the skills development space for the transport sector, TETA continues to work on a multi-year funding principle to ensure continuity and traceability for the interventions being funded.

### **Capacity constraints and challenges facing the public entity**

The year under review changed the context of our working environment and forced institutions like ours to fast track the transition to a more digitised work space. The COVID-19 lockdown forced employees to work from home, and our personnel needed to be capacitated with the necessary skills to manage the transition from office to home. The institution needed to respond with agility and improve its technological capacity to cater for the increased workload while working from home. Our ICT infrastructure carried us through amidst a myriad of challenges. Our digital communication strategies created during the first quarter of 2020 allowed TETA resources to be adequately deployed to assist the industry and continue with the SETA mandate while ensuring the safety of its personnel.

COVID-19 had a direct impact on our staff. We lost four of our staff members, and many families were left destitute. TETA management and the Board came up with mitigating solutions to ensure that the financially constrained workforce does not struggle with a lack of access to adequate healthcare

facilities as the country's health system is being stretched beyond its capacity. During this trying time, the Board and management approved a medical subsidy for employees to mitigate the risk posed by the pandemic and the increased medical bills for many employees.

### ***Discontinued key activities or activities to be discontinued***

TETA did not discontinue any operations or activities during the 2020/21 financial year, despite the COVID-19 lockdown restrictions. The operations of the organisation remained the same except for a minor change in how we implement certain interventions to abide by the lockdown regulations.

### **New or proposed key activities**

The economic downturn brought by the pandemic has necessitated the organisation's support for national priorities such as the Economic Stimulus Programmes as well as the Economic Reconstruction and Recovery Plan in the execution of its mandate. These programmes are aimed at supporting training for skills that are immediately required in the industry to revive economic activities.

The training on motorbike licenses and new venture creation respond to the opportunities presented by the need for home deliveries within the retail and food sector.

The transport sector has been hard hit by the pandemic, which resulted in many company closures and retrenchments as businesses were unable to cope. TETA is intensifying efforts to support companies that are retrenching employees through the Temporary Employee Relief Scheme with regards to re-skilling employees and training for entrepreneurship.

There is an emerging risk brought about by the social unrest, i.e. looting. The impact of the social unrest places further strain on the transport sector and will result in a decrease in levy income received from affected stakeholders. However, TETA is proactively assessing and addressing the impact of the risk to ensure that we deliver on our skills development mandate.

### *Requests for roll over of funds*

TETA has a surplus of R58m of uncommitted funds for for the year ended 31 March 2021. TETA has requested rollover of these funds from National Treasury in terms of Section 53(3)

of the Public Finance Management Act (Act No. 1 of 1999) (PFMA).

### **Supply chain management**

TETA has complied with National Treasury Regulation 16A4.1 by establishing a Supply Chain Management (SCM) unit under the office of the Chief Financial Officer (CFO). TETA subscribes to the principles of a procurement and provisioning system that is fair, equitable, transparent, competitive and cost-effective, as enshrined in Section 217 of the Constitution of the Republic of South Africa (1996) and Section 51 of the PFMA. We are committed to ensuring maximum value for money through our procurement processes.

TETA continues to discourage engagements in unsolicited bids procurement processes and has not had any of such procurement during the year under review. TETA follows competitive processes in the invitation for quotations and bids, and any unavoidable deviations are approved in line with SCM legislation.

TETA is at a mature stage in its SCM processes, with an SCM policy aligned to new legislative requirements and we have achieved a level 2

BBBEE rating in the year under review. TETA SCM processes have evolved over the years, and we are proud to state that the SCM unit has achieved a clean audit with no findings for two years in a row since the 2019/20 financial year. It is our desire to continue on this trajectory.

### *Plans to address financial challenges*

TETA has undertaken an aggressive strategy to empower entities in the transport industry through the economic recovery project, skills development, and linking to the markets. A substantial amount of funding is being invested to ensure that SMMEs are trained and linked to suppliers in the logistics value chain. This is creating jobs and establishing businesses for aspiring entrepreneurs. Partnerships with Takealot and Uber Eats for delivery services has seen close to one thousand entities being capacitated.

### **Events after the reporting date**

There was no significant event after the balance sheet date, except for the social unrest in KZN and Gauteng in July 2021. We envisage that these riotous attacks on our logistics, warehousing and trucking stakeholders will



result in lower levies for the subsequent financial year (2021/22), as retrenchments and job losses are inevitable.

### Economic Viability

As a result of COVID-19, TETA received lower levies than anticipated. A deficit of R157 million and a cumulative surplus of R58 million were recorded for the year ended 31 March 2021. TETA is expected to continue as a going concern as the South African economy is recovering. TETA is engaging stakeholders on economic recovery projects within the transport sector. We anticipate that the economy will continue to recover during the 2021/22 financial year.

### Acknowledgement

TETA management would like to express appreciation for the contributions of employer stakeholders, training providers, service providers, and TETA staff towards skills development during the COVID-19 pandemic. It is through you that TETA has once more been afforded the opportunity to shine amidst adversity. Conducting training, moderation, monitoring and certification during the COVID-19 pandemic has been made possible through your sacrifices and passion for skills development. For the 2020/21 financial year, TETA received a clean audit opinion. This is the second consecutive clean audit opinion

by AGSA, after a 13-year streak of unqualified audit opinions. Evidently, TETA has improved remarkably in its financial and performance management and reporting.



**Mrs Maphefo Anno-Frempong**  
*TETA Chief Executive Officer*

**13** years of **Unqualified Audit** **OPINION**

clean audit opinion for the 2020/21 financial year

The graphic features the number '13' in a large, bold, blue-to-green gradient font. A diagonal line cuts through the '3'. To the right of the '13', the text 'years of Unqualified Audit OPINION' is displayed in a bold, black, sans-serif font. Below this, an orange rectangular box contains the text 'clean audit opinion for the 2020/21 financial year' in white, sans-serif font.

*TETA management appreciates the contribution of the employer stakeholders, training providers, service providers and TETA staff, towards skills development during the COVID-19 pandemic.*

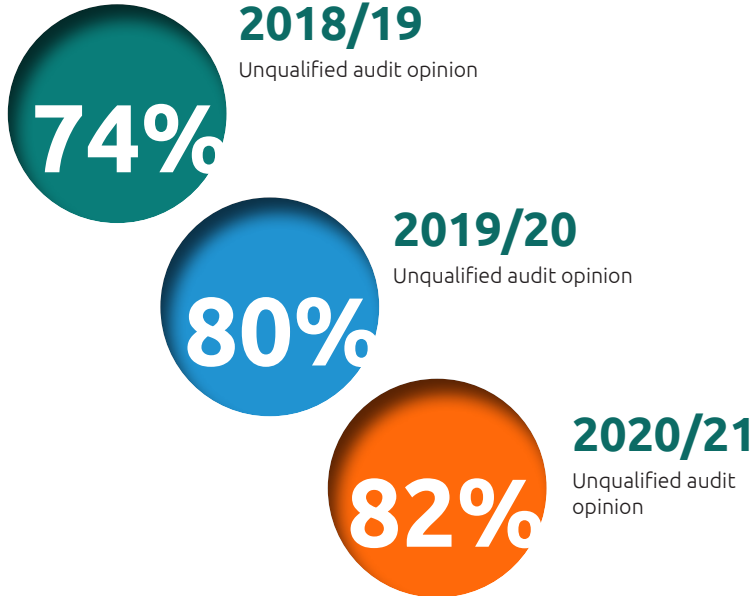
# PERFORMANCE AGAINST STRATEGIC GOALS



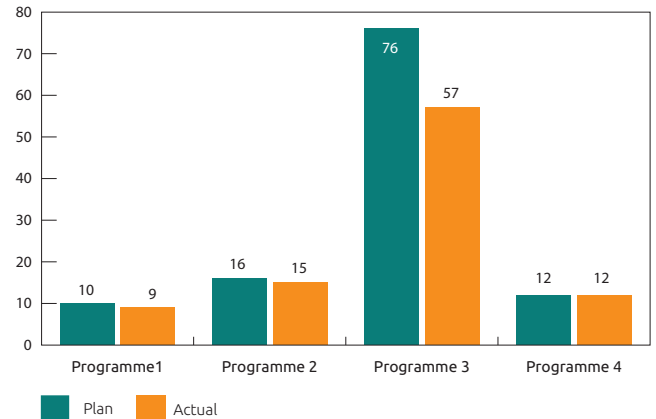
# Performance Against Strategic Goals

## Auditor-General (AGSA) Opinion on performance information

### Organisational Performance with Related Audit Opinion 3-year trend



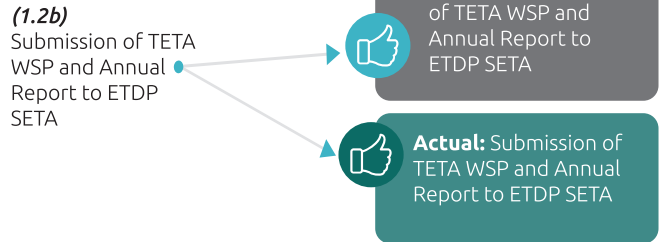
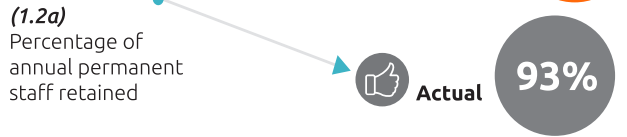
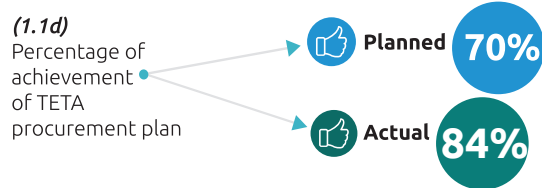
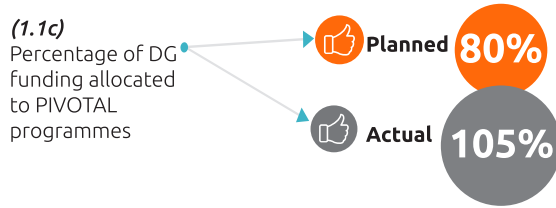
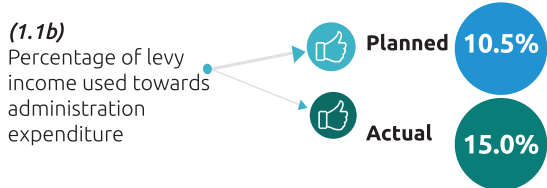
Performance Summary Per Programme



# Programme 1: Administration



Administration



## Programme 1: Administration



# Administration



(1.2c)  
Number of wellness activities conducted

Planned

4

Actual

5

(1.3)  
Percentage availability of ICT systems achieved

Planned

80%

Actual

99%

(1.2d)  
Number of stakeholder satisfaction survey conducted

Planned

2

Actual

2

(1.4)  
Number of TETA satellite offices opened

Planned

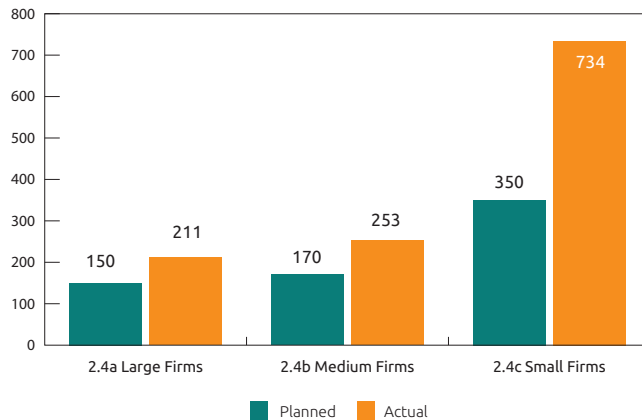
1

Actual

2

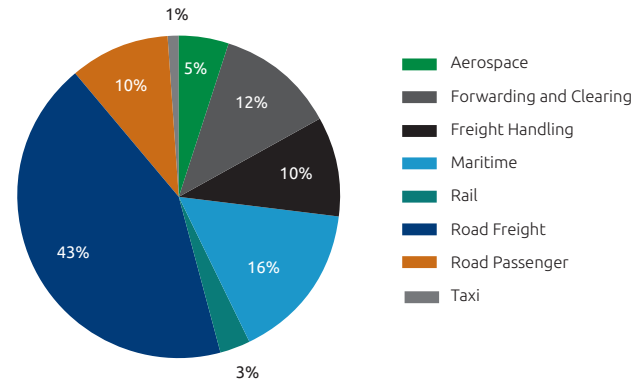


# SKILLS PLANNING AND RESEARCH



Due to stakeholder capacity building workshops and additional support offered, MG targets were met. The strategy for targeting non-participating companies also contributed to increased MG participation from small companies.

### Mandatory Grant Application by Chamber

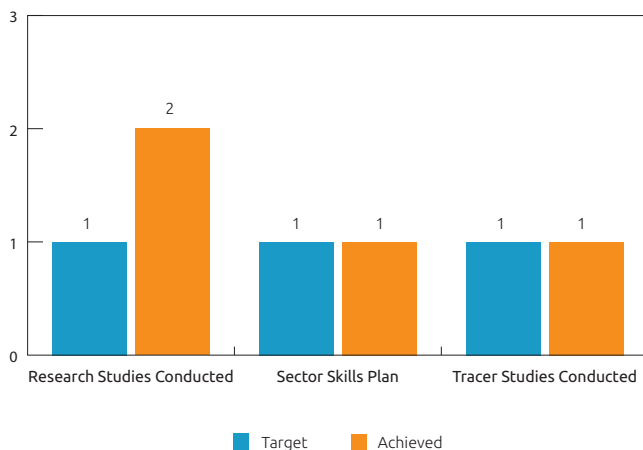


Participation levels increased compared to the previous financial year, especially for road passenger, freight handling and road freight chambers. The MG increase was due to the strategy TETA embarked on to target and approach non-participating companies.

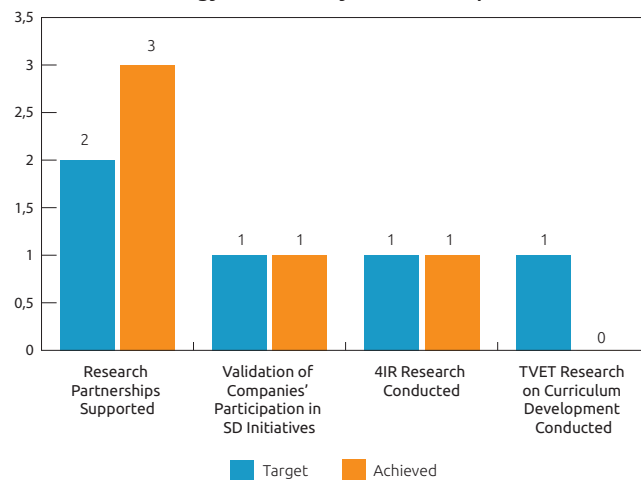


# SKILLS PLANNING AND RESEARCH

Research Strategy and Industry Research Implementation



Research Strategy and Industry Research Implementation



The SLA to assist in rolling out the TVET Research Curriculum Development Target was signed towards the end of the financial year. Thus, the indicator will be achieved in the 22/23 financial year.

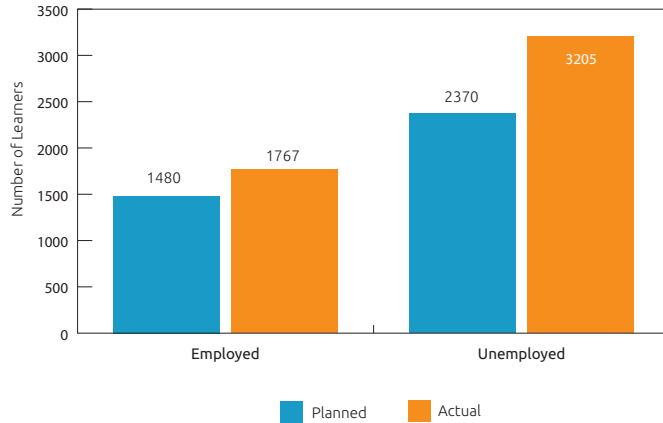


# Programme 3: Access to Occupationally Directed Programmes

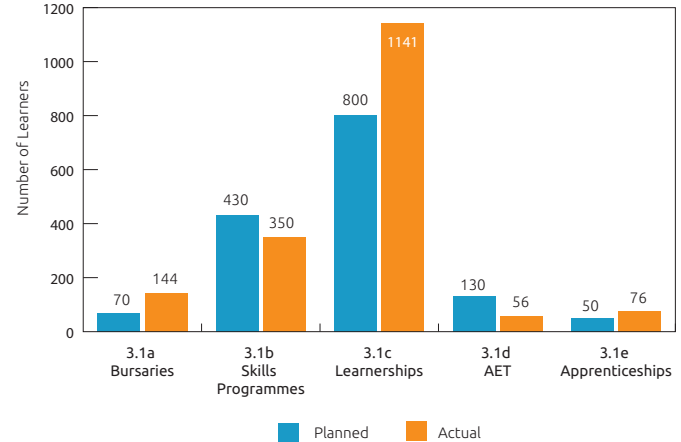


## ACCESS TO OCCUPATIONALLY DIRECTED PROGRAMMES

### Learners on Occupationally Directed Programmes



### Employed Learners – Occupationally Directed Programmes



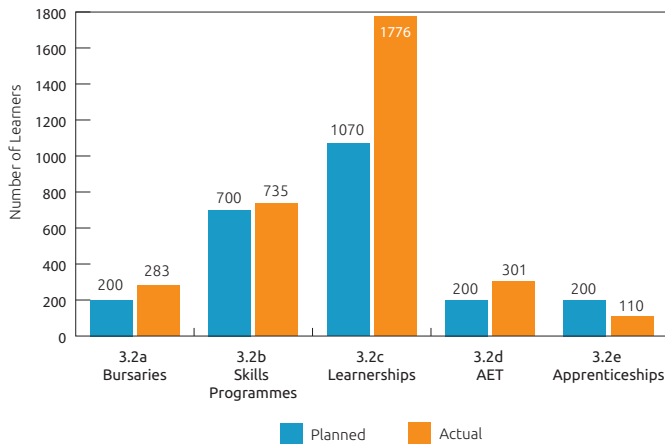
Enrolments for learnerships, apprenticeships and bursaries falling under occupationally directed programmes consistently exceeded the planned targets due to commitments from prior year that were implemented and paid in the current financial year. Late implementation of contracts due to the national lockdown resulted in performance shortfalls in skills programmes and AET.

## Programme 3: Access to Occupationally Directed Programmes



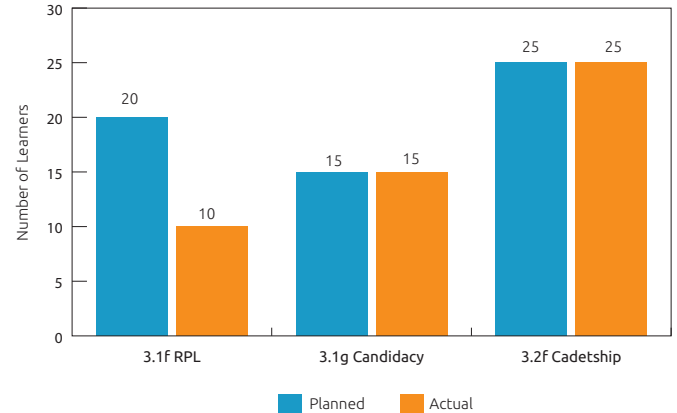
### ACCESS TO OCCUPATIONALLY DIRECTED PROGRAMMES

#### Unemployed Learners – Occupationally Directed Programmes



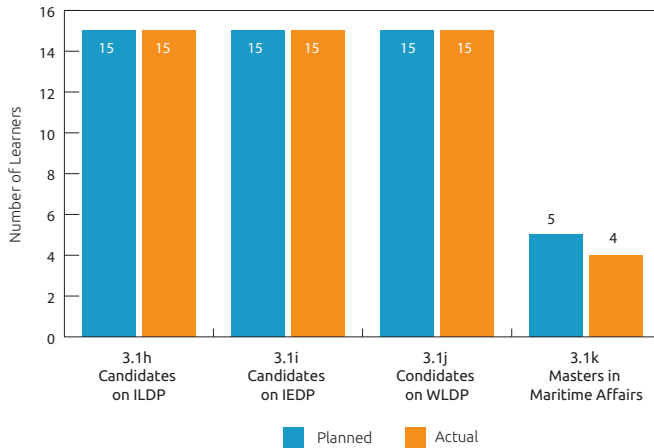
Over-achievement of targets was due to commitments from prior year that were implemented and paid in the current financial year. Late implementation of contracts due to national lockdown resulted in performance shortfall for unemployed apprenticeship.

#### Learners Enrolled on On-the-job Skills Recognition Programmes



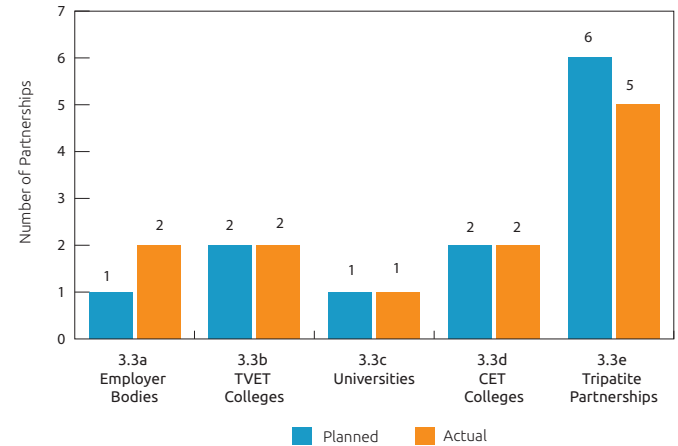
Late implementation of contracts due to national lockdown resulted in performance shortfall for RPL.

### Enrolments on Leadership Development Programmes



The under-achievement of candidates for Masters in Maritime Affairs is due to the withdrawal of one candidate and the inability to secure a replacement timeously.

### Partnerships Successfully Signed



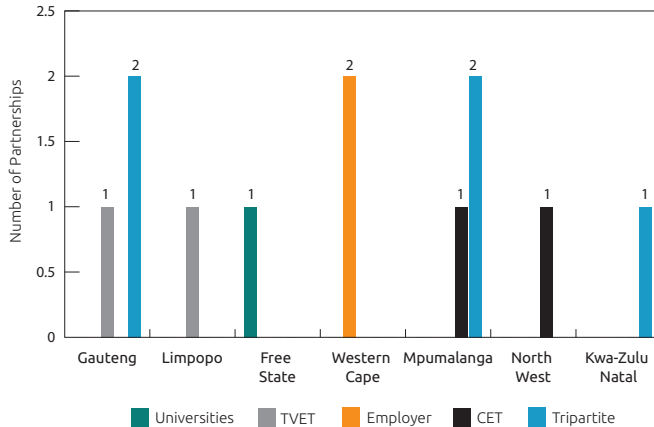
Over-achievement in partnerships with employer bodies is due to the implementation of the District Model initiative that TETA supported.

# Programme 3: Access to Occupationally Directed Programmes

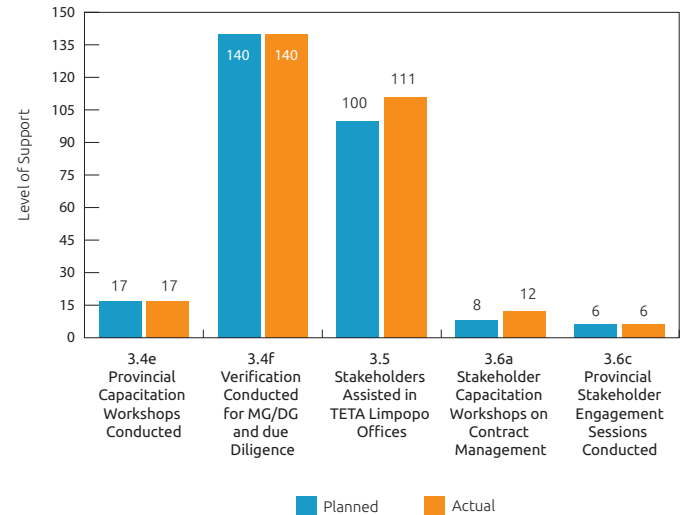


## ACCESS TO OCCUPATIONALLY DIRECTED PROGRAMMES

Partnerships Successfully Signed Per Province



Stakeholder Support Interventions Implemented



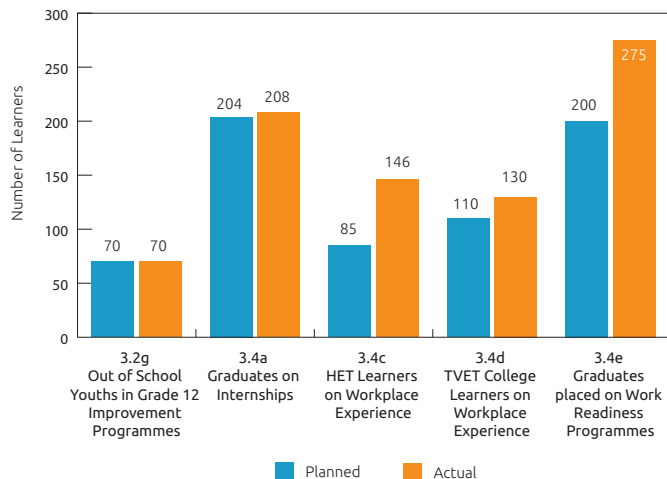
Over-achievement in Limpopo recorded as a result of increased visibility and stakeholder awareness. Furthermore, increased workshops to capacitate stakeholders on new reporting processes and their impact on contract management processes justifies the spike in stakeholder capacitation.

# Programme 3: Access to Occupationally Directed Programmes



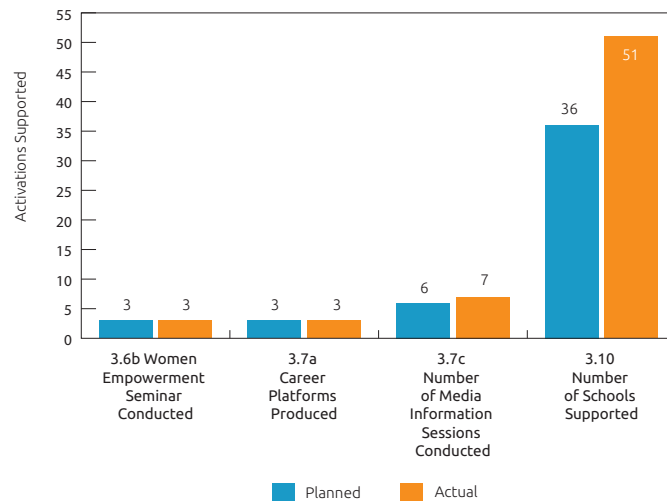
## ACCESS TO OCCUPATIONALLY DIRECTED PROGRAMMES

### Learners and Graduates Placed on Workplace-based Training

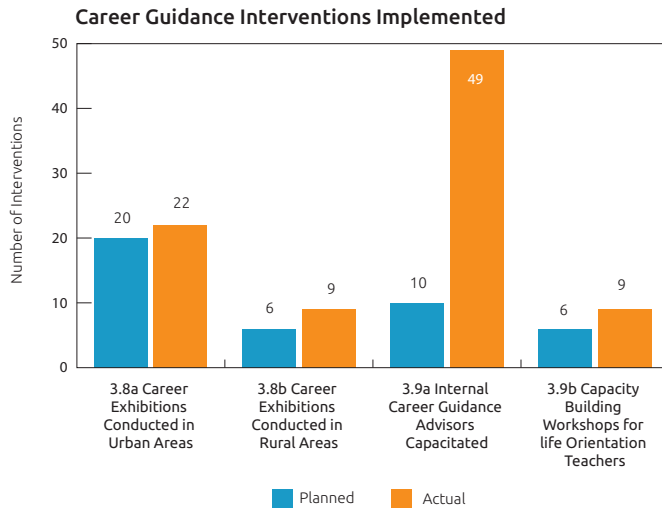


Over-achievements for graduates placed on HET, TVET colleges and work readiness programmes were due to commitments from prior years that were paid for and reported in 2020/21.

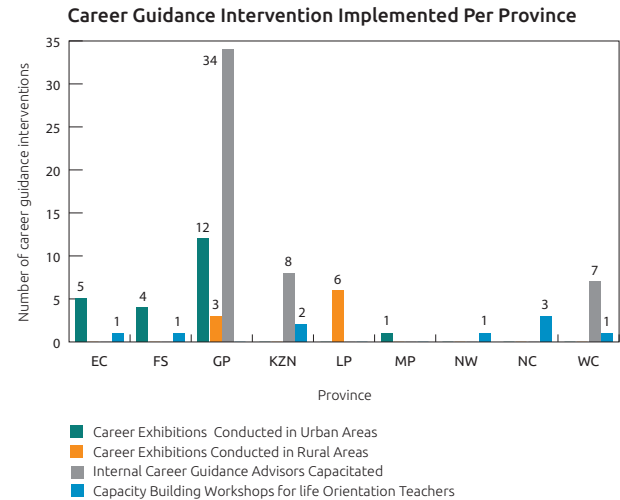
### Media and Empowerment Activations Supported



Schools supported over-achievement is due to COVID-19 target adjustment; however, there was a need to support all adopted schools with online learning materials.



Over-achievement on career exhibitions was due to ad-hoc invitations that TETA supported.

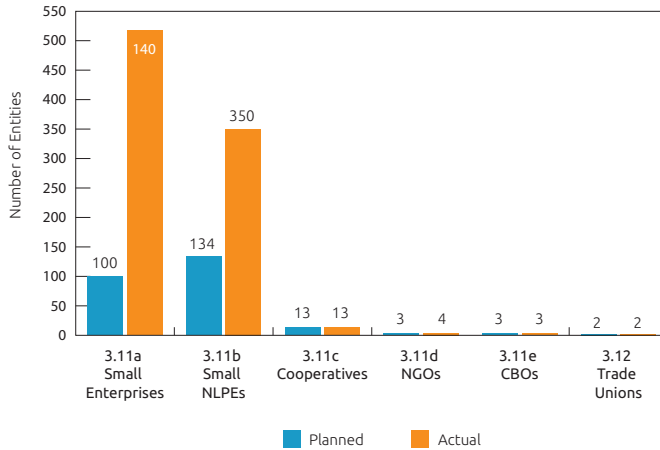


# Programme 3: Access to Occupationally Directed Programmes



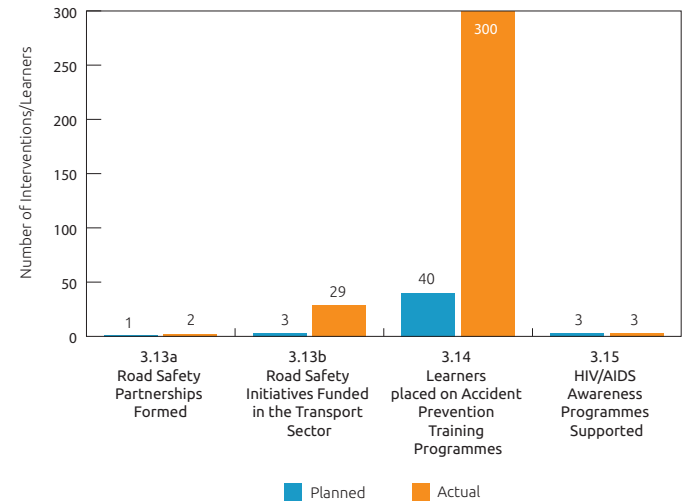
## ACCESS TO OCCUPATIONALLY DIRECTED PROGRAMMES

### Small Business Support



Small business support continues to be a strategic tool to ensure entrepreneur growth to dent high levels of unemployment.

### Road Safety and HIV/AIDS Interventions Implemented



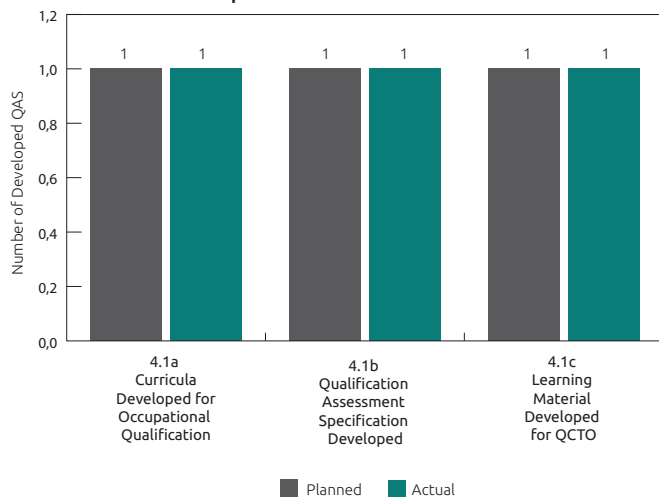
The year under review saw the conclusion of road safety awareness MoUs and related contracts with strategic stakeholders. For learners placed on accident prevention training programmes, a partnership with a stakeholder on the training of traffic officers resulted in over-achievement.



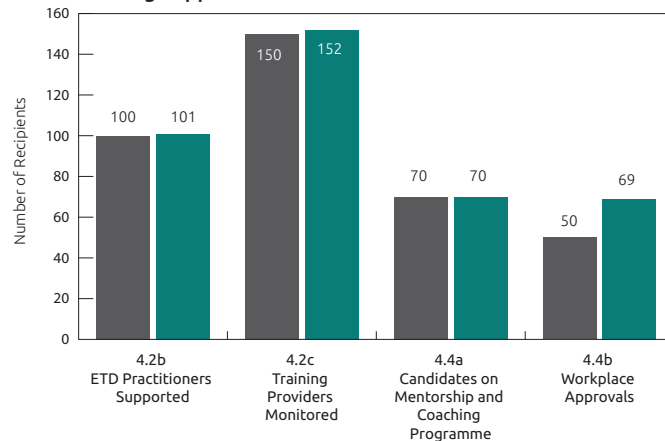


## QUALITY ASSURANCE SYSTEMS

**Occupational Qualification, QAS Addenda and Learning Materials Developed**



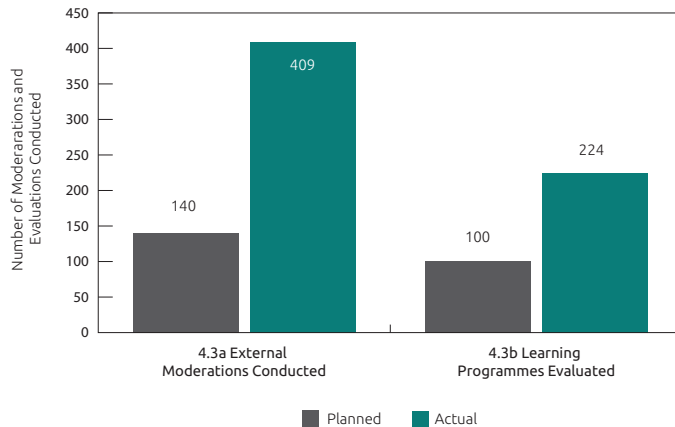
**Accreditation to Offer Workplace and Practical Training Supported**



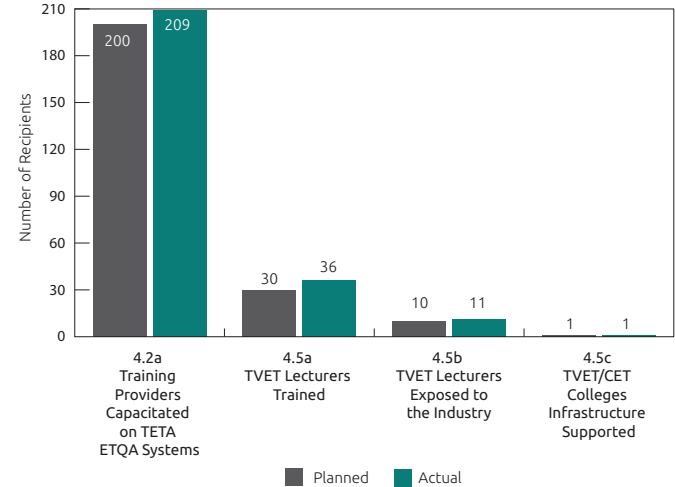


## QUALITY ASSURANCE SYSTEMS

Number of Moderations and Evaluations Conducted



Capacitation of Stakeholders and Strategic Partners on TETA ETQA Systems



Increased moderation visits conducted and increased demand from training providers resulted in over-achievement.

# Completions for the 2020/21 Learning Programmes

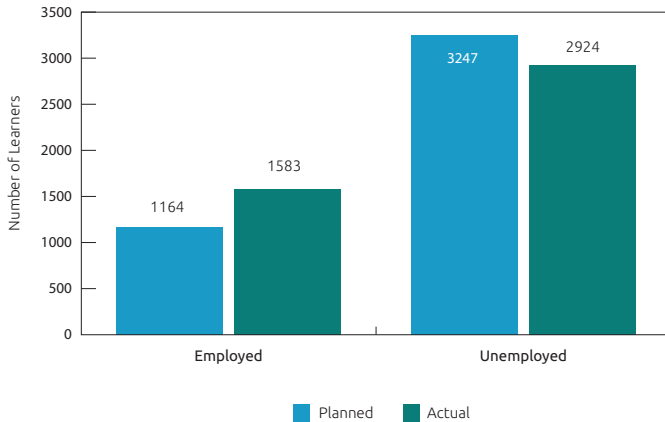


# Completions For the 2020/21 Learning Programmes

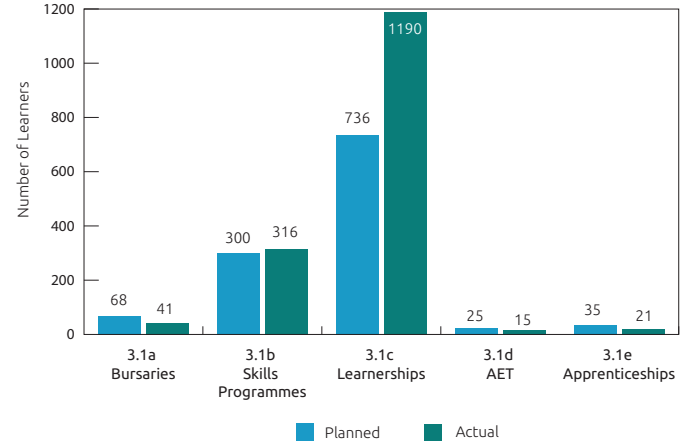


## COMPLETIONS FOR THE 2020/21 LEARNING PROGRAMMES

Completions: Learners on Occupationally Directed Programmes

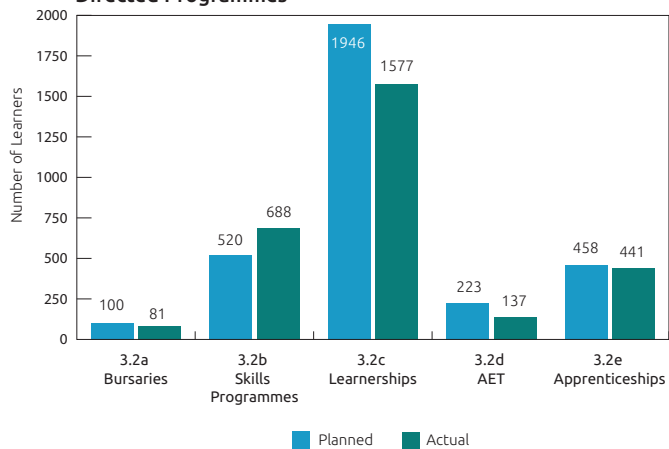


Employed Learners Completed – Occupationally Directed Programmes



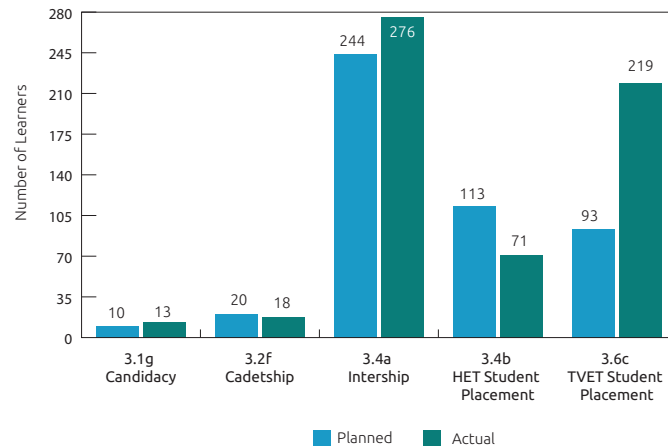
Employed persons on bursaries and AET learners take comparatively longer to finish their qualifications, hence the low number on completions. Skills programmes and learnership over-achievement is due to claims paid and reported in the current year for contracts committed to in prior years.

### Unemployed Learners Completed – Occupationally Directed Programmes



Late implementation of contracts due to lockdown restrictions affected moderation and timely completion of learning programmes; hence the targets were not achieved.

### Learners Supported Through On-the-job Skills Recognition and Work Placement



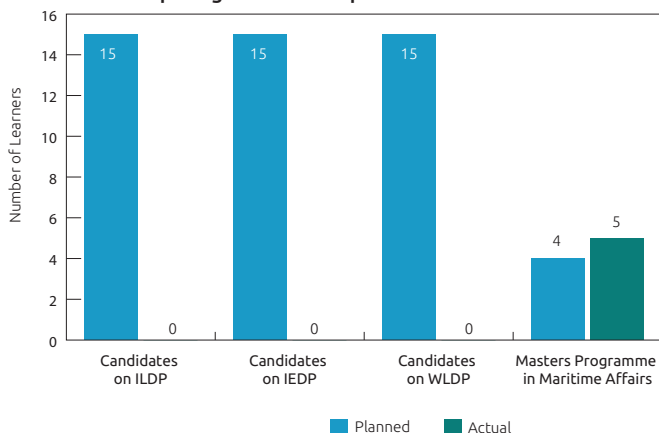
Over-achievement on internship and TVET student placement was due to claims paid and reported in the current year for contracts committed to in prior years. Non-entry of HET students in the previous year resulted in non-achievement of the target in the current year.

# Completions For the 2020/21 Learning Programmes



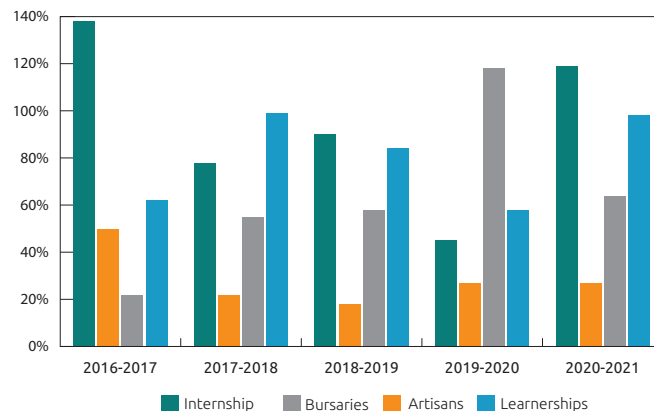
## COMPLETIONS FOR THE 2020/21 LEARNING PROGRAMMES

### Leadership Programmes Completed



Covid 19 and international travel restrictions has affected completions within the reporting year for leadership development programmes.

### Throughput Analysis Entered vs Completed



Throughput between the targets entered and completed has improved year-on-year from 61% in 2016/17 to 76% in 2020/21 with fluctuations between the years across interventions. The average increase in the throughput rate was mainly due to adjusted entered targets in the current year while bursaries remained constant.

## Three-Year Trend of Unachieved Targets



### THREE-YEAR TREND OF UNACHIEVED TARGETS

<i>PERFORMANCE INDICATORS</i>	<i>2018/19</i>	<i>2019/20</i>	<i>2020/21</i>
AET Employed Entered	Achieved	Not achieved	Not achieved
Number of Learners on RPL Programme	Not achieved	Achieved	Not achieved
Bursaries Employed Completed	Not achieved	Not achieved	Not achieved
Apprenticeship Employed Completed	Not achieved	Not achieved	Not achieved
HET Workplace Experience Unemployed Completed	Not achieved	Not achieved	Not achieved
Bursaries Unemployed Completed	Not achieved	Not achieved	Not achieved

Draft

# Annual Performance Plan 2022/23

(Budget allocations)





# Annual Performance Plan 2022/23 (Budget allocations)



## Annual Performance Plan 2022/23

### Draft Annual Performance Plan 2022/23 (Budget allocations)

STRATEGIC GOALS	2021/22	2022/23	% BUDGET CHANGE	COMMENT ON VARIANCES
Administration	R2 512 000	R500 000	80%	Satellite offices not prioritised in 22/23 FY due to operational reasons. Most of the indicators in programme 1 will be funded from the 10.5% administration budget
Skills planning and research	R13 297 646	R12 484 837	6%	Slight budget decrease subsequent to COVID-19 impact – SETA revenue decline
Learning programmes and projects	R423 322 949	R470 297 327	11%	Increased budget due to increase in the funding framework for some interventions
Quality assurance systems	R54 657 432	R46 828 750	14%	Reduced targets resulted in a decrease in budget.
<b>Totals</b>	<b>R493 790 027</b>	<b>R533 907 840</b>	<b>8%</b>	Net increase of the budget in line with comments above

# FINANCIAL REPORT SUMMARY

*Financial Year 2020/21*





## Auditor General Report

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### AGSA Opinion

- “In my opinion, the financial statements present fairly, in all material respects, the financial position of TETA as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the PFMA.”
- For the thirteenth consecutive years TETA received unqualified audit opinion for the 2020/21 financial year. TETA also received a clean audit for the second consecutive year which is a significant milestone.
- TETA management would like to thank TETA staff and stakeholders for the consistent work well-done as depicted by the financial and performance audit results.
- On performance information the programmes audited were also unqualified.

**13** years of  
**Unqualified Audit**  
OPINION **clean audit opinion for the 2020/21 financial year**

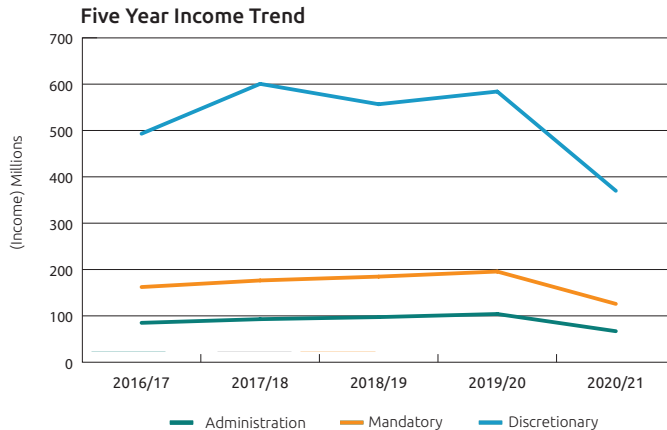
# FINANCIAL HIGHLIGHTS



## FINANCIAL HIGHLIGHTS

- Total revenue decreased by R321m. This was due to the four-months payment holiday announced by the President at the beginning of COVID-19 pandemic in March 2020. This decrease in levy income translates into a negative growth of 36% compared to the 2019/20 levy income.

### NSDS III: Grant Change Impact



- It is imperative to note that stakeholders have been affected by of SDL interest and penalties as they try to manage their cash flows in the challenging economic environment.
- DG expenditure was R523m for the 2020/21 financial year from, a 7% decrease from R559m in 2019/20 due to COVID-19 non-activity in the economy.

New grant regulations were introduced during NSDS III, effective 1 April 2013, with the following implications:

- 29.5% additional DG funding;
- 30% decrease in MG funding; and
- The increase in DG budget made it possible to fund more and larger projects.

The graph depicts the impact of the changes on TETA income.

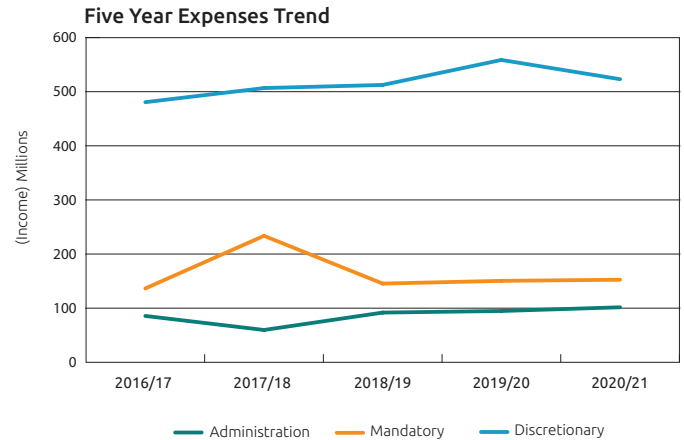
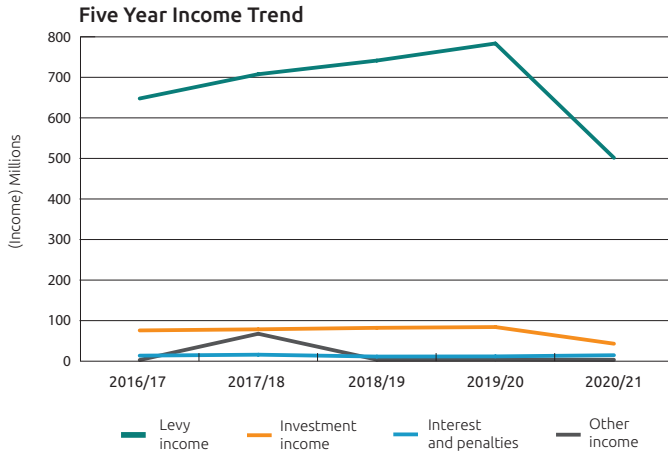
Over the five-year period, income allocated towards DG projects decreased from R740m to R564m.

# FINANCIAL HIGHLIGHTS

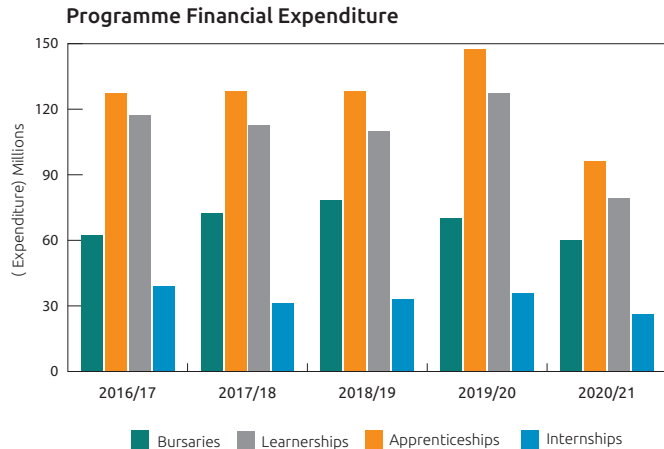


## FINANCIAL HIGHLIGHTS

### NSDS III: Expenditure Trends



- This trend is directly proportional to the income trends
- Investment in high-impact and high-value projects with economies of scale followed increase in DG funding; and
- Over the period of five years TETA spent about R2,581b on discretionary projects and a significant proportion (65%) or R1,684b was paid towards PIVOTAL programmes with a qualification focus.



There was refocus to funding qualification driven skills interventions as follows:

- NSDS III encouraged SETAs to fund qualification-bearing PIVOTAL programmes;
- Over the past seven years, TETA has been funding apprenticeships, learnerships and bursaries on a multi-year funding model. This in turn, enabled improved traceability of learners and project impact, year to year;



# FINANCIAL HIGHLIGHTS



## FINANCIAL HIGHLIGHTS

### TETA Financial Performance

<i>Revenue</i>	<i>Notes</i>	<i>2020/21 R'000</i>	<i>2019/20 R'000</i>	<i>Difference R'000</i>	<i>% Decrease</i>
Administration	2	65 671	102 832	-37 161	-57%
Mandatory grants	2	125 843	195 637	-69 794	-55%
Discretionary grants	2	371 091	584 054	-212 963	-57%
		<b>562 605</b>	<b>883 709</b>	<b>-321 104</b>	<b>-57%</b>
<b>Expenses</b>					
Administration	2	97 479	10 639	-4 160	-4%
Mandatory grants	2	99 738	152 538	-52 799	-53%
Discretionary and other grants	2	523 053	558 629	-35 576	-7%
		<b>720 270</b>	<b>812 806</b>	<b>-92 536</b>	<b>-13%</b>
Net Surplus		<b>-157 665</b>	<b>70 903</b>	<b>-86 762</b>	<b>-55%</b>



## TETA Financial Performance

Revenue	Total	Admin fund	Mandatory Grant Fund	Discretionary Grant Fund
<i>Total revenue</i>	562 605	66 898	125 843	386 864
<i>Expenditure</i>	720 270	97 479	99 738	523 053
<i>Surplus</i>	-157 665	-30 581	25 105	-153 189
<i>Expenditure as % of revenue 2020/21</i>	128%	146%	79%	135%
<i>Expenditure as % of revenue 2019/20</i>	92%	98%	78%	96%

## TETA Financial Performance vs Budget

Revenue	Total	Admin fund	Mandatory Grant Fund	Discretionary Grant Fund
<i>Total revenue</i>	661 954	562 605	99 349	Levies received were less than the anticipated, this was 57% decrease from prior year
<i>Expenditure</i>	692 620	720 270	-27 650	DG expenditure was the less than the anticipated with a -7% decrease from prior year
<i>Surplus</i>	-30 666	-30 666		

# FINANCIAL HIGHLIGHTS



## FINANCIAL HIGHLIGHTS

### TETA Financial Position

	2020/21 R'000	2019/20 R'000	Difference R'000
<i>Total assets</i>	1 147 318	1 337 564	-190 246
<i>Total liabilities</i>	41 220	73 800	-32 580
<i>Total funds and reserves</i>	1 106 098	1 263 764	-157 666
<i>Total commitments</i>	1 024 721	992 210	32 511





## CONTACT US:

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✉ Private Bag X10016 | Randburg | 2125

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RP126/2021

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& training

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Higher Education and Training  
REPUBLIC OF SOUTH AFRICA